ARGUS CREDIT RATING SERVICES LTD.
(ACRSL)

Credit Rating Report

Emon Electronics

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Name:

Designation:

Date:

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Ref No	: ACRSL39301/25
Company Name	: Emon Electronics (EE)
Assigned Ticker	: EmonElectBoal
Activity	: Electronic Goods, Trading
Incorporated On	: 16 Feb 2025
Head Office	: Al Noor Market (2nd Floor), Fultol, Boalkhali, Chattogram, Bangladesh

Rating Type	: SME / Entity
Rating Validity	: 12 Feb 2026
Nature Of Rating	: Second Surveillance
Outlook	: Stable
Analyst(s)	: ACRSL Analyst Team
Committee(s)	: ACRSL Rating Committees

Rating Summary

Credit Rating	Current	Previous
SME	AQSE-3	AQSE-3
Publishing Date	13 Feb 2025	07 Dec 2023

Rating Explanation

Rating	Explanation
AQSE-3	ARGUS Quantitative Small Enterprise-3 is a High rating grade assigned to small enterprises by ARGUS Credit Rating Services Ltd (ACRSL)'s quantitative SE ratings model. When assigned, this rating indicates the obligor, relative to other small enterprises, has strong capacity to meet its financial obligations but may be vulnerable to adverse economic conditions.

Rating Validity: This validity assumes no additional loan over that disclosed in FY23 [Ending December 31] audited/management certified balance sheet and that management has disclosed all material & adverse to financials since FY21.

Khan Md. Abdul Wahab, FCMA
Chief Executive Officer
ARGUS Credit Rating Services Ltd.

1 CORPORATE PROFILE

1.1 Company Description

History: Emon Electronics was incorporated in July, 2016 as a proprietorship company Al Noor Market, Fultol, Boalkhali, Chattogram. The whole business was founded by Mr. S. M Jamal Uddin Founder of the entity and the business entity is currently focusing on To purchase various kinds of electronical items.

Financial Base: At the end of FY23, The business entity's Total Assets stood at BDT 18.31 MN, Equity at BDT 16.97 MN, Revenue at BDT 25.61 MN and Net Profit after Tax at BDT 3.01 MN.

Bank Liability: Emon Electronics (EE) avail financial facility under Al Arafah Islami Bank PLC. As on 01.01.2025, EE's total limit was 3.00 MN, where as its outstanding was 3.45 MN, and the CIB (Credit Information Bureau) status is marked as "Standard." This indicates that the current financial obligations are within acceptable limits and the account is in good standing.

Special Note: At the time of publication of this credit rating report by ARGUS Credit Rating Service Limited (ACRSL), management certified financial statements untill FY23 (ending Dec 31) were available, projections for FY24 and FY25 were arrived after taking in to consideration subsequent events up to the date of reporting, management feedback, and industry insights.

1.2 Ownership Structure

The proprietor of Emon Electronics is Mr. S. M. Jamal Uddin. He has vast experience in related business and he is also a successful administrator. The overall business of the enterprise is managed and looked after by him with the help of efficient Support staffs.

Table 1 Nature of Ownership/Directors' Shareholding Percentage

Designation	Name	Shares
Proprietor	Mr. S. M. Jamal Uddin	100.00%

1.3 Operations

Office Address: Al Noor Market, Fultol, Boalkhali, Chattogram.

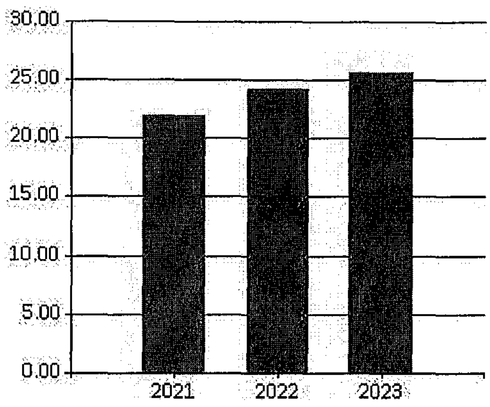
1.4 Products and Services

Emon Electronics is renowned for supplying of qualitative product such as the entity engages with To purchase various kinds of electronic items. Its customer base is growing over the years due to their related product quality. The entity always maintains standard quality in its products.

