

CREDIT RATING REPORT

KRISHIBID FARM MACHINERY & AUTOMOBILES LIMITED (SURVEILLANCE)



Ref. no.: FR/2022/026250

Report Contents:

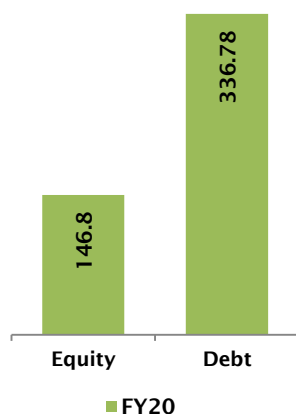
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Key Snapshot:

BDT. in million

Particular	FY20	FY19
Revenue	299.54	368.25
EBIT	35.95	59.84
Net Profit	9.39	21.49
Total Assets	483.58	410.05
Total Equity	146.80	128.43
Debt	336.78	281.62
Net Profit Margin (%)	3.13	5.83
Current Ratio (X)	1.93	1.80
CCC (Days)	481	312

Capital Structure
(BDT. in million)



Analysts:

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Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	BB1	ST-4	Stable	11 October 2022	27 June 2023

BDT. in Million

Bank's Name	Mode of Investment	Limit Amount	Outstanding Amount	Bank Loan Rating
Shahjalal Islami Bank Limited (30.09.2021)	HPSM-Transport	32.20	31.57	
	Term Loan	30.00	15.05	blr BB1
	Murabaha LC	100.00	nil	
	TR	(50.00)	61.17	
	BG	10.00	nil	blr ST-4
	BAIM TR	20.00	20.05	
NRB Bank Limited (31.07.2021)	Bai-Muazzal WES Bills	14.87	15.68	
	Term Loan (inner of Rev. LATR)	97.71	95.81	
	Revolving Lease Finance (TL)	3.35	3.45	blr BB1
	Resch. TL	61.03	61.52	
	Revolving LC	50.00	nil	
	Revolving LTR	(45.00)	nil	blr ST-4
	SDB Lease Finance (inner of Rev. LF)	(4.00)	nil	

Financial Based on-Management prepared financial statement as on 30 June 2021.

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

RATING RATIONALE

WCRCL has downgraded **BB1** (pronounced as Double B One) rating for the Long Term and **ST-4** (pronounced as Short Term Four) rating for Short Term to **Krishibid Farm Machinery & Automobiles Limited** (hereinafter referred to as 'KFMAL' or 'The Company') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance. WCRCL has also downgraded **blr BB1** (pronounced as Bank Loan Rating Double B One) rating for long term loan outstanding and **blr ST-4** (pronounced as Bank Loan Rating Short Term Four) rating for short term loan limit. The above ratings have been assigned based on the fundamentals of the company which include long experience of management in this line of business, strong group support- "**Krishibid Group**", strong buyers based, good distribution channel and good market reputation and strong brand image. However, the above factors are constrained by highly levered capital structure, tight liquidity position with long cash conversion cycle and low disclosure of financial statements.

The long term rating implies that the entity is subject to medium credit risk. And considered medium grade and as such may possess certain speculative characteristics. The short term rating implies that the entity is regarded as having some speculative characteristics. The obligor currently has the capacity to meet its financial commitment on the obligation; however, it may face uncertainties which could lead to the obligor's inadequate capacity to meet its financial commitment on the obligation.

WCRCL also viewed the company with "Stable" outlook and believes that KFMAL will be able to maintain its good fundamentals in the foreseeable future.