

INITIAL CREDIT RATING REPORT SHARMIN SUPER DAIRY FARM



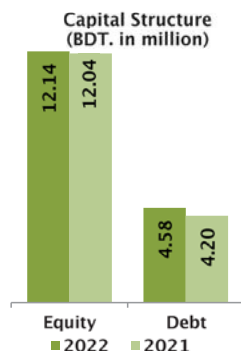
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Key Snapshot:

BDT. in million		
Particulars	2022	2021
Revenue	27.03	23.50
EBIT	2.95	2.50
Net Profit	2.74	2.32
Total Assets	16.72	16.24
Total Equity	12.14	12.04
Total debt	4.58	4.20
Net Profit Margin (%)	10.2	9.9
CCC (Days)	106	116
ICR (X)	14.88	13.89



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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	26 December 2023	25 December 2024

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

RATING RATIONALE

WCRCL has assigned '**WCRSME3**' (pronounced as WASO Credit Rating Small and Medium Enterprise **Three**) rating under the SME Rating to **Sharmin Super Dairy Farm** (hereinafter referred as "**SSDF**" 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 experiences of the proprietor in the business
- Owned business premises and storage facility
- Good business network
- Good mortgage security coverage against loan
- Low levered capital structure
- Satisfactory banking relationship

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

- No disclosure of financial statements
- Tight liquidity position with long cash conversion cycle
- 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 **SSDF** 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.