INITIAL CREDIT RATING REPORT

ISLAM TRADERS

Ref. no.: FR/2023/032500

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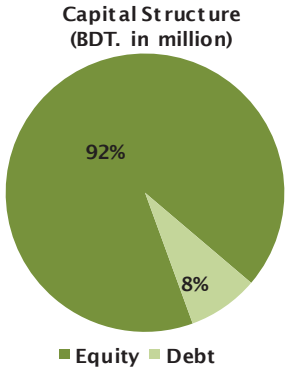
Key Snapshot:

BDT. in million

Particulars	2023	2022
Revenue	35.88	34.32
EBIT	1.45	1.40
Net Profit	1.30	1.40
Total Assets	21.62	20.70
Total Equity	19.84	20.55
Total debt	1.78	0.15
Net Profit Margin (%)	3.6%	4.1%
CCC (Days)	60	60
ICR (X)	9.93	n/a



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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	04 July 2023	03 July 2024

WCRSME3 rating is equivalent to Bangladesh Bank SME rating scale of SME 3 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093

***Financial Based on**-Unaudited financial statements up to 31 May 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 **Islam Traders** (hereinafter referred as "IT" 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
- Owned business premises and storage facility
- Good business network
- Good interest coverage position
- Low levered capital structure

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

- Tight liquidity position with long cash conversion cycle
- 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 IT 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.