

5<sup>th</sup> SURVEILLANCE CREDIT RATING REPORT  
**FARHAD TRADERS**

Ref. no.: CRAR-4446/2023



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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	14 November 2023	17 December 2024

Bank Name	Mode of Investment	Limit Amount	Outstanding as on 09.11.2023
Mercantile Bank PLC	CC-Hypo	40.00	37.87
	Time Loan	7.00	7.00
BRAC Bnk PLC	Anonno Loan	7.50	4.23
Total		54.50	49.07

Key Snapshot:

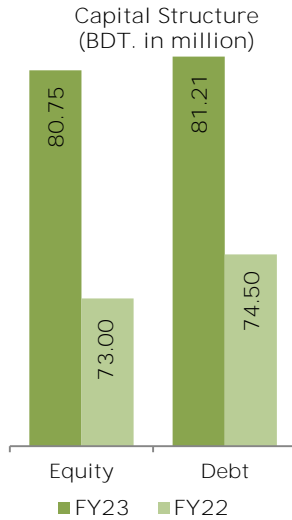
Particulars	BDT. in million	
	FY23	FY22
Revenue	462.30	402.00
EBIT	31.22	26.70
Net Profit	26.67	22.50
Total Assets	161.95	147.50
Total Equity	80.75	73.00
Debt	81.21	74.50
Net Profit Margin (%)	5.8	5.6
CCC (Days)	86	94
ICR (X)	8.11	7.63

Financial Based on- *Management prepared financial statements up to 30<sup>th</sup> June FY23.*

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

**RATING RATIONALE**

WCRCL has reaffirmed 'WCRSME3' rating (pronounced as WASO Credit Rating Small and Medium Enterprise Three) to Farhad Traders (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 rating declaration.



The above rating has been assigned based on the fundamentals of the enterprise which includes; dealership of Abul khair and Seven Rings Cement, growing nature of business, good interest coverage position, location advantage of the business, regular loan repayment history and own shop and warehouse. However, the above factors are constrained to some extent by low disclosure in the financial statements, highly levered capital structure and high inventory holding put pressure in working capital management.

The SME rating implies that the entity is adjudged 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.

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