

2nd SURVEILLANCE CREDIT RATING REPORT TAHIDUL ISLAM ENTERPRISE



Ref. no.: CRA/10398/2023

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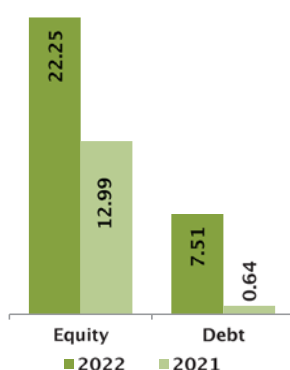
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Key Snapshot:

BDT. in million

| Particulars | 2021 | 2022 |
|-----------------------|--------|-------|
| Sales | 9.85 | 79.95 |
| EBIT | 1.79 | 5.39 |
| Net Profit | 1.24 | 4.78 |
| Total Assets | 13.65 | 35.76 |
| Total Equity | 13.00 | 22.25 |
| Total debt | 0.65 | 7.51 |
| Net Profit Margin (%) | 12.5 | 5.98 |
| Current Ratio (X) | 9.57 | 3.94 |
| CCC (Days) | 263.87 | 85 |
| ICR (X) | 5.08 | 9.54 |

Capital Structure
(Tk. in million)



| SME Rating | Rating Notch | Outlook | Date of Declaration | Date of Expiration |
|------------|--------------|---------|---------------------|--------------------|
| | WCRSME3 | Stable | 17 October 2023 | 16 October 2024 |

Financial Based on-Unaudited financial statements up to 31 December 2022, 2021, and 2020.

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 and medium Enterprise Three) rating under the SME Rating to **Tahidul Islam Enterprise** (hereinafter referred as "TIE" 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
- 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 interest coverage ratio
- Low disclosure of financial statements
- Low management information system (MIS) and Manual accounting system

The SME rating implies that the enterprise has adjudged to above average level of credit quality.

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

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