

1st SURVEILLANCE CREDIT RATING REPORT LIZAN TRADING CORPORATION

Ref. no.: CRAR-15020/2023



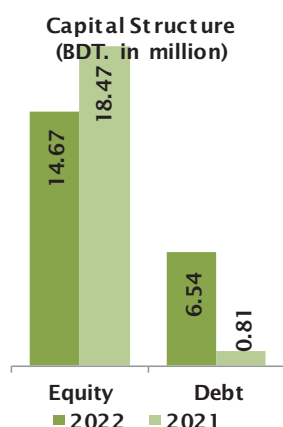
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Key Snapshot:

BDT. in million

Particulars	2022	2021
Revenue	90.91	79.05
EBIT	6.34	5.25
Net Profit	6.34	5.25
Total Assets	21.21	19.28
Total Equity	14.67	18.47
Total debt	6.54	0.81
Net Profit Margin (%)	7.0%	6.6%
CCC (Days)	85	89



Analysts:

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

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 & Medium Enterprise **Three**) rating under the SME Rating to **Lizan Trading Corporation** (hereinafter referred as "LTC" 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:

- Long business experience of the proprietor in the business
- Good profitability margin
- Low levered capital structure
- Satisfactory banking relationship
- Good mortgage security coverage against loan

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

- Poor disclosure of financial statements
- Tight liquidity position with long cash conversion cycle
- No insurance coverage for the inventory in stock

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

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