

CREDIT RATING REPORT MRIDHA EXCLUSIVE SHOES

Ref. no.: FR/2022/025909



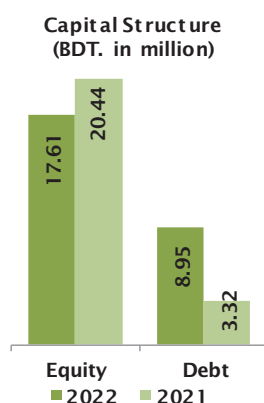
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Key Snapshot:

BDT. in million

| Particulars | 2022 | 2021 |
|-----------------------|-------|--------|
| Revenue | 62.16 | 57.55 |
| EBIT | 4.76 | 4.18 |
| Net Profit | 4.01 | 3.83 |
| Total Assets | 26.56 | 23.76 |
| Total Equity | 17.61 | 20.44 |
| Total debt | 8.95 | 3.32 |
| Net Profit Margin (%) | 6.5% | 6.6% |
| CCC (Days) | 99 | 99 |
| ICR (X) | 12.34 | 613.37 |



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| SME Rating | WCRSE/WCRME | Outlook | Date of Declaration | Date of Expiration |
|------------|-------------|---------|---------------------|--------------------|
| | WCRSE 3 | Stable | 19 September 2022 | 18 September 2023 |

WCRSE 3 rating is equivalent to Bangladesh Bank SME rating scale of SME 3 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093

BDT. in Million

| Bank Name | Mode of Investment | Sanctioned Amount | Outstanding Amount | Date of Outstanding |
|---------------------|---------------------|-------------------|--------------------|---------------------|
| Rupali Bank Limited | SME Working Capital | 15.00 | 6.34 | 18.09.2022 |

Financial Based on-Audited financial statements up to 30th June 2022.

Methodology: SME rating methodology published on the WCRCL website at www.wasocreditrating.com

RATING RATIONALE

WCRCL has assigned '**WCRSE 3**' (pronounced as WASO Credit Rating Small Enterprise **Three**) rating under the SME Rating to **Mridha Exclusive Shoes** (hereinafter referred as "**MES**" 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
- Satisfactory banking relationship
- Good mortgage security coverage against loan
- Good business network
- Good interest coverage position
- Low levered capital structure
- Have insurance coverage

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

- Tight liquidity position with long cash conversion cycle
- Medium disclosure of financial statements
- 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.

WCRCL also viewed the enterprise with "**Stable**" outlook and believes that **MES** will be able to maintain its good fundamentals in the foreseeable future.