

1st SURVEILLANCE CREDIT RATING REPORT TAJUDDIN & BROTHERS



Ref. no.: CRAR-14515/2023

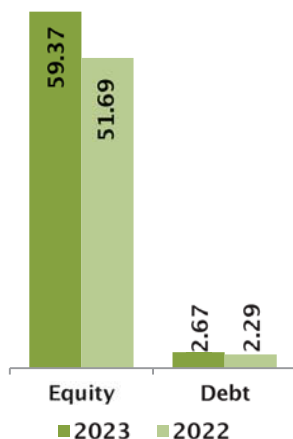
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Key Snapshot:

BDT. in million		
Particulars	2023	2022
Revenue	74.84	62.37
EBIT	12.56	10.36
Net Profit	11.93	9.84
Total Assets	62.03	53.98
Total Equity	59.37	51.69
Total debt	2.67	2.29
Net Profit Margin (%)	15.9%	15.8%
CCC (Days)	205	220
FFO (In million)	11.93	9.84

Capital Structure
(BDT. in million)



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SME Rating	Rating Notches	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	31 October 2023	30 October 2024

Financial Based on—unaudited financial statements up to 30 June 2023.

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

RATING RATIONALE

WCRCL has reaffirmed 'WCRSME3' (pronounced as WASO Credit Rating Small & Medium Enterprise Three) rating under the SME Rating to **Tajuddin & Brothers** (hereinafter referred as "TB" 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
- Positioning of selling point at prime area
- Good business network
- Low levered capital structure
- Satisfactory banking relationship
- Good mortgage security coverage against loan

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

- Poor disclosure of financial statements
- Tight liquidity position with long cash conversion cycle
- No insurance coverage for the inventory in stock
- Manual accounting system

The rating implies that the enterprise has above average credit quality.

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