

INITIAL CREDIT RATING REPORT EQUE INTERNATIONAL

Ref. no.: FR/2023/031430



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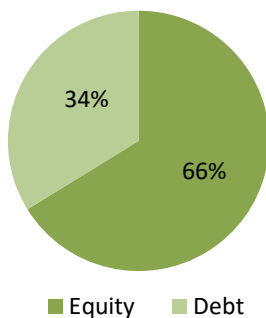
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Project Cost:

BDT. In Million

Particulars	Value
Land & Land development	3.44
Building & civil construction	200.53
Foreign & Local Machinery	128.29
Furniture & Fixture	12.94
Vehicle	21.56
Erection & Installation	10.35
Utility Expense	5.61
Contingencies	56.70
Total Cost of Project	439.41

Means of Finance



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Project Rating	SME Rating	Date of Declaration	Date of Expiration
	BBB3 (Indicative)	12 June 2023	11 June 2024

* This assigned rating given up to debt amount of BDT. 290.84 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 EQUE international (hereinafter referred as “EI” or “The Project”) based on both relevant qualitative and quantitative information up to date of rating declaration. The rating reflects that EI is subject to medium credit risk. This is considered to be medium grade and as such may possess certain speculative characteristics.

EQUE International, experienced and knowledgeable sponsors, the project has been completed, high local demand of the products, location advantage and business set up on their lease land. However, the ratings are constrained by relatively, risk associated with project implementation, moderate levered capital structure, EI is marginal to moderate subject to adverse situation, business network and market penetration may hinder achievement of 60% capacity utilization of production in the first year of the operation and industry nature imposes high competitiveness, so fluctuation in sales or raw material price may impact debt servicing capacity. Considering all the favorable measures and susceptibility of negative outcome this project has been assigned investment grade for next period. Total project cost is estimated at Total project cost is estimated at BDT. 439.41 million of which BDT. 290.84 million will be financed by bank borrowing and rest of the amount BDT. 148.56 Million will be financed from equity. The rating is assigned for debt amount of BDT. 290.84 million.

This rating may be revised subject to credibility of the sponsors, 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, the ratings are constrained by relatively high leverage, and risk associated with project implementation.