

INITIAL CREDIT RATING REPORT SEPAL ENTERPRISE LIMITED

Ref. no.: FR/2023/030488



Report Contents:

Particulars	Page
Rating Rationale	1
Corporate Profile	2
Group Profile	2
Market Review	3
Business Analysis	5
Financial Strength Analysis	6
Credibility and Banking Relationship	7
Risk Factor Analysis	8
Rating Observations	8

Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	BBB2	ST-3	Stable	28 March 2023	27 March 2024

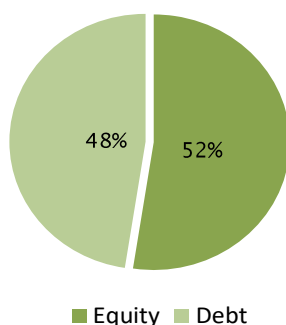
Banks Name	Mode of Investment	Sanction/ Limit Amount	Outstanding Amount	Bank Loan Rating
Dhaka Bank Limited (20.03.2023)	Term Loan	398.73	0.00	blr BBB2

*Financial Based on—Unaudited projected financial statement up to 2023.
Methodology: Corporate rating methodology published on the WCRCL website at www.wasocreditrating.com*

Key Snapshot:

Particulars	2023
Projected Revenue	41.82
EBIT	25.08
Net Profit	18.06
Total Assets	324.22
Total Debt	294.08
Net Profit Margin (%)	43.13
DSCR (X)	4.63
Interest Coverage Ratio (X)	3.57

Capital Structure



RATING RATIONALE

WCRCL has assigned 'BBB2' (pronounced Triple B Two) rating for the Long Term and 'ST-3' (pronounced as Short Term Three) rating for Short Term to '**Sepal Enterprise Limited**' (hereinafter referred to as SEL or The Company) based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance. WCRCL has also assigned 'blr BBB2' (pronounced as Bank Loan Rating Triple B Two) rating to aggregate Long Term loan outstanding.

The above ratings have been assigned based on the fundamentals of the company which includes experienced and skilled management, good infrastructural arrangement, equipped with sufficient power backup, good supportive facilities to the workers and have strong group support. However, the above factors are constrained by higher operating and financial expenses, highly levered concern, and projected sales in operational performance, and low disclosure of the financial statement.

The long term rating implies that the entity rated in this category is an upper medium grade and subject to low credit risk. The short term rating implies that the entity has acceptable ability to repay short term debt obligations. It is expected to rely on external sources of committed financing. Based on its evaluation of near term covenant compliance, WCRCL believes that the issuer may require covenant relief in order to maintain orderly access to funding lines.

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WCRCL also viewed the company with "Stable" outlook and believes that SGL will be able to maintain its good fundamentals in the foreseeable future.