ARGUS CREDIT RATING SERVICES LTD.
(ACRSL)

Credit Rating Report

Fardin Construction

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Authorized Signature:

Name:

Designation:

Date:

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Ref No	: ACRSL39466/25
Company Name	: Fardin Construction (FC)
Assigned Ticker	: FardinConsDhaka
Activity	: Real Estate Miscellaneous, Trading
Incorporated On	: 27 Feb 2019
Head Office	: 68, Dokkhin Goran, Khilgaon, Dhaka-1219, Bangladesh

Rating Type	: SME / Entity
Rating Validity	: 05 Mar 2026
Nature Of Rating	: Second Surveillance
Outlook	: Stable
Analyst(s)	: ACRSL Analyst Team
Committee(s)	: ACRSL Rating Committees

Rating Summary

Credit Rating	Current	Previous
SME	AQME-3	AQME-3
Publishing Date	06 Mar 2025	22 Feb 2024

Rating Explanation

Rating	Explanation
AQME-3	ARGUS Quantitative Medium Enterprise-3 is a High rating grade assigned to medium enterprises by ARGUS Credit Rating Services Ltd (ACRSL)'s quantitative ME ratings model. When assigned, this rating indicates the obligor, relative to other medium enterprises, has strong capacity to meet its financial obligations but may be vulnerable to adverse economic conditions.

Rating Validity: This validity assumes no additional loan over that disclosed in FY24 [Ending June 30] audited/management certified balance sheet and that management has disclosed all material & adverse to financials since FY22.

Khan Md. Abdul Wahab, FCMA
Chief Executive Officer
ARGUS Credit Rating Services Ltd.

1 CORPORATE PROFILE

1.1 Company Description

History: Fardin Construction was established as a proprietorship business. Mr. Md. Kamal Hossain is the proprietor of the business. The entity is a trader of construction material and contractor.

Financial Base: At the end of FY24, FC's Total Assets stood at BDT 52.94 MN, Equity at BDT 41.27 MN, Revenue at BDT 69.59 MN, and Net Profit After Tax at BDT 10.40 MN.

Special Note: At the time of publication of this credit rating report by ARGUS Credit Rating Services Limited, unaudited financial statements until FY22 and FY24 (ending June, 30) were available. Projections for FY25 and FY26 were arrived after taking into consideration subsequent events up to the date of reporting, management feedback, and industry insights.

1.2 Ownership Structure

The Proprietor of Fardin Construction is Mr. Md. Kamal Hossain. He has vast experience in related business and is a successful Proprietor. The overall business of the enterprise is managed and looked after by him with the help of efficient professionals.

Table 1 Nature of Ownership/Directors' Shareholding Percentage

Designation	Name	Shares
Proprietor	Mr. Md. Kamal Hossain	100.00%

1.3 Operations

Business Address: 68, Dokkhin Goran, Khilgaon, Dhaka, Bangladesh.

1.4 Products and Services

The entity is a trader of construction material and contractor.

