

INITIAL CREDIT RATING REPORT UNIQUE AUTOMOBILE INDUSTRIES LIMITED

Ref. no.: FR/2023/033958



Report Contents:

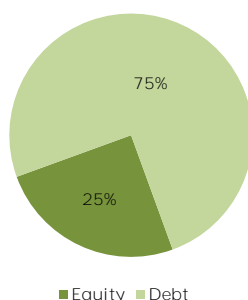
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Project Cost:

BDT. In Million

Particulars	Total
Land and Building	15.00
Machineries and Equipment	25.52
Furniture & Fixture	0.99
Transportation Expense	8.95
Other Fixes Assets	5.38
Total Fixed Cost	55.84
Working Capital	13.89
Total Cost of Project	69.60

Capital Structure
(BDT. in million)



Analysts:

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Project Rating	Rating Notch	Date of Declaration	Date of Expiration
	WCRSME4 (Indicative)	03 October 2023	02 October 2024

* This assigned rating given up to debt amount of BDT. 52.20 million.

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

RATING RATIONALE

WCRCL has assigned “WCRSME4 (Indicative)” (pronounced as WASO Credit Rating Small and Medium Company Four Indicative) to Unique Automobile Industries Limited (hereinafter referred to as “UAIL” or “The Project or The Company”) based on both relevant qualitative and quantitative information up to date of rating declaration. The SME rating implies that the enterprise is adjudged average level of credit worthiness in relation to other SEs/MEs.

Unique Automobile Industries Limited, experienced and knowledgeable sponsors, high local demand of the products, location advantage and business set up on their own land and low levered capital structure. However, the ratings are constrained by relatively, risk associated with project implementation, DSCR is marginal to moderate subject to adverse situation, business network and market penetration may hinder achievement of 60% capacity utilization of production in the first year of the operation and industry nature imposes high competitiveness, so fluctuation in sales or raw material price may impact debt servicing capacity.

Considering all the favorable measures and susceptibility of negative outcome this project has been assigned investment grade for next period. Total project cost is estimated at Total project cost is estimated at BDT. 69.60 million of which BDT. 52.20 million will be financed by bank borrowing and rest of the amount BDT. 17.40 Million will be financed from equity. The rating is assigned for debt amount of BDT. 52.20 million.

This rating may be revised subject to successful implementation and debt proportion in line with the sponsor’s equity investment or changes in any macro factors along with micro factors in the economy. However, there are risks associated with efficient utilization of bank finance for the project, and project implementation within due time frame.