

INITIAL CREDIT RATING REPORT DIPU STONE LIMITED



Ref. no.: FR/2023/32021

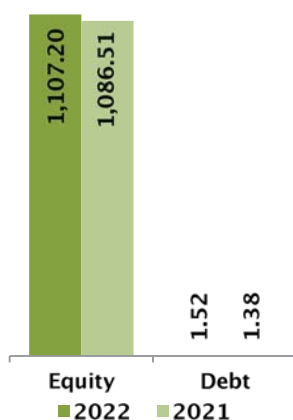
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Key Snapshot:

BDT. in million		
Particulars	FY22	FY21
Revenue	1,301	1,182
EBIT	100.70	90.88
Net Profit	92.34	83.71
Total Assets	1,108	1,087
Total Equity	1,107	1,086
Total debt	1.52	1.38
Net Profit Margin (%)	7.1	7.1
CCC (Days)	72	79
ICR (X)	-	88.68

Capital Structure (BDT. in million)



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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRME 2	Stable	12 June 2023	11 June 2024

WCRME 2 rating is equivalent to Bangladesh Bank SME rating scale of SME 2 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093

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

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

RATING RATIONALE

WCRCL has assigned 'WCRME 2' (pronounced as WASO Credit Rating Medium Enterprise Two) rating under the SME Rating to Dipu Stone Limited (hereinafter referred as "DSL" 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
- Maintained sound business relation with supplier & buyer
- Owned business premises and storage facility
- Good profitability margin
- Low leveraged capital structure
- Good liquidity position with short cash conversion cycle
- Comfortable interest coverage position
- Satisfactory banking relationship
- Good mortgage security coverage against loan

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

- No insurance coverage for the inventory in stock
- Medium disclosure in the financial statements
- Low management information system (MIS) and Manual accounting system

The SME rating implies that the enterprise is adjudged to high level of credit worthiness in relation to other SEs/MEs.

WCRCL also viewed the enterprise with "Stable" outlook and believes that DSL will be able to maintain its good fundamentals in the foreseeable future.