

1st SURVEILLANCE CREDIT RATING REPORT ASIAN TEXTILE MILLS LIMITED

Ref. no.: FR/2023/033180



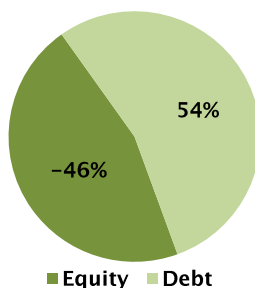
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Key Snapshot:

Particulars	FY22
Revenue	121.84
EBIT	107.88
Net Profit	-50.64
Total Assets	93.60
Total Equity	-501.16
Debt	594.76
Net Profit Margin (%)	-41.6%
CCC (Days)	-1.36
ICR (X)	0.72

Capital Structure
(BDT. in million)



Analysts:

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Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	BB	ST 4	Negative	08 August 2023	07 August 2024

Name of Bank	Mode of Facility	Limit Amount	Outstanding Amount	Bank Loan Rating
Rupali Bank Limited (31.07.2023)	Term Loan-I	54.33	54.70	blr BB
	Term Loan-II	16.16	16.26	
	BG	1.50	0.65	blr ST 4

Financial Based on-Audited statement as on 30 June 2022.

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

RATING RATIONALE

WCRCL has reaffirmed 'BB' (pronounced as Double B) rating for the Long Term and 'ST 4' (pronounced as Short Term Four) rating for Short Term to **Asian Textile Mills Limited** (hereinafter referred to as '**ATML**' 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 BB' (pronounced as Bank Loan Rating Double B) rating to the long term loan outstanding and "blr ST 4" (pronounced as Bank Loan Rating Short Term Four) rating to the short term limit.

The above ratings have been assigned based on the fundamentals of the company which include experience of promoter in the textile industries, experienced and skilled management, financial flexibility arising from Asian Group, strong forward linkage from the group, satisfactory health and safety measures, insurance coverage against fire, owned factory premises and good infrastructural arrangement.

However, the above factors are constrained to average disclosure in the financial statement, high loan burden from Financial Institutions, stress liquidity position with low quick ratio, vulnerability in raw- materials price in the local and international market may impact profitability, tight security arrangement, poor banking conduct with rescheduling and loan classification, and adverse shock in textile industry may affect revenue growth.

The long term rating implies that the company is Slightly below average credit quality. The short term rating implies that entity has Below average ability to meet short term financial commitments.

WCRCL also viewed the company with "**Negative**" outlook and believes that **ATML** will be able to maintain its good fundamentals in the foreseeable future.