

INITIAL CREDIT RATING REPORT THE MADINA FURNITURE



Ref. no.: FR/2023/33722

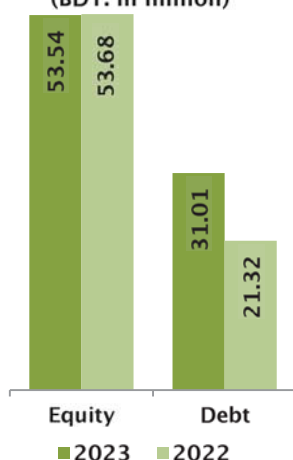
Report Contents:

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	2023	2022	
Revenue	87.77	76.66	
EBIT	21.01	18.72	
Net Profit	17.44	15.50	
Total Assets	84.55	75.00	
Total Equity	53.54	53.68	
Total debt	31.01	21.32	
Net Profit Margin (%)	19.9%	20.2%	
CCC (Days)	214	230	
ICR (X)	14.86	13.71	

Capital Structure
(BDT. in million)



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SME Rating	Rating Notches	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	30 August 2023	29 August 2024

Financial Based on—unaudited financial statements up to 30 June 2023.

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

RATING RATIONALE

WCRCL has assigned 'WCRSME3' (pronounced as WASO Credit Rating Small & Medium Enterprise Three) rating under the SME Rating to The Madina Furniture (hereinafter referred as "TMF" 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 experience of the proprietor in the business
- Low levered capital structure
- Comfortable 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:

- Average disclosure of financial statements
- Tight liquidity position with long cash conversion cycle
- No insurance coverage for the inventory in stock
- Manual accounting system

The rating implies that the enterprise has an above average credit quality.

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