

# 5<sup>th</sup> SURVEILLANCE CREDIT RATING REPORT

## SHARIF BROTHERS

Ref. no.: CRAR- 3878/2023



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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	07 November 2023	22 November 2024

Name of the Bank	Mode of Investment	Sanctioned Amount	Outstanding Amount	Outstanding Date
United Commercial Bank PLC	Term Loan	5.00	3.63	08.10.2023
	CC(Hypo)	5.00	3.92	

**Financial Based on-** Management prepared financial statements up to 31<sup>st</sup> December 2022.

### Key Snapshot:

Particulars	2022	2021
Revenue	81.12	58.09
EBIT	6.27	4.90
Net Profit	5.60	4.19
Total Assets	37.55	33.56
Total Equity	26.00	24.27
Debt	11.55	9.28
Net Profit Margin (%)	6.9	7.2
CCC (Days)	97	127
ICR (X)	9.41	6.86

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

### RATING RATIONALE

WCRCL has reaffirmed 'WCRSME3' (pronounced as WASO Credit Rating Small Enterprise Three) 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 business network
- Good interest coverage position
- Low levered capital structure
- Good mortgage security coverage against loan

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

- Low disclosure of financial statements
- Inventory holding risk
- Tight liquidity position with long cash conversion cycle
- Manual accounting system

The SME rating implies that the enterprise is adjudged to above average credit quality.

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