

# 1<sup>st</sup> SURVEILLANCE CREDIT RATING REPORT Z AND J ENTERPRISE



Ref. no.: FR/2023/32660

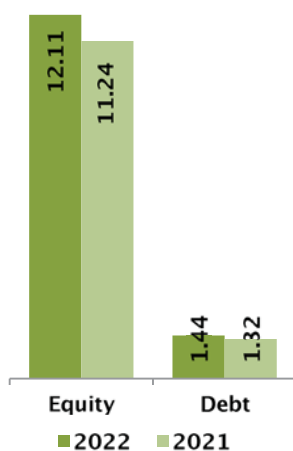
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## Key Snapshot:

BDT. in million			
Particulars	2022	2021	
Revenue	23.01	20.01	
EBIT	2.26	1.85	
Net Profit	2.16	1.75	
Total Assets	13.55	12.56	
Total Equity	12.11	11.24	
Total debt	1.44	1.32	
Net Profit Margin (%)	9.4%	8.7%	
CCC (Days)	192	177	
ICR (X)	24.13	21.68	

Capital Structure  
(BDT. in million)



## Analysts:

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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSME 3	Stable	12 June 2023	11 June 2024

WCRSME 3 rating is equivalent to Bangladesh Bank SME rating scale of SME 3 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093

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

## RATING RATIONALE

WCRCL has reaffirmed 'WCRSME 3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to **Z and J Enterprise** (hereinafter referred as "ZJE" 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
- Satisfactory banking relationship
- Good mortgage security coverage against loan
- 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
- Trade license not updated
- Low disclosure of financial statements
- Low management information system (MIS) and Manual accounting system

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

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