

INITIAL CREDIT RATING REPORT KHADIJA FILLING STATION



Ref. no.: CRAR-18633/2023

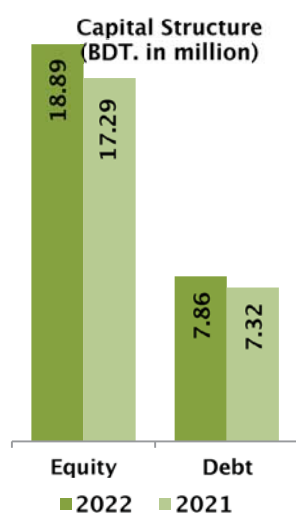
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Key Snapshot:

BDT. in million

Particulars	2022	2021
Revenue	109.00	78.20
EBIT	4.30	3.54
Net Profit	3.60	2.92
Total Assets	26.75	24.61
Total Equity	18.89	17.29
Total debt	7.86	7.32
Net Profit Margin (%)	3.3%	3.7%
CCC (Days)	63	85
ICR (X)	6.48	5.96



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

Financial Based on—unaudited financial statements up to 31 December 2022.

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

RATING RATIONALE

WCRCL has assigned 'WCRSME3' (pronounced as WASO Credit Rating Small & Medium Enterprise Three) rating under the SME Rating to Khadija Filling Station (hereinafter referred as "KFS" 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
- Good liquidity position with short cash conversion cycle
- Comfortable interest coverage position
- Satisfactory banking relationship
- Good mortgage security coverage against loan
- Owned business premises and storage facility

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

- No disclosure of financial statements
- No insurance coverage for the inventory in stock
- Manual accounting system
- License not up to dated

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

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