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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	12 December 2023	22 December 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 & Medium Enterprise Three) rating under the SME Rating to **Arifa Traders** (hereinafter referred as “AT” 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
- Low levered capital structure
- Good interest coverage position
- Satisfactory banking relationship
- Good mortgage security coverage against loan

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

- Tight liquidity position with long cash conversion cycle
- Poor disclosure of financial statements
- Manual accounting system

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

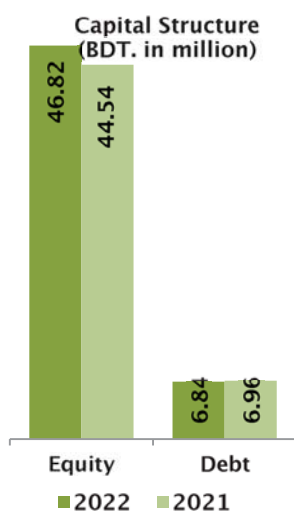
WCRCL also viewed the enterprise with “Stable” outlook and believes that AT will be able to maintain its good fundamentals in the foreseeable future.

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	105.02	102.05
EBIT	5.46	5.05
Net Profit	4.79	4.54
Total Assets	53.66	51.49
Total Equity	46.82	44.54
Total debt	6.84	6.96
Net Profit Margin (%)	4.6%	4.4%
CCC (Days)	103	102
ICR (X)	8.32	10.17



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