

# 1<sup>st</sup> SURVEILLANCE CREDIT RATING REPORT BONTON FOODS LIMITED



Ref. no.: FR/2023/30659

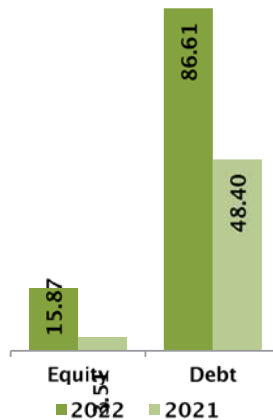
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## Key Snapshot:

BDT. in million		
Particulars	2022	2021
Revenue	218.19	176.00
EBIT	18.54	2.16
Net Profit	12.37	0.54
Total Assets	102.49	51.90
Total Equity	15.87	3.51
Total debt	86.61	48.40
Net Profit Margin (%)	5.7%	0.3%
CCC (Days)	42.14	31.97
ICR (X)	21.20	1.55

Capital Structure  
(BDT. in million)



## Analysts:

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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	10 April 2023	09 April 2024

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

**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 **Bonton Foods Limited** (hereinafter referred as "BFL" or "The Company") 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:

- Skilled and proactive directors and management
- Maintained sound relation with supplier & buyer
- Good business network
- Moderate interest coverage position
- Moderate liquidity position with short cash conversion cycle
- Good banking conduct

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

- Highly levered capital structure
- No insurance coverage
- Medium disclosure of financial statements
- 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 company with "Stable" outlook and believes that BFL will be able to maintain its good fundamentals in the foreseeable future.