

INITIAL CREDIT RATING REPORT J AND J FISH PROJECT



Ref. no.: FR/2023/32353

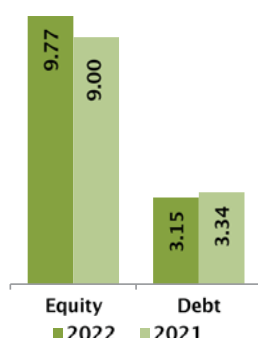
Report Contents:

| Particulars | Page |
|-----------------------------|------|
| Rating Rationale | 1 |
| Entity Profile | 2 |
| Business Management | 2 |
| Market Review | 2 |
| Business Analysis | 3 |
| Financial Position Analysis | 3 |
| Banking Relationship | 4 |
| Risk Factor Analysis | 5 |
| Rating Observation | 5 |

Key Snapshot:

| BDT. in million | | |
|-----------------------|-------|-------|
| Particulars | 2022 | 2021 |
| Revenue | 18.80 | 16.81 |
| EBIT | 2.52 | 2.37 |
| Net Profit | 2.32 | 2.29 |
| Total Assets | 12.92 | 12.34 |
| Total Equity | 9.77 | 9.00 |
| Total debt | 3.15 | 3.34 |
| Net Profit Margin (%) | 12.3 | 13.6 |
| CCC (Days) | 339 | 353 |
| ICR (X) | 12.61 | 29.68 |

Capital Structure
(BDT. in million)



Analysts:

Sohag Gosh Prashant
prashant@wasocreditrating.com

Md. Rafiul Bary
rafi@wasocreditrating.com

| SME Rating | WCRSME | Outlook | Date of Declaration | Date of Expiration |
|------------|---------|---------|---------------------|--------------------|
| | WCRSME3 | Stable | 04 July 2023 | 03 July 2024 |

WCRSME3 rating is equivalent to Bangladesh Bank SME rating scale of SME 3 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093

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

RATING RATIONALE

WCRCL has assigned 'WCRSME3' (pronounced as WASO Credit Rating Small and Medium Enterprise Three) rating under the SME Rating to J and J Fish Project (hereinafter referred as "JAJFP" 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 mortgage security coverage against loan
- Good business network
- Low levered capital structure
- Comfortable interest coverage position
- Maintained sound business relation with supplier & buyer

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 for the inventory in stock
- Low disclosure in the financial statements
- Low management information system (MIS) and Manual accounting system

The SME rating implies that the enterprise is adjudged to above average credit quality to other small and medium enterprises.

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

This rating may be revised in case of any extraordinary changes in line with the sponsor's equity investment, debt obligations, management, business operations and/or changes in any macro and micro factors in the economy.