VIS
Credit Rating Company Limited

RATING REPORT

PREMIER SALES (PRIVATE) LIMITED

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RATING DETAILS				
RATINGS CATEGORY	Latest Rating		Previous Rating	
	Medium to Long-term	Short-term	Medium to Long-term	Short-term
ENTITY	A	A1	A	A1
RATING OUTLOOK/ WATCH	Stable		Stable	
RATING ACTION	Reaffirmed		Reaffirmed	
RATING DATE	25-11-2026		14-10-2025	

Shareholding (5% or More)	Other Information
Ebrahim Qasim-17.93%	Incorporated in 2020
Kulsum Bano – 17.12%	Private Limited Company
Muhammad Jamil Qasim– 14.67%	Chief Executive: Muhammad Rafique Jackwani
M.Haroon Qasim – 14.67%	Chairman: Ebrahim Qassim
Muhmmad Salman Qassim-14.67%	External Auditor: M.Saleem Associates Chartered Accountant
Rifat Rabeya-7.88%	
Intrafin Sales & Service (Private) limited-6.52%	

Applicable Rating Methodology

VIS Entity Rating Criteria Methodology – Corporates Ratings
https://docs.vis.com.pk/Methodologies-2026/Corporate-Rating-2026.pdf

Rating Scale

https://vis.com.pk/docs/VISRatingScales.pdf

Rating Rationale

The assigned ratings of Premier Sales (Private) Limited reflect its operating history of nearly six decades, evolving from managing a small fleet of delivery vehicles in Karachi to becoming a national-scale distribution company, with growth supported by a broad customer base and long-standing relationships with key principals. The ratings also incorporate the family-held majority shareholding, as well as management's efforts to streamline operations, enhance customer accessibility, and improve sales and distribution efficiency through its in-house-built B2B direct sales application, Uraan.

Revenue growth remains strong, supported by higher sales volumes and an expanding distribution network. Plans for further geographic expansion, alongside an increase in the number of distribution centers and warehouses, remain in place. The sales mix continues to be led by pharmaceuticals, followed by FMCG. The business risk profile benefits from the addition of three new principals in FY26. While customer concentration risk remains low, concentration risk among principals remains elevated, broadly in line with historical levels.

Profit margins remain subdued in FY26, though largely stable. The equity base benefits from additional capital injection and profit retention, leading to a modest improvement in capitalization ratios, which, however, remain high. Liquidity and debt coverage indicators remain adequate. Sponsor support continues to provide comfort in meeting working capital requirements and is expected to remain available going forward. However, limited availability of the unutilized working capital facilities constraint the Company's financial flexibility. The ratings remain sensitive to the Company's ability to sustain positive revenue growth and capitalization trajectories, while maintaining adequate profitability margins.

Company Profile

Premier Sales (Private) Limited ('PSPL' or 'the Company') was incorporated in Pakistan on January 30, 2020, with its head office and registered office located in Karachi. The Company is engaged in the trading and distribution of pharmaceuticals, FMCG, cosmetics, beverages, lubricants, consumer electronics, and paints. With a nationwide presence, PSPL operates through 72 branches across 65 towns

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and cities (FY25: 62), supported by an extensive infrastructure, warehousing facilities, and logistics network to ensure efficient supply chain operations. PSPL is part of the Premier Group of Companies (PG), which has a diversified presence across multiple sectors, including textiles (Zaman Textile Mills (Pvt.) Ltd.), pharmaceuticals (PharmEvo (Pvt.) Ltd.), and household products (Shield Corporation Ltd.), maintaining a strong position in Pakistan's industrial and consumer markets.

Background

Premier Sales Private Limited traces its origins to 1971, when it commenced operations in Karachi with a fleet of four delivery vans, built on the principle of providing reliable distribution services and fostering long-term business relationships. In 1975, Premier Agencies was established, strengthening the foundation for structured sales and distribution operations. The Company expanded its geographical footprint in 2000 with the commencement of operations in Hyderabad, followed by further expansion into the Northern and Central regions of Pakistan in 2002. In 2015, the Company refreshed its corporate identity to reflect its evolving business profile and forward-looking vision. Subsequently, in 2020, Premier Agencies and Premier Distributors were consolidated under Premier Sales Private Limited, bringing the operations together under a unified corporate identity and establishing a stronger platform for nationwide sales and distribution activities.

