

6th SURVEILLANCE CREDIT RATING REPORT RAJ KHADDA VANDAR

Ref. no.: FR/2023/33036



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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	08 August 2023	07 August 2024

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

RATING RATIONALE

WCRCL has reaffirmed 'WCRSME3' (pronounced as WASO Credit Rating Small and Medium Enterprise Three) rating under the SME Rating to **Raj Khadda Vandar** (hereinafter referred to as 'RKV' or "The Enterprise") based on its financial and other relevant qualitative and quantitative information up-to the date of the rating declaration.

The above rating has been assigned based on the fundamentals of the enterprise which includes:

- Experienced and skilled management
- Owned business premises and storage facility
- Satisfactory banking relationship
- Moderate profitability Condition
- Low levered capital structure
- Good interest coverage position

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

- Average disclosure in the financial statements
- Manual accounting system
- Competition intensity is high
- Long Cash Conversion Cycle

The SME rating implies that the enterprise is adjudged to above average credit quality.

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

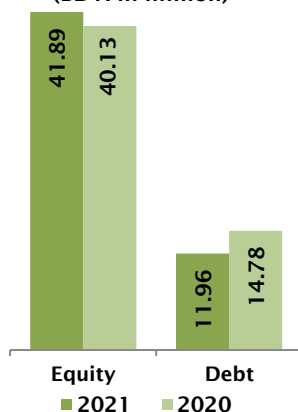
This rating may be revised in case of any extraordinary changes in line with the sponsor's equity investment, debt obligations, management, business operations and/or changes in any macro and micro factors in the economy.

Key Snapshot:

Tk. In million

Particulars	2021	2020
Revenue	54.21	50.41
EBIT	5.92	5.61
Net Profit	4.64	4.31
Total Assets	53.85	54.91
Total Equity	41.89	40.13
Debt	11.96	14.78
Net Profit Margin (%)	8.6	8.5
CCC (Days)	210	230
ICR (X)	6.97	6.23

Capital Structure
(BDT. in million)



Analysts:

Md. Rifat Ahmed
rifat@wasocreditrating.com

Md. Rafiul Bary
rafi@wasocreditrating.com