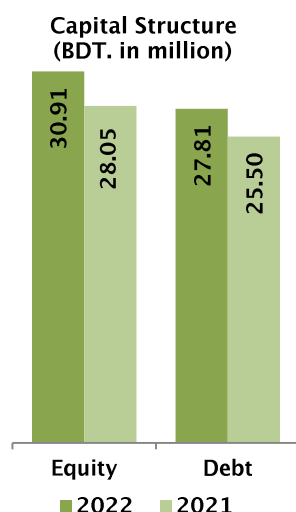


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Key Snapshot:

Tk. in Million		
Particulars	2022	2021
Revenue	101.13	87.94
EBIT	12.82	11.00
Net Profit	10.62	9.00
Total Assets	58.72	53.55
Total Equity	30.91	28.05
Debt	27.81	25.50
Net Profit Margin (%)	10.5%	10.2%
CCC (Days)	152	166
ICR (X)	5.83	5.50

**Analysts:**

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

Tk. in Million				
Bank	Facility	Limit Amount	Outstanding Amount	Outstanding Date
Uttara Bank Limited	CC (Hypo)	15.00	6.357	30.05.2023
Total		15.00	6.357	

Financial Based on: Unaudited financial statements for 2022 and 2021.

Methodology: SME rating methodology published on the WCRCL website at www.wasocreditrating.com

RATING RATIONALE

WCRCL has reaffirmed **WCRSME3** (Pronounced WASO Credit Rating Small & Medium Enterprise Three) rating to **Royal Fabrics** (hereinafter referred to as 'RF' or 'The enterprise') based on its financial and other relevant qualitative and quantitative information up-to the date of the enterprise.

The above rating has been assigned based on long experience of the Promoter helps to form stronger relationship with suppliers, customers and lenders, satisfactory coverage position of the concern, comfortable interest coverage position, low levered concern etc. However, the above factors are constrained to some extent by poor disclosure in financial statements, risk associated with procurement of products, small scales of operation, high competitive intensity of the traded products, and liquidity of the firm was in stressed position due to payment nature of the customers.

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

WCRCL also viewed the enterprise with **Stable** outlook and believes that **RF** 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.