

DUCATI APPARELS LIMITED

Ref. no.: CRAR-12531/2024

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Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	BBB	ST 3	Stable	29 January 2024	28 January 2025

Bank	Mode	Limit/Disbursed Amount	Outstanding Amount	Tk. in Million
				Bank Loan Rating
Premier Bank Ltd. (15.01.2024)	HPSM (Com)	250.00	277.78	blr BBB
	HPSM (Ind.)	31.52	32.19	
	BTB LC/EDF	500.00	271.00	blr ST 3
	Bai-Muajjal Com.	30.00	33.21	
UPAS		68.3	68.98	

Key Snapshot:

Particulars	FY23
Revenue	292.00
EBIT	31.07
Net Profit	14.59
Total Assets	1,259.1
Total Equity	360.65
Debt	898.52
Net Profit Margin (%)	5.0%
CCC (Days)	825
ICR (X)	2.17

Financial: Based on Management prepared financial statements up to 30 June 2023.

Methodology: Corporate rating methodology published on the WCRCL website at www.wasocreditrating.com.

RATING RATIONALE

WCRCL has upgraded 'BBB' (pronounced as Triple B) rating for the Long Term and 'ST 3' (pronounced as Short Term Three) rating for Short Term to **Ducati Apparels Limited** (hereinafter referred to as 'DAL' or 'The company') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating declaration. WCRCL has also upgraded 'blr BBB' (pronounced as Bank Loan Rating Triple B) rating to the long term loan outstanding and 'blr ST 3' (pronounced as Bank Loan Rating Short Term Three) rating to the short term loan limit.

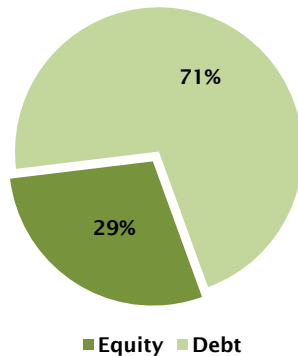
The above ratings have been assigned based on the fundamentals of the company which include experienced and proactive management, presence of fire insurance policy and availability of the supply of raw materials, satisfactory safety measures, unclassified banking status, owned factory premises.

However, the above factors are constrained to operational bottleneck due to average disclosure in the financial statements, small scale in the business, high levered in the capital structure, 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 RMG industry may affect revenue growth.

The long term rating implies that the entity is subject Average credit quality. The short term rating implies that below average ability to meet short term financial commitments.

WCRCL also viewed the company with "Stable" outlook and believes that DAL 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.

Capital Structure
(BDT. in million)



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