

1st SURVEILLANCE CREDIT RATING REPORT FIHAD FAHIM TRADERS



Ref. no.: FR/2023/32673

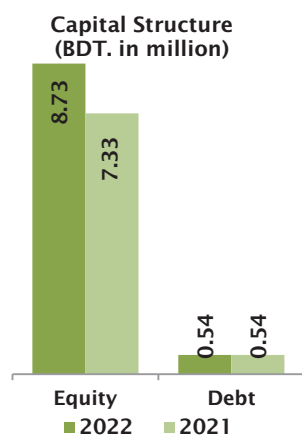
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Key Snapshot:

BDT. in million

Particulars	2022	2021
Revenue	14.90	10.90
EBIT	12.35	1.89
Net Profit	12.20	1.82
Total Assets	9.27	7.87
Total Equity	8.73	7.33
Total debt	0.54	0.54
Net Profit Margin (%)	81.9%	16.7%
CCC (Days)	472	110
ICR (X)	82.35	27.99



Analysts:

Juthi Khanum
juthi@wasocreditrating.com

Ummay Fatema
fatema@wasocreditrating.com

SME Rating	WCRSME	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	25 July 2023	17 July 2024

WCRSME3 rating is equivalent to Bangladesh Bank SME rating scale of SME 3 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093

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

RATING RATIONALE

WCRCCL has assigned 'WCRSME3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to Fihad Fahim Traders (hereinafter referred as "FFT" 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:

- Owned business premises and storage facility
- 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
- No insurance coverage
- Low disclosure of financial statements
- Low management information system (MIS) and Manual accounting system

The SME rating implies that the Enterprise has above Average Credit Quality.

WCRCCL also viewed the enterprise with "Stable" outlook and believes that FFT 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.