RATING REPORT

Masood Textile Mills Limited (MTML)

REPORT DATE:
September 08, 2021

RATING ANALYSTS:
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RATING DETAILS				
	Latest Rating		**Previous Rating**	
Rating Category	**Long-term**	**Short-term**	**Long-term**	**Short-term**
Entity	A-	A-2	A-	A-2
Rating Outlook	*Stable*		*Rating Watch- Negative*	
Rating Date	*08 Sep '21*		*27 Apr '20*	
Sukuk	A		A	
Rating Outlook	*Stable*		*Rating Watch- Negative*	
Rating Date	*08 Sep '21*		*27 Apr'20*	

COMPANY INFORMATION	
Incorporated in 1984	**External auditors:** M/s Riaz Ahmad & Company Chartered Accountants
	Chairman of the Board: Mr. Naseer Ahmad Shah **Chief Executive Officer:** Mr. Shahid Nazir Ahmad
Public Limited Company	
Key Shareholders (with stake 5% or more):	
Mrs. Nazia Nazir – 30.2%	
Shanghai Challenge Textile Co. Ltd – 25.8%	
Zhejiang Xinao Industry Co. Ltd – 11.3%	
National Bank of Pakistan (NBP) – 6.7%	
Kohistan Corporation (Pvt.) Limited – 6.5%	

APPLICABLE METHODOLOGY(IES)
VIS Entity Rating Criteria: Corporate Rating Methodology (August 2021) ***https://docs.vis.com.pk/docs/CorporateMethodology202108.pdf***

Masood Textile Mills Limited (MTML)

OVERVIEW OF THE INSTITUTION

Masood Textile Mills Limited (MTML) is a listed public limited company established in 1984 under the Companies Act, 1913 (now Companies Act, 2017). The company is a vertically integrated textile composite that is primarily involved in manufacturing and export of knitted apparels. Registered office of the company is situated at New Civil Lines, Bilal Road, Faisalabad.

Profile of Chairman

Mr. Naseer Ahmad Shah holds MSc. degree and carries more than 30 years of professional experience in the textile sector. Mr. Naseer is a certified director having completed the Director's Training Program from Institute of Chartered Accountants of Pakistan (ICAP) in 2013.

Profile of CEO

Mr. Shahid Nazir Ahmad is the founder of MTM. Mr. Shahid is an MBA from London and carries over 20 years of experience in the textile sector.

Financial Snapshot
Total equity: 9MFY21: Rs. 8.8b; FY20: Rs. 8.8b; FY19: Rs. 11.5b

RATING RATIONALE

The ratings assigned to Masood Textile Mills Limited (MTML) take into account the moderate risk profile of the company underpinned by its presence in the export oriented value-added textile segment, fully integrated production unit giving complete control on quality maintenance coupled with presence of Chinese ownership in the company resulting in provision of synergistic benefits in terms of technical expertise. Moreover, holistically business risk profile of the textile industry is supported by stable and growing demand as US-China Trade disruption enhance sales given major buyers continue to diversify procurement. Ratings reflect the company's established market position as one of the leading exporters along with long-standing business relationships with leading international brands. Client concentration risk is considered on the higher side as almost three-fifths of the sales revenue is being generated by top-10 clients; however, the same is mitigated by high customer satisfaction and cumbersome supplier switching process. Further, the ongoing rupee devaluation is expected to bode well for the company going forward.

MTML's performance remained dismal during FY20 with sizable loss incurrence leading to equity erosion. However, the assessment of current financial risk profile incorporates the impact of Covid led boom in local textile sector translating into positive momentum in revenues and margins coupled with recovery of profitability and liquidity indicators. The enhancement of margins during the outgoing year was a function of change in product mix strategy with increased focus on fashion articles entailing higher margins in comparison to basic pieces of clothing. Further, owing to reduction in benchmark rates, the financing cost for the company has reduced, reflecting positively on the bottom line. However, the ratings continue to remain sensitive to sizable volatility in operational performance, high leverage indicators and suppressed cash coverages; any adverse movement seen in the aforementioned factors would impact the ratings. Even though concerns of successive waves of Covid-19 remain elevated, VIS expects the order book for the industry to remain strong in the ongoing year, subsiding business risk concerns. The ratings are dependent on maintenance of margins, realization of projected targets, incremental cash flow generation and cost savings from recent capital expenditure and improvement of leverage indicators during the rating horizon.

