

CREDIT RATING REPORT

KRISHIBID TRADING LIMITED (SURVEILLANCE)



Ref. no.: FR/2022/026249

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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 Name	Mode of Investment	Sanctioned/ Limit Amount	Outstanding 27.08.2022	Bank Loan Rating
NRB Bank Limited	Reschedule Loan	20.18	18.91	blr BB1
	Reschedule	54.49	58.09	
	Capitalize Loan			

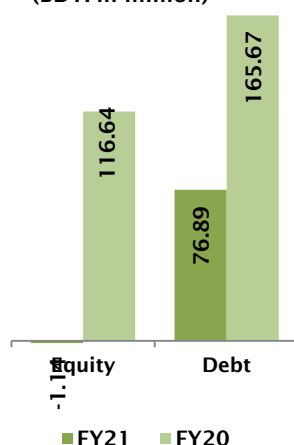
Financial Based on-Unaudited financial statement as on 30 June 2021.

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

Key Snapshot:

BDT. in million		
Particular	FY21	FY20
Revenue	107.10	460.47
EBIT	4.32	44.15
Net Profit	-3.07	21.14
Total Assets	75.75	282.31
Total Equity	-1.14	116.64
Debt	76.89	165.67
Net Profit Margin (%)	-2.87	4.59
Current Ratio (X)	0.97	1.89
CCC (Days)	399	136

Capital Structure
(BDT. in million)



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 Trading Limited** (hereinafter referred as "KTL" 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 to **blr BB1** (pronounced as Bank Loan Ration Double B One) rating to the Long Term loan outstanding. 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 sales revenue was in decreasing in FY21, profitability ratios were in negative position, highly levered capital structure, tight liquidity position with long cash conversion cycle, poor banking conduct and has reschedule history, and low disclosure of financial statements.

The long term rating implies that the entity is subject to have speculative elements and subject to substantial credit risk. 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 KTL will be able to maintain its good fundamentals in the foreseeable future.

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