

CREDIT RATING REPORT  
S.M. MACHINERIES (SURVEILLANCE)  
Ref. no.: FR/2019/07611



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SME Rating	WCR SE/ME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	25 March 2019	28 March 2020

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

Tk. in million

Bank	Mode of Investment	Sanctioned/ Limit Amount	Outstanding as on 19 March 2019
AB Bank Limited	SOD	6.25	5.70
	Rev TL	1.00	0.97
	Rev. L/C	6.00	Nil
	Rev. TR	(2.00)	(1.40)

**Key Snapshot:**

BDT. In Million

Particulars	2018	2017
Revenue	56.20	62.50
EBIT	12.74	7.25
Net Profit	12.03	6.64
NPM (%)	21.41	10.63
Current Ratio (X)	2.41	2.64
CCC (Days)	125	100
Equity	14.89	16.27
Debt	10.09	9.50
D/E Ratio (x)	0.68	0.58
ICR (x)	18.06	11.90

*Financial Based on- Management prepared financial statements for the periods ended on 31st December 2015, 2016, 2017, and 2018.*

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

**RATING RATIONALE**

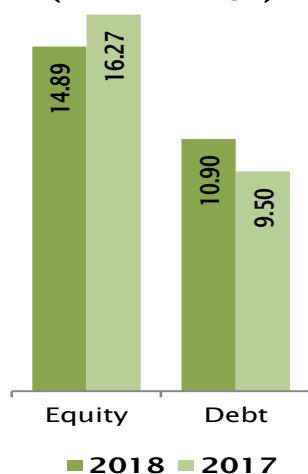
WCRCL has reaffirmed **WCRSE 3** (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to **S.M. Machineries** (hereinafter referred to as 'SMM' or 'The Business') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance.

The above rating has been assigned based on experienced and skilled management, good infrastructural arrangement, wholesaler and regular and diversified buyer base, long business track record, and comfortable coverage position. However, the above factors are constrained to some extent by poor disclosure in the financial statements, stressed liquidity position, no insurance coverage, and dependency on bank loan for working capital.

The SME rating implies that S.M. Machineries is adjudged to above average level of credit worthiness in relation to other small enterprises.

WCRCL also viewed S.M. Machineries with "Stable" outlook and believes that SMM will be able to maintain its good fundamentals in the foreseeable future.

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



**Analysts:**

**Maharan Nasrin**  
maharan@wasocreditrating.com

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