

1st SURVEILLANCE CREDIT RATING REPORT ISLAM TRADING



Ref. no.: FR/2023/31951

Report Contents:

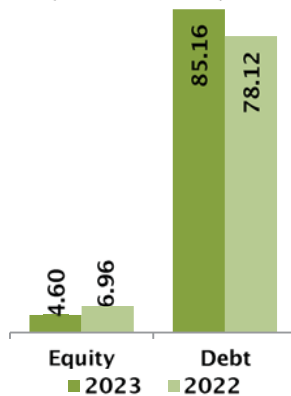
Particulars	Page
Rating Rationale	1
Entity Profile	2
Business Management	2
Business Analysis	3
Financial Position Analysis	3
Banking Relationship	4
Risk Factor Analysis	5
Rating Observation	5

Key Snapshot:

BDT. in million

Particulars	FY23	FY22
Revenue	64.48	56.07
EBIT	14.67	12.06
Net Profit	6.63	4.72
Total Assets	89.76	85.08
Total Equity	4.60	6.96
Total debt	85.16	78.12
Net Profit Margin (%)	10.3	8.4
CCC (Days)	243	259
ICR (X)	1.88	1.70

Capital Structure (BDT. in million)



Analysts:

Md. Akter Hossain
akter@wasocreditrating.com

Maharan Nasrin
maharan@wasocreditrating.com

SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 4	Stable	12 June 2023	28 August 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 assigned 'WCRSE 4' (pronounced as WASO Credit Rating Small Enterprise Four) rating under the SME Rating to Islam Trading (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
- Satisfactory banking relationship
- Good business network
- Sales revenue was in increased trend
- Good profitability margin

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

- Tight liquidity position with long cash conversion cycle
- Highly levered capital structure
- Low interest coverage ratio
- Average disclosure of financial statements

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

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