

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



Ref. no.: CRAR- 11481/2023

## Report Contents:

Particulars	Page
Rating Rationale	1
Entity Profile	2
Business Management	2
Business Analysis	2
Financial Position Analysis	3
Banking Relationship	4
Risk Factor Analysis	4
Rating Observation	5

SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	07 November 2023	01 November 2024

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
Mercantile Bank PLC	CC (H)	28.50	27.33	16.10.2023

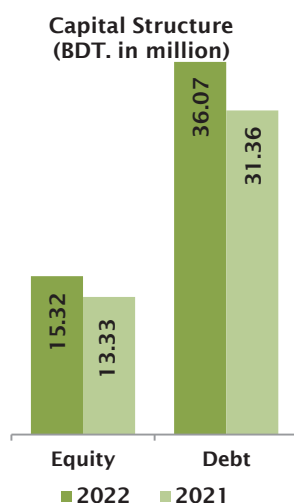
BDT. in million

Financial Based on-management prepared 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:

Particulars	2022	2021
Revenue	143.18	124.50
EBIT	9.27	8.06
Net Profit	5.93	5.16
Total Assets	49.65	43.18
Total Equity	15.32	13.33
Total debt	36.07	31.36
Net Profit Margin (%)	4.1	4.1
CCC (Days)	113	121
ICR (X)	2.98	2.98



## RATING RATIONALE

WCRCL has reaffirmed 'WCRSME3' (pronounced as WASO Credit Rating Small and Medium 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:

- Experienced and skilled management
- Good business network
- Satisfactory banking relationship
- Good interest coverage position

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

- Low disclosure of financial statements
- Highly levered capital structure
- Tight liquidity position with long cash conversion cycle
- Manual accounting system

The SME rating implies that the enterprise is adjudged to above average credit quality.

## Analysts:

**Shudhan Mallick**  
shudhan@wasocreditrating.com

**Maharan Nasrin**  
maharan@wasocreditrating.com

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