

INITIAL CREDIT RATING REPORT TEX ONE BD



Ref. no.: FR/2023/33368

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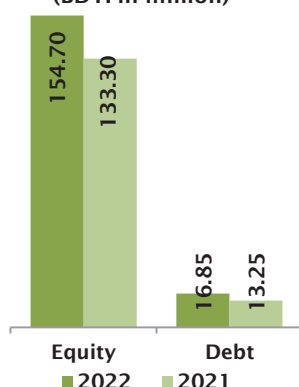
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Key Snapshot:

BDT. in million

Particulars	2022	2021
Revenue	353.42	256.10
EBIT	30.41	18.39
Net Profit	29.88	18.19
Total Assets	171.55	146.55
Total Equity	154.70	133.30
Debt	16.85	13.25
Net Profit Margin (%)	8.5	7.1
CCC (Days)	114	146
ICR (X)	106.59	n/a

Capital Structure
(BDT. in million)



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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	05 September 2023	04 September 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 Tex One BD (hereinafter referred as "TOBD" 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
- Owned business premises
- Long experience track of the proprietor
- Good interest coverage position
- Low levered capital structure

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

- No insurance coverage
- 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.

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