

RATING REPORT

Aspin Pharma (Private) Limited

REPORT DATE:

February 13, 2025

RATING ANALYST:

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RATING DETAILS				
Rating Category	Latest Rating		Previous Rating	
	Long-term	Short-term	Long-term	Short-term
Entity	A	A1	A	A1
Rating Outlook/Watch	Stable		Stable	
Rating Action	Reaffirmed		Upgraded	
Rating Date	November 04, 2024		October 04, 2023	
Short-term Sukuk	-	A1	-	A1 (plim)
Rating Action	Final		Preliminary	
Rating Date	February 13, 2025		December 31, 2024	

COMPANY INFORMATION

Incorporated in 2013	Group Chairman Mr. Tariq Moinuddin Khan
Private Limited Company	CEO: Mr. Tariq Moinuddin Khan
Key Shareholders (with stake 5% or more):	External Auditors: Grant Thornton Anjum Rahman
<i>Aitkenstuart Pakistan (Private) Limited ~100%</i>	

APPLICABLE METHODOLOGY(IES)

VIS Entity Rating Criteria Methodology – Corporates
<https://docs.vis.com.pk/docs/CorporateMethodology.pdf>

Rating the Issue
<https://docs.vis.com.pk/docs/Rating-the-Issue-Aug-2023>

VIS Issue/Issuer Rating Scale:
<https://docs.vis.com.pk/docs/VISRatingScales.pdf>

Aspin Pharma (Private) Limited

OVERVIEW OF THE INSTITUTION

RATING RATIONALE

Aspin Pharma (Private) Limited (APL) was incorporated in Pakistan as a private limited company in 2013. APL is engaged in manufacture and sale of pharmaceutical products. The Company is a wholly owned subsidiary of Aitkenstuart Pakistan (Private) Limited.

Profile of Chairman & CEO

Mr. Tariq Moinuddin Khan is founder and CEO of OBS Group. He carries over four decades of domestic and international professional experience. Mr. Khan is a graduate of Concordia University Canada and acquired Post Graduate Diploma from McGill University and Certified Public Accountant designation from USA.

The assigned rating reflects the low business risk profile of Pakistan's pharmaceutical sector, marked by stable demand and low economic sensitivity, which supports steady revenue and profitability. Key factors such as population growth, disease prevalence, emerging illnesses, hygiene conditions, and increase in health awareness sustain the demand for pharmaceutical products. Furthermore, the recent deregulation of drug prices for non-essential medicines permits companies to independently increase prices, which were previously regulated, enhancing the sector's business risk profile

Assessment of financial risk profile reflects increasing revenue during the third quarter of the ongoing year, supported by price adjustments, cascading down to improved bottom line and higher margins. Liquidity metrics have strengthened, with improved cashflow coverages and a stable current ratio. Additionally, an expanded equity base and the repayment of long-term obligations have reduced leverage and gearing ratios, strengthening the overall capital structure. Maintenance of liquidity and capitalization metrics will remain important for ratings.

Company Profile

Aspin Pharma (Private) Limited ('APL' or 'the Company') was incorporated as a private limited company on 14 December 2013. The registered office of the Company is situated at Plot No.10 & 25, Sec-20, Korangi Industrial Area, Karachi. The Company is a wholly owned subsidiary of Aitkenstuart Pakistan (Private) Limited (parent company). Principal activities of the Company include import, marketing, export, distribution, wholesale and manufacturing of all kinds of pharmaceuticals.

Short-Term Sukuk

- The instrument is a privately placed, unlisted, and unsecured Short-Term Sukuk (STS) based on Musharakah (Shirkat-ul-Aqd), with a total issue size of Rs. 2,000 million.
- The purpose of the Sukuk is to support the working capital needs of the Company.
- The instrument has a tenor of six (06) months, starting from the disbursement date of January 6, 2025.
- Profit rate on the instrument is 6 Month KIBOR+0.80% (effective rate: 12.88%).
- Profit will be payable at the time of the maturity of the Sukuk along with the principal payment on July 7, 2025.

REGULATORY DISCLOSURES					
Name of Rated Entity	Aspin Pharma (Private) Limited				
Sector	Pharmaceutical				
Type of Relationship	Solicited				
Purpose of Rating	Instrument Rating				
Rating History	Rating Date	Medium to Long Term	Short Term	Rating Outlook/Watch	Rating Action
	Rating Type: Entity				
	04-11-2024	A	A1	Stable	Reaffirmed
	04-10-2023	A	A1	Stable	Upgraded
	30-09-2022	A	A2	Stable	Reaffirmed
	06-10-2021	A	A2	Stable	Reaffirmed
	19-10-2020	A	A2	Stable	Reaffirmed
	03-10-2019	A	A2	Stable	Reaffirmed
	14-12-2018	A	A2	Stable	Reaffirmed
	18-10-2017	A	A2	Stable	Initial
	Rating Type: Short-term Sukuk				
	13-02-2025	-	A1	-	Final
31-12-2024	-	A1 (plim)	-	Preliminary	
Instrument Structure	The instrument is a privately placed, unlisted, and unsecured Short-Term Sukuk (STS) based on Musharakah (Shirkat-ul-Aqd), with a total issue size of Rs. 2,000 million, including a Rs. 500 million Green Shoe Option. The purpose of the Sukuk is to support the working capital needs of the Company. The instrument has a tenor of six (06) months, starting from the disbursement date of January 6, 2025. Profit rate on the instrument is 6 Month KIBOR+0.80% (effective rate: 12.88%). Profit will be payable at the time of the maturity of the Sukuk along with the principal payment on July 7, 2025.				
Statement by the Rating Team	VIS, the analysts involved in the rating process and members of its rating committee do not have any conflict of interest relating to the credit rating(s) mentioned herein. This rating is an opinion on credit quality only and is not a recommendation to buy or sell any securities.				
Probability of Default	VIS' ratings opinions express ordinal ranking of risk, from strongest to weakest, within a universe of credit risk. Ratings are not intended as guarantees of credit quality or as exact measures of the probability that a particular issuer or particular debt issue will default.				
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Due Diligence Meetings Conducted	S.No.	Name	Designation	Date	
	1	Mr. Bosco Firmin	Dep. General Manager Investments & New Ventures	20-Dec-24	
	2	Mr. Mobin Kanjiani	Sr. Manager - Investments & New Ventures	27-Dec-24	