

# 4<sup>th</sup> SURVEILLANCE CREDIT RATING REPORT

## EXCELLENT TILES INDUSTRIES LIMITED

Ref. no.: FR/2023/031884



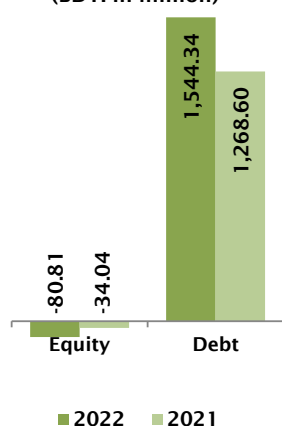
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### Key Snapshot:

Tk. in million		
Particulars	FY22	FY21
Revenue	342.49	33.66
COGS	274.70	26.86
Profit from Operation	11.90	-7.60
Financial Exp.	44.49	73.99
PAT	-46.77	-87.87
Total Assets	1,463	1,234
Total Debt	1,544	1,268
Total Equity	-80.81	-34.04
Debt/Equity (X)	-19.11	-32.27
ICR (X)	0.30	-0.08

Capital Structure (BDT. in million)



### Analysts:

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Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	BBB2	ST-4	Stable	12 June 2023	29 June 2024

Tk. in Million				
Bank	Mode	Limit/Disbursed Amount	Outstanding Amount	Bank Loan Rating
Jamuna Bank Ltd. (31.05.2023)	Term Loan	500.00	368.53	blr BBB2
	Term Loan	200.00	35.36	
	L/C	300.00	240.65	
	LTR	50.00	0.00	blr ST-4
	CC (Hypo)	10.00	0.51	
	Time Loan	20.00	13.16	
	BG- Specific	52.66	44.88	
	L/C- Specific	1,583.04	136.83	

**Financial:** Based on Audited financial statements for 30 June 2022.

**Methodology:** Corporate rating methodology published on the WCRCL website at [www.wasocreditrating.com](http://www.wasocreditrating.com).

### RATING RATIONALE

WCRCL has assigned 'BBB2' (pronounced as Triple B Two) rating for the Long Term and 'ST-4' (pronounced as Short Term Four) rating for Short Term to **Excellent Tiles Industries Limited** (hereinafter referred to as 'ETIL' or 'The company') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating declaration. WCRCL has also assigned 'blr BBB2' (pronounced as Bank Loan Rating Triple B Two) rating to the long term loan outstanding and "blr ST-4" (pronounced as Bank Loan Rating Short Term Four) rating to the aggregate short term limit.

The above ratings have been assigned based on the fundamentals of the company which include experience of experienced and proactive management, good business network and increased trend of revenue, financial flexibility arising from Halim Group, comfortable security arrangement, presence of fire insurance policy, owned factory premises.

However, the above factors are constrained to operational bottleneck due to average disclosure in the financial statements, vulnerability in raw- materials price in the local and international market may impact profitability, negative profitability, high levered in the capital structure, stressed liquidity position considering high current liabilities, low interest coverage position.

The long term rating implies that the entity rated in this category is subject to medium credit risk. And considered medium grade and as such may possess certain speculative characteristics. The short term rating implies that the entity has significant speculative characteristics. The obligor currently has the capacity to meet its financial commitment on the obligation; however, it faces major ongoing uncertainties which could lead to the obligor's inadequate capacity to meet its financial commitment on the obligation.

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