

SURVEILLANCE CREDIT RATING REPORT DENIM PROCESSING PLANT LIMITED

Ref. no.: FR/2023/030517



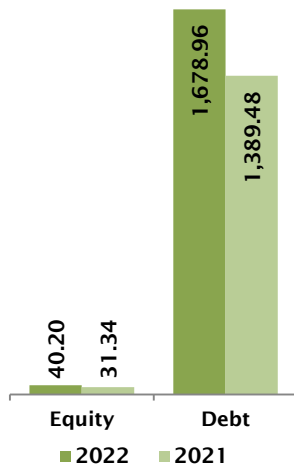
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Key Snapshot

BDT. in million		
Particulars	2022	2021
Revenue	1,347.90	798.87
EBIT	136.07	117.94
Net Profit	8.86	21.31
Total Assets	1,719.17	1,420.83
Total Equity	40.20	31.34
Debt	1,678.96	1,389.48
Net Profit Margin (%)	0.7%	2.7%
CCC (Days)	75	50
ICR (X)	1.10	1.28

Capital Structure (BDT. in million)



Analysts:

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Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	BBB3	ST-4	Stable	28 March 2023	27 March 2024

Tk. In Million					
Name of Bank	Name of Exposure	Sanction or Disburse Amount	Outstanding as on 28.02.2023	Bank Loan Rating	
Mercantile Bank Limited	BTB L/C		187.7	blr ST-4	
	EDF	650.00	33.7		
	Accepted Bills		350.5		
	BTB LC		538.20		
	PC	65.00	61.3		
	FDBP	130.6	130.00	blr BBB3	
	Deffered LC	16.9	1.40		
	Time Loan	13.7	12.4		
	HBL (Commercial) 1	165.00	125.7		
	HBL (Commercial) 2	140.00	81.3		
	HBL (Commercial) 3	40.00	50.5		
	Term Loan	60.00	26.2		
	Term Loan (Take Over)	280.00	356.4		
	Hire Purchase	4.1	2.9		
	Term Loan (Car)	15.5	11.8		
	Term Loan (Green Fin)	200.00	200.00		
	13 Nos. of Term Loan Machineries	243.4	219.1		
	Term Loan (FSF)	37.7	20.7		
	Term Loan (FSF)	23.6	13.3		
	Term Loan (FSF)	23.6	12.5		

Financial Based on- Audited financial statements up to FY22.

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

RATING RATIONALE

WCRCL has reaffirmed to **BBB3** (pronounced as Triple B Three) rating for the Long Term and **ST-4** (pronounced as Short Term Four) rating for Short Term to **Denim Processing Plant Limited** (hereinafter referred to as 'DPPL' or 'The Company') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance. WCRCL has also reaffirmed **blr BBB3** (pronounced as bank loan rating Triple B Three) for aggregated long term loan outstanding and assigned **blr ST-4** for aggregated short term limit. The above ratings have been assigned based experienced and proactive management, sustainable growth rate, good infrastructural arrangement, strong sister concern network. However, the above factors are constrained by high leverage and financial risk, slow implementation of project, average disclosure in the financial statement, high competition level, average interest coverage position. The long term rating implies that the company is subject to medium credit risk. And considered medium grade and as such may possess certain speculative characteristics. The short term rating implies that the company having some speculative characteristics. The obligor currently has the capacity to meet its financial commitment on the obligation; however, it may face uncertainties which could lead to the obligor's inadequate capacity to meet its financial commitment on the obligation.

WCRCL also viewed the company with "Stable" outlook and believes that DPPL will be able to maintain its good fundamentals in the foreseeable future. This rating may be revised subject to credibility leverage position of the company.

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