

# CREDIT RATING REPORT EMEL ENTERPRISE (3<sup>rd</sup> SURVEILLANCE)



Ref. no.: FR/2023/031515

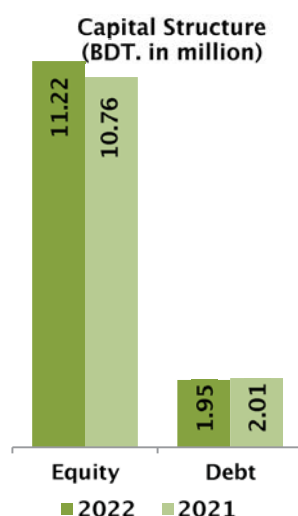
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## Key Snapshot:

BDT. in million

Particulars	2021	2020
Revenue	7.41	6.68
EBIT	2.10	1.94
Net Profit	1.95	1.80
Total Assets	13.17	12.77
Total Equity	11.22	10.76
Total debt	1.95	2.01
Net Profit Margin (%)	26.3%	26.9%
CCC (Days)	357	328
ICR (X)	15.52	14.37



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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	12 June 2023	18 June 2024

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

**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 Emel Enterprise (hereinafter referred as "EE" 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
- Owned business premises and storage facility
- Satisfactory banking relationship
- Good mortgage security coverage against loan
- Good interest coverage position

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
- High levered capital structure
- 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 EE will be able to maintain its good fundamentals in the foreseeable future.