

INITIAL CREDIT RATING REPORT NEW NEEDLE ART



Ref. no.: FR/2023/29650

Report Contents:

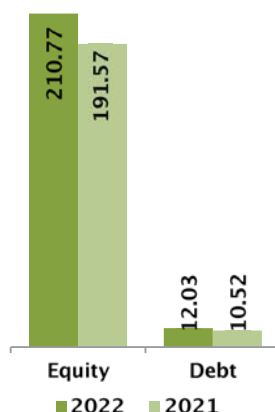
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Key Snapshot:

BDT. in million

Particulars	FY22	FY21
Revenue	299.99	271.97
EBIT	21.34	19.37
Net Profit	19.70	17.20
Total Assets	222.80	202.09
Total Equity	210.77	191.57
Total debt	12.03	10.52
Net Profit Margin (%)	6.6%	6.3%
CCC (Days)	106.48	103.50
ICR (X)	12.99	11.20

Capital Structure
(BDT. in million)



Analysts:

Md. Akter Hossain
akter@wasocreditrating.com

Md. Rafiul Bary
rafi@wasocreditrating.com

SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 2	Stable	13 February 2023	12 February 2024

WCRSE 2 rating is equivalent to Bangladesh Bank SME rating scale of SME 2 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093

Financial Based on-audited financial statements up to 30th June 2022

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

RATING RATIONALE

WCRCL has assigned 'WCRSE 2' (pronounced as WASO Credit Rating Small Enterprise Two) rating under the SME Rating to New Needle Art (hereinafter referred as "NNA" 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 Positioning of selling point at prime area, experienced and skilled management, good mortgage security coverage against loan, good business network, sales revenue was in increased trend, good Profitability margin, low levered capital structure, comfortable interest coverage position and have large corporate buyer in its buyers portfolio

However, the above rating has been moderated to some extent due to some factors like Tight liquidity position with long cash conversion cycle, no insurance coverage for the inventory in stock, medium disclosure in the financial statements and low management information system (MIS) and Manual accounting system

The SME rating implies that the enterprise is adjudged to above average level of credit worthiness in relation to other small enterprises.

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