ARGUS CREDIT RATING SERVICES LTD.
(ACRSL)

Credit Rating Report

Fahad Knit Fashion

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Name:

Designation:

Date:

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Ref No	: ACRSL39563/25
Company Name	: Fahad Knit Fashion (FKF)
Assigned Ticker	: FhdKntFsh
Activity	: RMG Knit, Manufacturing
Incorporated On	: 15 Dec 2020
Head Office	: Malancha Nagar, Road-03, West Esdair, Tagarpar, Fatullah, Narayanganj, Bangladesh

Rating Type	: SME / Entity
Rating Validity	: 12 Mar 2026
Nature Of Rating	: Initial
Outlook	: Stable
Analyst(s)	: ACRSL Analyst Team
Committee(s)	: ACRSL Rating Committees

Rating Summary

Credit Rating	Current	Previous
SME	AQSE-3	N/A
Publishing Date	13 Mar 2025	N/A

Rating Explanation

Rating	Explanation
AQSE-3	ARGUS Quantitative Small Enterprise-3 is a High rating grade assigned to small enterprises by ARGUS Credit Rating Services Ltd (ACRSL)'s quantitative SE ratings model. When assigned, this rating indicates the obligor, relative to other small enterprises, has strong capacity to meet its financial obligations but may be vulnerable to adverse economic conditions.

Rating Validity: This validity assumes no additional loan over that disclosed in FY24 [Ending June 30] audited/management certified balance sheet and that management has disclosed all material & adverse to financials since FY24.

Khan Md. Abdul Wahab, FCMA
Chief Executive Officer
ARGUS Credit Rating Services Ltd.

1 CORPORATE PROFILE

1.1 Company Description

- **History**: Fahad Knit Fashion was incorporated as a partnership firm on December 15, 2020, in Bangladesh, under the provisions of The Partnership Act, 1932. The firm specializes in the manufacturing of knit apparel intended for the export market. The partners of the business are Mr. Md Mamun Khan and Ms. Dr. Fatema Pervin, who bring their expertise and experience to the company, working together to build a successful enterprise in the knitwear industry.

- **Financial Base:** At the end of FY2024, FKF's total assets stood at BDT 96.21 MN, equity at BDT 25.56 MN, Revenue at BDT 339.88 MN and Net Profit at BDT 13.67 MN.

- **Special Notes:** At the time of publication of this credit rating report by ARGUS Credit Rating Services Limited, unaudited financial statement of FY24 (ending June, 30) were available. Projections for FY25 and FY26 were arrived after taking into consideration subsequent events up to the date of reporting, management feedback, and industry insights.

- **Liability Position:**Fahad Knit Fashion has applied for a composite facility of BDT 120 MN to Standard Bank PLC. The CIB remained STD as on 12.03.2025.

1.2 Ownership Structure

- The business is equally owned by the two partners, Mr. Md Mamun Khan and Ms. Dr. Fatema Pervin, with each holding 50% of the shares in the entity.

Table 1 Nature of Ownership/Directors' Shareholding Percentage

Designation	Name	Shares
Partner	Mr. Md Mamun Khan	50.00%
Partner	Ms Dr. Fatema Pervin	50.00%

1.3 Operations

- **Head Office:** Malancha Nagar, Road-03, West Esdair, Tagarpar, Fatullah, Narayanganj, Bangladesh

1.4 Products and Services

- The product line includes T-shirts, polo shirts, kids' items, and ladies' items.

