CREDIT RATING REPORT
RIAZ ENTERPRISE

Ref. no.: FR/2023/032223

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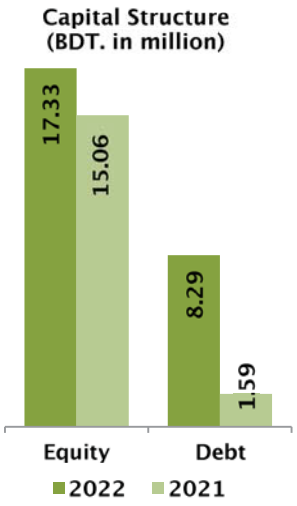
Key Snapshot:

BDT. in million

Particulars	2022	2021
Revenue	18.50	16.50
EBIT	6.05	5.51
Net Profit	5.54	5.27
Total Assets	25.62	16.65
Total Equity	17.33	15.06
Total debt	8.29	1.59
Net Profit Margin (%)	29.9%	31.9%
CCC (Days)	202	125
ICR (X)	12.66	25.40



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SME Rating	WCRSME	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	04 July 2023	03 July 2024

WCRSME3 rating is equivalent to Bangladesh Bank SME rating scale of SME 3 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093

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 & Medium Enterprise Three) rating under the SME Rating to Riaz Enterprise (hereinafter referred as "RE" 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
- Satisfactory banking relationship
- Good mortgage security coverage against loan
- Good business network
- Low levered capital structure
- Good interest coverage position

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

- Tight liquidity position with long cash conversion cycle
- No insurance coverage for the inventory in stock
- Lack of disclosure in the financial statements
- Low management information system (MIS) and Manual accounting system

The SME rating implies that the enterprise is adjudged to above average credit quality to other small & medium enterprises.

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