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SME Rating	WCRSME	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	04 July 2023	03 July 2024

WCRSME3 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 **WCRSME3** (pronounced as WASO Credit Rating Small & Medium Enterprise Three) rating under the SME Rating to **Emon Enterprise** (hereinafter referred to 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 reaffirmed based on skilled and experienced management team, significantly increasing sales revenue, good business network, moderated leverage position, and favorable coverage position. However, the above factors are constrained to some extent by tight liquidity position, low discloser regarding financial statements, and volatile profitability margin.

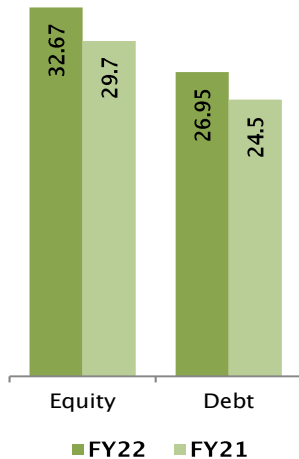
The SME rating implies that Emon Enterprise is adjudged to above average credit quality to other small & medium enterprises. This rating may be revised in case of any extraordinary changes in line with the sponsor's equity investment, debt obligations, management, business operations and/or changes in any macro and micro factors in the economy.

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

**Key Snapshot:**

BDT. in million

Particulars	FY22	FY21
Revenue	214.50	195.00
COGS/Sales (%)	88.80	88.85
Operating profit	20.30	18.45
Net Profit	16.80	15.45
Total Assets	59.62	54.20
Total Equity	32.67	29.70
Total Liabilities	26.95	24.50
Net Profit Margin (%)	7.83	9.46
Current Ratio (X)	1.38	1.38
CCC (Days)	46	44
Debt/Equity (X)	0.82	0.82
ICR (X)	5.80	6.15

**Capital Structure (BDT. in million)****Analysts:**

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