

3rd SURVEILLANCE CREDIT RATING REPORT
VIVO SMART SHOES
Ref. no.: FR/2023/33714



Report Contents:

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

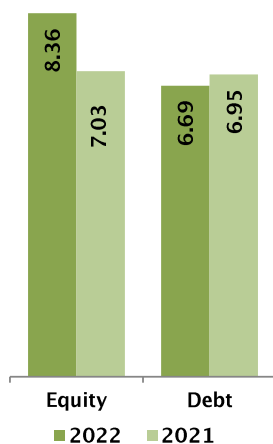
SME Rating	Rating Notches	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	30 August 2023	29 August 2024

Tk. in million			
Name of the Bank	Mode of Investment	Sanctioned Amount	Outstanding amount dated on 26.07.2023
Al-Arafah Islami Bank Limited	Bai-Muajjal	2.00	1.83
	CMSME	2.00	2.14

Key Snapshot:

Tk. In Million		
Particulars	2022	2021
Revenue	14.50	13.50
EBIT	2.40	2.22
Net Profit	2.32	2.15
Total Assets	15.05	13.98
Total Equity	8.36	7.03
Debt	6.69	6.95
Net Profit Margin (%)	16.0%	15.9%
CCC (Days)	146	160
ICR (X)	31.95	31.71

Capital Structure (BDT. in million)



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Financial Based on—unaudited financial statements up to 31 December 2022.

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

RATING RATIONALE

WCRCL has reaffirmed 'WCRSME3' (pronounced as WASO Credit Rating Small & Medium Enterprise three) rating under the SME Rating to Vivo Smart Shoes (hereinafter referred to as 'VSS' or 'The enterprise') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating assessment.

The above ratings have been assigned based on the fundamentals of the enterprise which include strong business network, low leverage position in the capital structure, comfortable security arrangement, good interest coverage position, and good net worth of the proprietor. However, the above factors are constrained to some extent by lack of disclosure in the financial statement, high competition in the business and stressed liquidity position & outdated trade license.

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

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