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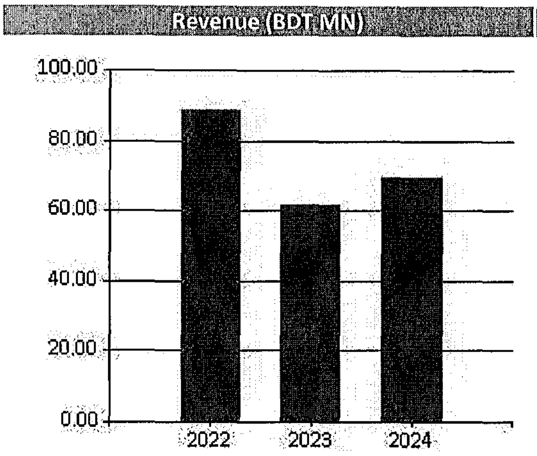
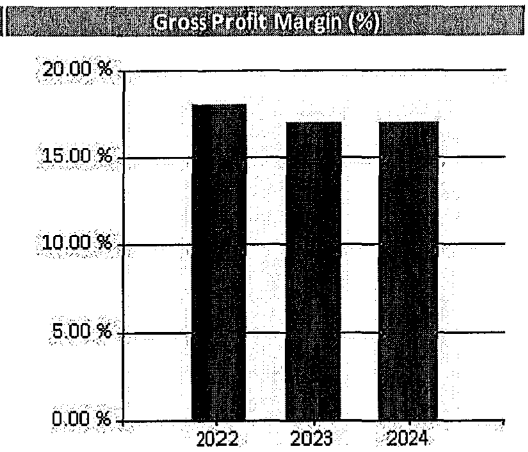
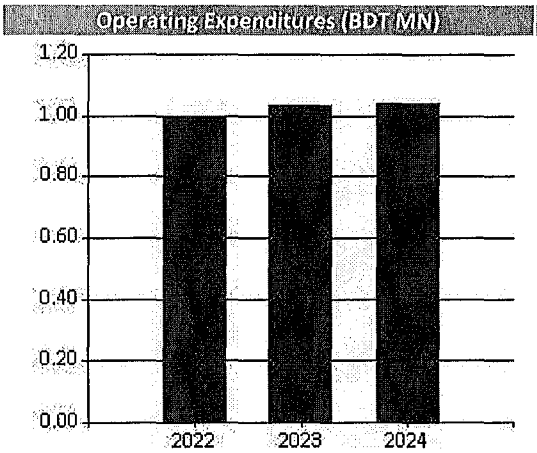
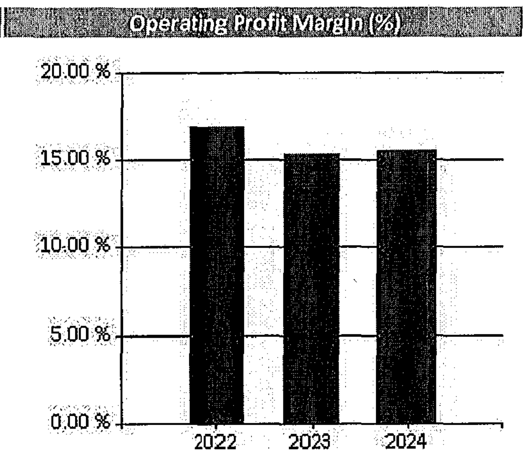
2 CHARTS

