RATING REPORT

JDW Sugar Mills Limited (JDWS)

REPORT DATE:
April 15, 2022

RATING ANALYST:

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RATING DETAILS				
	Latest Rating		Previous Rating	
Rating Category	**Long-term**	**Short-term**	**Long-term**	**Short-term**
Entity	A+	A-1	A	A-2
Rating Outlook	*Stable*		*Stable*	
Rating Action	Upgrade		Reaffirmed	
Rating Date	*15th April'22*		*27th July'21*	

COMPANY INFORMATION	
Incorporated in 1990	**External auditors:** Riaz Ahmad, Saqib, Gohar & Co. Chartered Accountants.
Public Limited Company	**Chairman of the Board:** Mukhdoom Syed Ahmed Mahmud **Chief Executive Officer:** Mr. Raheel Masud
Key Shareholders (with stake 5% or more):	
Directors, CEO, and their spouse and minor children – 47.8%	
General Public – 44.4%	

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

JDW Sugar Mills Limited (JDWS)

OVERVIEW OF THE INSTITUTION

JDWS was incorporated as a private limited company in May, 1990 under the Companies Ordinance, 1984 and was subsequently converted into a public limited company in August, 1991.

Profile of Chairman

Mr. Mukhdoom Syed Ahmed Mahmud is a renowned political figure. He served as Governor of Punjab during 2012-2013.

Financial Snapshot

Tier-1 Equity: end-1QMY22: Rs. 15.4b; end-MY21: Rs. 14.4b; end-MY20: Rs. 9.6b

Assets: end-1QMY22: Rs. 44.0b; end-MY21: Rs. 35.5b; end-MY20: Rs. 41.1b

Net Profit: 1QMY22: Rs. 918m; MY21: Rs. 4.9b; MY20: Rs. 1.4b

RATING RATIONALE

JDW Sugar Mills Limited (JDWS) is a part of JDW Group. The group has a presence in sugar, corporate farming and power generation. JDWS is principally engaged in manufacturing of sugar, production of electricity and managing corporate farms. The assigned ratings incorporate JDWS market position as the leading player in the country's sugar industry, significant experience of sponsors in the sugar and agriculture sector and a professional management team. The company has longstanding relationships with growers along with focus on research activities in sugarcane development. Business risk profile of the company draws support from diversification of operations into power sector.

Key Rating Drivers

Higher sugar production in line with better crop yield with no further decline in recovery rate expected: Sugarcane crop is a high value cash which is the second largest agro-industry sector after textile. Sugarcane production accounts for 3.4% in agriculture's value addition and 0.7% in the country's GDP. As per Pakistan Bureau of Statistics (PBS), during 2020-21, sugarcane crop was cultivated on 1,165K hectares as compared to preceding year's area of 1,040 hectares. The increase in area under cultivation was mainly on account of favorable weather conditions and higher economic returns. Total sugarcane cultivation area for 2021-22 is 1,271K hectares, ~9.1% higher than the previous year, while sugarcane production for the year is projected at 84,800K tons, ~11% higher than the last year production i.e. 76,360K tons. According to United States Department of Agriculture (USDA) semi-annual report, sugar production in 2021-22 is forecasted at 6.7 million tons, around 11% higher than the current year's estimate of 6.0 million tons while sugar consumption is also expected to increase slightly to 5.9 million tons (MY21: 5.8m MT). The increase in sugar production is expected to drive closing stocks to 2.8 million tons. However, despite sufficient supply, sugar prices witnessed an increasing trend over the last three years with prices in September 2021 were 92% higher than the prevailing prices in October 2018. To control prices, Government of Pakistan (GoP) imported more than 350,000 tons of sugar in 2020-21. The imports were meant to build stocks and not to be sold in the market, however, given current scenario of higher production, the imports may be discontinued. The average sugar prices in MY22 are also expected to remain lower than the previous year.

Risk profile of sugar sector is considered high given inherent cyclicality in the crop levels and raw material prices. Moreover, distortion in pricing mechanism of raw material prices and refined sugar also creates challenge for sugar mills. In efforts to regulate the sector, bring transparency and enhance tax collection, Federal Board of Revenue (FBR) has implemented Track & Trace System during Sep-Nov'21 across the country to ensure electronic monitoring of the production and sale of important sectors, including tobacco, fertilizer, sugar and cement sectors. Under the Track & Trace System, no bag of sugar can be taken out from the factory and manufacturing plant without stamp and individual identity mark. To ensure its implementation, Regional Enforcement hubs across Pakistan were tasked to conduct raids on the unstamped /non-tax paid sugar. These steps have also resulted in higher revenues reported by sugar firms.

