

1<sup>st</sup> SURVEILLANCE CREDIT RATING REPORT  
**JABA TEXTILE MILLS LIMITED**



Ref. no.: CRAR-15438/2023

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Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	BB+	ST 5	Stable	28 December 2023	17 December 2024

Tk. In Million				
Banks	Mode of Investment	Amount Limit	Outstanding Amount	Bank Loan Rating
Social Islami Bank Limited (13.12.2023)	Baim Term		2032.77	blr BB+
Hajj Finance Company Ltd (14.12.2023)	Lease Finance	108.00	45.61	

*Financial Based on-Audited financial statements up to 30 June 2023.*

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

**Key Snapshot:**

Particulars	Tk. in million	
	FY23	FY22
Revenue	574.57	574.44
EBIT	114.78	59.47
Net Profit	-10.16	-89.03
Total Assets	773.01	737.85
Total Equity	-1,295.65	-1,285.4
Debt	2,068.66	2,023.3
Net Profit Margin (%)	-1.8%	-15.5%
CCC (Days)	260	258
ICR (X)	0.97	0.41

**RATING RATIONALE**

WCRCL has reaffirmed 'BB+' (pronounced as Double B plus) rating for the Long Term and 'ST 5' (pronounced as Short Term Five) rating for Short Term to **Jaba Textile Mills Limited** (hereinafter referred to as '**JTML**' or '**The Company**') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance. WCRCL has also reaffirmed 'blr BB+' (pronounced as Bank Loan Rating Double B Plus) rating to the long term loan outstanding.

The above ratings have been assigned based on the fundamentals of the company which include experience of promoter in the garments industries, satisfactory safety measures, regular repayment history, owned factory premises.

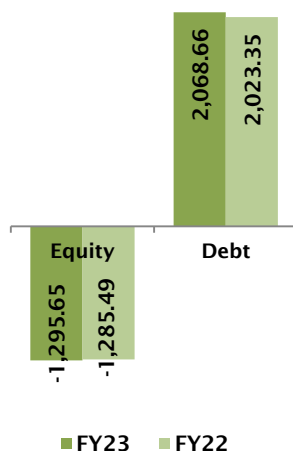
However, the above factors are constrained to average disclosure in the financial statement, outside liabilities increased significantly, fluctuating profitability, high levered in the capital structure, stressed liquidity position, poor interest coverage position, first time rescheduling experiences with poor banking conduct, and adverse shock in RMG industry may affect revenue growth.

The long term rating implies that the entity is subject Moderately below average credit quality. The short term rating implies that Well below average ability.

WCRCL also viewed the company with "**Stable**" outlook and believes that **JTML** 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.

**Capital Structure (BDT. in million)**



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