

INITIAL CREDIT RATING REPORT JEWEL AND BROTHERS



Ref. no.: FR/2022/28929

zReport Contents:

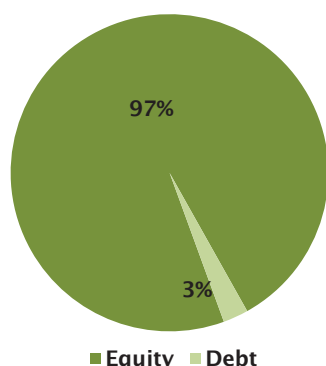
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Key Snapshot:

BDT. in million

Particulars	2021
Revenue	48.63
EBIT	9.41
Net Profit	8.71
Total Assets	28.75
Total Equity	28.01
Debt	0.74
Net Profit Margin (%)	17.9
CCC (Days)	123
ICR (X)	14.91

Capital Structure
(BDT. in million)



Analysts:

Md. Rifat Ahmed
rifat@wasocreditrating.com

Md. Rafiul Bary
rafi@wasocreditrating.com

SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 5	Negative	27 December 2022	16 December 2023

WCRSE 5 rating is equivalent to Bangladesh Bank SME rating scale of SME 5 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 'WCRSE 5' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to Jewel And Brothers (hereinafter referred as "JAB" 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
- 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
- Rented business premises and storage facility
- Unsatisfactory banking relationship
- Low disclosure of financial statements
- Low management information system (MIS) and Manual accounting system

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

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