

# INITIAL CREDIT RATING REPORT MOLLAH TRADE & DISTRIBUTION



Ref. no.: FR/2022/028511

## Report Contents:

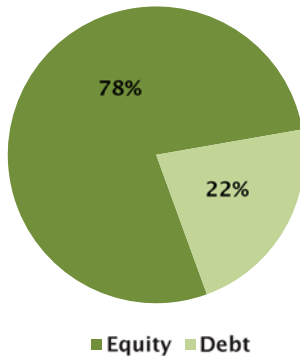
Particulars	Page
Rating Rationale	1
Entity Profile	2
Business Management	2
Market Review	2
Business Analysis	3
Financial Position Analysis	3
Banking Relationship	4
Risk Factor Analysis	5
Rating Observation	5

## Key Snapshot:

BDT. in million

Particulars	2022	2021
Revenue	105.31	91.57
EBIT	7.27	3.66
Net Profit	6.51	2.93
Total Assets	37.34	26.90
Total Equity	29.05	22.52
Total debt	8.28	4.08
Net Profit Margin (%)	6.18	3.20
CCC (Days)	49	42

Capital Structure  
(BDT. in million)



## Analysts:

**Monira Islam**  
monira@wasocreditrating.com

**Md. Al Amin Jewel**  
jewel@wasocreditrating.com

SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	27 December 2022	26 December 2023

WCRSE 3 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**—Audited financial statements up to 30 June 2022, 2021.

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

## RATING RATIONALE

WCRCL has assigned 'WCRSE 3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to **Mollah Trade & Distribution** (hereinafter referred as "MT&D" 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 business network
- 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
- 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 level of credit worthiness in relation to other small enterprises.

WCRCL also viewed the enterprise with "Stable" outlook and believes that MT&D will be able to maintain its good fundamentals in the foreseeable future