

3rd SURVEILLANCE CREDIT RATING REPORT A.R ENTERPRISE



Ref. no.: FR/2023/033028

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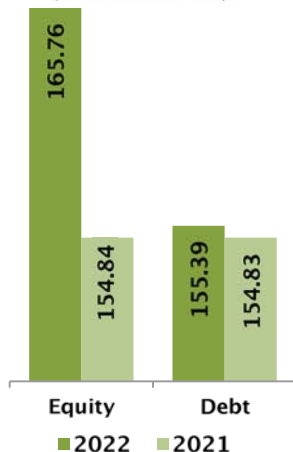
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Key Snapshot:

BDT. in million

Particulars	2022	2021
Revenue	530.56	529.76
EBIT	45.26	40.89
Net Profit	30.92	25.11
Total Assets	321.15	309.67
Total Equity	165.76	154.84
Total debt	155.39	154.83
Net Profit Margin (%)	5.8%	4.7%
CCC (Days)	173.10	167.24
ICR (X)	3.82	2.97

Capital Structure
(BDT. in million)



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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	08 August 2023	17 August 2024

BDT. in million

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
Islami Bank Bangladesh Limited	Bai-Murabaha	150.00	163.35	06.08.2023

Financial Based on—Audited financial statements up to 31 December 2022.

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

RATING RATIONALE

WCRCL has reaffirmed ‘**WCRSME3**’ (pronounced as WASO Credit Rating Small & Medium Enterprise Three) rating under the SME Rating to **A.R Enterprise** (hereinafter referred as “**ARE**” 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:

- Good business network
- Long business experiences of the Proprietor
- Good personal net worth of the Proprietor
- Moderate levered capital structure
- Good interest coverage position
- Comfortable security arrangement against loan
- Satisfactory banking relationship

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

- Average disclosure of financial statement
- Market saturation or high competition
- Tight liquidity position with long cash conversion cycle
- Price volatility of the products
- No insurance coverage

The SME rating implies that the enterprise is adjudged to **above average** credit quality.

WCRCL also viewed the enterprise with “**Stable**” outlook and believes that **ARE** will be able to maintain its good fundamentals in the foreseeable future. This rating may be revised in case of any extraordinary changes in line with the sponsor’s equity investment, debt obligations, management, business operations and/or changes in any macro and micro factors in the economy.