

2nd SURVEILLANCE CREDIT RATING REPORT KHULNA TRADING



Ref. no.: CRAR-11251/2023

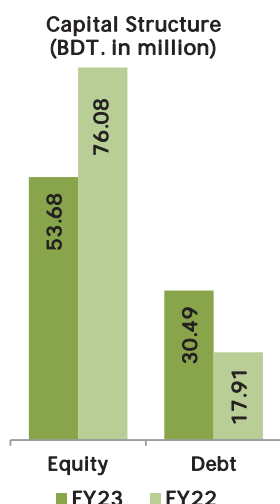
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Key Snapshot:

BDT. In million

| Particulars | FY23 | FY22 |
|-----------------------|--------|--------|
| Revenue | 171.65 | 179.52 |
| EBIT | 9.94 | 9.97 |
| Net Profit | 5.99 | 9.36 |
| Total Assets | 134.32 | 93.99 |
| Total Equity | 53.68 | 76.08 |
| Debt | 30.49 | 17.91 |
| Net Profit Margin (%) | 3.5 | 5.2 |
| CCC (Days) | 156 | 173 |
| ICR (X) | 2.57 | 20.47 |



Analysts:

Mst. Irin Akter
irin@wasocreditrating.com

Maharan Nasrin
maharan@wasocreditrating.com

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

| Bank Name | Mode of Investment | Sanctioned Amount | Outstanding Amount | Date of Outstanding |
|-----------------|--------------------|-------------------|--------------------|---------------------|
| Uttara Bank PLC | CC (H) | 25.00 | 23.39 | 10.09.2023 |
| | L/C | 30.00 | Nil | |
| | PIF(Inner Of LC) | (5.00) | Nil | |

Financial Based on- unaudited financial statements For 30th June 2020-2023.

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 Khulna Trading (hereinafter referred as "KT" 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:

- Long business experiences of the proprietor in the business
- Good business network
- Low levered capital structure
- Comfortable interest coverage position
- Satisfactory banking relationship

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

- Low disclosure in the financial statements
- 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 is adjudged to above 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.