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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 Kamrul 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.

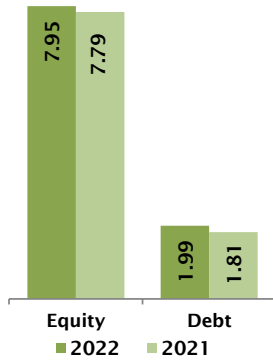
Key Snapshot:

| Particulars | Tk. In Million | |
|-----------------------|----------------|-------|
| | 2022 | 2021 |
| Revenue | 15.8 | 13.80 |
| EBIT | 4.03 | 2.61 |
| Net Profit | 3.96 | 2.55 |
| Total Assets | 9.93 | 9.60 |
| Total Equity | 7.95 | 7.79 |
| Debt | 1.99 | 1.81 |
| Net Profit Margin (%) | 25.0 | 18.5 |
| CCC (Days) | 169 | 185 |
| ICR (X) | 61.0 | 43.57 |
| | 4 | |

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

- Long business experiences of the proprietor in the business
- Satisfactory banking relationship
- Low levered capital structure
- Good loan utilization ratio
- Good security coverage against loan

Capital Structure (BDT. in million)



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

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

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

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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.