

# SURVEILLANCE CREDIT RATING REPORT PAPON COCONUT OIL MILL



Ref. no.: FR/2021/019374

## Report Contents:

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

SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	20 November 2022	19 November 2023

WCRSE 3 rating is equivalent to Bangladesh Bank SME rating scale of SME 3 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
Uttara Bank Limited	CC (H)	25.00	24.20	17.11.2022

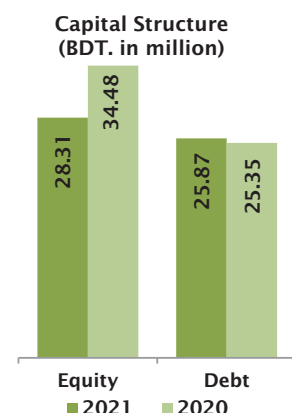
Financial Based on-Management prepared financial statements for 31<sup>st</sup> December 2020 & 2021.

Methodology: SME rating methodology published on the WCRCL website at [www.wasocreditrating.com](http://www.wasocreditrating.com)

## Key Snapshot:

BDT. in million

Particulars	2021	2020
Revenue	112.25	119.10
EBIT	6.73	5.27
Net Profit	4.24	4.96
Total Assets	54.18	59.83
Total Equity	28.31	34.48
Debt	25.87	25.35
Net Profit Margin (%)	3.8%	4.2%
CCC (Days)	186	187
FFO	2.98	79.91



## RATING RATIONALE

WCRCL has reaffirmed 'WCRSE 3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to Papon Coconut Oil Mill (hereinafter referred as "PCOM" or "The Enterprise") based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance.

The above rating has been assigned based on the fundamentals of the enterprise which includes:

- Experienced and skilled management
- Good business network
- Satisfactory banking relationship
- Good interest coverage position
- Low levered capital structure
- Comfortable mortgage security coverage against loan

However, the above rating has been moderated to some extent due to some factors like:

- Tight liquidity position considering long cash conversion cycle
- No insurance Coverage
- Lack of disclosure in the financial statements
- Low management information system (MIS) and Manual accounting system

The SME rating implies that the enterprise is adjudged to above average level of credit worthiness in relation to other small enterprises.

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

## Analysts:

**Juthi Khanum**  
[juthi@wasocreditrating.com](mailto:juthi@wasocreditrating.com)

**Maharan Nasrin**  
[maharan@wasocreditrating.com](mailto:maharan@wasocreditrating.com)