

7th SURVEILLANCE CREDIT RATING REPORT CROWN MELAMINE INDUSTRIES LIMITED

Ref. no.: FR/2023/031671



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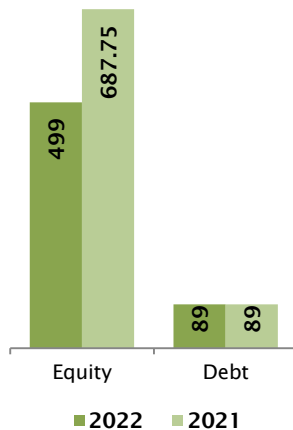
Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	BBB2	ST-4	Stable	12 June 2023	13 June 2024

Bank	Mode of Investment	Sanctioned Amount	Outstanding Amount as on 08.05.2023	Bank Loan Rating
National Bank Limited	L/C-sight	25.50	2.37	blr ST-4
	LTR	15.00	7.33	
	CC(H) with Stimulus	70.70	74.89	
	WCSP	17.00	14.80	

Key Snapshot:

Particulars	2022	2021
Revenue	254.65	550.00
EBIT	25.84	89.50
Net Profit	21.33	76.50
Assets	588.00	776.76
Equity	499.00	687.75
Debt	89.00	89.00
Net Profit Margin (%)	8.38	13.91
Current Ratio (X)	1.59	2.62
CCC (Days)	268	163

Capital Structure
(Tk. in million)



Financial Based on- Un-Audited financial statements up to 2022.

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

RATINGRATIONALE

WCRCL has reaffirmed 'BBB2' (pronounced as Triple B Two) rating for the Long Term and 'ST-4' (pronounced Short Term Four) rating for Short Term to 'Crown Melamine Industries Limited' (hereinafter referred to as 'CMIL' or 'the company') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating declaration. WCRCL has also reaffirmed 'blr ST-4' (pronounced as Bank Loan Rating Short Term Four) rating to the aggregate short term loan limits.

The above ratings have been assigned based on the fundamentals of the company which include, long experienced management, strong network of the sponsors, relatively more equity dependency, persistent control over direct and indirect cost, strong buyer base, brand image and large export market in Bhutan and Nepal. However, the above factors are constrained by unstructured accounting system, accounts statement has no reliable base full dependency in importing raw materials, CMIL can't act as price taker and faces barrier in export.

The long term rating implies that the company is subject to medium grade and medium credit risk. The short term rating implies that the company is regarded as having significant speculative characteristics to repay short term debt obligations. 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 meet its financial commitment on the obligation.

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

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