

1st SURVEILLANCE CREDIT RATING REPORT EURO-ASIA APPARELS LIMITED

Ref. no.: FR/2023/33133



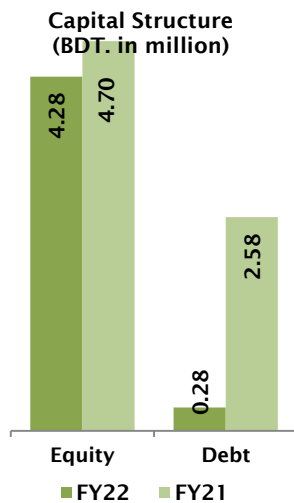
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Key Snapshot:

BDT. in million

Particulars	FY22	FY21
Revenue	101.22	23.57
EBIT	0.22	-0.06
Net Profit	-0.43	-0.46
Total Assets	4.56	7.28
Total Equity	4.28	4.70
Total debt	0.28	2.58
Net Profit Margin (%)	-0.4	-1.9
Debt to Equity Ratio x	0.07	0.55
ICR (X)	11.72	-0.20



Analysts:

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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	08 August 2023	07 August 2024

Bank	Facilities	Limit Amount	Outstanding Amount	Outstanding Date
Southeast Bank Limited	BTB LC	30.00	23.89	31.07.2023
	RPC	3.00	-	
	FDBP	25.00	7.84	
	Force Loan		8.12	

Financial Based on- Audited financial statements up to 30th June 2022.

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

RATING RATIONALE

WCRCL has reaffirmed **WCRSME3** (Pronounced WASO Credit Rating Small And Medium Enterprise Three) rating under the SME Rating to **Euro-Asia Apparels Limited** (hereinafter referred to as 'EAAL' or 'The company') 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:

- Experienced and skilled management
- Strong business network
- Strong buyer base
- Low levered in the capital structure
- Good interest coverage position
- Satisfactory health and safety measures
- Have insurance coverage

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

- Average disclosure in the financial statement
- Overall poor profitability ratios
- Poor security arrangement
- rented factory premises

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

WCRCL also viewed the company with "Stable" outlook and believes that EAAL 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.