

1<sup>st</sup> SURVEILLANCE CREDIT RATING REPORT  
EASTERN PROGRESSIVE SHOE INDUSTRIES LIMITED



Ref. no.: CRAR-13578/2023

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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	17 October 2023	16 October 2024

Tk. in Million

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount as on 16.10.2023
NRB Bank Limited	Term Loan 1	24.27	24.27
	Term Loan 2	12.50	10.34
	Over Draft	5.00	-

*Financial Based on- Audited financial statements up to FY22.*

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

Key Snapshot:

Tk. in million

Particulars	FY22
Revenue	21.77
EBIT	1.20
Net Profit	0.06
Total Assets	47.81
Total Equity	1.63
Debt	46.18
Net Profit Margin (%)	0.3%
CCC (Days)	(29.)
ICR (X)	3.69

RATING RATIONALE

WCRCL has reaffirmed 'WCRSME3' (pronounced as WASO Credit Rating Small and Medium Enterprise Three) rating under the SME Rating to Eastern Progressive Shoe Industries Limited (hereinafter referred as "EPSIL" or "The Company") based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance.

The above ratings have been assigned based on the fundamentals of the Company which includes :

- Sponsors have good knowledge about their business
- Deals with own brands
- Low levered company
- Good market demand of the product

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

- Tight liquidity position with long cash conversion cycle
- Low disclosure of financial statements
- Low management information system (MIS) and Manual accounting system

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

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WCRCL also viewed the Company with "Stable" outlook and believes that FBL 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/or changes in any macro and micro factors in the economy.

