

# SURVEILLANCE CREDIT RATING REPORT

## R. K FASHION



Ref. no.: FR/2022/ 26484

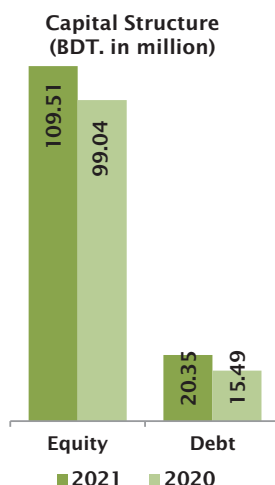
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### Key Snapshot:

*Tk. in million*

Particulars	2021	2020
Revenue	135.77	118.06
EBIT	22.46	19.27
Net Profit	20.48	17.71
Total Assets	129.86	114.53
Total Equity	109.51	99.04
Debt	20.35	15.49
Net Profit Margin (%)	15.1%	15.0%
CCC (Days)	295	311
ICR (X)	18.95	22.04



### Analysts:

**Md. Rafiul Bary**  
rafi@wasocreditrating.com

**Md. Al Amin Jewel**  
jewel@wasocreditrating.com

SME Rating	WCRSE/WCRME	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*

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
Rupali Bank Limited	CC Hypo	9.80	8.23	10.10.2022
	Stimulus	4.00	3.94	

*Financial Based on-Audited financial statements up to 31 December 2021.*

*Methodology: SME rating methodology published on the WCRCL website at [www.wasocreditrating.com](http://www.wasocreditrating.com)*

### RATING RATIONALE

WCRCL has reaffirmed 'WCRSE 3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to R. K Fashion (hereinafter referred as "RKF" 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 mortgage security coverage against loan
- Good business network
- Good Net Worth of the Proprietor
- Good interest coverage position
- Low levered capital structure

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

- Low disclosure of financial statements
- Tight liquidity position with long cash conversion cycle
- Low management information system (MIS) and Manual accounting system

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

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