

2nd SURVEILLANCE CREDIT RATING REPORT IDEA



Ref. no.: FR/2023/34136

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	SME Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	03 October 2023	02 October 2024

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Tk. in million Date of Outstanding
Uttara Bank PLC	CC (Hypo)	4.00	4.09	19.09.2023

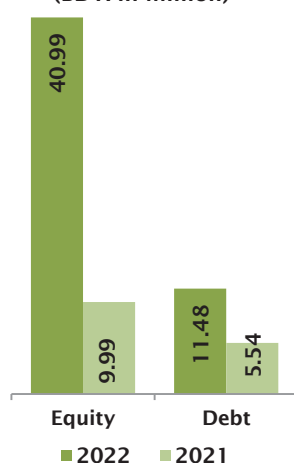
Financial Based on-unaudited financial statements up to 31 December 2022.

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

Key Snapshot:

Particulars	Tk. in million	
	2022	2021
Revenue	53.02	61.30
EBIT	7.00	3.53
Net Profit	4.50	3.49
Total Assets	52.47	15.53
Total Equity	40.99	9.99
Total debt	11.48	5.54
Net Profit Margin (%)	8.5%	5.7%
CCC (Days)	119.55	99
ICR (X)	2.80	83.14

Capital Structure
(BDT. in million)



RATING RATIONALE

WCRCL has reaffirmed 'WCRSME3' (pronounced as WASO Credit Rating Small and Medium Enterprise Three) rating under the SME Rating to Idea (hereinafter referred as "IDEA" 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
- Satisfactory banking relationship
- Good mortgage security coverage against loan
- Good Net Worth of the Proprietor
- Moderate interest coverage position
- Low levered capital structure

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

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

Analysts:

Md. Rafiul Bary
rafi@wasocreditrating.com

Maharan Nasrin
maharan@wasocreditrating.com

The SME rating implies that the enterprise is adjudged to above average credit quality.

WCRCL also viewed the Enterprise with "Stable" outlook and believes that Idea 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.