

2nd SURVEILLANCE CREDIT RATING REPORT ADNAN TEXTILE



Ref. no.: CRAR-11986/2023

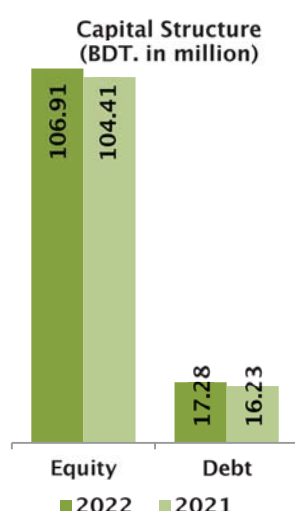
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Key Snapshot:

BDT. in million

Particulars	2022	2021
Revenue	404.45	357.04
EBIT	47.50	41.74
Net Profit	45.00	40.22
Total Assets	124.19	120.64
Total Equity	106.91	104.41
Debt	17.28	16.23
Net Profit Margin (%)	11.1%	11.3%
CCC (Days)	59	62
ICR (X)	19.00	27.35



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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	05 December 2023	13 December 2024

BDT. in million

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
Uttara Bank PLC	CC (H)	40.00	39.93	31.10.2023

Financial Based on—unaudited financial statements up to 31 December 2022.

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

RATING RATIONALE

WCRCL has reaffirmed 'WCRSME3' (pronounced as WASO Credit Rating Small & Medium Enterprise **Three**) rating under the SME Rating to **Adnan Textile** (hereinafter referred as "AT" or "The Enterprise") 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
- Good profitability margin
- Low levered capital structure
- Good liquidity position with long cash conversion cycle
- Good interest coverage position
- Comfortable mortgage security coverage against loan

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

- Low disclosure of financial statements
- No insurance coverage
- High Competition in market
- Manual accounting system

The rating implies that the enterprise has above average credit quality.

WCRCL also viewed the enterprise with "**Stable**" outlook and believes that **AT** 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.