

CREDIT RATING REPORT NOOR KNIT (BD) LTD.

Ref. no.: FR/2022/026695

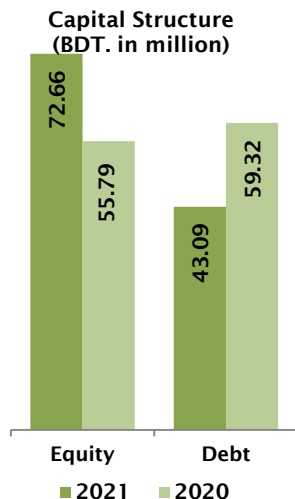


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Key Snapshot:

Tk. in million		
Particulars	FY21	FY20
Revenue	225.79	275.50
COGS	187.40	223.15
Profit from Operation	22.87	36.28
Financial Exp.	1.02	1.64
PAT	16.87	26.07
Total Assets	115.75	115.10
Total Debt	43.08	59.31
Total Equity	72.66	55.78
Debt/Equity (X)	0.59	1.06
ICR (X)	24.51	23.63



Analysts:

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Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	BBB2	ST-3	Stable	06 November 2022	05 November 2023

Tk. In Million				
Name of Banks	Mode of Facility	Limit Amount	Outstanding Amount	Bank Loan Rating
Premier Bank Ltd. (26.10.2022)	BTB LC/EDF PC	150.00	144.26	blr ST-3
Bangladesh Commerce Bank Ltd. (24.10.2022)	BTB L/C	40.00	15.52	blr ST-3
Total		205.00	159.78	

Financial Based on-Audited financial statements up to 30 June 2021.

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

RATING RATIONALE

WCRCL has assigned 'BBB2' (pronounced as Triple B Two) rating for the Long Term and 'ST-3' (pronounced as Short Term Three) rating for Short Term to **Noor Knit (BD) Limited** (hereinafter referred to as '**NKL**' 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 assigned "blr ST-3" (pronounced as Bank Loan Rating Short Term Three) rating to the aggregated short term limit.

The above ratings have been assigned based on the fundamentals of the company which include experienced and proactive management, low levered in the capital structure, good interest coverage position, satisfactory safety measures, having sister concern support, satisfactory banking relationship, own factory premises.

However, the above factors are constrained to average disclosure in the financial statement, vulnerability in raw- materials price in the local and international market may impact profitability, tight liquidity position, no insurance coverage, adverse shock in textile industry may affect revenue growth.

The long term rating implies that the company is subject to medium credit risk and considered medium grade and as such may possess certain speculative characteristics. The short term rating implies that the company 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 circumstances.

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