

INITIAL CREDIT RATING REPORT RAFIK PAPER HOUSE



Ref. no.: FR/2023/32346

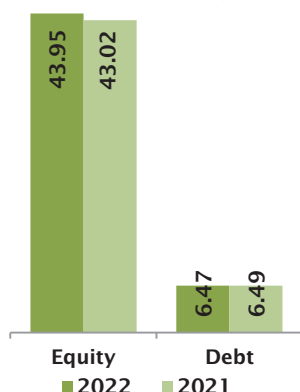
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Key Snapshot:

BDT. in million		
Particulars	2022	2021
Revenue	86.21	75.28
EBIT	12.32	10.93
Net Profit	11.33	9.96
Total Assets	50.42	49.50
Total Equity	43.95	43.02
Debt	6.47	6.49
Net Profit Margin (%)	13.1	13.2
CCC (Days)	186	215
ICR (X)	12.45	11.21

Capital Structure
(BDT. in million)



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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSME 3	Stable	04 July 2023	03 July 2024

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

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

RATING RATIONALE

WCRCL has assigned 'WCRSME 3' (pronounced as WASO Credit Rating Small and Medium Enterprise Three) rating under the SME Rating to Rafik Paper House (hereinafter referred as "RPH" 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
- Long experience track of the proprietor
- Owned business premises
- Good interest coverage position
- Low levered capital structure

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

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

The SME rating implies that the enterprise is adjudged to above average credit quality in relation to other small and medium enterprises.

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