

2nd SURVEILLANCE CREDIT RATING REPORT BAY ECONOMIC ZONE LIMITED



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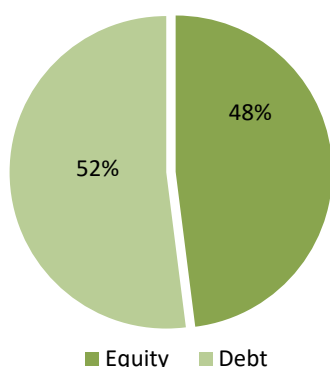
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Project Cost:

Tk. in Million	
Particulars	Total Cost
Preliminary Expenses	30.00
Development Cost of Common Facilities	
Land	2478.00
Land Development	182.00
Building & Civil Construction	5463.00
Greenification	32.00
Imported Machinery	1100.00
Imported Related cost	73.00
Local Machinery	110.00
Imported Vehicles	255.00
Furniture, Fixture & Equipment's	15.00
Advance, Deposit & prepayment	100.00
Contingency	136.00
IDCP	88.00
IDMP	220.00
TOTAL PROJECT COST	10,282.00

Means of Finance



Analysts:

Monira Islam
monira@wasocreditrating.com

Md. Al Amin Jewel
jewel@wasocreditrating.com

Project Rating	Long Term Rating	Date of Declaration	Date of Expiration
	BBB2 (Indicative)*	12 March 2023	14 March 2024

*This assigned rating given up to debt amount of Tk. 4,956.00 million.

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

RATING RATIONALE

WCRCL has reaffirmed **“BBB2”** (Indicative)” (pronounced Triple B Two Indicative) in the long term to **Bay Economic Zone Limited** (hereinafter referred as “BEZL” or “The Developer” or “The Company” or “The Project”) based on both relevant qualitative and quantitative information up to the date of rating declaration. The rating reflects that PEZPL is considered to be in medium grade and subject to medium credit risks due to favorable condition regarding economic zone outlook, government have special consideration for industrialization through Economic Zone, land already acquired special benefit will attract foreign and local investment, adjacent to the Dhaka–Mymensingh Highway will provide site advantage, sponsors have depth knowledge in the infrastructural development and industrial area may endow with the location advantage. Earlier mentioned variables are considered positive factors while assigning the rating. The company does not have any bank loan (according to management). Despite these positive factors few speculative elements like–project implementation on due time. Project cost structure revealed high portion of debt may expose high risk in response to equity investment. It may reduce the exposure if debt size proportionate to equity investment becomes low.

Considering all the favorable measures and susceptibility of negative outcome this project has assigned investment grade for next twelve month period. Total project cost is estimated at Tk. 10,282.00 million of which Tk. 4,956.00 million will be financed by bank borrowing. The company has borrowed fund from Trust Bank Limited at the ratio of 48:52. This rating may be revised subject to successful implementation and debt proportion in line with the sponsor’s equity investment or changes in any macro factors along with micro factors in the economy.