

INITIAL CREDIT RATING REPORT ELA RICE & AGRO PRODUCTS LIMITED

Ref. no.: FR/2023/029798



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Project Rating	Long Term Rating	Date of Declaration	Date of Expiration
	BBB3 (Indicative)*	12 March 2023	11 March 2024

*This assigned rating given up to debt tk. 1504.40 million.

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

RATING RATIONALE

WCRCL has assigned “BBB3 (Indicative)” (pronounced Triple B Three Indicative) in the long term to Ela Rice & Agro Products Limited (hereinafter referred to as ‘ERAPL or ‘the company’) based on both relevant qualitative and quantitative information up to date of rating declaration. The rating reflects that ERAPL is subject to medium credit risk. This is considered to be medium grade and as such may possess certain speculative characteristics.

Ela Rice & Agro Products Limited is rated possibility of maximum production capacity will remain unattainable for longer period of time, fragmented industry nature impose high competitiveness, so price fluctuation in sales price or raw material price may impact debt servicing capacity. Earlier mentioned variables are considered positive factors while assigning the rating, market channel will establish quickly because the board of directors already have good connection with rice traders, eco friendly and advanced technology which is complies with govt. regulation, business positioning advantages, factory set up on their own land

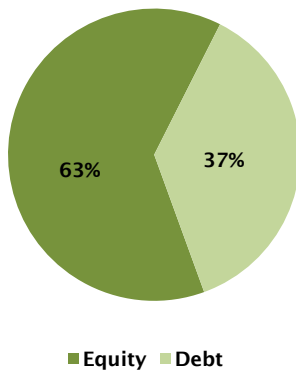
Considering all the favorable measures and susceptibility of negative outcome this project has assigned investment grade for next one year period. Total fixed cost of project is estimated at Tk. 1504.40 million of which Tk. 900.00 million financed by bank borrowing. This rating may be revised subject 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. However, there are risks associated with efficient utilization of finance for the project and project implementation within due time frame.

Project Cost:

Tk. In million

Means of Finance	Taka in Million
(A) Term Loan	
Loan Take Over	300.00
Term Loan	200.00
Working Capital	400.00
Total Long Term Loan	900.00
(B) Equity	
Sponsor’s Investment	1504.40
Total Loan And Equity	2404.40

Capital Structure



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