

# INITIAL CREDIT RATING REPORT MOTALEB IRON STORE



Ref. no.: FR/2023/29681

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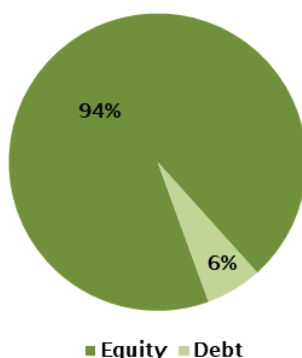
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## Key Snapshot:

BDT. in million

Particulars	2022	2021
Revenue	446.10	443.82
EBIT	34.49	33.17
Net Profit	31.04	29.59
Total Assets	283.64	278.51
Total Equity	266.33	260.39
Total debt	17.31	18.12
Net Profit Margin (%)	7.0%	6.7%
CCC (Days)	221	225
ICR (X)	10.00	9.27

Capital Structure  
(BDT. in million)



## Analysts:

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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	13 February 2023	12 February 2024

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](http://www.wasocreditrating.com)

## RATING RATIONALE

WCRCL has assigned 'WCRSE 3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to Motaleb Iron Store (hereinafter referred as "MIS" 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 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
- Inventory holding risk
- 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 MIS will be able to maintain its good fundamentals in the foreseeable future.