

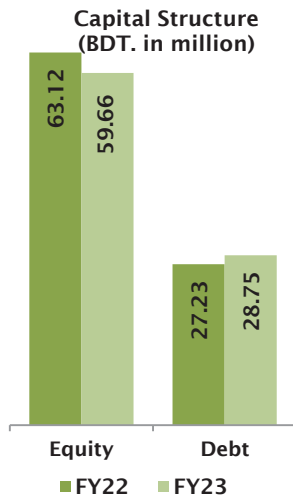
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Key Snapshot:

BDT. in million

Particulars	FY23	FY22
Revenue	149.27	126.50
EBIT	19.48	9.57
Net Profit	14.51	5.09
Total Assets	90.36	88.41
Total Equity	63.12	59.66
Total debt	27.23	28.75
Net Profit Margin (%)	9.7	4.0
CCC (Days)	155	88
ICR (X)	3.92	2.14



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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	31 December 2023	30 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 Trading (hereinafter referred as "DT" or "The Enterprise") 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 enterprise which includes:

- Experienced and skilled management
- Good business network
- Owned business premises
- Low levered capital structure
- Comfortable interest coverage position
- Satisfactory banking relationship

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

- No disclosure in the financial statements
- Tight liquidity position considering long cash conversion cycle
- No insurance coverage for the inventory in stock
- 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 DT 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.