

2nd SURVEILLANCE CREDIT RATING REPORT
BEA-CON KNITWEAR LIMITED

Ref. no.: CRA/11707/2024



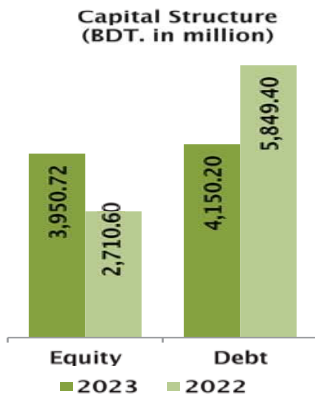
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Key Snapshot:

Tk. in million

Particulars	2022	2023
Revenue	9863.48	11948.7
COGS	8622.49	10629.7
Gross Profit	1240.98	1319.02
Profit from Operation	723.44	794.81
PAT	527.31	1240.54
Total Asset	8559.12	8100.91
Total Equity	2709.19	3950.72
Total Debt	5849.40	4150.19
Net Profit Margin (%)	5.35	10.38
CCC (Days)	27	25
Debt to Equity (X)	2.15	1.05
ICR (X)	8.51	26.93



Analysts:
Monira Islam
monira@wasocreditrating.com

Rafiul Bary
rafil@wasocreditrating.com

Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	A+	ST 3	Stable	04 March 2024	03 March 2025

Tk. in Million

Banks Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Bank Loan Rating
IPDC Finance Limited (31.12.2023)	Term Loan	300.00	203.59	blr A+
Commercial Bank of Ceylon (31.12.2023)	RSTL	700.00	600.00	blr ST 3
	LC	1000.00	31.68	
	EDF	1000.00	43.95	
	Accepted Bills	1000.00	3.00	
	ULC Accep	722.00	80.87	
United Commercial Bank PLC (31.12.2023)	CODNEW	400.00	58.99	blr ST 3
	ULCBB	3900.00	922.42	
	Shipp-CUR	4759.00	17.37	
	SLCBB	-3900.00	3.94	
	BBEDF-LC	-3900.00	104.53	
	ULC	859.60	30.9	
	ULCBB	-3900.00	942.36	
	SLC	859.60	95.18	
	CEDF	-3900.00	386.88	
	CTLN	309.00	226.71	
LGB	81.78	31.18		
CPRS	650.00	634.44		

Financial Based on – Audited Financial Statements up to 30 June 2023, 2022, and 2021.

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

RATING RATIONALE

WCRCL has reaffirmed “A+” (pronounced as Single A Plus) rating for the Long Term and ST 3 (pronounced as Short Term Three) rating for Short Term to **Bea-con Knitwear Limited** (hereinafter referred to as ‘BCKL’ 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+” (pronounced as Bank Loan Rating Single A Plus) rating for long term loan outstanding and “blr ST 3” (Pronounced as Bank Loan Rating Short Term Three) rating to the aggregated short term loan limit.

The above ratings have been assigned based on the fundamentals of the company which include strong growth of business trend, experienced and proactive management, sufficient financial coverage, satisfactory health and safety measures, have sufficient insurance coverage, good quality of financial statements, fully compliance garments manufacturing factory, and continuously increase rated capacity. However, the above factors are constrained to operational bottleneck due to high leverage position, tight liquidity position and lower net profit margin.

The long term rating implies that the company has very 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 BCKL will be able to maintain its good fundamentals in the foreseeable future. This rating may be revised in case of any extraordinary changes

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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.

-----End of Rational-----