

3rd SURVEILLANCE CREDIT RATING REPORT VIEW

Ref. no.: FR/2023/31868



Report Contents:

Particulars	Page
Rating Rationale	1
Entity Profile	2
Allied Concern	2
Business Management	2
Market Review	2
Business Analysis	3
Financial Position Analysis	3
Banking Relationship	4
Risk Factor Analysis	5
Rating Observation	5

SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 4	Stable	12 June 2023	11 June 2024

WCRSE 4 rating is equivalent to Bangladesh Bank SME rating scale of SME 4 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Tk. in million Date of Outstanding
Uttara Bank Limited	CC (H)	10.00	0.19	5.03.2023

Financial Based on-unaudited financial statements up to 31st December 2022.

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

Key Snapshot:

Particulars	Tk. in million	
	2022	2021
Revenue	66.49	57.82
EBIT	7.59	6.28
Net Profit	6.92	5.67
Total Assets	31.79	29.03
Total Equity	15.57	14.16
Debt	16.22	14.87
Net Profit Margin (%)	10.4	9.8
CCC (Days)	84	86
ICR (X)	11.64	10.59



RATING RATIONALE

WCRCL has reaffirmed 'WCRSE 4' (pronounced as WASO Credit Rating Small Enterprise Four) rating under the SME Rating to View (hereinafter referred as "VW" 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 reaffirmed based on the fundamentals of the enterprise which includes:

- Experienced and skilled management
- Satisfactory banking relationship
- Good mortgage security coverage against loan
- Good business network
- Good interest coverage position

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

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

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

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

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