

# SURVEILLANCE CREDIT RATING REPORT IRENE KNITWEAR LIMITED

Ref. no.: FR/2023/31032



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Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	BBB2	ST-3	Stable	10 April 2023	09 April 2024

Tk. In million

Name of Bank	Mode of Investment	Limit Amount	Outstanding Amount	Bank Loan Rating
Jamuna Bank Ltd.	BTB LC/EDF	300.00	50.906	blr ST-3
(21.03.2023)	FDBP	40.00	0.893	
	SOD (G)	4.00	nil	

*Note: The company enjoyed the BTB L/C limit of Tk. 300.00 million, FDBP limit of Tk. 40.00 million, SOD (G) limit of Tk. 5.00 million interchangeably with its sister concern Zoom Sweater Limited.*

## Key Snapshot:

Particulars	Tk. in million	
	FY22	FY21
Revenue	424.80	284.45
COGS	368.91	247.02
Gross Profit	55.89	37.43
Profit from Operation	15.21	8.43
PAT	33.72	7.00
Total Assets	488.45	145.60
Total Debt	107.65	48.52
Total Equity	130.80	97.09
Debt/Equity (X)	0.82	0.52
FFO	33.72	7.00

*Financial Based on—Audited financial statements up to 30<sup>th</sup> June 2022.*

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

## RATING RATIONALE

WCRCL has reaffirmed '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 **Irene Knitwear Limited** (hereinafter referred to as '**IKL**' 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 reaffirmed 'blr BBB2' (pronounced as Bank Loan Rating Triple B Two) for long term outstanding and "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 experience of promoter in the garments industries, experienced and skilled management, low levered in the capital structure, good interest coverage position and satisfactory safety measures, owned factory premises and good infrastructural arrangement.

However, the above factors are constrained to average disclosure in the financial statements, stressed liquidity position, and volatile market price of the raw materials, adverse shock in RMG 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 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 **IKL** will be able to maintain its good fundamentals in the foreseeable future.

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