

2nd SURVEILLANCE CREDIT RATING REPORT MA KANCH GHAR



Ref. no.: FR/2023/029977

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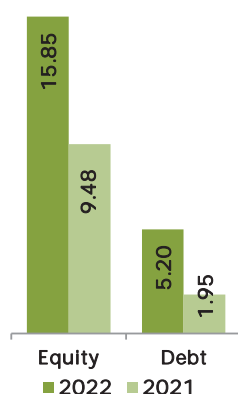
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Key Snapshot:

BDT. In million

Particulars	2022	2021
Revenue	66.53	52.50
EBIT	4.40	3.28
Net Profit	4.03	2.98
Total Assets	21.05	11.43
Total Equity	15.85	9.48
Total debt	5.20	1.95
Net Profit Margin (%)	6.1	5.7
CCC (Days)	32	37
ICR (X)	17.60	13.95

Capital Structure
(BDT. In million)



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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	13 March 2023	23 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

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
United Commercial Bank Limited	UCB DHRUBO	7.00	4.71	09.03.2023
	RSTL	1.00	1.00	
	Total	8.00	4.71	

BDT. in million

Financial Based on- unaudited financial statements up to 31st December 2022.

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

RATING RATIONALE

WCRCL has reaffirmed 'WCRSE 3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to Ma Kanch Ghar (hereinafter referred as "MKG" 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
- Low levered capital structure
- Good interest coverage position

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

- Lack of disclosure in the financial statements
- Tight liquidity position considering long cash conversion cycle
- Inventory holding risk
- 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 MKG will be able to maintain its good fundamentals in the foreseeable future.