

INITIAL CREDIT RATING REPORT TANRIN APPARELS LIMITED



Ref. no.: FR/2022/27754

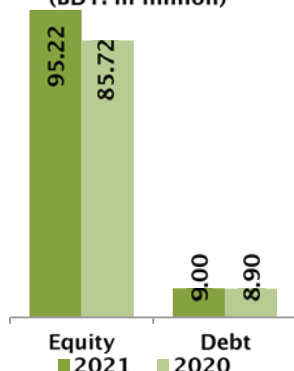
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Key Snapshot:

BDT. in million			
Particulars	2021	2020	
Revenue	202.52	200.55	
EBIT	21.32	21.01	
Net Profit	18.74	18.53	
Total Assets	101.62	94.62	
Total Equity	95.22	85.72	
Total debt	9.00	8.90	
Net Profit Margin (%)	9.3	9.2	
CCC (Days)	78	72	
ICR (X)	8.37	8.57	

Capital Structure
(BDT. in million)



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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	06 December 2022	05 December 2023

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

Financial Based on-*unaudited* financial statements up to 31 December 2021.

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

RATING RATIONALE

WCRCL has assigned 'WCRSE 3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to Tanrin Apparels Limited (hereinafter referred as "TAL" or "The Company") 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 company which includes:

- Experienced and skilled management
- Owned business premises and storage facility
- Satisfactory banking relationship
- Good mortgage security coverage against loan
- Good business network
- Good Profitability margin
- Low levered capital structure
- Comfortable interest coverage position
- Maintained sound business relation with supplier & buyer

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

- Tight liquidity position with long cash conversion cycle
- No insurance coverage for the inventory in stock
- Lack of disclosure in the financial statements
- Low management information system (MIS) and Manual accounting system

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

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