

INITIAL CREDIT RATING REPORT PADMA PLASTIC LIMITED

Ref. no.: FR/2022/28355



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Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	BBB1	ST-3	Stable	27 December 2022	26 December 2023

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Bank Loan Rating
HSBC (30.11.2022)	Clean Import Loan		16.89	blr ST-3
	L/C		1.04	

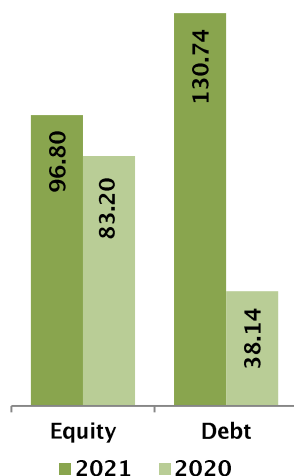
Financial Based on-Audited statements up to 30th June 2021.

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

Key Snapshot:

Particulars	FY21	FY20
Revenue	149.52	120.62
EBIT	22.44	13.88
Net Profit	13.49	7.30
Total Assets	227.54	121.34
Total Equity	96.80	83.20
Total debt	130.74	38.14
Net Profit Margin (%)	9.0%	6.1%
CCC (Days)	283	285
ICR (X)	7.19	4.52

Capital Structure (BDT. in million)



RATING RATIONALE

WCRCL has assigned 'BBB1' (pronounced as Triple B One) rating for the Long Term and 'ST-3' (pronounced as Short Term Three) rating for Short Term to **Padma Plastic Limited** (hereinafter referred to as '**PPL**' 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 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, highly levered capital structure, 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 subject to medium credit risk and considered medium grade and as such may possess certain speculative characteristics. 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 **PPLL** will be able to maintain its good fundamentals in the foreseeable future.

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