Product Profile and Sales Concentration: Product portfolio of the company mainly include T-shirt, polo shirt, jogging suit, Henley shirt, Raglan shirt, tank top, bikini, shorts, pants and sleepwear. Exports have been primarily concentrated in America & Canada; the same accounted for about three-fifths of the net sales during FY20. Over the last few years, the company has been able to tap other export avenues including Europe, Asia, Africa and Australia to rationalize geographical concentration; however, owing to emergence of pandemic an increase was seen in same as different regions were impacted at varying rate. In addition, sizable customer concentration is also evident as top 10 customers accounted for around 63% of the sales during 9MFY21.

Local Textile Sector performance during COVID-19: The coronavirus pandemic led to 3% drop in global trade volumes in the 1QCY20 according to United Nations conference on Trade and Development forecasts. Industries whose operations were more globalized

Net profit/ (Loss): 9MFY21: Rs. 13m; FY20: (Rs. 4.1b); FY19: Rs. 1.3b

(particularly those who relied on Chinese inputs for production) were highly exposed to initial supply side disruptions. However, given most of the textile companies in Pakistan are heavily reliant on local cotton produce; the supply side risks were largely curtailed. In addition, the lockdown in China at the initial stage turned advantageous as the orders got shifted to Pakistan. Prior to onslaught of the pandemic, the European buyers were attracted by repetitive rupee weakening since 4QFY18, as unit prices fell only for Pakistan in 9MFY20 vis-à-vis its competitors. The price effect was further enforced by duty-free/quota free access under the GSP Plus agreement. Bangladesh and Pakistan have been able to increase their exports to the bloc as they enjoy preferential trade treatment within EU. Moreover, US-China trade war with USA applying additional tariffs on Chinese apparel imports since Sep'19 has aided low-cost suppliers including Pakistan in capturing the untapped share. So, after global onslaught of corona virus European and American retailers, the two main destination markets for this sector, cancelled their orders causing serious concerns in many sourcing countries. With only a few buyers honoring their import commitments with local manufactures, exports declined during April'20. Exports of readymade garments dipped by 69% in April'20 compared to same month ln the preceding year.

The country's textile industry has scaled up production to pre-Covid level of full-capacity as a significant improvement in containment of the pandemic in the country led the world buyers to partially divert their orders to domestic manufacturers. The growth in production is backed by a big jump in the import of basic raw materials – cotton and man-made yarn – after the recent heavy rainfall and pest attack damaged notable portion of cotton crops in the fields to a multi-year low. Secondly, the industry recovered on a fast pace with the government's support in the shape of rationalizing energy price to a regional competitive level, the same included continued supply of raw material and subsidized financing for the expansion of production and setting up new units. Further, the textile exports have also largely recovered from the Covid-19 pandemic shocks and are still growing both in terms of their quantity and dollar value. The textile shipments have surged by 3.8% to $4.8 billion between July and October from $4.6bn in the corresponding period last year. The rise in the textile and clothing group has been slightly faster than the 0.6% growth in the overall export. The export recovery is most prominent in the knitwear, home textiles and denim segments.

Further, presently the financial viability of the textile sector has improved owing to decrease in the conversion costs; comprising both labor and fuel expense. Conversion costs constitute around 70% of the operating costs and hence a major determinant in the profitability of the textile sector. Garment segment is labor intensive meanwhile spinning weaving is energy intensive. Given the onslaught of COVID-19, the fuel cost was reduced to 7.5c/unit in Feb'20 from 11.5c/unit which provided a level playing field for local producers in comparison to global competitors. Although, the same has been increased to 9c/unit in Sep'20, the same still provides cushion for absorption of costs.

