

2nd SURVEILLANCE CREDIT RATING REPORT FRESH APPARELS LIMITED

Ref. no.: FR/2023/33641



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Key Snapshot:

Tk. in million

Particulars	FY22	FY21
Revenue	361.48	219.16
EBIT	21.91	14.82
Net Profit	17.00	10.26
Total Assets	307.73	286.00
Total Equity	150.14	170.84
Debt	157.59	115.16
Net Profit Margin (%)	4.7	4.7
CCC (Days)	118	394
ICR (X)	12.83	97.25



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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRESME3	Stable	19 September 2023	18 September 2024

Tk. in million

Bank	Facilities	Limit Amount	Outstanding Amount	Outstanding Date
Uttara Bank PLC.	OD	20.00	5.84	02.07.2023
	BB LC	200.00	60.53	

Financial Based on- unaudited financial statements up to 30th June 2022.

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

RATING RATIONALE

WCRCL has reaffirmed **WCRESME3** (Pronounced WASO Credit Rating Small and Medium Enterprise Three) rating under the SME Rating to **Fresh Apparels 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.

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

- Experienced and skilled management
- Strong buyer base
- Low levered in the capital structure
- Strong business network
- Good infrastructural arrangement
- Good interest coverage position
- Satisfactory health and safety measures

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

- Average disclosure in the financial statement
- Poor security arrangement
- No insurance policy
- rented factory premises

The SME rating implies that the company is adjudged to above average credit quality.

WCRCL also viewed the company with "Stable" outlook and believes that FAL will be able to maintain its good fundamentals in the foreseeable future. This rating may be revised in case of any extraordinary changes 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.