

INITIAL CREDIT RATING REPORT M.B.M & CO.



Ref. no.: FR/2023/29104

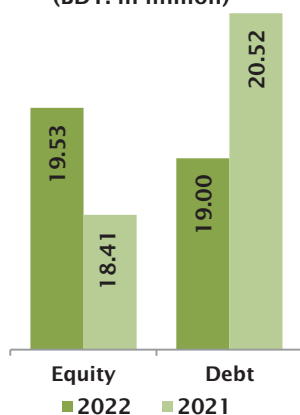
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Key Snapshot:

BDT. in million		
Particulars	2022	2021
Revenue	63.62	60.27
EBIT	6.25	6.26
Net Profit	4.70	4.58
Total Assets	38.53	38.93
Total Equity	19.53	18.41
Total debt	19.00	20.52
Net Profit Margin (%)	7.4	7.6
CCC (Days)	126	135.00
ICR (X)	4.16	3.82

Capital Structure
(BDT. in million)



Analysts:

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SME Rating	WCRSE	Outlook	Date of Declaration	Date of Expiration
	WCRSE3	Stable	16 January 2023	15 January 2024

WCRSE3 rating is equivalent to Bangladesh Bank SME rating scale of SME 3 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093

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

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

RATING RATIONALE

WCRCL has assigned 'WCRSE3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to M.B.M & Co. (hereinafter referred as "MBMC" 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 mortgage security coverage against loan
- Good business network
- Comfortable interest coverage position

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

- Tight liquidity position with long cash conversion cycle
- Highly levered capital structure
- Low disclosure in the 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 MBMC will be able to maintain its good fundamentals in the foreseeable future.