

2nd SUEVEUILLANCE CREDIT RATING REPORT BALAKA STITCH (PVT) LIMITED

Ref. no.: FR/2023/030692



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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	10 April 2023	16 January 2024

WCRSE 3 rating is equivalent to Bangladesh Bank SME rating scale of SME 3 under BRPD circular number BRPD (BIC) 661/14B (P)/2014/2093.

Tk. in million

Bank Name	Mode of Investment	Limit Amount	Outstanding Amount	Outstanding Date
Premier Bank Limited	PC	4.00	0.47	30.12.2022
	Bai-Muajjal CC	3.00	3.27	
	BTB LC	150.00	140.00	
	HPSM Ind.	2.80	0.55	
	HPSM Other (Salary & wages)	10.12	9.61	

Key Snapshot:

Tk. In million

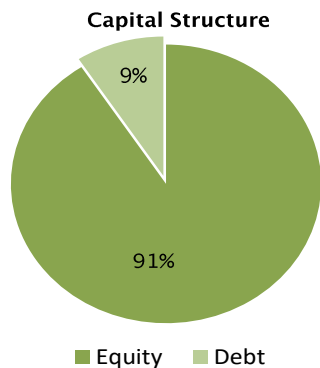
Particulars	2021	2020
Revenue	341.20	320.23
EBIT	13.83	29.09
Net Profit	7.25	25.41
Total Assets	185.84	158.90
Total Equity	168.77	143.99
Total Liabilities	17.07	14.91
Net Profit Margin (%)	7.58	7.93
Current Ratio (X)	8.91	8.35
Debt to Equity (X)	0.10	0.10

Financial Based on- Unaudited financial statements up to 30 June 2021, 2020, and 2019.

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

RATING RATIONALE

WCRCL has reaffirmed **WCRSE 3** (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to **Balaka Stitch (Pvt) Limited** (hereinafter referred to as 'BSPL' or "The Company") based on its financial and other relevant qualitative and quantitative information up-to the date of the rating declaration.



The above ratings have been assigned based on the fundamentals of the enterprise which good market reputation and strong business network, experienced and proactive management, low levered concern, , and secured with insurance coverage. However, the above factors are constrained to some extent by followed moderate disclosure in financial statements, moderate liquidity position, lower profit margin, and long cash conversion cycle.

Analysts:

Monira Islam
monira@wasocreditrating.com

Md. Al Amin Jewel
jewel@wasocreditrating.com

The SME rating implies that the enterprise is adjudged to above average level of credit worthiness in relation to other SE's / ME's.

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