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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	19 December 2023	26 December 2024

Financial Based on- unaudited financial statements up to 31st December 2022.

Methodology: SME rating methodology published on the WCRCL website at 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 A. Rahim and Sons (hereinafter referred as “ARS” 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
- Maintained sound business relation with supplier & buyer
- Owned business premises

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

- No disclosure of financial statements
- Manual accounting system
- Tight liquidity position
- High levered capital structure

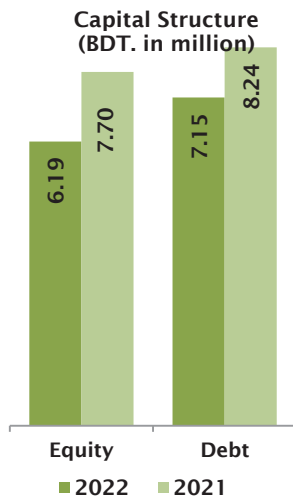
The SME rating implies that the enterprise is adjudged to above average credit quality.

WCRCL also viewed the enterprise with “Stable” outlook and believes that ARS 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.

Key Snapshot:

BDT. in million

Particulars	2022	2021
Revenue	18.00	21.28
EBIT	1.19	2.30
Net Profit	0.74	1.81
Total Assets	13.34	15.94
Total Equity	6.19	7.70
Debt	7.15	8.24
Net Profit Margin (%)	4.1	8.5
CCC (Days)	213	193
ICR (X)	2.64	4.69



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