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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	05 December 2023	04 December 2024

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

RATING RATIONALE

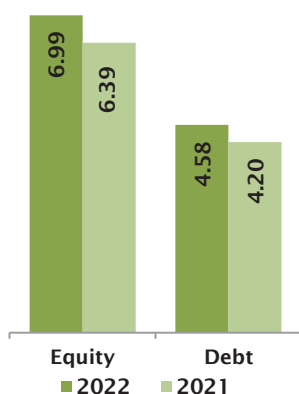
WCRCL has reaffirmed ‘WCRSME3’ (pronounced as WASO Credit Rating Small and Medium Enterprise Three) rating under the SME Rating to Dhanmondi Agro (hereinafter referred as “DA” or “The Enterprise”) based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance.

Key Snapshot:

BDT. in million

Particulars	2022	2021
Revenue	69.14	60.12
EBIT	4.11	3.53
Net Profit	4.06	3.50
Total Assets	11.57	10.59
Total Equity	6.99	6.39
Debt	4.58	4.20
Net Profit Margin (%)	5.9	5.8
CCC (Days)	57	52
ICR (X)	259.83	n/a

**Capital Structure
(BDT. in million)**



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

- Experienced and skilled management
- Satisfactory banking relationship
- Good mortgage security coverage against loan
- Good business network
- Low levered capital structure
- Good liquidity position with short cash conversion cycle
- Comfortable interest coverage position

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

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

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

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