

## Report Contents:

Particulars	Page
Rating Rationale	1
Entity Profile	2
Allied Concern	2
Business Management	2
Market Review	2
Business Analysis	3
Financial Position Analysis	3
Banking Relationship	4
Risk Factor Analysis	5
Rating Observation	5

SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	22 August 2023	21 August 2024

Methodology: SME rating methodology published on the WCRCL website at [www.wasocreditrating.com](http://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 Evan Textile (hereinafter referred as "ET" 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:

- Long business experience of the proprietor in the business
- Good Profitability margin
- Low levered capital structure
- Satisfactory banking relationship
- Good mortgage security coverage against loan

However, the above rating has been moderated to some extent due to some factors like:

- Low disclosure in the financial statements.
- Tight liquidity position considering long cash conversion cycle
- No insurance coverage for the inventory in stock
- Manual accounting system

The SME rating implies that the enterprise is adjudged to above average credit quality.

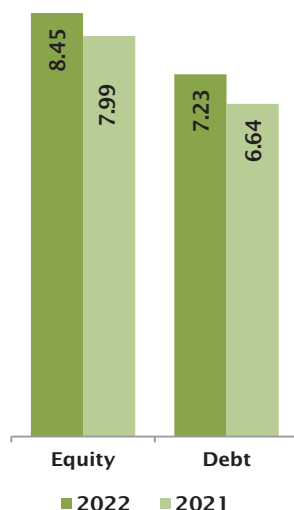
WCRCL also viewed the enterprise with "Stable" outlook and believes that ET will be able to maintain its good fundamentals in the foreseeable future.

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 changes in any macro and micro factors in the economy.

## Key Snapshot:

Tk. in million		
Particulars	2022	2021
Revenue	24.52	22.73
EBIT	1.47	1.32
Net Profit	1.21	1.14
Total Assets	15.67	14.63
Total Equity	8.45	7.99
Debt	7.23	6.64
Net Profit Margin (%)	4.9	5.0
CCC (Days)	166	186
ICR (X)	5.74	7.29

### Capital Structure (BDT. in million)



## Analysts:

**Nowrin Yesmin**  
[nowrin@wasocreditrating.com](mailto:nowrin@wasocreditrating.com)

**Md. Rafiul Bary**  
[rafi@wasocreditrating.com](mailto:rafi@wasocreditrating.com)