

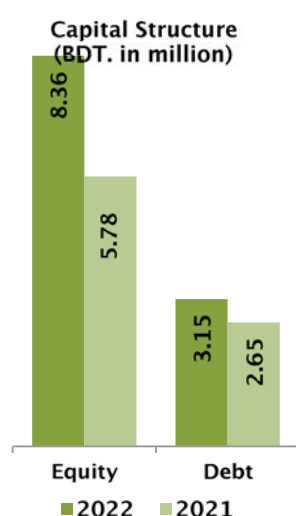
Report Contents:

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	2022	2021
Revenue	4.54	4.63
EBIT	0.85	0.86
Net Profit	0.80	0.80
Total Assets	11.51	8.43
Total Equity	8.36	5.78
Total debt	3.15	2.65
Net Profit Margin (%)	17.6%	17.3%
CCC (Days)	651	478
ICR (X)	17.06	15.09



Analysts:

Nazrul Islam
nazrul@wasocreditrating.com

Monira Islam
monira@wasocreditrating.com

SME Rating	Rating Notches	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	25 July 2023	24 July 2024

BDT. in million

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
Uttara Bank Limited	CC (H)	2.50	2.22	14.06.2023

Financial Based on—unaudited financial statements up to 31 December 2022.

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

RATING RATIONALE

WCRCL has upgrade 'WCRSME3' (pronounced as WASO Credit Rating Small & Medium Enterprise **Three**) rating under the SME Rating to **Mahmud Engineering Shop** (hereinafter referred as "MES" 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 and storage facility
- Good mortgage security coverage against loan
- Good Net Worth of the Proprietor
- Good interest coverage position
- 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 disclosure of financial statements
- Low management information system (MIS) and 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 MES 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.