

INITIAL CREDIT RATING REPORT MANAGEMENT CONSULTANCY SERVICES LIMITED



Ref. no.: FR/2022/28698

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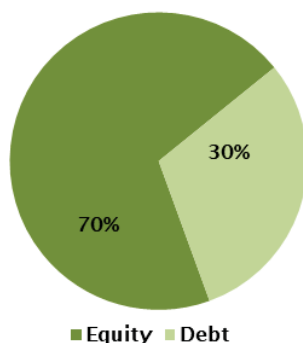
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Key Snapshot:

BDT. in million

Particulars	FY21	FY20
Revenue	175.00	149.50
EBIT	20.24	17.13
Net Profit	17.99	15.13
Total Assets	60.78	46.95
Total Equity	42.38	32.04
Total debt	18.40	14.91
Net Profit Margin (%)	10.3%	10.1%
CCC (Days)	36	46
ICR (X)	80.96	52.72

Capital Structure
(BDT. in million)



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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	27 December 2022	26 December 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

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 Management Consultancy Services Limited (hereinafter referred as "MCSL" 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 Company which includes:

- Experienced and skilled management
- Satisfactory banking relationship
- Good business network
- Good interest coverage position
- 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
- Small scale of business
- Low disclosure of financial statements
- Low management information system (MIS) and Manual accounting system

The SME rating implies that the company adjudged to above average level of credit worthiness in relation to other small enterprises.

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