Typically, sugarcane production has a 3-to-5 year cycle, driven largely by government support for farmers and crop yield. For the ongoing crushing season 2021-22, notified prices of sugarcane were revised to Rs. 225 per 40 Kg from Rs. 200 per 40 Kg in Punjab and Rs. 250 per 40 Kg from Rs. 202 per 40 Kg in Sindh. Even after substantial increase in support prices by the Provincial Governments, the industry is procuring sugarcane at higher rates. However, as per management, due to higher supply of cane, the premium paid above support prices is relatively lower in MY22 than the previous season. Sucrose recovery rates are also expected to remain intact in the ongoing year with no further decline expected in the medium term.

Regulatory matter update related to imposed penalty: The ratings have incorporated the developments in relation to penalties imposed by Competition Commission of Pakistan (CCP) on selected sugar mills and the subsequent legal proceedings initiated by the subject company. The impact of the imposed penalty amounting Rs. 8.2b on JDWS would be significant. However, according to the management, the case is weak and any final decision by the court of law in this regard may take several years. Given uncertainty and material effect of the outcome, VIS will continue to monitor further developments in this matter.

Improvement in operating performance of the company amidst higher crushing despite decrease in sucrose recovery rates: The company's cumulative installed sugarcane crushing capacity of all three units, stands at 44,000 MT per day. Crushing season 2021-22 started on November 15, 2021 in the company's units located in Punjab, and on November 21, 2021 in Sindh. Total cane crushed amounted to 6.1m MT (MY21: 5.58m MT; MY20: 5.29m MT) up till February 28, 2022, in the ongoing season. With higher availability of sugarcane, the ongoing crushing season is expected to last for around 136 days resulting in notable increase in production. Sugar produced during current season stood at 594,180 MT (MY21: 556,142 MT) with recovery rate of 9.83% (MY21: 9.98%; MY20: 10.36%). Molasses production was recorded higher at 274,792 MT (MY21: 256,262 MT; MY20: 229,587 MT) with recovery rate of 4.64% (MY21: 4.60%; MY20: 4.34%).

(In MT)	MY20	MY21	End-Feb'22
Unit 1			
Crushing capacity	3,000,000	3,000,000	3,000,000
Sugar production	260,845	255,396	252,995
Unit 2			
Crushing capacity	1,500,000	1,500,000	1,500,000
Sugar production	153,173	159,800	180,270
Unit 3			
Crushing capacity	2,100,000	2,100,000	2,100,000
Sugar production	134,202	140,946	160,915
Crushing Period in days	105	115	100
Total Cane Crushed (Tons)	5,291,732	5,570,956	6,120,727
Total Sugar Production (Tons)	548,220	556,142	594,180
Recovery Ratio (%)	10.36%	9.98%	9.83%
Molasses Produced (Tons)	229,587	256,262	274,792
Molasses Recovery (%)	4.34%	4.60%	4.64%

The company's total installed power generation capacity of both units stands at 468,047 MWh. Power requirement of JDWS is met through the internal generation and the company does not rely on any sanctioned load from the grid. The remaining unutilized energy is sold to the Central Power Purchasing Agency (Guarantee) Limited (CPPA-G). During MY21, the company generated 388,992 MWh (MY20: 339,594 MWh) energy out of which 85% (MY20: 86%) of the energy was dispatched to the national grid.

Power Division	MY20	MY21
	MWh	
Unit II		
Installed capacity (based on 8,760 hours)	233,016	233,016
Energy generated/produced	176,510	218,299
Energy delivered to CPPA-G	151,953	188,399
Unit III		
Installed capacity (based on 8,760 hours)	235,031	235,031
Energy generated/ produced	163,084	170,693
Energy delivered to CPPA-G	138,420	141,530

Power tariff of both units has been revised with Master Agreement and EPA Amendment Agreement signed on February 12, 2021 with the CPPA-G. In accordance with the Master Agreement, the company has received the remaining 60% payment amounting Rs. 1.2b on November 29, 2021, which like previous installment was in the form of one-third cash, one-third government Ijara Sukuk and one-third Pakistan Investment Bonds (Rs. 816m was received as first installment of 40% on June 4, 2021).

