

INITIAL CREDIT RATING REPORT METRO TRADING



Ref. no.: FR/2023/32284

Report Contents:

Particulars	Page
Rating Rationale	1
Entity Profile	2
Business Management	2
Business Analysis	2
Financial Position Analysis	3
Banking Relationship	4
Risk Factor Analysis	4
Rating Observation	5

Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	BBB	ST 3	Stable	04 July 2023	03 July 2024

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount as on 20/06/2023	Bank Loan Rating (blr)
Mercantile Bank Limited	LC	200.00	0.34	blr ST 3
	LTR	(100.00)	-	
	BG	10.00	-	
	CC(H)	150.00	41.65	

Tk in million

Key Snapshot:

Particulars	BDT. in million
Revenue	894.15
EBIT	104.38
Net Profit	104.38
Total Assets	657.44
Total Equity	657.44
Net Profit Margin (%)	11.7
CCC (Days)	209
FFO	104.38

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

RATING RATIONALE

WCRCCL has assigned BBB (Pronounced Triple B) rating for the Long Term and ST 3 (Pronounced Short Term Three) rating for Short Term to Metro Trading (hereinafter referred to as 'MT' or 'The Enterprise') based on its financial and other relevant qualitative and quantitative information up to the date of the rating declaration. WCRCCL also assigned blr ST 3 (Pronounced Bank Loan Rating Short Term-Three) for the aggregated short term loan limit.

The above ratings have been assigned based on the fundamentals of the Enterprise which includes:

- Experienced and skilled management
- Owned business premises and storage facility
- Satisfactory banking relationship
- Good mortgage security coverage against loan
- Good business network
- Low levered capital structure

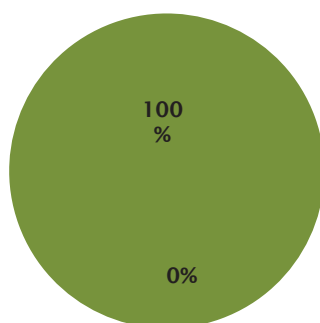
However, the above rating has been moderated to some extent due to some factors like:

- Tight liquidity position with long cash conversion cycle
- Low disclosure of financial statements
- Low management information system (MIS) and Manual accounting system

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

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.

Capital Structure
(BDT. in million)



■ Equity ■ Debt

Analysts:

Md. Ashraful Islam
ashraful@wasocreditrating.com

Ummay Fatema
fatema@wasocreditrating.com