SURVEILLANCE CREDIT RATING REPORT

EURO LABEL LIMITED

Ref. no.: FR/2023/030182

Report Contents:

SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	12 March 2023	11 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

Tk. in million

Name of the Bank	Mode of Investment	Sanctioned Amount	Outstanding Amount	Outstanding Date
NCC Bank Limited	L/C	25.00	4.43	30.11.2022
	LTR	(20.00)	7.12	
	SOD (G)	5.00	5.12	
	LDBP	20.00	7.32	
	Forced Loan	5.59	2.30	

Financial Based on*- Audited financial statements up to 30 June 2021.*

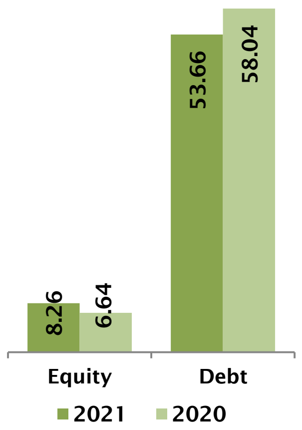
Methodology: *SME Rating Methodology published on the WCRCL website at www.wasocreditrating.com*

Key Snapshot:

Tk. In Million

Particulars	FY21	FY20
Revenue	37.37	43.93
EBIT	6.22	5.45
Net Profit	1.61	0.17
Total Assets	61.92	64.68
Total Equity	8.26	6.64
Debt	53.66	58.04
Net Profit Margin (%)	4.3	0.4
Debt/Equity (X)	6.50	8.74
ICR (X)	1.44	1.05

Capital Structure (BDT. in million)



RATING RATIONALE

WCRCL has reaffirmed '**WCRSE 3**' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to **Euro Label Limited** (hereinafter referred to as '**ELL**' or '**The company**') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating assessment.

The above ratings have been assigned based on the fundamentals of the company which include experienced and proactive management, financial flexibility arising from Swiss Tex Group, insurance coverage against fire, comfortable security arrangement, availability of the supply of raw materials, satisfactory banking relationship, owned factory premises and good infrastructural arrangement.

However, the above factors are constrained to average disclosure in the financial statement, market saturation or high competition and vulnerability in raw- materials price in the local and international market may impact profitability, high levered in the capital structure, stressed liquidity position considering long cash conversion cycle, marginal interest coverage position.

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

WCRCL also viewed the company with "Stable" outlook and believes that **ELL** will be able to maintain its good fundamentals in the foreseeable future.

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