

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	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	12 December 2023	22 December 2024

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 Elegant Trade International (hereinafter referred as “ETI” or “The Enterprise”) based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance.

Key Snapshot:

BDT. in million

Particulars	FY23	FY22
Revenue	154.79	134.60
EBIT	16.16	14.05
Net Profit	10.61	9.23
Total Assets	386.57	336.15
Total Equity	362.22	314.97
Total debt	24.36	21.18
Net Profit Margin (%)	6.9	6.9
CCC (Days)	658	704
ICR (X)	7.58	7.58

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

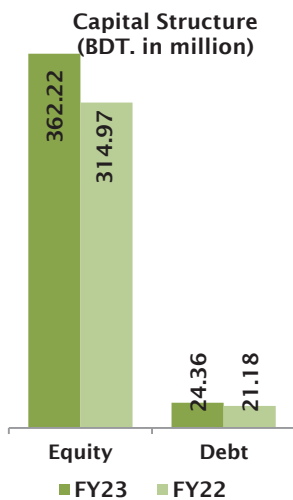
- Experienced and skilled management
- Good business network
- Owned business premises and storage facility
- Satisfactory banking relationship
- Good mortgage security coverage against loan
- Good interest coverage position
- Low levered capital structure

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

- No disclosure of financial statements
- Tight liquidity position with long cash conversion cycle
- Manual accounting system

The SME rating implies that the enterprise is adjudged to above average credit quality.

WCRCL also viewed the enterprise with “Stable” outlook and believes that ETI 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.



Analysts:

Shudhan Mallick
shudhan@wasocreditrating.com

Maharan Nasrin
maharan@wasocreditrating.com