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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 4	Stable	28 March 2023	27 March 2024

WCRSE 4 rating is equivalent to Bangladesh Bank SME rating scale of SME 4 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093

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

RATING RATIONALE

WCRCL has downgrade 'WCRSE 4' (pronounced as WASO Credit Rating Small Enterprise Four) rating under the SME Rating to Ikbal Brothers (hereinafter referred as "IB" 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
- Low levered capital structure
- Good interest coverage position

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

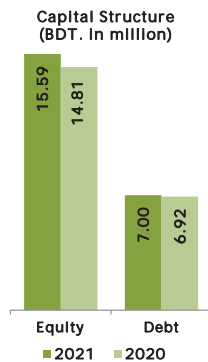
- Lack of disclosure in the financial statements
- Moderate banking relationship
- Tight liquidity position considering long cash conversion cycle
- Inventory holding risk
- Low management information system (MIS) and Manual accounting system

The SME rating implies that the enterprise is adjudged to average level of credit worthiness in relation to other small enterprises.

WCRCL also viewed the enterprise with "Stable" outlook and believes that IB will be able to maintain its good fundamentals in the foreseeable future.

Key Snapshot:

BDT. In million		
Particulars	2021	2020
Revenue	50.31	48.67
EBIT	4.89	5.21
Net Profit	4.89	5.21
Total Assets	22.59	21.73
Total Equity	15.59	14.81
Debt	7.00	6.92
Net Profit Margin (%)	9.7	10.7
CCC (Days)	1378	145
FFO	4.89	5.21



Analysts:

Mst. Irin Akter
irin@wasocreditrating.com

Monira Islam
monira@wasocreditrating.com