

INITIAL CREDIT RATING REPORT
KHAN ENTERPRISE



Ref. no.: CRAR-19029/2023

Report Contents:

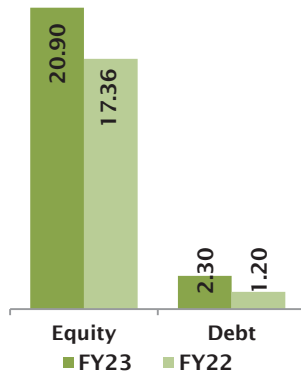
Particulars	Page
Rating Rationale	1
Entity Profile	2
Owner's Profile	2
Business Management	2
Business Analysis	2
Financial Position Analysis	3
Banking Relationship	-
Risk Factor Analysis	4
Rating Observation	4

Key Snapshot:

BDT. In Million

Particulars	FY23	FY22
Revenue	380.00	360.00
EBIT	11.88	8.93
Net Profit	11.88	8.93
Total Assets	23.20	18.56
Total Equity	20.90	17.36
Total debt	2.30	1.20
Net Profit Margin (%)	3.1	2.5
CCC (Days)	13	14

Capital Structure (BDT. in million)



Analysts:

Nazrul Islam
nazrul@wasocreditrating.com

Ummay Fatema
fatema@wasocreditrating.com

SME Rating	Rating 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

RATING RATIONALE

WCRCL has assigned 'WCRSME3' (pronounced as WASO Credit Rating Small and Medium Enterprise Three) rating under the SME Rating to Khan Enterprise (hereinafter referred as "KE" 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
- Good business network
- Good Profitability margin
- Low levered capital structure
- Good liquidity position with short cash conversion cycle

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

- No disclosure in the financial statements
- 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 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.