

3rd SURVEILLANCE CREDIT RATING REPORT JEMI RICE MILL



Ref. no.: FR/2023/31810

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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	12 June 2023	31 August 2024

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
AB Bank Limited	OD	3.00	2.22	11.06.2023
	Time Loan	1.00		

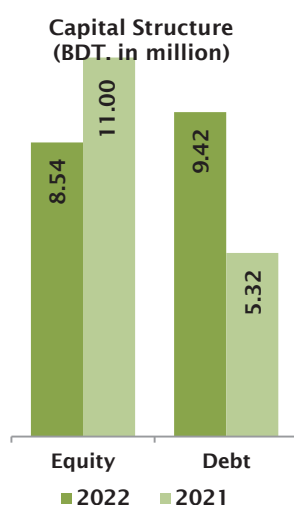
BDT. in million

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

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

Key Snapshot:

Particulars	2022	2021
Revenue	72.45	22.11
EBIT	3.35	1.99
Net Profit	2.88	1.74
Total Assets	17.96	16.33
Total Equity	8.54	11.00
Total debt	9.42	5.32
Net Profit Margin (%)	4.0	7.9
CCC (Days)	55	188
ICR (X)	9.31	13.42



RATING RATIONALE

WCRCL has reaffirmed 'WCRSE 3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to Jemi Rice Mill (hereinafter referred as "JRM" 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:

- Long business experience of the proprietor
- Good business network
- Maintained sound relation with supplier and buyer
- Using own land for mill and godown
- Good interest coverage position
- Maintain insurance coverage
- Good mortgage security coverage against loan

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

- Low disclosure of financial statements
- Highly levered capital structure
- Tight liquidity position
- Still husking mill
- Low management information system (MIS) and Manual accounting system

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

WCRCL also viewed the enterprise with "Stable" outlook and believes that JRM 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.

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