

1st SURVEILLANCE CREDIT RATING REPORT AKOTA POULTRY & FISH FEED HOUSE



Ref. no.: FR/2023/33269

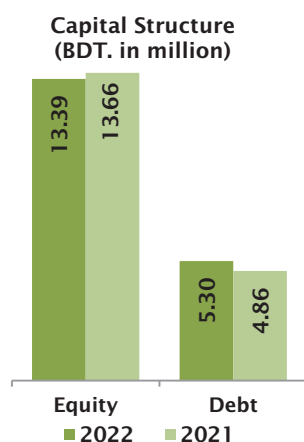
Report Contents:

Particulars	Page
Rating Rationale	1
Entity Profile	2
Business Management	2
Business Analysis	3
Financial Position Analysis	3
Banking Relationship	4
Risk Factor Analysis	5
Rating Observation	5

Key Snapshot:

BDT. in million

Particulars	2022	2021
Revenue	25.31	22.01
EBIT	1.47	1.23
Net Profit	1.33	1.10
Total Assets	18.69	18.52
Total Equity	13.39	13.66
Total debt	5.30	4.86
Net Profit Margin (%)	5.2%	5.0%
CCC (Days)	128	140
ICR (X)	10.27	9.48



SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	30 August 2023	29 August 2024

Financial Based on-unaudited financial statements for December 2022.

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

RATING RATIONALE

WCRCL has reaffirmed 'WCRSME3' (pronounced as WASO Credit Rating Small and Medium Enterprise Three) rating under the SME Rating to Akota Poultry & Fish Feed House (hereinafter referred as "APFFH" 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
- Highly satisfactory banking relationship
- Owned business premises
- Good mortgage security coverage against loan
- Good interest coverage position
- Low levered capital structure
- Maintained insurance coverage
- Good loan utilization ratio

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 has above Average Credit Quality.

WCRCL also viewed the enterprise with "Stable" outlook and believes that APFFH will be able to maintain its good fundamentals in the foreseeable future. This rating may be revised in case of any extraordinary changes in line with the sponsor's equity investment, debt obligations, management, business operations and/or changes in any macro and micro factors in the economy.

Analysts:

Juthi Khanum
juthi@wasocreditrating.com

Ummay Fatema
fatema@wasocreditrating.com