

SURVEILLANCE CREDIT RATING REPORT STERN INDUSTRIES LIMITED

Ref. no.: FR/2023/030333

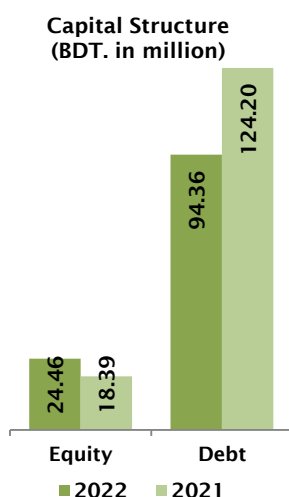


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Key Snapshot:

Particulars	2022
Revenue	174.05
EBIT	9.23
Net Profit	6.07
Total Assets	118.82
Total Equity	24.46
Debt	94.36
Net Profit Margin (%)	3.5%
CCC (Days)	99
ICR (X)	2.92



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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	28 March 2023	27 March 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

Name of Bank	Mode Of Loan	Sanction amount	Outstanding Amount	Outstanding Date
Dhaka Bank Limited	LC	50.00	26.63	27.03.2023
	LTR	(45.00)	18.95	
	Time Loan (Duty)	30.00	14.08	
	OD	10.00	9.72	

Financial Based on-unaudited financial statements up to 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 Stern Industries Limited (hereinafter referred as "SIL" 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 proactive management
- Sister concern support
- Growing trend of revenue
- Good profitability position
- High interest Coverage position
- Own factory premises

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

- High competition in the industry
- Slow movement toward modernization
- Single buyer base
- Stressed liquidity position
- High leverage position

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 SIL will be able to maintain its good fundamentals in the foreseeable future.