

INITIAL CREDIT RATING REPORT
RAHMAN BRICKS
Ref. no.: FR/2023/33182



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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	22 August 2023	21 August 2024

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

RATING RATIONALE

WCRCL has assigned 'WCRSME3' (pronounced as WASO Credit Rating Small and Medium Enterprise Three) rating under the SME Rating to Rahman Bricks (hereinafter referred as "RB" 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
- Maintained sound business relation with supplier & buyer
- Owned business premises and storage facility
- Good Profitability margin
- Low levered capital structure
- Comfortable interest coverage position
- Satisfactory banking relationship
- Good mortgage security coverage against loan

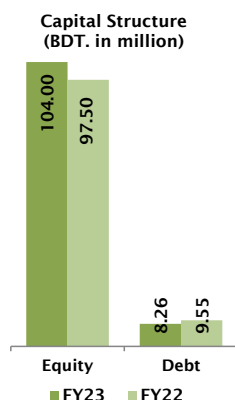
However, the above rating has been moderated to some extent due to some factors like:

- Low disclosure in the financial statements
- Tight liquidity position considering long cash conversion cycle
- No insurance coverage for the inventory in stock
- Manual accounting system

Key Snapshot:

Tk. in million

Particulars	FY23	FY22
Revenue	56.01	55.09
EBIT	12.56	11.71
Net Profit	12.30	11.45
Total Assets	112.26	107.05
Total Equity	104.00	97.50
Debt	8.26	9.55
Net Profit Margin (%)	22.0	20.8
CCC (Days)	102	101
ICR (X)	48.47	45.73



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

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