

# 1<sup>st</sup> SURVEILLANCE CREDIT RATING REPORT UNION AGROVET LIMITED



Ref. no.: FR/2023/30012

## 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	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	12 March 2023	11 March 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

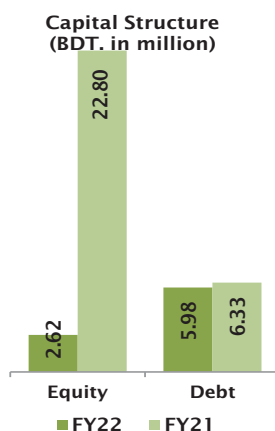
BDT. in million

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
	Baim	1.00	1.01	
EXIM Bank Limited	LC	12.00	3.38	27.02.2023
	MTR	(7.00)	-	

## Key Snapshot:

BDT. in million

Particulars	FY22	FY21
Revenue	29.28	26.57
EBIT	0.90	3.79
Net Profit	0.51	2.66
Total Assets	8.60	29.12
Total Equity	2.62	22.80
Debt	5.98	6.33
Net Profit Margin (%)	1.7	10.0
CCC (Days)	190	425
ICR (X)	4.48	n/a



## Analysts:

**Shudhan Mallick**  
shudhan@wasocreditrating.com

**Md. Al Amin Jewel**  
jewel@wasocreditrating.com

Financial Based on-Audited financial statements up to 30<sup>th</sup> June 2022.

Methodology: SME rating methodology published on the WCRCL website at [www.wasocreditrating.com](http://www.wasocreditrating.com)

## RATING RATIONALE

WCRCL has reaffirmed 'WCRSE 3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to **Union Agrovat Limited** (hereinafter referred as "UAL" or "The Company") 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
- Satisfactory banking relationship
- Good business network
- Good mortgage security coverage against loan
- Good interest coverage position

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

- Average disclosure of financial statements
- Highly levered capital structure
- Tight liquidity position with long cash conversion cycle
- Low management information system (MIS) and Manual accounting system

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

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