

# SURVEILLANCE CREDIT RATING REPORT AKS KHAN PHARMACEUTICALS LIMITED



Ref. no.: FR/2023/030377

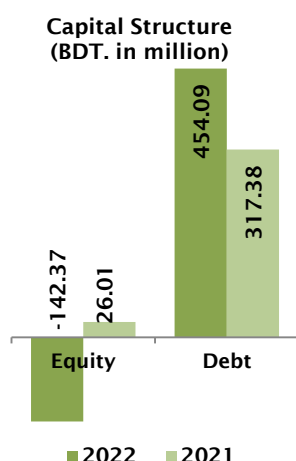
## Report Contents:

Particulars	Page
Rating Rationale	1
Corporate Background	2
Management Evaluation	2
Market Review	3
Business Analysis	4
Financial Strength Analysis	6
Banking Relationship	6
Risk Factor Analysis	7
Rating Observations	8

## Key Snapshot:

Tk. in million

Particulars	2022	2021
Revenue	601.4	581.2
EBIT	38.15	50.95
Net Profit	1.56	20.56
Total Assets	311.7	343.3
Total Equity	-142.3	26.01
Debt	454.0	317.3
Net Profit Margin (%)	0.3	3.5
CCC (Days)	103	70
Debt/Equity (X)	-3.19	12.20
ICR (X)	1.16	2.36



## Analysts:

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Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	A3	ST-3	Stable	28 March 2023	14 March 2024

Banks Name	Mode of Investment	Sanctioned/ Limit Amount	Outstanding Amount	Bank Loan Rating
Premier Bank Ltd. (27.03.2023)	Term Loan	100.00	56.90	blr A3
	CC (Hypo)	85.00	85.00	blr ST-3
	Stimulus COV-19	85.00	24.60	
Al-Arafah Islami Bank Ltd. (27.03.2023)	Bai-Muazzal (G))	40.00	43.55	blr ST-3
IFIC Bank Ltd. (27.03.2022)	OD	100.00	99.24	blr ST-3
IDLC Finance Ltd. (27.03.2023)	Term Loan	70.00	53.98	blr A3
	Lease Finance	20.00	3.38	blr ST-3
	Factoring Finance	120.00	52.19	
United Finance Ltd. (27.03.2022)	Term Finance	30.00	10.30	blr A3

*Financial Based on-Audited 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 assigned 'A3' (pronounced as Single A Three) rating for the Long Term and 'ST-3' (pronounced as Short Term Three) rating for Short Term to **AKS Khan Pharmaceuticals Limited** (hereinafter referred to as '**AKPL**' or '**The Company**') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance. WCRCL has assigned 'blr A3' (pronounced as Bank Loan Rating Single A Three) rating to the long term loan outstanding and 'blr ST-3' (pronounced as Bank Loan Rating Short Term Three) rating to short term loan limit.

The above ratings have been assigned based on the fundamentals of the company which include experienced & skilled management, sales revenue was in increasing phase, most transactions are in cash, maintained insurance coverage, satisfactory banking relationship, good infrastructural arrangement.

However, the above factors are constrained by average disclosure of financial statements, high levered capital structure, marginal interest coverage position, all outlets of the company are rented.

The long term rating implies that the entity is an upper medium grade and subject to low credit risk. The short term rating implies that the entity has a strong ability to repay short term debt obligations. It is likely to meet their obligations over the coming 12 months through internal resources but may rely on external sources of committed financing.

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