

2nd SURVEILLANCE CREDIT RATING REPORT RAIYAN ENTERPRISE



Ref. no.: CRAR-8527/2023

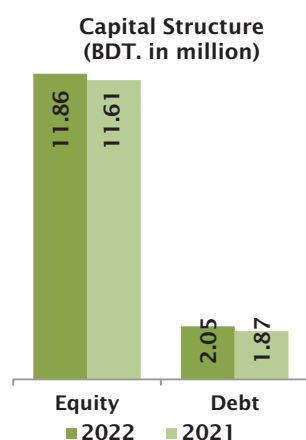
Report Contents:

Particulars	Page
Rating Rationale	1
Entity Profile	2
Owner's Profile	2
Business Management	2
Business Analysis	2
Financial Analysis	3
Banking Relationship	4
Risk Factor Analysis	4
Rating Observation	5

Key Snapshot:

BDT. in million

Particulars	2022	2021
Revenue	12.05	10.48
EBIT	2.25	1.93
Net Profit	2.22	1.91
Total Assets	13.92	13.48
Total Equity	11.86	11.61
Total debt	2.05	1.87
Net Profit Margin (%)	18.4	18.2
CCC (Days)	260	285
ICR (X)	92.83	87.62



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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	19 December 2023	18 December 2024

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

RATING RATIONALE

WCRCL has reaffirmed 'WCRSME3' (pronounced as WASO Credit Rating Small and Medium Enterprise Three) rating under the SME Rating to **Raiyan 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
- Good business network
- Good Profitability margin
- Low levered capital structure
- Comfortable interest coverage position
- Satisfactory banking relationship
- Good mortgage security coverage against loan

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

- No 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 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