

INITIAL CREDIT RATING REPORT MUTUAL EMPRESSA LIMITED



Ref. no.: FR/2023/031250

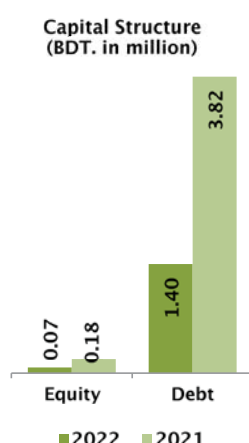
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Key Snapshot:

BDT. in million

Particulars	FY22	FY21
Revenue	5.54	27.20
EBIT	0.12	1.32
Total Assets	1.47	4.00
Total Equity	0.07	0.18
Total debt	1.40	3.82
ICR (X)	0.62	1.29



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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 4	Stable	31 May 2023	30 May 2024

WCRSE 4 rating is equivalent to Bangladesh Bank SME rating scale of SME 4 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 4' (pronounced as WASO Credit Rating Small Company Four) rating under the SME Rating to Mutual Empressa Limited (hereinafter referred as "MEL" or "The Company") 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
- Owned business premises and storage facility
- Satisfactory banking relationship
- Good interest coverage position

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

- Low disclosure of financial statements
- Tight liquidity position with long inventory in stock
- Highly levered capital structure
- Low management information system (MIS) and Manual accounting system

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

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