

# 6<sup>th</sup> SURVEILLANCE CREDIT RATING REPORT

## BBJ LEATHER GOODS LIMITED



Ref. no.: FR/2023/033160

### Report Contents:

Particulars	Page
Rating Rationale	1
Corporate Background	2
Holding Company Profile	2
Management Evaluation	3
Analysis of Industry Dynamics	3
Business Analysis	4
Financial Strength Analysis	5
Credibility and Banking Relationship	7
Risk Factor Analysis	8
Rating Observations	8

Entity Rating	Long Term	Short Term	Outlook	Date of Rating Declaration	Date of Rating Expiration
	BBB+	ST 3	Stable	22 August 2023	29 June 2024

Name of the Bank	Mode of Investment	Sanctioned Limit	Outstanding Amount as on 31.07.2023	Bank Loan Rating
Agrani Bank Limited	CC (Hypo)	10.00	9.61	blr ST 3

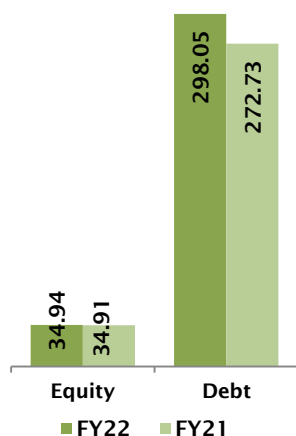
*Financial Based on- Audited financial statements duly audited by ACNABIN, Chartered Accountants from FY13 to FY22,*

*Methodology: Corporate rating methodology published on the WCRCL website at [www.wasocreditrating.com](http://www.wasocreditrating.com)*

### Key Snapshot:

Particulars	FY22	FY21
Revenue	111.28	142.10
EBIT	14.48	13.36
Net Profit	0.03	0.02
Total Assets	332.99	307.64
Total Equity	34.94	34.91
Debt	298.05	272.73
CCC (Days)	95	211
ICR (X)	1.35	1.13

### Capital Structure (BDT. in million)



### RATING RATIONALE

WCRCL has reaffirmed 'BBB+' (pronounced as Tripple B Plus) rating for the Long Term and 'ST 3' (pronounced as Short Term Three) rating for Short Term to 'BBJ Leather Goods Limited' (hereinafter referred to as 'BBJLGL') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating declaration. WCRCL has also reaffirmed 'blr ST 3' (pronounced as Bank Loan Rating Short Term Three) rating to short term loan limit of Tk. 10.00 Million.

The above ratings have been assigned based on long experienced sponsors, subsidiary company of ABC Footwear Ind. Limited, good support from the holding company, 100% production consumed by Marutomi Co. Ltd., Japan, good quality of the financial statements and good payment history of loan. However, the above factors are constrained to some extent by single buyer dependency, high leverage and tight liquidity position.

The long term rating implies that the entity is subject Moderately Moderate credit quality. The short term rating implies that average ability to meet short term financial commitments.

WCRCL also viewed the company with "Stable" outlook and believes that BBJLGL will be able to maintain its good fundamentals in the foreseeable future. This rating may be revised in case of any extraordinary changes in line with the sponsor's equity investment, debt obligations, management, business operations and/or changes in any macro and micro factors in the economy.

### Analysts:

**Md. Rafiul Bary**  
rafi@wasocreditrating.com

**Md. Al Amin Jewel**  
jewel@wasocreditrating.com