

INITIAL CREDIT RATING REPORT
M. A. Rahman Enterprise



Ref. no.: FR/2023/33637

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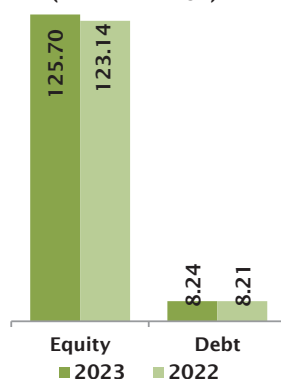
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Key Snapshot:

BDT. in million

Particulars	FY2023	FY2022
Revenue	168.60	153.28
EBIT	7.69	6.87
Net Profit	6.77	6.15
Total Assets	133.94	131.35
Total Equity	125.70	123.14
Debt	8.24	8.21
Net Profit Margin (%)	4.0	4.0
CCC (Days)	162	176
ICR (X)	9.19	10.33

Capital Structure
(BDT. in million)



Analysts:

Md. Rifat Ahmed
rifat@wasocreditrating.com

Md. Rafiul Bary
rafi@wasocreditrating.com

SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	19 September 2023	18 September 2024

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

RATING RATIONALE

WCRCL has assigned 'WCRSME3' (pronounced as WASO Credit Rating Small and Medium Enterprise Three) rating under the SME Rating to M. A. Rahman Enterprise (hereinafter referred as "MARE" 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:

- Satisfactory banking relationship
- Good mortgage security coverage against loan
- Good business network
- Regular loan repayment history
- Long experience track of the proprietor
- 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
- Rented business premises and storage facility
- 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 credit quality.

WCRCL also viewed the enterprise with "Stable" outlook and believes that MARE 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 in the economy.