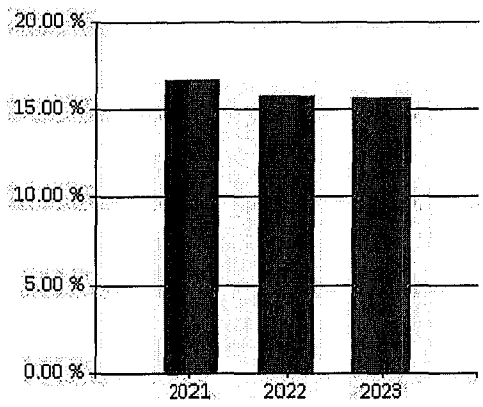
2 CHARTS

2.1 INCOME STATEMENT CHARTS

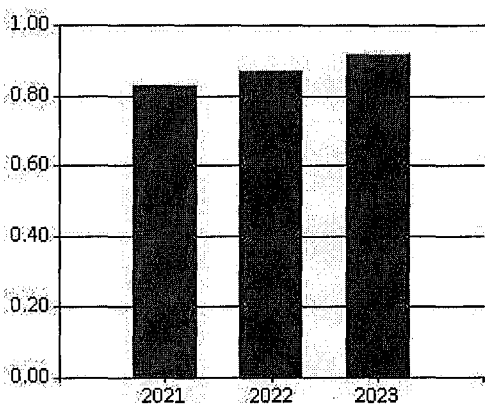
Revenue (BDT MN)



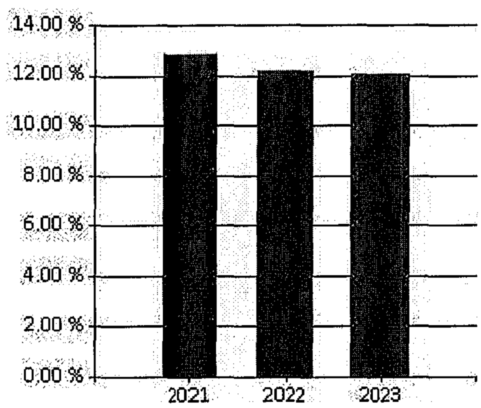
Gross Profit Margin (%)



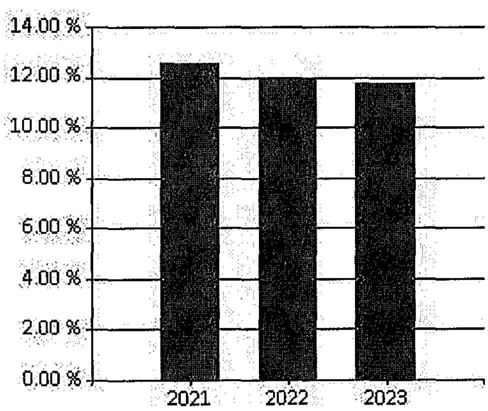
Operating Expenditures (BDT MN)



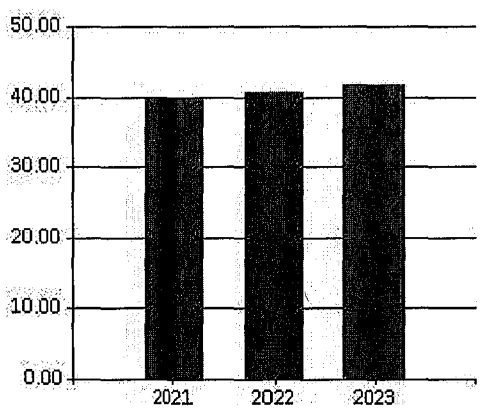
Operating Profit Margin (%)



