

SURVEILLANCE CREDIT RATING REPORT

BKC SWEATER LIMITED



Ref. no.: FR/2022/025848

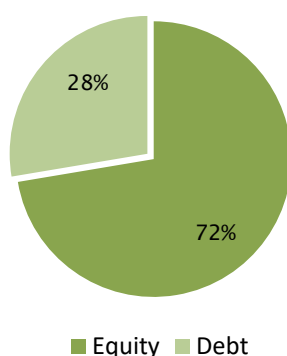
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Key Snapshot:

Tk. in million		
Particulars	2022	2021
Revenue	1273.88	947.77
EBIT	41.61	44.08
Net Profit	30.47	33.48
Total Assets	485.56	799.40
Total Equity	351.30	393.66
Liabilities	134.25	405.73
Net Profit Margin (%)	2.39	3.53
Current Ratio (X)	2.47	1.55
Interest Coverage Ratio (X)	5.96	7.30

Capital Structure



Analysts:

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Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	A3	ST-3	Stable	19 September 2022	14 September 2023

Tk. in million				
Bank Name	Mode of Investment	Limit Amount	Outstanding as on 15.09.2022	Bank Loan Rating
Mutual Trust Bank Limited	Term loan-FSSP	86.22	74.72	blr A3
	Term loan-OBUE	118.71	100.62	
	Term loan-Salary COVID	56.10	12.99	
	Term loan Salary	20.22	9.52	
	Term loan	35.00	9.73	
	BTB LC		13.36	blr ST-3
		600.00	629.87	
	SOD (G)	50.00	0.00	
	FDBP	80.00	39.43	
	SOD (G)	50.00	42.87	

Financial Based on Audited statements up to 30 June 2022, 2021, and 2020.

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

RATING RATIONALE

WCRCL has reaffirmed 'A3' (pronounced Single A Three) rating for the Long Term and reaffirmed 'ST-3' (pronounced Short Term Three) rating for Short Term to 'BKC Sweater Limited' (hereinafter referred to as 'BKCSL' or 'The Company') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance. WCRCL also assigned 'blr ST-3' to all the short-term loan facilities and 'blr A3' to the long term loan facility enjoyed by the company.

The above ratings have been assigned based on the fundamentals of the company which include moderate capacity utilization, good debt coverage position, increasing business trends, security coverage supported by FDR. However, the above factors are constrained by low disclosure of financial statements, decreased business trends, highly levered concern, lower profit margin, poor debt coverage position, and tight liquidity position with long cash conversion cycle.

The long term rating implies that the entity is rated an upper medium grade and subject to low credit risk. The short term rating implies that the entity has an acceptable ability to repay short term debt obligations from internal sources. However, it is expected to rely on external sources of committed financing due to downturn in economic or industry circumstances.

WCRCL also viewed the company with "Stable" outlook and believes that BKCSL will be able to maintain its good fundamentals in the foreseeable future.