

4th SURVEILLANCE CREDIT RATING REPORT
DESH PAPER AND PACKERS (PVT.) LIMITED



Ref. no.: FR/2023/30048

Report Contents:

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

SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	12 March 2023	04 February 2024

WCRSE 3 rating is equivalent to Bangladesh Bank SME rating scale of SME 3 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
Uttara Bank Limited	IBP	50.00	69.88	14.02.2023
	LC	60.00	0.00	

BDT. in million

Financial Based on audited financial statements up to 31 December, 2022.

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

Key Snapshot:

BDT. in million

Particulars	2022	2021
Revenue	209.98	132.94
EBIT	24.20	20.48
Net Profit	23.00	19.53
Total Assets	60.34	52.02
Total Equity	44.64	38.55
Total debt	15.70	13.47
Net Profit Margin (%)	11.0%	14.7%
CCC (Days)	67	58
ICR (X)	20.17	21.42

RATING RATIONALE

WCRCL has upgraded 'WCRSE 3' (pronounced as WASO Credit Rating Small Company Three) rating under the SME Rating to Desh Paper & Packers (Pvt.) Limited (hereinafter referred as "DPPL" or "The Company") based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance.

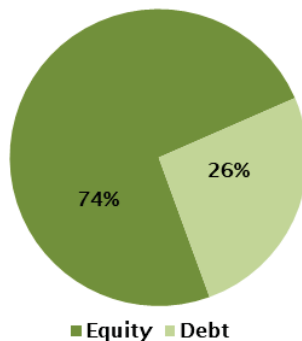
The above rating has been assigned based on the fundamentals of the company which includes:

- Experienced and skilled management
- Satisfactory banking relationship
- Good business network
- Sales revenue was in increased trend
- Good interest coverage position
- Low levered capital structure

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

- Tight liquidity position with long cash conversion cycle
- Small scale of business
- Low disclosure of financial statements
- Low management information system (MIS) and Manual accounting system

Capital Structure
(BDT. in million)



Analysts:

Moni Khondoker
moni@wasocreditrating.com

Maharan Nasrin
maharan@wasocreditrating.com

The SME rating implies that the company is adjudged to above average level of credit worthiness in relation to other small companies.

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