Topline remained stressed during FY20; the same along with profitability indicators picked pace during the ongoing year: The onslaught of corona virus made the business environment for textile sector extremely challenging, therefore MTML's topline was reported short off last year at 28.7b (FY19: Rs. 34.2b) during FY20. The same was primarily an impact of complete halt of order placement, reception of shipments and delay in payments from the export originating countries. However, the company largely continued its operations by implementing work from home protocols; meanwhile the plant remained operational by following SOPs issued by the government. Moreover, the gross margins took a sharp dip to 4.8% (FY19: 11.1%) owing to increase in average procured local cotton prices to Rs. 253/KG (FY19: Rs. 233/kg) during FY20. Further, the slash in margins was also a function of cancellation of orders coupled with sharp decline in margins of processing & garments segment which was in turn a result of price renegotiation of prepared orders. The increased contribution of local sales, entailing lower margins, of 15.1% (FY19: 8.1%) in the total revenue mix also led to decline in margins. Moreover, with considerable decline in revenues, the absorption of fixed overheads including salary expense was hampered therefore the same also contributed in reduction of margins.

The distribution expense was recorded lower at Rs. 2.1b (FY19: Rs. 2.5b) during FY20 primarily owing to decline in freight cost; the same is correlated with scale of operations as the value of exports declined during FY20. On the other hand, administrative expenses increased slightly on a timeline basis owing to inflationary pressure, leading to annual salary adjustments and higher utility expense. Moreover, other expenses stood sizably higher at Rs. 972.7m (FY19: Rs. 48.6m) in line with significant amount of Rs. 798.4m booked under credit losses owing to bankruptcy filing by one of the biggest clients. Further, other income took a severe hit and stood at Rs. 420.4m (FY19: Rs. 2.4b) on account of sizable reduction in exchange gain to Rs. 192.8m during FY20 as opposed to Rs. 2.2b in FY19. In the backdrop of increasing average benchmark interest rates coupled with higher borrowings carried on the balance sheet, finance cost of the company increased to 1.7b (FY19: Rs.1.2b) during FY20. Resultantly, as a combined impact of decline in scale of operations, drop in margins, high finance cost and sizable dip in other income, MTML reported negative bottom line of Rs. 4.1b during FY20 as opposed to profit of Rs.1.3b in the preceding year.

The declining trend in quantum sales was rescued during the ongoing year with the company's operations back at full capacity. MTML's topline was recorded higher at Rs. 25.8b during 9MFY21 owing to increase in quantum of exports. The increased demand of domestic products is underpinned by capitalizing of marketing gap as production units in competing countries are not operating at full potential owing to COVID-19 related lockdowns. In addition, the power subsidy announced by the government in Feb'20 for the sector made the prices even more competitive globally, therefore positively resulted in the offtake of local products. However, the increase in power tariff from 7.5 US cent to 9 US cent with effect from 1st Sep'20 poses an eminent threat towards cost efficiency. Further, owing to positive offtake of local products globally coupled with product line extension of dealing in fashion articles, the margins of the company improved significantly to 14.1% during 9MFY21; the same is even higher than pre-covid numbers.

The operating expenses were largely rationalized as they remained at prior period's level of Rs. 2.3b (FY20: Rs. 2.8b) during 9MFY21; the same if analyzed in terms of scale of operations depict an improving trend. Moreover, despite slight increase in borrowings the finance cost was recorded lower due to sharp dip in benchmark interest rates during the period under review. As a result of positive trajectory of revenues, rationalization of operating expenses, curtailment of interest expense and healthy other income booked, MTML reported positive bottom line for 9MFY21. However, complete recovery was not witnessed owing to bankruptcy declared by the company's largest export client resulting in high other expenses amounting to Rs. 504.0m during the period under review in comparison to Rs.0.5m in the corresponding period in FY20. Moreover, the impact of COVId-19 disruptions loomed over for the 1HFY21; the management despite the production units not operating at full capacity retained its workforce therefore profitability indicators remained stunted. Going forward, the management is projecting to report healthy topline and bottom-line numbers for FY21. The company is on track of meeting the projected target with sufficient orders in pipeline. Moreover, the margins are also projected to improve by round 40-50bps as cotton is becoming expensive globally, so the price increase is expected to be transferred to customers post COVID.

Liquidity position depicts volatility with significant improvement witnessed during the outgoing year: Liquidity profile of the company has exhibited positive trajectory with significant improvement during the outgoing year in line with growth in scale of operations, improvement in margins and profitability indicators. Funds from Operations (FFO) improved to Rs. 467.9b during 3QFY21 owing to growth in scale of operations and enhancement of margins. As a result, FFO to total debt and FFO to long-term debt improved slightly 0.03x and 0.07x respectively at end-3QFY21; however, the same remain relatively depressed and on a lower side in comparison to peers. In addition, the FFO have depicted volatility during the review period as the same were recorded negative during FY20; the volatility in liquidity position was directly linked to the trend in profitability indicators. Moreover, debt service coverage, albeit improved, has still remained below 1.0x during 9MFY21.

