

INITIAL CREDIT RATING REPORT FORAK STORE

Ref. no.: FR/2023/033679



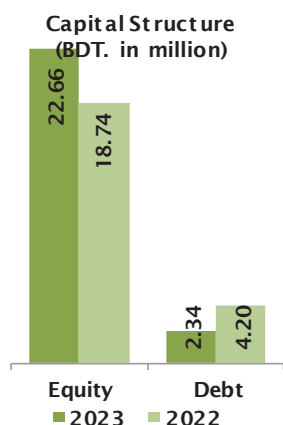
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Key Snapshot:

BDT. in million

Particulars	2023	2022
Revenue	330.00	402.00
EBIT	11.08	10.48
Net Profit	10.92	10.29
Total Assets	25.00	22.93
Total Equity	22.66	18.74
Total debt	2.34	4.20
Net Profit Margin (%)	3.3%	2.6%
CCC (Days)	19.00	19.00
ICR (X)	101.57	78.01



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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	19 September 2023	18 September 2024

Financial Based on- Unaudited financial statements up to 31 March 2023.

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

RATING RATIONALE

WCRCL has assigned 'WCRSME3' (pronounced as WASO Credit Rating Small & Medium Enterprise Three) rating under the SME Rating to **Forak Store** (hereinafter referred as "FS" 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
- Satisfactory banking relationship
- Good business network
- Good interest coverage position
- Low levered capital structure
- Good liquidity position with Short cash conversion cycle

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

- No insurance coverage
- Low disclosure of financial statements
- Low management information system (MIS) and Manual accounting system

The SME rating implies that the enterprise is adjudged to **Above average credit quality**.

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