

1st SURVEILLANCE CREDIT RATING REPORT WESTERN RENEWABLE ENERGY (PVT.) LIMITED

Ref. no.: CARA-8652/2023



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Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	A-	ST 3	Stable	07 November 2023	30 August 2024

BDT. In million

Name of Bank	Mode of Investment	Sanction Amount	Outstanding Amount as on 02.11.2023	Bank Loan Rating
Infrastructure Development Company Ltd (IDCOL)	Term Loan	51.64	33.89	blr A-

Key Snapshot:

BDT. in million

Particulars	FY22	FY21
Revenue	24.75	25.75
EBIT	4.21	3.88
Net Profit	1.51	0.81
Assets	250.90	205.76
Equity	84.19	82.68
Debt	166.71	123.08
Net Profit Margin (%)	6.1%	3.1%
Debt/Equity (X)	1.98	1.49
Interest Coverage Ratio (X)	1.56	1.26

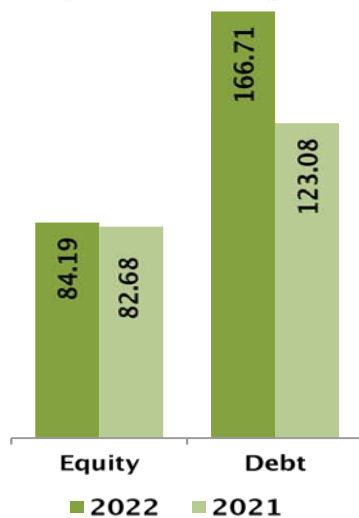
Financial Based on—Audited financial statements as on 30 June 2021 and 2022.

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

RATING RATIONALE

WCRCL has reaffirmed 'A-' (pronounced as Single A Minus) rating for the Long Term and 'ST 3' (pronounced as Short Term Three) rating for Short Term to Western Renewable Energy (Pvt.) Limited (hereinafter referred to as 'WREL' or 'the company') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating declaration. WCRCL has also assigned "blr A-" (pronounced as Bank Loan Rating Single A Minus) rating to the aggregate long term loan outstanding.

**Capital Structure
(BDT. in million)**



The above ratings have been assigned based on the fundamentals of the company which include; high demand of the power, environment friendly which is great contribution the country and the world, strong group support- "Western Group", skilled and experienced management and workforce, good market reputation and strong brand image, good banking conduct, and good debt coverage position. However, the above factors are constrained by volatile raw material price, highly levered in capital structure, high dependency on external sources for working capital requirement, and moderated disclosure in the financial statements.

The long term rating implies that the company has moderately good credit quality. The short term rating implies that the company has average ability to meet short term financial commitments.

WCRCL also viewed the company with "Stable" outlook and believes that WREL 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.

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