

INITIAL CREDIT RATING REPORT  
BASIC CLOTHING LIMITED



Ref. no.: CRA/18898/2023

Report Contents:

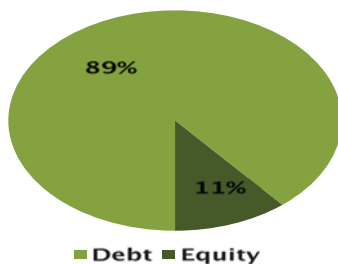
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Key Snapshot:

Tk. in million

Particulars	2022	2021
Revenue	787.62	785.02
EBIT	48.53	57.74
Net Profit	26.10	32.01
Total Assets	771.17	699.11
Total Equity	85.82	59.72
Debt	685.34	639.38
Net Profit Margin (%)	3.31	4.08
Current Ratio (X)	1.05	0.96
Debt to Equity (X)	7.99	10.70
Interest Coverage Ratio (X)	2.62	2.71

Capital Structure



Analysts:

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Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	A-	ST 3	Stable	26 December 2023	25 December 2024

*Tk. in million*

Bank Name	Mode of Investment	Sanctioned/ Limit Amount	Outstanding as on 30.11.2023
Premier Bank Limited	HPSM (Ind)	200.00	201.03
	HPSM (RE)	300.00	300.00
	HPSM (Salary)	29.40	7.57
	Bai Muajjal (Com)	40.00	44.04
	Bai Muajjal (Others)	24.39	24.65
	Bai Muajjal (C-Others)	10.00	10.10

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

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

RATING RATIONALE

WASO Credit Rating Company (BD) Limited (WCRCL) has assigned “A-” (pronounced as single A minus) rating for the Long Term and “ST 3” (pronounced as Short Term Three) rating for Short Term to **Basic Clothing Limited** (hereinafter referred as “BCL” 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 A-” (Pronoun as Bank Loan Rating Single A minus) rating to the total term loan outstanding and “blr ST 3” (Pronounced as Bank Loan Rating Short Term Three) to the aggregated short term limit.

The above ratings have been assigned based on the fundamentals of the company which include sponsors have good knowledge about their business, strong group support, insured with insurance coverage, good quality of the financial statements, experience and proactive management team and stable cost efficiency indicators. However, the above factors are constrained to operational bottleneck due to lower profit margin in financial position, stress liquidity position with long cash conversion cycle, and highly levered concern.

The long term rating implies that the company has moderately good credit quality. The short term rating implies that the company has average ability to meet short term financial commitments.

WCRCL also viewed the company with “Stable” outlook and believes that BCL 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.