

SURVEILLANCE CREDIT RATING REPORT POWERPAC O & M SERVICES LIMITED

Ref. no.: FR/2023/031320



Report Contents:

Particulars	Page
Rating Rationale	1
Corporate Profile	2
Management Evaluation	3
Market Review	3
Business Analysis	4
Financial Strength Analysis	4
Banking Relationship	5
Risk Factor Analysis	6
Rating Observations	7
Annexure	8

Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	BBB3	ST-4	Stable	30 May 2023	09 April 2024

Tk. in Million				
Name of Bank	Mode of Investment	Limit Amount	Outstanding Amount as on 31.03.2023	Bank Loan Rating
Social Islami Bank Ltd.	Baim (Com)	2,821.75	2,834.34	blr ST-4

*blr-Bank Loan Rating

Key Snapshot:

BDT. in million		
Particulars	2022	2021
Revenue	345.23	363.40
EBIT	246.44	253.59
Net Profit	29.66	38.94
Total Assets	4,290	4,176
Total Equity	1,239	1,241
Debt	3,051	2,934
Net Profit Margin (%)	8.6	10.7
Debt/Equity (X)	2.46	2.36
ICR (X)	1.14	1.18

Financial Based on- Management prepared financial statements up to 30 June 2022.

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

RATING RATIONALE

WCRCL has reaffirmed the long term rating to 'BBB3' (pronounced as Triple B Three) and 'ST-4' rating (pronounced as Short Term Four) for the short term to **PowerPac O & M Services Limited** (hereinafter referred to as '**PO&MSL**' 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 reaffirmed "blr ST-4" (pronounced as Bank Loan Rating Short Term Four) rating to short term limit.

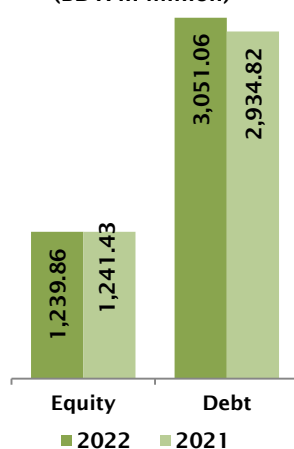
The above ratings have been assigned based on experienced & proactive management, strong group support, moderate security arrangement against loan and the entity is a profitable concern.

However, the above factors are constrained to some extent by management prepared accounts with average disclosure in the financial statement, high levered in the capital structure, stressed liquidity position considering poor current assets compare to the current liabilities, poor banking conduct.

The long term rating implies that the company 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 company 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 **PO&MSL** will be able to maintain its good fundamentals in the foreseeable future.

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



Analysts:

Md. Al Amin Jewel
jewel@wasocreditrating.com

Monira Islam
monira@wasocreditrating.com