

INITIAL CREDIT RATING REPORT
INCONNECT LIMITED



Ref. no.: CRAR-19040/2023

Report Contents:

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

SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	28 December 2023	27 December 2024

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 Inconnect Limited (hereinafter referred as “IL” 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
- Good interest coverage position
- Low levered capital structure

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

- Tight liquidity position with long cash conversion cycle
- Low disclosure of financial statements
- Low management information system (MIS) and Manual accounting system

The SME rating implies that the Enterprise has Above Average Credit Quality.

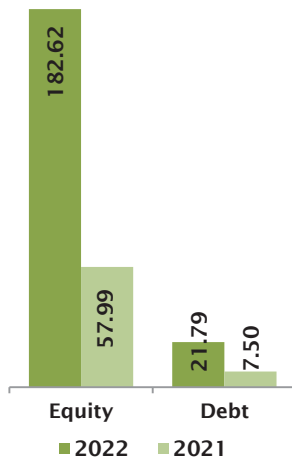
WCRCL also viewed the Enterprise with “Stable” outlook and believes that IL will be able to maintain its good fundamentals in the foreseeable future. This rating may be revised in case of any extraordinary changes in line with the sponsor’s equity investment, debt obligations, management, business operations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

Key Snapshot:

BDT. in million

Particulars	2022	2021
Revenue	201.38	8.55
EBIT	18.72	1.82
Net Profit	7.13	1.26
Total Assets	204.41	65.50
Total Equity	182.62	57.99
Debt	21.79	7.50
Net Profit Margin (%)	3.5%	14.7%
CCC (Days)	110	--
ICR (X)	111.95	60.91

Capital Structure (BDT. in million)



Analysts:

Ummay Fatema
fatema@wasocreditrating.com

Md. Rafiul Bary
rafi@wasocreditrating.com