

1st SURVEILLANCE CREDIT RATING REPORT SHAHRIAR OPTICS



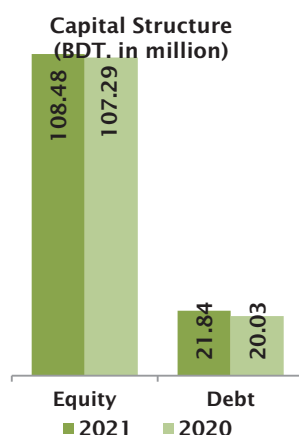
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Key Snapshot:

BDT. in million			
Particulars	2021	2020	
Revenue	242.65	211.00	
EBIT	16.00	13.84	
Net Profit	15.11	13.03	
Total Assets	130.32	127.32	
Total Equity	108.48	107.29	
Total debt	21.84	20.03	
Net Profit Margin (%)	6.2%	6.2%	
CCC (Days)	115	126	
ICR (X)	18.18	17.31	



SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	20 November 2022	13 December 2023

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 assigned 'WCRSE 3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to Shahriar Optics (hereinafter referred as "SO" 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
- Satisfactory banking relationship
- Good mortgage security coverage against loan
- Good business network
- Good interest coverage position
- Low levered capital structure

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

- Tight liquidity position with long cash conversion cycle
- No insurance coverage
- Low disclosure of financial statements
- Low management information system (MIS) and Manual accounting system

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

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

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