

1st SURVEILLANCE CREDIT RATING REPORT LUSHAN ENTERPRISE

Ref. no.: FR/2023/33694



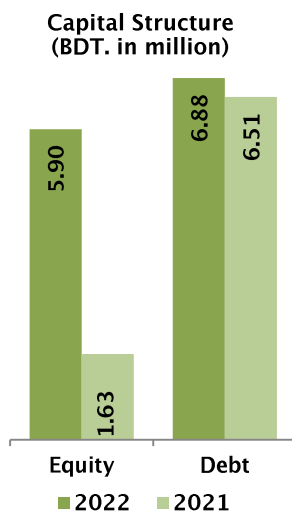
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Key Snapshot:

Tk. In million

Particulars	2022	2021
Revenue	49.15	47.30
EBIT	4.08	2.66
Net Profit	3.17	1.75
Total Assets	12.70	8.14
Total Equity	5.90	1.63
Debt	6.88	6.51
Net Profit Margin (%)	6.4%	3.7%
CCC (Days)	70	52
ICR (X)	4.48	2.92



Analysts:

Nazrul Islam
nazrul@wasocreditrating.com

Monira Islam
maharan@wasocreditrating.com

SME Rating	Rating Notches	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	08 August 2023	07 August 2024

Tk. in million

Bank Name	Mode of Investment	Limit Amount	Outstanding Amount	Outstanding Date
Shahjalal Islami Bank Limited	Bai-Muazzal- (Commercial/G en)	6.00	6.54	30.07.2023
	Bai-Muazzal Term	1.50	1.16	

Financial Based on–Unaudited financial statements up to 31 December 2021, 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 & Medium Enterprise Three) rating under the SME Rating to **Lushan Enterprise** (hereinafter referred to as ‘LE’ or “The Enterprise”) based on its financial and other relevant qualitative and quantitative information up-to the date of the rating declaration.

The above ratings have been assigned based on the fundamentals of the enterprise which good market reputation and strong business network, secured with insurance coverage, and good debt coverage position. However, the above factors are constrained to some extent by manual accounting system, lower profit margin, tight liquidity position and long cash conversion cycle, highly levered concern, price volatility of trading products, and poor disclosure of financial statements.

The rating implies that the enterprise has an above average credit quality.

WCRCL also viewed the enterprise with “Stable” outlook and believes that LE 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.