Property, plant and equipment stood at Rs. 19.5b (MY21: Rs. 19.7b; MY20: Rs. 20.8b) at end-1QMY22. Right of use assets stood at Rs. 1.7b (MY21: Rs. 1.8b; MY20: RS. 1.2b). Investment in subsidiaries and associated undertakings remained unchanged at Rs. 1.1b (MY21 & 20: Rs. 1.1b) at end-1QMY22. Investment in Faruki Pulp Mills Limited continued to be classified as short-term investment amounting to Rs. 652m (MY21: Rs. 652m; MY20: Rs. 570m). The company intends to sell this asset in scrap as the market value of its PP&E has increased notably; the management expects proceeds of Rs. 1.2b from its sale. Investment property worth Rs. 185.9m (MY21 &20: Rs. 185.9m) represented agricultural land measuring 400.7 acres (MY21 & 20: 400.7 acres).

Growth in topline and profit margins largely supported by higher key product prices: During MY21, the company generated higher net revenue of Rs. 56.8b (MY20: Rs. 52.5b) driven largely by increase in average prices of sugar and molasses sold. Overall sugar segment contributed 91.5% (MY20: 90.4%) to the net sales, followed by power segment's share of 6.4% (FY20: 7.4%) and corporate farms share of 2.1% (FY20: 2.2%). Net sale of sugar was recorded higher at Rs. 44.4b (MY20: Rs. 41.9b) in MY21. The volumetric sales of sugar declined to 599,623 MT (MY20: 740,586 MT) on account of lower inventory carryover in the outgoing year while the same was more than offset by sizeable increase in average selling prices to 74.0 per Kg (MY20: Rs. 56.5/Kg). On the other hand, volumetric sales of molasses increased to 256,262 MT (MY20: 229,587 MT) with higher average selling price of 20,711/MT (FY20: 15,037/MT). The sale of agri inputs amounted to Rs. 2.0b (MY20: Rs. 1.7b) on account of higher average rates. Despite higher electricity sold to national grid amounting 329,929 MWh (MY20: 290,373 MWh), revenue from power division decreased slightly to Rs. 3.6b (MY20: Rs. 3.9b) as average rates were lower at Rs. 11,006.7/MWh (MY20: Rs. 13,423.4/MWh) due to higher electricity sold above 45% plant factor. Breakdown of product mix with quantity sold and total value is tabulated below:

	MY20		MY21	
Rs. in million	**QTY**	**Revenue**	**QTY**	**Revenue**
Sugar (MT)	740,586	41,861	599,623	44,373
Molasses (MT)	229,587	3,452	256,262	5,307
Agri Inputs (MT)	633,878	1,710	628,653	1,994
Mud (MT)	164,004	187	219,676	254
Bagasse (MT)	67,807	202	15,488	64
Power (MWh)	290,373	3,898	329,929	3,631
Corporate Farms (MT)	5,443,686	1,147	5,048,408	1,176
Total Sales	Rs. 52,457.9m		Rs. 56,800.3m	

In MY21, cost of sales increased to Rs. 46.7b (MY20: Rs. 44.9b) mainly on account of higher cost of crops consumed, which accounted for 83% (MY20: 79%) of the cost of goods manufactured. Average procurement cost of sugarcane increased to Rs. 255.56/mound in MY21 vis-à-vis Rs. 214/mound in the preceding year. However, given notable increase in sugar and molasses prices, gross margins increased to 17.8% (MY20: 14.2%) with gross profits amounting to Rs. 10.1b (MY20: Rs. 7.6b) in MY21. Administrative expenses were recorded higher at Rs. 1.9b (MY20: Rs. 1.6b) mainly on account of increase in salaries wages and other expenses, higher depreciation charge and legal expenses. Other income was recorded higher at Rs. 2.2b (MY20: Rs. 672.7m) largely due to increase in fair value gain of Rs. 901.8m (MY20: Rs. 334.6m) on agricultural produce, markup on delayed payment from CPPA-G amounting Rs. 593.5m (MY20: Rs. 58.2m) and net fair value gain on biological assets amounting Rs. 368.9m (MY20: Rs. 153.4m). In addition, there was a reversal of impairment loss of Rs. 81.9m (MY20: Nil) in Faruki Pulp Mills Limited (FPML). Other expenses increased to Rs. 3.7b (MY20: Rs. 584.4m) owing to Rs. 3.3b written off against fixed energy payment from CPPA-G during MY21. Finance cost decreased notably to Rs. 2.3b (MY20: Rs. 3.6b) on account of lower average markup rates and borrowings. Accounting for taxation, bottomline was recorded substantially higher at Rs. 4.9b (MY20: Rs. 1.4b). Net margin increased to 8.6% (MY20: 2.7%) on the back of higher gross profits, rationalized operating costs, decrease in financial charges along with the benefit of tax benefit of Rs. 431m vis-à-vis tax charge of Rs. 1.0b during previous year.

