ARGUS CREDIT RATING SERVICES LTD.
(ACRSL)

Credit Rating Report

Eva Ema Textile

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Authorized Signature:

Name:

Designation:

Date:

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Ref No	: ACRSL39596/25
Company Name	: Eva Ema Textile (EET)
Assigned Ticker	: EvaEmaTextile
Activity	: Textile Miscellaneous, Manufacturing
Incorporated On	: 26 Nov 2015
Head Office	: Brammon Para, Narsingdi Sadar, Narsingdi, Bangladesh

Rating Type	: SME / Entity
Rating Validity	: 12 Mar 2026
Nature Of Rating	: Third Surveillance
Outlook	: Stable
Analyst(s)	: ACRSL Analyst Team
Committee(s)	: ACRSL Rating Committees

Rating Summary

Credit Rating	Current	Previous
SME	AQME-3	AQME-3
Publishing Date	13 Mar 2025	29 Feb 2024

Rating Explanation

Rating	Explanation
AQME-3	ARGUS Quantitative Medium Enterprise-3 is a High rating grade assigned to medium enterprises by ARGUS Credit Rating Services Ltd (ACRSL)'s quantitative ME ratings model. When assigned, this rating indicates the obligor, relative to other medium enterprises, has strong capacity to meet its financial obligations but may be vulnerable to adverse economic conditions.

Rating Validity: This validity assumes no additional loan over that disclosed in FY24 [Ending December 31] audited/management certified balance sheet and that management has disclosed all material & adverse to financials since FY22.

Khan Md. Abdul Wahab, FCMA
Chief Executive Officer
ARGUS Credit Rating Services Ltd

1 CORPORATE PROFILE

1.1 Company Description

History: Eva Ema Textile is a proprietorship business registered under Narsingdi Pourosova, Narsingdi. The business was established by Mr. Md. Mainul Islam and is currently engaged in the manufacturing and trading of various grey cloth.

Financial Base: At the end of FY24, the business entity's Total Assets stood at BDT 171.50 MN, Equity at BDT 153.07 MN, Revenue at BDT 148.00 MN and Net Profit After Tax at BDT 14.15 MN.

Bank Liability: Eva Ema Textile has secured a financial facility with NCC Bank PLC. As of March 17, 2025, EET's total credit limit stands at BDT 35.00 million, with an outstanding balance of BDT 11.4 million. The Credit Information Bureau (CIB) status is classified as "Standard," indicating that the company's financial obligations are within acceptable limits and the account is in good standing.

Special Note: At the time of publication of this credit rating report by ARGUS Credit Rating Service Limited (ACRSL), un-audited financial statements from FY22 to FY24 (ending December, 31) were available, projections for FY25 and FY26 were arrived after taking in to consideration subsequent events up to the date of reporting, management feedback, and industry insights.

1.2 Ownership Structure

The proprietor of Eva Ema Textile is Mr. Md. Mainul Islam, who brings extensive experience in the industry and has established himself as a successful business owner. He oversees the entire operation of the enterprise, supported by a team of skilled professionals.

Table 1 Nature of Ownership/Directors' Shareholding Percentage

Designation	Name	Shares
Proprietor	Mr. Md. Mainul Islam	100.00%

1.3 Operations

Corporate Office: Brammon Para, Narsingdi Sadar, Narsingdi.

1.4 Products and Services

Eva Ema Textile is renowned for its high-quality products, with a growing customer base. The company maintains consistent quality and is now also involved in garment manufacturing and trading.

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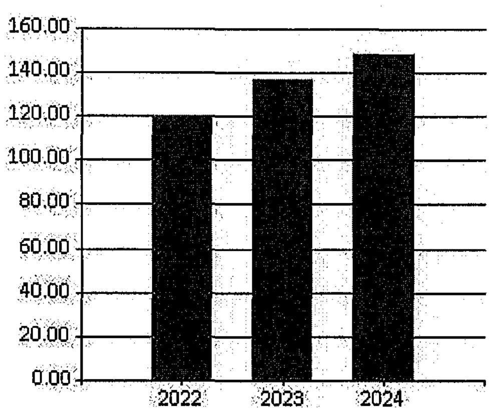
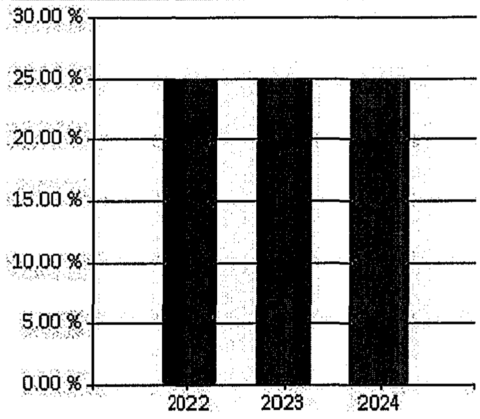
2 CHARTS

