

INITIAL CREDIT RATING REPORT AKS KHAN HOLDINGS LIMITED

Ref. no.: FR/2023/032229



Report Contents:

Particulars	Page
Rating Rationale	1
Corporate Background	2
Management Evaluation	2
Business Analysis	3
Financial Strength Analysis	3
Risk Factor Analysis	4
Rating Observations	5

Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	BBB-	ST 4	Stable	04 July 2023	03 July 2024

Financial Based on Audited statements up to 30 June 2022.

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

RATING RATIONALE

WCRCL has assigned 'BBB-' (pronounced as Triple B Minus) rating for the Long Term and 'ST 4' (pronounced as Short Term Four) rating for Short Term to **AKS Khan Holdings Limited** (hereinafter referred to as '**AKSKHL**' or '**The Company**') based on its financial and other relevant qualitative and quantitative information up-to the date of the rating issuance.

The above ratings have been assigned based on the fundamentals of the company which include skilled & proactive management, strong group support, diversified sources of revenue, sales revenue was in increasing phase, the entity is a profitable concern, low leverage position in the capital structure.

However, the above factors are constrained by average disclosure of financial statements, small scale in the business, risk associated with fund management, poor profitability margin.

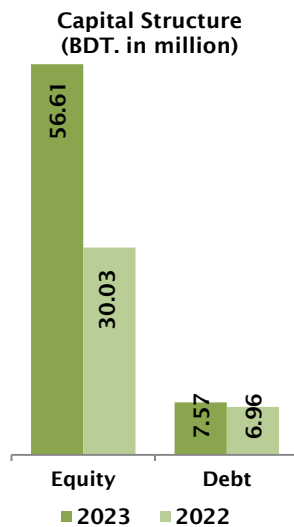
The long term rating implies that the entity is below average credit quality. The short term rating implies that the entity has a below average ability to meet short term financial commitments.

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

Key Snapshot:

Tk. in million

Particulars	2023	2022
Revenue	10.20	9.09
EBIT	0.58	-0.55
Net Profit	0.40	-0.61
Total Assets	64.18	36.99
Total Equity	56.61	30.03
Debt	7.57	6.96
Net Profit Margin (%)	4.0	-6.7
Debt/Equity (X)	0.13	0.23
FFO	0.40	-0.61



Analysts:

Md. Al Amin Jewel
jewel@wasocreditrating.com

Rafiul Bary
rafi@wasocreditrating.com