

INITIAL CREDIT RATING REPORT
JAMAL ENTERPRISE
Ref. no.: FR/2023/032342

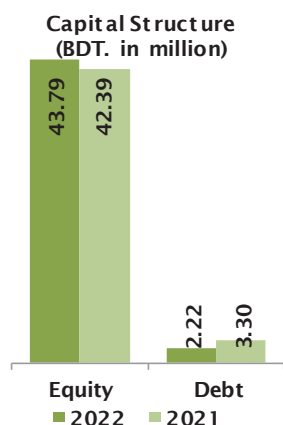


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Key Snapshot:

BDT. in million		
Particulars	2022	2021
Revenue	95.78	93.95
EBIT	10.81	9.31
Net Profit	10.79	9.29
Total Assets	46.01	45.68
Total Equity	43.79	42.39
Total debt	2.22	3.30
Net Profit Margin (%)	11.3%	9.9%
CCC (Days)	190	190
ICR (X)	66.36	66.36



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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	04 July 2023	03 July 2024

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

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 & Medium Enterprise Three) rating under the SME Rating to **Jamal Enterprise** (hereinafter referred as "JE" 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 experiences of the proprietor in the business
- Satisfactory banking relationship
- Good mortgage security coverage against loan
- Maintained sound business relation with supplier & buyer
- Good profitability margin
- Comfortable 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 for the inventory in stock
- Low disclosure of financial statements
- Manual accounting system

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

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