

2nd SURVEILLANCE CREDIT RATING REPORT AL-GHOUSIA TEXTILES LIMITED

Ref. no.: FR/2023/033560



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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	19 September 2023	18 September 2024

Tk. in Million			
Bank	Mode	Limit	Outstanding Amount as on 18.09.2023
IFIC Bank Limited	BBLC (100% Margin)	80.00	27.27
	BBLC (Nil Margin)	10.00	--

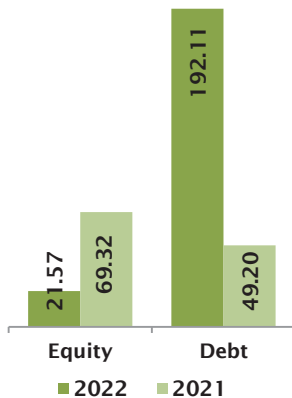
Financial Based on- Un-audited financial statements up to 2022.

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

Key Snapshot:

Tk. in million		
Particulars	2022	2021
Revenue	200.32	190.00
EBIT	-32.08	12.20
Net Profit	-39.08	3.97
Total Assets	213.68	118.52
Total Equity	21.57	69.32
Debt	192.11	49.20
Net Profit Margin (%)	-19.5%	2.1%
CCC (Days)	-78	11
ICR (X)	-14.48	6.34

**Capital Structure
(BDT. in million)**



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RATING RATIONALE

WCRCL has reaffirmed 'WCRSME3' (pronounced as WASO Credit Rating Small and Medium Enterprise Three) rating to Al-Ghousia Textile Limited (hereinafter referred as "AGTL" 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 reaffirmed based on experienced management, established market position and stable customer profile which reflects healthy turnover and margins, long standing relationship with clients, mitigate demand risk, have Insurance coverage. However, the above factors are constrained to some extent by average disclosure of financial statement, highly levered capital structure, negative profit margin, poor debt service coverage position, rating may downgrade in future if financial performance doesn't improve.

The SME rating implies that the Enterprise has Above Average Credit Quality.

WCRCL also viewed the Enterprise with "Stable" outlook and believes that AGTM 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.