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

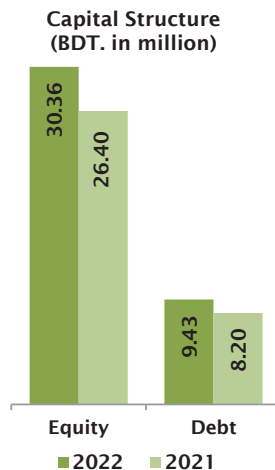
Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
Uttara Bank Limited	CC(H)	9.00	8.76	07.06.2023

Financial Based on-Management prepared financial statements up to 31<sup>st</sup> December 2022.

Methodology: SME rating methodology published on the WCRCCL website at [www.wasocreditrating.com](http://www.wasocreditrating.com)

**Key Snapshot:**

Particulars	2022	2021
Revenue	66.70	58.00
EBIT	14.52	12.63
Net Profit	13.79	11.99
Total Assets	39.79	34.60
Total Equity	30.36	26.40
Debt	9.43	8.20
Net Profit Margin (%)	20.7	20.7
CCC (Days)	200	201
ICR (X)	20.20	20.20



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**RATING RATIONALE**

WCRCCL has reaffirmed 'WCRSME3' (pronounced as WASO Credit Rating Small And Medium Enterprise Three) rating under the SME Rating to **Morsaline Enterprise** (hereinafter referred as "ME" 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 interest coverage position
- Good mortgage security coverage against loan
- Satisfactory banking relationship
- Good business network
- Low levered capital structure

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

- Low disclosure of financial statements
- Inventory holding risk
- Tight liquidity position with long cash conversion cycle
- 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.

WCRCCL also viewed the enterprise with "Stable" outlook and believes that ME 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.