

4th SURVEILLANCE CREDIT RATING REPORT

KAZI ENTERPRISE

Ref. no.: CRAR- 7069/2023



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| SME Rating | Rating Notch | Outlook | Date of Declaration | Date of Expiration |
|------------|--------------|---------|---------------------|--------------------|
| | WCRSME3 | Stable | 05 December 2023 | 20 December 2024 |

Financial Based on- Management prepared financial statements up to 30th June 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 Enterprise Three) rating under the SME Rating to **Kazi Enterprise** (hereinafter referred to as 'KE' or 'The Enterprise') based on its financial and other relevant qualitative and quantitative information up to the date of the rating assessment.

The above ratings have been assigned based on the fundamentals of the enterprise which include of long business experiences of the proprietor, good business network, low leverage position in the capital structure, good interest coverage position & comfortable security arrangement.

However the above factors are constrained to some extent by lack of disclosure in the financial statement, tight liquidity position with long cash conversion cycle, inventory holding risk & manual accounting process.

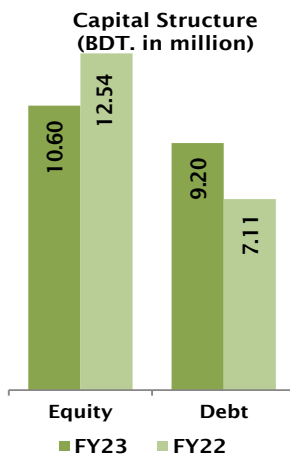
The SME rating implies that the enterprise is adjudged to above **average** credit quality.

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

Key Snapshot:

Tk. in million

| Particulars | FY23 | FY22 |
|-----------------------|-------|-------|
| Revenue | 31.59 | 28.72 |
| EBIT | 1.91 | 2.03 |
| Net Profit | 1.32 | 1.47 |
| Total Assets | 19.80 | 19.66 |
| Total Equity | 10.60 | 12.54 |
| Debt | 9.20 | 7.11 |
| Net Profit Margin (%) | 4.2 | 5.1 |
| CCC (Days) | 194 | 236 |
| ICR (X) | 4.20 | 4.40 |



Analysts:

Shudhan Mallick
shudhan@wasocreditrating.com

Maharan Nasrin
maharan@wasocreditrating.com