Stock in trade increased on a timeline basis to Rs. 10.7b (end-FY20: Rs. 8.1b; end-FY19: Rs. 7.7b) at end-3QFY21 owing to sizable raw material inventory held to meet forecasted demand; the same is linked with growth in scale of business operations. Trade debts declined during the rating review period owing to stricter credit terms introduced for local and export clients to reduce the working capital requirements. The aging of receivables is considered satisfactory since almost four-fifths of the total receivables fall due within the three months bracket; however, the probability of recovery of trade debts amounting to Rs. 465.2m is on a lower side given the same are overdue for more than a year at end-9MFY21. Short-term deposits and prepayments largely remained range bound; the same primarily includes advance income tax paid by the company. Other receivables depicted volatility during the rating review period with lowest recorded at Rs. 1.8b (FY19: Rs. 3.2b) at end-FY20 in line with recovery of sales tax from the government; however, the same increased to Rs. 2.9b at end-9MFY21. The liquidity of the company is slightly impacted due to sizable tax refunds due from government at end-3QFY21; the company is unable to rectify the situation given it is an exogenous factor and inherent in the local textile industry. In addition, MTML has also extended loans to employees and suppliers amounting to Rs. 671.0m (FY20: Rs. 537.9m; FY19: Rs. 362.1m) at end-9MFY21.

On the other hand, trade and other payables increased to Rs. 5.0b (end-FY20: Rs. 2.5b; end-FY19: Rs. 3.9b) at end-3QFY21 on account of higher procurement of raw material made; given the company is based in the spinning and weaving sector the increase in payables has an element of cyclicity attached. Given increase in payables along with higher utilization of short-term borrowings, current ratio of the company depicted downward trend during the rating review period; however, the same still remains over 1.0x. The company made capital investment amounting to Rs. 861.6m primarily pertaining to plant and machinery for efficiency improvements during FY21. As per the management, the denim unit set up in FY20 was not operational for full year and only contributed USD $7.0m during FY21; the same currently operating at two-shifts per day is expected to contribute USD $12.0m in FY22. Furthermore, the company has also added 100 machines for denim unit during July-Aug'21 to enhance revenues in the particular division.

Highly leveraged capital structure with gearing levels expected to improve going forward: The equity base of the company diluted on a timeline basis on account of sizable loss reported during FY20. On the other hand, long-term borrowings increased during the rating review period as MTML's procured debt under both SBP LTFF facility and other commercial funding to fund the capex of Rs. 2.5b on denim unit with installation of 200 stitching machines during FY20. However, for all the other existing long-term facilities banks have deferred the loan installments for the period of one year under SBP directive as a relief to the company during COVID-19 pandemic. The debt matrix is slightly tilted towards short term credit. Further, in line with increased working capital requirements the utilization of short-term borrowings also increased during the review period; the same is in sync with increase in scale of operations. The short-term finances are secured by way of first join pari-pasu charge over current assets of the company; markup is paid at 2.75%/annum with total limit of Rs. 17.9b at end-FY20. During FY21, Rs. 1.5b was extended to the company by the sponsors as part of interest free short-term credit; the same is expected to remain vested in the company during the rating horizon. The gearing and leverage indicators trended upwards and were recorded highest at end-FY20 in line with higher borrowings carried on the balance sheet along with dip in equity level, however, the same slightly subsided by end-9MFY21 owing to procurement of Rs. 1.3b sponsor loan till March'21; the remaining Rs. 180m was provided in 4QFY21. Going forward, the company does not plan on obtaining any further debt for capacity enhancement or efficiency improvements in the medium term given the current facilities are enough to meet demand; however, normal BMR of around Rs. 800m will be caried out on yearly basis from internal sources. Given there are no expansion plans in perspective, the leverage indicators are projected to improve.

