

INITIAL CREDIT RATING REPORT XOOM AUTO



Ref. no.: FR/2023/032998

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Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	BBB	ST 3	Stable	08 August 2023	07 August 2024

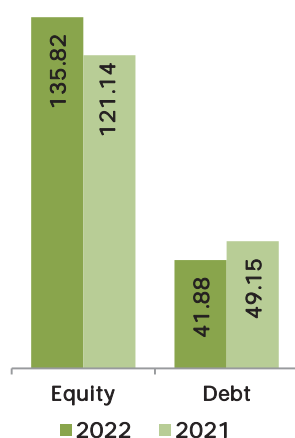
Bank	Mode of Investment	Limit Amount	Outstanding Amount	Bank Loan Rating
National Bank Limited (26.07.2023)	CC (H)	25.00	9.99	blr ST 3
	L/C	20.00	5.40	
	LTR	(15.00)	-	
	Total	45.00	15.39	

Key Snapshot:

BDT. in million

Particulars	FY22	FY21
Revenue	1,722.49	1,785.24
EBIT	14.90	13.32
Net Profit	14.69	13.16
Total Assets	177.70	170.28
Total Equity	135.82	121.14
Total debt	41.88	49.15
Net Profit Margin (%)	0.9	0.7
CCC (Days)	25	23
ICR (X)	175.78	273.29

Capital Structure
(BDT. in million)



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Methodology: SME rating methodology published on the WCRCL website at www.wasocreditrating.com

RATING RATIONALE

WCRCL has assigned 'BBB' (pronounced as Triple B) rating for the Long Term and 'ST 3' (pronounced Short Term Three) rating for Short Term to 'Xoom Auto' (hereinafter referred to as 'XA' or 'The Enterprise') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating declaration. WCRCL has reaffirmed 'blr ST 3' (pronounced as Bank Loan Rating Short Term Three) rating to the aggregate short term loan limit.

The above ratings have been assigned based on the fundamentals of the enterprise which include long business experiences of the proprietor in the business, good business network, maintained sound business relation with supplier & buyer, low levered capital structure, good liquidity position with short cash conversion cycle, comfortable interest coverage position and satisfactory banking relationship.

However, the above factors are low disclosure in the financial statements, small scale in the business and no insurance coverage for the inventory in stock.

The long term rating implies that the enterprise is subject to medium grade and medium credit risk. The short term rating implies that the enterprise has an acceptable ability to repay short term debt obligations from internal sources. However, it is expected to rely on external sources of committed financing due to downturn in economic or industry circumstances.

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