

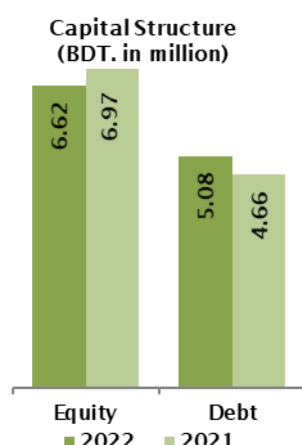
## Report Contents:

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

## Key Snapshot:

BDT. in million

Particulars	2022	2021
Revenue	25.98	22.59
EBIT	1.65	1.41
Net Profit	1.61	1.37
Total Assets	11.69	11.62
Total Equity	6.62	6.97
Total debt	5.08	4.66
Net Profit Margin (%)	6.2%	6.1%
CCC (Days)	35.00	38.00
ICR (X)	40.07	37.62



## Analysts:

**Fatema Tuj Jahura Jhumu**  
jhumu@wasocreditrating.com

**Ummay Fatema**  
fatema@wasocreditrating.com

SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	04 July 2023	03 July 2024

**Methodology:** SME rating methodology published on the WCRCL website at [www.wasocreditrating.com](http://www.wasocreditrating.com)

## RATING RATIONALE

WCRCL has reaffirmed ‘**WCRSME3**’ (pronounced as WASO Credit Rating Small & Medium Enterprise **Three**) rating under the SME Rating to **Modern Scientific Co.** (hereinafter referred as “**MSC**” 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
- Moderate profitability margin
- Low levered capital structure
- Good interest coverage position
- Satisfactory banking relationship

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 cash conversion cycle
- High Competition in market
- 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 MSC 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.