

# 2<sup>nd</sup> SURVEILLANCE CREDIT RATING REPORT MOMOTA ENTERPRISE



Ref. no.: FR/2023/033258

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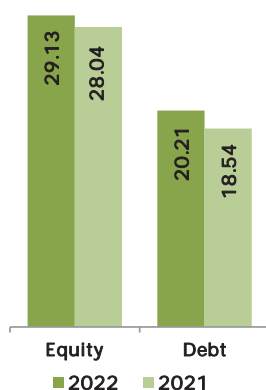
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## Key Snapshot:

BDT. In Million

Particulars	2022	2021
Revenue	102.33	88.98
EBIT	8.89	7.07
Net Profit	7.63	5.89
Total Assets	49.34	46.58
Total Equity	29.13	28.04
Debt	20.21	18.54
Net Profit Margin (%)	7.5	6.6
CCC (Days)	158	173
ICR (X)	9.74	8.51

Capital Structure  
(BDT. In million)



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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME4	Stable	22 August 2023	17 July 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 Momota Enterprise (hereinafter referred as "ME" 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:

- Long business experiences of the proprietor in the business
- Good business network
- Low levered capital structure
- Good interest coverage position
- Satisfactory banking relationship
- Good mortgage security coverage against loan

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

- Low disclosure in the financial statements
- Tight liquidity position considering long cash conversion cycle
- No insurance coverage policy
- Manual accounting system

The SME rating implies that the enterprise is adjudged to average credit quality.

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