

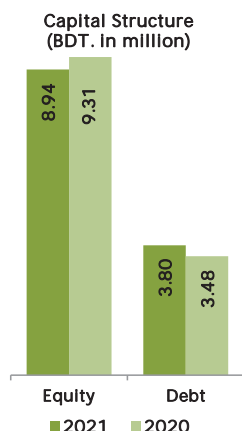
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## Key Snapshot:

*BDT. In million*

Particulars	2020	2021
Revenue	11.37	13.07
EBIT	3.48	4.08
Net Profit	2.95	3.53
Total Assets	12.78	12.74
Total Equity	9.31	8.94
Debt	3.48	3.80
Net Profit Margin (%)	26.0	27.0
CCC (Days)	60	74
ICR (X)	16.99	18.11



## Analysts:

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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	27 December 2022	26 December 2023

WCRSE 3 rating is equivalent to Bangladesh Bank SME rating scale of SME 3 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093

*Financial Based on- unaudited financial statements for 31<sup>st</sup> December 2019-2021.*

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

## RATING RATIONALE

WCRCL has reaffirmed 'WCRSE 3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to Ekata Auto Mobiles (hereinafter referred as "EAM" 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:

- Experienced and skilled management
- Good business network
- Low levered capital structure
- Good interest coverage position
- Positive FFO

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

- Lack of disclosure in the financial statements
- Tight liquidity position considering long cash conversion cycle
- No insurance coverage
- Low management information system (MIS) and Manual accounting system

The SME rating implies that the enterprise is adjudged to above average level of credit worthiness in relation to other small enterprises.

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