

INITIAL CREDIT RATING REPORT  
COLONY KHADDO BHANDAR

Ref. no.: CRAR-18520/2023



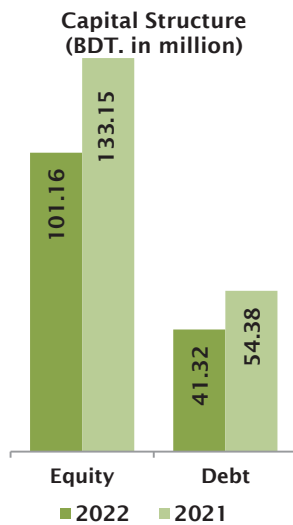
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Key Snapshot:

BDT. in million

Particulars	2022	2021
Revenue	164.00	214.75
EBIT	24.25	19.97
Net Profit	22.32	17.27
Total Assets	142.48	187.53
Total Equity	101.16	133.15
Total debt	41.32	54.38
Net Profit Margin (%)	13.6%	8.0%
CCC (Days)	292	249
ICR (X)	12.61	7.40



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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	12 December 2023	11 December 2024

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

RATING RATIONALE

WCRCL has assigned 'WCRSME3' (pronounced as WASO Credit Rating Small and Medium Enterprise Three) rating under the SME Rating to **Colony Khaddo Bhandar** (hereinafter referred as "CKB" 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
- Satisfactory banking relationship
- Good mortgage security coverage against loan
- Good business network
- Regular loan repayment history
- Long experience track of the proprietor
- Owned business premises and storage facility
- Good interest coverage position
- Low levered capital structure

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

- Tight liquidity position with long cash conversion cycle
- Low disclosure of financial statements
- Low management information system (MIS) and Manual accounting system
- No Transport Facility

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

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