

1st SURVEILLANCE CREDIT RATING REPORT
K-FLEX LIMITED



Ref. no.: CRA/12664/2023

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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	07 November 2023	06 November 2024

Financial Based on-Unaudited financial statements up to 31 December 2022, 2021.

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

RATING RATIONALE

WCRCL has reaffirmed ‘WCRSME3’ (pronounced as WASO Credit Rating Small and medium Enterprise Three) rating under the SME Rating to **K-Flex Limited** (hereinafter referred as “KFL” 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 Company which includes:

- Experienced and skilled management
- Owned business premises and storage facility
- Satisfactory banking relationship
- Low levered capital structure

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

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

The SME rating implies that The Company has adjudged to above average level of credit quality.

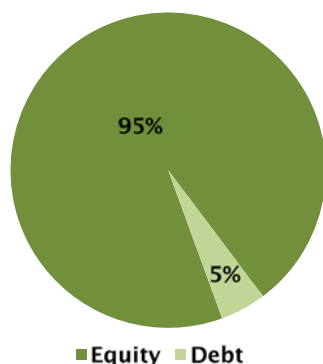
WCRCL also viewed The Company with “Stable” outlook and believes that KFL will be able to maintain its good fundamentals in the foreseeable future. This rating may be revised in case of any extraordinary changes in line with the sponsor’s equity investment, debt obligations, management, business operations and/or changes in any macro and micro factors in the economy.

Key Snapshot:

BDT. in million

Particulars	2022	2021
Revenue	20.26	63.80
EBIT	1.65	4.40
Net Profit	1.64	3.00
Total Assets	71.16	84.90
Total Equity	48.20	80.90
Total debt	28.44	4.00
Net Profit Margin (%)	8.15	4.70
CCC (Days)	-29	-29

Capital Structure (BDT. in million)



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