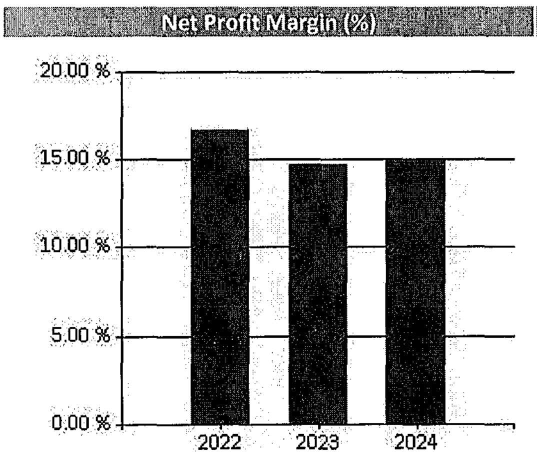
2.1 INCOME STATEMENT CHARTS

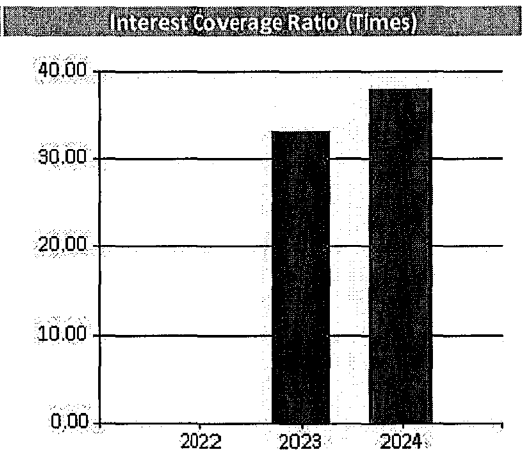






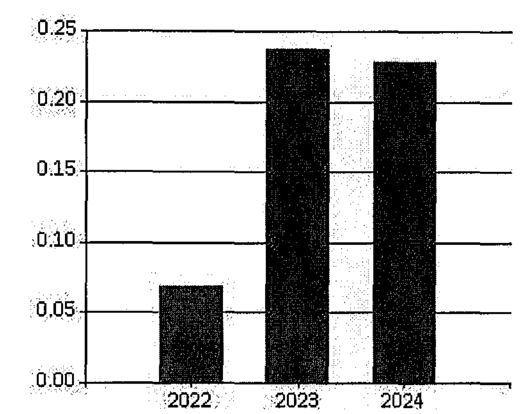




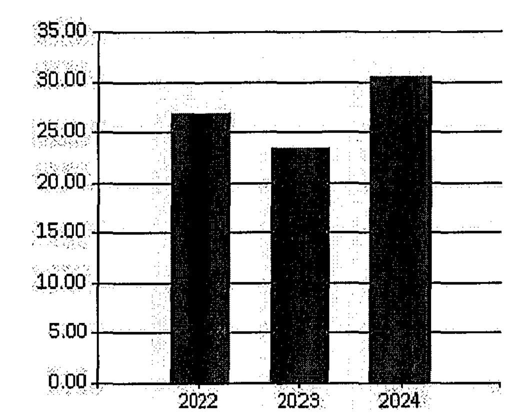


2.2 Balance Sheet Charts

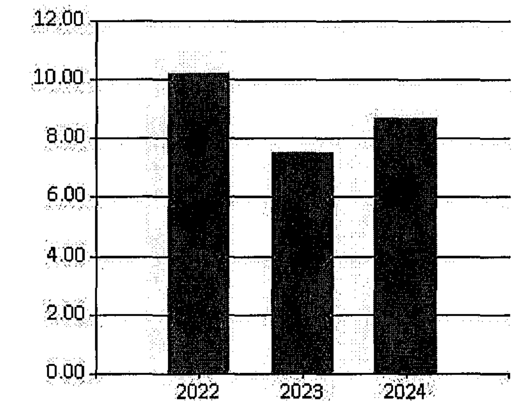
Debt To Equity (Times)



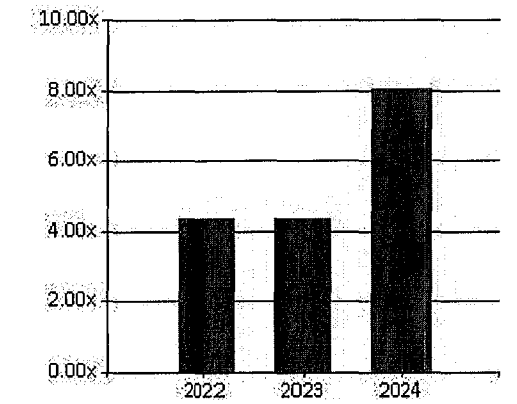
Accounts Payable Turnover (Times)



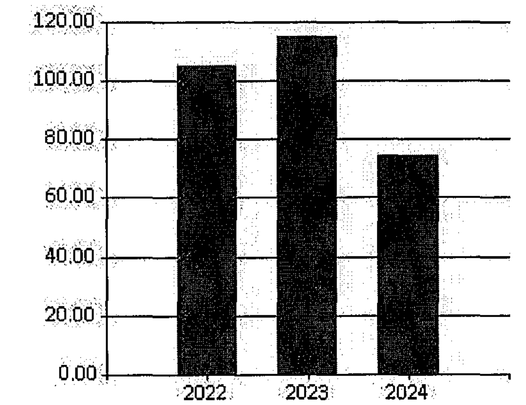
Accounts Receivable Turnover (Times)



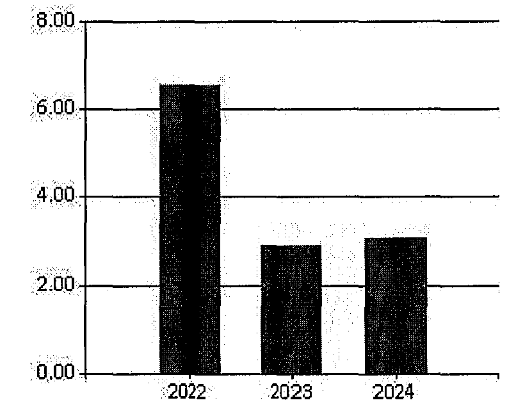
Inventory Turnover (Times)



Cash Conversion Cycle (Days)



Current Ratio (Times)



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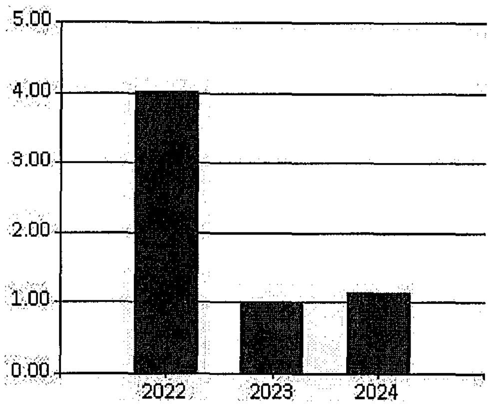
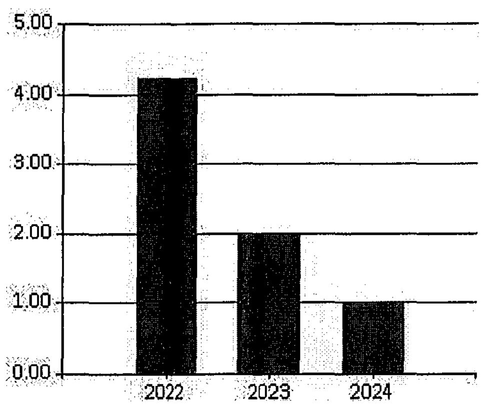
2.3 Cash Flow Adequacy Charts

