

4th SURVEILLANCE CREDIT RATING REPORT
BG POLYMER INDUSTRIES LIMITED

Ref. no.: CRA/7107/2023



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| SME Rating | Rating Notch | Outlook | Date of Declaration | Date of Expiration |
|------------|--------------|---------|---------------------|--------------------|
| | WCRSME3 | Stable | 26 December 2023 | 23 December 2024 |

Financial Based on- Audited Financial statements for 30 June 2023, 2022, and 2021.

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

RATING RATIONALE

WCRCL has reaffirmed ‘WCRSME3’ (pronounced as WASO Credit Rating Small and medium Enterprise Three) rating to BG Polymer Industries Limited (hereinafter referred to as ‘BPIL’ or ‘The Company’) based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance.

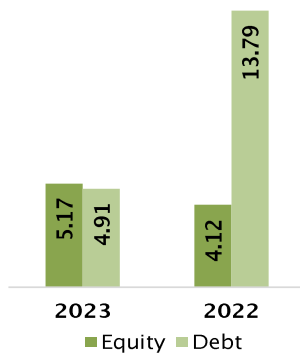
Key Snapshot:

| Particulars | Tk. in Million | |
|------------------------------|----------------|-------|
| | 2023 | 2022 |
| Revenue | 44.4 | 16.7 |
| EBIT | 1.65 | 1.74 |
| Net Profit | 0.63 | 1.00 |
| Total Assets | 10.09 | 17.91 |
| Total Equity | 5.17 | 4.12 |
| Debt | 4.91 | 13.79 |
| Operating Profit Margin (%) | 3.70 | 10.3 |
| Net Profit Margin (%) | 1.42 | 5.96 |
| Cash Conversion Cycle (Days) | 77 | 140 |
| Debt to Equity Ratio (X) | 0.94 | 3.34 |
| Interest Coverage Ratio (X) | 2.22 | 7.80 |

The above rating has been assigned based on experienced promoter, significant increase in sales revenue, good liquidity position, good coverage position and regular loan repayment history. However, the above factors are constrained to some extent by no insurance policy, overall poor profitability ratios and tight liquidity position with long cash conversion cycle.

The SME rating implies that the company is adjudged above average level of credit quality.

Capital Structure (Tk. in Million)



WCRCL also viewed the company with “Stable” outlook and believes that BPIL will be able to maintain its good fundamentals in the foreseeable future. This rating may be revised in case of any extraordinary changes in line with the sponsor’s equity investment, debt obligations, management, business operations and/or changes in any macro and micro factors in the economy.

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