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| SME Rating | Rating Notch | Outlook | Date of Declaration | Date of Expiration |
|------------|--------------|---------|---------------------|--------------------|
| | WCRSME3 | Stable | 05 December 2023 | 20 December 2024 |

BDT. In million

| Bank Name | Mode of Investment | Sanctioned Amount | Outstanding Amount | Date of Outstanding |
|-----------------|--------------------|-------------------|--------------------|---------------------|
| Uttara Bank PLC | CC (H) | 13.00 | 12.99 | |
| | LC | 10.00 | - | 30.11.2023 |
| | LTR | 2.00 | - | |

Financial Based on—Unaudited financial statements up to 31st December 2022.

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

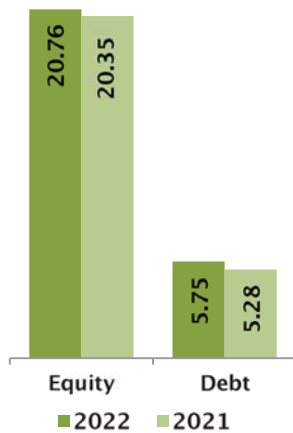
Key Snapshot:

| Particulars | 2022 | 2021 |
|-----------------------|-------|-------|
| Revenue | 83.21 | 72.35 |
| EBIT | 9.28 | 8.00 |
| Net Profit | 8.73 | 7.50 |
| Total Assets | 26.51 | 25.63 |
| Total Equity | 20.76 | 20.35 |
| Total debt | 5.75 | 5.28 |
| Net Profit Margin (%) | 10.5% | 10.4% |
| CCC (Days) | 39 | 48 |
| ICR (X) | 16.86 | 16.00 |

RATING RATIONALE

WCRCL has re-affirmed 'WCRSME3' (pronounced as WASO Credit Rating Small & Medium Enterprise Three) rating under the SME Rating to **Golden Moon Knit & Textile Machineries** (hereinafter referred as "GMKTM" or "The Enterprise") based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance.

Capital Structure (BDT. in million)



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

- Experienced and skilled management
- Low levered capital structure
- Good interest coverage position
- Satisfactory banking relationship
- Good mortgage security coverage against loan
- Owned business premises and storage facility

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

- Tight liquidity position with long cash conversion cycle
- No disclosure of financial statements
- No insurance coverage for the inventory in stock
- Manual accounting system

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

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