

4th SURVEILLANCE CREDIT RATING REPORT LABLU ENTERPRISE

Ref. no.: CRAR- 4413/2023



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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	14 November 2023	13 November 2024

Bank Name	Investment Mode	Limit Amount	Outstanding Amount	Outstanding Date
Mercantile Bank PLC	CC (Hypo.)	4.50	0.71	08.10.2023

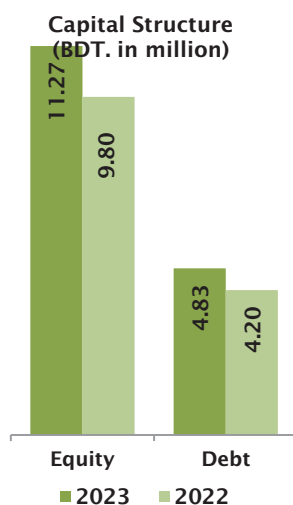
Tk. in Million

Financial Based on- Un-audited financial statements up to 30th June 2023.

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

Key Snapshot:

Particulars	Tk. in Million	
	FY23	FY22
Revenue	57.50	50.00
EBIT	4.14	3.60
Net Profit	3.57	3.10
Total Assets	15.87	13.80
Total Equity	11.27	9.80
Debt	4.83	4.20
Net Profit Margin (%)	6.2	6.2
CCC (Days)	73	78
ICR (X)	9.00	9.00



RATINGRATIONALE

WCRCL has reaffirmed 'WCRSME3' (pronounced as WASO Credit Rating Small and Medium Enterprise Three) rating to Lablu 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 issuance.

The above rating has been assigned based on the fundamentals of the enterprise which includes:

- Experienced and skilled management
- Good business network
- Good mortgage security coverage against loan
- Good interest coverage position
- Low levered capital structure

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

- Low disclosure of financial statements
- Tight liquidity position with long cash conversion cycle
- Manual accounting system

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

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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.