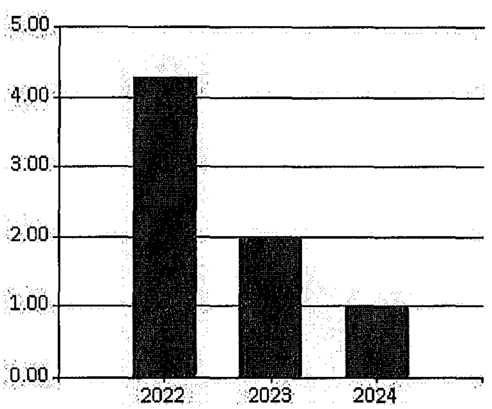
Fund From Operations To Debt (Times)



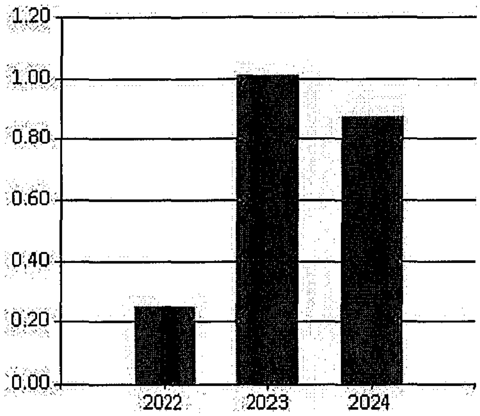
Operating Cash Flow To Total Debt (Times)



Free Cash Flow To Total Debt (Times)



Total Debt To EBITDA (Times)



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APPENDIX A: SUMMARY OF FINANCIAL METRICS

Balance Sheet Metrics (BDT in MN)	FY22	FY23	FY24
Cash & Equivalent	13.57	14.25	14.33
Trade Receivable	8.45	7.95	8.02
Inventories	16.58	6.89	7.52
Total Current Assets	44.60	35.09	35.99
Investments	0.00	0.00	0.00
Fixed Assets(At cost less Depreciation)	17.19	17.06	16.94
Total Non-Current Assets	17.19	17.06	16.94
Total Assets	61.79	52.15	52.94
Payable and Accrued Expenses	2.55	1.85	1.96
Other Current Liabilities	0.53	0.63	0.30
Short Term Debt	3.74	9.54	9.41
Total Current Liabilities	6.82	12.01	11.67
Long Term Debt	0.00	0.00	0.00
Other Non-Current Liabilities	0.00	0.00	0.00
Total Non-Current Liabilities	0.00	0.00	0.00
Total Liabilities	6.82	12.01	11.67
Issued, Subscribed & Paid Up Capital	0.00	0.00	0.00
Retained Earnings	54.97	40.14	41.27
Reserves & Surplus	0.00	0.00	0.00
Total Shareholders' Equity	54.97	40.14	41.27
Total Shareholders' Equity & Liabilities	61.79	52.15	52.94
Income Statement Metrics (BDT in MN)	**FY22**	**FY23**	**FY24**
Revenue/Sales/Turnover	88.81	61.72	69.59
Cost of Revenue/ Cost of Goods Sold	72.82	51.22	57.76
Gross Profit (Loss)	15.99	10.49	11.83
Operating Expenses	1.00	1.04	1.04
Operating Profit	14.98	9.46	10.79
Financial Expense/ Interest Expense	0.00	0.29	0.28
Net Profit before WPPF	14.98	9.17	10.50
Other Expense	0.00	0.00	0.00
Net Profit Before Tax	14.98	9.17	10.50
Provision for Tax	0.15	0.09	0.10
Net Profit After Tax	14.83	9.08	10.40
Cash Flow Metrics (BDT in MN)	**FY22**	**FY23**	**FY24**
Net Cash from Operating Activities	15.82	18.67	9.36
Net Cash from Investing Activities	0.14	0.13	0.12
Net Cash from Financing Activities	-17.99	-18.12	-9.40
Increase/(Decrease) in Cash and Cash Equivalents	-2.04	0.68	0.08
Cash and Cash Equivalents at the Opening	15.61	13.57	14.25
Cash and Cash Equivalents at the Closing	13.57	14.25	14.33

