

# INITIAL CREDIT RATING REPORT ALAM DAIRY FARM



Ref. no.: CRAR-18219/2023

## Report Contents:

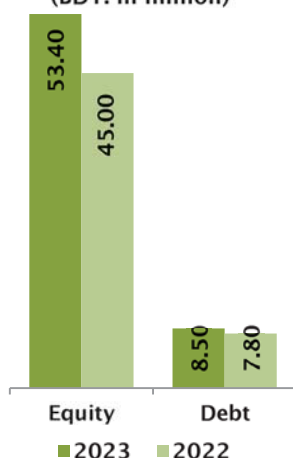
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## Key Snapshot:

BDT. in million

Particulars	2023	2022
Revenue	43.70	38.00
EBIT	5.32	4.56
Net Profit	4.90	4.18
Total Assets	61.91	52.80
Total Equity	53.40	45.00
Total debt	8.50	7.80
Net Profit Margin (%)	11.2%	11.0%
CCC (Days)	111	121
ICR (X)	12.74	12.00

Capital Structure  
(BDT. in million)



## Analysts:

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SME Rating	Rating Notches	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	25 October 2023	24 October 2024

*Financial Based on—unaudited financial statements up to 30 June 2023.*

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

## RATING RATIONALE

WCRCL has assigned 'WCRSME3' (pronounced as WASO Credit Rating Small & Medium Enterprise Three) rating under the SME Rating to Alam Dairy Farm (hereinafter referred as "ADF" 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:

- Long business experience of the proprietor in the business
- Low levered capital structure
- Comfortable interest coverage position
- Satisfactory banking relationship
- Good mortgage security coverage against loan
- Owned business premises and storage facility

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

- Poor disclosure of financial statements
- Tight liquidity position with long cash conversion cycle
- No insurance coverage for the inventory in stock
- Manual accounting system

The rating implies that the enterprise has above average credit quality.

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