

SURVEILLANCE CREDIT RATING REPORT
ABDUL GAFFAR & CO. (PVT.) LIMITED

Ref. no.: FR/2022/26304



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Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	BBB2	ST-3	Stable	29 August 2022	28 August 2023

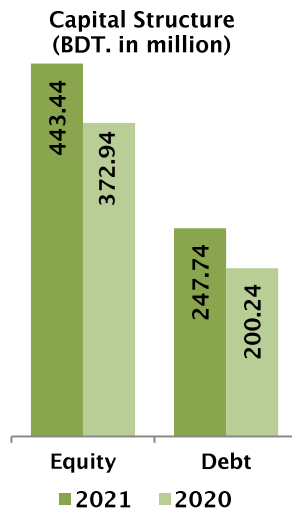
Name of Bank	Mode of Investment	Limit or Sanctioned Amount	Outstanding Amount as on 11.08.2022	Bank Loan Rating
The Premier Bank Limited	CC (Hypo.)	20.00	-	blr ST-3
	L/C	150.00	61.18	
	LTR	75.00	-	

**All the facilities are interchangeably enjoyed by Rahmat Trading, Pacific Impex and AGI Corporation, three sister concerns of AGCL.*

**blr-Bank Loan Rating*

Key Snapshot:

Particulars	FY21	FY20
Revenue	698.6	725.0
EBIT	103.7	83.11
Net Profit	70.50	53.84
Total Assets	691.1	573.1
Total Equity	443.4	372.9
Debt	247.7	200.2
Net Profit Margin (%)	10.1%	7.4%
CCC (Days)	109	47
ICR (X)	34	298



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Financial Based on- Audited financial statements up to 30th June 2021.

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

RATING RATIONALE

WCRCL has reaffirmed the long term rating to 'BBB2' (pronounced as Triple B Two) and 'ST-3' rating (pronounced as Short Term Three) for the short term to **Abdul Gaffar & Co. (Pvt.) Ltd.** (hereinafter referred to as '**AGCL**' 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 as bank loan rating Short Term Three) rating to aggregate short term limit.

The above ratings have been assigned based on experienced promoter and management, large scale of business, low levered company, good interest coverage position, good warehouse arrangement and regular loan repayment history.

However, the above factors are constrained to some extent by average disclosure in the financial statement, tight liquidity position with long cash conversion cycle, market saturation or high competition, no insurance policy, overall poor profitability ratios, and poor security arrangement.

The long term rating implies that the company is subject to medium credit risk and considered medium grade and as such may possess certain speculative characteristics. The short term rating implies that the company has an acceptable ability to repay short term debt obligations from internal sources. However, it is expected to rely on external sources of committed financing due to downturn in economic or industry circumstances.

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