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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	05 December 2023	04 December 2024

**Financial Based on-** Unaudited financial statements up to 2022.

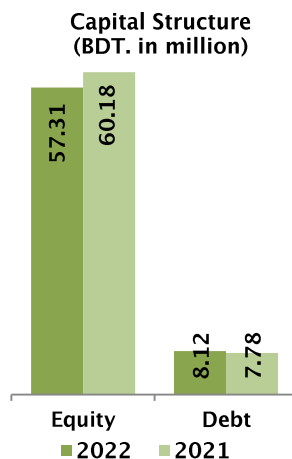
**Methodology:** SME Rating Methodology published on the WCRCL website at [www.wasocreditrating.com](http://www.wasocreditrating.com)

Tk. in million

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount as on 04.12.2023
Uttara Bank PLC	CC (H)	5.00	4.84

## Key Snapshot:

Particulars	2022	2021
Revenue	135.48	130.93
EBIT	18.36	16.52
Net Profit	15.85	14.52
Total Assets	65.44	67.96
Total Equity	57.31	60.18
Debt	8.12	7.78
Net Profit Margin (%)	11.7	11.1
CCC (Days)	156	161



## RATING RATIONALE

WCRCL has reaffirmed 'WCRSME3' (pronounced as WASO Credit Rating Small and Medium Enterprise Three) rating under the SME Rating to **J.S. Trading** (hereinafter referred as JST" 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
- 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
- Manual accounting system

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

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