

SURVEILLANCE CREDIT RATING REPORT LABLU ENTERPRISE

Ref. no.: FR/2022/26151



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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	11 October 2022	10 October 2023

*WCRSE 3 rating is equivalent to Bangladesh Bank SME rating scale of SME 3 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093

Bank Name	Investment Mode	Limit Amount	Outstanding Amount	Outstanding Date
Mercantile Bank Limited	CC (Hypo.)	4.50	0.36	10.10.2022

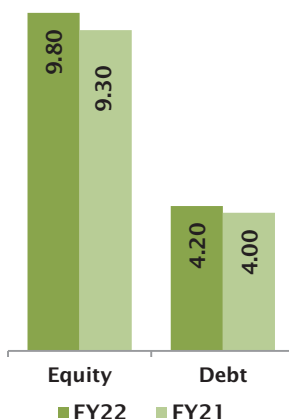
Financial Based on- Un-audited financial statements up to 30th June 2022.

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

Key Snapshot:

Particulars	FY22	FY21
Revenue	50.00	45.00
EBIT	3.60	3.20
Net Profit	3.10	2.75
Total Assets	13.80	8.30
Total Equity	9.80	9.30
Debt	4.20	4.00
Net Profit Margin (%)	6.2	6.1
CCC (Days)	56	57
ICR (X)	9.00	8.00

Capital Structure
(BDT. in million)



Analysts:

Shudhan Mallick
shudhan@wasocreditrating.com

Md. Al Amin Jewel
jewel@wasocreditrating.com

RATINGRATIONALE

WCRCL has reaffirmed 'WCRSE 3' (pronounced as WASO Credit Rating Small Enterprise Three) rating to Lablu Enterprise (hereinafter referred to as 'LE' 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
- Good mortgage security coverage against loan
- 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 is adjudged to above average level of credit worthiness in relation to other small enterprises.

WCRCL also viewed the enterprise with "Stable" outlook and believes that LE will be able to maintain its good fundamentals in the