

1st SURVEILLANCE CREDIT RATING REPORT MODINA AUTOS



Ref. no.: CRAR-13305/2023

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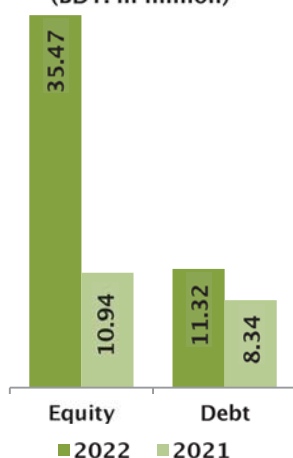
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Key Snapshot:

BDT. in million

Particulars	2022	2021
Revenue	98.40	80.17
EBIT	2.60	1.17
Net Profit	1.68	0.67
Total Assets	46.78	19.28
Total Equity	35.47	10.94
Total debt	11.32	8.34
Net Profit Margin (%)	1.7	0.8
CCC (Days)	102.50	79
ICR (X)	2.83	2.34

Capital Structure
(BDT. in million)



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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	10 October 2023	09 October 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 and Medium Enterprise Three) rating under the SME Rating to Modina Autos (hereinafter referred as "MA 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 business experiences of the proprietor in the business
- Good business network
- Low levered capital structure
- Good liquidity position with short cash conversion cycle
- Satisfactory banking relationship
- Good mortgage security coverage against loan

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

- Low disclosure in the financial statements
- Small scale in the business
- Low interest coverage ratio
- Manual accounting system

The SME rating implies that the enterprise has above average credit quality.

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