2.1 Income Statement Charts

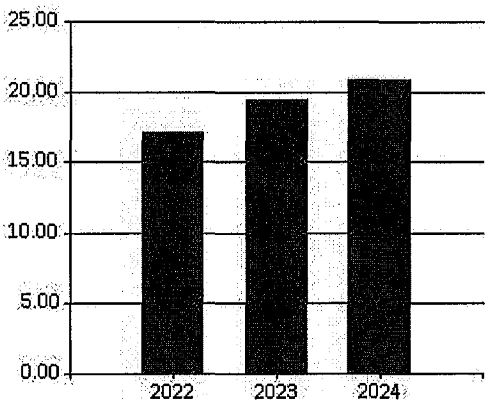
Revenue (BDT MN)



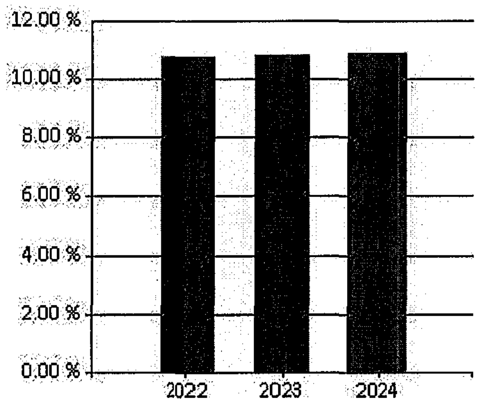
Gross Profit Margin (%)



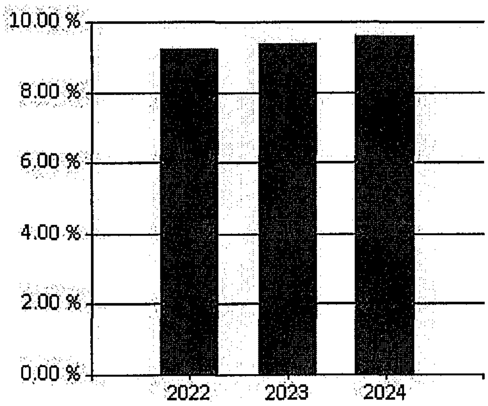
Operating Expenditures (BDT MN)



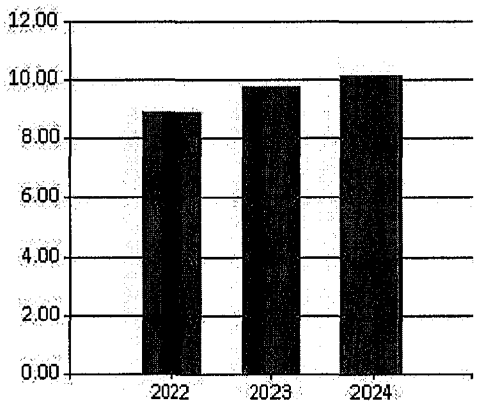
Operating Profit Margin (%)



Net Profit Margin (%)

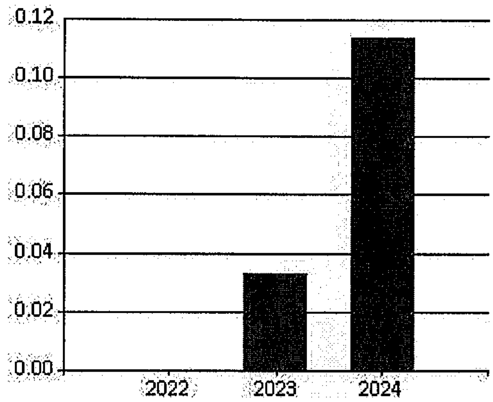


Interest Coverage Ratio (Times)