Net Profit Margin (%)



Interest Coverage Ratio (Times)



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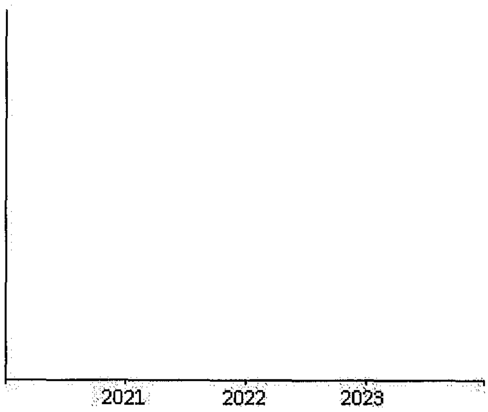
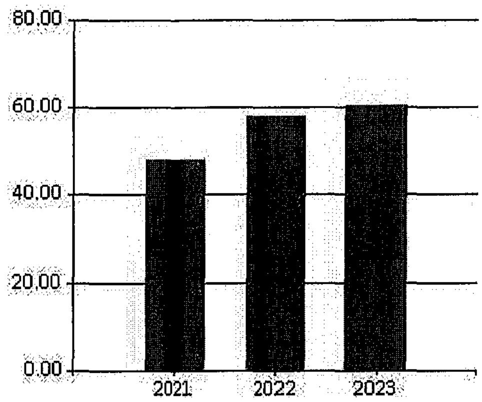
2.2 Balance Sheet Charts

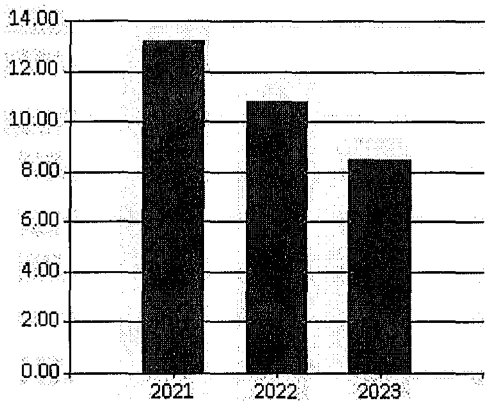
Debt To Equity (Times)



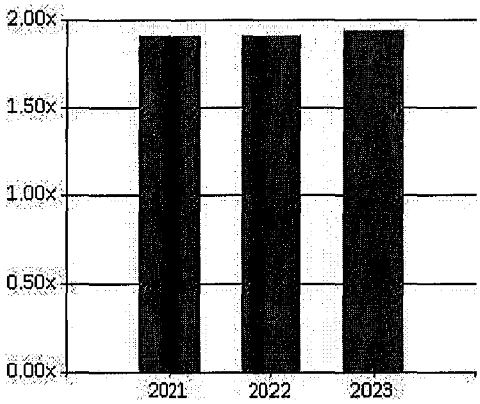
Accounts Payable Turnover (Times)



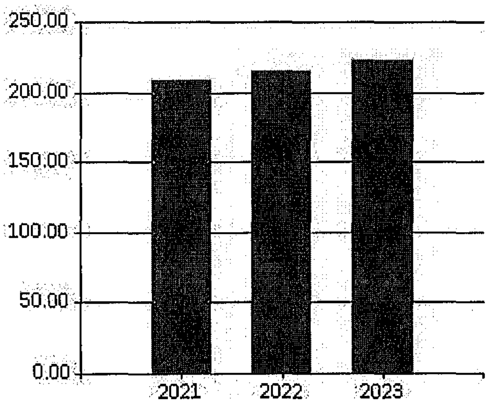
Accounts Receivable Turnover (Times)



