

4th SURVEILLANCE CREDIT RATING REPORT
LIZA METAL WORKS
Ref. no.: CRAR-5962/2023



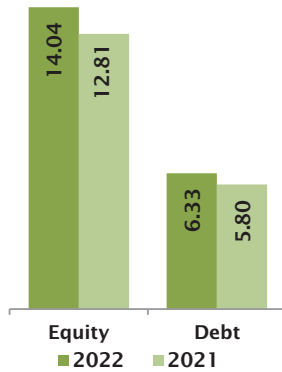
Report Contents:

Particulars	Page
Rating Rationale	1
Business Profile	2
Business Management	2
Industry Analysis	2
Business Analysis	3
Financial Position Analysis	3
Banking Relationship	4
Risk Factor Analysis	4
Rating Observation	5

Key Snapshot:

Particulars	BDT. in million	
	2022	2021
Revenue	28.78	25.03
EBIT	4.11	3.50
Net Profit	3.01	2.50
Total Assets	20.37	18.61
Total Equity	14.04	12.81
Debt	6.33	5.80
Net Profit Margin (%)	10.5	10.0
CCC (Days)	154	169
ICR (X)	3.74	3.50

**Capital Structure
(BDT. in million)**



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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	23 November 2023	26 December 2024

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 Liza Metal Works (hereinafter referred to as 'LMW' or 'The Enterprise') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating assessment.

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

- Good business network
- Long business experiences of the proprietor
- Maintained sound business relation with supplier & buyer
- Satisfactory banking relationship
- Good interest coverage position
- Low leverage position in the capital structure
- Comfortable security arrangement

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

- Lack of disclosure in the financial statement
- Tight evident by long cash conversion cycle
- No insurance coverage
- Rented business premises
- Manual accounting process

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

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