

# INITIAL CREDIT RATING REPORT RN YAKUB & BROTHERS PVT. LTD.

Ref. no.: FR/2023/032132

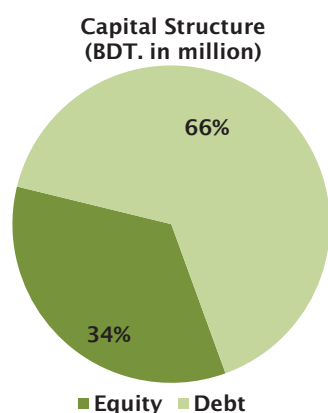


## Report Contents:

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

## Key Snapshot:

BDT. in million		
Particulars	2022	2021
Revenue	247.79	19.80
EBIT	41.89	3.23
Net Profit	20.41	2.26
Total Assets	80.51	15.18
Total Equity	27.67	7.26
Total debt	52.84	7.91
Net Profit Margin (%)	8.2%	11.4%
CCC (Days)	37	110.00
ICR (X)	13.52	n/a



## Analysts:

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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSME2	Stable	04 July 2023	03 July 2024

WCRSME 2 rating is equivalent to Bangladesh Bank SME rating scale of SME 2 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093

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

## RATING RATIONALE

WCRCL has assigned 'WCRSME2' (pronounced as WASO Credit Rating Small Enterprise Two) rating under the SME Rating to RN Yakub & Brothers Pvt. Ltd. (hereinafter referred as "RY&BPL" or "The Company") 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
- Satisfactory banking relationship
- Good business network
- Good profitability margin
- Good interest coverage position

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

- Tight liquidity position with long cash conversion cycle
- Highly levered capital structure
- No insurance coverage
- Medium disclosure of financial statements

The SME rating implies that the enterprise is adjudged to very strong level of credit worthiness in relation to other small and medium enterprises.

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