ALVEENA TEXTILE

Ref. no.: CRAR-10554/2023

Report Contents:

SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	23 November 2023	19 November 2024

BDT. in million

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
Mercantile Bank PLC	L/C LTR	40.00 20.00	0.878 0.3697	21.11.2023
	Total	**60.00**	**1.2477**	

Financial Based on*-unaudited financial statements up to 30 June 2023.*

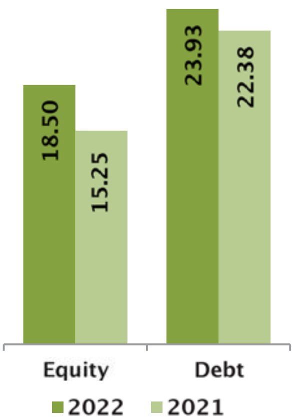
Methodology: *SME rating methodology published on the WCRCL website at www.wasocreditrating.com*

Key Snapshot:

BDT. in million

Particulars	2023	2022
Revenue	82.64	51.14
EBIT	11.43	3.28
Net Profit	9.10	1.75
Total Assets	42.42	37.63
Total Equity	18.50	15.25
Total debt	23.93	22.38
Net Profit Margin (%)	11.0%	3.4%
CCC (Days)	104	181
ICR (X)	5.58	2.22

Capital Structure (BDT. in million)



RATING RATIONALE

WCRCL has reaffirmed **'WCRSME3'** (pronounced as WASO Credit Rating & Medium Small Enterprise Three) rating under the SME Rating to **Alveena 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:

- Long business experience of the proprietor in the business
- Good business network
- Good interest coverage position
- Satisfactory banking relationship
- Good mortgage security coverage against loan

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

- Tight liquidity position with long cash conversion cycle
- High levered capital structure
- 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.

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