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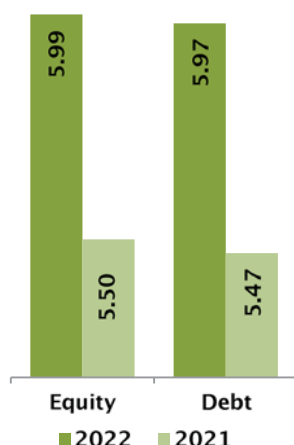
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Key Snapshot:

BDT. In Million

Particulars	2022	2021
Revenue	29.45	25.61
EBIT	2.32	1.98
Net Profit	1.81	1.53
Total Assets	11.96	10.97
Total Equity	5.99	5.50
Debt	5.97	5.47
Net Profit Margin (%)	6.2	6.0
CCC (Days)	102	112
ICR (X)	4.67	4.40

Capital Structure
(BDT. in million)



Analysts:

Mst. Irin Akter
irin@wasocreditrating.com

Monira Islam
monira@wasocreditrating.com

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

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
Uttara Bank Limited	CC (H)	2.50	2.44	26.05.2023

Financial Based on—Management prepared financial statements up to 31st 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 and Medium Enterprise Three) rating under the SME Rating to Lipi Electric & Hardware Store (hereinafter referred as "LEHS" 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
- Good interest coverage position

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 levered capital structure
- Low management information system (MIS) and Manual accounting system

The SME rating implies that the enterprise is adjudged to above average credit quality.

WCRCL also viewed the enterprise with "Stable" outlook and believes that LEHS 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.