

SURVEILLANCE CREDIT RATING REPORT REZA ENTERPRISE



Ref. no.: FR/2022/25978

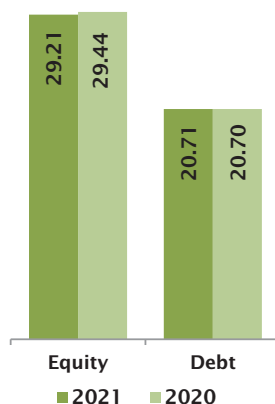
Report Contents:

Particulars	Page
Rating Rationale	1
Entity Profile	2
Business Management	2
Business Analysis	3
Financial Position Analysis	3
Banking Relationship	4
Risk Factor Analysis	5
Rating Observation	5

Key Snapshot:

Particulars	2021	2020
Revenue	35.00	24.03
EBIT	3.92	3.11
Net Profit	2.10	0.80
Total Assets	49.92	50.14
Total Equity	29.21	29.44
Debt	20.71	20.70
Net Profit Margin (%)	6.0	3.3
CCC (Days)	564	850
ICR (X)	2.17	1.35

**Capital Structure
(BDT. in million)**



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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	31 August 2021	30 August 2022

WCRSE 3 rating is equivalent to Bangladesh Bank SME rating scale of SME 3 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
National Bank Limited	CC (H)	10.00	9.16	10.10.2022

Financial Based on-Unaudited financial statements up to 31st December 2021.

Methodology: SME rating methodology published on the WCRCL website at www.wasocreditrating.com

RATING RATIONALE

WCRCL has reaffirmed 'WCRSE 3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to **Reza Enterprise** (hereinafter referred as "RE" 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 & skilled management
- Satisfactory banking relationship
- Low levered capital structure
- Good security coverage against loan
- Owned business warehouses
- Good interest coverage position

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

- No insurance coverage
- Tight liquidity position with long cash conversion cycle
- Low disclosure of financial statements
- Low management information system (MIS) and Manual accounting system

The SME rating implies that the enterprise is adjudged above average level of credit worthiness in relation to other small enterprises.

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