Management and Governance

Sponsors

The Company's shareholding is primarily held by the Qassim family, with Ebrahim Qassim being the largest individual shareholder, holding 17.93% of the total shares, followed by Kulsum Bano with 17.12% while the remaining is held other family members, and Intrafin Sales & Services (Private) Limited, Bin Qasim Enterprises (Private) Limited and Eksons Sales (Private) Limited, all of which are companies associated through common directorship with the Qassim family.

Shareholding	
Ebrahim Qassim (Chairman)	17.93%
Kulsum Bano	17.12%
Muhammad Jamil Qassim	14.67%
M Haroon Qassim	14.67%
Muhammad Salman Qassim	14.67%
Rifat Rabeya Qassim	7.88%
Intrafin Sales & Services (Private) Limited	6.52%
Bin Qasim Enterprises (Private) Limited	3.53%
Eksons Sales (Private) Limited	2.99%
TOTAL	**100%**

Audit Opinion

The FY25 financial statements were audited by M. Saleem Associates Chartered Accountants, which issued an unqualified opinion. The audit firm holds a satisfactory QCR rating.

Business Risk

INDUSTRY

Pakistan's distribution industry plays a vital role in the retail and consumer ecosystem, facilitating the nationwide movement of pharmaceuticals, FMCG and other essential products. During FY26, the economy grew by 3.65%, while the services sector expanded by 3.81%. Wholesale and retail trade and transport and storage recorded growth of 2.37% and 3.23%, respectively. Large-scale manufacturing grew by 4.98%; however, pharmaceutical manufacturing contracted by 8.87%, reflecting mixed performance across key sectors served by distributors.

The industry remains exposed to high working capital requirements, thin margins, fuel price volatility and financing costs. These pressures are compounded by fixed-margin arrangements, higher taxation and regulatory requirements. The SBP maintained its policy rate at 11.5% in September 2026, while the minimum turnover tax for qualifying distributors and wholesalers of specified goods increased to 0.5% under

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the Finance Act 2026. In the pharmaceutical segment, stringent DRAP regulations, import costs and gaps in cold chain infrastructure remain key challenges.

The Company's business risk profile is assessed as medium to low, supported by contractual arrangements under which principals bear most foreign exchange and product expiry risks. Operations are supported by a centralized order management system and a nationwide branch and warehousing network, while credit risk is managed through monitoring and provisioning practices. In line with contractual requirements, the Company maintains inventory of 2–4 weeks for FMCG products and 6–8 weeks for pharmaceuticals. Procurement is primarily undertaken on an advance payment basis, with advance payments also extended to certain new principals, particularly in the pharmaceutical segment. These requirements are financed mainly through short-term borrowings. The Company's business risk profile remains under pressure from a growing fixed cost base, higher procurement costs and increased working capital requirements, resulting in greater reliance on short-term borrowings. Elevated finance costs and tax pressures, particularly in light of increase in policy rate to 12% in October 2026 and minimum turnover tax hike from 0.25% to 0.50% in FY26-FY27 Budget will continue to constrain net margins and cash flows.

Going forward, sponsor support and business diversification are expected to provide financial flexibility and support the Company's risk profile. The sponsors demonstrated support and commitment to provide additional funding, if required, provide comfort. Meanwhile, management is diversifying the sales mix towards higher-margin product categories to improve profitability and reduce reliance on pharmaceuticals and FMCG.

OPERATIONAL UPDATE

Years	Towns/Cities	Outlets	Retailers	Wholesalers	Modern Trade	Others
2024	58	201,413	179,838	8,460	1,009	12,106
2025	62	188,037	166,164	8,031	1,013	12,829
2026	65	199,333	175,943	8,487	850	14,050

In FY26, Premier Sales (Private) Limited expanded its distribution network to 65 towns, covering 199,333 outlets nationwide. The network comprised 175,943 retailers, 8,487 wholesalers, 850 modern trade outlets and 14,050 other outlets. Compared to FY25, the Company's geographical reach increased from 62 to 65 towns, while total outlets and retailers grew by 6.0% and 5.9%, respectively. Wholesalers also increased by 5.7%, whereas modern trade outlets declined by 16.1%. The Company is expanding its warehousing facilities in Karachi, Lahore & Islamabad to strengthen its storage and distribution capabilities. Overall, the expansion reflects improved geographical penetration and growth in the Company's traditional distribution channels.

Karachi represents the largest distribution hub, followed by North, South, and Central respectively. The distribution network in Karachi is supported 230 owned vehicles while vehicles on contractual basis handle the distribution outside of Karachi. The Company has developed a B2B direct sales application, Uraan, aimed at streamlining order placement, enhancing customer accessibility, and improving sales and distribution efficiency.

