

2sd SURVEILLANCE CREDIT RATING REPORT LABONI TRADERS



Ref. no.: FR/2023/31978

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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	12 June 2023	11 June 2024

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

BDT. in million

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount as on 07.06.2023
Uttara Bank Limited	CC (H)	11.00	Nil

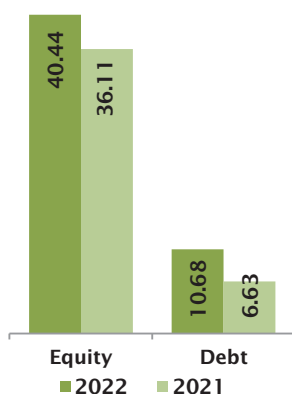
Financial Based on-Management prepared financial statements of 31st December 2022.

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

Key Snapshot:

	BDT. in million	
Particulars	2022	2021
Revenue	80.03	62.52
EBIT	8.85	5.84
Net Profit	8.05	5.05
Total Assets	51.11	42.74
Total Equity	40.44	36.11
Debt	10.68	6.63
Net Profit Margin (%)	10.1	8.1
CCC (Days)	93	93
ICR (X)	11.79	7.78

Capital Structure
(BDT. in million)



RATING RATIONALE

WCRCL has reaffirmed 'WCRSE 3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to Laboni 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
- Low leverage position in the capital structure
- Satisfactory banking relationship
- Comfortable interest coverage position
- Maintained sound business relation with supplier & buyer

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

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

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.

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