

INITIAL CREDIT RATING REPORT CHOWDHURY TILES & SANITARY



Ref. no.: FR/2023/32969

Report Contents:

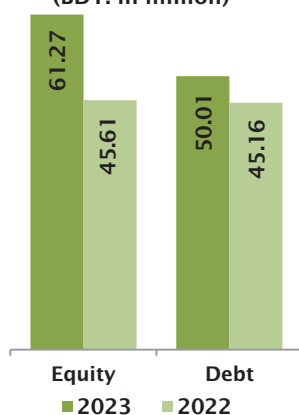
Particulars	Page
Rating Rationale	1
Entity Profile	2
Business Management	2
Market Review	2
Business Analysis	3
Financial Position Analysis	3
Banking Relationship	4
Risk Factor Analysis	5
Rating Observation	5

Key Snapshot:

BDT. in million

Particulars	FY23	FY22
Revenue	110.00	90.00
EBIT	13.60	13.11
Net Profit	13.25	12.95
Total Assets	111.29	90.78
Total Equity	61.27	45.61
Total debt	50.01	45.16
Net Profit Margin (%)	12.0	14.4
CCC (Days)	112	113
ICR (X)	13,598	13,111

Capital Structure
(BDT. in million)



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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME2	Stable	08 August 2023	07 August 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 Chowdhury Tiles & Sanitary (hereinafter referred as "CTS" 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
- Good business network or Maintained sound business relation with supplier & buyer
- Owned business premises and storage facility
- Good Profitability margin
- Low levered capital structure
- Comfortable interest coverage position

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

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

The SME rating implies that the enterprise is adjudged to Very strong credit quality.

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