

1st SURVEILLANCE CREDIT RATING REPORT
KRISHI TRADERS



Ref. no.: FR/2023/32035

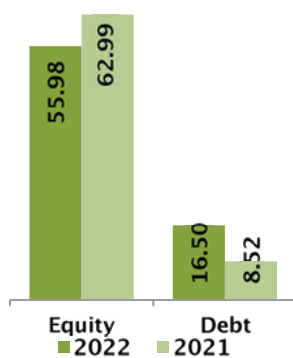
Report Contents:

Particulars	Page
Rating Rationale	1
Entity Profile	2
Business Management	2
Market Review	2
Business Analysis	3
Financial Position Analysis	3
Banking Relationship	4
Risk Factor Analysis	5
Rating Observation	5

Key Snapshot:

BDT. in million		
Particulars	FY22	FY21
Revenue	118.52	107.53
EBIT	8.87	8.42
Net Profit	7.69	6.44
Total Assets	72.48	71.51
Total Equity	55.98	62.99
Total debt	16.50	8.52
Net Profit Margin (%)	6.5%	6.0%
CCC (Days)	78.71	87.22
ICR (X)	12.18	5.34

Capital Structure
(BDT. in million)



Analysts:

Md. Akter Hossain
akter@wasocreditrating.com

Md. Rafiul Bary
Rafi@wasocreditrating.com

SME Rating	WCRSE/WCRME	Outlook	Date of Declaration	Date of Expiration
	WCRSE 3	Stable	12 June 2023	11 June 2024

WCRSE 3 rating is equivalent to Bangladesh Bank SME rating scale of SME 3 under BRPD circular number BRPD(BIC)661/14B(P)/2014/2093

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

RATING RATIONALE

WCRCL has assigned 'WCRSE 3' (pronounced as WASO Credit Rating Small Enterprise Three) rating under the SME Rating to Krishi Traders (hereinafter referred as "KT" or "The Enterprise") based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance.

The above rating has been assigned based on the fundamentals of the enterprise which includes:

- Experienced and skilled management
- Owned business premises and storage facility
- Satisfactory banking relationship
- Good mortgage security coverage against loan
- Good business network
- Good Profitability margin
- Good liquidity position with long cash conversion cycle
- Low levered capital structure
- Comfortable interest coverage position

However, the above rating has been moderated to some extent due to some factors like:

- No insurance coverage for the inventory in stock
- Medium disclosure in the financial statements
- Low management information system (MIS) and Manual accounting system

The SME rating implies that the enterprise is adjudged to above average level of credit worthiness in relation to other small enterprises.

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