

3rd SURVEILLANCE CREDIT RATING REPORT

TANGAIL PALLI POWER GENERATION LIMITED



Ref. no.: FR/2023/031438

Report Contents:

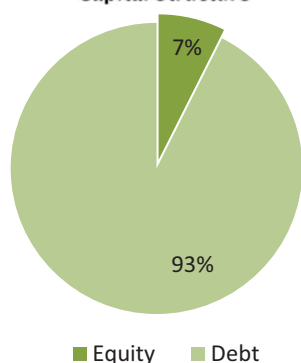
Particulars	Page
Rating Rationale	1
Entity Profile	2
Shareholding Position	2
Infrastructure and facilities	2
Operations and Business Network	2
Market Review	3
Operational Performance	4
Financial Analysis	4
Credibility and Banking Relationship	5
Risk Factor Analysis	6
Rating Observations	6

Key Snapshot:

Tk. million

Particulars	2022	2021
Revenue	2401.96	890.10
EBIT	312.02	93.60
Net Profit	157.35	18.13
Total Assets	4156.44	3420.5
Total Equity	307.93	262.70
Liabilities	3848.51	3157.8
Net Profit Margin (%)	6.55	2.04
Current Ratio (X)	0.77	0.69
Interest Coverage Ratio (X)	2.02	1.24

Capital Structure



Analysts:

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Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	BBB1	ST-3	Stable	31 May 2023	15 June 2024

Tk. in million

Bank Name	Mode of Investment	Sanction Limit	Outstanding Amount as on April 2023
Prime Bank Limited	Regular Limit		
	LC(Sight/ DP/UPAS)	700.00	0.02
	Acceptance (ABP)- Inner	(700.00)	264.45
	Bai-Muajjal -Inner of LC	(700.00)	361.72
	MPI(TR)	250.00	33.39
	BG	70.00	50.85
	On Off Facility		
	HPSM -Syndication	276.17	293.93
	LC-Specific by earmarking Group	(294.37)	0.00
	Acceptance (ABP)	(294.37)	331.49
Islami Bank Bangladesh Ltd.	HPSM	300.00	222.87
	LC/Bills	600.00	118.19
SABINCO	Term loan	183.88	183.88
Bank Asia Ltd.	HPSM	103.56	110.22
First Security Islami Bank Ltd.	HPSM	69.04	73.48
Bangladesh Commerce Bank Ltd.	Term loan	73.54	73.54

Financial Based on-Audited statements up to 30 June 2022, 2021, and 2020.

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

RATING RATIONALE

WCRCL has reaffirmed 'BBB1' (pronounced Triple B One) rating for the Long Term and assigned 'ST-3' (pronounced Short Term Three) rating for Short Term to 'Tangail Palli Power Generation Limited' (hereinafter referred to as 'TPPGL' or 'The Company') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance. WCRCL also assigned 'blr ST-3' to all the short-term loan facilities and 'blr BBB1' to the long term loan facility enjoyed by the company.

The above ratings have been assigned based on the fundamentals of the company which include strong group support, experienced and skilled management, available power backup, presence of fire insurance policy, good infrastructural arrangement, increasing business trends, and industrial area may endow with the location advantage. However, the above factors are constrained by, tight liquidity position and long cash conversion cycle, high inventory pile-up affecting working capital, and highly levered.

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 entity rating implies that the entity has significant speculative characteristics. The obligor currently has the capacity to meet its financial commitment on the obligation; however, it faces major ongoing uncertainties which could lead to the obligor's inadequate capacity to