

# SURVEILLANCE CREDIT RATING REPORT DB TEXTILE MILLS



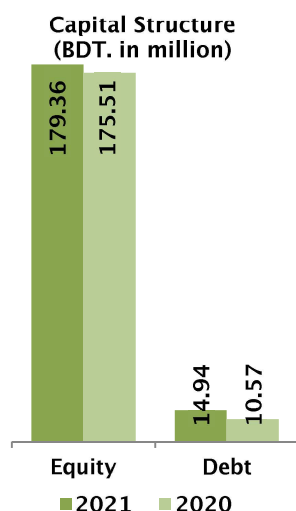
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## Key Snapshot:

BDT. in million		
Particulars	2021	2020
Revenue	270.56	256.46
EBIT	31.09	29.27
Net Profit	23.39	26.28
Total Assets	194.30	186.08
Total Equity	179.36	175.51
Total debt	14.94	10.57
Net Profit Margin (%)	8.6%	10.2%
CCC (Days)	165.30	161.64
ICR (X)	184.95	394.54



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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 4	Stable	27 December 2022	27 December 2023

*WCRSE 4 rating is equivalent to Bangladesh Bank SME rating scale of SME 4 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093*

*Methodology: SME rating methodology published on the WCRCL website at [www.wasocreditrating.com](http://www.wasocreditrating.com)*

## RATING RATIONALE

WCRCL has down-grade '**WCRSE 4**' (pronounced as WASO Credit Rating Small Enterprise Four) rating under the SME Rating to **DB Textile** (hereinafter referred as "DBT" 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
- Satisfactory banking relationship
- Good mortgage security coverage against loan
- Good interest coverage position
- Low levered capital structure

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

- Tight liquidity position with long cash conversion cycle
- Low disclosure of financial statements
- Low management information system (MIS) and Manual accounting system

The SME rating implies that the enterprise is adjudged to **average level** of credit worthiness in relation to other small enterprises.

WCRCL also viewed the enterprise with "Stable" outlook and believes that DBT will be able to maintain its good fundamentals in the foreseeable future.