

INITIAL CREDIT RATING REPORT PACIFIC ESSENTIAL FOODS LIMITED

Ref. no.: FR/2023/32850



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Project Rating	Long Term Rating	Date of Declaration	Date of Expiration
	BBB- (Indicative)*	25 July 2023	24 July 2024

*This assigned rating given up to debt tk. 205.50 million.

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

RATING RATIONALE

WCRCL has assigned “BBB- (Indicative)” (pronounced Triple B Minus Indicative) in the long term to Pacific Essential Foods Limited (hereinafter referred to as ‘PEFL or ‘the company’) based on both relevant qualitative and quantitative information up to date of rating declaration. The rating reflects that PEFL is subject to below average credit quality.

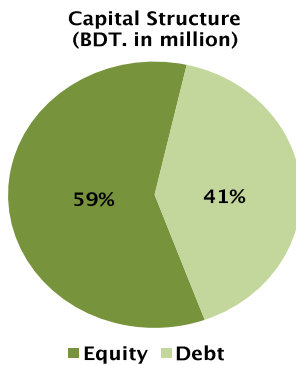
Pacific Essential Foods Limited rated in investment grade is subject to average credit risk due to favorable condition regarding experienced and knowledgeable sponsors, market channel will be established quickly because the sponsors already has good network, high local and international demand of the products and location advantage. However, the ratings are constrained by relatively risk associated with project implementation, risk associated with arranging finance for the project, moderate levered in the capital structure, DSCR is marginal position and industry nature imposes high competitiveness, so fluctuation in sales or raw material price may impact debt servicing capacity, so fluctuation in sales or raw material price may impact debt servicing capacity, commercial building set up on their own land, industrial area may endow with the location advantage

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. 502.10 million of which Tk. 205.50 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. 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.

Project Cost:

Tk. In million

Means of Finance	Tk. in million
Long Term Loan	205.50
Sponsor’s Investment	296.60
Total Loan and Equity	502.10



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