

# SURVEILLANCE CREDIT RATING REPORT FEM ACCESSORIES LIMITED

Ref. no.: FR/2023/031403



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Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	BBB2	ST-3	Stable	31 May 2023	11 May 2024

Tk. In Million				
Name of Banks	Mode of Facility	Limit Amount	Outstanding Amount	Bank Loan Rating
Bank Asia Ltd. (31.03.2023)	Term Loan	25.00	9.24	blr BBB2
	L/C	100.00	25.32	
	PC	10.00	0.00	blr ST-3
	LDFB	40.00	0.00	
<b>Total</b>		<b>175.00</b>	<b>34.56</b>	

## Key Snapshot:

Tk. in million		
Particulars	FY22	FY21
Revenue	121.96	64.61
COGS	105.80	54.34
Profit from Operation	5.95	1.96
Financial Exp.	1.72	1.43
PAT	4.00	0.59
Total Assets	367.02	307.07
Total Debt	191.98	136.03
Total Equity	175.03	171.03
Debt/Equity (X)	1.10	0.80
ICR (X)	3.74	1.82

*Financial Based on Audited 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

WCRCL has assigned 'BBB2' (pronounced as Triple B Two) rating for the Long Term and 'ST-3' (pronounced as Short Term Three) rating for Short Term to **Fem Accessories Limited** (hereinafter referred to as '**FAL**' 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 BBB2' (pronounced as Bank Loan Rating Triple B Two) rating to the long term loan outstanding and "blr ST-3" (pronounced as Bank Loan Rating Short Term Three) rating to the aggregated short term limit.

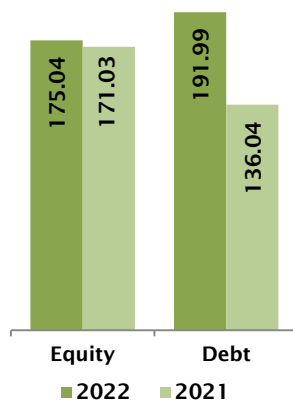
The above ratings have been assigned based on the fundamentals of the company which include experienced and proactive management, financial flexibility arising from Shanin Group, revenue was increased from preceding year because of increase buyers order, good interest coverage position, good liquidity position considering short cash conversion cycle, presence of fire insurance policy, availability of the supply of raw materials, satisfactory safety measures, comfortable security arrangement, satisfactory banking relationship, owned factory premises and good infrastructural arrangement.

However, the above factors are constrained to average disclosure in the financial statement, moderate levered in the capital structure, vulnerability in raw- materials price in the local and international market may impact profitability and adverse shock in textile industry may affect revenue growth.

The long term rating implies that the company is subject to medium credit risk and considered medium grade and as such may possess certain speculative characteristics. The short term rating implies that the company has an acceptable ability to repay short term debt obligations from internal sources. However, it is expected to rely on external sources of committed financing due to downturn in economic or industry circumstances.

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

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



## Analysts:

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