

3rd SURVEILLANCE CREDIT RATING REPORT FARHAD TRADING

Ref. no.: FR/2023/032165



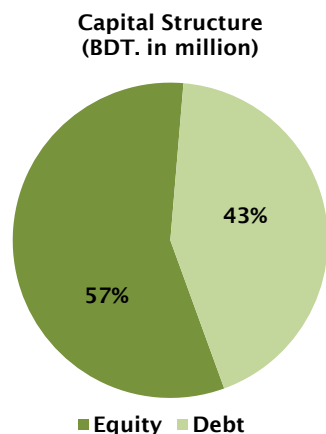
Report Contents:

Particulars	Page
Rating Rationale	1
Business Profile	2
Proprietor's Profile	
Management's Profile	
Business Analysis	
Financial Analysis	3
Banking Position Analysis	4
Risk Factors Analysis	
Rating Observations	5

Key Snapshot:

Tk. in Million

Particulars	2022
Revenue	11.23
EBIT	2.03
Net Profit	1.92
Total Assets	11.29
Total Equity	6.42
Debt	4.87
Net Profit Margin (%)	17.1%
CCC (Days)	330
ICR (X)	19.51



Analysts:

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SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	31 May 2023	30 May 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.

Tk. in Million

Bank	Facility	Limit Amount	Outstanding Amount	Outstanding Date
Uttara Bank Limited	CC (Hypo)	4.50	4.60	19.03.2023

Financial Based on: Unaudited financial statements up to 2022.

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

RATING RATIONALE

WCRCL has reaffirmed WCRSE 3 (Pronounced WASO Credit Rating Small Enterprise Three) rating to Farhad Trading (hereinafter referred to as 'FT' 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 lenders, comfortable leverage 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, expired trade license & tight liquidity position.

The SME rating implies that the enterprise is adjudged above average level of credit worthiness in relation to other SEs/MEs.

WCRCL also viewed the enterprise with Stable outlook and believes that FT will be able to maintain its good fundamentals in the foreseeable future.