

# 3<sup>rd</sup> SURVEILLANCE CREDIT RATING REPORT ARIAN ENTERPRISE



Ref. no.: FR/2023/33932

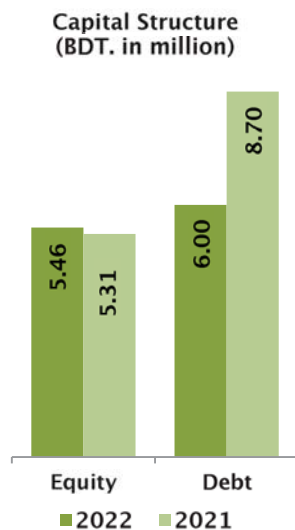
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## Key Snapshot:

BDT. in million

Particulars	2022	2021
Revenue	18.00	22.50
EBIT	1.19	1.69
Net Profit	0.78	0.90
Total Assets	11.46	13.97
Total Equity	5.46	5.31
Total debt	6.00	8.70
Net Profit Margin (%)	4.3%	4.0%
CCC (Days)	135	108
ICR (X)	2.87	2.14



## Analysts:

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SME Rating	Rating Notches	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	26 September 2023	25 September 2024

BDT. in million

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
Mercantile Bank PLC	CC (H)	4.50	4.64	21.09.2023

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

*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 & Medium Enterprise Three) rating under the SME Rating to Arian 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
- Satisfactory banking relationship
- Good mortgage security coverage against loan
- Good business network

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

- Tight liquidity position with long cash conversion cycle
- Highly levered capital structure
- Low interest coverage ratio
- Low disclosure of financial statements

The rating implies that the enterprise has an 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.