

Report Contents:

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

SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	19 December 2023	18 December 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 and Medium Enterprise Three) rating under the SME Rating to Chowdhury Motors (hereinafter referred as “CM” or “The Enterprise”) based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance.

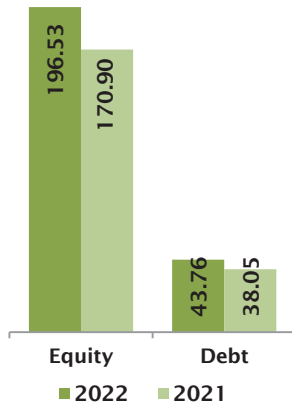
The above rating has been reaffirmed based on the fundamentals of the enterprise which includes:

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

Key Snapshot:

Particulars	Tk. in million	
	2022	2021
Revenue	81.08	70.50
EBIT	8.78	7.64
Net Profit	6.18	5.38
Total Assets	240.29	208.95
Total Equity	196.53	170.90
Debt	43.76	38.05
Net Profit Margin (%)	7.6	7.6
CCC (Days)	115	123
ICR (X)	3.46	3.46

Capital Structure (BDT. in million)



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

- No disclosure of financial statements
- Tight liquidity position with long cash conversion cycle
- 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 CM 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.

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