

3rd SURVEILLANCE CREDIT RATING REPORT
SIX STAR ENTERPRISE



Ref. no.: CRAR-7370/2023

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| SME Rating | Rating Notch | Outlook | Date of Declaration | Date of Expiration |
|------------|--------------|---------|---------------------|--------------------|
| | WCRSME3 | Stable | 10 October 2023 | 09 October 2024 |

BDT. in million

| Bank Name | Mode of Investment | Sanctioned Amount | Outstanding Amount | Date of Outstanding |
|-----------------|--------------------|-------------------|--------------------|---------------------|
| Uttara Bank PLC | CC (Hypo) | 1.00 | 0.51 | 07.08.2023 |

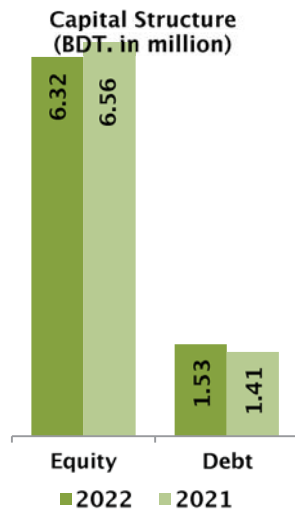
Financial Based on—Unaudited financial statements up to 31 December 2022.

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

Key Snapshot:

BDT. in million

| Particulars | 2022 | 2021 |
|-----------------------|-------|-------|
| Revenue | 19.68 | 17.11 |
| EBIT | 1.91 | 1.63 |
| Net Profit | 1.85 | 1.58 |
| Total Assets | 7.85 | 7.97 |
| Total Equity | 6.32 | 6.56 |
| Total debt | 1.53 | 1.41 |
| Net Profit Margin (%) | 9.4% | 9.2% |
| CCC (Days) | 60 | 66 |
| ICR (X) | 34.62 | 32.59 |



RATING RATIONALE

WCRCL has reaffirmed 'WCRSME3' (pronounced as WASO Credit Rating Small & Medium Enterprise Three) rating under the SME Rating to **Six Star Enterprise** (hereinafter referred as "SSE" 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:

- Long business experiences of the Proprietor
- Good business network
- Low levered capital structure
- Good interest coverage position
- Satisfactory banking relationship
- Comfortable security arrangement against loan

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

- Poor disclosure of financial statements
- Small scale in the business
- Tight liquidity position with long cash conversion cycle
- Manual accounting system

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

WCRCL also viewed the enterprise with "Stable" outlook and believes that SSE 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.

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