

# 1<sup>st</sup> SURVEILLANCE CREDIT RATING REPORT 3-OPTION AGROVET LIMITED



Ref. no.: CRAR-14844/2023

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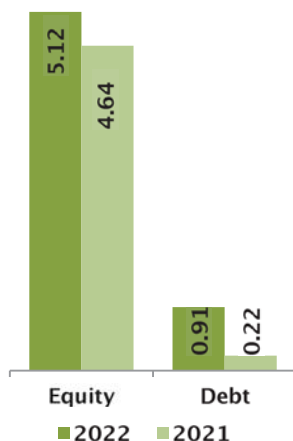
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## Key Snapshot:

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

Capital Structure  
(BDT. in million)



## Analysts:

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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	10 October 2023	10 October 2024

*Methodology: SME rating methodology published on the WCRCL website at [www.wasocreditrating.com](http://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 3-Option Agrovet 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 has above average credit quality.

WCRCL also viewed the enterprise with "Stable" outlook and believes that 3OAL 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.