

INITIAL CREDIT RATING REPORT PADMA CROWN LIMITED

Ref. no.: FR/2022/28352



Report Contents:

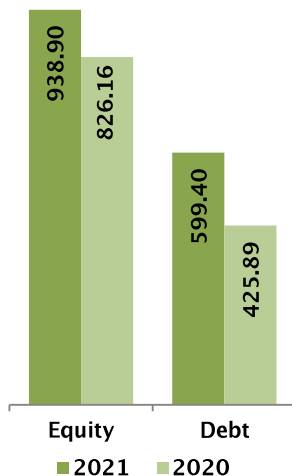
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Key Snapshot:

Tk. in million

Particulars	FY21	FY20
Revenue	950.93	837.70
EBIT	173.71	139.32
Net Profit	112.74	81.54
Total Assets	1,538	1,252
Total Equity	938.90	826.16
Debt	599.40	425.89
Net Profit Margin (%)	11.9%	9.7%
CCC (Days)	131	170
ICR (X)	12.49	7.89

**Capital Structure
(BDT. in million)**



Analysts:

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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	171.70	blr A3
	CC (H)	35.00	17.04	
	PIF	420.00	13.22	blr ST-3
HSBC (30.11.2022)	Clean Import Loan		10.16	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 Crown Limited** (hereinafter referred to as '**PCL**' 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, poor levered capital structure 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 **PCL** will be able to maintain its good fundamentals in the foreseeable future.