

2nd SURVEILLANCE CREDIT RATING REPORT RASEL FABRICS



Ref. no.: FR/2023/031891

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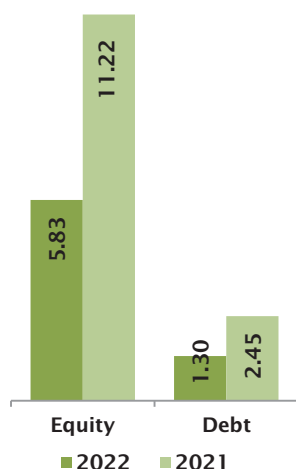
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Key Snapshot:

BDT. in million

| Particulars | 2022 | 2021 |
|-----------------------|-------|-------|
| Revenue | 34.66 | 27.00 |
| EBIT | 14.41 | 4.80 |
| Net Profit | 13.19 | 4.67 |
| Total Assets | 34.63 | 33.23 |
| Total Equity | 27.25 | 28.76 |
| Debt | 7.38 | 4.47 |
| Net Profit Margin (%) | 38.0% | 17.3% |
| CCC (Days) | 381 | 414 |
| ICR (X) | 11.84 | 38.38 |

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 | 13 June 2024 |

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

BDT. in million

| Bank Name | Mode of Investment | Sanctioned Amount | Outstanding Amount | Date of Outstanding |
|---------------------|--------------------|-------------------|--------------------|---------------------|
| Uttara Bank Limited | CC (H) | 8.00 | -- | 10.05.2023 |

Financial Based on-unaudited financial statements up to 31 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 **Rasel Fabrics** (hereinafter referred as "RF" 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
- Owned business premises
- Good business network
- Good mortgage security coverage against loan
- Low levered capital structure
- Satisfactory banking relationship

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
- No insurance coverage
- Low management information system (MIS) and Manual accounting system

The SME rating implies that the enterprise is adjudged to **above average level** of credit worthiness in relation to other small enterprises.

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