

3<sup>rd</sup> SURVEILLANCE CREDIT RATING REPORT  
KAMRUL STEEL

Ref. no.: CRAR-6513/2023



Report Contents:

Particulars	Page
Rating Rationale	1
Business Profile	2
Business Management	2
Business Analysis	2
Financial Position Analysis	2
Banking Relationship	3
Risk Factor Analysis	4
Rating Observation	4

SME Rating	Report Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	31 December 2023	30 December 2024

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

**RATING RATIONALE**

WCRCL has reaffirmed ‘WCRSME3’ (pronounced as WASO Credit Rating Small And Medium Enterprise Three) rating to **Kamrul Steel** (hereinafter referred to as ‘KS’ or ‘The Enterprise’) based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance.

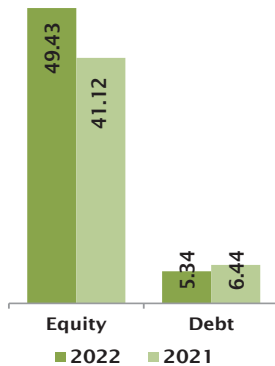
The above rating has been assigned based on the fundamentals of the enterprise which includes:

- Experienced and skilled management
- Low levered capital structure
- Comfortable interest coverage position
- Satisfactory banking relationship
- Good mortgage security coverage against loan

Key Snapshot:

Particulars	BDT. in Million	
	2022	2021
Revenue	98.04	94.58
EBIT	8.36	7.72
Net Profit	7.92	7.25
Total Assets	54.78	47.55
Total Equity	49.43	41.12
Debt	5.34	6.44
Net Profit Margin (%)	8.1	7.7
CCC (Days)	96	84
ICR (X)	19.71	16.79

Capital Structure (BDT. in million)



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

- No 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 has above average credit quality.

WCRCL also viewed the enterprise with “Stable” outlook and believes that KS will be able to maintain its good fundamentals in the foreseeable future.

Analysts:

**Nowrin Yesmin**  
nowrin@wasocreditrating.com

**Mst. Irin Akter**  
irin@wasocreditrating.com

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 changes in any macro and micro factors in the economy.