

INITIAL CREDIT RATING REPORT ISLAM VARIETY STORE



Ref. no.: FR/2023/32580

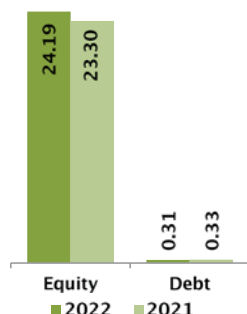
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Key Snapshot:

BDT. in million		
Particulars	2022	2021
Revenue	46.00	38.00
EBIT	4.01	3.01
Net Profit	4.00	3.00
Total Assets	24.50	23.63
Total Equity	24.19	23.30
Total debt	0.31	0.33
Net Profit Margin (%)	8.7	7.9
CCC (Days)	66	75
ICR (X)	4,005.00	3,005.00

Capital Structure
(BDT. in million)



Analysts:

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SME Rating	WCRSME	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	25 July 2023	24 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

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 and Medium Enterprise Three) rating under the SME Rating to Islam Variety Store (hereinafter referred as IVS" 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 mortgage security coverage against loan
- Good business network
- Good Profitability margin
- Low levered capital structure
- Comfortable interest coverage position

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 for the inventory in stock
- Low disclosure in the financial statements
- Low management information system (MIS) and Manual accounting system

The SME rating implies that the enterprise has above average credit quality.

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