

3rd SURVEILLANCE CREDIT RATING REPORT RAKIB CHAUL KAL



Ref. no.: FR/2023/31811

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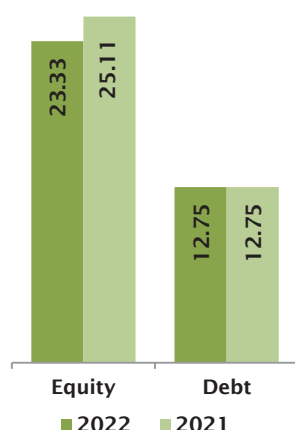
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Key Snapshot:

BDT. in million

Particulars	2022	2021
Revenue	127.25	148.01
EBIT	8.80	9.75
Net Profit	7.46	8.46
Total Assets	36.07	37.86
Total Equity	23.33	25.11
Debt	12.75	12.75
Net Profit Margin (%)	5.9	5.7
CCC (Days)	53	35
ICR (X)	8.89	9.85

Capital Structure
(BDT. in million)



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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	12 June 2023	14 June 2024

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
AB Bank Limited	OD	10.00	9.40	11.06.2023
	Time Loan	1.00		

Financial Based on-unaudited financial statements up to 31st December 2022.

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 Rakib Chaul Kal (hereinafter referred as "RCK" 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
- Owned business premises and storage facility
- Satisfactory banking relationship
- Good mortgage security coverage against loan
- Good interest coverage position
- Low levered capital structure

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

- Low disclosure of financial statements
- Tight liquidity position with long cash conversion cycle
- 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 RCK 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.