

1st SURVEILLANCE CREDIT RATING REPORT GOLD STARE STEEL HOUSE



Ref. no.: FR/2023/030130

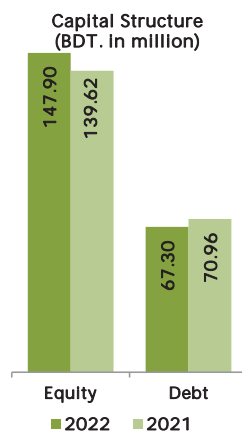
Report Contents:

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

Key Snapshot:

BDT. In million

Particulars	2022	2021
Revenue	439.58	345.21
EBIT	48.54	21.77
Net Profit	42.02	15.63
Total Assets	215.19	210.58
Total Equity	147.90	139.62
Debt	67.30	70.96
Net Profit Margin (%)	9.6	4.5
CCC (Days)	117	141
ICR (X)	7.44	3.54



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

WCRSE 4 rating is equivalent to Bangladesh Bank SME rating scale of SME 4 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093

BDT. in million

Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
Uttara Bank Limited	CC (H)	15.00	-	09.03.2023
	LC	100.00	-	
	LTR	25.00	-	
	Total	140.00	-	

Financial Based on- Management prepared financial statements for 31st December 2022.

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

RATING RATIONALE

WCRCL has reaffirmed 'WCRSE 3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to Gold Star Steel House (hereinafter referred as "GSSH" 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
- Satisfactory banking relationship
- Good interest coverage position
- Low levered capital structure
- Good Net Worth of the proprietor

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

- Lack of disclosure in the financial statements
- Tight liquidity position considering long cash conversion cycle
- Inventory holding risk
- No insurance coverage
- Low management information system (MIS) and Manual accounting system

The SME rating implies that the enterprise is adjudged to above average level of credit worthiness in relation to other small enterprises.

WCRCL also viewed the enterprise with "Stable" outlook and believes that GSSH will be able to maintain its good fundamentals in the foreseeable future.