

SURVEILLANCE CREDIT RATING REPORT AL RAFI & RIFAT TRADERS



Ref. no.: FR/2022/25918

Report Contents:

Particulars	Page
Rating Rationale	1
Entity Profile	2
Business Management	2
Business Analysis	3
Financial Position Analysis	3
Banking Relationship	4
Risk Factor Analysis	5
Rating Observation	5

SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	11 October 2022	10 October 2023

WCRSE 3 rating is equivalent to Bangladesh Bank SME rating scale of SME 3 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
National Bank Limited	CC (H)	5.00	4.89	10.10.2022

BDT. in million

Financial Based on-unaudited financial statements up to 31st December 2021.

Methodology: SME rating methodology published on the WCRCL website at www.wasocreditrating.com

Key Snapshot:

Particulars	2021	2020
Revenue	47.50	47.00
EBIT	1.89	2.46
Net Profit	1.78	2.35
Total Assets	15.78	16.00
Total Equity	10.48	9.97
Total debt	5.30	6.03
Net Profit Margin (%)	3.7%	5.0%
CCC (Days)	110	111

RATING RATIONALE

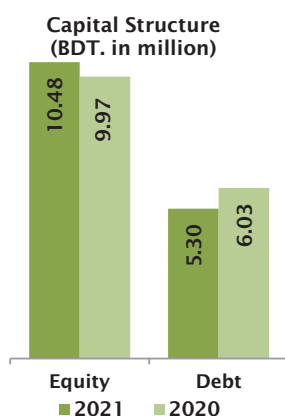
WCRCL has assigned 'WCRSE 3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to Al Rafi & Rifat Traders (hereinafter referred as "ARRT" or "The Enterprise") based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance.

The above rating has been assigned based on the fundamentals of the enterprise which includes:

- Experienced and skilled management
- Satisfactory banking relationship
- Good mortgage security coverage against loan
- Low levered capital structure
- Good net worth of the proprietor

However, the above rating has been moderated to some extent due to some factors like:

- Tight liquidity position with long cash conversion cycle
- No insurance coverage
- Low disclosure of financial statements
- Low management information system (MIS) and Manual accounting system



Analysts:

Juthi Khanum
juthi@wasocreditrating.com

Md. Al Amin Jewel
jewel@wasocreditrating.com

The SME rating implies that the enterprise is adjudged above average level of credit worthiness in relation to other small enterprises.

WCRCL also viewed the enterprise with "Stable" outlook and believes that ARRT will be able to maintain its good fundamentals in the foreseeable future.