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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	12 December 2023	11 December 2024

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

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

**Key Snapshot:**

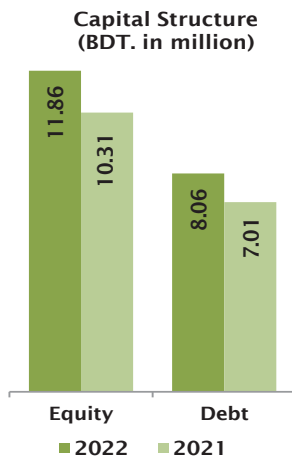
Particulars	BDT. in million	
	2022	2021
Revenue	48.09	41.82
EBIT	4.44	3.86
Net Profit	3.81	3.31
Total Assets	19.92	17.32
Total Equity	11.86	10.31
Debt	8.06	7.01
Net Profit Margin (%)	7.9	7.9
CCC (Days)	116	124
ICR (X)	6.98	6.98

**RATING RATIONALE**

WCRCL has upgraded 'WCRSME3' (pronounced as WASO Credit Rating Small and Medium Enterprise Three) rating under the SME Rating to Lilu Enterprise (hereinafter referred 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
- Low leverage position in the capital structure
- Good interest coverage position
- Satisfactory banking relationship



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

- No disclosure of financial statements
- Manual accounting system
- Tight liquidity position
- No insurance coverage

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

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.

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