

## Report Contents:

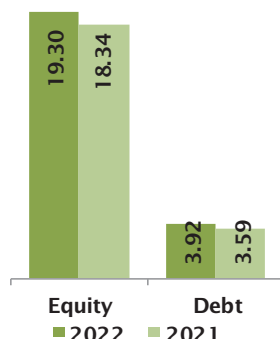
Particulars	Page
Rating Rationale	1
Entity Profile	2
Business Management	2
Business Analysis	2
Financial Analysis	3
Banking Relationship	4
Risk Factor Analysis	4
Rating Observation	5

## Key Snapshot:

BDT. in million

Particulars	2022	2021
Revenue	113.85	99.00
EBIT	3.66	2.35
Net Profit	3.28	2.00
Total Assets	23.22	21.93
Total Equity	19.30	18.34
Total debt	3.92	3.59
Net Profit Margin (%)	2.9%	2.0%
CCC (Days)	30	32
ICR (X)	9.61	6.77

Capital Structure  
(BDT. in million)



## Analysts:

Fatema-Tuj-Jahura Jhumu  
jhumu@wasocreditrating.com

Nazrul Islam  
nazrul@wasocreditrating.com

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 WCRCCL website at [www.wasocreditrating.com](http://www.wasocreditrating.com)

## RATING RATIONALE

WCRCCL has reaffirmed ‘**WCRSME3**’ (pronounced as WASO Credit Rating Small & Medium Enterprise **Three**) rating under the SME Rating to **Rashid Agro Business** (hereinafter referred as “**RAB**” 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 experience of the proprietor in the business
- Low levered capital structure
- Good liquidity position with short cash conversion cycle
- Comfortable interest coverage position
- Satisfactory banking relationship
- Good mortgage security coverage against loan
- Owned business premises and storage facility

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

- Poor disclosure of financial statements
- No insurance coverage for the inventory in stock
- Manual accounting system

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

WCRCCL also viewed the enterprise with “Stable” outlook and believes that **RAB** 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.