

INITIAL CREDIT RATING REPORT RIKU TRADERS



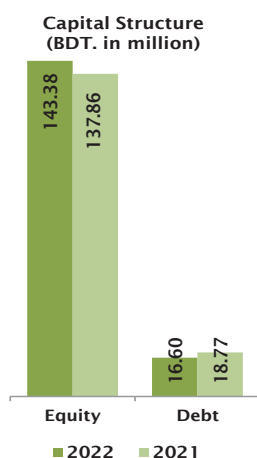
Ref. no.: FR/2023/32066

Report Contents:

Particulars	Page
Rating Rationale	1
Entity Profile	2
Business Management	2
Market Review	2
Business Analysis	3
Financial Position Analysis	3
Banking Relationship	4
Risk Factor Analysis	5
Rating Observation	5

Key Snapshot:

BDT. in million		
Particulars	2022	2021
Revenue	192.97	188.95
EBIT	13.82	13.58
Net Profit	12.50	12.22
Total Assets	159.99	156.63
Total Equity	143.38	137.86
Total debt	16.60	18.77
Net Profit Margin (%)	6.5	6.5
CCC (Days)	108	107
ICR (X)	44	37



Analysts:

Md. Ashraful Islam
ashraful@wasocreditrating.com

Md. Rafiul Bary
rafi@wasocreditrating.com

SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 2	Stable	12 June 2023	11 June 2024

WCRSE 2 rating is equivalent to Bangladesh Bank SME rating scale of SME 2 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 'WCRSE 2' (pronounced as WASO Credit Rating Small Enterprise Two) rating under the SME Rating to Riku Traders (hereinafter referred as "RT" 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 and storage facility
- Satisfactory banking relationship
- Good mortgage security coverage against loan
- Good business network
- Low levered capital structure

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

- Tight liquidity position with long cash conversion cycle
- Average disclosure of financial statements
- Low management information system (MIS) and Manual accounting system

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

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