

INITIAL CREDIT RATING REPORT LE REVE KNITWEAR LTD.

Ref. no.: FR/2022/028727



Report Contents:

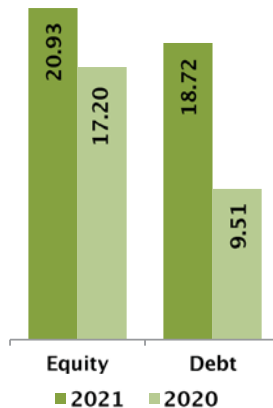
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Key Snapshot:

Tk. In million

Particulars	2021	2020
Revenue	34.53	119.10
EBIT	4.65	11.18
Net Profit	3.73	9.30
Total Assets	39.64	26.70
Total Equity	20.93	17.19
Total Liabilities	18.71	9.50
Net Profit Margin (%)	10.81	7.81
Current Ratio (X)	0.78	1.91
Debt to Equity (X)	0.89	0.55

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



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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	27 December 2022	26 December 2023

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.

Financial Based on- Audited financial statements up to 30 June 2021, and 2020.

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

RATING RATIONALE

WCRCL has assigned **WCRSE 3** (Pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to **Le Reve Knitwear Ltd** (hereinafter referred to as 'LRKL' or "The Company") based on its financial and other relevant qualitative and quantitative information up-to the date of the rating declaration.

The above ratings have been assigned based on the fundamentals of the enterprise which good market reputation and strong business network, experienced and proactive management, low levered concern, , and healthy coverage position. However, the above factors are constrained to some extent by followed moderate disclosure in financial statements, moderate profit margin, tight liquidity position, and long cash conversion cycle.

The SME rating implies that the enterprise is adjudged to above average level of credit worthiness in relation to other SE's / ME's.

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