

INITIAL CREDIT RATING REPORT
DESH FIBER LIMITED
 Ref. no.: FR/2023/029797



Report Contents:

Particulars	Page
Rating Rationale	1
Corporate Profile	2
Brief About Key Sponsors Of The Company	2
Business Management	2
Industry Analysis	3
Business Analysis	4
Risk Factor Analysis	5
Rating Observations	6

Project Rating	Long Term Rating	Date of Declaration	Date of Expiration
	BBB3 (Indicative)*	12 March 2023	11 March 2024

*This assigned rating given up to debt tk. 592.80 million.

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

RATING RATIONALE

WCRCL has assigned “BBB3 (Indicative)” (pronounced Triple B Three Indicative) in the long term to Desh Fiber Limited (hereinafter referred to as ‘DFL or ‘the company’) based on both relevant qualitative and quantitative information up to date of rating declaration. The rating reflects that DFL is subject to medium credit risk. This is considered to be medium grade and as such may possess certain speculative characteristics.

Desh Fiber Limited is rated possibility of documentation on progress, risk associated with arranging finance for the project, achievement of 78% capacity utilization of production in the first year of the operation may be hindered. Earlier mentioned variables are considered positive factors while assigning the rating, sponsors have depth knowledge about their business, industrial area may endow with the location advantage, good market demand of the product, availability of raw material supply chain

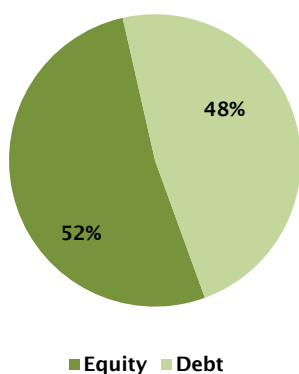
Considering all the favorable measures and susceptibility of negative outcome this project has assigned investment grade for next one year period. Total fixed cost of project is estimated at Tk. 592.80 million of which Tk. 220.00 million financed by bank borrowing. This rating may be revised subject to successful implementation and debt proportion in line with the sponsor’s equity investment or changes in any macro factors along with micro factors in the economy. However, there are risks associated with efficient utilization of finance for the project and project implementation within due time frame.

Project Cost:

Tk. In million

Means of Finance	Taka in Million
Land and Land Development	1,74.0
Steel Shed	51.2
Building	14.1
Machinery (Ppbag & Net project)	2,90.0
Generator Compressor & Utility	25.0
Decoration & Compliance	5.9
Electric Goods and Installation	25.0
Others	7.6
Total Fixed Cost	592.80

Capital Structure



Analysts:

Md. Rafiul Bary
 Financial Analyst
rafi@wasocreditrating.com

Al Amin Jewel
 Financial Analyst
jewel@wasocreditrating.com