

SURVEILLANCE CREDIT RATING REPORT KINGS FLOUR & FOOD MILLS LIMITED

Ref. no.: FR/2022/26306



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SME Rating	WCR SE/ME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	11 October 2022	10 October 2023

*WCRSE 3 rating is equivalent to Bangladesh Bank SME rating scale of SME 3 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093

Tk. in Million

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
Uttara Bank Limited	CC(H)	70.00	42.66	10.10.2022
	Stimulus	35.00	30.75	

Financial Based on- Unaudited financial statements up to 31st December, 2021.

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

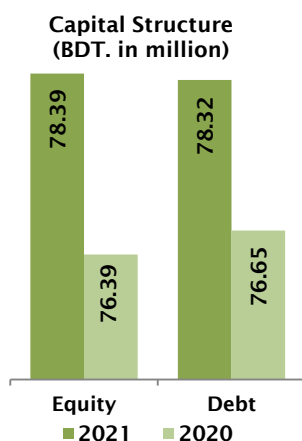
Key Snapshot:

Tk. in million

Particulars	2021	2020
Revenue	104.86	219.25
EBIT	11.20	18.49
Net Profit	6.67	12.42
Total Assets	156.71	153.04
Total Equity	78.39	76.39
Debt	78.32	76.65
Net Profit Margin (%)	6.4%	5.7%
CCC (Days)	537	235
ICR (X)	2.47	3.04

RATING RATIONALE

WCRCL has assigned 'WCRSE 3' (pronounced as WASO Credit Rating Small Enterprise Three) rating to Kings Flour & Food Mills Limited (hereinafter referred to as 'KFFML' or 'the company') based on its financial and other relevant qualitative and quantitative information up to the date of the rating issuance.



The above ratings have been assigned based on own branded product dealing, presence of Fu Wang Foods as major buyer, experienced management, good interest coverage position, good security arrangement and regular loan repayment history. However, the above factors are constrained to some extent by price volatility of raw material, the company adjust buyer end price and also use previous stock to avoid loss, when there is a sudden and significant increase of raw materials, highly levered capital structure, tight liquidity position and manual accounting system.

The SME rating implies that the company is adjudged above average level of credit worthiness in relation to other small enterprises.

WCRCL also viewed the company with "Stable" outlook and believes that KFFML will be able to maintain its good fundamentals in the foreseeable future.

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