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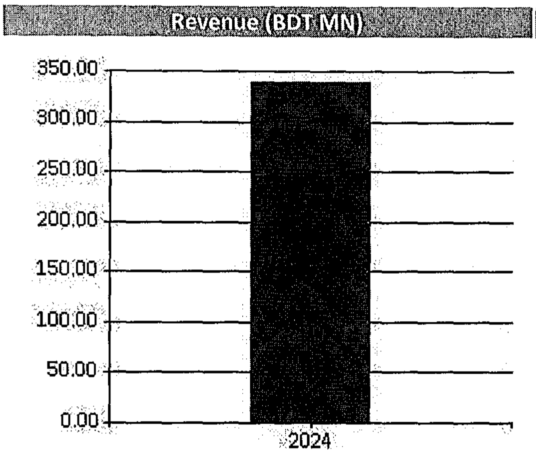
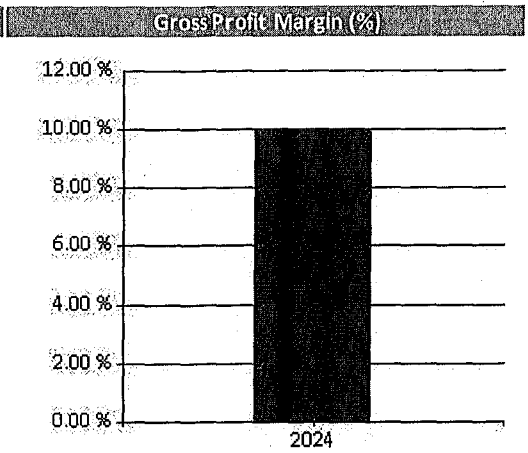
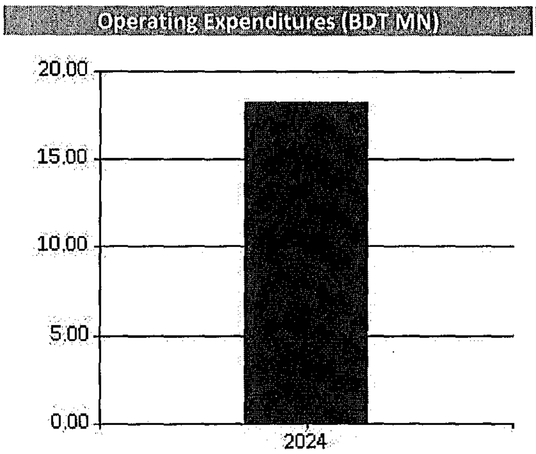
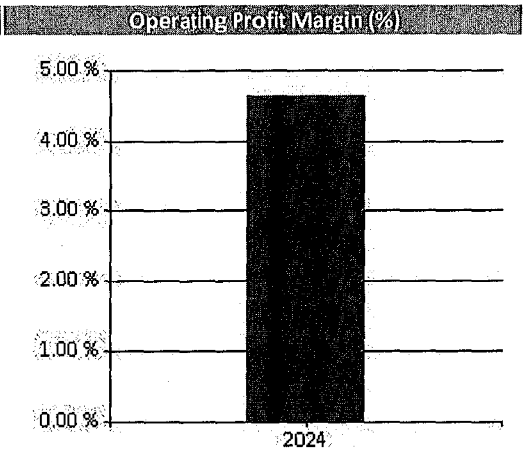
2 CHARTS

