

# 2<sup>nd</sup> SURVEILLANCE CREDIT RATING REPORT ABDULLAH MACHINERIES



Ref. no.: FR/2023/31335

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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	07 May 2023	06 May 2024

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

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
Uttara Bank Limited	CC (H)	2.50	2.55	04.05.2023

BDT. in million

**Financial Based on**—unaudited financial statements up to 31 December 2021.

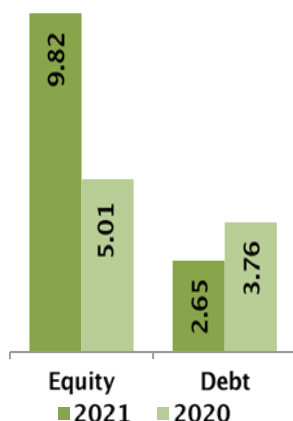
**Methodology:** SME rating methodology published on the WCRCL website at [www.wasocreditrating.com](http://www.wasocreditrating.com)

## Key Snapshot:

BDT. in million

Particulars	2021	2020
Revenue	15.00	13.30
EBIT	2.17	1.22
Net Profit	1.85	0.83
Total Assets	12.47	8.77
Total Equity	9.82	5.01
Total debt	2.65	3.76
Net Profit Margin (%)	12.3	6.2
CCC (Days)	239	193
ICR (X)	6.78	4.89

Capital Structure  
(BDT. in million)



## RATING RATIONALE

WCRCL has assigned 'WCRSE 3' (pronounced as WASO Credit Rating Small Enterprise Four) rating under the SME Rating to **Abdullah Machineries** (hereinafter referred as "AM" 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
- Satisfactory banking relationship
- Good mortgage security coverage against loan
- Good business network
- Good profitability margin
- Low levered capital structure

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

- Tight liquidity position with long cash conversion cycle
- Low interest coverage ratio
- Lack of disclosure in the financial statements
- Low management information system (MIS) and Manual accounting system

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The SME rating implies that the enterprise is adjudged to **above average level** of credit worthiness in relation to other small enterprises.

WCRCL also viewed the enterprise with "Stable" outlook and believes that AM will be able to maintain its good fundamentals in the foreseeable future.