

1st SURVEILLANCE CREDIT RATING REPORT TOHA KNIT FASHION LIMITED

Ref. no.: FR/2023/32675



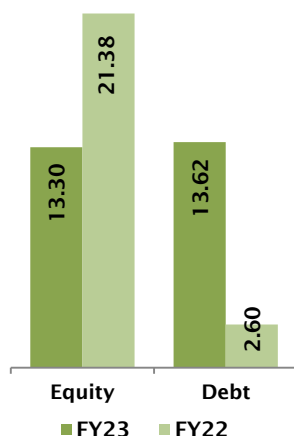
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Key Snapshot:

BDT. in million		
Particulars	FY23	FY22
Revenue	89.24	84.59
EBIT	8.48	7.75
Net Profit	7.20	6.59
Total Assets	26.92	23.97
Total Equity	13.30	21.38
Total debt	13.62	2.60
Net Profit Margin (%)	8.1	7.8
CCC (Days)	66	62
ICR (X)	6.67	6.67

Capital Structure
(BDT. in million)



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SME Rating	WCRSME	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	04 July 2023	03 July 2024

BDT. in Million				
Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
Islami Bank Bangladesh Limited	Composite Investment	10.00	12.27	30.06.2023

Financial Based on- Audited financial statements up to 30th June 2023.

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

RATING RATIONALE

WCRCL has reaffirmed **WCRSME3** (Pronounced WASO Credit Rating Small And Medium Enterprise Three) rating under the SME Rating to **Toha Knit Fashion Limited** (hereinafter referred to as 'TKFL' 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 enterprise which includes:

- Experienced and skilled management
- Strong buyer base
- Strong business network
- Good infrastructural arrangement
- Good interest coverage position
- Maintain insurance policy
- Satisfactory health and safety measures

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

- Average disclosure in the financial statement
- Highly levered in the capital structure
- rented factory premises

The SME rating implies that the company is adjudged to above average credit quality.

WCRCL also viewed the company with "Stable" outlook and believes that TKFL will be able to maintain its good fundamentals in the foreseeable future. This rating may be revised in case of any extraordinary changes in line with the sponsor's equity investment, debt obligations, management, business operations and/or changes in any macro and micro factors in the economy.