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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	18 December 2022	17 December 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	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
Uttara Bank Limited	CC (H)	1.50	0.83	24.10.2022

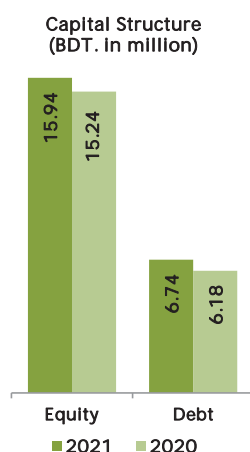
*Financial Based on-* Management prepared financial statements for 31<sup>st</sup> December 2018, 2019, 2020 & 2021.

*Methodology:* SME rating methodology published on the WCRCL website at [www.wasocreditrating.com](http://www.wasocreditrating.com)

## Key Snapshot:

BDT. In million

Particulars	2020	2021
Revenue	22.68	26.09
EBIT	2.03	2.41
Net Profit	2.01	2.39
Total Assets	21.42	22.68
Total Equity	15.24	15.94
Debt	6.18	6.74
Net Profit Margin (%)	8.9	9.2
CCC (Days)	153	218
FFO	2.22	2.39



## RATING RATIONALE

WCRCL has reaffirmed 'WCRSE 3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to Lajuk Traders (hereinafter referred as "LT" 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 business network
- Satisfactory banking relationship
- Low levered capital structure
- Positive FFO

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

- Lack of disclosure in the financial statements
- Tight liquidity position considering long cash conversion cycle
- Inventory holding risk
- Low management information system (MIS) and Manual accounting system

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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 LT will be able to maintain its good fundamentals in the foreseeable future.