

# INITIAL CREDIT RATING REPORT YUME KNITTING (BD) LIMITED



Ref. no.: FR/2023/29729

## Report Contents:

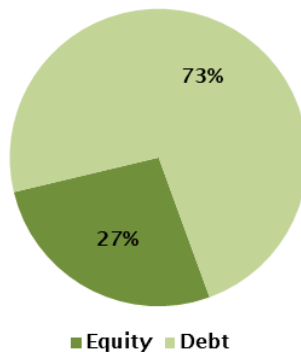
Particulars	Page
Rating Rationale	1
Entity Profile	2
Business Management	2
Business Analysis	3
Financial Position Analysis	3
Banking Relationship	4
Risk Factor Analysis	5
Rating Observation	5

## Key Snapshot:

BDT. in million

Particulars	2021	2020
Revenue	79.76	78.18
EBIT	1.46	1.48
Net Profit	0.88	1.08
Total Assets	112.31	111.75
Total Equity	30.12	29.36
Total debt	82.19	82.39
Net Profit Margin (%)	1.1%	1.4%
CCC (Days)	242	211
ICR (X)	6.71	8.13

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



## Analysts:

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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	13 February 2023	12 February 2024

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

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

## RATING RATIONALE

WCRCL has assigned 'WCRSE 3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to Yume Knitting (BD) Limited (hereinafter referred as "YKL" 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
- Good business network
- Good interest coverage position

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

- Tight liquidity position with long cash conversion cycle
- Highly levered capital structure
- Low disclosure of financial statements
- Low management information system (MIS) and Manual accounting system
- Adverse shock in RMG industry may affect revenue growth

The SME rating implies that the company is adjudged to above average level of credit worthiness in relation to other small companies.

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