

# 1<sup>st</sup> SURVEILLANCE CREDIT RATING REPORT JAYEDA RICE MILL



Ref. no.: CRAR-10568/2023

## Report Contents:

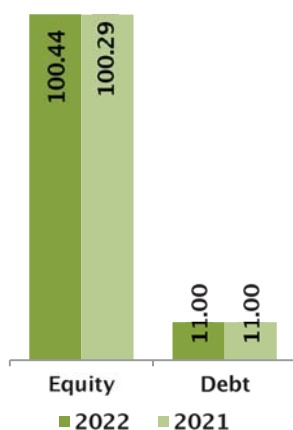
| Particulars                 | Page |
|-----------------------------|------|
| Rating Rationale            | 1    |
| Entity Profile              | 2    |
| Business Management         | 2    |
| Business Analysis           | 2    |
| Financial Position Analysis | 3    |
| Banking Relationship     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

## Key Snapshot:

BDT. in million

| Particulars           | 2022   | 2021   |
|-----------------------|--------|--------|
| Revenue               | 64.00  | 63.25  |
| EBIT                  | 4.35   | 4.30   |
| Net Profit            | 3.63   | 3.57   |
| Total Assets          | 111.44 | 111.29 |
| Total Equity          | 100.44 | 100.29 |
| Total debt            | 11.00  | 11.00  |
| Net Profit Margin (%) | 5.7    | 5.6    |
| CCC (Days)            | 170    | 171    |
| ICR (X)               | 6.44   | 6.37   |

Capital Structure  
(BDT. in million)



## Analysts:

Md. Monjur Alam Bappy  
bappy@wasocreditrating.com

Nazrul Islam  
nazrul@wasocreditrating.com

| SME Rating | Rating Notch | Outlook | Date of Declaration | Date of Expiration |
|------------|--------------|---------|---------------------|--------------------|
|            | WCRSME3      | Stable  | 25 October 2023     | 24 October 2024    |

*Methodology:* SME rating methodology published on the WCRCL website at [www.wasocreditrating.com](http://www.wasocreditrating.com) BDT. in million

| Bank Name        | Mode of Investment | Sanctioned Amount | Outstanding Amount | Date of Outstanding |
|------------------|--------------------|-------------------|--------------------|---------------------|
| NCC Bank Limited | CC (H)             | 10.00             | 6.89               | 12.10.2023          |

## RATING RATIONALE

WCRCL has reaffirmed 'WCRSME3' (pronounced as WASO Credit Rating Small and Medium Enterprise Three) rating under the SME Rating to **Jayeda 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:

- Experienced and skilled management
- Sales revenue was in increased trend
- Owned business premises and storage facility
- Satisfactory banking relationship
- Good mortgage security coverage against loan
- 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
- No Insurance coverage
- Low disclosure of financial statements
- Low management information system (MIS) and Manual accounting system

The SME rating implies that the enterprise has **above average credit quality**.

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