

# 2<sup>nd</sup> SURVEILLANCE CREDIT RATING REPORT K. B. WOOD



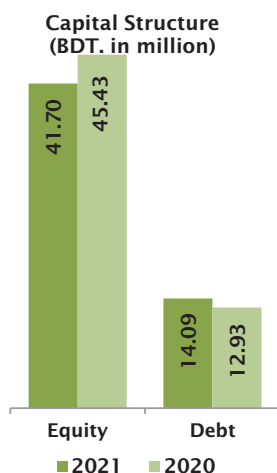
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## Key Snapshot:

BDT. in million		
Particulars	2021	2020
Revenue	40.83	35.50
EBIT	4.77	4.08
Net Profit	3.62	3.03
Total Assets	55.79	57.27
Total Equity	41.70	45.43
Debt	14.09	12.93
Net Profit Margin (%)	8.9	8.5
CCC (Days)	153	168
ICR (X)	4.19	3.94



## Analysts:

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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	27 December 2022	27 December 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
Al-Arafah Islami Bank Limited	Baim	8.50	9.24	29.11.2022

\* Note: According to Sanction letter, the enterprise has a sister concern namely M/s. Panna Lal Dev Chawdhury, which is enjoying the Bai-Muajjal Investment limit of BDT. 3.00 million against outstanding amount at BDT. 3.28 million as on 30.11.2022.

Financial Based on-Unaudited financial statements up to 31<sup>st</sup> December 2021.

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

## RATING RATIONALE

WCRCL has reaffirmed 'WCRSE 3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to **K. B. Wood** (hereinafter referred as "KBW" 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 interest coverage position
- Good mortgage security coverage against loan
- Good business network
- Low levered capital structure

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

- Tight liquidity position with long cash conversion cycle
- Low disclosure of financial statements
- Low management information system (MIS) and Manual accounting system

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 KBW will be able to maintain its good fundamentals in the foreseeable future.