

4th SURVEILLANCE CREDIT RATING REPORT NEW LUCKY MOTORS



Ref. no.: FR/2023/30383

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Key Snapshot:

BDT. in million

Particulars	2021	2020
Revenue	66.21	44.14
EBIT	13.77	9.64
Net Profit	13.24	9.16
Total Assets	47.65	18.63
Total Equity	36.09	16.31
Total debt	11.56	2.31
Net Profit Margin (%)	20.0%	20.8%
CCC (Days)	177	111
ICR (X)	29.22	22.48

SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	12 March 2023	19 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

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
Al-Arafah Islami Bank Limited	Bai-Muajjal	10.00	13.00	11.03.2023
	HPSM (Transport)	1.50	0.00	

BDT. in million

Financial Based on audited financial statements up to 31 December 2021.

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

RATING RATIONALE

WCRCL has retained 'WCRSE 3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to New Lucky Motors (hereinafter referred as "NLM" 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
- Satisfactory banking relationship
- Good business network
- 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
- No insurance coverage
- Average disclosure of financial statements
- Low management information system (MIS)

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 NLM will be able to maintain its good fundamentals in the foreseeable future.

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