

4th SURVEILLANCE CREDIT RATING REPORT KHAN TRADERS



Ref. no.: CRAR-5047/2023

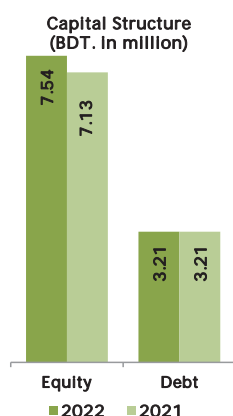
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Key Snapshot:

BDT. In million

Particulars	2021	2022
Revenue	36.00	36.50
EBIT	3.11	3.51
Net Profit	2.93	3.34
Total Assets	10.34	10.34
Total Equity	7.13	7.54
Debt	3.21	3.21
Net Profit Margin (%)	8.1	9.2
CCC (Days)	96	95
ICR (X)	17.28	20.65



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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	10 October 2023	10 October 2024

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

RATING RATIONALE

WCRCL has reaffirmed 'WCRSME3' (pronounced as WASO Credit Rating Small and Medium Enterprise Three) rating under the SME Rating to Khan Traders (hereinafter referred to as 'KT' or 'The enterprise') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating assessment.

The above ratings have been assigned based on the fundamentals of the enterprise which include long business experiences of the proprietor, good business network, low leverage position in the capital structure, comfortable interest coverage position, satisfactory banking relationship and good mortgage security coverage against loan.

However, the above factors are constrained to some extent by low of disclosure in the financial statement, tight liquidity position considering long cash conversion cycle, no insurance coverage for the inventory in stock and manual accounting system in the business.

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

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