SALES & PROFITABILITY

During FY26, the Company recorded a 17% year-on-year increase in net sales to PKR 195.4 billion (FY25: PKR 167.7 billion), driven by a combination of higher product prices and expansion of the distribution network.

According to management, the Company handles a portfolio of companies organized across 45 distinct business groups. The Company onboarded three new principals in FY26, including AGP OBS, Ashrafi Foods, and Horizon Pharma among the new additions. and plans to expand its principal network in FY27. Concentration was high, with the top ten principals accounting for 65% (FY25: 67% of total sales and the largest principal, Pharmevo (Private) Limited contributing 11.29% (FY25: 10.54%) and English Biscuits Manufacturing (EBM) accounting for 9.40% (FY25: 10.19%) revenue in FY26. Largest customer in terms of value in FY26 was Imtiaz Super Market, with a share of 2.4%, followed by leading pharmaceutical chains, Clinix, D Watson, Bin Hashim and Dvago. The segment-wise sales mix in FY25-FY26 was led by pharmaceuticals, contributing 62% of total revenue, followed by FMCG at 29%, while the remaining 9% was generated from the Consumer and Cosmetics segments.

Profit margins remain subdued, broadly aligned with industry dynamics, and exhibit a degree of fluctuation owing to shifts in the sales mix, spike in fuel prices, and the impact of policy rates on finance costs. Accordingly, gross profit margin moderated to 7.3% in FY26 (FY25: 7.9%; FY24: 7.8%), while the operating profit margin contracted to 2.7% (FY25: 3.3%; FY24: 3.0%) and the net profit margin declined marginally to 0.8% in FY26 (FY25: 1.1%, FY24: 0.7%).

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Financial Risk

CAPITAL STRUCTURE

Tier-1 equity strengthened from PKR 6.89 billion at end-FY25 to PKR 8.78 billion at end-FY26, reflecting profit retention and an increase in paid up capital by PKR 240 million to PKR 1.84 billion at end-FY26 (end-FY25: PKR 1.6 billion), following the issuance of additional 24 million shares to Intrafin Sales & Services (Private) Limited (12m shares), Bin Qasim Enterprises (Private) Limited (6.5 m shares), and Eksons Sales (Private) Limited (5.5m shares). Subordinated loan from the related parties, considered as part of the equity, remained unchanged at PKR 2.0 billion.

The Company's gearing and leverage ratios declined to 2.79x and 3.37x, respectively, at end-FY26, from 3.11x and 3.59x at end-FY25. The improvements were primarily attributable to a higher equity base. Borrowings increased to fund higher working capital requirements and comprised mainly short-term loans, which rose from PKR 23.3 billion at end-FY25 to PKR 25.9 billion at end-FY26. Although management reports approved short-term credit lines of PKR 27 billion, these facilities are nearly fully utilized, leaving limited headroom to meet any further increase in working capital requirements.

DEBT COVERAGE & LIQUIDITY

Debt coverage and liquidity ratios remained adequate. Funds from operations decreased to PKR 1.7 billion in FY26 (FY25: PKR 1.9 billion), in line with drop in profitability. Though DSCR also decreased in FY26, however, it remained adequate (FY26: 1.55x, FY25: 1.59x). The current ratio and cash conversion cycle also remained broadly stable throughout FY24-FY26. Short-term debt coverage stood at 1.2x at end-FY26.

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REGULATORY DISCLOSURES — Appendix I

Name of Rated Entity	Premier Sales (Private) Ltd
Sector	Distribution & Logistics
Type of Relationship	Solicited
Purpose of Rating	Entity Ratings

Rating History

Rating Date	Medium to Long Term	Short Term	Rating Outlook	Rating Action
RATING TYPE: ENTITY				
25-11-2026	A	A1	Stable	Reaffirmed
14-10-2025	A	A1	Stable	Reaffirmed
11-09-2024	A	A1	Stable	Reaffirmed
10-08-2023	A	A1	Stable	Reaffirmed
07-07-2022	A	A1	Stable	Initial

Instrument Structure	N/A
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

Name	Designation	Date
Mr. Abdul Wahab	Director Accounts & IT	13-10-2026
Mr. Waqas Kodvavi	Deputy Director Finance & Admin	
Mr. Zohaib Yaseen	Manager Finance	

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