

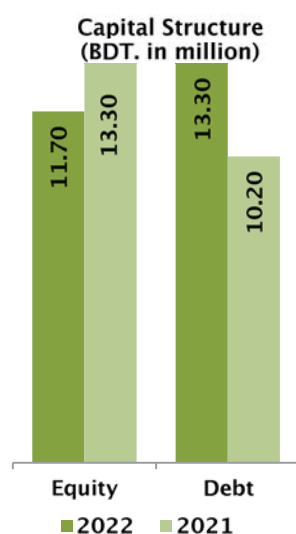
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Key Snapshot:

BDT. in million

Particulars	2022	2021
Revenue	60.00	45.00
EBIT	5.11	5.74
Net Profit	4.20	4.80
Total Assets	25.00	23.50
Total Equity	11.70	13.30
Debt	13.30	10.20
Net Profit Margin (%)	7.0%	10.7%
CCC (Days)	115	141
ICR (X)	5.63	6.11



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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	08 August 2023	30 August 2024

Financial Based on—Management prepared financial statements up to 31st December 2022.

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

RATING RATIONALE

WCRCL has upgraded and assigned 'WCRSME3' (pronounced as WASO Credit Rating Small & Medium Enterprise Three) rating under the SME Rating to Afrah 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
- Satisfactory banking relationship
- Good business network
- Good interest coverage position
- Sales revenue and net profit was in increasing position
- Good security coverage

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

- Lack of disclosure in the financial statements
- Tight liquidity position
- Moderate levered capital structure
- No insurance policy

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 AE 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.