

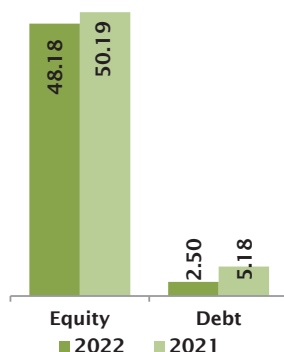
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Key Snapshot:

Particulars	2022	2021
Revenue	103.86	127.55
EBIT	4.80	6.57
Net Profit	4.05	5.52
Total Assets	50.68	55.37
Total Equity	48.18	50.19
Total debt	2.50	5.18
Net Profit Margin (%)	3.9%	4.3%
CCC (Days)	109	96
ICR (X)	6.43	6.25

Capital Structure
(BDT. in million)



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

Financial Based on-Unaudited financial statements up to 31st December 2022.

Methodology: SME rating methodology published on the WCRCL website at www.wasocreditrating.com

RATING RATIONALE

WCRCL has reaffirmed 'WCRSME3' (pronounced as WASO Credit Rating Small and Medium Enterprise Three) rating under the SME Rating to Musa Garments (hereinafter referred as "MG" 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:

- Skilled management
- Satisfactory banking relationship
- Low levered capital structure
- Good interest coverage position
- Good security coverage against loan
- Good loan utilization ratio

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 above Average Credit Quality.

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