

# INITIAL CREDIT RATING REPORT AZIZUL HOQUE & BROTHERS FARM



Ref. no.: FR/2023/031126

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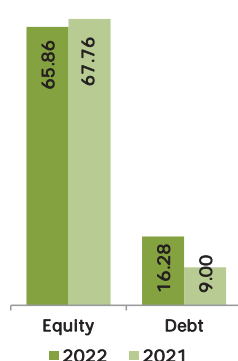
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## Key Snapshot:

BDT. In million

Particulars	2022	2021
Revenue	182.97	407.73
EBIT	25.71	56.11
Net Profit	23.96	53.31
Total Assets	82.14	76.76
Total Equity	65.86	67.76
Total debt	16.28	9.00
Net Profit Margin (%)	13.1	13.1
CCC (Days)	117	49
ICR (X)	52.52	n/a

Capital Structure  
(BDT. In million)



## Analysts:

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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	07 May 2023	06 May 2024

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

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

## RATING RATIONALE

WCRCL has assigned 'WCRSE 3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to Azizul Hoque & Brothers Farm (hereinafter referred as "AHBF" 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
- Owned business premises and storage facility
- Satisfactory banking relationship
- Good mortgage security coverage against loan
- Good business network
- Low levered capital structure
- Good interest coverage ratio

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

- Lack of disclosure in the financial statements
- Tight liquidity position considering long cash conversion cycle
- No insurance coverage
- 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 enterprise with "Stable" outlook and believes that AHBF will be able to maintain its good fundamentals in the foreseeable future.