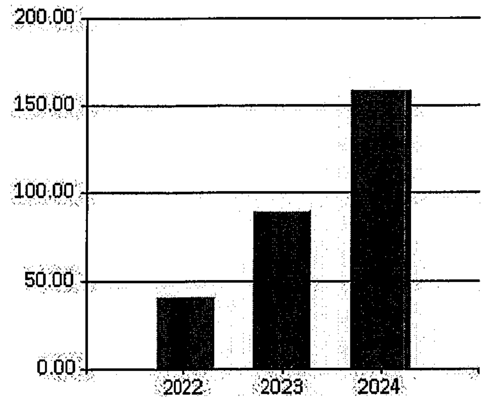


2.2 Balance Sheet Charts

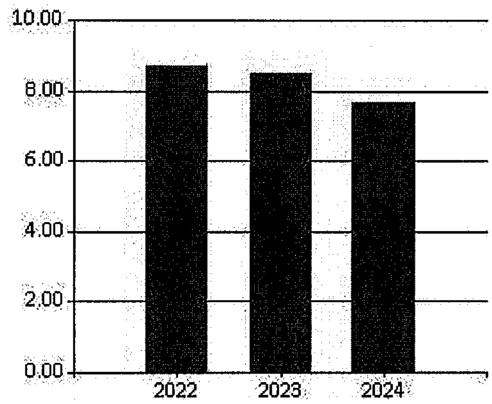
Debt To Equity (Times)



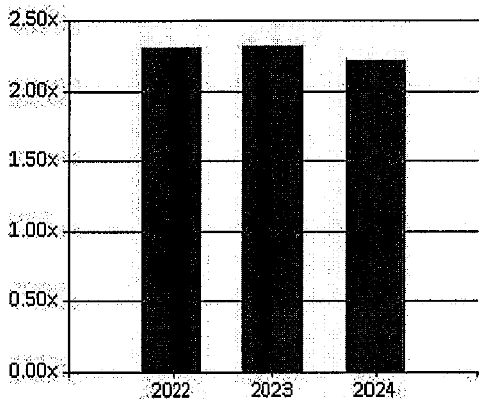
Accounts Payable Turnover (Times)



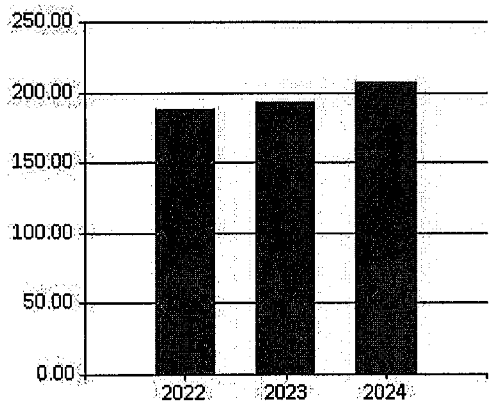
Accounts Receivable Turnover (Times)



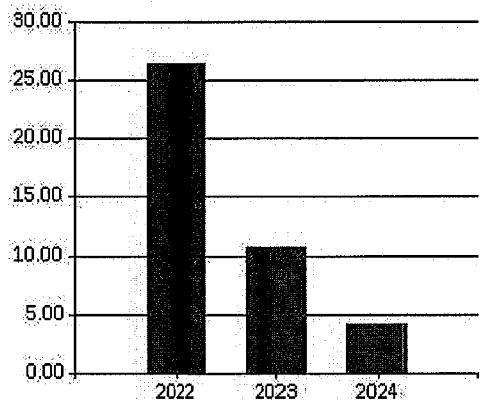
Inventory Turnover (Times)



Cash Conversion Cycle (Days)



Current Ratio (Times)



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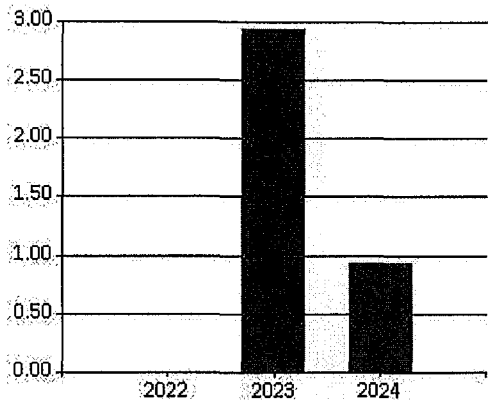
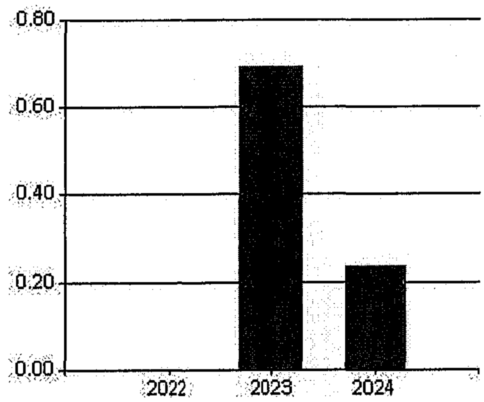
2.3 Cash Flow Adequacy Charts

