



RATING RATIONALE

29 Nov 2023

A. K. Capital Services Limited

Brickwork Ratings withdraws the rating of the proposed bank loans of Rs.600 Cr of A. K. Capital Services Ltd.

Particulars:

Facilities	Amount Rated (Rs. Crs.)		Rating*	
	Previous	Present	Previous 18 Oct 2022	Present Rating
Proposed Bank Loans Fund based WC/TL	600.00	-	BWR AA-/Stable (Assigned)	Withdrawal on Non Utilisation
Total	600.00	-	Nil	

*Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

Brickwork Ratings (BWR) withdraws the rating of the proposed bank loan facilities of A K Capital Services Ltd. at the request of the Company and non-utilization. The withdrawal of rating is in compliance with BWR's policy for withdrawal of ratings.

COMPANY PROFILE

A. K. Capital Services Limited (AKCSL), incorporated in 1993 is a SEBI-registered category I merchant banker, listed on the Bombay Stock Exchange (BSE). AKCSL is the flagship company of A. K. group and one of the leading players in the corporate bond and fixed-income market in India. The company is one of the leaders in the debt market segment with respect to private placement and public issues, and financial advisory services. The company offers customized solutions to its clients, i.e. issuers, by mobilizing funds through the debt capital market, and investors, by creating avenues for investment in the debt capital market. A. K. group companies also complement each other right through client sourcing, lending and other ancillary services. Parent company A. K. Capital Services Limited conducts the merchant banking activity, and A. K. Capital Finance Limited is the group's NBFC arm. The NBFC deals with fixed-income instruments and also lending activities. A. K. Stockmart Private Limited (a 100% subsidiary of A. K. Capital Services Ltd.) does broking activities and third-party product distribution for the group. It provides broking services in the wholesale debt market (WDM) and retail debt market (RDM), and acts as a depository participant.



KEY FINANCIAL INDICATORS

Standalone (A. K. Capital Services Limited)

Key Financial Indicators	Units	FY22	FY23	H1FY24
Result Type		Audited	Audited	Unaudited
Total Income	Rs.Crs	86.89	115.34	59.79
Profit after tax	Rs.Crs	26.33	30.71	14.87
Tangible Net-worth	Rs.Crs	440.95	465.71	476.51
Total Debt	Rs.Crs	459.51	501.32	637.46
Debt to Tangible Net-worth	Times	1.04	1.08	1.34

Consolidated (A. K. Capital Services Limited)

Key Financial Indicators	Units	FY22	FY23	H1FY24
Result Type		Audited	Audited	Unaudited
Total Income	Rs.Crs	322.89	406.81	240.97
Profit after tax	Rs.Crs	83.01	88.42	42.31
Tangible Network	Rs.Crs	783.14	863.55	900.69
Total Debt	Rs.Crs	1843.16	2161.86	2657.98
Debt to Tangible Network	Times	2.35	2.50	2.95

NON-COOPERATION WITH PREVIOUS CREDIT RATING AGENCY (IF ANY): Nil

RATING HISTORY FOR THE PREVIOUS THREE YEARS [including withdrawal and suspended]

Sr. No.	Name of Instrument	Current Rating (2023)			Rating History for the past 3 years																	
		Type	Amount (Rs. Crs)	Rating	2022			2021			2020											
					18-Oct-22																	
1	Bank Loan – Fund Based-CC/O D/WCDL/TL	Long Term	600	Withdrawn	Long Term	600	BWR AA-(Stable)				-		-									
	(proposed)						(Assignment)															
2	Bank Loan – Fund Based-CC/O D/WCDL/TL				18-Oct-22			Long Term	641.76	BWR AA-(Stable)	27-Aug-21	Long Term	582.29	BWR AA-(Stable)								
	(existing and proposed)																					
							(Reaffirmed and Withdrawn)		Long Term	641.76	BWR AA-(Stable)	29-Jan-20										
									Long Term			785	BWR AA-(Stable)									

COMPLEXITY LEVELS OF THE INSTRUMENTS: Bank Loans - Simple

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

Hyperlink/Reference to applicable Criteria

[General Criteria,](#)

[Approach to financial ratios,](#)

[Banks & Financial Institutions,](#)

[Consolidation of Companies,](#)

[BWR's policy for withdrawal of Ratings](#)

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A. K. CAPITAL SERVICES LIMITED

ANNEXURE I

Details of Loan Facilities rated by BWR

Sl. No.	Name of the Bank/Lender	Type of Facilities	Long Term (Rs.Crs.)	Short Term (Rs.Crs.)	Total (Rs.Crs.)
1	Proposed	Fund Based	600.00	0.00	600.00
		TOTAL	600.00		600.00
Rupees Six Hundred Crores Only					

Annexure II -

INSTRUMENT (NCD/Bonds/CP/FDs) DETAILS : NA

ANNEXURE III

List of entities consolidated

Name of Entity	% ownership	Extent of consolidation	Rationale for consolidation
A K Capital Corporation Private Limited	100%	100%	Subsidiary
A K Capital Finance Limited	98.73%	98.73%	Subsidiary
A K Stockmart Private Limited	100%	100%	Subsidiary
A K Wealth Management Private Limited	100%	100%	Subsidiary
A K Capital (Singapore) PTE Limited	100%	100%	Subsidiary
Family Home Finance Private Limited	98.73%	98.73%	Step down Subsidiary



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