

5th SURVEILLANCE CREDIT RATING REPORT CHITTAGONG FOILS LIMITED

CRAR-4573/2023



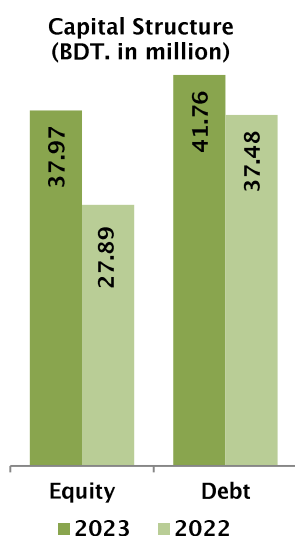
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Key Snapshot:

BDT. in million

Particulars	FY23	FY22
Revenue	121.01	92.31
EBIT	13.56	12.61
Net Profit	8.62	10.27
Total Assets	79.74	65.37
Total Equity	37.97	27.89
Debt	41.76	37.48
Net Profit Margin (%)	7.1%	11.1%
CCC (Days)	136.21	162.65
ICR (X)	2.75	5.38



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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	31 December 2023	08 October 2024

Financial Based on- Audited financial statements up to 30 June 2023.

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 & Medium Enterprise Three) rating under the SME Rating to **Chittagong Foils Limited** (hereinafter referred to as 'CFL' or 'The Company') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating declaration.

The above ratings have been assigned based on the fundamentals of the enterprise which include experienced and skilled Management team, have renowned corporate clients (Pharmaceuticals Grade), good infrastructural arrangement, equipped with sufficient power backup, significantly increased sales revenue, and give good supportive facilities to the workers. However, the above factors are constrained to some extent by tight liquidity position with long cash conversion cycle, highly leverage and financial risk, dependency on bank loan for working capital, vulnerability in raw- materials price in the local market may impact, and moderated disclosure in the financial statements.

The SME rating implies that Chittagong Foils Limited is adjudged to above average credit quality.

WCRCL also viewed Chittagong Foils Limited with "Stable" outlook and believes that the company 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.