During 1QMY22, the company recorded net sales of Rs. 10.3b (1QMY21: Rs. 13.5b) where lower first quarter sales were mainly due to lower carryover sugar inventory. Revenue emanated from sugar sales amounted to Rs. 7.4b (1QMY21: Rs. 10.2b) with quantity sold of 98,564 MT at net average rate of Rs. 74.6/Kg. The company generated net revenue of Rs. 1.5b (1QMY21: Rs. 1.4b) from molasses, Rs. 645.5m (1QMY21: Rs. 928.7m) from power segment and Rs. 727.5m (1QMY21: Rs. 830.2m) from corporate farms. Gross profit decreased to Rs. 1.6b (1QMY21: Rs. 3.0b) with lower gross margin of 15.2% (1QMY21: 22.1%) mainly due to the impact of lower sugar prices vis-à-vis same period last year. Operating expenses remained largely rationalized with sales and inflationary adjustments in salaries and related expenses. Other income largely included fair value gain at the point of harvest. Accounting for financial charges and taxation, net profit amounted to Rs. 918.4m (1QMY21: Loss of Rs. 626.5m); the company reported loss in the preceding period due to write off against fixed energy payments from CPPA-G, as discussed above. In MY22, the company projects net sales of Rs. 62.9b on back of higher quantity of sugar and molasses sold in line with higher production.

Adequate liquidity in terms of cash flow coverages: Liquidity profile of the company is underpinned by higher cash flow generation on a timeline basis. Funds from operations (FFO) increased notably to Rs. 7.1b (MY20: Rs. 3.4b) mainly on the back of higher profitability and some increase in non-cash adjustments related to other expenses in MY21. Resultantly, FFO to total debt and FFO to long-term borrowings increased to 0.41x (MY20: 0.14x) and 0.49x (MY20: 0.22x), respectively, in MY21. Debt service coverage also improved to 1.56x (MY21: 0.60x) due to higher FFO with lower long-term repayments made to the tune of Rs. 3.7b (MY20: Rs. 8.3b) in line with deferment of principal repayment of long-term loan for a year under Covid relief provided by SBP.

Stock in trade decreased notably to Rs. 1.9b (MY20: Rs. 4.0b) mainly as a result of lower sugar inventory of Rs. 1.6b (MY20: Rs. 3.7b). Trade debts, largely related to receivables from CPPA-G (MY21: Rs. 3.2b; MY20: Rs. 7.3b) decreased to Rs. 4.2b (MY20: Rs. 8.5b) mainly due to write-off against fixed energy payment receivable from the CPPA-G. Advances, deposits prepayments and other receivables amounted to Rs. 596.9m (MY20: Rs. 513.9m) which largely entailed advances to growers, suppliers, and contractors. The company has biological assets worth Rs. 2.3b (MY20: Rs. 1.8b); the increase was largely due to higher fair value gain on initial recognition of agricultural produce. Cash and bank balances stood at Rs. 247.3m (MY20: Rs. 128.6m) at end-MY21. Net operating cycle of the company has improved notably to 46 days (MY20: 96 days) owing to higher inventory and receivable turnover. Current ratio increased to 1.09x (MY20: 0.95x). Coverage of short-term borrowings via stock in trade and trade receivables improved to 2.02x (MY21: 1.34x). Liquidity position is projected to augment further in terms of improvement in cash flow coverages and better working capital management.

Improvement in capitalization indicators underpinned by augmentation in equity and lower borrowings: Core equity increased to Rs. 14.4b (MY20: Rs. 9.6b) on the back of profit retention in MY21. Total liabilities decreased to Rs. 21.1b (MY20: Rs. 31.5b) mainly on account of lower outstanding short-term borrowings. The long-term borrowings including current portion stood lower at Rs. 14.5b (MY20: Rs. 15.8b) at end-MY21. The company obtained additional lease financing of Rs. 1.4b and long-term borrowings of Rs. 907m in MY21. Trade and other payables amounted to Rs. 2.2b (MY20: Rs. 2.3b); trade and other creditors decreased to Rs. 1.0b (MY20: Rs. 1.2b). Advances from customers decreased to Rs. 1.1b (MY20: Rs. 2.8b), which mainly included consideration received from customers against sugar sales. The debt leverage and gearing have decreased notably to 1.46x (MY20: 0.97x) and 1.21x (MY20: 2.62x) respectively by end-MY21.

