

INITIAL CREDIT RATING REPORT EMERGE TECHNOLOGIES LIMITED



Ref. no.: FR/2023/30968

Report Contents:

Particulars	Page
Rating Rationale	1
Entity Profile	2
Business Management	2
Business Analysis	2
Financial Position Analysis	3
Banking Relationship	4
Risk Factor Analysis	4
Rating Observation	5

SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	07 May 2023	06 May 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

BDT. in million

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
Shahjalal Islami Bank Limited	LC	12.50	-	06.05.2023

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

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

Key Snapshot:

BDT. in million

Particulars	FY22	FY21
Revenue	18.50	9.36
EBIT	1.06	0.57
Net Profit	0.73	0.38
Total Assets	2.25	1.18
Total Equity	1.23	0.50
Total debt	1.03	0.68
Net Profit Margin (%)	3.9	4.1
CCC (Days)	6	-0.92
ICR (X)	65.29	27.93

RATING RATIONALE

WCRCL has assigned 'WCRSE 3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to **Emerge Technologies Limited** (hereinafter referred as "ETL" or "The Company") based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance.

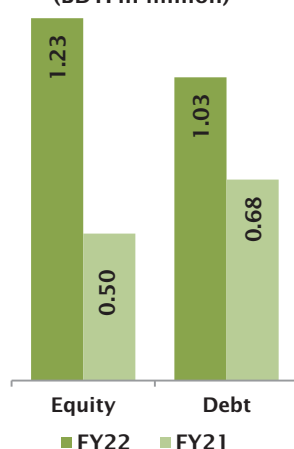
The above rating has been assigned based on the fundamentals of the enterprise which includes:

- Experienced and skilled management
- Good interest coverage position
- Good business network
- Low levered capital structure
- Good liquidity position with short cash conversion cycle

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

- Average disclosure of financial statements
- Low management information system (MIS) and Manual accounting system

Capital Structure
(BDT. in million)



Analysts:

Shudhan Mallick
shudhan@wasocreditrating.com

Md. Rafiul Bary
rafi@wasocreditrating.com

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

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