

1<sup>st</sup> SURVEILLANCE CREDIT RATING REPORT  
MOHAMMADIA BAKERY



Ref. no.: FR/2023/33285

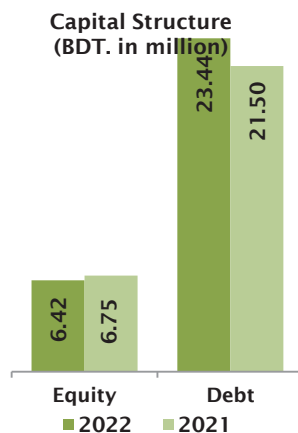
Report Contents:

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	33.35	29.00
EBIT	6.41	5.20
Net Profit	3.81	2.83
Total Assets	29.86	28.25
Total Equity	6.42	6.75
Total debt	23.44	21.50
Net Profit Margin (%)	11.4%	9.7%
CCC (Days)	278	305
ICR (X)	2.54	2.27



Analysts:

Juthi Khanum  
[juthi@wasocreditrating.com](mailto:juthi@wasocreditrating.com)

Ummay Fatema  
[fatema@wasocreditrating.com](mailto:fatema@wasocreditrating.com)

SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME4	Stable	30 August 2023	29 August 2024

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

RATING RATIONALE

WCRCL has reaffirmed 'WCRSME4' (pronounced as WASO Credit Rating Small and Medium Enterprise Four) rating under the SME Rating to Mohammadia Bakery (hereinafter referred as "MB" 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
- Owned business premises and storage facility
- Good business network
- Good 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
- No insurance coverage
- Low disclosure of financial statements
- Low management information system (MIS) and Manual accounting system

The SME rating implies that the Enterprise has Average Credit Quality.

WCRCL also viewed the enterprise with "Stable" outlook and believes that MB 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.