

INITIAL CREDIT RATING REPORT  
ADNAN TEX BD



Ref. no: CRAR -19027/2023

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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	26 December 2023	25 December 2024

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

**RATING RATIONALE**

WCRCL has assigned 'WCRSME3' (pronounced as WASO Credit Rating Small and Medium Enterprise Three) rating under the SME Rating to **Adnan Tex BD** (hereinafter referred as "ATB" or "The Enterprise") based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance.

Key Snapshot:

*BDT. in million*

Particulars	2023	2022
Revenue	144.98	126.07
EBIT	16.65	13.88
Net Profit	12.69	10.61
Total Assets	148.76	143.27
Total Equity	142.26	132.57
Total debt	6.50	10.69
Net Profit Margin (%)	8.8	8.4
CCC (Days)	91	87
ICR (X)	11,097	n/a

The above rating has been assigned based on the fundamentals of the enterprise which includes:

- Experienced and skilled management
- Good business network
- Low levered capital structure
- Good Revenue in current year

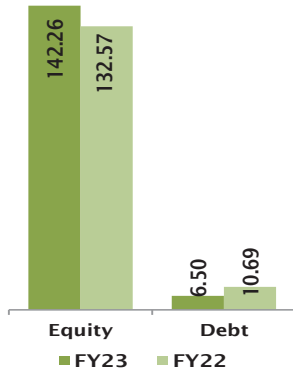
However, the above rating has been moderated to some extent due to some factors like:

- Average disclosure in the financial statements
- Tight liquidity position considering long cash conversion cycle
- No insurance coverage for the inventory in stock
- Manual accounting system

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

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

Capital Structure (BDT. in million)



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