

Report Contents:

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

SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	12 December 2023	11 December 2024

Methodology: SME rating methodology published on the WCRCL website at www.wasocreditrating.com

RATING RATIONALE

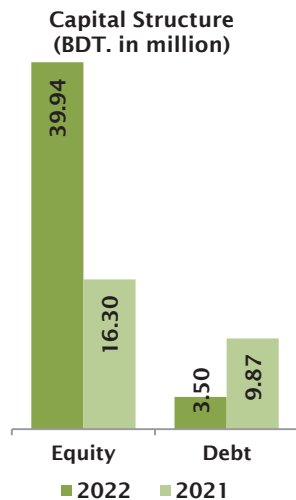
WCRCL has reaffirmed ‘WCRSME3’ (pronounced as WASO Credit Rating Small and Medium Enterprise Three) rating under the SME Rating to J Tex (hereinafter referred as “JT” or “The Enterprise”) based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance.

Key Snapshot:

Particulars	BDT. in million	
	2022	2021
Revenue	40.00	11.71
EBIT	8.95	2.56
Net Profit	7.65	2.09
Total Assets	43.44	26.17
Total Equity	39.94	16.30
Debt	3.50	9.87
Net Profit Margin (%)	19.1	17.8
CCC (Days)	287	n/a
ICR (X)	9.94	5.43

The above rating has been assigned based on the fundamentals of the enterprise which includes:

- Experienced and skilled management
- Good business network
- Owned business premises and storage facility
- Good Profitability margin
- Low levered capital structure
- Comfortable interest coverage position
- Satisfactory banking relationship
- Good mortgage security coverage against loan



However, the above rating has been moderated to some extent due to some factors like:

- No disclosure in the financial statements
- Tight liquidity position considering long cash conversion cycle
- No insurance coverage for the inventory in stock

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

WCRCL also viewed the enterprise with “Stable” outlook and believes that JT 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

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