

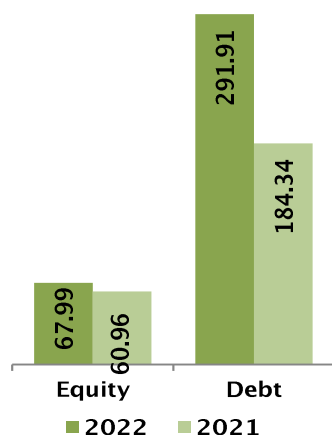
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## Key Snapshot:

*BDT. in million*

Particulars	FY22	FY21
Revenue	409.34	316.63
EBIT	30.98	64.92
Net Profit	28.32	63.90
Assets	359.90	245.30
Equity	67.99	60.96
Debt	291.91	184.34
Net Profit Margin (%)	6.9%	20.2%
Current Ratio (X)	63.28	-43.23
ICR (X)	11.63	63.87

Capital Structure  
(BDT. in million)

## Analysts:

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Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	A-	ST 3	Stable	19 September 2023	18 September 2024

*BDT. In million*

Bank's Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Bank Loan Rating
Shahjalal Islami Bank Limited (26.08.2023)	LC	50.00	22.60	blr ST 3
	Murabaha TR (Inner limit of LC)	(20.00)	-	
	Bai-Muajjal TR-1	33.00	11.00	
	Bai-Muajjal TR-2	30.00	20.00	
United Finance Limited (28.08.2023)	BG	150.00	64.30	blr A-
	Term Loan-I	30.00	23.72	
	Term Loan-II	50.00	29.21	
	Bai-Muajjal (WO)	20.00	43.49	
EXIM Bank Limited (23.08.2023)	Bai-Muajjal	50.00	4.98	blr ST 3
	L/C (Sight)	15.00	29.46	
	BG	150.00	-	
Standard Chartered Bank (30.08.2023)	Term Loan	10.00	10.00	blr A-

*Financial Based on—Audited financial statements up to 30 June 2022.*

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

## RATING RATIONALE

WCRCL has reaffirmed 'A-' (pronounced as Single A Minus) rating for the Long Term and 'ST 3' (pronounced as Short Term Three) rating for Short Term to **Arman Engineering** (hereinafter referred to as 'AE' or 'The Enterprise') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating declaration. WCRCL has also assigned "blr A-" (pronounced as Bank Loan Rating Single A Minus) rating to the aggregate long term loan outstanding and 'blr ST 3' (pronounced as Bank Loan Rating Short Term Three) rating to the aggregate short term loan limit.

The above ratings have been assigned based on the fundamentals of the enterprise which include; experienced and skilled management, owned business premises and storage facility, satisfactory banking relationship, good mortgage security coverage against loan, good business network, good interest coverage position, and have sister concern support. However, the above factors are constrained by tight liquidity position with long cash conversion cycle, highly levered capital structure, moderated disclosure of financial statements, and no insurance coverage for the inventory in stock.

The long term rating implies that the enterprise has moderately good credit quality. The short term rating implies that the enterprise has average ability to meet short term financial commitments.

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.