

INITIAL CREDIT RATING REPORT
AKSA ENTERPRISE
Ref. no.: FR/2023/034064



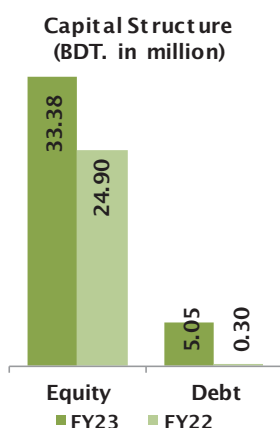
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Key Snapshot:

BDT. in million

Particulars	FY23	FY22
Revenue	120.34	102.29
EBIT	8.80	7.70
Net Profit	8.48	7.70
Total Assets	38.42	25.20
Total Equity	33.38	24.90
Total debt	5.05	0.30
Net Profit Margin (%)	7.0%	7.5%
CCC (Days)	58	51
ICR (X)	27.62	n/a



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SME Rating	Rating Notch	Outlook	Date of Declaration	Date of Expiration
	WCRSME3	Stable	19 September 2023	18 September 2024

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

RATING RATIONALE

WCRCL has assigned 'WCRSME3' (pronounced as WASO Credit Rating Small & Medium Enterprise Three) rating under the SME Rating to **Aksa Enterprise** (hereinafter referred as "AE" or "**The Enterprise**") 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 the fundamentals of the enterprise which includes:

- Long business experience of the proprietor in the business
- Low levered capital structure
- Good liquidity position with short cash conversion cycle
- Comfortable interest coverage position
- Good banking conduct

However, the above rating has been moderated to some extent due to some factors like:

- Poor disclosure of financial statements
- Tight liquidity position with long cash conversion cycle
- No insurance coverage for the inventory in stock
- Manual accounting system

The rating implies that the enterprise has above average credit quality.

WCRCL also viewed the enterprise with "Stable" outlook and believes that AE 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.