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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	05 December 2023	13 December 2024

*Financial Based on—audited financial statements up to 30<sup>th</sup> June, 2022.*

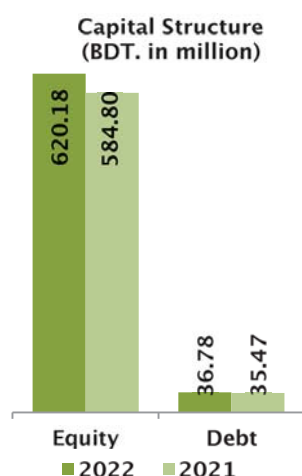
*Methodology: SME rating methodology published on the WCRCL website at [www.wasocreditrating.com](http://www.wasocreditrating.com)*  
BDT. in million

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
United Commercial Bank PLC	Transport Loan	10.00	6.38	13.11.2023

## Key Snapshot:

BDT. in million

Particulars	2022	2021
Revenue	234.87	234.26
EBIT	29.29	22.91
Net Profit	23.53	18.42
Total Assets	656.96	620.27
Total Equity	620.18	584.80
Total debt	36.78	35.47
Net Profit Margin (%)	10.0	7.9
CCC (Days)	30	32
ICR (X)	28.75	28.30



## RATING RATIONALE

WCRCL has reaffirmed ‘WCRSME3’ (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to **American Dairy Limited** (hereinafter referred as “ADL” 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 Company which includes:

- Experienced and skilled management
- Satisfactory banking relationship
- Good business network
- Good interest coverage position
- Low levered capital structure

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

- Tight liquidity position with long cash conversion cycle
- No fixed or large corporate buyer in its buyers portfolio
- Low entry barriers of the business
- Low disclosure of financial statements

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

WCRCL also viewed the enterprise with “Stable” outlook and believes that ADL 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.

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