

6th SURVEILLANCE CREDIT RATING REPORT BARKAT MACHINERIES

Ref. no.: CRAR- 973/2023



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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	14 November 2023	05 December 2024

Tk. in Million				
Name of Bank	Mode of Investment	Limit Amount	Outstanding Amount	Outstanding Date
Uttara Bank PLC	CC (Hypo.)	12.00	12.55	07.11.2023

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 'WCRSME3' (pronounced as WASO Credit Rating Small and Medium Enterprise Three) rating to Barkat Machineries (hereinafter referred to as 'BM' 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
- Low levered capital structure
- Good mortgage security coverage against loan

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

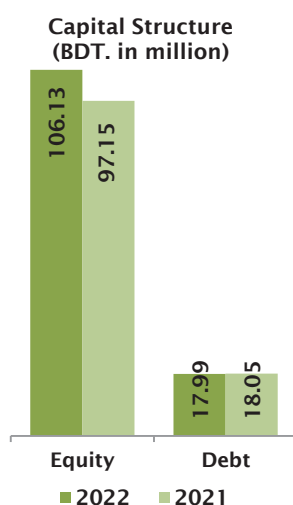
- Low disclosure of financial statements
- Inventory holding risk
- Tight liquidity position
- Manual accounting system

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 BM 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:

Tk. in Million		
Particulars	2022	2021
Revenue	119.12	112.79
EBIT	16.63	13.72
Net Profit	15.55	12.35
Total Assets	124.12	115.20
Total Equity	106.13	97.15
Debt	17.99	18.05
Net Profit Margin (%)	13.1	10.9
CCC (Days)	121	120
ICR (X)	15.82	10.10



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