

# INITIAL CREDIT RATING REPORT PEORIA FOOD PRODUCTS LIMITED

Ref. no.: FR/2023/031133



## Report Contents:

Particulars	Page
Rating Rationale	1
Corporate Profile	2
Management Evaluation	2
Market Review	2
Business Analysis	3
Financial Strength Analysis	4
Credibility and Banking Relationship	5
Risk Factor Analysis	5
Rating Observations	6

Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	BBB2	ST-3	Stable	07 May 2023	06 May 2024

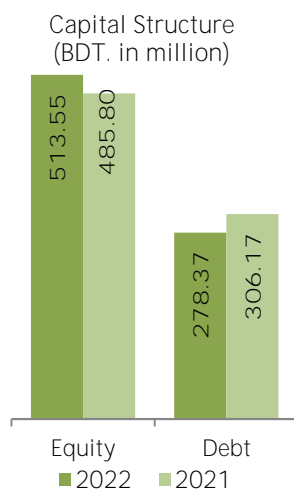
Tk. In Million				
Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount as on 05.05.2023	Bank Loan Rating
Islami Bank Bangladesh Limited	HPSM Working Capital	210.00	51.46	blr BBB2
		50.00	43.17	blr ST-3

\* blr-Bank Loan Rating

## Key Snapshot:

BDT. In Million

Particulars	2022	2021
Revenue	633.27	696.60
EBIT	182.42	202.19
Net Profit	140.60	159.96
Total Assets	791.92	791.97
Total Equity	513.55	485.80
Debt	278.37	306.17
Net Profit Margin (%)	22.2	23.0
CCC (Days)	268	248
ICR (X)	4.36	4.79



## Analysts:

Mst. Irin Akter  
irin@wasocreditrating.com

Al Amin Jewel  
jewel@wasocreditrating.com

Financial Based on- **Audited financial statements for 31<sup>st</sup> December 2021 & 2022.**

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

## RATING RATIONALE

WCRCL has assigned 'BBB2' (pronounced as Triple B Two) rating for the Long Term and ST-3 (pronounced as Short Term Three) for the Short Term to Peoria Food Products Limited (hereinafter referred to as 'PFPL' 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 assigned 'blr BBB2' (pronounced as bank loan rating Triple B Two) rating for long term loan outstanding and also assigned to 'blr ST-3' (pronounced as bank loan rating Short Term Three) for the short term loan limit. The above ratings have been assigned based on the fundamentals of the company which include wide business network, experienced & skilled management, own factory premise, deals with own branded confectionary & bakery items, overall good profitability ratios, low levered company and regular loan repayment history. However, the above factors are constrained by no insurance policy, tight liquidity position, poor debt coverage position, poor security arrangement and moderated disclosure in the financial statements.

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 entity is regarded as having some speculative characteristics. The obligor currently has the capacity to meet its financial commitment on the obligation; however, it may face uncertainties which could lead to the obligor's inadequate capacity to meet its financial commitment on the obligation.

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