

SURVEILLANCE CREDIT RATING REPORT LAXMAN JUTE MILLS LIMITED



Ref. no.: FR/2023/31491

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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRME 3	Stable	07 May 2023	06 May 2024

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

BDT. in million

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
National Bank Limited	CC (H)	160.00	154.54	04.05.2023
	OD (G)-Cash Asst.)	35.00	18.212	
	OD (G)-FDBC	80.00	75.165	
	SOD (FO)	77.00	76.90	
	Stimulus Fund	28.00	19.50	

Key Snapshot:

Particulars	FY2022	FY2021
Revenue	539.67	625.22
EBIT	36.00	28.86
Net Profit	7.00	5.14
Total Assets	289.53	252.26
Total Equity	51.71	44.71
Total debt	237.83	207.55
Net Profit Margin (%)	1.3%	0.8%
CCC (Days)	66	77
ICR (X)	1.93	1.80

Financial Based on—audited financial statements up to 30th June 2022.

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

RATING RATIONALE

WCRCL has re-affirmed **‘WCRME 3’** (pronounced as WASO Credit Rating Medium Enterprise Three) rating under the SME Rating to **Laxman Jute Mills Limited** (hereinafter referred as “LJML” or “The Enterprise”) based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance.



The above rating has been assigned based on the fundamentals of the enterprise which includes:

- Experienced and skilled management
- Satisfactory banking relationship
- Good interest coverage position
- Owned business premise
- Good net worth of the proprietor

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

- Tight liquidity position with long cash conversion cycle
- No insurance coverage
- Highly levered capital structure
- Poor security arrangement against loan
- Medium disclosure of financial statements
- Low management information system (MIS) and Manual accounting system

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

WCRCL also viewed the enterprise with “Stable” outlook and believes that RE will be able to maintain its good fundamentals in the foreseeable future.