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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	19 December 2023	26 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 Desh Nirmata (hereinafter referred as "DN" 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	FY23	FY22
Revenue	163.84	148.95
EBIT	32.98	28.84
Net Profit	26.53	22.96
Total Assets	109.25	103.31
Total Equity	93.29	88.47
Total debt	15.97	14.84
Net Profit Margin (%)	16.2	15.4
CCC (Days)	192	189
ICR (X)	52.66	197.84

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

- Long business experiences of the proprietor in the business
- Good business network
- Good profitability margin
- Low levered capital structure
- Good liquidity position
- Comfortable interest coverage position
- Insurance coverage for the inventory in stock
- Satisfactory banking relationship
- Good mortgage security coverage against loan

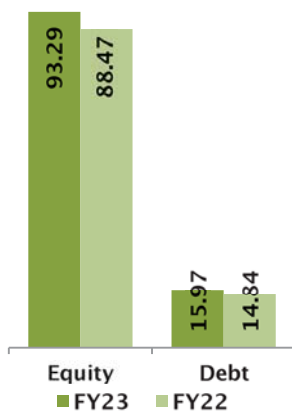
However, the above rating has been moderated to some extent due to some factors like:

- Low disclosure in the financial statements
- Small scale in the business
- Manual accounting system

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

WCRCL also viewed the enterprise with "Stable" outlook and believes that DN 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.

Capital Structure (BDT. in million)



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