

1st SURVEILLANCE CREDIT RATING REPORT
GAZIPUR GARDENIA
 Ref. no.: CRAR-15367/2024



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Project Rating	Long Term Rating	Date of Declaration	Date of Expiration
	WCRSME4 (Indicative)*	29 January 2024	28 January 2025

*This assigned rating is given up to debt amount of BDT. 46.91 million.

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

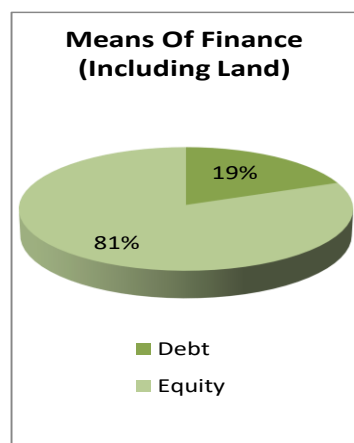
RATING RATIONALE

WCRCL has reaffirmed WCRSME4 (**Indicative**) (pronounced Waso Credit Rating Small & Medium Enterprise four Indicative) in the long term to **Gazipur Gardenia** (hereinafter referred as “GG” or “The Entity” or “The Project”) based on both relevant qualitative and quantitative information up to date of rating declaration. The rating reflects that GG is subject to average level of credit worthiness in relation to other SEs/MEs.

Gazipur Gardenia is rated in investment grade is subject to average level of credit worthiness due to industrial area may endow with the location advantage, good market demand of the product, diversified experienced and business minded sponsors, support of sister concern, high DSCR. Earlier mentioned variables are considered positive factors while assigning the rating, because market outlook of Food restaurant and beverage industry is now favorable in Bangladesh. Management also has considerable experience in diversified business. Project will enjoy some location advantage like almost in Dhaka City. The company has no bank loan for the running project (according to the management). Despite these positive factors few speculative elements like-funding and implementation pose substantial credit risk. Project cost structure revealed high portion of debt may expose high risk in response to equity investment. It may reduce the exposure if debt size proportionate to equity investment becomes low. Finally, the implementation action plan is very inadequate, since, significant portion of project implementation tasks have not been accomplished.

Project Cost:

BDT. in million	
Items of Cost	Total Cost
Land	160.00
Land Development	2.00
Pilling, Building & Civil Construction	60.00
Others	23.51
Contingencies	1.00
IDCP	1.60
Total Project Cost	248.11



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Considering all the favorable measures and susceptibility of negative outcome this project has assigned investment grade for one year. Total fixed cost is estimated at BDT. 248.11 million of which BDT. 46.91 million will be financed by Bank borrowings. The assigned rating is given only for debt financing which amount is BDT. 46.91 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.