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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	17 October 2023	16 October 2024

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

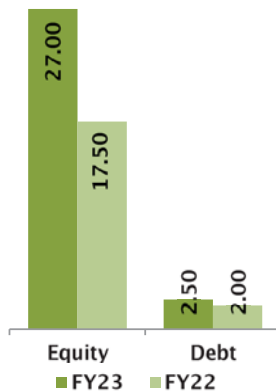
#### RATING RATIONALE

#### Key Snapshot:

*Tk. in million*

Particulars	FY23	FY22
Revenue	87.50	75.00
EBIT	15.70	14.95
Net Profit	11.95	11.45
Total Assets	29.50	19.50
Total Equity	27.00	17.50
Debt	2.50	2.00
Net Profit Margin (%)	13.7	15.3
ICR (X)	4.19	4.27

Capital Structure  
(BDT. in million)



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WCRCL has assigned 'WCRSME3' (pronounced as WASO Credit Rating Small and Medium Enterprise Three) rating under the SME Rating to **Ariz and Anas Enterprise** (hereinafter referred to as 'AAE' or 'The Enterprise') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating assessment.

The above rating has been assigned based on the fundamentals of the enterprise which includes:

- Experienced and skilled management
- Good business network and maintained sound business relation with supplier & buyer
- Good Profitability margin
- Low levered capital structure
- Comfortable interest coverage position

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

- Low disclosure in the financial statements
- Tight liquidity position considering long cash conversion cycle
- No insurance coverage for the inventory in stock
- Manual accounting system

The SME rating implies that the enterprise has above average credit quality.

WCRCL also viewed the enterprise with "Stable" outlook and believes that AAE 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.