

# INITIAL CREDIT RATING REPORT ARIF ENTERPRISE



Ref. no.: FR/2023/030529

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## Key Snapshot:

BDT. in million			
Particulars	2022	2021	
Revenue	297.84	270.76	
EBIT	37.09	33.69	
Net Profit	30.05	26.26	
Total Assets	89.48	100.31	
Total Equity	58.35	74.59	
Total debt	31.12	25.72	
Net Profit Margin (%)	10.1	9.7	
CCC (Days)	76	92	
ICR (X)	91.58	74.96	



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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 4	Stable	28 March 2023	27 March 2024

WCRSE 4 rating is equivalent to Bangladesh Bank SME rating scale of SME 4 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093

**Methodology:** SME rating methodology published on the WCRCL website at [www.wasocreditrating.com](http://www.wasocreditrating.com)

## RATING RATIONALE

WCRCL has assigned 'WCRSE 4' (pronounced as WASO Credit Rating Small Enterprise Four) rating under the SME Rating to Arif Enterprise (hereinafter referred as "AE" 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
- Owned business premises and storage facility
- Good business network
- Low levered capital structure
- Good interest coverage position

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

- Lack of disclosure in the financial statements
- Small scale in the business
- Tight liquidity position considering long cash conversion cycle
- No insurance coverage
- Low management information system (MIS) and Manual accounting system

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

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