

# SURVEILLANCE CREDIT RATING REPORT FEM WENDLER INTERLINING LIMITED

Ref. no.: FR/2023/031404

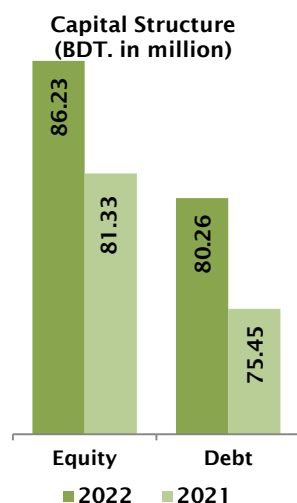


## Report Contents:

Particulars	Page
Rating Rationale	01
Corporate Profile	02
Management and Organization	03
Analysis of Industry Dynamics	03
Business Analysis	05
Financial Strength Analysis	05
Banking Relationship	07
Risk Factor Analysis	07
Rating Observation	08
Rating Scale	11

## Key Snapshot:

Tk. in million		
Particulars	FY22	FY21
Revenue	134.32	145.63
COGS	121.54	116.88
Profit from Operation	6.23	21.08
Financial Exp.	0.49	0.47
PAT	4.89	21.35
Total Assets	166.49	156.77
Total Debt	86.22	75.44
Total Equity	80.26	81.33
Debt/Equity (X)	0.93	0.93
ICR (X)	14.53	49.60



## Analysts:

**Md. Al Amin Jewel**  
jewel@wasocreditrating.com

**Monira Islam**  
monira@wasocreditrating.com

Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	BBB2	ST-3	Stable	31 May 2023	29 May 2024

Tk. In Million				
Name of Banks	Mode of Facility	Limit Amount	Outstanding Amount	Bank Loan Rating
Bank Asia Ltd. (30.05.2023)	L/C	120.00	52.10	blr ST-3
	LTR	(30.00)	0.00	
	BTB LC/ EDF	(20.00)	0.00	
	Demand Loan	10.00	0.00	
	PC	(5.00)	5.00	
	LDBP	30.00	0.00	
	BG	5.00	0.00	
<b>Total</b>		<b>165.00</b>	<b>57.10</b>	

*Financial Based on-Audited financial statements up to 30 June 2022.*

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

## RATING RATIONALE

WCRCCL 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 Wendler Interlining Limited** (hereinafter referred to as '**FWIL**' or '**The Company**') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance. WCRCCL has also assigned "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 experience of experienced and proactive management, financial flexibility arising from Shanin Group, moderate levered in the capital structure, good interest coverage position, 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, revenue was in decreased from preceding year because of decrease buyers order, stressed liquidity position considering long cash conversion cycle, vulnerability in raw- materials price in the local and international market may impact profitability, 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.

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