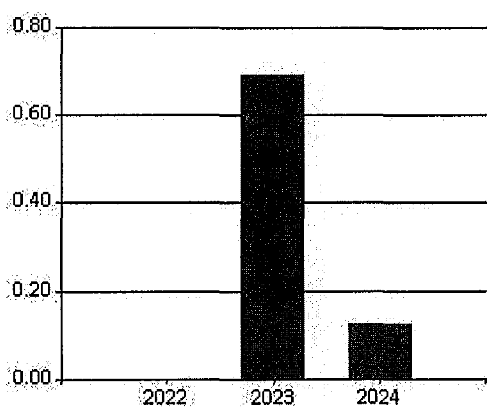
Fund From Operations To Debt (Times)



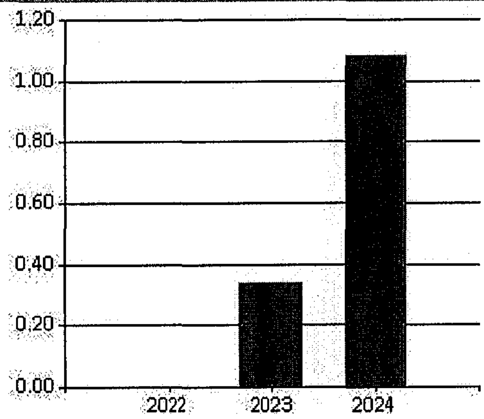
Operating Cash Flow To Total Debt (Times)



Free Cash Flow To Total Debt (Times)



Total Debt To EBITDA (Times)



APPENDIX A: SUMMARY OF FINANCIAL METRICS

Balance Sheet Metrics (BDT in MN)	FY22	FY23	FY24
Cash & Equivalent	1.40	1.50	2.00
Trade Receivable	15.00	17.20	21.50
Inventories	41.00	47.50	53.00
Total Current Assets	58.10	66.70	77.00
Investments	0.00	0.00	0.00
Fixed Assets(At cost less Depreciation)	92.50	92.50	94.50
Total Non-Current Assets	92.50	92.50	94.50
Total Assets	150.60	159.20	171.50
Payable and Accrued Expenses	1.50	0.80	0.60
Other Current Liabilities	0.40	0.40	0.40
Short Term Debt	0.00	5.04	17.44
Total Current Liabilities	2.20	6.24	18.44
Long Term Debt	0.00	0.00	0.00
Other Non-Current Liabilities	0.00	0.00	0.00
Total Non-Current Liabilities	0.00	0.00	0.00
Total Liabilities	2.20	6.24	18.44
Issued, Subscribed & Paid Up Capital	0.00	0.00	0.00
Retained Earnings	148.50	152.97	153.07
Reserves & Surplus	0.00	0.00	0.00
Total Shareholders' Equity	148.40	152.97	153.07
Total Shareholders' Equity & Liabilities	150.60	159.20	171.50
Income Statement Metrics (BDT in MN)	**FY22**	**FY23**	**FY24**
Revenue/Sales/Turnover	120.00	137.00	148.00
Cost of Revenue/ Cost of Goods Sold	90.00	102.80	111.00
Gross Profit (Loss)	30.00	34.20	37.00
Operating Expenses	17.10	19.40	20.86
Operating Profit	12.90	14.80	16.14
Financial Expense/ Interest Expense	1.45	1.52	1.59
Net Profit before WPPF	11.45	13.28	14.55
Other Expense	0.00	0.00	0.00
Net Profit Before Tax	11.45	13.28	14.55
Provision for Tax	0.40	0.40	0.40
Net Profit After Tax	11.05	12.88	14.15
Cash Flow Metrics (BDT in MN)	**FY22**	**FY23**	**FY24**
Net Cash from Operating Activities	3.05	3.48	4.15
Net Cash from Investing Activities	-47.90	0.00	-2.00
Net Cash from Financing Activities	44.75	-3.38	-1.65
Increase/(Decrease) in Cash and Cash Equivalents	-0.10	0.10	0.50
Cash and Cash Equivalents at the Opening	1.50	1.40	1.50
Cash and Cash Equivalents at the Closing	1.40	1.50	2.00

Source: EET's Financial Statements from FY22 to FY24

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APPENDIX B: SUMMARY OF ANALYTICS

