SURVEILLANCE CREDIT RATING REPORT

ASIAN PETROLEUM LIMITED

Ref. No.: FR/2022/026061

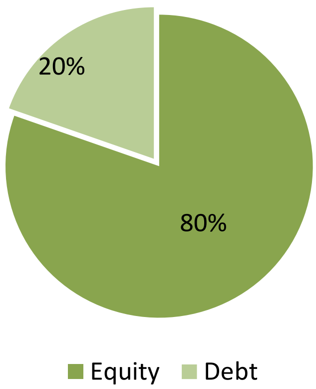
Report Contents:

Key Snapshot:

Tk. in Million

Particulars	FY'22	FY'21
Revenue	115.95	346.79
COS	101.49	246.22
EBIT	6.50	34.86
PAT	4.67	40.70
Total Assets	134.33	138.53
Total Equity	18.86	88.88
Total Debt	115.47	49.64
Gross Profit Margin (%)	12.46	29.00
Net Profit Margin (%)	4.03	11.74
ICR (X)	117.50	9.65
FFO	4.67	40.70

Capital Structure



Analysts:

Monira Islam
monira@wasocreditrating.com

Md. Al Amin Jewel
jewel@wasocreditrating.com

Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	BBB2	ST-3	Stable	11 October 2022	13 September 2023

** Bank loan rating may valid till date of rating expiration mentioned above or the expiration of facilities whichever is earlier.*

Tk. in Million

Bank Name	Investment Facilities	Limit Amount	Outstanding Amount	Bank Loan Rating
Dhaka Bank Limited(10.10.2022)	LC	50.00	11.93	blr ST-3
	LTR	(45.00)	28.08	
	TL	25.00	33.45	
	SOD (FDR)	4.75	4.72	
	OD	10.00	8.96	
Total		**89.75**	**87.14**	

Financial Based on*- Audited financial statements of 30 June 2022, 2021, and 2020.*

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

RATING RATIONALE

WCRCL has reaffirmed **BBB2** rating (Pronounced Triple B Two) for the long term and upgraded **ST-3** for the short term (Pronounced Short Term-Three) to **Asian Petroleum Limited** (hereinafter referred to as 'APL' or 'The Company') 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 experienced directors and management, maintained sound relationship with suppliers, lender and customers, getting advantages for perfect selling positioning, established business network, increasing business trends, and using own office and warehouse etc. However, the above factors are constrained to some extent by extensive competition to the market, highly levered concern, tight liquidity position with long cash conversion cycle, medium scale of business operation, moderate disclosure of financial statements.

The long term rating implies the company is subject to medium credit risk and considered medium grade and as such may possess certain speculative characteristics. It is expected to rely on external sources of committed financing. Based on its evaluation of near term covenant compliance, WCRCL believes that the issuer may require covenant relief in order to maintain orderly access to funding lines.

WCRCL also viewed the Company with **Stable** outlook and believes that **APL** will be able to maintain its good fundamentals in the foreseeable future.