

# 6<sup>th</sup> SURVEILLANCE CREDIT RATING REPORT LOUHAJONG SHOE STORE

Ref. no.: FR/2023/033766



## Report Contents:

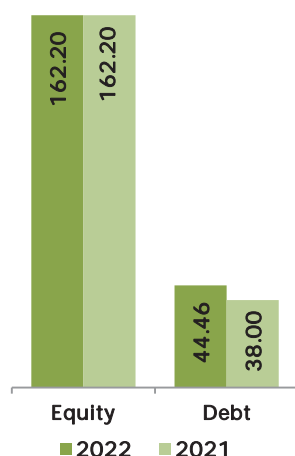
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## Key Snapshot:

BDT. in million

Particulars	2022	2021
Revenue	776.25	675.00
EBIT	658.12	34.76
Net Profit	657.95	34.60
Total Assets	206.66	200.20
Total Equity	162.20	162.20
Total debt	44.46	38.00
Net Profit Margin (%)	84.8	5.1
FFO	657.95	34.60

Capital Structure  
(BDT. in million)



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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	19 September 2023	14 September 2024

**Methodology:** SME rating methodology published on the WCRCL website at [www.wasocreditrating.com](http://www.wasocreditrating.com)

## RATING RATIONALE

WCRCL has reaffirmed 'WCRSME3' (pronounced as WASO Credit Rating Small and Medium Enterprise Three) rating under the SME Rating to Louhajong Shoe Store (hereinafter referred as "LSS" 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:

- Long business experiences of the proprietor in the business
- Good business network
- Maintained sound business relation with supplier & buyer
- Owned business premises and storage facility
- Low levered capital structure
- Satisfactory banking relationship
- Good mortgage security coverage against loan

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

- Low disclosure of financial statements
- Tight liquidity position in the capital structure
- No insurance coverage for the inventory in stock
- 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 LSS 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.