

3rd SURVEILLANCE CREDIT RATING REPORT ENTRUST TEXTILE (BD) LIMITED

Ref. no.: FR/2023/30331



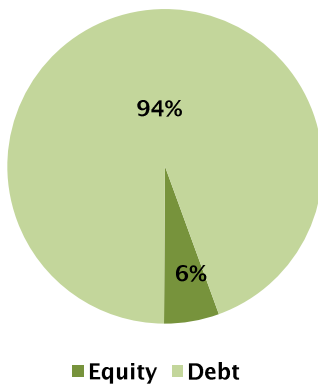
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Key Snapshot:

BDT. In Million		
Particulars	FY22	FY21
Revenue	201.49	157.00
EBIT	18.25	8.58
Net Profit	11.36	1.59
Total Assets	342.66	206.00
Total Equity	19.36	7.90
Total debt	323.30	198.10
Net Profit Margin (%)	5.6%	1.0%
CCC (Days)	382.44	363.15
ICR (X)	3.88	1.38

Capital Structure
(BDT. in million)



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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	28 March 2023	27 March 2024

WCRSE 3 rating is equivalent to Bangladesh Bank SME rating scale of SME 3 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093

Financial Based on– Audited financial statements for the periods ended on 30th June 2021, and 2022.

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

RATING RATIONALE

WCRCL has reaffirmed ‘WCRSE 3’ (pronounced as WASO Credit Rating Small Enterprise three) rating under the SME Rating to Entrust Textile (BD) Limited (hereinafter referred to as ‘ETL’ or ‘The Company’) 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 company which include long experience of management in this line of business, good infrastructural arrangement, audited financial statements, have disclosure in the financial statements, and sales increased in FY22. However, the above rating has been moderated to some extent due to some factors like stressed liquidity position, highly levered firm, very long cash conversion cycle, no compliance facility and price volatility of trading products.

The SME rating implies that the company is adjudged above average level of credit worthiness in relation to other small enterprises.

WCRCL also viewed the company with “Stable” outlook and believes that ETL will be able to maintain its good fundamentals in the foreseeable future.