

# INITIAL CREDIT RATING REPORT RAJ HOUSING LIMITED

Ref. no.: FR/2023/032773



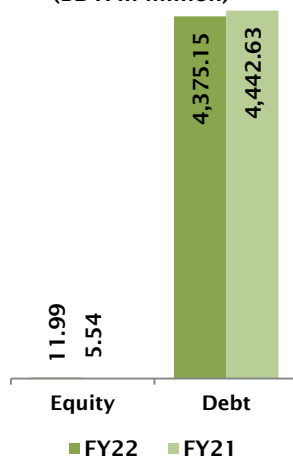
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## Key Snapshot:

Tk. in million		
Particulars	FY22	FY21
Revenue	658.14	550.26
EBIT	388.62	355.85
Net Profit	6.45	3.02
Total Assets	4,387.14	4,448.16
Total Equity	11.99	5.54
Debt	4,375.15	4,442.63
Net Profit Margin (%)	1.0%	0.5%
CCC (Days)	1,505	2,129
ICR (X)	1.03	1.01

Capital Structure  
(BDT. in million)



## Analysts:

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Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	BBB-	ST 4	Stable	04 July 2023	03 July 2024

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
IFIC Bank Limited	OD	3,925.00	4,018.39	30.06.2023

*Financial Based on- Unaudited financial statements up to 30 June 2022.*

*Methodology: Corporate rating methodology published on the WCRCL website at [www.wasocreditrating.com](http://www.wasocreditrating.com)*

## RATING RATIONALE

WCRCL has assigned 'BBB-' (pronounced Triple B Minus) rating for the Long Term and 'ST 4' (pronounced as Short Term Four) rating for Short Term to **Raj Housing Limited** (hereinafter referred to as '**RHL**' or '**The Company**') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance. WCRCL assigned 'blr BBB-' (pronounced Bank Loan Rating Triple B Minus) rating for Long Term bank Loan.

The above ratings have been assigned based on the fundamentals of the company which include experienced and skilled management, comfortable security arrangement, availability of the supply of raw materials and own equipment and machinery. However, the above factors are constrained to highly levered capital structure, tight working capital requirement, stressed liquidity position with long cash conversion cycle and high inventory pile-up affecting working capital.

The long term rating implies that the entity is subject below average credit quality. The short term rating implies that below average ability to meet short term financial commitments.

WCRCL also viewed the company with "Stable" outlook and believes that RHL 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