

5th SURVEILLANCE CREDIT RATING REPORT
KRISHIBID FARM MACHINERY & AUTOMOBILES LIMITED



Ref. no.: CRAR-3692/2023

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Key Snapshot:

BDT. in million

Particular	FY22	FY21
Revenue	60.92	50.50
EBIT	3.37	3.45
Net Profit	-14.19	-21.84
Total Assets	317.20	283.26
Total Equity	-40.28	-26.10
Debt	357.48	309.35
Net Profit Margin (%)	-23.28	43.3%
CCC (Days)	713	1,953
ICR (X)	0.19	0.14

Capital Structure
(BDT. in million)



Analysts:

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Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	BB+	ST 4	Stable	07 November 2023	27 June 2024

BDT. in Million

Bank's Name	Mode of Investment	Sanctioned/ Limit Amount	Outstanding Amount	Bank Loan Rating
Shahjalal Islami Bank Limited (06 July 2023)	Res. Investment-I	39.78	51.09	blr BB+
	Res. Investment-II	47.60	66.31	
	Res. Investment-III	13.98	17.29	blr ST 4
	Bai-Muajjal TR	20.00	22.75	
NRB Bank Limited (30.09.2023)	BG	10.00	-	blr BB+
	Term Loan	222.18	223.78	
	Revolving LC	50.00	nil	blr ST 4
	Revolving LTR	(45.00)	nil	

Financial Based on- Audited financial statement as on 30 June 2022.

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

RATING RATIONALE

WCRCL has reaffirmed **BB+** (pronounced as Double B Plus) 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 BB+** (pronounced as Bank Loan Rating Double B Plus) 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 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, low disclosure of financial statements, no insurance coverage.

The long term rating implies that the entity has moderately below average credit quality. The short term rating implies that the entity has below average ability to meet short term financial commitments.

WCRCL also viewed the company with "Stable" outlook and believes that KFMAL will be able to maintain its good fundamentals in the foreseeable future. This rating may be revised in case of any extraordinary changes in line with the sponsor's equity investment, debt obligations, management, business operations and/or changes in any macro and micro factors in the economy.