

3rd SURVEILLANCE CREDIT RATING REPORT JK POLYMER INDUSTRIES LIMITED

Ref. no.: CRAR-7637/2023



Report Contents:

Particulars	Page
Rating Rationale	1
Business Profile	2
Business Management	2
Industry Analysis	2
Business Analysis	4
Financial Position Analysis	5
Banking Relationship	6
Risk Factor Analysis	6
Rating Observation	6

SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME4	Stable	07 November 2023	05 November 2024

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
Standard Bank Limited	Term Loan	44.70	18.16	26.09.2023
	L/C	200.00	137.51	
	LTR	150.00	143.86	
	Bai-Muajjal	30.00	33.42	

BDT. in million

Key Snapshot:

BDT. In Million

Particulars	FY22	FY21
Revenue	624.11	560.31
EBIT	49.49	73.03
Net Profit	24.80	42.48
Total Assets	663.94	472.31
Total Equity	109.08	185.61
Debt	554.87	286.70
Net Profit Margin (%)	4.0	7.6
ICR (X)	3.52	9.51

Financial Based on- *Unaudited financial statements for 30th June 2022.*

Methodology: *SME Rating Methodology published on the WCRCL website at www.wasocreditrating.com*

RATING RATIONALE

WCRCL has reaffirmed 'WCRSME4' (pronounced as WASO Credit Rating Small and Medium Company Four) rating under the SME Rating to JK Polymer Industries Limited (hereinafter referred to as 'JKPIL' or 'The company') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating assessment.

The above ratings have been assigned based on the fundamentals of the company which include long business experiences of the proprietor in the business, good business network, comfortable interest coverage position, satisfactory banking relationship, good mortgage security coverage against loan and maintained insurance coverage.

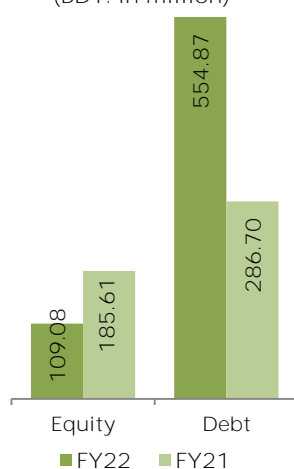
However, the above factors are constrained to some extent by average disclosure in the financial statement, market saturation or high competition, tight liquidity position, high leverage position in the capital structure and price volatility of the raw materials.

The SME rating implies that the enterprise is adjudged to average credit quality.

WCRCL also viewed the company with "Stable" outlook and believes that JKPIL 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.

Capital Structure
(BDT. in million)



Analysts:

Mst. Irin Akter
irin@wasocreditrating.com

Monira Islam
monira@wasocreditrating.com