

SURVEILLANCE CREDIT RATING REPORT SUPER JUTE MILLS LIMITED

Ref. no.: FR/2022/026175



Report Contents:

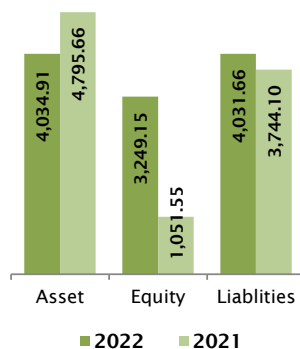
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Key Snapshot:

Tk. in million

Particulars	2022	2021
Revenue	2971.29	3938.61
COGS	2691.92	3293.00
Gross Profit	279.36	645.59
EBITDA	237.21	616.54
Financial Exp.	198.37	234.94
PAT	5.20	344.79
CCC (Days)	517	386
Debt to Equity Ratio (X)	1240.83	3.56
ICR (X)	1.20	2.62

Financial Comparison
Tk. In million



Analysts:

Monira Islam
monira@wasocreditrating.com

Md. Al Amin Jewel
jewel@wasocreditrating.com

Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	A2	ST-3	Stable	11 October 2022	12 October 2023

Tk. In Million

Bank Name	Mode of Investment	Limit Amount	Outstanding as on 30.09.2022	Bank Loan Rating
Islami Bank Bangladesh Limited	Composite Investment Facilities	2300.00	2284.48	blr ST-3
	HPSM	918.54	1105.28	blr A2

Financial Based on-Unaudited statements up to 30 June 2022, 2021, and 2020.

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

RATING RATIONALE

WCRCL has downgraded 'A2' (pronounced as Single A Two) rating for the Long Term and 'ST-3' (pronounced as Bank Loan Rating Short Term Three) rating for Short Term to Super Jute Mills Limited (hereinafter referred to as 'SJML' 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 reaffirmed 'blr A2' (pronounced as Bank Loan Rating Single A Two) to the long term loan outstanding of Tk. 917.19 million and "blr ST-3" (pronounced as Bank Loan Rating Short Term Three) rating to the aggregated short term limit of Tk. 2300.00 million.

The above ratings have been assigned based on the fundamentals of the company that include company is profitable concern, experienced and skilled management, good infrastructural arrangement, insurance coverage for fire hazard, government cash incentive, and provide supportive facilities to the workers. However, the above factors are constrained to operational bottleneck due to tight liquidity position with long cash conversion cycle, highly levered capital structure, absence of alternative power source, poor disclosure of financial statements, volatile market price of the raw jute and jute products, and poor debt coverage position.

The long term rating implies that the company rated upper medium grade and subject to low credit risk. The short term rating implies that the company has acceptable ability to repay short term debt obligations. It is expected to rely on external sources of committed financing.

WCRCL also viewed the company with "Stable" outlook and believes that SJML will be able to maintain its good fundamentals in the foreseeable future.