

2nd SURVEILLANCE CREDIT RATING REPORT COTTON HEAVEN LTD.



Ref. no.: FR/2023/33252

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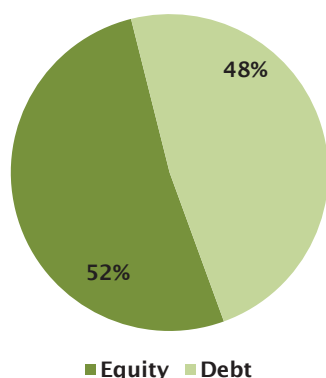
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Key Snapshot:

BDT. in million

Particulars	2022
Revenue	142.23
EBIT	5.93
Net Profit	5.22
Total Assets	33.30
Total Equity	17.20
Debt	16.10
Net Profit Margin (%)	3.7

Capital Structure
(BDT. in million)



Analysts:

Md. Rifat Ahmed
rifat@wasocreditrating.com

Md. Rafiul Bary
rafi@wasocreditrating.com

SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	30 August 2023	29 August 2024

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 Cotton Heaven Ltd. (Hereinafter referred as "CHL" 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
- Satisfactory banking relationship
- Good business network
- Regular loan repayment history
- Good business network
- Low levered capital structure

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

- No insurance coverage
- Medium disclosure of financial statements

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

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