

INITIAL CREDIT RATING REPORT PADMA BLOWING LIMITED

Ref. no.: FR/2022/28350

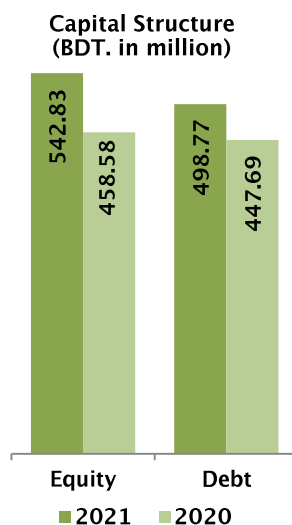


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Key Snapshot:

| Tk. in million | | |
|-----------------------|--------|--------|
| Particulars | FY21 | FY20 |
| Revenue | 788.06 | 836.36 |
| EBIT | 132.44 | 133.52 |
| Net Profit | 84.25 | 82.97 |
| Total Assets | 1,041 | 906.27 |
| Total Equity | 542.83 | 458.58 |
| Debt | 498.77 | 447.69 |
| Net Profit Margin (%) | 10.7% | 9.9% |
| CCC (Days) | 104 | 97 |
| ICR (X) | 10.97 | 12.58 |



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| Entity Rating | Long Term | Short Term | Outlook | Date of Declaration | Date of Expiration |
|---------------|-----------|------------|---------|---------------------|--------------------|
| | A3 | ST-3 | Stable | 27 December 2022 | 26 December 2023 |

| Tk. in Million | | | | |
|----------------------------------|--------------------|-------------------|--------------------|------------------|
| Bank Name | Mode of Investment | Sanctioned Amount | Outstanding Amount | Bank Loan Rating |
| Uttara Bank Limited (11.12.2022) | Term Loan | 462.70 | 49.50 | blr A3 |
| | CC (H) | 30.00 | 26.47 | |
| | PIF | 40.00 | 5.13 | blr ST-3 |
| | PIF | 420.00 | 66.47 | |
| City Bank Limited (30.11.2022) | OD | 30.00 | 0.11 | |
| | Stimulus | 40.00 | 40.00 | |
| | LTR | 135.00 | 58.99 | blr ST-3 |
| | LC | 150.00 | 5.15 | |
| United Finance (28.10.2022) | Lease Finance | 24.00 | 12.35 | blr ST-3 |

Financial Based on-Audited statements up to 30th June 2021.

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

RATING RATIONALE

WCRCL has assigned 'A3' (pronounced as Single A Three) rating for the Long Term and 'ST-3' (pronounced as Short Term Three) rating for Short Term to **Padma Blowing Limited** (hereinafter referred to as '**PBL**' 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 A3' (pronounced as Bank Loan Rating Single A Three) 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 experienced management team, satisfactory health and safety measures, established market position and stable customer profile which reflects healthy turnover and margins, experienced and skilled management, strong interest coverage position and owned factory premises and good infrastructural arrangement.

However, the above factors are constrained by average disclosure in the financial statement, manual accounting process, tight Liquidity position with long cash conversion cycle, and volatile market price of the raw materials

The long term rating implies that the entity is an upper medium grade and subject to low credit risk. The short term rating implies that the company has acceptable ability to repay short term debt obligations from internal sources. However, it is expected to rely on external sources of committed financing due to downturn in economic or industry circumstances.

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