

5th SURVEILLANCE CREDIT RATING REPORT K.M. TRADING HOUSE & ITS SISTER CONCERN

Ref. no.: FR/2023/33600



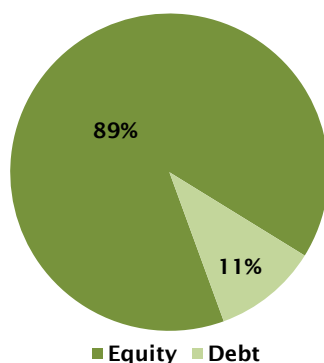
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Key Snapshot:

Particulars	Tk. in million 2022
Revenue	482.01
EBIT	49.99
Net Profit	46.66
Total Assets	347.38
Total Equity	310.43
Debt	36.95
Net Profit Margin (%)	9.7
CCC (Days)	143
ICR (X)	26.14

Capital Structure
(BDT. in million)



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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	19 September 2023	18 September 2024

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

RATING RATIONALE

WCRCL has upgraded **WCRSME3** (pronounced as WASO Credit Rating Small and Medium Enterprise Three) rating under the SME Rating **K.M. Trading House And Its Sister Concern** (hereinafter referred to as 'KMTHISC or 'The Enterprise') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating declaration.

The above ratings have been assigned based on the fundamentals of the enterprise has positioning of selling point at prime area, experienced and skilled management, low leverage position and good interest coverage position. However, the above factors are constrained to some extent by lack of disclosure in the financial statements, tight liquidity position, manual accounting system, high competitive market and no insurance coverage, which means high operational risk.

The SME rating implies that the enterprise is adjudged to above average credit quality.

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

This rating may be revised in case of any extraordinary changes in line with the sponsor's equity investment, debt obligations, management, business operations and/or changes in any macro and micro factors in the economy.