

# INITIAL CREDIT RATING REPORT TASNEEM FABRICS

Ref. no.: FR/2023/32200



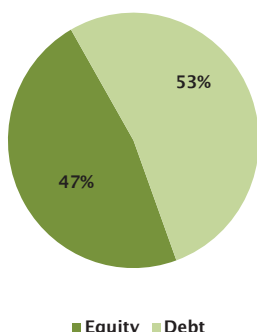
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## Key Snapshot:

BDT. in million		
Particulars	2022	2021
Revenue	198.07	180.66
EBIT	15.88	9.73
Net Profit	13.86	7.86
Total Assets	52.90	51.28
Total Equity	25.00	23.02
Total debt	27.90	28.26
Net Profit Margin (%)	7.0%	4.4%
CCC (Days)	65.04	69.25
ICR (X)	14.20	9.56

Capital Structure  
(BDT. in million)



## Analysts:

**Nowrin Yeswmin**  
nowrin@wasocreditrating.com

**Md. Rafiul Bary**  
rafi@wasocreditrating.com

SME Rating	WCRSME	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	04 July 2023	03 July 2024

WCRSME3 rating is equivalent to Bangladesh Bank SME rating scale of WCRSME3 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 assigned 'WCRSME3' (pronounced as WASO Credit Rating Small And Medium Enterprise Three) rating under the SME Rating to Tasneem Fabrics (hereinafter referred as "TF" 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 mortgage security coverage against loan
- Good business network
- Good interest coverage position
- Low levered capital structure

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

- Tight liquidity position with long cash conversion cycle
- 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 credit quality to other small and medium enterprises.

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