

INITIAL CREDIT RATING REPORT  
ARTHI POULTRY FARM



Ref. no.: CRAR-18493/2023

Report Contents:

Particulars	Page
Rating Rationale	1
Entity Profile	2
Owner's Profile	2
Business Management	2
Business Analysis	2
Financial Position Analysis	3
Banking Relationship	4
Risk Factor Analysis	4
Rating Observation	5

SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	23 November 2023	22 November 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 Arthi Poultry Farm (hereinafter referred as "APF" or "The Enterprise") based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance.

Key Snapshot:

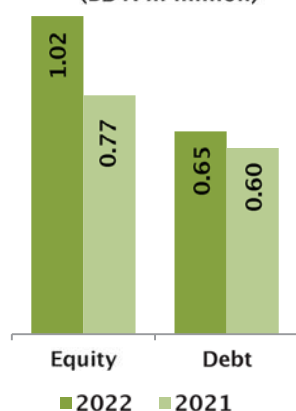
*BDT. in million*

Particulars	2022	2021
Revenue	5.83	5.17
EBIT	0.60	0.51
Net Profit	0.51	0.50
Total Assets	1.67	1.37
Total Equity	1.02	0.77
Total debt	0.65	0.60
Net Profit Margin (%)	8.8	9.7
CCC (Days)	62	35
ICR (X)	7.29	101.68

The above rating has been assigned based on the fundamentals of the enterprise which includes:

- Long business experiences of the proprietor in the business
- Good business network
- Good profitability margin
- Low levered capital structure
- Good liquidity position with short cash conversion cycle
- Comfortable interest coverage position
- Satisfactory banking relationship
- Good mortgage security coverage against loan

Capital Structure (BDT. in million)



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

- Low disclosure in the financial statements
- Small scale in the business
- No insurance coverage for the inventory in stock
- 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 APF 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.

Analysts:

**Md. Akter Hossain**  
akter@wasocreditrating.com

**Md. Rafiul Bary**  
rafi@wasocreditrating.com