

# 1<sup>ST</sup> SURVEILLANCE CREDIT RATING REPORT BASIC KNITWEAR LIMITED

Ref. no.: CRA/10767/2023



## Report Contents:

Particulars	Page
Rating Rationale	1
Owners Profile	2
Business Management	2
Industry Analysis	2
Business Analysis and Network	4
Financial Position Analysis	5
Banking Relationship	6
Risk Factor Analysis	4
Rating Observation	6

SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	25 October 2023	04 October 2024

**Financial Based on–** Audited financial statements up to 30 June 2022, 2021, 2020.

**Methodology:** SME Rating Methodology published on the WCRCL website at [www.wasocreditrating.com](http://www.wasocreditrating.com)

## RATING RATIONALE

WCRCL has reaffirmed **WCRSME3** (pronounced as WASO Credit Rating Small and medium Enterprise Three) rating under the SME Rating to **Basic Knitwear Limited** (hereinafter referred to as 'BKL' or "The Company") based on its financial and other relevant qualitative and quantitative information up-to the date of the rating declaration.

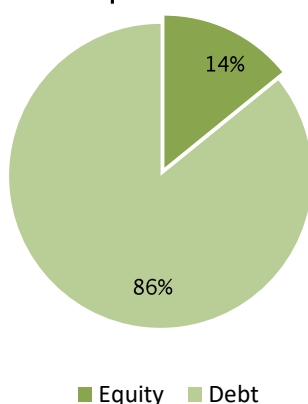
The above ratings have been assigned based on the fundamentals of the enterprise which good market reputation and strong business network, experienced and proactive management, and strong group support. However, the above factors are constrained to some extent by followed moderate disclosure in financial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

## Key Snapshot:

Tk. In million

Particulars	2022	2021
Revenue	137.3	64.74
EBIT	6.73	0.62
Net Profit	4.31	0.47
Total Assets	64.91	29.54
Total Equity	13.21	0.43
Total Liabilities	51.70	1.22
Net Profit Margin (%)	3.14	0.72
Current Ratio (X)	0.89	7.82
Debt to Equity (X)	3.91	2.81

## Capital Structure



The SME rating implies that the enterprise has adjudged to above average level of credit quality.

WCRCL also viewed the enterprise with "Stable" outlook and believes that BKL 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:

**Monira Islam**  
monira@wasocreditrating.com

**Maharan Nasrin**  
maharan@wasocreditrating.com