

# CREDIT RATING REPORT

## BONANZA JUTE COMPOSITE & DIVERSE FACTORY LTD.



Ref. no.: FR/2022/025013

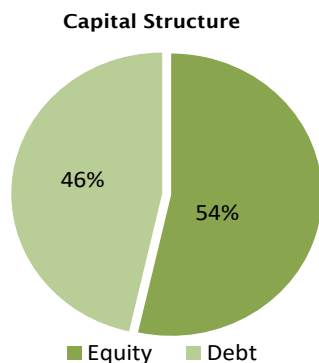
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### Key Snapshot:

*Tk. in million*

Particulars	2021	2020
Revenue	273.00	76.76
EBIT	0.81	0.13
Net Profit	0.53	0.07
Total Assets	57.16	66.29
Total Equity	30.59	30.07
Liabilities	26.56	36.22
Net Profit Margin (%)	0.19	0.09
Current Ratio (X)	1.61	1.41
Interest Coverage Ratio (X)	14.82	5.68



### Analysts:

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Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	BBB2	ST-3	Stable	18 July 2022	17 July 2023

**Financial Based on**-Audited statements up to 30 June 2021, and 2020.

**Methodology:** Corporate rating methodology published on the WCRCL website at [www.wasocreditrating.com](http://www.wasocreditrating.com)

### RATING RATIONALE

WCRCL has assigned 'BBB2' (pronounced Triple B Two) rating for the Long Term and assigned 'ST-3' (pronounced Short Term Three) rating for Short Term to '**Bonanza Jute Composite & Diverse Factory Ltd**' (hereinafter referred to as 'BJC&DFL' or 'The Company') based on its financial and other relevant qualitative and quantitative information up to the date of the rating issuance.

The above ratings have been assigned based on the fundamentals of the company which include moderate capacity utilization, good debt coverage position, increasing business trends. However, the above factors are constrained by low disclosure of financial statements, decreased business trends, lower profit margin, and tight liquidity position, and lower profit margin.

The long term rating implies that the entity rated in this category is subject to medium credit risk. And considered medium grade and as such may possess certain speculative characteristics. The short term entity rating implies that the entity has significant speculative characteristics. The obligor currently has the capacity to meet its financial commitment on the obligation; however, it faces major ongoing 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 BJC&DFL will be able to maintain its good fundamentals in the foreseeable future.