

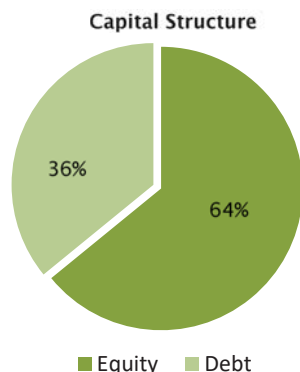
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Key Snapshot:

Tk. in million

Particulars	2021	2022
Sales	114.37	131.52
EBIT	7.89	9.76
Net Profit	6.69	8.44
Total Assets	32.10	34.91
Total Equity	20.60	22.37
Total debt	11.50	12.53
Net Profit Margin (%)	5.85	6.42
Current Ratio (X)	2.62	2.64
CCC (Days)	83	78
ICR (X)	22.43	9.34



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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	03 October 2023	25 November 2024

Financial Based on-Unaudited financial statements up to 31 December 2022, 2021 and 2020.

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 and medium Enterprise Three) rating under the SME Rating to **Brothers Motors** (hereinafter referred as "BM" 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 reaffirmed based on the fundamentals of the enterprise which includes:

- Experienced and skilled management
- Satisfactory banking relationship
- Increasing Business trends
- Low levered capital structure

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

- Long cash conversion cycle
- Low disclosure of financial statements
- Lower profit margin
- Low management information system (MIS) and Manual accounting system

The SME rating implies that the enterprise has adjudged to above average level of credit quality.

WCRCL also viewed the enterprise with "Stable" outlook and believes that BM 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.