

1<sup>st</sup> SURVEILLANCE CREDIT RATING REPORT  
KHAN IRON STORE



Ref. no.: FR/2023/30171

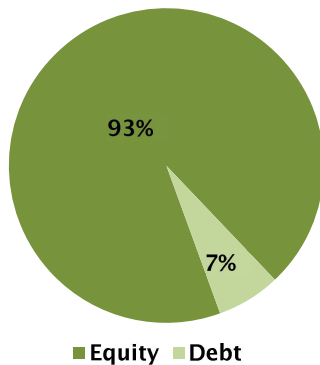
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Key Snapshot:

BDT. in million	
Particulars	2021
Revenue	63.39
EBIT	4.43
Net Profit	4.15
Total Assets	46.23
Total Equity	43.22
Total debt	3.01
Net Profit Margin (%)	6.5%
CCC (Days)	58.75
ICR (X)	23.48

Capital Structure  
(BDT. in million)



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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	28 March 2023	27 March 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

**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 Khan Iron Store (hereinafter referred as "KIS" 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
- Owned business premises and storage facility
- Satisfactory banking relationship
- Good mortgage security coverage against loan
- Good business network
- Good Profitability margin
- Good liquidity position with short cash conversion cycle
- Low levered capital structure
- Comfortable interest coverage position
- Maintained sound business relation with supplier & buyer

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

- No insurance coverage for the inventory in stock
- Lack of disclosure in the 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 KIS will be able to maintain its good fundamentals in the foreseeable future.