

INITIAL CREDIT RATING REPORT SILKWAYS CARD & PRINTING LIMITED

Ref. no.: FR/2023/31530



Report Contents:

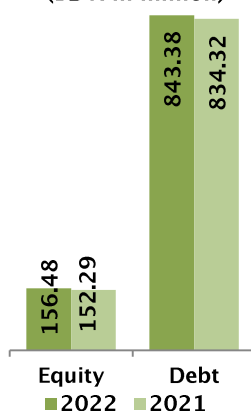
Particulars	Page
Rating Rationale	1
Corporate Background	3
Group Profile	3
Management Evaluation	4
Market Review	5
Business Analysis	6
Financial Strength Analysis	10
Banking Relationship	12
Risk Factor Analysis	13
Rating Observations	13

Key Snapshot:

Tk. in million

Particulars	FY22	FY21
Revenue	414.73	330.86
EBIT	132.75	40.66
Net Profit	4.19	-103.85
Total Assets	999.86	986.62
Total Equity	156.48	152.29
Total debt	843.38	834.32
Net Profit Margin (%)	1.0	-31.4
CCC (Days)	205	223
ICR (X)	1.33	0.28

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



Analysts:

Md. Akter Hossain
akter@wasocreditrating.com

Md. Rafiul Bary
rafi@wasocreditrating.com

Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	BB1	ST-5	Stable	12 June 2023	11 June 2024

Tk. in Million

Bank	Mode of Investment	Limit Amount	Outstanding Amount	Bank Loan Rating
Prime Bank Limited (08.06.2023)	Loan (G)-1	181.83	188.43	blr BB1
	Loan (G)-2	324.50	336.28	
	Loan (G)-3	54.12	56.08	
	Loan (G)-4	115.94	120.15	

Financial Based on-Audited statements up to 30th June 2022.

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

RATING RATIONALE

WCRCL has assigned 'BB1' (pronounced as Double B One) rating for the Long Term and 'ST-5' (pronounced as Short Term Five) rating for Short Term to **Silkways Card & Printing Limited** (hereinafter referred to as '**SCAPL**' 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 BB1' (pronounced as Bank Loan Rating Double B One) rating to the long term loan outstanding.

The above ratings have been assigned based on the fundamentals of the company which include experienced and skilled management, owned business premises and storage facility, good business network and maintained sound business relation with supplier & buyer.

However, the above factors are constrained by average disclosure in the financial statement, poor banking relationship, 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 have speculative elements and subject to substantial credit risk. The short term rating implies that the company has acceptable ability to nonpayment and is dependent upon favorable business, financial, and economic conditions for the obligor to meet its financial commitment on the obligation.

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