

2nd SURVEILLANCE CREDIT RATING REPORT KHAN ENTERPRISE

Ref. no.: FR/2022/29208



Report Contents:

Particulars	Page
Rating Rationale	1
Business Profile	2
Business Management	2
Market Review	2
Business Analysis	3
Financial Position Analysis	4
Credibility and Banking Relationship	4
Risk Factor Analysis	5
Rating Observation	6
Annexure	7

SME Rating	WCR SE/ME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	16 January 2023	27 February 2024

*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

Tk. in Million

Name of Bank	Mode of Investment	Limit or Sanctioned Amount	Outstanding Amount	Outstanding Date
Mercantile Bank Limited	Hire Purchase	9.50	5.00	
	SOD (Gen.)	27.50	28.10	15.01.2023
	Stimulus	3.00	3.10	

Financial Based on- Un-audited financial statement up to 30th June 2022.

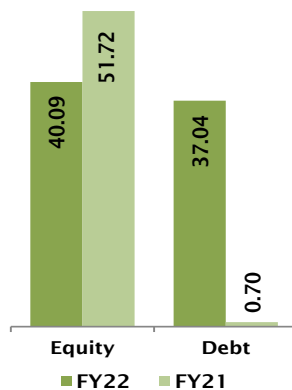
Methodology: SME rating methodology published on the WCRCL website at www.wasocreditrating.com

Key Snapshot:

BDT. in million

Particulars	FY22	FY21
Revenue	260.55	193.00
EBIT	72.14	50.00
Net Profit	66.44	48.30
Total Assets	77.13	52.42
Total Equity	40.09	51.72
Total debt	37.04	0.70
Net Profit Margin (%)	25.5	25.0
CCC (Days)	103	117
ICR (X)	32.64	29.41

Capital Structure
(BDT. in million)



RATING RATIONALE

WCRCL has reaffirmed 'WCRSE 3' (pronounced as WASO Credit Rating Small Enterprise Three) rating to Khan Enterprise (hereinafter referred to as 'KE' 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 long and successful track record of Business, profitability ratios are in good position, low levered business, good coverage position, good security arrangement and regular loan repayment history. However, the above factors are constrained to some extent by limited capacity to capture several concurrent project work orders, tight liquidity position, change in government policy would make it difficult to collect the bills receivable and no disclosure in financial statement.

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

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

Analysts:

Shudhan Mallick
Shudhan@wasocreditrating.com

Md. Rafiul Bary
rafi@wasocreditrating.com