

3rd SURVEILLANCE CREDIT RATING REPORT
MUTUAL CONCERN CORPORATION LIMITED



Ref. no.: FR/2023/032208

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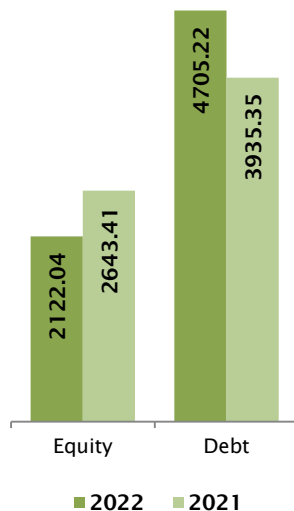
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| Entity Rating | Long Term | Short Term | Outlook | Date of Declaration | Date of Expiration |
|---------------|-----------|------------|---------|---------------------|--------------------|
| | BBB- | ST 4 | Stable | 04 July 2023 | 03 July 2024 |

Key Snapshot:

| Particulars | 2022 | 2021 |
|-----------------------|---------|---------|
| Sales | 1,765.4 | 1,371.9 |
| Assets | 6827.2 | 6578.7 |
| Equity | 2122.0 | 2643.4 |
| Debt | 4705.2 | 3935.3 |
| Net Profit Margin (%) | 2.17% | 5.41% |
| Current Ratio (X) | 17.18 | 19.73 |
| ICR (X) | 1.06 | 1.45 |

Capital Structure
(Tk. in million)



| Bank | Mode | Limit | Outstanding as on 27.03.2023 | Bank Loan Rating |
|--------------------------|-----------|---------|------------------------------|------------------|
| The Premier Bank Limited | Term Loan | 1260.00 | 1297.59 | blr BBB- |
| Agrani Bank Limited | CC (Hypo) | 500.00 | 954.70 | blr ST 4 |
| | DL | 1222.80 | 1239.0 | |
| | Covid | 150.00 | 157.10 | |
| | LTR | 284.50 | 241.00 | |

Financial Based on- Audited financial statement up to 2022.

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

RATING RATIONALE

WCRCL has reaffirmed 'BBB-' (pronounced Triple B Minus) rating for the Long Term and 'ST 4' (pronounced Short Term Four) rating for Short Term to Mutual Concern Corporation Limited (hereinafter referred as "MCCL" or "the company") based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance. WCRCL also Assigned 'blr ST 4' to all the short term loan facilities and 'blr BBB-' to the long term loan facility enjoyed by the company.

The above ratings have been assigned based on long track of operating history, experienced and skilled management, group strength, good profitability position, insurance coverage. However, the above factors are constrained to some extent by highly levered capital structure, decreasing trend in sales and profitability, stressed liquidity position, marginal coverage position, rescheduling history in loan repayment, manual record keeping system.

The long term rating implies that the entity has Below Average Credit Quality. The short term rating implies that, the company has Below average ability to meet short term financial commitments

WCRCL also viewed the company with Stable outlook and believes that MCCL will be able to maintain its good fundamentals in the foreseeable future. This rating may be revised in case of any extraordinary changes in line with the sponsor's equity investment, debt obligations, management, business operations and/or changes in any macro and micro factors of the economy.

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