

INITIAL CREDIT RATING REPORT FASHION CLOUD LIMITED

Ref. no.: FR/2023/29743



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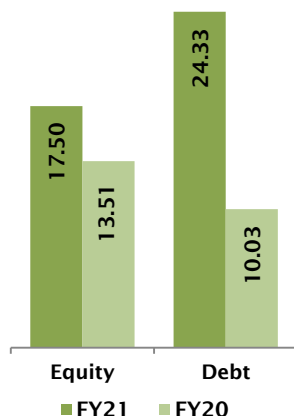
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Key Snapshot:

BDT. in million

Particulars	FY21	FY20
Revenue	54.97	41.90
EBIT	12.67	3.44
Net Profit	11.26	2.28
Total Assets	41.24	23.49
Total Equity	17.50	13.51
Total debt	24.33	10.03
Net Profit Margin (%)	20.5	5.5
CCC (Days)	98	42
ICR (X)	17.78	4.06

Capital Structure
(BDT. in million)



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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	13 February 2023	12 February 2024

WCRSE 3 rating is equivalent to Bangladesh Bank SME rating scale of SME 3 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093.

BDT. in million

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
Mercantile Bank Limited	Term Loan	4.00	-	12.02.2023
	OD	2.00	-	

Financial Based on- unaudited financial statements up to 30th June 2021.

Methodology: SME Rating Methodology published on the WCRCL website at www.wasocreditrating.com

RATING RATIONALE

WCRCL has assigned **WCRSE 3** (Pronounced WASO Credit Rating Small Enterprise Three) rating under the SME Rating to **Fashion Cloud Limited** (hereinafter referred to as 'FCL' or 'The company') based on its financial and other relevant qualitative and quantitative information up to the date of the rating issuance.

The above rating has been assigned based on the fundamentals of the enterprise which includes:

- Experienced directors and management team
- Maintained sound relation with supplier, buyer and lender
- Strong business network
- Good interest coverage position

However, the above rating has been moderated to some extent due to some factors like:

- Low disclosure of financial statements
- Highly levered capital structure
- Rented factory premises
- No insurance policy
- Extensive competition to the market
- Low management information system (MIS) and Manual accounting system

The SME rating implies that the enterprise is adjudged to above average level of credit worthiness in relation to other small enterprises.

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