

# CREDIT RATING REPORT CONFIDENCE TEXWEAR LIMITED (SURVEILLANCE)

Ref. no.: FR/2022/026184



## Report Contents:

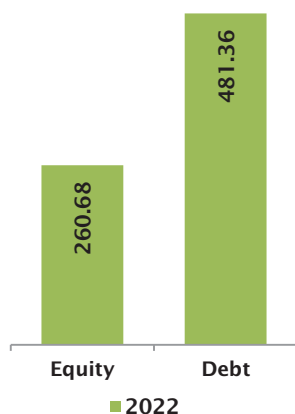
Particulars	Page
Rating Rationale	01
Corporate Profile	02
Allied Sister Concern	02
Market Review	03
Business Analysis	04
Financial Strength Analysis	05
Banking Relationship	06
Risk Factor Analysis	07
Rating Observations	07

## Key Snapshot:

*BDT. in million*

Particulars	FY22	FY21
Revenue	741.37	520.24
EBIT	157.00	100.37
Net Profit	150.02	97.39
Total Assets	742.05	570.72
Total Equity	260.68	110.66
Debt	481.36	460.06
Net Profit Margin (%)	20.24	18.72
CCC (Days)	161	176
ICR (X)	22	33

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



Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	BBB2	ST-3	Stable	11 October 2022	12 October 2023

*BDt. In Million*

Name of Bank	Name of Exposure	Sanction Amount	Outstanding as on 10.10.2022	Bank Loan Rating
Social Islami Bank Limited (Mohakhali Branch)	HPSM (Industrial)	44.70	53.75	blr BBB2
	HPSM (Machinery)	47.35	44.68	
	Bai-Salam	20.00	-	blr ST-3
	BTBLC/Bills/EDF/MBE	400.00	200.19	
	Baim (Com)	30.00	-	
Social Islami Bank Limited (Moulvi Bazar Branch)	Quard-Stimulus Investment	15.06	6.39	blr ST-3
	BTBLC/BB Bill	Case to case	6.43	

*Financial Based on-unaudited statements up to 30 June 2022.*

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

## RATING RATIONALE

WCRCL has upgraded “BBB2” (pronounced as Triple B Two) rating for the Long Term and reaffirmed “ST-3” (pronounced as Short Term Three) rating for Short Term to **Confidence Texwear Limited** (hereinafter referred to as ‘CTL’ or ‘The Company’) based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance. WCRCL has also upgraded blr BBB2 (Pronounced as Bank Loan Rating Loan Rating Triple B Two) for aggregated long term loan outstanding and “blr ST-3” (pronounced as Bank Loan Rating Short Term Three) for aggregated short term limit.

The above ratings have been assigned based on the fundamentals of the company which include good market demand of product, availability of the supply of raw materials, industrial area may endow with the locational advantage, sponsors are experienced in the garments industry, good interest coverage. However, the above factors are constrained to low Liquidity position with poor quick ratio, highly levered capital structure, unpredictable price trend of raw material, high competition from local and international forces, no insurance coverage for the inventory in stock, and moderated disclosure in the financial statements.

The long term rating implies that the entity subject to medium credit risk. And considered medium grade and as such may possess certain speculative characteristics. The short term rating implies that the entity has an acceptable ability to repay short term debt obligations from internal sources. However, it is expected to rely on external sources of committed financing due to downturn in economic or industry

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