MTML has issued a Sukuk amounting Rs. 2.5b, inclusive of a green shoe option of Rs. 1.0b. The instrument will be redeemed in 14 equal quarterly payments, post expiry of grace period, on a quarterly basis. The rental rate of Sukuk is priced at 3-month KIBOR plus 2.0% p.a. The instrument is secured by first pari-passu charge over-all present and future fixed assets with a margin of 25% and debt payment mechanism. The company transfers receivables in a separate account latest by 25th of every month amounting to 1/3rd of the installment due (redemption + rental) in every quarter. The company maintains separate account under lien of Trustee/Investment agent in favor of investors. The issuance of the Sukuk had a notable impact on the leverage indicators.

Masood Textile Mills Limited **Appendix I**

FINANCIAL SUMMARY *(amounts in PKR millions)*				
BALANCE SHEET	**FY18**	**FY19**	**FY20**	**9MFY21**
Fixed Assets	10,077	11,715	14,039	13,760
Stores and Spare Parts	1,579	1,780	2,280	2,258
Stock-in-Trade	5,811	7,746	8,125	10,683
Trade Debts	9,276	10,708	7,764	7,954
Loans and Advances	381	362	538	671
Short-term Deposits & Prepayments	940	1,171	1,073	1,049
Short-term Investment	-	100	203	107
Other Receivables	3,537	3,171	1,834	2,861
Cash & Bank Balances	620	380	1,173	664
Total Assets	32,221	37,134	36,997	40,007
Trade Payables	2,677	3,889	2,462	5,037
Long Term Debt *(including Sukuk, preference shares & current maturity)*	6,439	6,302	8,408	8,493
Short-term Debt	11,963	14,280	15,836	15,118
Other Liabilities	203	291	460	215
Provision for Taxation	192	416	369	273
Total Liabilities	22,197	25,949	28,499	30,163
Paid up Capital	1,375	1,375	1,375	1,375
Tier-1 Equity	9,124	10,286	6,051	7,708
Total Equity	10,024	11,186	8,498	10,155
INCOME STATEMENT	**FY18**	**FY19**	**FY20**	**9MFY21**
Net Sales	30,842	34,211	28,669	25,768
Gross Profit	3,851	3,794	1,366	3,645
Profit/(Loss) Before Tax	1,306	1.748	(3,752)	286
Profit/(Loss) After Tax	1,113	1,332	(4,120)	13
FFO	1,907	2,280	(1,894)	468
RATIO ANALYSIS	**FY18**	**FY19**	**FY20**	**9MFY21**
Gross Margin (%)	12.5	11.1	4.8	14.1
Net Margin (%)	3.6	3.9	-	0.1
FFO to Total Debt (x)	0.10	0.11	-	0.03
FFO to Long-term Debt (x)	0.30	0.36	-	0.07
Debt Leverage (x)	2.43	2.52	4.71	3.91
Gearing (x)	2.02	2.00	4.01	3.06
DSCR (x)	1.74	1.45	-	0.80
ROAE (%)	11.1	12.6	-	0.2
Current Ratio (x)	1.34	1.24	1.16	1.07
Inventory plus Receivables/Short-term Borrowings (x)	1.26	1.29	1.0	1.13

**Annualized*

ISSUE/ISSUER RATING SCALE & DEFINITIONS Appendix II

VIS Credit Rating Company Limited

RATING SCALE & DEFINITIONS: ISSUES / ISSUERS

Medium to Long-Term

AAA
Highest credit quality; the risk factors are negligible, being only slightly more than for risk-free Government of Pakistan's debt.

AA+, AA, AA-
High credit quality; Protection factors are strong. Risk is modest but may vary slightly from time to time because of economic conditions.

A+, A, A-
Good credit quality; Protection factors are adequate. Risk factors may vary with possible changes in the economy.

BBB+, BBB, BBB-
Adequate credit quality; Protection factors are reasonable and sufficient. Risk factors are considered variable if changes occur in the economy.

BB+, BB, BB-
Obligations deemed likely to be met. Protection factors are capable of weakening if changes occur in the economy. Overall quality may move up or down frequently within this category.

B+, B, B-
Obligations deemed less likely to be met. Protection factors are capable of fluctuating widely if changes occur in the economy. Overall quality may move up or down frequently within this category or into higher or lower rating grade.

CCC
Considerable uncertainty exists towards meeting the obligations. Protection factors are scarce and risk may be substantial.

