

INITIAL CREDIT RATING REPORT BAUWERK LIMITED

Ref. no.: FR/2023/030825



Report Contents:

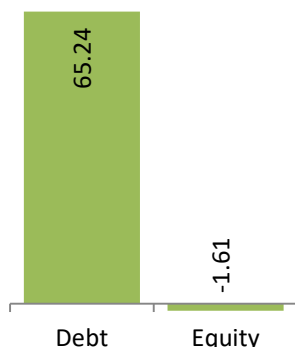
Particulars	Page
Rating Rationale	1
Corporate Background	2
Group Profile	2
Management Evaluation	2
Business Analysis	2
Financial Strength Analysis	3
Banking Relationship	5
Risk Factor Analysis	6
Rating Observations	6

Key Snapshot:

Tk. in million

Particulars	2022
Revenue	27.98
EBIT	-10.73
Net Profit	-11.61
Total Assets	63.64
Total Equity	-1.61
Debt	65.25
Net Profit Margin (%)	-41.5
CCC (Days)	293
ICR (X)	-15.09

Capital Structure for 2022 (Tk. in Million)



Analysts:

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Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	BBB3	ST-4	Stable	10 April 2023	09 April 2024

Banks Name	Mode of Investment	Sanctioned/ Limit Amount	Outstanding Amount	Bank Loan Rating
Prime Bank Ltd. (02.03.2023)	Term Loan	20.00	15.68	blr BBB3
	L/C (Sight)	40.00	14.07	blr ST-4
	LTR	(10.00)	0.00	
	Time Loan	15.00	11.73	
	OD	5.00	5.00	
	EOL (OD)	5.00	5.00	

Financial Based on-Audited financial statement for 30 June 2022.

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

RATING RATIONALE

WCRCL has assigned 'BBB3' (pronounced as Triple B Three) rating for the Long Term and 'ST-4' (pronounced as Short Term Four) rating for Short Term to **Bauwerk Limited** (hereinafter referred to as 'BL' or 'The Company') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance. WCRCL has assigned 'blr BBB3' (pronounced as Bank Loan Rating Triple B Three) rating to the long term loan outstanding and 'blr ST-4' (pronounced as Bank Loan Rating Short Term Four) rating to short term loan limit.

The above ratings have been assigned based on the fundamentals of the company which include experienced directors and key management team, maintained sound business relation with supplier & buyer, financial flexibility arising from AKS Khan Group, maintained insurance coverage, comfortable security arrangement and satisfactory banking relationship.

However, the above factors are constrained by average disclosure in financial statement, market saturation or high competition, negative profitability, high levered in the capital structure, stressed liquidity position, interest coverage position was alarming situation, vulnerability in products price in the international market may impact profitability.

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 the entity has significant speculative characteristics. The obligor currently has the capacity to meet its financial commitment on the obligation; however, it may face uncertainties which could lead to the obligor's inadequate capacity to meet its financial commitment on the obligation.

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