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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	27 December 2022	26 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

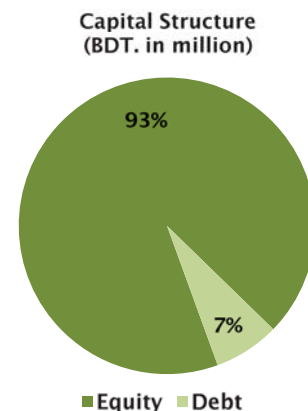
Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
Uttara Bank Limited	OD	2.00	2.00	20.12.2022

Financial Based on—Unaudited financial statements for 30 June 2022, 2021.

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

Key Snapshot:

Particulars	2022	2021
Revenue	105.31	91.57
EBIT	7.27	3.66
Net Profit	6.51	2.93
Total Assets	37.34	26.90
Total Equity	29.05	22.52
Total debt	8.28	4.08
Net Profit Margin (%)	6.18	3.20
CCC (Days)	49	42
ICR (X)	13.60	6.59



RATING RATIONALE

WCRCL has assigned 'WCRSE 3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to L M Chemical & Co. (hereinafter referred as "LMCC" 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 & skilled management
- Satisfactory banking relationship
- Low levered capital structure
- Good interest coverage position
- Satisfactory security coverage against loan

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

- Tight liquidity position with long cash conversion cycle
- No insurance coverage
- Low disclosure of financial statements
- Low management information system (MIS) and Manual accounting system

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The SME rating implies that the enterprise is adjudged above average level of credit worthiness in relation to other small enterprises.

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