

# INITIAL CREDIT RATING REPORT KAKON MOTSHO KHAMAR



Ref. no.: FR/2022/28990

## Report Contents:

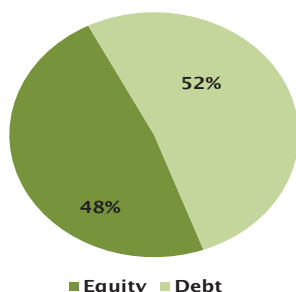
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## Key Snapshot:

BDT. in million

Particulars	FY22
Revenue	14.80
EBIT	2.44
Net Profit	2.20
Total Assets	6.37
Total Equity	3.06
Total debt	3.31
Net Profit Margin (%)	14.9
CCC (Days)	147
ICR (X)	10.17

Capital Structure  
(BDT. in million)



## Analysts:

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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	27 December 2022	26 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

**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 **Kakon Motsho Khamar** (hereinafter referred as "KMK" 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
- Owned business premises
- Good interest coverage position

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

- Tight liquidity position with long cash conversion cycle
- Highly levered capital structure
- 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 KMK will be able to maintain its good fundamentals in the foreseeable future.