CC
A high default risk

C
A very high default risk

D
Defaulted obligations

Short-Term

A-1+
Highest certainty of timely payment; Short-term liquidity, including internal operating factors and /or access to alternative sources of funds, is outstanding and safety is just below risk free Government of Pakistan's short-term obligations.

A-1
High certainty of timely payment; Liquidity factors are excellent and supported by good fundamental protection factors. Risk factors are minor.

A-2
Good certainty of timely payment. Liquidity factors and company fundamentals are sound. Access to capital markets is good. Risk factors are small.

A-3
Satisfactory liquidity and other protection factors qualify entities / issues as to investment grade. Risk factors are larger and subject to more variation. Nevertheless, timely payment is expected.

B
Speculative investment characteristics; Liquidity may not be sufficient to ensure timely payment of obligations.

C
Capacity for timely payment of obligations is doubtful.

Rating Watch: VIS places entities and issues on 'Rating Watch' when it deems that there are conditions present that necessitate re-evaluation of the assigned rating(s). Refer to our 'Criteria for Rating Watch' for details. www.vis.com.pk/images/criteria_watch.pdf

Rating Outlooks: The three outlooks 'Positive', 'Stable' and 'Negative' qualify the potential direction of the assigned rating(s). An outlook is not necessarily a precursor of a rating change. Refer to our 'Criteria for Rating Outlook' for details.www.vis.com.pk/images/criteria_outlook.pdf

(SO) Rating: A suffix (SO) is added to the ratings of 'structured' securities where the servicing of debt and related obligations is backed by some sort of financial assets and/or credit support from a third party to the transaction. The suffix (SO), abbreviated for 'structured obligation', denotes that the rating has been achieved on grounds of the structure backing the transaction that enhanced the credit quality of the securities and not on the basis of the credit quality of the issuing entity alone.

(blr) Rating: A suffix (blr) is added to the ratings of a particular banking facility obtained by the borrower from a financial institution. The suffix (blr), abbreviated for 'bank loan rating' denotes that the rating is based on the credit quality of the entity and security structure of the facility.

'p' Rating: A 'p' rating is assigned to entities, where the management has not requested a rating, however, agrees to provide informational support. A 'p' rating is shown with a 'p' subscript and is publicly disclosed. It is not modified by a plus (+) or a minus (-) sign which indicates relative standing within a rating category. Outlook is not assigned to these ratings. Refer to our 'Policy for Private Ratings' for details. www.vis.com.pk/images/policy_ratings.pdf

'SD' Rating: An 'SD' rating is assigned when VIS believes that the ratee has selectively defaulted on a specific issue or obligation but it will continue to meet its payment obligations on other issues or obligations in a timely manner.

REGULATORY DISCLOSURES	Appendix III
Name of Rated Entity	Masood Textile Mills Limited
Sector	Textile
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		
Sep 08, '21	A-	A-2	Stable	Maintained
Apr 27, '20	A-	A-2	Rating Watch-Negative	Maintained
June 21, '19	A-	A-2	Stable	Reaffirmed
June 29, '18	A-	A-2	Stable	Initial
		RATING TYPE: SUKUK		
Sep 08, '21	**A**		Stable	Maintained
Apr 27, '20	**A**		Rating Watch-Negative	Maintained
June 21, '19	**A**		**Stable**	**Preliminary**

Instrument Structure	Sukuk is of amount Rs. 2.5b (inclusive of Rs. 1.0 green shoe option). Tenor of the Sukuk will be 5 years including 18 months grace period. Sukuk will be redeemed in 14 equal quarterly installments. The first such redemption shall fall due at the end of the quarter period falling immediately after the expiry of grace period. The facility shall be secured by; I) first pari passu hypothecation charge over all present and future fixed assets with a margin of 25%, II) debt payment mechanism. The company will create a Sukuk payment mechanism to service the payment due every quarter. The company will transfer receivables in a separate account latest by 25th of every month amounting to 1/3rd of the installment due (redemption + rental) in that quarter. The company will maintain separate account under lien of Trustee/Investment Agent in favor of investors.
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		Name	Designation	Date

	1	Mr. Shahid Naveed	CFO	16th July 2021
	2	Mr. Tanveer Siddique	DGM Finance	16th July 2021