

**SURVEILLANCE CREDIT RATING REPORT**  
**FATULLAH FABRICS LIMITED**  
 Ref. no.: FR/2022/026224



**Report Contents:**

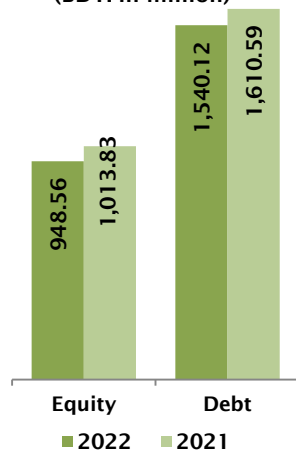
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**Key Snapshot:**

Tk. in Million

Particulars	FY22	FY21
Revenue	3,283.62	4,061.41
COGS	3,043.41	3,653.08
Gross Profit	240.20	408.33
Operating Expense	58.20	44.46
Profit from Operation	181.99	363.86
Financial Exp.	129.27	223.31
PAT	49.50	143.04
Total Assets	2,488.68	2,624.41
Total Liabilities	1,540.12	1,610.58
Total Equity	948.55	1,013.82
Net Profit Margin (%)	1.50	3.50
CCC (Days)	167	137
Debt/Equity (X)	1.62	1.59
ICR (X)	1.42	1.66

**Capital Structure (BDT. in million)**



**Analysts:**

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Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	A3	ST-3	Stable	11 October 2022	10 October 2023

Name of The Bank	Mode of Investment	Sanction Amount	Outstanding Amount	Bank Loan Rating
Agrani Bank Limited (10.10.2022)	HPSM	170.00	169.90	blr A3
	BAIM	640.00	632.80	
	L/C	50.0	35.00	
	BTB L/C	120.00	12.00	
	PIF (TR)	20.00	20.00	blr ST-3
	BG	15.00	10.06	
	IBP	5.00	5.00	
Southeast Bank Limited (30.06.2022)	Stimulus	60.00	60.00	
	HPSM	450.00	343.62	blr A3
	Rev. L/C	55.00	0.00	
	Murabaha Post Import TR	10.00	0.00	
	Time Loan	30.00	2.67	blr ST-3
	Bai Muajjal Revolving	40.00	2.91	
	IDBP	100.00	4.30	
	BG	8.80	0.00	

*Financial Based on-Management prepared Financial Statements up to 30 June 2022.*

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

**RATING RATIONALE**

WASO Credit Rating Company (BD) Ltd. (WCRCL) has reaffirmed **A3** (pronounced as Single A Three) rating for the long term and **ST-3** (pronounced as short Term Three) rating for short term to **"Fatullah Fabrics Limited"** (hereinafter referred to as 'FFL' 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 A3** (pronounced as Bank Loan Rating Single A Three) rating to the long term loan outstanding amount and **blr ST-3** (Pronounced as Bank Loan Rating Short Term Three) rating for the short term loan limit amount. The above ratings have been reaffirmed based on the fundamentals of the company which include experienced and skilled management, good market demand of the product, strong network with buyer, insurance coverage against stock, satisfactory banking relationship, comfortable security arrangement, satisfactory health and safety measures, owned factory premises and good infrastructural arrangement. However the above factors are constrained by average disclosure in the financial statement, high levered in the capital structure, stressed liquidity position, profitability margins were fluctuating pattern, poor profitability margin, poor interest coverage position.

The long term rating implies the company is subject to upper medium grade and subject to low credit risk. The short term rating implies that the company having acceptable ability to repay short term debt obligations. It is expected to rely on external sources of committed financing. Based on its evaluation of near term covenant compliance, WCRCL believes that the issuer may require covenant relief in order to maintain orderly access to funding lines.

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

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