

Report Contents:

Particulars	Page
Rating Rationale	1
Corporate Profile	2
Shareholding Position Analysis	2
Corporate Management	3
Business Analysis	3
Financial Position Analysis	3
Banking Relationship	4
Risk Factor Analysis	5
Rating Observations	5

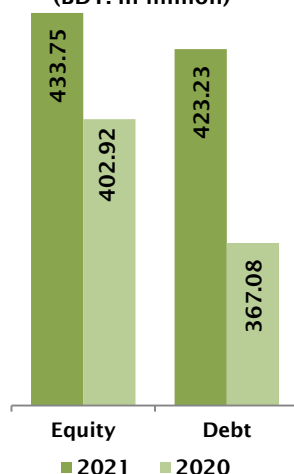
Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	BBB2	ST-3	Stable	06 December 2022	13 December 2023

Bank Name	Mode of Investments	Sanctioned Amount	Outstanding Amount	Bank Loan Rating
Mercantile Bank Limited (05.12.2022)	Term Loan-1	110.00	7.50	
	Term Loan-2	100.00	85.00	blr BBB2
	Hire Purchase	13.50	8.40	
	SOD (G)	75.00	72.10	blr ST-3

Tk. in million

Key Snapshot:

Particulars	FY21	FY20
Revenue	64.49	66.10
EBIT	50.68	51.12
Net Profit	30.83	28.66
Total Assets	856.98	770.0
Total Equity	433.75	402.9
Debt	423.23	367.0
Net Profit Margin (%)	47.8	43.4
CCC (Days)	-1,470.	-40
Debt/Equity (X)	0.98	0.91
ICR (X)	4.66	3.62

Capital Structure
(BDT. in million)

Analysts:

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

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

RATING RATIONALE

WCRCL has reaffirmed 'BBB2' (pronounced Triple B Two) rating for the Long Term and 'ST-3' (pronounced Short Term Three) rating for Short Term to **Pandugar Limited** (hereinafter referred as "PL" or "The Company") based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance. WCRCL has also reaffirmed 'blr BBB2' (pronounced as Bank Loan Rating Triple B Two) rating for the Long Term loan outstanding and 'blr ST-3' (pronounced as Bank Loan Rating Short Term Three) for short term bank loan limit.

The above ratings have been assigned based on the fundamentals of the company which include skilled & proactive management, strong group support, diversified sources of revenue, the entity is a profitable concern, good liquidity position considering short cash conversion cycle, good interest coverage position, comfortable security arrangement, satisfactory banking relationship.

However, the above factors are constrained to some extent by average disclosure in the financial statement, small scale in the business, moderated leverage position in the capital structure, dependency on bank loan.

The long term rating implies that the entity rated in this category 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 PL will be able to maintain its good fundamentals in the foreseeable future.