

2nd SURVEILLANCE CREDIT RATING REPORT KARIM & BROTHERS

Ref. no.: FR/2023/33386



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SME Rating	Rating Notches	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	04 July 2023	03 July 2024

Tk. in Million

Bank	Facilities	Limit Amount	Outstanding Amount	Outstanding Date
Uttara Bank Limited	CC (Hypo)	25.00	24.33	30.05.2023
	LC	70.00	nil	
	PIF	15.00	nil	
Total		110.00	24.33	

Key Snapshot:

Tk. in Million

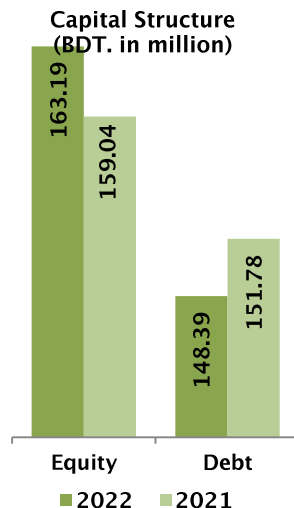
Particulars	2022	2021
Revenue	517.68	475.59
EBIT	55.74	53.47
Net Profit	51.53	48.63
Total Assets	311.59	310.82
Total Equity	163.19	159.04
Debt	148.39	151.78
Net Profit Margin (%)	10.0%	10.2%
CCC (Days)	190	104
ICR (X)	13.22	11.04

Financial Based on: Un-Audited financial statements up to 2022.

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

RATING RATIONALE

WCRCL has reaffirmed **WCRSME3** (Pronounced WASO Credit Rating Small & Medium Enterprise Three) rating to **Karim & Brothers** (hereinafter referred to as 'KB' or 'The enterprise') based on its financial and other relevant qualitative and quantitative information up-to the date of the enterprise.



The above rating has been assigned based on long experience of the Promoter helps to form stronger relationship with suppliers, customers and lender, satisfactory coverage position, comfortable interest coverage position etc. However, the above factors are constrained to some extent by poor disclosure in financial statements, risk associated with procurement of products, small scales of operation, high competitive intensity of the traded products and liquidity of the firm was in stressed position due to payment nature of the customers.

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

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WCRCL also viewed the enterprise with **Stable** outlook and believes that **KB** 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.