

INITIAL CREDIT RATING REPORT
CONFIDENCE KNIT HOSIARY AND EMBROIDARY



Ref. no: CRAR -19449/2024

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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	08 February 2024	07 February 2025

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

RATING RATIONALE

WCRCL has assigned 'WCRSME3' (pronounced as WASO Credit Rating Small and Medium Enterprise Three) rating under the SME Rating to **Confidence Knit Hosiary and Embroidary** (hereinafter referred as "CKHE" or "The Enterprise") based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance.

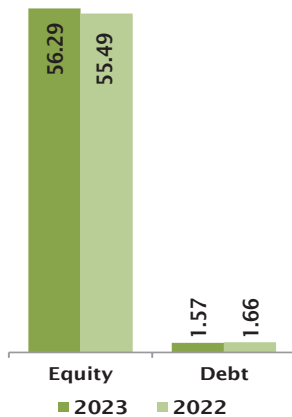
Key Snapshot:

Particulars	2023	2022
Revenue	33.50	33.23
EBIT	4.08	3.60
Net Profit	3.35	3.32
Total Assets	57.87	57.15
Total Equity	56.29	55.49
Total debt	1.57	1.66
Net Profit Margin (%)	10.0	10.0
CCC (Days)	204	198
ICR (X)	8.15	35.92

The above rating has been assigned based on the fundamentals of the enterprise which includes:

- Experienced and skilled management
- Good business network
- Owned business premises and storage facility
- Good Profitability margin
- Low levered capital structure

Capital Structure (BDT. in million)



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

- Average disclosure in the financial statements
- No insurance coverage for the inventory in stock
- Manual accounting system

The SME rating implies that the enterprise has **above average credit quality**.

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

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