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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	17 October 2023	05 November 2024

Name of the Bank	Mode of Investment	Sanctioned Amount	Outstanding Amount as on 12.10.2023
Mercantile Bank PLC	CC (Hypo) SE	3.50	3.20
	OD	1.5	-

Key Snapshot:

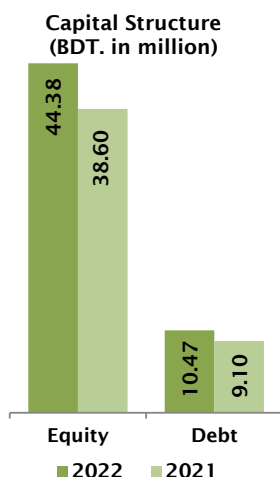
Particulars	2022	2021
Revenue	72.45	63.00
EBIT	7.99	6.95
Net Profit	6.78	5.90
Total Assets	54.85	47.70
Total Equity	44.38	38.60
Debt	10.47	9.10
Net Profit Margin (%)	9.4	9.4
CCC (Days)	45	49
ICR (X)	17.38	17.38

Financial Based on- Management prepared financial statements up to 31st December, 2022.

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

RATING RATIONALE

WCRCL has reaffirmed 'WCRSME3' (pronounced as WASO Credit Rating Small and Medium Enterprise Three) rating under the SME Rating to Adib Knitting (hereinafter referred to as 'AK' or 'The Enterprise') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating assessment.



The above ratings have been assigned based on the fundamentals of the enterprise which include experienced proprietor, owned business premises, low levered capital structure, comfortable security arrangement & good interest coverage position. However, the above factors are constrained to some extent by low disclosure of financial statement, manual accounting system, no insurance coverage & tight liquidity position.

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

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