

1st SURVEILLANCE CREDIT RATING REPORT CAR CITY



Ref. no.: FR/2023/32933

Report Contents:

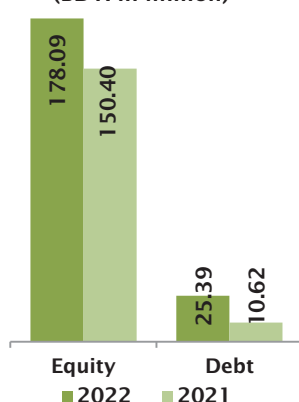
Particulars	Page
Rating Rationale	1
Entity Profile	2
Business Management	2
Market Review	2
Business Analysis	3
Financial Position Analysis	3
Risk Factor Analysis	5
Rating Observation	5

Key Snapshot:

BDT. in million

Particulars	FY 2022	FY 2021
Revenue	251.63	215.18
EBIT	39.36	28.29
Net Profit	27.69	23.77
Total Assets	203.48	161.02
Total Equity	178.09	150.40
Debt	25.39	10.62
Net Profit Margin (%)	11.0	11.0
CCC (Days)	128	140
ICR (X)	20.95	50.04

Capital Structure
(BDT. in million)



Analysts:

Md. Rifat Ahmed
rifat@wasocreditrating.com

Md. Rafiul Bary
rafi@wasocreditrating.com

SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	08 August 2023	07 August 2024

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 Enterprise Three) rating under the SME Rating to Car City (hereinafter referred as "CC" 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
- Maintained sound relation with supplier and buyer
- 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
- Rented business premises
- Average disclosure in the financial statement
- Low management information system (MIS)

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 CC 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.