

6th SURVEILLANCE CREDIT RATING REPORT
CONFIDENCE ACCESSORIES (PVT.) LIMITED

Ref. no.: CRAR-3499/2023



Report Contents:

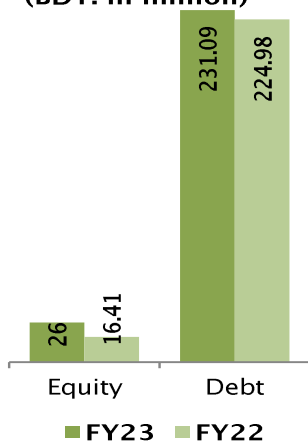
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Key Snapshot:

BDT. in million

Particulars	FY23	FY22
Revenue	448.10	320.69
COGS/Sales (%)	85.00	85.00
Operating profit	31.16	20.80
Net Profit	10.09	4.32
Total Assets	257.09	241.39
Total Equity	26.00	16.41
Total Liabilities	231.09	224.98
Net Profit Margin (%)	2.25	1.35
Current Ratio (X)	0.95	0.95
CCC (Days)	109	130
Debt/Equity (X)	8.89	1.37
ICR (X)	1.86	1.40

Capital Structure (BDT. in million)



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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	19 December 2023	18 December 2024

BDT. In Million

Bank's Name	Mode of Investment	Sanctioned Amount	Outstanding Amount
Social Islami Bank PLC. (30 November 2023)	Bai-Muazzal (TL)	5.00	3.76
	HPSM-Project (SE)	10.00	6.76
	L/C	80.00	28.03
	Bai-Muajjal (TR)	15.00	15.92
	Bai-Muajjal (Com)	3.00	3.13
Southeast Bank Limited (30 November 2023)	HPSM	2.00	0.27
	L/C (Sight)	30.00	-
	LTR (Inner of LC)	(10.00)	8.69
	IDBP	30.00	28.09
	Bai-Muajjal	2.50	2.75
Cash-ABP	-	48.63	

Financial Based on- Audited financial statements up to 30 June 2023.

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 & Medium Enterprise Three) rating under the SME Rating to **Confidence Accessories (Pvt.) Limited** (hereinafter referred to as 'CAPL' or "The Company") based on its financial and other relevant qualitative and quantitative information up-to the date of the rating declaration.

The above ratings have been assigned based on the fundamentals of the company which include experienced and skilled management team, strong group support- "Confidence Group", good market reputation and strong brand image, strong buyers based, good value to loan ratio, sales revenue was in increasing trend, good Infrastructure arrangement, give good supportive facilities to the workers, and have insurance coverage for inventory in stock. However, the above factors are constrained to some extent by stressed liquidity position due to long receivable outstanding, high leverage position, vulnerability in raw- materials price in the local market may impact, and moderate disclosure in the 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 CAPL 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.