

5th SURVEILLANCE CREDIT RATING REPORT KANIJ REZA ENGINEERING WORKSHOP

Ref. no.: CRAR- 4274/2023



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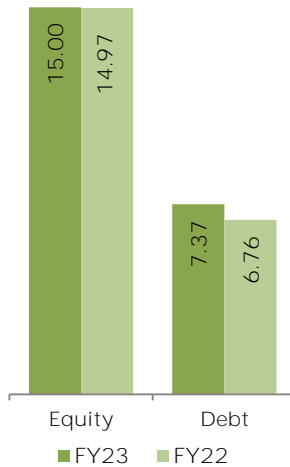
SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	05 December 2023	12 November 2024

Key Snapshot:

BDT. In Million

Particulars	FY23	FY22
Revenue	52.36	45.53
EBIT	3.31	2.83
Net Profit	2.68	2.26
Total Assets	22.36	21.73
Total Equity	15.00	14.97
Debt	7.37	6.76
Net Profit Margin (%)	5.1	5.0
CCC (Days)	38	33
ICR (X)	5.26	4.95

Capital Structure
(BDT. in million)



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Name of the Bank	Mode of Investment	Sanctioned Amount	Outstanding Amount	Outstanding Date
Islami Bank Bangladesh PLC	Bai-Murabaha TR	4.00	4.42	30.11.2023

Financial Based on- *Management prepared financial statements for 30th June FY23.*

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 Four) rating under the SME Rating to Kanij Reza Engineering Workshop (hereinafter referred to as 'KREW' 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 reaffirmed based on the fundamentals of the enterprise which include long business experiences of the proprietor, good business network, low leverage position in the capital structure, good interest coverage position, satisfactory banking relationship and good mortgage security coverage against loan.

However, the above factors are constrained to some extent by no disclosure in the financial statement, small scale in the business, tight liquidity position considering long cash conversion cycle, inventory holding risk, market saturation or high competition and price volatility of trading products.

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 KREW 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.