

3rd SURVEILLANCE CREDIT RATING REPORT JENK INDUSTRIES LIMITED



Ref. no.: CRAR-178/2024

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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME4	Stable	18 January 2024	17 January 2025

Financial Based on- Audited financial statements up to 30 June 2022.

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

RATING RATIONALE

WCRCL has reaffirmed 'WCRSME4' (pronounced as WASO Credit Rating Small & Medium Enterprise Four) rating under the SME Rating to Jenk Industries Limited (hereinafter referred to as "JIL" or The Company) based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance.

The above ratings have been assigned based on the fundamentals of the company which include experienced and skilled management, good infrastructural arrangement, equipped with sufficient power backup, have fire insurance and give good supportive facilities to the workers. However, the above factors are constrained by decreasing Sales revenue in FY22, overall profitability was in negative position in FY22, highly levered, tight liquidity position, long cash conversion cycle and moderated disclosure in the financial statements.

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

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

Key Snapshot:

Tk. in million

Particulars	FY22	FY21
Revenue	6.35	11.16
EBIT	0.27	1.37
Net Profit	-0.24	-0.18
Total Assets	9.17	11.94
Total Equity	-4.43	-3.70
Debt	13.59	15.63
Net Profit Margin (%)	-3.9%	-1.6%
CCC (Days)	440	292
ICR (X)	0.56	0.93

Capital Structure
(BDT. in million)



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