

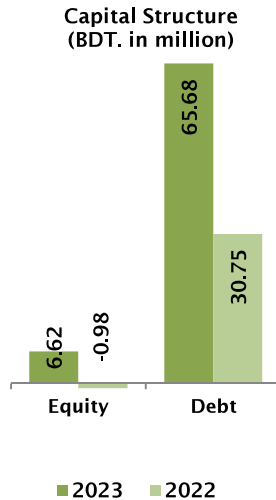


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Key Snapshot:

Particulars	BDT. in million	
	2023	2022
Revenue	288.27	145.43
EBIT	14.81	2.20
Net Profit	7.61	0.66
Total Assets	72.30	29.76
Total Equity	6.62	-0.98
Total debt	65.68	30.75
Net Profit Margin (%)	2.6%	0.5%
CCC (Days)	37	52
ICR (X)	3.75	1.76



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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
		WCRSME3	Stable	20 February 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 **Dhrubo Limited** (hereinafter referred as "DL" 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 mortgage security coverage against loan
- Good business network
- Regular loan repayment history
- The Company possesses an insurance policy
- Long experience track of the proprietor
- Liquidity position was good evident by short cash conversion cycle
- Moderate interest coverage position

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

- Rented business premises and storage facility
- Highly levered capital structure
- Insufficient transparency in financial statement disclosures
- Absence of transportation facilities
- Weak internal controls and risk management practices
- Minimal technological infrastructure and digitalization efforts

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

WCRCL also viewed the Company with "Stable" outlook and believes that DL 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.