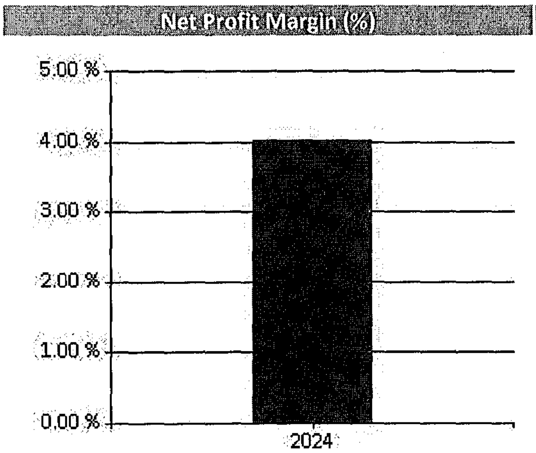
2.1 INCOME STATEMENT CHARTS

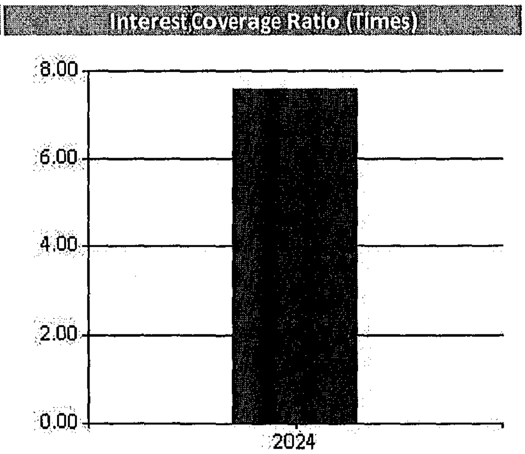




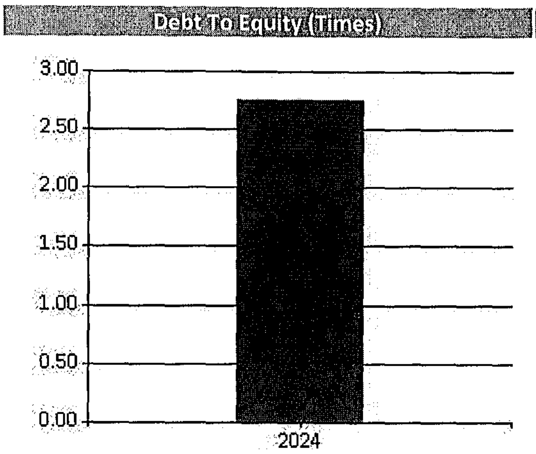


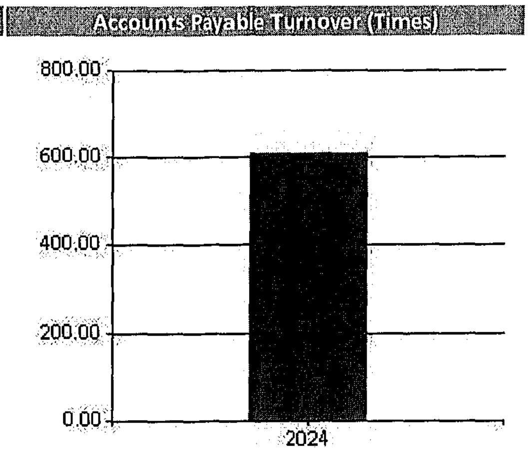


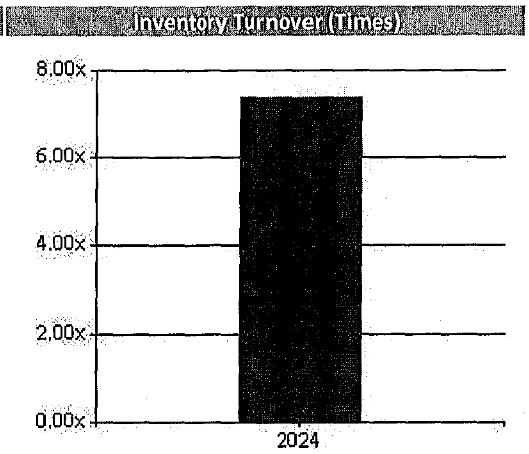


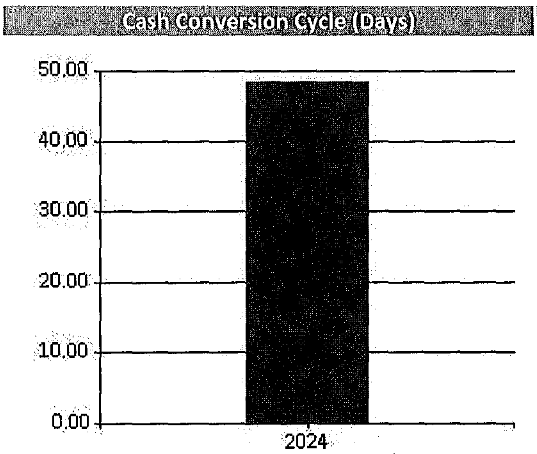


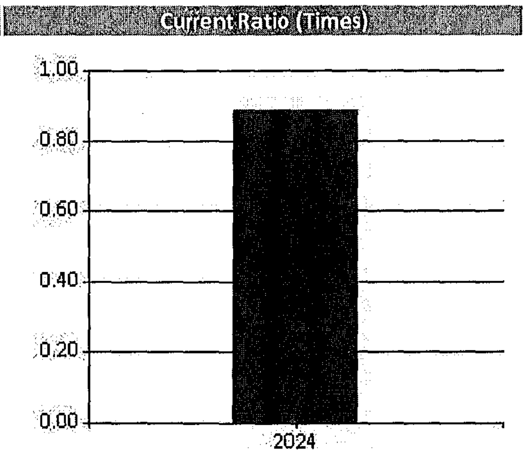
2.2 Balance Sheet Charts

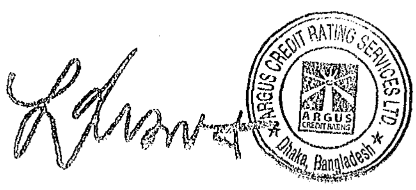






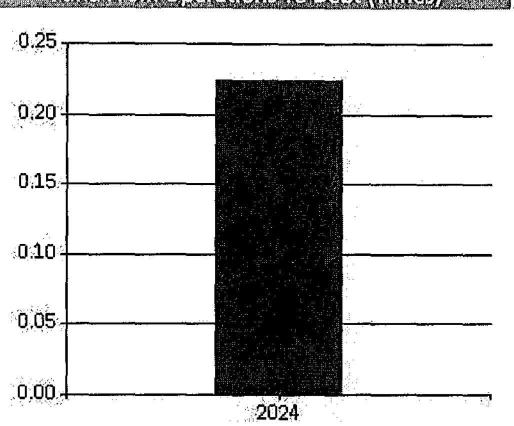




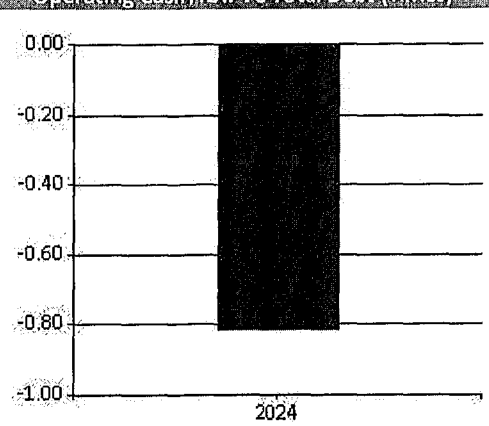


2.3 CASH FLOW ADEQUACY CHARTS

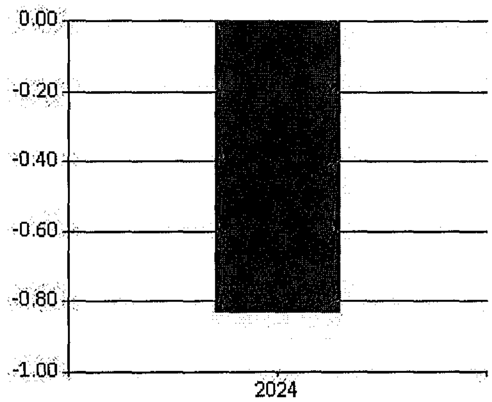
Fund From Operations To Debt (Times)



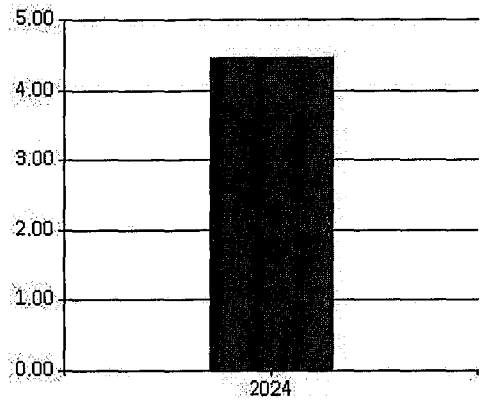
Operating Cash Flow To Total Debt (Times)

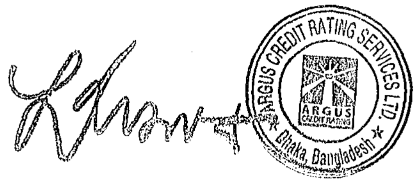


Free Cash Flow To Total Debt (Times)



Total Debt To EBITDA (Times)





APPENDIX A: SUMMARY OF FINANCIAL METRICS

Balance Sheet Metrics (BDT in MN)	FY24
Cash & Equivalent	20.69
Trade Receivable	0.00
Inventories	41.58
Total Current Assets	62.67
Investments	32.46
Fixed Assets(At cost less Depreciation)	1.08
Total Non-Current Assets	33.54
Total Assets	96.21
