

2nd SURVEILLANCE CREDIT RATING REPORT PERFECT SWEATERS LIMITED

Ref. no.: FR/2023/029738



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| Entity Rating | Long Term | Short Term | Outlook | Date of Declaration | Date of Expiration |
|---------------|-----------|------------|---------|---------------------|--------------------|
| | BBB1 | ST-3 | Stable | 12 March 2023 | 11 March 2024 |

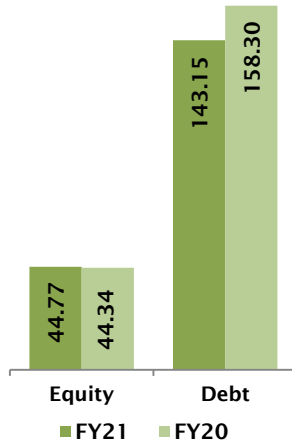
| Bank Name | Mode of Investment | Sanctioned Amount | Outstanding Amount | Outstanding Date |
|--------------------|--------------------|-------------------|--------------------|------------------|
| | 2102-07-0000374 | 30.00 | 30.71 | |
| BASIC Bank Limited | 2102-33-0000010 | 19.09 | 3.63 | 23.01.2023 |
| | 2102-33-0000088 | 6.36 | 2.52 | |
| | 2102-33-0000137 | 6.36 | 3.39 | |

Key Snapshot:

Tk. In million

| Particulars | FY21 | FY21 |
|-----------------------|--------|--------|
| Revenue | 287.25 | 319.31 |
| EBIT | 15.58 | 15.51 |
| Net Profit | 0.44 | 1.91 |
| Total Assets | 187.92 | 202.64 |
| Total Equity | 44.77 | 44.34 |
| Debt | 143.15 | 158.30 |
| Net Profit Margin (%) | 0.2% | 0.6% |
| CCC (Days) | 72 | 71 |
| ICR (X) | 1.23 | 1.35 |

Capital Structure
(BDT. in million)



Analysts:

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Financial Based on- Audited financial statements up to 30 June 2021.

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

RATING RATIONALE

WCRCL has reaffirmed 'BBB1' (pronounced as Triple B One) rating for the Long Term and 'ST-3' (pronounced as Short Term Three) rating for Short Term to Perfect Sweaters Limited (hereinafter referred to as 'PSL' or 'The Company') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance. WCRCL has also assigned 'blr BBB1' rating (pronounced as bank loan rating Triple B one) for the term Loan and "blr ST-3" (pronounced as Bank Loan Rating Short Term Three) rating to the short term limit. The above ratings have been assigned based on the fundamentals of the company which include experienced and skilled management, maintain insurance coverage, moderate interest coverage position. However, the above factors are constrained to average disclosure in the financial statement, manual accounting process, high leverage position in the capital structure, tight liquidity position with long cash conversion cycle and volatile market price of the raw materials.

The long term rating implies that the company is subject to medium credit risk and considered medium grade and as such may possess certain speculative characteristics. The short term rating implies that currently the entity has the 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 PSL will be able to maintain its good fundamentals in the foreseeable future.