

INITIAL CREDIT RATING REPORT  
AL MODINA MOTORS



Ref. no.: CRAR-19441/2024

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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	15 February 2024	14 February 2025

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

**RATING RATIONALE**

WCRCL has assigned 'WCRSME3' (pronounced as WASO Credit Rating Small and Medium Enterprise Three) rating under the SME Rating to Al Modina Motors (hereinafter referred as "AMM" or "The Enterprise") based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance.

**Key Snapshot:**

*BDT. In Million*

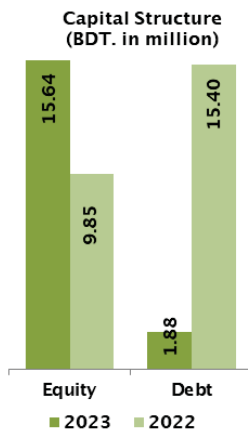
Particulars	2023	2022
Revenue	64.05	54.70
EBIT	6.45	5.41
Net Profit	6.06	4.72
Total Assets	17.52	25.25
Total Equity	15.64	9.85
Total debt	1.88	15.40
Net Profit Margin (%)	9.5	8.6
CCC (Days)	102	146
ICR (X)	17.48	7.95

The above rating has been assigned based on the fundamentals of the enterprise which includes:

- Experienced and skilled management
- Good business network
- Owned business premises and storage facility
- Low levered capital structure
- Comfortable interest coverage position
- Satisfactory banking relationship
- Good mortgage security coverage against loan

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

- No disclosure in the financial statements
- Tight liquidity position considering long cash conversion cycle
- No insurance coverage for the inventory in stock
- 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 AMM 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 changes in any macro and micro factors in the economy.

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