

# SURVEILLANCE CREDIT RATING REPORT KHULNA TRADING



Ref. no.: FR/2022/026371

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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	11 October 2022	10 October 2023

WCRSE 3 rating is equivalent to Bangladesh Bank SME rating scale of SME 3 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
	CC (H)	15.00	10.68	
Uttara Bank Limited	L/C	50.00	Nil	07.10.2022
	PIF (Inner Of LC)	(15.00)	Nil	

BDT. in million

## Key Snapshot:

BDT. in million

Particulars	FY21	FY22
Revenue	169.82	179.52
EBIT	9.64	9.97
Net Profit	9.03	9.36
Total Assets	91.09	93.99
Total Equity	70.24	76.08
Debt	20.85	17.91
Net Profit Margin (%)	5.3	5.2%
CCC (Days)	158	173
ICR (X)	19.79	20.47

Financial Based on-unaudited financial statements For 30<sup>th</sup> June 2020-2022.

Methodology: SME rating methodology published on the WCRCL website at [www.wasocreditrating.com](http://www.wasocreditrating.com)

## RATING RATIONALE

WCRCL has assigned 'WCRSE 3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to Khulna Trading (hereinafter referred as "KT" or "The Enterprise") based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance.

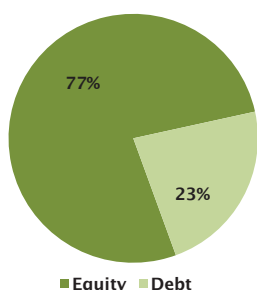
The above rating has been assigned based on the fundamentals of the enterprise which includes:

- Experienced and skilled management
- Good business network
- Satisfactory banking relationship
- Low levered capital structure
- Good interest coverage position

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

- Lack of disclosure in the financial statements
- Tight liquidity position considering long cash conversion cycle
- Inventory holding risk
- Low management information system (MIS) and Manual accounting system

Capital Structure  
(BDT. in million)



## Analysts:

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The SME rating implies that the enterprise is adjudged to above average level of credit worthiness in relation to other small enterprises.

WCRCL also viewed the enterprise with "Stable" outlook and believes that KT will be able to maintain its good fundamentals in the foreseeable future.