

1st SURVEILLANCE CREDIT RATING REPORT DEWAN MOTORS



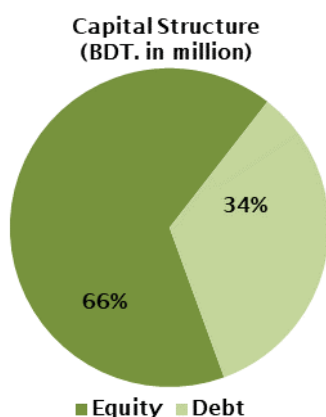
Ref. no.: FR/2023/032941

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Key Snapshot:

BDT. in million		
Particulars	2021	2020
Revenue	40.22	34.65
EBIT	2.68	2.62
Net Profit	2.51	2.45
Total Assets	12.87	12.17
Total Equity	8.50	7.86
Debt	4.37	4.31
Net Profit Margin (%)	6.2%	7.1%
CCC (Days)	105	104
ICR (X)	16.72	16.87



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

WCRSME3 rating is equivalent to Bangladesh Bank SME rating scale of SME3 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093

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 & Medium Enterprise Three) rating under the SME Rating to **Dewan Motors** (hereinafter referred as "DM" 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 office premises
- 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:

- Low disclosure of financial statements
- Tight liquidity position with long cash conversion cycle
- Low management information system (MIS) and 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 **DM** 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.