

SURVEILLANCE CREDIT RATING REPORT N.K FOODS



Ref. no.: FR/2023/30755

Report Contents:

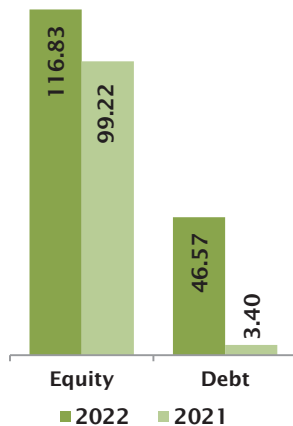
Particulars	Page
Rating Rationale	1
Entity Profile	2
Business Management	2
Business Analysis	3
Financial Position Analysis	3
Risk Factor Analysis	4
Rating Observation	5

Key Snapshot:

BDT. in million

Particulars	2022	2021
Revenue	196.96	152.32
EBIT	44.19	28.28
Net Profit	27.61	22.32
Total Assets	163.39	102.61
Total Equity	116.83	99.22
Debt	46.57	3.40
Net Profit Margin (%)	14.0%	14.7%
CCC (Days)	111.89	74.91
ICR (X)	230.15	147.29

**Capital Structure
(BDT. in million)**



Analysts:

Sazedul Islam
sazedul@wasocreditrating.com

Ummay Fatema
fatema@wasocreditrating.com

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

RATING RATIONALE

WCRCL has reaffirmed 'WCRSE 3' (pronounced as WASO Credit Rating Small Enterprise **Three**) rating under the SME Rating to **N.K Foods** (hereinafter referred as "N.K F" 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
- Low levered capital structure
- Good liquidity position with short cash conversion cycle
- Good interest coverage position
- Owned business premises and storage facility
- Satisfactory banking relationship

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

- Low disclosure of financial statements
- No insurance coverage
- Adverse climate
- 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 **N.K F** will be able to maintain its good fundamentals in the foreseeable future.