

INITIAL CREDIT RATING REPORT RASHED CORPORATION



Ref. no.: FR/2023/33290

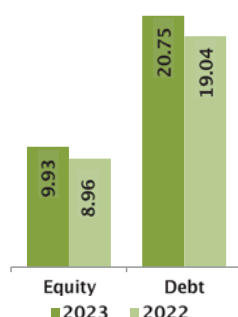
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Key Snapshot:

BDT. in million			
Particulars	2023	2022	
Revenue	52.02	46.53	
EBIT	5.66	4.24	
Net Profit	4.54	3.35	
Total Assets	30.68	28.01	
Total Equity	9.93	8.96	
Total debt	20.75	19.04	
Net Profit Margin (%)	8.7	7.2	
CCC (Days)	198	213	
ICR (X)	6.69	6.44	

Capital Structure
(BDT. in million)



Analysts:

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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	30 August 2023	29 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 Rashed Corporation (hereinafter referred as "RC 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:

- Long business experience of the proprietor in the business
- Good business network
- Good Profitability margin
- Low levered capital structure
- Comfortable interest coverage position

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

- Small Scale in the business
- Tight liquidity position considering long cash conversion cycle
- No insurance coverage for the inventory in stock

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

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