

CREDIT RATING REPORT
KHALASHPIR MONDAL AUTO RICE MILLS LIMITED



Ref. no.: FR/2019/8119

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Project Rating	Long Term Rating	Date of Declaration	Date of Expiration
	BBB3 (Indicative)	21 May 2019	20 November 2019

**This assigned rating given up to debt amount of Tk. 122.51 million.*

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

Project Costs:

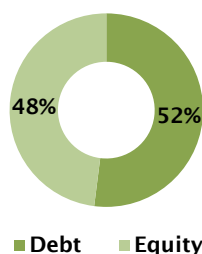
Particulars	Tk. in Million
Land, Building & Development	53.29
Building and Machinery	74.20
Duty, Tax, Erection, Preliminary Cost, Transport Cost, Furniture & Fixture, Contingencies, Office Equipment	205.44
IDCP (6 months)	5.28
Working Capital	77.55
Total	341.55

RATING RATIONALE

WCRCL has assigned **BBB3 Indicative** (pronounced Triple B Three Indicative) in the long term to **Khalashpir Mondal Auto Rice Mills Limited** (hereinafter referred to as “KMARML” or “The Company” or “The Project”) based on both relevant qualitative and quantitative information up to the date of rating declaration. The rating reflects that, KMARML is subject to medium credit risk and as such may possess certain speculative characteristics.

KMARML, rated in investment grade is subject to medium credit risk due to favorable condition regarding market outlook, experienced sponsors, availability of supply of raw materials and industrial area may endow with the location advantage. Earlier mentioned variables are considered positive factors while assigning the rating, because market outlook of woven industry is now favorable in Bangladesh. Management also has considerable experience in line with this business. Project will enjoy some location advantage like near high way road, power, gas, skilled labor, transport and communication. Despite these positive factors, few speculative elements highly levered capital structure, risk associated with project implementation, business network and market penetration may hinder achievement of 60% capacity utilization and high competitiveness due to price fluctuation in sales or price hike in raw materials. Finally, considering all the favorable measures and susceptibility of negative outcome this project has assigned investment grade for next six month period.

Means of Finance



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This rating may be revised subject to credibility of the sponsors, successful implementation and debt proportion in line with the sponsor's equity investment or changes in any macro factors along with micro factors in the economy.

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