

3rd SURVEILLANCE CREDIT RATING REPORT JOONGBO MULTIMODE CHEMICALS LIMITED



Ref. no.: FR/2023/030355

Report Contents:

Particulars	Page
Rating Rationale	1
Entity Profile	2
Business Management	2
Business Analysis	2
Financial Position Analysis	3
Banking Relationship	4
Risk Factor Analysis	4
Rating Observation	4

SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	28 March 2023	05 August 2023

WCRSE 3 rating is equivalent to Bangladesh Bank SME rating scale of SME 3 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
NCC Bank Limited	CC (Hypo)	10.00	7.03	26.03.2023
	LC /PAD/ABP	25.00	Nil	
	LTR (Rev)	(10.00)	Nil	
	Time Loan	6.83	7.06	

Tk. in million

Key Snapshot:

Tk. in million

Particulars	FY21	FY20
Revenue	64.49	63.78
EBIT	-2.96	-4.90
Net Profit	-5.16	-5.28
Total Assets	52.65	62.99
Total Equity	22.29	-17.13
Debt	74.94	80.12
Net Profit Margin (%)	-8.0%	-8.3%
CCC (Days)	155	188
ICR (X)	-1.64	-

Financial Based on-unaudited financial statements up to 31 December 2021.

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

RATING RATIONALE

WCRCL has reaffirmed 'WCRSE 3' (pronounced as WASO Credit Rating Small enterprise Three) rating under the SME Rating to Joongbo Multimode Chemicals Limited (hereinafter referred as "JMCL" or "The Company") based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance.

The above rating has been reaffirmed based on the fundamentals of the company which includes:

- Experienced and skilled management
- Owned business premises and storage facility
- Satisfactory banking relationship
- Good mortgage security coverage against loan
- Good business network

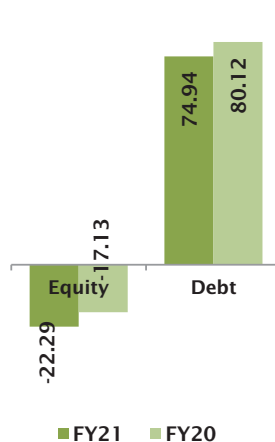
However, the above rating has been moderated to some extent due to some factors like:

- Tight liquidity position with long cash conversion cycle
- Levered Capital Structure
- Low disclosure of financial statements

The SME rating implies that the company is adjudged to above average level of credit worthiness in relation to other small enterprises.

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

Capital Structure
(BDT. in million)



Analysts:

Md. Rafiul Bary
rafi@wasocreditrating.com

Md. Al Amin Jewel
jewel@wasocreditrating.com