

SURVEILLANCE CREDIT RATING REPORT

M. J. ENTERPRISE



Ref. no.: FR/2023/0314124

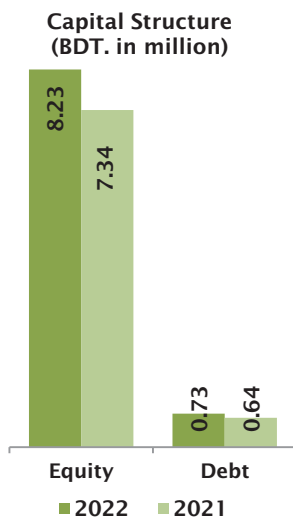
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Key Snapshot:

BDT. in million

| Particulars | 2022 | 2021 |
|-----------------------|-------|-------|
| Revenue | 27.13 | 23.59 |
| EBIT | 4.80 | 4.16 |
| Net Profit | 4.23 | 3.62 |
| Total Assets | 8.96 | 7.98 |
| Total Equity | 8.23 | 7.34 |
| Total debt | 0.73 | 0.64 |
| Net Profit Margin (%) | 15.6% | 15.3% |
| CCC (Days) | 105 | 112 |
| ICR (X) | 40.03 | 27.70 |



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| SME Rating | WCRSE/WCRME | Outlook | Date of Declaration | Date of Expiration |
|------------|-------------|---------|---------------------|--------------------|
| | WCRSE 3 | Stable | 12 June 2023 | 11 June 2024 |

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

BDT. in million

| Bank Name | Mode of Investment | Sanctioned Amount | Outstanding Amount | Date of Outstanding |
|-----------------|--------------------|-------------------|--------------------|---------------------|
| AB Bank Limited | LC | 8.00 | -- | 31.05.2023 |

Financial Based on-unaudited financial statements up to 31st December 2022.

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

RATING RATIONALE

WCRCL has upgraded 'WCRSE 3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to M. J. Enterprise (hereinafter referred as "MJE" 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
- Owned business premises and storage facility
- Satisfactory banking relationship
- Good mortgage security coverage against loan
- Good business network
- Good interest coverage position
- Low levered capital structure

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
- Low disclosure of financial statements
- Low management information system (MIS) and Manual accounting system

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

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