

1st SURVEILLANCE CREDIT RATING REPORT
HTS MASTER TEXTILE LTD.
Ref. no.: FR/2023/032234



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Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	BBB-	ST 4	Stable	04 July 2023	03 July 2024

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

RATING RATIONALE

WCRCL has assigned BBB- (Pronounced Triple B Minus) rating for the Long Term and ST 4 (Pronounced Short Term Four) rating for HTS Master Textile Ltd. (hereinafter referred to as 'HTSMTL' or 'The Company') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating declaration. WCRCL also assigned blr ST 4 (Pronounced Bank Loan Rating Short Term Four) for the aggregated short term loan limit.

The above ratings have been assigned based on the fundamentals of the company which includes:

- Sponsors have depth knowledge about their business
- Low leverage in the capital structure
- Industrial area may endow with the location advantage
- Good market demand of the product

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

- Low disclosure in the financial statement
- High inventory pile-up affecting working capital
- Foreign exchange risk of the currency
- Tight Liquidity position

The long term rating implies that the entity is subject below average credit quality. The short term rating implies that below average ability to meet short term financial commitments.

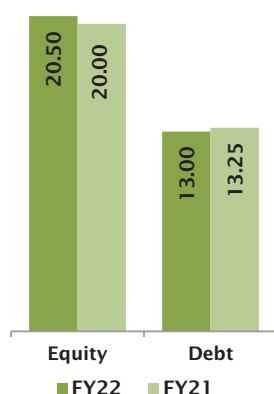
This rating may be revised in case of any extraordinary changes in line with the sponsor's equity investment, debt obligations, management, business operations and/or changes in any macro and micro factors in the economy

Key Snapshot:

Tk. in million

Particulars	FY22	FY21
Revenue	38.15	35.00
EBIT	3.18	2.61
Net Profit	2.50	2.00
Total Assets	33.50	33.25
Total Equity	20.50	20.00
Debt	13.00	13.25
CCC (Days)	6.6%	5.7%
ICR (X)	186.73	187.09

**Capital Structure
(BDT. in million)**



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