

CREDIT RATING REPORT 3-OPTION AGROVET LIMITED



Ref. no.: FR/2022/26211

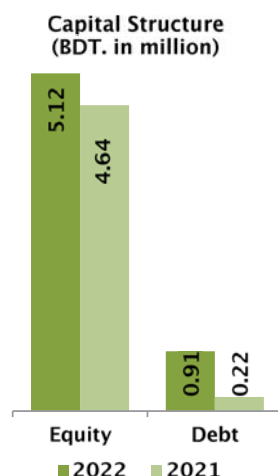
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Key Snapshot:

BDT. in million

Particulars	FY22	FY21
Revenue	23.13	0.98
EBIT	0.71	0.00
Net Profit	0.49	0.00
Total Assets	6.03	4.85
Total Equity	5.12	4.64
Total debt	0.91	0.22
Net Profit Margin (%)	2.1%	0.1%
CCC (Days)	46.45	1,007
ICR (X)	3.20	1.90



Analysts:

Md. Akter Hossain
akter@wasocreditrating.com

Md. Rafiul Bary
Rafi@wasocreditrating.com

SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	11 October 2022	10 October 2023

WCRSE 3 rating is equivalent to Bangladesh Bank SME rating scale of SME 3 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093

Bank Name	Mode	Limit Amount	Outstanding	Date of Outstanding
Social Islami Bank Limited	OD	3.00	2.11	30.09.2022

Financial Based on- Audited financial statements up to 30th 2021 & 2022.

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

RATING RATIONALE

WCRCL has assigned 'WCRSE 3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to 3-Option Agrovat Limited (hereinafter referred as "3OAL" or "The Company") based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance.

The above rating has been assigned based on the fundamentals of the enterprise which includes:

- Experienced and skilled management
- Satisfactory banking relationship
- Good business network
- Good Profitability margin
- Good liquidity position
- Comfortable interest coverage position
- Low levered capital structure
- Maintained sound business relation with supplier & buyer

However, the above rating has been moderated to some extent due to some factors like:

- No insurance coverage for the inventory in stock
- Vulnerability in raw- materials price in the local and international market may impact profitability
- Average disclosure in the financial statements
- Low management information system (MIS) and Manual accounting system

The SME rating implies that the enterprise is adjudged to above average level of credit worthiness in relation to other small enterprises.

WCRCL also viewed the company with "Stable" outlook and believes that 3OAL will be able to maintain its good fundamentals in the foreseeable future