

SURVEILLANCE CREDIT RATING REPORT

KHANDAKER HARDWARE AND SANITARY



Ref. no.: FR/2023/32833

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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	08 August 2023	07 August 2024

Tk. in million

Bank	Mode of Investment	Sanctioned Amount	Outstanding	Outstanding as on
Uttara Bank Limited	CC (Hypo)	10.00	2.79	31.07.2023

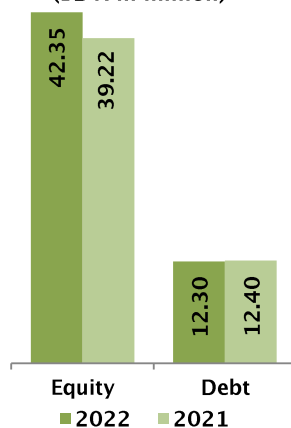
Methodology: SME rating methodology published on the WCRCL website at www.wasocreditrating.com

Key Snapshot:

Tk. in million

Particulars	2022	2021
Revenue	63.09	59.04
EBIT	14.52	11.61
Net Profit	14.00	11.04
Total Assets	54.65	51.62
Total Equity	42.35	39.22
Debt	12.30	12.40
Net Profit Margin (%)	22.2	18.7
CCC (Days)	137	127
ICR (X)	29.45	20.44

Capital Structure
(BDT. in million)



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RATING RATIONALE

WCRCL has reaffirmed 'WCRSME3' (pronounced as WASO Credit Rating Small And Medium Enterprise Three) rating under the SME Rating to **Khandaker Hardware and Sanitary** (hereinafter referred to as 'KHS' 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 skilled and seasoned management, good business network, good infrastructural arrangement, moderate leverage position, strong coverage position. However, the above factors are constrained to some extent by dependency on bank loan for working capital, high inventory pileup may create the tight liquidity position, low disclosure of financial statements, and registered mortgage is jointly owned by the proprietor and his brother.

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

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