

6th SURVEILLANCE CREDIT RATING REPORT
KC PRINT LIMITED



Ref. no.: FR/2023/033942

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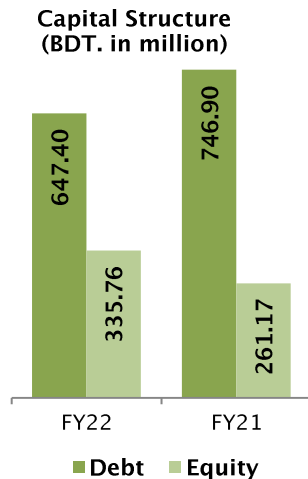
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Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	A	ST 3	Stable	26 September 2023	18 September 2024

Key Snapshot:

BDT. in million

Particulars	FY22	FY21
Revenue	1,514.2	1,143.5
COGS	1,363.2	1,029.5
Gross Profit	151.11	114.00
EBITDA	89.50	69.29
Financial Exp.	5.09	5.68
PAT	74.58	55.30
ICR (X)	17.57	12.20
Debt/Equity (X)	1.93	2.86
Net Profit Margin (%)	4.93	4.80
ROAA (%)	7.49	5.80
ROAE (%)	24.99	23.70



Analysts:

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BDT. in Million

Bank Name	Mode	Limit Amount	Outstanding Amount	Bank Loan Rating
Dutch-Bangla Bank Limited (31.08.2023)	Term Loan	35.44	35.44	blr A
	Term Loan	41.42	41.42	
	BTB LC and IFDBC	1300.00	594.82	blr ST 3
	LC and IFDBC (Sight/deff) Inner limit of BTB LC	(600)		
	LC and IFDBC (Machinery) Inner limit of BTB LC	(75.00)	129.92	
	PAD EDF and Loan Against EDF (Inner limit of BTB LC)	(500.00)	10.32	
	Long Against TR (Inner limit of BTB LC)	(200.00)	50.16	
	STL	100.00	101.69	
	ECC	10.00	-	
	LG	120.00	2.94	

** blr-Bank Loan Rating

Financial Based on-Audited financial statement up to 30 June 2022.

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

RATING RATIONALE

WCRCL has reaffirmed 'A' (pronounced as Single A) rating for the Long Term and 'ST 3' (pronounced as Short Term Three) rating for Short Term to **KC Print Limited** (hereinafter referred to as '**KCPL**' 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 reaffirmed "blr A" (pronounced as Bank Loan Rating Single A) rating to the long term loan outstanding and "blr ST 3" (pronounced as Bank Loan Rating Short Term Three) rating to the aggregated short term limit.

The above ratings have been assigned based on the fundamentals of the company which include experience of promoter in the garments industries, experienced and skilled management, financial flexibility arising from Knit Concern Group, strong forward linkage from the group, good interest coverage position, satisfactory health and safety measures, comfortable security arrangement, regular loan repayment history, owned factory premises and good infrastructural arrangement. However, the above factors are constrained to average disclosure in the financial statement, profitability margins were fluctuating pattern, high levered in the capital structure, stressed liquidity position, and adverse shock in RMG industry may affect revenue growth.

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

WCRCL also viewed the company with "**Stable**" outlook and believes that **KCPL** 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.

