

INITIAL CREDIT RATING REPORT KNIR ENGINEERING & SERVICES LIMITED



Ref. no.: FR/2022/31568

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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRME 3	Stable	29 August 2022	28 August 2023

WCRME 3 rating is equivalent to Bangladesh Bank SME rating scale of SME 3 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093

Financial Based on unaudited financial statements for 30th June 2022.

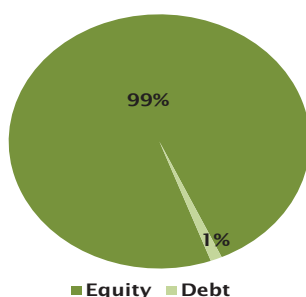
Methodology: SME rating methodology published on the WCRCL website at www.wasocreditrating.com

RATING RATIONALE

Key Snapshot:

BDT. in million	
Particulars	FY22
Revenue	134.05
EBIT	9.16
Net Profit	8.96
Total Assets	54.66
Total Equity	54.09
Debt	0.68
Net Profit Margin (%)	6.7
CCC (Days)	63
ICR (X)	n/a

Capital Structure
(BDT. in million)



WCRCL has assigned 'WCRME 3' (pronounced as WASO Credit Rating Medium Enterprise Three) rating under the SME Rating to **Knir Engineering & Services Limited** (hereinafter referred as "KESL" 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 enterprise which includes:

- Skilled and experienced management
- Low levered in the capital structure
- Majority bills of the company are made by short period
- The company has two big on-going project
- The entity is profitable concern

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

- Low disclosure of financial statements
- Newly business of operation
- Low management information system (MIS) and Manual accounting system

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

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