

INITIAL CREDIT RATING REPORT CAPITAL TANNERY



Ref. no.: FR/2023/030859

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SME Rating	WCR SE/ME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	07 May 2023	06 May 2024

*WCRSE 3 rating is equivalent to Bangladesh Bank SME rating scale of SME 3 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093

Tk. in Million

Name of the Bank	Mode of Investment	Sanctioned Limit	Outstanding Amount	Date of Outstanding
Islami Bank Bangladesh Limited	Composite Investment	12.00	8.35	May 2023
	Stimulus	3.50	2.73	

Financial Based unaudited financial statements of 2022..

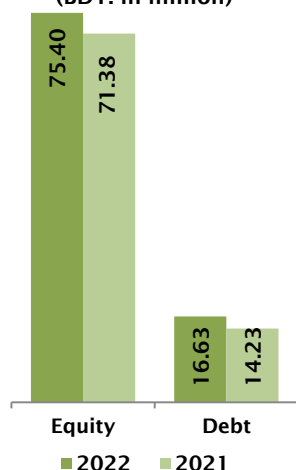
Methodology: SME rating methodology published on the WCRCL website at www.wasocreditrating.com

Key Snapshot:

Tk. in million

Particulars	FY22	FY21
Revenue	247.84	221.26
EBIT	51.10	47.16
Net Profit	49.63	45.85
Total Assets	92.03	85.61
Total Equity	75.40	71.38
Debt	16.63	14.23
Net Profit Margin (%)	20.0%	20.7%
CCC (Days)	76	81

Capital Structure
(BDT. in million)



RATING RATIONALE

WCRCL has assigned 'WCRSE 3' rating (pronounced as WASO Credit Rating Small Enterprise Three) to Capital Tannery (hereinafter referred as "CT" or "The Enterprise") based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance.

The above ratings have been assigned based on the fundamentals of the company which includes long run business track, sponsors have good knowledge about the business, experienced management team, increasing trend in sales and profitability, good infrastructural facilities. However, the above factors are constrained to some extent by low disclosure in financial statements to review true financial attributes, stressed liquidity position and long cash conversion cycle, involvement in highly competitive market.

The SME rating implies that the company is adjudged above average level of credit worthiness in relation to other SEs/MEs.

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

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