

1st SURVEILLANCE CREDIT RATING REPORT LUCKY FOOTWEAR

Ref. no.: FR/2022/028722



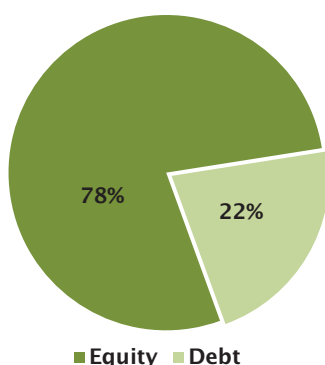
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Key Snapshot:

| Particulars | Tk. In Million 2021 |
|-----------------------|------------------------|
| Revenue | 41.37 |
| EBITDA | 6.33 |
| Net Profit | 5.88 |
| Total Assets | 20.80 |
| Total Equity | 16.24 |
| Debt | 4.56 |
| Net Profit Margin (%) | 14.2% |
| Current Ratio (X) | 130.39 |
| CCC (Days) | 42.99 |
| D/E Ratio (X) | 41.37 |
| ICR (X) | 6.33 |

Capital Structure
(BDT. in million)



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| SME Rating | WCRSE/WCRME | Outlook | Date of Declaration | Date of Expiration |
|------------|-------------|---------|---------------------|--------------------|
| | WCRSE 4 | Stable | 27 December 2022 | 26 December 2023 |

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

Tk. In Million

| Bank Name | Mode of Investment | Sanctioned Amount | Outstanding Amount as on 21.06.2022 |
|--------------------------------|--------------------|-------------------|-------------------------------------|
| Islami Bank Bangladesh Limited | Bai Murabaha TR | 3.00 | 3.24 |

Financial Based on- Unaudited financial statements for the periods ended on 31st December 2021.

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

RATING RATIONALE

WCRCL has assigned 'WCRSE 4' (pronounced as WASO Credit Rating Small Enterprise Four) rating under the SME Rating to Lucky Footwear (hereinafter referred to as 'LF' 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 include strong business network, maintained insurance coverage, low leverage position in the capital structure, moderate liquidity position, good interest coverage ratio and comfortable security arrangement. However, the above rating has been moderated to some extent due to some factors like lack of disclosure in the financial statements, high inventory pile up may cause liquidity problem, unstructured accounting system, small scale of business and price volatility of trading products.

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

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