

INITIAL CREDIT RATING REPORT BK FOODS LIMITED



Ref. no.: FR/2023/31299

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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	31 May 2023	30 May 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

Financial Based on-Audited financial statements up to 30th June 2022.

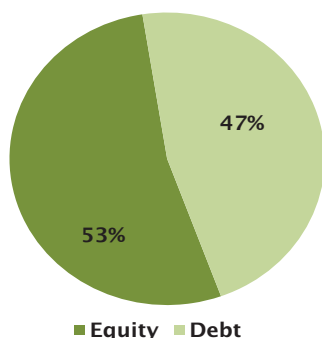
Methodology: SME rating methodology published on the WCRCL website at www.wasocreditrating.com

RATING RATIONALE

Key Snapshot:

BDT. in million	
Particulars	FY22
Revenue	114.26
EBIT	9.52
Net Profit	6.66
Total Assets	16.33
Total Equity	8.66
Debt	7.67
Net Profit Margin (%)	5.8
CCC (Days)	21
ICR (X)	3,879.26

Capital Structure
(BDT. in million)



WCRCL has assigned 'WCRSE 3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to **BK Foods Limited** (hereinafter referred as "BKFL" 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:

- Experienced and skilled management
- Good interest coverage position
- Good business network
- 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:

- Average 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 company.

Analysts:

Shudhan Mallick
shudhan@wasocreditrating.com

Md. Rafiul Bary
rafi@wasocreditrating.com

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