

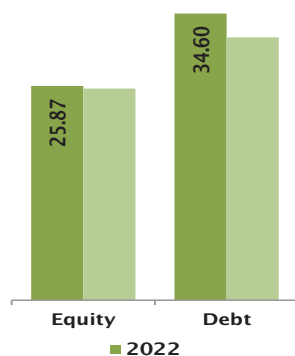
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## Key Snapshot:

BDT. in million		
Particulars	2022	2021
Revenue	166.75	145.00
EBIT	8.91	7.37
Net Profit	6.33	4.94
Total Assets	60.46	57.29
Total Equity	25.87	25.55
Total debt	34.60	31.74
Net Profit Margin (%)	3.8	3.4
CCC (Days)	50	54
ICR (X)	5.23	4.75

Capital Structure  
(BDT. in million)



## Analysts:

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SME Rating	WCRSME	Outlook	Date of Declaration	Date of Expiration
	WCRSME4	Stable	04 July 2023	03 July 2024

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

## RATING RATIONALE

WCRCL has reaffirmed 'WCRSME4' (pronounced as WASO Credit Rating Small And Medium Enterprise Four) rating under the SME Rating to Kawsar Textile (hereinafter referred as "KT" or "The Enterprise") 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
- Good business network
- Good interest coverage position
- Maintained insurance coverage

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
- Expired trade license
- Moderate banking relationship
- Low disclosure of financial statements
- Low management information system (MIS) and Manual accounting system

The SME rating implies that the enterprise is adjudged to average level of credit worthiness in relation to other small enterprises.

WCRCL also viewed the enterprise with "Stable" outlook and believes that KT 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.