

# INITIAL CREDIT RATING REPORT RAJ TRADING

Ref. no.: CRAR-18367/2023



## Report Contents:

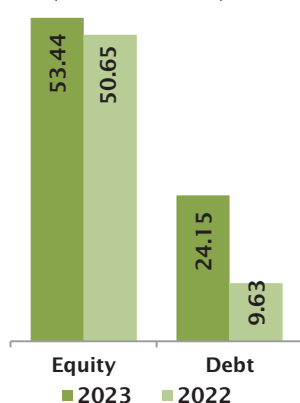
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## Key Snapshot:

BDT. in million

Particulars	2023	2022
Revenue	67.09	64.03
EBIT	6.05	5.96
Net Profit	4.30	4.95
Total Assets	77.59	60.28
Total Equity	53.44	50.65
Debt	24.15	9.63
Net Profit Margin (%)	6.4	7.7
CCC (Days)	210	155
ICR (X)	3.46	5.96

Capital Structure  
(BDT. in million)



## Analysts:

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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	21 November 2023	20 November 2024

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

- Long business experiences of the proprietor in the business
- Low levered capital structure
- Good liquidity position with short cash conversion cycle
- Comfortable interest coverage position

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

- Low disclosure in the financial statements
- Tight liquidity position considering long cash conversion cycle
- No insurance coverage for the inventory in stock
- Manual accounting system

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

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