

2nd SURVEILLANCE CREDIT RATING REPORT UNION TECH PARK LIMITED

Ref. no.: FR/2023/32328



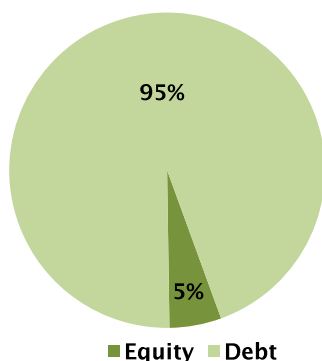
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Key Snapshot:

Particulars	Tk. in million
FY22	
Revenue	1,740.83
EBIT	132.84
Net Profit	106.34
Total Assets	1,928.27
Total Equity	102.56
Total debt	1,825.71
Net Profit Margin (%)	6.1
CCC (Days)	95
ICR (X)	5.01

Capital Structure
(BDT. in million)



Analysts:

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Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	BBB	ST 3	Stable	04 July 2023	04 July 2024

Bank	Mode	Limit Amount	Outstanding Amount	Bank Loan Rating
Premier Bank Limited (03.07.2023)	Term Loan I	70.00	6.04	blr BBB
	Term Loan II	100.00	86.80	
	Rev. L/C	2,000.00	80.00	blr ST 3
	Rev. OD	50.00	9.00	
	Rev. BG	50.00	-	
	Time Loan	547.71	548.40	
Sub Total		2,817.71	730.24	
Trust Bank Limited (03.07.2023)	L/C	1,500.00	7.43	blr ST 3
	LTR	(540.03)	(410.69)	
	OD	150.00	153.36	
Sub Total		1650.00	160.79	
Standard Bank Limited (03.07.2023)	L/C	300.00	-	blr ST 3
	MPL-TR	100.00	-	
	Bai-Muajjal (Gen)	80.00	78.59	
Sub Total		480.00	78.59	
Total		4,947.71	969.62	

Financial Based on-Audited statements up to 30th June 2022.

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

RATING RATIONALE

WCRCL has assigned 'BBB' (pronounced as Triple B) rating for the Long Term and 'ST 3' (pronounced as Short Term Three) rating for Short Term to **Union Tech Park Limited** (hereinafter referred to as '**UTPL**' or '**The Company**') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance. WCRCL has assigned 'blr BBB' (pronounced as Bank Loan Rating Triple B) rating to the long term loan outstanding and 'blr ST 3' (pronounced as Bank Loan Rating Short Term Three) rating to short term loan limit.

The above ratings have been assigned based on the fundamentals of the company which include audited Financial Statement with detailed disclosure, experienced and skilled management, strong business network, industrial area may endow with the location advantage, good market demand of the product, support of sister concern, good interest coverage ratio, business expansion plan and good banking conduct.

However, the above factors are constrained by very high compaction in terms of quality and pricing, high working capital pleasure, rented factory premise, tight liquidity position with long cash conversion cycle, highly levered capital structure, market saturation or high competition and price volatility of the products.

The long term rating implies that the entity has average credit quality. The short term rating implies that the company has average ability to meet short term financial commitments.

WCRCL also viewed the company with "**Stable**" outlook and believes that **UTPL** will be able to maintain its good fundamentals in the foreseeable future. This rating may be revised in case of any extraordinary changes in line with the sponsor's equity investment, debt obligations, management, business operations and/or changes in any macro and micro factors in the economy.