

2nd SURVEILLANCE CREDIT RATING REPORT S. M. ENTERPRISE



Ref. no.: FR/2023/029604

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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	28 March 2023	27 March 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

BDT. in million

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
The Premier Bank Limited	Bank Guarantee (BB)	10.00	5.88	27.03.2023
	Bank Guarantee (PG)	10.00	7.07	
Total		20.00	12.95	

Key Snapshot:

BDT. In Million

Particulars	2022	2021
Revenue	100.31	95.53
EBIT	18.28	17.47
Net Profit	13.84	13.17
Total Assets	37.37	34.96
Total Equity	36.68	34.40
Debt	0.69	0.55
Net Profit Margin (%)	13.8	13.8
CCC (Days)	138	100
ICR (X)	120.87	121.49

Financial Based on-Management prepared financial statements up to 31st December, 2022.

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

RATING RATIONALE

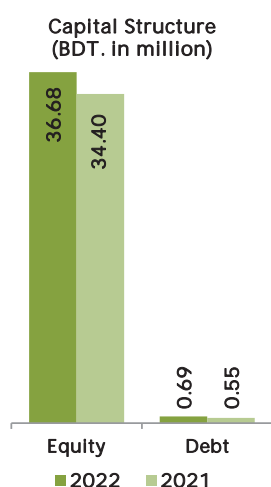
WCRCL has reaffirmed 'WCRSE 3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to S. M. Enterprise (hereinafter referred as "SME" or "The Enterprise") based on its financial and other relevant qualitative and quantitative information up-to the date of the rating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

The above rating has been assigned based on the fundamentals of the enterprise which includes:

- Experienced and skilled management
- Owned business premises
- Satisfactory banking relationship
- Low levered capital structure
- Positive FFO
- Maintained sound business relation with supplier & buyer

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

- Lack of disclosure in the financial statements
- Tight liquidity position considering long cash conversion cycle
- No insurance coverage
- Market outlook derived tight related to linking industry (i.e. real estate)
- 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 SME will be able to maintain its good fundamentals in the foreseeable future.