



Date

30-Jun-22

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Applicable Criteria

- Methodology | Corporate Rating | Jun-21
- Criteria | Correlation Between Long-term & Short-term Rating Scales | Jun-21
- Criteria | Rating Modifiers | Jun-21

Related Research

- Sector Study | Trucks & Buses | Dec-21

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PACRA Assigns Initial Entity Ratings of Cordoba Logistics and Ventures Limited

Rating Type	Entity
	Current (30-Jun-22)
Action	Initial
Long Term	BBB-
Short Term	A2
Outlook	Stable
Rating Watch	-

Cordoba Logistics and Ventures Limited (“CLVL”) is a public listed company, primarily established for providing logistics services by renting out commercial vehicles (Buses & LCVs) to provide one window solution and to reduce lead time. To outspread business footprints, CLVL is positioned itself to invest in other business ventures such as e-commerce, retail, fintech, and information technology. The key customers are prominent industry players. The ratings take comfort from (a) fixed income from the rental-based asset deployment model and (b) Sponsors showed firm commitment for a fresh equity injection of PKR 500mln through the right issue, albeit the right issue is not fully subscribed, all legal formalities have been finalized and public disclosures have been issued and (c) maintaining / undeviating debt to equity ratio of 1. The Company belongs to the Elahi Group a fact also incorporated into ratings. CLVL is expected to receive benefits from the group’s long-standing customer base. CPEC will be a game-changer for the Logistics Sector of Pakistan and will bring huge opportunities. As per China’s vision to move 300-400 Million Tons per year from the CPEC route in the year 2030. According to Pakistan Automotive Manufacturing Association (PAMA), the offtake of trucks and buses between Jul’21 and Mar’22 observed an upward trend depicted ~54% growth from the same period last year. The board comprises eight members including one executive director, three non-executive directors, three independent directors, and one nominee director. The company is taking cognizance of the corporate governance structure and formulated committees at board levels. The Company is led by a team that includes qualified professionals with vast & diversified experience. The Company’s external auditor is Parker Russell-A.J.S Chartered Accountants having a satisfactory QCR rating and is categorized 'B' in the list of SBP-approved auditors.

Rating is dependent on the successful implementation of business strategy as depicted in financial projections, generating sustainable revenue streams, prudent financial performance, an effective liquidity profile, and maintaining a financial discipline shall remain imperative.

About the Entity

Cordoba Logistics and Ventures Limited (“CLVL”) formerly known as Mian Textile Industries Limited was incorporated in Pakistan in 1986 as a Public Limited Company under the Companies Ordinance, 1984. In April 2021, Mr. Danish Elahi from Elahi Group acquired the majority shareholding of the company ~70%. After the acquisition company changed its principal line of business to logistics and other ventures business. The overall control of the company vests in eight members board of directors. Mr. Zeshan Afzal is the Chairman of the board and Mr. Misbah Khalil Khan is the CEO of the Company.

The primary function of PACRA is to evaluate the capacity and willingness of an entity to honor its obligations. Our ratings reflect an independent, professional and impartial assessment of the risks associated with a particular instrument or an entity. PACRA’s comprehensive offerings include instrument and entity credit ratings, insurer financial strength ratings, fund ratings, asset manager ratings and real estate gradings. PACRA opinion is not a recommendation to purchase, sell or hold a security, in as much as it does not comment on the security’s market price or suitability for a particular investor.