

9th SURVEILLANCE CREDIT RATING REPORT
P.A. KNIT COMPOSITE LIMITED

Ref. no.: FR/425/2023



Report Contents:

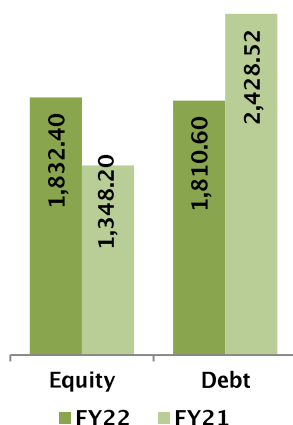
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Key Snapshot:

BDT. in million

Particulars	FY22	FY21
Revenue	3,603.0	2,922.06
EBIT	536.45	477.62
Net Profit	484.26	424.29
Total Assets	3,643.1	3,776.73
Total Equity	1,832.4	1,348.20
Debt	1,810.6	2,428.52
Net Profit Margin (%)	13.4%	14.5%
CCC (Days)	-154	-171
ICR (X)	12.60	20.26

Capital Structure
(BDT. in million)



Analysts:

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Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	A	ST 3	Stable	10 October 2023	14 September 2024

BDT. In Million

Bank's Name	Mode of Investment	Limit Amount	Outstanding Amount	Bank Loan Rating
Prime Bank Limited (14.09.2023)	BTB LC/ ILC	2000.00	410.34	blr ST 3
	EDF (Inner of BTB)	(700.00)	3.16	
	LC/ILC (Sight/DP/UPAS)	150.00	-	
	PC	(200.00)	-	
	Bank Guarantee	50.00	30.75	
Shahjalal Islami Bank Limited (14.09.2023)	OD (G)	80.00	-	blr ST 3
	BTB LC (Rev.)	1050.00	903.38	
	Bai-Salam (G)	200.00	-	
	Murabaha Post Import TR	(100.00)	-	
	Quard (R)	(50.00)	-	
	FDBP (R)	(100.00)	-	
	BG (R)	100.00	-	
	BG (One off)	12.94	12.94	

Financial Based on- Audited financial statements 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 **P.A. Knit Composite Limited** (hereinafter referred to as 'PAKCL' 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 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 experienced management, satisfactory health and safety measures, financial flexibility arising from Group Reedisha, established market position and stable customer profile which reflects healthy turnover and margins, long standing relationship with clients, mitigate demand risk, company has backward linkage facilities, and capacity enhanced (both knitting, dyeing, and garments). However, the above factors are constrained to leverage ratio of the company was high position, moderate financial coverage and liquidity position, and moderate quality of financial statements.

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

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