Payable and Accrued Expenses	0.50
Other Current Liabilities	0.00
Short Term Debt	70.15
Total Current Liabilities	70.65
Long Term Debt	0.00
Other Non-Current Liabilities	0.00
Total Non-Current Liabilities	0.00
Total Liabilities	70.65
Issued, Subscribed & Paid Up Capital	0.00
Retained Earnings	25.56
Reserves & Surplus	0.00
Total Shareholders' Equity	25.56
Total Shareholders' Equity & Liabilities	96.21
Income Statement Metrics (BDT in MN)	**FY24**
Revenue/Sales/Turnover	339.88
Cost of Revenue/ Cost of Goods Sold	305.89
Gross Profit (Loss)	33.99
Operating Expenses	18.24
Operating Profit	15.75
Financial Expense/ Interest Expense	2.08
Net Profit before WPPF	13.67
Other Expense	0.00
Net Profit Before Tax	13.67
Provision for Tax	0.00
Net Profit After Tax	13.67
Cash Flow Metrics (BDT in MN)	**FY24**
Net Cash from Operating Activities	-57.36
Net Cash from Investing Activities	-1.08
Net Cash from Financing Activities	79.13
Increase/(Decrease) in Cash and Cash Equivalents	20.69
Cash and Cash Equivalents at the Opening	0.00
Cash and Cash Equivalents at the Closing	20.69

