

1st SURVEILLANCE CREDIT RATING REPORT

AKOTA COMPOSITE MILLS LIMITED



Ref. no.: FR/2023/033519

Report Contents:

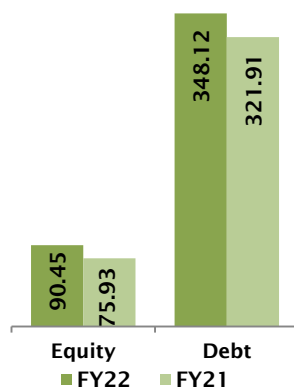
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Key Snapshot:

Tk. in million

Particulars	FY22	FY21
Revenue	572.73	466.23
EBIT	70.12	52.56
Net Profit	13.49	7.75
Total Assets	779.47	438.57
Total Equity	102.36	90.45
Debt	677.11	348.12
Net Profit Margin (%)	2.4%	1.7%
CCC (Days)	87	102
ICR (X)	1.24	1.17

Capital Structure
(BDT. in million)



Analysts:

Md. Rafiul Bary

rafi@wasocreditrating.com

Al Amin Jewel

jewel@wasocreditrating.com

Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	A-	ST 3	Stable	26 September 2023	18 September 2024

Tk. in million

Bank Name	Mode of Investment	Sanctioned/ Limit Amount	Outstanding Amount
NCC Bank Limited	LDBP	200.00	-
	CC (Hypo)	50.00	.03
	L/C	750.00	-
	BG, PG	20.00	-

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 'A-' (pronounced as Single A Minus) rating for the Long Term and 'ST 3' (pronounced as Short Term Three) rating for Short Term to Akota Composite Mills Limited (hereinafter referred to as 'ACML' 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 reaffirmed 'blr ST 3' (pronounced Bank Loan Rating Short Term Three) rating for Short Term bank Loan. The above ratings have been assigned based on the fundamentals of the company which include experienced and skilled management, give good supportive facilities to the workers, and have group support and good fund flow from operation. However, the above factors are constrained by highly levered capital structure, tight liquidity position and low disclosure of the unaudited financial statements.

The long term rating implies that the entity is subject Moderately good credit quality. The short term rating implies that average ability to meet short term financial commitments.

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