

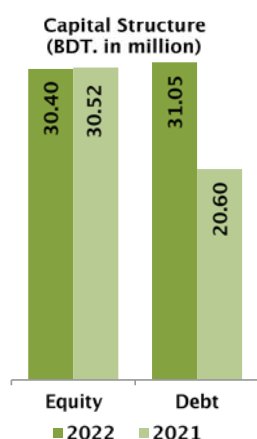
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## Key Snapshot:

BDT. in million

Particulars	2021	2022
Revenue	249.57	219.11
EBIT	6.35	7.48
Net Profit	4.28	4.68
Total Assets	51.12	64.15
Total Equity	30.52	30.40
Debt	20.60	31.05
Net Profit Margin (%)	1.7	2.1
CCC (Days)	60	83
ICR (X)	3.17	2.77



## Analysts:

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SME Rating	WCRSME	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	04 July 2023	18 June 2024

**Financial Based on**—management prepared financial statements up to 31<sup>st</sup> December 2021.

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

## RATING RATIONALE

WCRCL has reaffirmed 'WCRSE 3' (pronounced as WASO Credit Rating Small and Medium Enterprise Three) rating under the SME Rating to Fariha Traders (hereinafter referred as "FT" 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
- Owned business premises and storage facility
- Satisfactory banking relationship
- Good business network
- 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
- Inventory holding risk
- 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 credit quality.

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