

# 10<sup>th</sup> SURVEILLANCE CREDIT RATING REPORT UTTAR BANGA HIMAGAR LIMITED

Ref. no.: FR/2023/031069



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Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	BBB2	ST-3	Stable	07 May 2023	11 May 2024

Bank Name	Mode of Investment	Sanction Amount	Outstanding amount as on 03.05.2023
Islami Bank Bangladesh Limited	Baim	27.00	29.46
	Bai-Murabaha-TR	8.00	3.21

Tk. in million

Financial Based on-Audited statements up to 30 June 2022, 2021, and 2020.

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

## RATING RATIONALE

WCRCL has reaffirmed 'BBB2' (pronounced triple B Two) rating for the Long Term and 'ST-3' (pronounced Short Term Three) rating for Short Term to 'Uttar Banga Himagar Limited' (hereinafter referred to as 'UBHL' or 'The Company') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance. WCRCL has also assigned 'blr ST-3' (pronounced as Bank Loan Rating Short Term Three) for Short Term Loan Limit amount of Tk. 35.00 million.

The above ratings have been assigned based on the fundamentals of the company which include diversified sources of revenue, Increasing business trends, experienced and proactive management, healthy debt coverage position, and satisfactory banking relationship. However, the above factors are constrained due to semi-perishable product nature, high working capital requirements, tight liquidity position with long cash conversion cycle, and moderate disclosure of financial statements.

The long term rating implies that the entity rated in this category is adjudged to have medium credit risk. It is considered to be of medium grade and as such may possess certain speculative characteristics. The short term rating implies that the entity has acceptable ability to repay short term debt obligations. It is expected to rely on external sources of committed financing. Based on its evaluation of near term covenant compliance, WCRCL believes that the issuer may require covenant relief in order to maintain orderly access to funding lines.

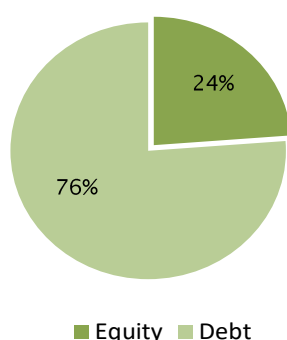
WCRCL also viewed the company with "Stable" outlook and believes that UBHL will be able to maintain its good fundamentals in the foreseeable future.

## Key Snapshot:

Tk. in million

Particulars	2022	2021
Revenue	207.22	197.62
EBITDA	30.77	31.16
Net Profit	29.76	28.39
Total Assets	251.71	181.68
Total Equity	200.12	43.21
Liabilities	51.58	138.46
Net Profit Margin (%)	14.36	14.37
Current Ratio (X)	4.15	1.03
Interest Coverage Ratio (X)	39.55	11.27

## Capital Structure



## Analysts:

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