

# 2<sup>nd</sup> SURVEILLANCE CREDIT RATING REPORT HIA TILES & SANITARY GALLERY



Ref. no.: FR/2023/33178

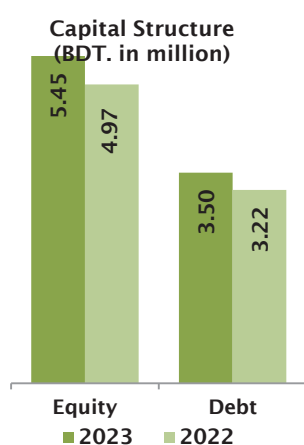
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## Key Snapshot:

BDT. in million

Particulars	FY23	FY22
Revenue	38.55	33.52
EBIT	5.50	4.74
Net Profit	5.30	4.56
Total Assets	8.95	8.19
Total Equity	5.45	4.97
Debt	3.50	3.22
Net Profit Margin (%)	13.7%	13.6%
CCC (Days)	72	79
ICR (X)	28.21	26.77



## Analysts:

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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	22 August 2023	21 August 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

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

## RATING RATIONALE

WCRCL has reaffirmed 'WCRSME3' (pronounced as WASO Credit Rating Small and Medium Enterprise **Three**) rating under the SME Rating to **Hia Tiles & Sanitary Gallery** (hereinafter referred as "HT&SG" 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
- Good profitability margin
- Low levered capital structure
- Good interest coverage position
- Satisfactory banking relationship

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

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

The SME rating implies that the Enterprise has above Average Credit Quality.

WCRCL also viewed the enterprise with "Stable" outlook and believes that **HT&SG** 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.