

6th SURVEILLANCE CREDIT RATING REPORT EMDAD TRADING CO.

Ref. no.: FR/2023/033809



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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	26 September 2023	11 November 2024

Financial Based on- Unaudited financial statements up to 31 December 2022, 2021, and 2020.

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

RATING RATIONALE

WCRCL has reaffirmed **WCRSME3** (pronounced as WASO Credit Rating Small and medium Enterprise Three) rating under the SME Rating to **Emdad Trading Co.** (hereinafter referred to as 'ETC' or "The Enterprise") based on its financial and other relevant qualitative and quantitative information up-to the date of the rating declaration.

The above ratings have been assigned based on the fundamentals of the enterprise which positioning of selling point at prime location, long business experiences of the proprietor. However, the above factors are constrained to some extent by lower profit margin, manual accounting system, stressed liquidity position with long cash conversion cycle, decreasing business trends, rented warehouse facility, highly levered concern, and poor disclosure of financial statements.

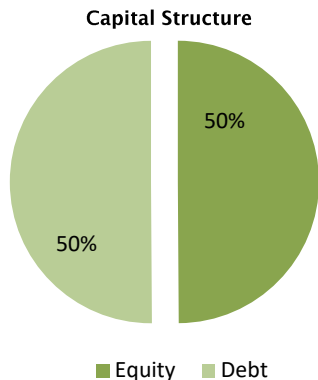
The SME rating implies that the enterprise has adjudged to above average level of credit quality.

WCRCL also viewed the enterprise with "Stable" outlook and believes that ETC 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.

Key Snapshot:

Tk. In million		
Particulars	2021	2022
Revenue	86.54	89.53
EBIT	11.15	8.91
Net Profit	2.68	5.12
Total Assets	86.34	78.56
Total Equity	38.88	39.20
Total Liabilities	47.46	39.36
Net Profit Margin (%)	3.10	5.72
Current Ratio (X)	1.04	1.56
Debt to Equity (X)	1.32	1.00



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