

2nd SURVEILLANCE CREDIT RATING REPORT M HOSSAIN DAIRY FARM

Ref. no.: CRAR- 11799/2023



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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	07 November 2023	05 November 2024

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
Islami Bank Bangladesh PLC	Baim	5.00	5.53	06.11.2023

Tk. in Million

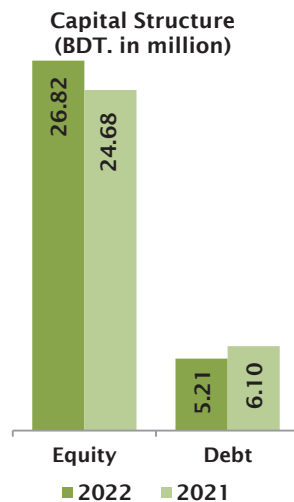
Financial Based on- Un-audited financial statements up to 30th December 2022.

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

Key Snapshot:

BDT. in million

Particulars	2022	2021
Revenue	28.15	25.46
EBIT	3.21	2.63
Net Profit	2.74	2.45
Total Assets	32.02	30.78
Total Equity	26.82	24.68
Total debt	5.21	6.10
Net Profit Margin (%)	9.7	9.6
CCC (Days)	201	208
ICR (X)	7.24	16.70



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RATING RATIONALE

WCRCL has reaffirmed 'WCRSME3' (pronounced as WASO Credit Rating Small and Medium Enterprise Three) rating to M Hossain Dairy Farm (hereinafter referred to as 'MHDF' 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
- Good business network
- Satisfactory banking relationship
- Good mortgage security coverage against loan
- Low levered capital structure
- Good interest coverage position

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
- Manual accounting system

The SME rating implies that the enterprise is adjudged to above average credit quality.

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