

**SURVEILLANCE CREDIT RATING REPORT**  
**ADNAN PSF INDUSTRIES LIMITED**  
 Ref. no.: FR/2023/031064



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Entity Rating	Long Term	Short Term	Outlook	Date of Declaration	Date of Expiration
	BBB2	ST-4	Negative	07 May 2023	06 May 2024

*Tk. in million*

Bank Name	Mode of Investments	Sanctioned/ Limit Amount	Outstanding Amount as on 27.03.2023	Bank Loan Rating
Global Islami Bank Limited	HPSM Consumer Auto	397.40	393.03	blr BBB2
	HPSM	283.91	283.91	
	Bai Murabaha (Hypo)	150.00	161.97	blr ST-4

**Financial Based on-** Audited statements up to FY22.

**Methodology:** Corporate rating methodology published on the WCRCL website at [www.wasocreditrating.com](http://www.wasocreditrating.com)

**Key Snapshot:**

*Tk. in million*

Particulars	FY22	FY21
Revenue	654.45	857.84
EBIT	78.92	179.46
Net Profit	34.22	89.94
	1,597.70	1,485.63
Total Assets		
Total Equity	883.92	806.78
Debt	713.79	678.85
Net Profit Margin (%)	5.2%	10.5%
CCC (Days)	418	575
ICR (X)	1.94	4.37

**RATING RATIONALE**

WCRCL has downgraded “**BBB2**” (pronounced as Triple B Two) rating for the long term and “**ST-4**” (pronounced as Short Term Four) rating for short term to Adnan PSF Industries Limited (hereinafter referred to as APSFIL 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 BBB2**” (pronounced as Triple B Two) to long term and “**blr ST-4**” (pronounced as Bank Loan rating Short Term Four) rating to the aggregated short term limit. The above ratings have been assigned based on the fundamentals of the company which includes experienced management, increasing trend in growth of business, factory premise located at EPZ Ishwardi, well equipped factory, has monopolistic market setup, strong raw material supply chain, positive fund flow from operation. However, the above factors are constrained to some extent by poor disclosure of financial statements to review and analyze the true financial attributes, tight liquidity position with long cash conversion cycle, highly levered capital structure, overdue in repayment behavior, reschedule history, decreasing trend in sales revenue, negative net profit.

The long term rating implies that the company rated to medium credit risk. And considered medium grade and as such may possess certain speculative characteristics. The short term rating implies that the company some speculative characteristics. The obligor currently has the capacity to meet its financial commitment on the obligation; however, it may face uncertainties which could lead to the obligor's inadequate capacity to meet its financial commitment on the obligation.

WCRCL also viewed the company with “Negative” outlook and believes that APSFIL will be able to maintain its good fundamentals in the foreseeable future.

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