By the end-1QMY22, total borrowings increased to Rs. 22.6b in line with higher utilization of short-term financing obtained to support working capital requirements amidst crushing season. The long-term financing including current portion decreased to Rs. 13.8b due to long-term repayment of Rs. 1.7b during 1QMY22. The company also mobilized a long-term loan of Rs. 1b in the same period to reprofile its short-term obligations. Tier-1 equity increased further to Rs. 15.4b in line with internal capital generation. As the management only intends to incur regular capital expenditure along with sufficient availability of cash flows, overall borrowings are projected to decrease significantly. Accordingly, leverage indicators are projected to improve notably, going forward

JDW Sugar Mills Limited Annexure I

FINANCIAL SUMMARY *(amounts in PKR millions)*			
BALANCE SHEET	**MY20**	**MY21**	**1QMY22**
Property Plant and Equipment	20,772	19,671	19,536
Right-of-Use Assets	1,176	1,880	1,759
Investment Property	186	186	186
Long-term Investment	1,083	1,084	1,084
Intangibles	615	613	612
Deferred Taxation	-	368	333
Stores, Spares, and Loose Tools	1,541	1,382	1,594
Stock-in-Trade	3,985	1,880	11,369
Trade Debts	8,452	4,196	2,395
Biological Assets	1,820	2,335	1,557
Short-term Investment	570	652	652
Cash & Bank Balances	129	247	1,972
Other Assets	764	1,053	984
Total Assets	**41,093**	**35,546**	**44,033**
Trade and Other Payables	2,252	2,200	4,014
Advances from Customers	2,678	1,064	1,684
Long-Term Debt *(including current maturity)*	15,765	14,455	13,748
Short-Term Debt	9,308	3,015	8,827
Total Debt	25,073	17,470	22,575
Other Liabilities	1,517	364	395
Total Liabilities	31,520	21,098	28,668
Tier-I/Total Equity	**9,573**	**14,448**	**15,366**
Paid Up-Capital	598	598	598
INCOME STATEMENT	**MY20**	**MY21**	**1QMY22**
Net Sales	52,458	56,800	10,347
Gross Profit	7,590	10,136	1,571
Other Expense	584	3,693**	82
Other Income	673	2,211	580
Finance Cost	3,550	2,252	451
Profit/(Loss) Before Tax	2,421	4,447	1,073
Profit/(Loss) After Tax	1,399	4,878	918
FFO	3,404	7,142	1,116
RATIO ANALYSIS	**MY20**	**MY21**	**1QMY22**
Gross Margin (%)	14.47	17.8	15.2
Net Profit Margin (%)	2.7	8.6	8.9
Net Working Capital	(932)	961	2,140
Current Ratio (x)	0.95	1.09	1.12
Cash Conversion Cycle (days)	96	46	66
FFO to Long Term Debt (x)	0.22	0.49	0.32*
FFO to Total Debt (x)	0.14	0.41	0.20*
Debt Servicing Coverage Ratio (x)	0.60	1.56	0.70
Gearing (x)	2.62	1.21	1.47
Leverage (x)	3.29	1.46	1.87
Inventory plus Receivables/Short-term Borrowings (x)	1.34	2.02	1.56

**Annualized*

*** includes write-off amounting Rs. 3.3b against receivable from CPPA-G*

ISSUE/ISSUER RATING SCALE & DEFINITIONS — Annexure II

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	Annexure III
Name of Rated Entity	JDW Sugar Mills Limited (JDWS)
Sector	Sugar
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				
04/15/2022	A+	A-1	Stable	Upgrade
07/27/2021	A	A-2	Stable	Reaffirmed
04/27/2020	A	A-2	Stable	Reaffirmed
03/13/2019	A	A-2	Stable	Downgrade
10/31/2017	A+	A-1	Stable	Reaffirmed
04/13/2017	A+	A-1	Stable	Upgrade
10/27/2015	A	A-1	Positive	Reaffirmed
02/17/2015	A	A-1	Positive	Maintained
10/7/2013	A	A-1	Stable	Reaffirmed
09/5/2012	A	A-1	Stable	Reaffirmed
08/16/2011	A	A-1	Stable	Upgrade

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. Ali Saeed	Sr. GM Accounts	March 10, 2022
Mr. Muhammad Jafar	Sr. Manager Accounts	March 10, 2022