

# 5<sup>th</sup> SURVEILLANCE CREDIT RATING REPORT ASIAN MOTORBIKES LIMITED

Ref. No.: FR/2023/032583



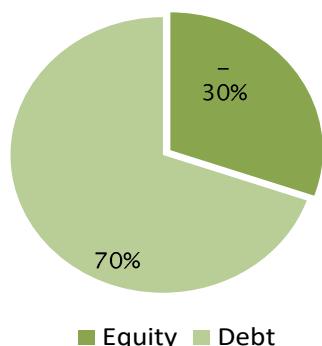
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## Key Snapshot:

Tk. In million		
Particulars	2022	2021
Revenue	18.80	52.04
EBIT	-11.06	4.39
Net Profit	-11.20	2.97
Total Assets	52.89	111.43
Total Equity	-40.87	5.35
Total Liabilities	93.76	106.07
Net Profit Margin (%)	-59.59	5.70
Current Ratio (X)	0.56	0.94
Debt to Equity (X)	-2.29	19.81

## Capital Structure



## Analysts:

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Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	BBB	ST 3	Stable	25 July 2023	18 July 2024

\*Bank loan rating may valid till date of rating expiration mentioned above or the expiration of facilities whichever is earlier.

Tk. in Million				
Bank Name	Facilities	Limit Amount	Outstanding As on 30.06.2023	Bank Loan Rating
Dhaka Bank Limited	LC	30.00	0.00	blr ST 3
	Rev. LTR	(27.00)	0.00	
	Rev. TL	30.00	7.56	
	OD	5.00	4.99	
	BG	15.00	8.02	

Financial Based-Audited financial statements of 30 June 2022, 2021, 2020.

Methodology: Corporate rating methodology published on the WCRCL website at [www.wasocreditrating.com](http://www.wasocreditrating.com)

## RATING RATIONALE

WCRCL has reaffirmed **BBB** rating (Pronounced Triple B) for the long term and **ST 3** for the short term (Pronounced Short Term-Three) to **Asian Motorbikes Limited** (hereinafter referred to as 'AML' or 'The Company') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance. WCRCL also assigned **blr ST 3** (Bank Loan Rating Short Term-Three) for short term loan limit.

The above rating has been assigned based on experienced directors, getting advantages for perfect selling positioning, having strong group support. However, the above factors are constrained to some extent by extensive competition to the market, decreasing business trends, tight liquidity with long cash conversion cycle, lower profit margin, highly levered concern, negative equity in capital structure, net loss from operation, and poor disclosure of financial statements.

The long term rating implies that the entity rated in this category is adjudged to average credit quality. The short term rating implies that the entity has average ability to meet short term financial commitments.

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.

WCRCL also viewed the Company with **Stable** outlook and believes that **AML** will be able to maintain its good fundamentals in the foreseeable future.