Source: FKF's financial Statements for FY24

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APPENDIX B: SUMMARY OF ANALYTICS

Indicators	FY24
Revenue Growth	0.00%
Gross Profit Margin	10.00%
Operating Profit Margin	4.63%
Net Profit Margin	4.02%
Interest Coverage Ratio	7.56x
ROA	14.20%
ROE	53.46%
Debt to Equity Ratio	2.74x
Accounts Payable Turnover	610.68x
Accounts Receivable Turnover	0.00x
Inventory Turnover Ratio	7.36x
Current Ratio	0.89x
Cash Conversion Cycle(Days)	48
Fund from Operations/Total Debt	0.22x
Operating Cash Flow/Total Debt	-0.82x
Free Cash Flow/Total Debt	-0.83x
Total Debt/EBITDA	4.45x

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ARGUS CREDIT RATING
Dhaka, Bangladesh

APPENDIX C: SME RATING DETAILS

ACRSL SME RATING

Rating	Definition
AQSE-1 (Highest Grade)	ARGUS Quantitative Small Enterprise-1 is the Highest rating assigned to small enterprises by ARGUS Credit Rating Services Ltd (ACRSL)'s quantitative SE ratings model. When assigned this rating indicates the obligor, relative to other small enterprises, has exceptionally strong capacity to meet its financial obligations and it is highly unlikely that this capacity will be impacted adversely by foreseeable events.
AQSE-2 (High Grade)	ARGUS Quantitative Small Enterprise-2 is a Very High rating grade assigned to small enterprises by ARGUS Credit Rating Services Ltd (ACRSL)'s quantitative SE ratings model. When assigned, this rating indicates the obligor, relative to other small enterprises, has very strong capacity to meet its financial obligations and it is unlikely that this capacity will be impacted adversely by foreseeable events.
AQSE-3 (Good Grade)	ARGUS Quantitative Small Enterprise-3 is a High rating grade assigned to small enterprises by ARGUS Credit Rating Services Ltd (ACRSL)'s quantitative SE ratings model. When assigned, this rating indicates the obligor, relative to other small enterprises, has strong capacity to meet its financial obligations but may be vulnerable to adverse economic conditions.
AQSE-4 (Satisfactory Grade)	ARGUS Quantitative Small Enterprise-4 is a Good rating grade assigned to small enterprises by ARGUS Credit Rating Services Ltd (ACRSL)'s quantitative SE ratings model. When assigned, this rating indicates the obligor, relative to other small enterprises, has adequate capacity to meet its financial obligations but this capacity remains more vulnerable to adverse economic conditions.
AQSE-5 (Non-Investment Grade)	ARGUS Quantitative Small Enterprise-5 is a Non-Investment rating grade assigned to small enterprises by ARGUS Credit Rating Services Ltd (ACRSL)'s quantitative SE ratings model. When assigned, this rating indicates the obligor, relative to other small enterprises, has weak capacity and may rely on alternative sources to meet its financial obligations, and is substantially vulnerable to adverse economic conditions that may impair ability to meet such obligations in the future.
AQSE-6 (Highly vulnerable)	ARGUS Quantitative Small Enterprise-6 is a Highly Vulnerable rating grade assigned to small enterprises by ARGUS Credit Rating Services Ltd (ACRSL)'s quantitative SE ratings model. When assigned this rating indicates the obligor is near to default and the degree of certainty regarding timely payment of financial obligations is doubtful unless circumstances improve.
AQSE-7 (Imminent Default)	ARGUS Quantitative Small Enterprise-7 is an Imminent default rating assigned to small enterprises by ARGUS Credit Rating Services Ltd (ACRSL)'s quantitative SE ratings model. When assigned this rating indicates The obligor is either currently in default or expected to be in default with high probability. The obligor with this rating is unlikely to meet maturing financial obligations.
AQSE-8 (Default Grade)	ARGUS Quantitative Small Enterprise-8 is a Default rating assigned to small enterprises by ARGUS Credit Rating Services Ltd (ACRSL)'s quantitative SE ratings model. When assigned, this rating indicates the obligor already failed to meet its financial obligations and may have entered bankruptcy proceedings.

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