

# INITIAL CREDIT RATING REPORT KHALEDA MYSHA TRADING CORPORATION



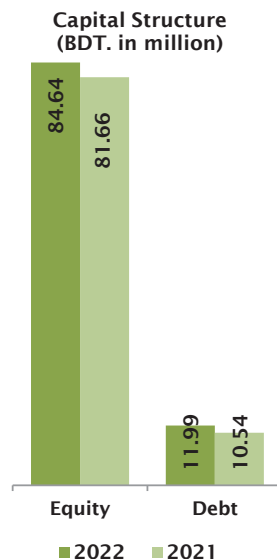
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## Report Contents:

Particulars	Page
Rating Rationale	1
Entity Profile	2
Business Management	2
Market Review	2
Business Analysis	3
Financial Position Analysis	3
Banking Relationship	4
Risk Factor Analysis	5
Rating Observation	5

## Key Snapshot:

BDT. in million		
Particulars	2022	2021
Revenue	142.56	126.80
EBIT	15.76	13.33
Net Profit	14.49	12.10
Total Assets	96.63	92.20
Total Equity	84.64	81.66
Total debt	11.99	10.54
Net Profit Margin (%)	10.2	9.5
CCC (Days)	136	147
ICR (X)	17.21	15.05



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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME4	Stable	22 August 2023	21 August 2024

*Methodology: SME rating methodology published on the WCRCL website at [www.wasocreditrating.com](http://www.wasocreditrating.com)*

## RATING RATIONALE

WCRCL has assigned 'WCRSME4' (pronounced as WASO Credit Rating Small and Medium Enterprise Four) rating under the SME Rating to **Khaleda Mysha Trading Corporation** (hereinafter referred as "KMTC" 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
- Maintained sound business relation with supplier & buyer
- Good Profitability margin
- Low levered capital structure
- Comfortable interest coverage position
- Satisfactory banking relationship
- Good mortgage security coverage against loan

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

- Low disclosure in the financial statements
- Small Scale in the business
- Tight liquidity position considering long cash conversion cycle
- No insurance coverage for the inventory in stock
- Manual accounting system

The SME rating implies that the enterprise has **average credit quality**.

WCRCL also viewed the enterprise with "Stable" outlook and believes that KMTC 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.