

3rd SURVEILLANCE CREDIT RATING REPORT GUDDU MOTORS



Ref. no.: FR/2023/029899

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| SME Rating | WCRSE/WCRME | Outlook | Date of Declaration | Date of Expiration |
|------------|-------------|---------|---------------------|--------------------|
| | WCRSE 3 | Stable | 12 March 2023 | 11 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

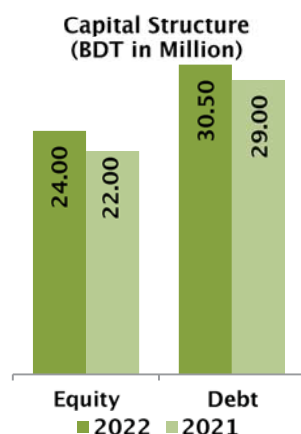
| Bank Name | Mode of Investment | Sanctioned Amount | Outstanding Amount | Date of Outstanding |
|-------------------------|--------------------|-------------------|--------------------|---------------------|
| Mercantile Bank Limited | CC (Hypo.) | 20.00 | 20.24 | 31.01.2023 |

Financial Based on—Unaudited financial statements for 2022, 2021, 2020.

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

Key Snapshot:

| | BDT in Million | |
|-----------------------|----------------|--------|
| Particulars | 2022 | 2021 |
| Revenue | 107.00 | 137.00 |
| EBIT | 6.20 | 6.00 |
| Net Profit | 4.50 | 4.30 |
| Total Assets | 54.50 | 51.00 |
| Total Equity | 24.00 | 22.00 |
| Total debt | 30.50 | 29.00 |
| Net Profit Margin (%) | 4.21 | 3.14 |
| CCC (Days) | 137 | 100 |
| ICR (X) | 4.13 | 4.00 |



RATING RATIONALE

WCRCL has reaffirmed 'WCRSE 3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to **Guddu Motors** (hereinafter referred as "GM" 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:

- Long experience track of the proprietor
- Overall good profitability ratios
- Good coverage position
- Good security arrangement
- Regular loan repayment history

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

- No insurance policy
- Tight liquidity position
- Highly levered enterprise
- No disclosure in the financial statements

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

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