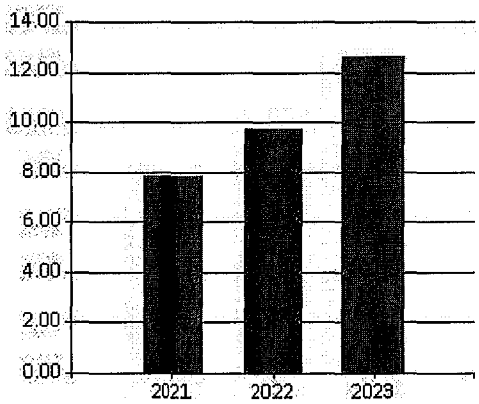
Inventory Turnover (Times)



Cash Conversion Cycle (Days)



Current Ratio (Times)



APPENDIX A: SUMMARY OF FINANCIAL METRICS

Balance Sheet Metrics (BDT in MN)	FY21	FY22	FY23
Cash & Equivalent	0.47	0.52	0.56
Trade Receivable	1.90	2.57	3.47
Inventories	10.42	10.94	11.38
Total Current Assets	13.79	15.52	16.90
Investments	0.00	0.00	0.00
Fixed Assets(At cost less Depreciation)	1.47	1.44	1.41
Total Non-Current Assets	1.47	1.44	1.41
Total Assets	15.26	16.96	18.31
Payable and Accrued Expenses	0.35	0.36	0.36
Other Current Liabilities	1.42	1.24	0.98
Short Term Debt	0.00	0.00	0.00
Total Current Liabilities	1.77	1.60	1.34
Long Term Debt	0.00	0.00	0.00
Other Non-Current Liabilities	0.00	0.00	0.00
Total Non-Current Liabilities	0.00	0.00	0.00
Total Liabilities	1.77	1.60	1.34
Issued, Subscribed & Paid Up Capital	0.00	0.00	0.00
Retained Earnings	13.49	15.36	16.97
Reserves & Surplus	0.00	0.00	0.00
Total Shareholders' Equity	13.49	15.36	16.97
Total Shareholders' Equity & Liabilities	15.26	16.96	18.31
Income Statement Metrics (BDT in MN)	**FY21**	**FY22**	**FY23**
Revenue/Sales/Turnover	21.84	24.20	25.61
Cost of Revenue/ Cost of Goods Sold	18.21	20.39	21.61
Gross Profit (Loss)	3.63	3.81	4.00
Operating Expenses	0.83	0.87	0.92
Operating Profit	2.81	2.94	3.08
Financial Expense/ Interest Expense	0.07	0.07	0.07
Net Profit before WPPF	2.74	2.87	3.01
Other Expense	0.00	0.00	0.00
Net Profit Before Tax	2.74	2.87	3.01
Provision for Tax	0.00	0.00	0.00
Net Profit After Tax	2.74	2.87	3.01
Cash Flow Metrics (BDT in MN)	**FY21**	**FY22**	**FY23**
Net Cash from Operating Activities	0.75	1.02	1.42
Net Cash from Investing Activities	0.03	0.03	0.03
Net Cash from Financing Activities	-0.75	-1.00	-1.40
Increase/(Decrease) in Cash and Cash Equivalents	0.03	0.05	0.04
Cash and Cash Equivalents at the Opening	0.44	0.47	0.52
Cash and Cash Equivalents at the Closing	0.47	0.52	0.56

Source: EE's Financial Statements from FY 21-FY 23

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APPENDIX B: SUMMARY OF ANALYTICS

