

INITIAL CREDIT RATING REPORT
NEW UJALA CONFECTIONARY & GENERAL STORE



Ref. no.: FR/2023/029608

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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	13 February 2023	12 February 2024

WCRSE 3 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

RATING RATIONALE

WCRCL has assigned 'WCRSE 3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to New Ujala Confectionary & General Store (hereinafter referred as "NUCGS" 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:

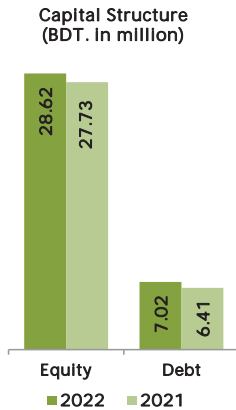
- Experienced and skilled management
- Owned business premises and storage facility
- Satisfactory banking relationship
- Good mortgage security coverage against loan
- Good business network
- Low levered capital structure
- Good interest coverage position

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

- Lack of disclosure in the financial statements
- Tight liquidity position with long cash conversion cycle
- Low management information system (MIS) and Manual accounting system

Key Snapshot:

BDT. In million		
Particulars	2022	2021
Revenue	65.04	55.20
EBIT	14.34	11.72
Net Profit	13.28	11.27
Total Assets	35.64	34.14
Total Equity	28.62	27.73
Total Debt	7.02	6.41
Net Profit Margin (%)	20.4	20.4
CCC (Days)	148	177
ICR (X)	13.52	26.05



Analysts:

Mst. Irin Akter
irin@wasocreditrating.com

Monira Islam
monira@wasocreditrating.com

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 NUCGS will be able to maintain its good fundamentals in the foreseeable future.