

1<sup>ST</sup> SURVEILLANCE CREDIT RATING REPORT  
LSE FURNITURE AND DECOR



Ref. no.: CRAR-14225/2023

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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	12 December 2023	11 December 2024

*Methodology: SME rating methodology published on the WCRCCL website at www.wasocreditrating.com*

**RATING RATIONALE**

WCRCCL has reaffirmed ‘WCRSME3’ (pronounced as WASO Credit Rating Small and Medium Enterprise Three) rating under the SME Rating to LSE Furniture and Decor (hereinafter referred as “LSEFD” or “The Enterprise”) based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance.

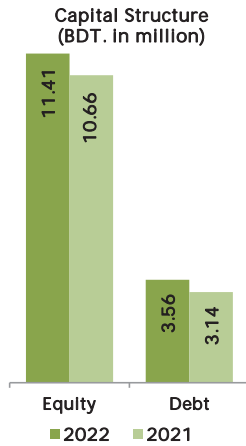
Key Snapshot:

BDT. In million

Particulars	2021	2020	2020
Revenue	36.57	30.00	30.00
EBIT	3.60	2.57	2.57
Net Profit	3.42	2.42	2.42
Total Assets	13.80	12.70	12.70
Total Equity	10.66	10.05	10.05
Total debt	3.14	2.65	2.65
Net Profit Margin (%)	9.3	8.1	8.1%
CCC (Days)	59	77	77
ICR (X)	19.40	16.23	16.23

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
- No disclosure of financial statements
- Manual accounting system

The SME rating implies that the enterprise is adjudged to above average credit quality.

WCRCCL also viewed the enterprise with “Stable” outlook and believes that LSEFD will be able to maintain its good fundamentals in the foreseeable future.

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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.