

INITIAL CREDIT RATING REPORT M/S MAHBUB & CO.



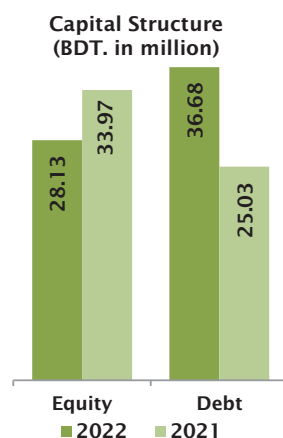
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Key Snapshot:

| BDT. in million | | |
|-----------------------|--------|--------|
| Particulars | 2022 | 2021 |
| Revenue | 147.03 | 132.46 |
| EBIT | 25.90 | 23.59 |
| Net Profit | 16.78 | 15.25 |
| Total Assets | 64.80 | 59.00 |
| Total Equity | 28.13 | 33.97 |
| Debt | 36.68 | 25.03 |
| Net Profit Margin (%) | 11.4 | 11.5 |
| CCC (Days) | 50 | 46 |
| ICR (X) | 3.39 | 3.38 |



Analysts:

Md. Rifat Ahmed
rifat@wasocreditrating.com

Md. Rafiul Bary
rafi@wasocreditrating.com

| SME Rating | WCRSE/WCRME | Outlook | Date of Declaration | Date of Expiration |
|------------|-------------|----------|---------------------|--------------------|
| | WCRSE 5 | Negative | 28 March 2023 | 27 March 2024 |

WCRSE 5 rating is equivalent to Bangladesh Bank SME rating scale of SME 5 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093

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

RATING RATIONALE

WCRCL has assigned 'WCRSE 5' (pronounced as WASO Credit Rating Small Enterprise Five) rating under the SME Rating to M/S Mahbub & Co. (hereinafter referred as "MSMC" 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 mortgage security coverage against loan
- Good business network
- Long experience track of the proprietor
- Owned business premises and storage facility
- Good liquidity position with short cash conversion cycle
- Good interest coverage position
- Low levered capital structure

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

- Medium disclosure of financial statements
- Low management information system (MIS) and Manual accounting system

The SME rating implies that the enterprise is adjudged to below average level of credit worthiness in relation to other small enterprises.

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