

1st SURVEILLANCE CREDIT RATING REPORT
FRAULEN FASHION LIMITED

Ref. no.: CRAR-14647/2023



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Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
9	BBB-	ST 3	Stable	05 December 2023	04 December 2024

Tk. In Million				
Name of Banks	Mode of Facility	Limit Amount	Outstanding Amount	Bank Loan Rating
Dutch Bank Bank PLC (01.11.2023)	Term Loan	160.34	160.34	
	Term Loan-I	108.68	108.68	blr BBB-
	Term Loan-II	50.99	50.99	
Pubali Bank PLC (04.12.2023)	BBLC (R)	240.00	255.20	blr ST 3
	Packing Credit	20.00	5.00	
Total		580.01	580.21	

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

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

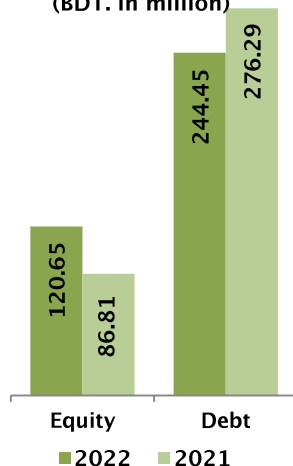
Key Snapshot:

Particulars	Tk. in million	
	FY22	FY21
Revenue	707.51	532.53
COGS	642.70	520.54
Profit from Operation	42.48	(9.86)
Financial Exp.	18.82	16.31
PAT	33.83	12.03
Total Assets	365.10	363.10
Total Debt	244.45	276.29
Total Equity	120.65	86.81
Debt/Equity (X)	2.03	3.18
ICR (X)	3.09	2.15

RATING RATIONALE

WCRCL has reaffirmed 'BBB-' (pronounced as Triple B Minus) rating for the Long Term and 'ST 3' (pronounced as Short Term Three) rating for Short Term to **Fraulen Fashion Limited** (hereinafter referred to as '**FFL**' 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 BBB-' (pronounced as Bank Loan Rating Triple B Minus) 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.

Capital Structure (BDT. in million)



The above ratings have been assigned based on the fundamentals of the company which include experience of promoter in the garments industries, experienced and proactive management, financial flexibility arising from Fraulen Fashion Limited, 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, Tight liquidity position considering Long cash conversion cycle, vulnerability in raw- materials price in the local and international market may impact profitability, high levered in the capital structure, adverse shock in textile industry may affect revenue growth.

The short term rating implies that the company has average ability to meet short term financial commitments.

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

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