Source: FC's Financial Statements from FY22-FY24

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APPENDIX B: SUMMARY OF ANALYTICS

Indicators	FY22	FY23	FY24
Revenue Growth	69.34%	-30.51%	12.75%
Gross Profit Margin	18.00%	17.00%	17.00%
Operating Profit Margin	16.87%	15.32%	15.51%
Net Profit Margin	16.71%	14.71%	14.95%
Interest Coverage Ratio	0.00x	33.15x	37.92x
ROA	23.36%	15.94%	19.80%
ROE	25.39%	19.09%	25.56%
Debt to Equity Ratio	0.07x	0.24x	0.23x
Accounts Payable Turnover	26.88x	23.32x	30.38x
Accounts Receivable Turnover	10.21x	7.53x	8.72x
Inventory Turnover Ratio	4.33x	4.37x	8.02x
Current Ratio	6.54x	2.92x	3.08x
Cash Conversion Cycle(Days)	105	115	74
Fund from Operations/Total Debt	4.00x	0.99x	1.15x
Operating Cash Flow/Total Debt	4.23x	1.96x	0.99x
Free Cash Flow/Total Debt	4.26x	1.97x	1.01x
Total Debt/EBITDA	0.25x	1.01x	0.87x

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APPENDIX C: SME RATING DETAILS

ACRSL SME RATING

Rating	Definition
AQME-1 (Highest Grade)	ARGUS Quantitative Medium Enterprise-1 is the Highest rating assigned to medium enterprises by ARGUS Credit Rating Services Ltd (ACRSL)'s quantitative ME ratings model. When assigned this rating indicates the obligor, relative to other medium enterprises, has exceptionally strong capacity to meet its financial obligations and it is highly unlikely that this capacity will be impacted adversely by foreseeable events.
AQME-2 (High Grade)	ARGUS Quantitative Medium Enterprise-2 is a Very High rating grade assigned to medium enterprises by ARGUS Credit Rating Services Ltd (ACRSL)'s quantitative ME ratings model. When assigned, this rating indicates the obligor, relative to other medium enterprises, has very strong capacity to meet its financial obligations and it is unlikely that this capacity will be impacted adversely by foreseeable events.
AQME-3 (Good Grade)	ARGUS Quantitative Medium Enterprise-3 is a High rating grade assigned to medium enterprises by ARGUS Credit Rating Services Ltd (ACRSL)'s quantitative ME ratings model. When assigned, this rating indicates the obligor, relative to other medium enterprises, has strong capacity to meet its financial obligations but may be vulnerable to adverse economic conditions.
AQME-4 (Satisfactory Grade)	ARGUS Quantitative Medium Enterprise-4 is a Good rating grade assigned to medium enterprises by ARGUS Credit Rating Services Ltd (ACRSL)'s quantitative ME ratings model. When assigned, this rating indicates the obligor, relative to other medium enterprises, has adequate capacity to meet its financial obligations but this capacity remains more vulnerable to adverse economic conditions.
AQME-5 (Non-Investment Grade)	ARGUS Quantitative Medium Enterprise-5 is a Non-Investment rating grade assigned to medium enterprises by ARGUS Credit Rating Services Ltd (ACRSL)'s quantitative ME ratings model. When assigned, this rating indicates the obligor, relative to other medium enterprises, has weak capacity and may rely on alternative sources to meet its financial obligations, and is substantially vulnerable to adverse economic conditions that may impair ability to meet such obligations in the future.
AQME-6 (Highly vulnerable)	ARGUS Quantitative Medium Enterprise-6 is a Highly Vulnerable rating grade assigned to medium enterprises by ARGUS Credit Rating Services Ltd (ACRSL)'s quantitative ME ratings model. When assigned this rating indicates the obligor is near to default and the degree of certainty regarding timely payment of financial obligations is doubtful unless circumstances improve.
AQME-7 (Imminent Default)	ARGUS Quantitative Medium Enterprise-7 is an Imminent default rating assigned to Medium enterprises by ARGUS Credit Rating Services Ltd (ACRSL)'s quantitative ME ratings model. When assigned this rating indicates The obligor is either currently in default or expected to be in default with high probability. The obligor with this rating is unlikely to meet maturing financial obligations.
AQME-8 (Default Grade)	ARGUS Quantitative Medium Enterprise-8 is a Default rating assigned to medium enterprises by ARGUS Credit Rating Services Ltd (ACRSL)'s quantitative ME ratings model. When assigned, this rating indicates the obligor already failed to meet its financial obligations and may have entered bankruptcy proceedings.

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