

**Report Contents:**

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

SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	07 November 2023	06 November 2024

*Methodology: SME rating methodology published on the WCRCL website at [www.wasocreditrating.com](http://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 Italian Door Window Sofa & Furniture Limited (hereinafter referred as “IDWSAFL” or “The Company”) 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
- Good business network
- Good profitability margin
- Low levered capital structure
- Comfortable interest coverage position
- Satisfactory banking relationship

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

- Low disclosure in the financial statements
- Tight liquidity position considering long cash conversion cycle
- No insurance coverage for the inventory in stock
- Manual accounting system

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

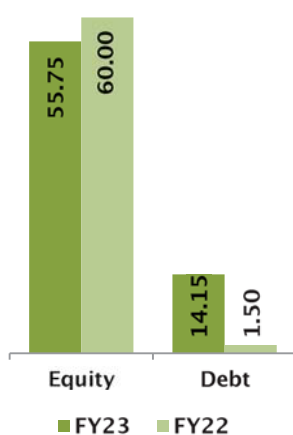
WCRCL also viewed the company with “Stable” outlook and believes that IDWSAFL will be able to maintain its good fundamentals in the foreseeable future. This rating may be revised in case of any extraordinary changes in line with the sponsor’s equity investment, debt obligations, management, business operations and/or changes in any macro and micro factors in the economy.

**Key Snapshot:**

*BDT. in million*

Particulars	FY23	FY22
Revenue	100.00	87.50
EBIT	17.45	15.88
Net Profit	15.95	14.68
Total Assets	69.90	61.50
Total Equity	55.75	60.00
Total debt	14.15	1.50
Net Profit Margin (%)	16.0	16.8
CCC (Days)	114	117
ICR (X)	11.63	13.23

**Capital Structure  
(BDT. in million)**



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