

1st SURVEILLANCE CREDIT RATING REPORT STAR PIPES & PLASTICS LIMITED



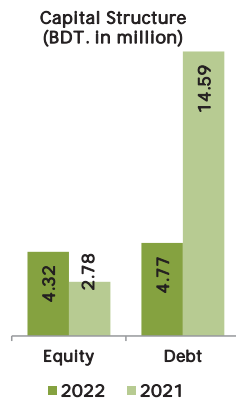
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Key Snapshot:

BDT. In million		
Particulars	FY21	FY22
Revenue	46.58	47.86
EBIT	0.65	2.28
Net Profit	0.40	1.53
Total Assets	17.38	9.09
Total Equity	2.78	4.32
Total debt	14.59	4.77
Net Profit Margin (%)	0.9	3.2
ICR (X)	7.63	25.96



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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	13 February 2023	07 February 2024

WCRSE 3 rating is equivalent to Bangladesh Bank SME rating scale of SME 3 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093

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 Company Three) rating under the SME Rating to Star Pipes & Plastics Limited (hereinafter referred as "SPPL" or "The Company") 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 Company which includes:

- Experienced and skilled management
- Good business network
- Owned business premises and storage facility
- Good liquidity position in the capital structure
- Low levered capital structure
- Good interest coverage position

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

- Low disclosure of financial statements
- No insurance coverage
- Low management information system (MIS) and Manual accounting system

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

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