

1st SURVEILLANCE CREDIT RATING REPORT FAIR TRADE INTERNATIONAL

Ref. no.: FR/2023/30766

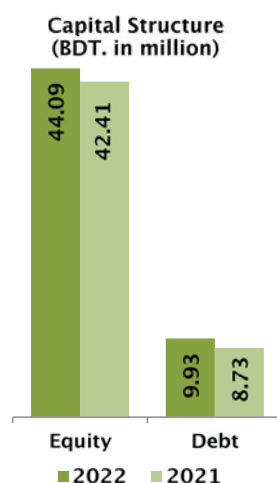


Report Contents:

Particulars	Page
Rating Rationale	1
Entity Profile	2
Business Management	2
Business Analysis	2,3
Financial Position Analysis	3,4
Banking Relationship	4
Risk Factor Analysis	4,5
Rating Observation	5

Key Snapshot:

BDT. in million		
Particulars	2022	2021
Revenue	65.96	59.96
EBIT	6.81	6.19
Net Profit	5.59	5.07
Total Assets	54.02	51.14
Total Equity	44.09	42.41
Total debt	9.93	8.73
Net Profit Margin (%)	8.5%	8.5%
CCC (Days)	112	135
ICR (X)	9.17	9.16



Analysts:

Nazrul Islam
nazrul@wasocreditrating.com

Md. Al Amin Jewel
jewel@wasocreditrating.com

SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	28 March 2023	27 March 2024

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

BDT. in million				
Bank Name	Mode of Investment	Sanctioned Amount	Outstanding Amount	Date of Outstanding
Islami Bank Bangladesh Limited	Composite Facilities	20.00	6.27	27.03.2023
Total		20.00	6.27	

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

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

RATING RATIONALE

WCRCL has reaffirmed ‘**WCRSE 3**’ (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to **Fair Trade International** (hereinafter referred as “FTI” 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
- Low disclosure of financial statements
- Low management information system (MIS) and Manual accounting system

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