

6th SURVEILLANCE CREDIT RATING REPORT CONFIDENCE TEXWEAR LIMITED

Ref. no.: CRAR-4057/2023



Report Contents:

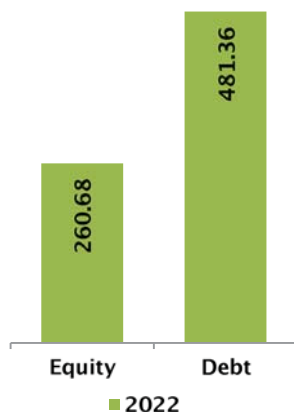
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Key Snapshot:

BDT. in million

Particulars	FY22	FY21
Revenue	741.37	520.24
EBIT	157.00	100.37
Net Profit	150.02	97.39
Total Assets	742.05	570.72
Total Equity	260.68	110.66
Debt	481.36	460.06
Net Profit Margin (%)	20.24	18.72
CCC (Days)	161	176
ICR (X)	22	33

Capital Structure
(BDT. in million)



Analysts:

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Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	BBB	ST 3	Stable	07 November 2023	12 October 2024

BDT. In Million

Name of Bank	Name of Exposure	Sanction Amount	Outstanding as on 01.11.2023	Bank Loan Rating
Social Islami Bank Limited (Mohakhali Branch)	HPSM (Industrial)	44.70	49.60	blr BBB
	HPSM (Machinery)	47.35	23.30	
	Bai-Salam	20.00	-	blr ST 3
	Baim (Com.)	30.00	3.30	
	BTBLC/Bills/EDF/MBE	500.00	326.60	
	Quard-Agt MTDR	30.00	32.66	

Financial Based on—Audited statements up to 30 June 2022.

Methodology: Corporate rating methodology published on the WCRCL website at www.wasocreditrating.com

RATING RATIONALE

WCRCL has reaffirmed “BBB” (pronounced as Triple B) rating for the Long Term and reaffirmed “ST 3” (pronounced as Short Term Three) rating for Short Term to **Confidence Texwear Limited** (hereinafter referred to as ‘CTL’ or ‘The Company’) based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance. WCRCL has also upgraded blr BBB (Pronounced as Bank Loan Rating Loan Rating Triple B) for aggregated long term loan outstanding and “blr ST 3” (pronounced as Bank Loan Rating Short Term Three) for aggregated short term limit.

The above ratings have been assigned based on the fundamentals of the company which include good market demand of product, availability of the supply of raw materials, industrial area may endow with the locational advantage, sponsors are experienced in the garments industry, good interest coverage. However, the above factors are constrained to low Liquidity position with poor quick ratio, highly levered capital structure, unpredictable price trend of raw material, high competition from local and international forces, no insurance coverage for the inventory in stock, and moderated disclosure in the financial statements.

The long term rating implies that the entity has average credit quality. The short term rating implies that the entity has a average ability to meet short term financial commitments.

WCRCL also viewed the company with “Stable” outlook and believes that CTL 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.