

10th SURVEILLANCE CREDIT RATING REPORT
CHITTAGONG MACHINERY AND MOTORS

Ref. no.: CRAR-174/2023



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| SME Rating | Rating Notch | Outlook | Date of Declaration | Date of Expiration |
|------------|--------------|---------|---------------------|--------------------|
| | WCRSME3 | Stable | 12 December 2023 | 29 November 2024 |

Key Snapshot:

BDT. in million

| Particulars | 2021 | 2022 |
|-----------------------|--------|--------|
| Revenue | 219.71 | 243.87 |
| EBIT | 17.56 | 19.99 |
| Net Profit | 13.72 | 14.95 |
| Total Assets | 293.53 | 301.28 |
| Total Equity | 238.28 | 254.79 |
| Debt | 55.25 | 46.49 |
| Net Profit Margin (%) | 6.2 | 6.1 |
| CCC (Days) | 281 | 265 |
| ICR (X) | 4.71 | 4.07 |

BDT. In Million

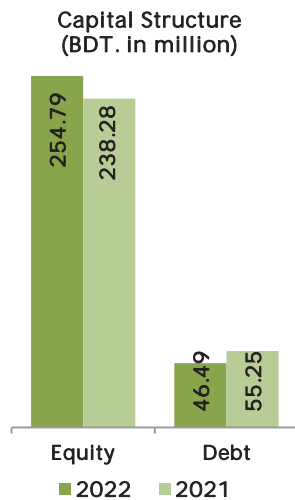
| Bank | Facilities | Limit Amount | Outstanding Amount | Outstanding Date |
|----------------------------|------------------|--------------|--------------------|------------------|
| Islami Bank Bangladesh PLC | Bai-Murabaha TR | 42.00 | 36.75 | 13.12.2023 |
| | Stimulus Package | 8.00 | - | |

Financial Based on: Audited 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 Chittagong Machinery and Motors (hereinafter referred to as 'CMM' or 'The enterprise') based on its financial and other relevant qualitative and quantitative information up-to the date of the enterprise.



The above rating has been assigned based on experienced proprietor and key management team, maintained sound relation with supplier, buyer & lender, getting location advantage, long period of business track record in history, low levered enterprise, comfortable interest coverage position and maintained insurance coverage. However, the above factors are constrained to some extent by no disclosure in the financial statements, tight liquidity position considering long cash conversion cycle, low management information system (MIS) and manual accounting system, risk associated with procurement and extensive competition to the market and lack of ready succession.

The SME rating implies that the enterprise is adjudged above average credit quality.

WCRCL also viewed the enterprise with Stable outlook and believes that CMM 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.

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