

INITIAL CREDIT RATING REPORT  
EMA TRADERS

Ref. no.: CRAR-18428/2023



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SME Rating	Rating Notches	Outlook	Date of Declaration	Date of Expiration
	WCRSME4	Stable	05 December 2023	04 December 2024

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

**RATING RATIONALE**

WCRCL has assigned ‘WCRSME4’ (pronounced as WASO Credit Rating Small & Medium Enterprise Four) rating under the SME Rating to Ema Traders (hereinafter referred as “ET” 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:

- Long business experience of the proprietor in the business
- Low levered capital structure
- Comfortable interest coverage position
- Good mortgage security coverage against loan

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

- Poor disclosure of financial statements
- Tight liquidity position with long cash conversion cycle
- No insurance coverage for the inventory in stock
- Manual accounting system
- Having Overdue in banking liability

The rating implies that the enterprise has average credit quality.

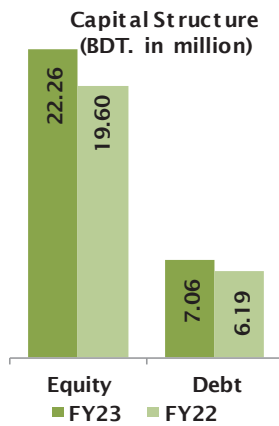
WCRCL also viewed the enterprise with “Stable” outlook and believes that ET will be able to maintain its good fundamentals in the foreseeable future.

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:

BDT. in million

Particulars	FY23	FY22
Revenue	29.56	25.26
EBIT	4.74	3.53
Net Profit	3.92	3.03
Total Assets	29.32	25.79
Total Equity	22.26	19.60
Total debt	7.06	6.19
Net Profit Margin (%)	13.3%	12.0%
CCC (Days)	224	239
ICR (X)	9.36	9.02



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