

# 2<sup>nd</sup> SURVEILLANCE CREDIT RATING REPORT TANHA ENTERPRISE



Ref. no.: FR/2023/031426

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

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
Mercantile Bank Limited	CC (H)	4.00	2.36	28.05.2023

BDT. in million

**Financial Based on**–Unaudited financial statements up to 31<sup>st</sup> December 2022.

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

## Key Snapshot:

BDT. In Million

Particulars	2022	2021
Revenue	30.00	26.00
EBIT	3.05	2.47
Net Profit	2.28	1.79
Total Assets	24.81	24.07
Total Equity	11.58	10.54
Debt	13.23	13.53
Net Profit Margin (%)	7.6	6.9
CCC (Days)	151	157
ICR (X)	5.87	5.15

Capital Structure  
(BDT. in million)



## RATING RATIONALE

WCRCL has reaffirmed 'WCRSE 3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to Tanha Enterprise (hereinafter referred as "TE" 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:

- Good business network
- Long business experiences of the Proprietor
- Good personal net worth of the Proprietor
- Good interest coverage position
- Comfortable security arrangement against loan
- Satisfactory banking relationship

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

- No disclosure of financial statements
- Small scale in the business
- High levered capital structure
- Tight liquidity position considering long cash conversion cycle
- Inventory holding risk
- Price volatility of the products

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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 TE will be able to maintain its good fundamentals in the foreseeable future.