Indicators	FY21	FY22	FY23
Revenue Growth	25.00%	10.80%	5.80%
Gross Profit Margin	16.64%	15.76%	15.62%
Operating Profit Margin	12.85%	12.17%	12.05%
Net Profit Margin	12.53%	11.87%	11.76%
Interest Coverage Ratio	39.52x	40.64x	41.74x
ROA	19.56%	17.83%	17.07%
ROE	21.90%	19.91%	18.63%
Debt to Equity Ratio	0.00x	0.00x	0.00x
Accounts Payable Turnover	47.97x	57.88x	60.43x
Accounts Receivable Turnover	13.20x	10.83x	8.49x
Inventory Turnover Ratio	1.91x	1.91x	1.94x
Current Ratio	7.80x	9.70x	12.60x
Cash Conversion Cycle(Days)	209	216	222
Fund from Operations/Total Debt	0.00x	0.00x	0.00x
Operating Cash Flow/Total Debt	0.00x	0.00x	0.00x
Free Cash Flow/Total Debt	0.00x	0.00x	0.00x
Total Debt/EBITDA	0.00x	0.00x	0.00x

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APPENDIX C: SME RATING DETAILS

ACRSL SME RATING

Rating	Definition
AQSE-1 (Highest Grade)	ARGUS Quantitative Small Enterprise-1 is the Highest rating assigned to small enterprises by ARGUS Credit Rating Services Ltd (ACRSL)'s quantitative SE ratings model. When assigned this rating indicates the obligor, relative to other small enterprises, has exceptionally strong capacity to meet its financial obligations and it is highly unlikely that this capacity will be impacted adversely by foreseeable events.
AQSE-2 (High Grade)	ARGUS Quantitative Small Enterprise-2 is a Very High rating grade assigned to small enterprises by ARGUS Credit Rating Services Ltd (ACRSL)'s quantitative SE ratings model. When assigned, this rating indicates the obligor, relative to other small enterprises, has very strong capacity to meet its financial obligations and it is unlikely that this capacity will be impacted adversely by foreseeable events.
AQSE-3 (Good Grade)	ARGUS Quantitative Small Enterprise-3 is a High rating grade assigned to small enterprises by ARGUS Credit Rating Services Ltd (ACRSL)'s quantitative SE ratings model. When assigned, this rating indicates the obligor, relative to other small enterprises, has strong capacity to meet its financial obligations but may be vulnerable to adverse economic conditions.
AQSE-4 (Satisfactory Grade)	ARGUS Quantitative Small Enterprise-4 is a Good rating grade assigned to small enterprises by ARGUS Credit Rating Services Ltd (ACRSL)'s quantitative SE ratings model. When assigned, this rating indicates the obligor, relative to other small enterprises, has adequate capacity to meet its financialobligations but this capacity remains more vulnerable to adverse economic conditions.
AQSE-5 (Non-Investment Grade)	ARGUS Quantitative Small Enterprise-5 is a Non-Investment rating grade assigned to small enterprises by ARGUS Credit Rating Services Ltd (ACRSL)'s quantitative SE ratings model. When assigned, this rating indicates the obligor, relative to other small enterprises, has weak capacity and may rely on alternative sources to meet its financial obligations, and is substantially vulnerable to adverse economic conditions that may impair ability to meet such obligations in the future.
AQSE-6 (Highly vulnerable)	ARGUS Quantitative Small Enterprise-6 is a Highly Vulnerable rating grade assigned to small enterprises by ARGUS Credit Rating Services Ltd (ACRSL)'s quantitative SE ratings model. When assigned this rating indicates the obligor is near to default and the degree of certainty regarding timely payment of financial obligations is doubtful unless circumstances improve.
AQSE-7 (Imminent Default)	ARGUS Quantitative Small Enterprise-7 is an Imminent default rating assigned to small enterprises by ARGUS Credit Rating Services Ltd (ACRSL)'s quantitative SE ratings model. When assigned this rating indicates The obligor is either currently in default or expected to be in default with high probability. The obligor with this rating is unlikely to meet maturing financial obligations.
AQSE-8 (Default Grade)	ARGUS Quantitative Small Enterprise-8 is a Default rating assigned to small enterprises by ARGUS Credit Rating Services Ltd (ACRSL)'s quantitative SE ratings model. When assigned, this rating indicates the obligor already failed to meet its financial obligations and may have entered bankruptcy proceedings.

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