

1st SURVEILLANCE CREDIT RATING REPORT (REVIEW) JMI BUILDERS & CONSTRUCTION LIMITED

Ref. no.: FR/2023/030660



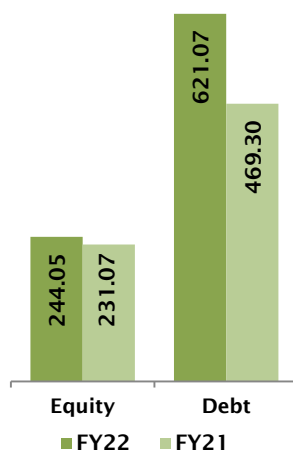
Report Contents:

| Particulars | Page |
|-------------------------------|------|
| Rating Rationale | 1 |
| Corporate Profile | 2 |
| Management and Organization | 2 |
| Analysis of Industry Dynamics | 3 |
| Business Analysis | 5 |
| Financial Strength Analysis | 6 |
| Banking Relationship | 7 |
| Risk Factor Analysis | 7 |
| Rating Observation | 7 |
| Rating Scale | 9 |

Key Snapshot:

| Tk. in million | | |
|-----------------------|--------|--------|
| Particulars | FY22 | FY21 |
| Revenue | 80.96 | 45.71 |
| EBIT | 39.44 | 24.85 |
| Net Profit | 12.98 | 12.07 |
| Total Assets | 865.12 | 700.37 |
| Total Equity | 244.05 | 231.07 |
| Debt | 621.07 | 469.30 |
| Net Profit Margin (%) | 16.0% | 26.4% |
| CCC (Days) | 100 | 58 |
| ICR (X) | 2.65 | 4.44 |

Capital Structure
(BDT. in million)



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| Entity Rating | Long Term | Short Term | Outlook | Date of Declaration | Date of Expiration |
|---------------|-----------|------------|---------|---------------------|--------------------|
| | BBB2 | ST-3 | Stable | 10 April 2023 | 14 March 2024 |

| Banks | Mode of Investment | Amount Limit | Outstanding Amount | Outstanding Date | Bank Loan Rating |
|--------------------------------|----------------------|--------------|--------------------|------------------|------------------|
| Bengal Commercial Bank Limited | Time Loan-Work Order | 150.00 | 26.42 | 07.02.2023 | blr ST-3 |

Financial Based on Audited financial statements up to 30 June 2022.

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

RATING RATIONALE

WCRCL has upgraded 'BBB2' (pronounced as Triple B Two) rating for the Long Term and 'ST-3' (pronounced as Short Term Three) rating for Short Term to **JMI Builders & Construction Limited** (hereinafter referred to as 'JBCL' or 'The Company') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance. WCRCL has also assigned "blr ST-3" (pronounced as Bank Loan Rating Short Term three) rating to short term limit of Tk. 150.00 million.

The above ratings have been assigned based on the fundamentals of the company which include nine projects already handed over, experienced and proactive management, satisfactory loan repayment history, good interest coverage position, and the company has few big on-going projects. However, the above factors are constrained to highly levered capital structure, tight working capital requirement, and stressed liquidity position considering long receivable outstanding days.

The long term rating implies that the company is subject to medium credit risk and considered medium grade and as such may possess certain speculative characteristics. The short term rating implies that has an acceptable ability to repay short term debt obligations from internal sources. However, it is expected to rely on external sources of committed financing due to downturn in economic or industry circumstances. .

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