

# 1<sup>st</sup> SURVEILLANCE CREDIT RATING REPORT AREFIN AND ALAM STORE



Ref. no.: FR/2023/032193

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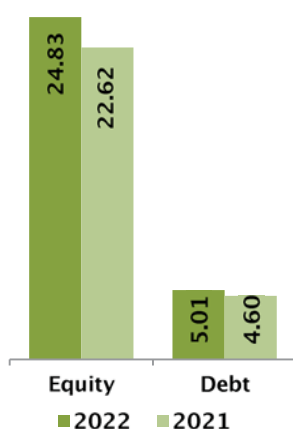
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## Key Snapshot:

BDT. in million

Particulars	2021	2022
Revenue	100.00	115.00
EBIT	8.41	8.75
Net Profit	6.00	6.12
Total Assets	27.22	29.84
Total Equity	22.62	24.83
Total debt	4.60	5.01
Net Profit Margin (%)	6.0	5.3
CCC (Days)	77	73
ICR (X)	3.84	3.63

Capital Structure  
(BDT. in million)



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SME Rating	WCRSME	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	04 July 2023	28 June 2024

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

## RATING RATIONALE

WCRCL has reaffirmed 'WCRSME3' (pronounced as WASO Credit Rating Small and Medium Enterprise Three) rating under the SME Rating to Arefin and Alam Store (hereinafter referred as "AAS" 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
- Good business network
- Satisfactory banking relationship
- Good mortgage security coverage against loan
- Low levered capital structure
- Good interest coverage position

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

- Low disclosure of financial statements
- Tight liquidity position with long cash conversion cycle
- Small scale of business
- Low management information system (MIS) and Manual accounting system

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 AAS 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.