Indicators	FY22	FY23	FY24
Revenue Growth	0.00%	14.17%	8.03%
Gross Profit Margin	25.00%	24.96%	25.00%
Operating Profit Margin	10.75%	10.80%	10.91%
Net Profit Margin	9.21%	9.40%	9.56%
Interest Coverage Ratio	8.90x	9.74x	10.15x
ROA	8.96%	8.32%	8.56%
ROE	9.38%	8.55%	9.25%
Debt to Equity Ratio	0.00x	0.03x	0.11x
Accounts Payable Turnover	40.00x	89.39x	158.57x
Accounts Receivable Turnover	8.73x	8.51x	7.65x
Inventory Turnover Ratio	2.31x	2.32x	2.21x
Current Ratio	26.41x	10.70x	4.18x
Cash Conversion Cycle(Days)	188	193	208
Fund from Operations/Total Debt	0.00x	2.94x	0.93x
Operating Cash Flow/Total Debt	0.00x	0.69x	0.24x
Free Cash Flow/Total Debt	0.00x	0.69x	0.12x
Total Debt/EBITDA	0.00x	0.34x	1.08x

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APPENDIX C: SME RATING DETAILS

ACRSL SME RATING

Rating	Definition
AQME-1 (Highest Grade)	ARGUS Quantitative Medium Enterprise-1 is the Highest rating assigned to medium enterprises by ARGUS Credit Rating Services Ltd (ACRSL)'s quantitative ME ratings model. When assigned this rating indicates the obligor, relative to other medium enterprises, has exceptionally strong capacity to meet its financial obligations and it is highly unlikely that this capacity will be impacted adversely by foreseeable events.
AQME-2 (High Grade)	ARGUS Quantitative Medium Enterprise-2 is a Very High rating grade assigned to medium enterprises by ARGUS Credit Rating Services Ltd (ACRSL)'s quantitative ME ratings model. When assigned, this rating indicates the obligor, relative to other medium enterprises, has very strong capacity to meet its financial obligations and it is unlikely that this capacity will be impacted adversely by foreseeable events.
AQME-3 (Good Grade)	ARGUS Quantitative Medium Enterprise-3 is a High rating grade assigned to medium enterprises by ARGUS Credit Rating Services Ltd (ACRSL)'s quantitative ME ratings model. When assigned, this rating indicates the obligor, relative to other medium enterprises, has strong capacity to meet its financial obligations but may be vulnerable to adverse economic conditions.
AQME-4 (Satisfactory Grade)	ARGUS Quantitative Medium Enterprise-4 is a Good rating grade assigned to medium enterprises by ARGUS Credit Rating Services Ltd (ACRSL)'s quantitative ME ratings model. When assigned, this rating indicates the obligor, relative to other medium enterprises, has adequate capacity to meet its financial obligations but this capacity remains more vulnerable to adverse economic conditions.
AQME-5 (Non-Investment Grade)	ARGUS Quantitative Medium Enterprise-5 is a Non-Investment rating grade assigned to medium enterprises by ARGUS Credit Rating Services Ltd (ACRSL)'s quantitative ME ratings model. When assigned, this rating indicates the obligor, relative to other medium enterprises, has weak capacity and may rely on alternative sources to meet its financial obligations, and is substantially vulnerable to adverse economic conditions that may impair ability to meet such obligations in the future.
AQME-6 (Highly vulnerable)	ARGUS Quantitative Medium Enterprise-6 is a Highly Vulnerable rating grade assigned to medium enterprises by ARGUS Credit Rating Services Ltd (ACRSL)'s quantitative ME ratings model. When assigned this rating indicates the obligor is near to default and the degree of certainty regarding timely payment of financial obligations is doubtful unless circumstances improve.
AQME-7 (Imminent Default)	ARGUS Quantitative Medium Enterprise-7 is an Imminent default rating assigned to Medium enterprises by ARGUS Credit Rating Services Ltd (ACRSL)'s quantitative ME ratings model. When assigned this rating indicates The obligor is either currently in default or expected to be in default with high probability. The obligor with this rating is unlikely to meet maturing financial obligations.
AQME-8 (Default Grade)	ARGUS Quantitative Medium Enterprise-8 is a Default rating assigned to medium enterprises by ARGUS Credit Rating Services Ltd (ACRSL)'s quantitative ME ratings model. When assigned, this rating indicates the obligor already failed to meet its financial obligations and may have entered bankruptcy proceedings.

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