

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

Ref. no.: CRAR-3693/2023



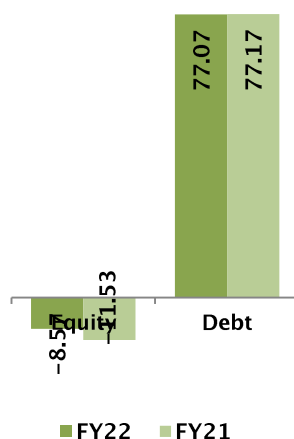
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## Key Snapshot:

| BDT. in million       |        |        |
|-----------------------|--------|--------|
| Particular            | FY22   | FY21   |
| Sales                 | 19.05  | 39.14  |
| EBIT                  | -0.13  | 0.22   |
| Net Profit            | -2.96  | -7.18  |
| Total Assets          | 65.64  | 68.50  |
| Total Equity          | -11.53 | -8.57  |
| Total debt            | 77.17  | 77.07  |
| Net Profit Margin (%) | -15.5% | -18.3% |
| Current Ratio (X)     | 0.84   | 0.88   |
| CCC (Days)            | 254    | 129    |
| ICR (X)               | -0.05  | 0.03   |

## 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  | 31 October 2023     | 27 June 2024       |

| BDT. in Million  |                    |                          |                        |                  |
|------------------|--------------------|--------------------------|------------------------|------------------|
| Bank Name        | Mode of Investment | Sanctioned/ Limit Amount | Outstanding 27.08.2022 | Bank Loan Rating |
| NRB Bank Limited | Term Loan          | 61.87                    | 62.23                  | blr BB+          |

*Financial Based on-Audited financial statements as on 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 **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 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 BB+** (pronounced as Bank Loan Ration Double B Plus) 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 FY22, 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 moderated disclosure of financial statements.

The long term rating implies that the entity has subject to 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 KTL 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.