

8<sup>th</sup> SURVEILLANCE CREDIT RATING REPORT  
CONFIDENCE THREAD & ACCESSORIES (PVT.) LIMITED

Ref. no.: CRAR-1143/2024



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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	18 January 2024	25 January 2025

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

**Methodology:** SME Rating Methodology published on the WCRCL website at [www.wasocreditrating.com](http://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 Thread & Accessories (Pvt.) Limited** (hereinafter referred to as 'CTAAPL' 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 reaffirmed 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, good debt coverage position, 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, highly 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.

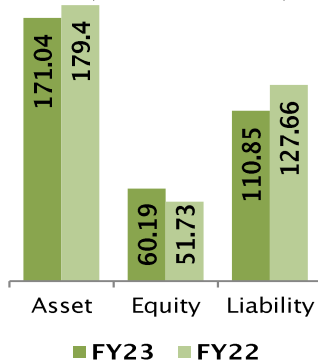
WCRCL also viewed the enterprise with "Stable" outlook and believes that CTAAPL will be able to maintain its good fundamentals in the foreseeable future. This rating may be revised in case of any extraordinary changes in line with the sponsor's equity investment, debt obligations, management, business operations and/or changes in any macro and micro factors in the economy.

**Key Snapshot:**

BDT. in million

Particulars	FY23	FY22
Revenue	160.86	165.72
Net Profit	8.46	4.76
Total Assets	171.04	179.40
Total Equity	60.19	51.73
Total Liabilities	110.85	127.66
Net Profit Margin (%)	5.26	2.88
Current Ratio (X)	22.85	29.00
CCC (Days)	175	132
Debt/Equity (X)	1.84	2.46
ICR (X)	2.14	1.50

**Capital Structure (BDT. in million)**



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