

4th SURVEILLANCE CREDIT RATING REPORT EXCELLENT CERAMIC INDUSTRIES LIMITED

Ref. no.: FR/2023/031637

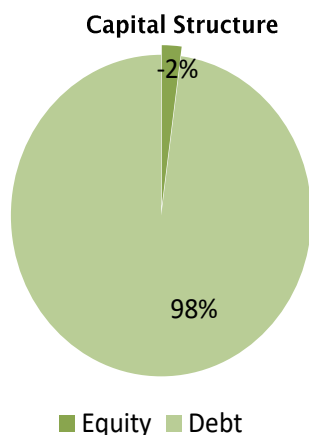


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Key Snapshot:

Particulars	2022	2021
Revenue	106.77	85.73
EBIT	-5.58	-17.48
Net Profit	-13.94	-28.54
Total Assets	286.00	360.23
Total Equity	61.74	-7.95
Total Liabilities	311.74	368.18
Net Profit Margin (%)	-13.06	-33.29
Current Ratio (X)	0.34	0.34
Quick Ratio	0.05	0.10
CCC (days)	-119	303
Debt to Equity (X)	5.05	-46.29



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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRME 3	Stable	12 June 2023	26 June 2024

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

Name of the Bank	Mode of Investment	Sanctioned Amount	Outstanding Amount	Outstanding Date
Islami Bank Bangladesh Limited	Working capital	150.00	152.49	
Shahjalal Islami Bank Limited	Murabaha/Sight LC (Rev)	63.00	0.00	10.06.2023
	Working capital stimulus	26.50	0.00	

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

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

RATING RATIONALE

WCRCL has downgraded 'WCRME 3' (pronounced as WASO Credit Rating Medium Enterprise Three) rating under the SME Rating to **Excellent ceramic Industries Limited** (hereinafter referred to as 'ECIL' or "The Company") based on its financial and other relevant qualitative and quantitative information up-to the date of the rating declaration.

The above rating has been assigned based on the fundamentals of the enterprise which has long business experiences of the management, good Business network, maintained insurance coverage, good infrastructural arrangement and factory built on own land of 503.00 decimal land, and diversified buyer and supply based. However, the above factors are constrained to some extent by moderate disclosure in the financial statements, negative equity in capital structure, highly levered position in capital structure, tight liquidity position with long cash conversion cycle, high inventory pile-up affecting working capital management, poor interest coverage position, rating may downgrade if financial position of the company does not change in next year, and lower profit margin.

The SME rating implies that the enterprise is adjudged to above average level of credit worthiness in relation to other SE's.

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