

# INITIAL CREDIT RATING REPORT AFRA DAIRY AND AGRO FARM



Ref. no.: FR/2023/30812

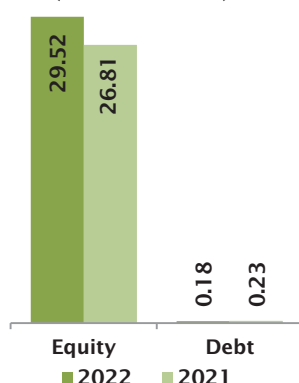
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## Key Snapshot:

BDT. in million		
Particulars	2022	2021
Revenue	15.77	14.19
EBIT	3.01	2.68
Net Profit	3.01	2.68
Total Assets	29.70	27.03
Total Equity	29.52	26.81
Debt	0.18	0.23
Net Profit Margin (%)	19.1	18.9
CCC (Days)	363	394

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



## Analysts:

**Md. Rifat Ahmed**  
rifat@wasocreditrating.com

**Md. Rafiul Bary**  
rafi@wasocreditrating.com

SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 4	Stable	07 May 2023	06 May 2024

WCRSE 4 rating is equivalent to Bangladesh Bank SME rating scale of SME 4 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093

**Methodology:** SME rating methodology published on the WCRCL website at [www.wasocreditrating.com](http://www.wasocreditrating.com)

## RATING RATIONALE

WCRCL has assigned 'WCRSE 4' (pronounced as WASO Credit Rating Small Enterprise Four) rating under the SME Rating to Afra Dairy And Agro Farm (hereinafter referred as "ADAAF" or "The Enterprise") 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
- Regular loan repayment history
- Long experience track of the proprietor
- Owned business premises
- Low levered capital structure

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

- Tight liquidity position with long cash conversion cycle
- Low disclosure of financial statements
- Low management information system (MIS) and Manual accounting system

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

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