

# SURVEILLANCE CREDIT RATING REPORT WESTERN SUPERIOR JUTE INDUSTRIES LIMITED

Ref. no.: FR/2022/026036



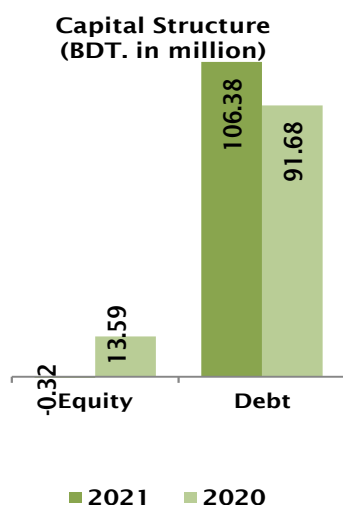
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## Key Snapshot:

*BDT. in million*

| Particulars           | FY21   | FY20   |
|-----------------------|--------|--------|
| Revenue               | 21.72  | 74.88  |
| EBIT                  | 1.44   | 14.92  |
| Net Profit            | 0.83   | 13.78  |
| Assets                | 106.06 | 105.28 |
| Equity                | 0.32   | 12.59  |
| Debt                  | 106.38 | 91.68  |
| Net Profit Margin (%) | 3.81   | 18.40  |
| Current Ratio (X)     | 0.14   | 0.76   |
| ICR (X)               | 5.63   | 13.13  |



## Analysts:

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| Entity Rating | Long Term | Short Term | Outlook | Date of Declaration | Date of Expiration |
|---------------|-----------|------------|---------|---------------------|--------------------|
|               | BBB3      | ST-4       | Stable  | 11 October 2022     | 30 August 2023     |

*BDT. In million*

| Name of Bank                      | Mode of Investment              | Sanction Amount | Outstanding Amount | Bank Loan Rating |
|-----------------------------------|---------------------------------|-----------------|--------------------|------------------|
| NRBC Bank Limited<br>(06.06.2022) | CC (H)                          | 20.00           | 19.84              | blr ST-4         |
|                                   | LC<br>(Sight)/Deferred/<br>UPAS | 300.00          | 136.70             |                  |
|                                   | LTR (Revolving)                 | 100.00          | -                  |                  |
| UCB Limited<br>(28.09.2022)       | LC                              | 400.00          | -                  |                  |
|                                   | LTR (Inner limit of<br>LC)      | 100.00          | -                  |                  |
|                                   | Time Loan (R)                   | 100.00          | -                  |                  |
|                                   | Time Loan (R)                   | 50.00           | -                  |                  |

*Financial Based on-Financial statement as on 30 June 2021.*

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

## RATING RATIONALE

WCRCL has reaffirmed **BBB3** (pronounced as Triple B Three) rating for the Long Term and **ST-4** (pronounced as Short Term Four) rating for Short Term to **Western Superior Jute Industries Limited** (hereinafter referred to as 'WSJIL' or 'the company') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating declaration. WCRCL has also assigned **blr ST-4** (pronounced as Bank Loan Rating Short Term Four) rating to the short term loan.

The above ratings have been assigned based on the fundamentals of the company which include; experienced and proactive management, eco-friendly and advanced technology which is complies with Government regulation, strong group support- "Western Group", availability of the supply of raw materials, and owned factory premises and good infrastructural arrangement. However, the above factors are constrained by average disclosure in the financial statement, vulnerability in raw- materials price in the local and international market may impact profitability, high levered in the capital structure, stressed liquidity position with low quick ratio and long cash conversion cycle, inventory pile up for long period, and no insurance coverage.

The long term rating implies that the entity 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 entity is regarded as 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 WSJIL will be able to maintain its good fundamentals in the foreseeable future.

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