

# 1<sup>st</sup> SURVEILLANCE CREDIT RATING REPORT K. M FASHION LIMITED



Ref. no.: FR/2023/029875

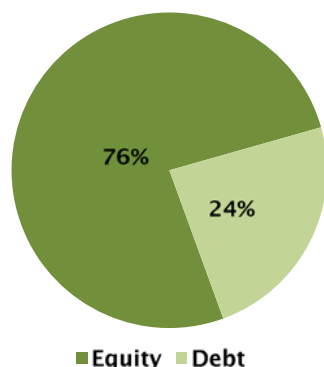
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## Key Snapshot:

BDT. in million			
Particulars	2021	2020	
Revenue	215.61	812.44	
EBIT	5.77	97.89	
Net Profit	4.45	68.56	
Total Assets	41.61	506.06	
Total Equity	31.69	287.70	
Total debt	9.92	218.35	
Net Profit Margin (%)	2.06	8.44	
CCC (Days)	191	105	

Capital Structure  
(BDT. in million)



## Analysts:

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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	12 March 2023	14 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

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	BDT. in million
				Date of Outstanding
Uttara Bank Limited	BBLC/LC	110.00	41.99	28.02.2023
	OD	15.00	10.56	
	OD (FDR)	6.10	5.68	

Financial Based on Audited financial statements up to 30 June 2021, 2020, and 2019.

**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 **K. M Fashion Limited** (hereinafter referred as "KMFL" or "The Company") 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 Company which includes:

- Experienced and skilled management
- Owned business premises and storage facility
- Satisfactory banking relationship
- 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 Company is adjudged to above average level of credit worthiness in relation to other small enterprises.

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