

5<sup>th</sup> SURVEILLANCE CREDIT RATING REPORT  
KRISHIBID SEED LIMITED



Ref. no.: CRAR-3690/2023

Report Contents:

Particulars	Page
Rating Rationale	1
Entity Background	2
Group Profile	2
Management Evaluation	4
Market Review	4
Business Analysis	6
Financial Strength Analysis	08
Credibility and Banking Relationship	09
Risk Factor Analysis	10
Rating Observations	10

Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	BBB-	ST 4	Stable	07 November 2023	11 June 2024

BDT. in Million

Bank Name	Mode of Investment	Limit Amount	Outstanding as on 30.09.2023	Bank Loan Rating
NRB Bank Limited	Term Loan-I	145.03	145.74	blr BBB-
	L/C	60.00	-	
	LTR (inner limit of LC)	(55.00)	-	blr ST-4
	OD	20.00	-	
	Time Loan	30.00	-	

Key Snapshot:

BDT. in million

Particulars	FY22	FY21
Revenue	374.35	221.80
EBIT	49.12	34.16
Net Profit	30.42	18.74
Total Assets	506.98	328.46
Total Equity	368.86	189.44
Debt	143.18	139.02
Net Profit Margin (%)	8.13	8.45
CCC (Days)	134	155
ICR (X)	3.61	2.75

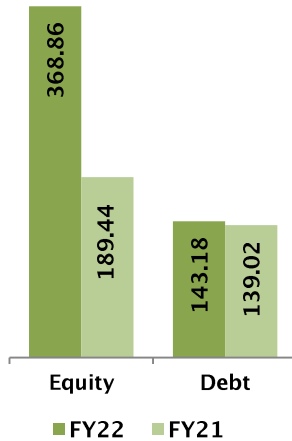
Financial Based on- Audited financial statements up to 30 June 2022.

Methodology: Corporate rating methodology published on the WCRCL website at [www.wasocreditrating.com](http://www.wasocreditrating.com)

RATING RATIONALE

WCRCL has reaffirmed **BBB-** (pronounced as Triple B minus) rating for the Long Term and **ST 4** (pronounced as Short Term Four) rating for Short Term to **Krishibid Seed Limited** (hereinafter referred to as 'KSL' 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 assigned to **blr BBB-** (pronounced as Bank Loan Rating Triple B Minus) rating to the Long Term loan outstanding and **blr ST 4** (pronounced as Bank Loan Rating Short Term Four) rating to the short term loan.

Capital Structure  
(BDT. in million)



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, low disclosure of financial statements, Low Liquidity position with poor quick ratio, and no insurance coverage for the inventory in stock.

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

Analysts:

**Maharan Nasrin**  
maharan@wasocreditrating.com

**Md. Rafiul Bary**  
rafi@wasocreditrating.com

WCRCL also viewed the company with "Stable" outlook and believes that KSL 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.