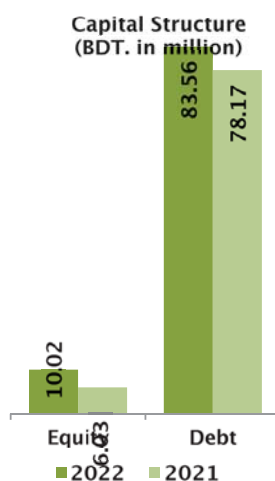


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## Key Snapshot:

| BDT. in million       |       |       |
|-----------------------|-------|-------|
| Particulars           | 2022  | 2021  |
| Revenue               | 97.85 | 83.56 |
| EBIT                  | 12.69 | 8.85  |
| Net Profit            | 6.02  | 2.03  |
| Total Assets          | 93.59 | 84.20 |
| Total Equity          | 10.02 | 6.03  |
| Total debt            | 83.56 | 78.17 |
| Net Profit Margin (%) | 6.2%  | 2.4%  |
| CCC (Days)            | 201   | 217   |
| ICR (X)               | 1.90  | 1.30  |



## Analysts:

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| SME Rating | Rating Notch | Outlook | Date of Declaration | Date of Expiration |
|------------|--------------|---------|---------------------|--------------------|
|            | WCRSME4      | Stable  | 23 November 2023    | 22 November 2024   |

*Financial Based on—unaudited financial statements up to 30<sup>th</sup> June 2022.*

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

## RATING RATIONALE

WCRCL has assigned 'WCRSME4' (pronounced as WASO Credit Rating Small & Medium Enterprise Four) rating under the SME Rating to Lark Technologies Ltd (hereinafter referred as "LTL" or "The Company") 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 company which includes:

- Experienced and skilled management
- Good business network & Maintained sound business relation with supplier & buyer
- Good profitability margin
- Technological Advancements

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

- Poor disclosure of financial statements
- Highly levered capital structure
- Tight liquidity position with long cash conversion cycle
- Low interest coverage ratio
- No insurance coverage for the inventory in stock
- Manual accounting system

The rating implies that the enterprise has average credit quality.

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