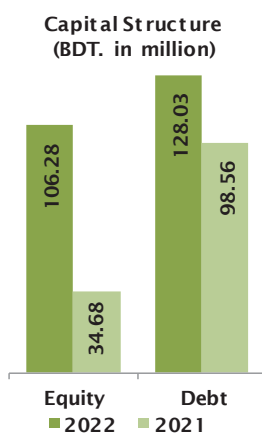


Report Contents:

Particulars	Page
Rating Rationale	1
Entity Profile	2
Business Management	2
Business Analysis	3
Financial Position Analysis	3
Banking Relationship	4
Risk Factor Analysis	5
Rating Observation	5

Key Snapshot:

BDT. in million			
Particulars	2022	2021	
Revenue	342.24	299.82	
EBIT	47.61	22.60	
Net Profit	35.97	12.15	
Total Assets	234.31	133.23	
Total Equity	106.28	34.68	
Total debt	128.03	98.56	
Net Profit Margin (%)	10.5%	4.1%	
CCC (Days)	160	167	
ICR (X)	4.17	2.21	



Analysts:

Fatema-Tuj-Jahura Jhumu
jhumu@wasocreditrating.com

Ummay Fatema
fatema@wasocreditrating.com

SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	22 August 2023	21 August 2024

Financial Based on-Unaudited financial statements up to 31 December 2022.

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 **S.K Automobiles** (hereinafter referred as "SKA" 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
- Good interest coverage position
- Have Insurance Coverage

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
- Highly levered capital structure
- 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 **SKA** 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.