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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	19 December 2023	17 December 2024

*Financial Based on-unaudited financial statements up to 31<sup>st</sup> December 2022.*

*Methodology: SME rating methodology published on the WCRCL website at [www.wasocreditrating.com](http://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 **Mahbub Sanitary & Pump House** (hereinafter referred as "MSPH" 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
- Good business network
- Good interest coverage position
- Satisfactory banking relationship
- Low levered capital structure

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

- No disclosure of financial statements
- Tight liquidity position with long cash conversion cycle
- Manual accounting system

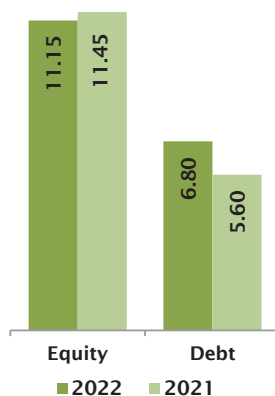
The SME rating implies that the enterprise is adjudged to above average credit quality.

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

**Key Snapshot:**

BDT. in million		
Particulars	2022	2021
Revenue	46.00	38.00
EBIT	3.48	2.82
Net Profit	3.00	2.37
Total Assets	17.95	17.05
Total Equity	11.15	11.45
Total debt	6.80	5.60
Net Profit Margin (%)	6.5	6.2
CCC (Days)	77	86
ICR (X)	13.92	11.28

**Capital Structure**  
(BDT. in million)



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