

1st SURVEILLANCE CREDIT RATING REPORT LIFE TRADERS



Ref. no.: FR/2023/032499

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SME Rating	WCRSME	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	04 July 2023	03 July 2024

WCRSME3 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
Mercantile Bank Limited	CC (H)	3.20	2.72	03.07.2023

BDT. in Million

Key Snapshot:

BDT. in million

Particulars	2022	2021
Revenue	47.15	41.00
EBIT	2.36	1.99
Net Profit	2.19	1.83
Total Assets	10.31	9.43
Total Equity	6.72	6.13
Total debt	3.60	3.30
Net Profit Margin (%)	4.6%	4.5%
CCC (Days)	68	71
ICR (X)	13.42	12.44

Financial Based on-Unaudited financial statements up to 31 December 2022.

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

RATING RATIONALE

WCRCL has reaffirmed 'WCRSME3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to **Life 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
- 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:

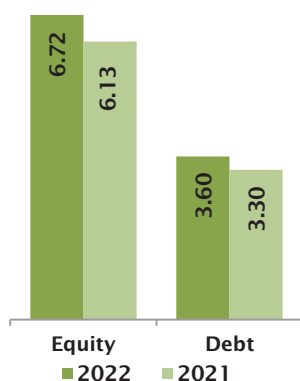
- Tight liquidity position with long cash conversion cycle
- No insurance coverage
- Low disclosure of financial statements
- Low management information system (MIS) and Manual accounting system

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

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.

Capital Structure
(BDT. in million)



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