

SURVEILLANCE CREDIT RATING REPORT MRD AUTOMATIC RICE MILL



Ref. no.: FR/2022/25950

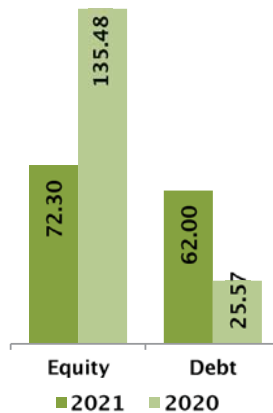
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Key Snapshot:

BDT. in million			
Particulars	2021	2020	
Revenue	445.5	226.7	
EBIT	13.82	5.93	
Net Profit	8.80	5.92	
Total Assets	134.30	161.1	
Total Equity	72.30	135.4	
Total debt	62.00	25.57	
Net Profit Margin (%)	2.0%	2.6%	
CCC (Days)	68	97	
ICR (X)	2.79	1,116	

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



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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

Financial Based on—unaudited financial statements up to 31 December 2021.

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 MRD Automatic Rice Mill (hereinafter referred as "MRDARM" 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
- Owned business premises and storage facility
- Satisfactory banking relationship
- Good mortgage security coverage against loan
- Good business network
- Low levered capital structure

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

- Tight liquidity position with long cash conversion cycle
- No Insurance coverage
- Low 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 MRDARM will be able to maintain its good fundamentals in the foreseeable future.