

1st SURVEILLANCE CREDIT RATING REPORT MARUF TILES AND SANITARY



Ref. no.: FR/2023/031722

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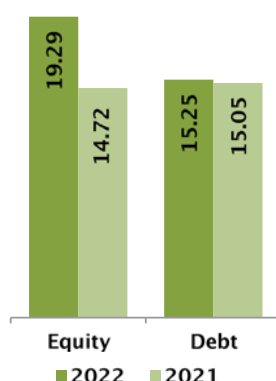
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Key Snapshot:

BDT. in million

Particulars	2022	2021
Revenue	164.16	164.03
EBIT	6.76	6.77
Net Profit	5.77	6.00
Total Assets	34.54	29.77
Total Equity	19.29	14.72
Total debt	15.25	15.05
Net Profit Margin (%)	3.5	3.7
CCC (Days)	52	46
ICR (X)	6.83	8.80

Capital Structure
(BDT. in million)



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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	12 June 2023	11 June 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

BDT. in million

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
Mutual Trust Bank Limited	CC (H)	9.00	8.99	11.06.2023
	Term Loan	4.00	2.85	
	BG	3.50	3.50	
	Total	16.50	15.34	

Financial Based on—unaudited financial statements up to 31st December 2022.

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

RATING RATIONALE

WCRCL has reaffirmed 'WCRSE 3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to Maruf Tiles and Sanitary (hereinafter referred as "MTS" 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
- Satisfactory banking relationship
- Good business network
- Sales revenue was in increased trend
- Good interest coverage position

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

- Tight liquidity position with long cash conversion cycle
- Highly levered capital structure
- Low disclosure of financial statements
- Low management information system (MIS) and Manual accounting system

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

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