

# SURVEILLANCE CREDIT RATING REPORT

## SHARIF BROTHERS

Ref. no.: FR/2022/26309



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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	11 October 2022	22 November 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

Name of the Bank	Mode of Investment	Sanctioned Amount	Outstanding Amount	Outstanding Date
United Commercial Bank Limited	Term Loan	5.00	4.85	02.10.2022
	CC(Hypo)	5.00	4.73	

Tk. In Million

### Key Snapshot:

Particulars	2021	2020
Revenue	58.09	52.05
EBIT	4.90	4.17
Net Profit	4.19	3.32
Total Assets	33.56	31.60
Total Equity	24.27	22.68
Debt	9.28	8.92
Net Profit Margin (%)	7.2	6.4
CCC (Days)	124	135
ICR (X)	6.86	9.60

Tk. In Million

**Financial Based on-** Management prepared financial statements up to 31<sup>st</sup> December 2021.

**Methodology:** SME Rating Methodology published on the WCRCL website at [www.wasocreditrating.com](http://www.wasocreditrating.com)

### RATING RATIONALE

WCRCL has reaffirmed 'WCRSE 3' (pronounced as WASO Credit Rating Small Enterprise Four) rating under the SME Rating to **Sharif Brothers** (hereinafter referred to as 'SB' or "The Enterprise") based on its financial and other relevant qualitative and quantitative information up-to the date of the rating declaration.

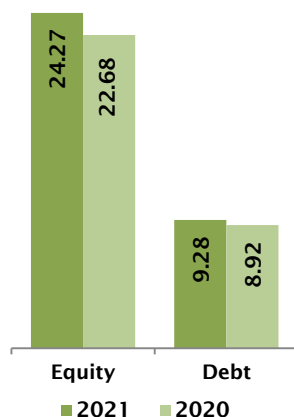
The above rating has been assigned based on the fundamentals of the enterprise which includes:

- Experienced and skilled management
- Good interest coverage position
- Good mortgage security coverage against loan
- Good business network
- Low levered capital structure

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

- Inventory holding risk
- Tight liquidity position with long cash conversion cycle
- Low disclosure of financial statements
- Low management information system (MIS) and Manual accounting system

Capital Structure (BDT. in million)



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