

4th SURVEILLANCE CREDIT RATING REPORT
M.K. KRAFT

Ref. No.: CRAR- 6068/2023

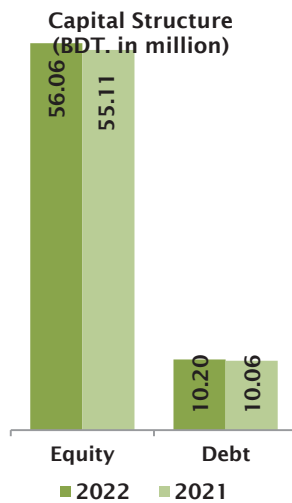


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Key Snapshot:

Tk. in Million		
Particulars	2022	2021
Revenue	56.10	53.17
EBIT	9.30	8.96
Net Profit	6.98	6.61
Total Assets	66.27	65.17
Total Equity	56.06	55.11
Debt	10.20	10.06
Net Profit Margin (%)	12.5	12.4
CCC (Days)	242	251
ICR (X)	35.34	21.64



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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME4	Stable	25 October 2023	16 September 2024

Tk. in Million				
Bank Name	Investment Mode	Limit Amount	Outstanding Amount	Outstanding Date
Islami Bank Bangladesh PLC	BMTR	5.40	6.22	22.10.2023

Financial Based on- audited financial statements up to 31st December 2022.

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

RATING RATIONALE

WCRCL has downgraded 'WCRSME4' (pronounced as WASO Credit Rating Small and Medium Enterprise Four) rating to M.K. Kraft (hereinafter referred to as 'MKK' 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 experience track of the proprietor
- Own factory premise
- Low levered enterprise
- Good interest coverage position
- Comfortable security arrangement

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

- Average disclosure of financial statements
- Tight liquidity position
- No insurance coverage
- Low management information system (MIS)
- Sales revenue with negative growth

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

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