RATING REPORT

The Thal Industries Corporation Limited

REPORT DATE:
August 22, 2023

RATING ANALYST:
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RATING DETAILS				
Rating Category	**Latest Rating**		**Previous Rating**	
	Long-term	**Short-term**	**Long-term**	**Short-term**
Entity	A	A-2	A	A-2
Rating Outlook	*Positive*		*Stable*	
Rating Action	Maintained		Upgrade	
Rating Date	*22nd Aug, 2023*		*26th Apr'22*	

COMPANY INFORMATION	
Incorporated in 1953	External auditors: Rahman Sarfaraz Rahim Iqbal Rafiq Chartered Accountants
Public Listed Company (Listed)	Chairperson: Mrs. Qaiser Shamim Khan CEO: Mr. Muhammad Shamim Khan
Key Shareholders (with stake 5% or more):	
Mr. Muhammad Shamim Khan - 59.94% Mrs. Qaiser Shamim Khan - 15.0% Mr. Nauman Ahmed Khan - 9.99% Mr. Adnan Ahmed Khan – 8.94%	

APPLICABLE METHODOLOGY

VIS Entity Rating Criteria: Industrial Corporates (May 2023)
https://docs.vis.com.pk/docs/CorporateMethodology.pdf

VIS Rating scale (2023)
https://docs.vis.com.pk/docs/VISRatingScales.pdf

The Thal Industries Corporation Limited

OVERVIEW OF THE INSTITUTION

The Thal Industries Corporation Limited (TICL) was incorporated as a public limited company in 1953 under the Companies Act, 1913, (now Companies Act 2017). The company is principally engaged in production of refined sugar and electricity. It is listed on Pakistan Stock Exchange, with registered office of the company located at 23-Pir, Khurshid Colony, Gulgasht, Multan.

CEO Profile:
Mr. Muhammad Shamim Khan serves as the Chief Executive Officer (CEO) of the company. He has over 45 years of experience in managing large manufacturing concerns. He has served thrice as the President of Multan Chamber of Commerce.

Financial Snapshot

Total Equity: 1H'MY23: Rs. 8.9b; MY22: Rs. 7.3b; MY21: Rs. 5.6b

Assets: 1H'MY23: Rs. 29.98b; MY22: Rs. 15.7b; MY21: Rs. 8.8b

Profit After Tax: 1H'MY23: Rs. 1.64b; MY22: Rs. 1.78b; MY21: Rs. 1.63b

RATING RATIONALE

The Thal Industries Corporation Limited (TICL) is part of an industrial conglomerate, 'Almoiz Group' engaged in the businesses of beverages, sugar manufacturing, steel melting, power generation & textile. The group companies include Naubahar Bottling Company (Pvt.) Limited, Almoiz Industries Limited, TICL & Moiz Textile Mills Limited. TICL is primarily engaged in manufacturing & sales of sugar and electricity. The company has two units for sugar production; one in Layyah and other in Chiniot. TICL has a total power generation capacity of 79 MW. All production units operate on self-generation electricity with surplus generation sold to CPPA. The ratings are constrained by cyclicality & price vulnerability in sugar sector leading to competitive challenges for the company, however, some support is provided by diversification into power segment.

Total sugarcane production in 2022-23 season was reported lower at 82.4m MT vis-à-vis 89.0m MT preceding year on account of adverse impact on sugarcane crop due to floods Resultantly, sugar production reported a decrease of ~7% as per sources. However, total available sugar stocks are expected to remain largely intact vis-à-vis preceding year. Furthermore, due to surplus sugar stocks available in the country, the Government allowed 250,000 MT of sugar exports in the ongoing year. The sugar prices have exhibited a rising trend lately primarily on account of inflationary pressure. Meanwhile, the ratings do incorporate inherent cyclicality in crop levels and price vulnerability in sugar sector leading to competitive challenges for the company.

<u>Key Rating Drivers</u>

<u>Business Risk & Sector Update:</u> Pakistan is the seventh-largest producer and the fifth-largest consumer of sugar. According to the Economic Survey of Pakistan, sugar industry is the country's second-largest agro-based business after the textile industry. In terms of sugarcane production, Punjab produces 67% of the sugarcane, followed by Sindh (25%), Khyber Pakhtunkhwa (KPK) (8%), and Baluchistan (less than 1%). Its production contributes 0.8% to GDP and 3.7% to agriculture's value addition. The country has the capacity to raise production by 4.0 million tons and export USD 2.0b worth of sugar and USD 500m worth of ethanol by using the same land but raising yields by 40 to 50 percent. According to the data collected by Ministry of Food Security, through September 30, 2022, at least 5.3 million metric tons (MT) of sugar has been removed from inventories or has been consumed. The volume of sugar consumed each day is around 15,980 tons. More than 1.7m MT surplus sugar was available at the start of crushing season MY23. Additionally, exporting this surplus sugar would have generated USD 1.0b in foreign currency. During CY22, almost 33% of the 22 million hectares of total cultivable land were inundated by flood while damage to the sugarcane crops resulted in a loss of USD 273m. On aggregate, direct losses from rice, cotton, and sugarcane amounted to USD 1.30b (rice: USD 543m, cotton: USD 485m, and sugarcane: USD 273m).

The inherent cyclicality in crop yields and raw material prices is believed to have a substantial impact on the business risk profile of the sugar sector. Furthermore, there is a noticeable difference in pricing mechanisms, with the price of the end product, granulated sugar, being set by market forces whereas sugarcane cost being regulated by the government. A typical sugarcane crop has a 3- to 5-year production cycle, with government assistance to farmers and crop productivity playing a major role. In 2022-23 season, the crushing season took off a bit late owing to disagreement between PMSA, representing sugar mill owners, and Government of Pakistan, to allow export of 2 million tons of sugar, to cover up for the higher costs associated with producing sugar and pulling the industry out of crisis.

According to the most recent USDA semi-annual sugar report published on April 12, 2023, sugarcane production is expected at 83.5m MT during 2023-24, three percent above 2022-23 production, on account of expected recovery in yield in areas which were previously impacted by the floods. For the season 2023-24, the estimated harvesting area is also expected to increase to 1.25 million hectares (2022-23: 1.23 million hectares). Sugar output for the forthcoming season is expected to clock at 7.05 million MT, a marginal increase from that in 2022-23. Moreover, due to population growth and demand from the developing food processing industry, sugar consumption is projected to rise by around 3% to 6.3 million MT. In view of accumulating sugar stocks, the Govt. has so far allowed 250,000 tons of sugar in the ongoing year. Recently, sugar prices have shown rising trend in line with inflationary pressure. Sugar prices are expected to increase further which would benefit the industry players in realizing inventory gains. However, elevated markup rates would likely to suppress bottomline of companies with high leveraged capital structure.

Operations update: Installed crushing capacity of the company increased to 30,000 tpd during the period under review, as a result of regularization against which the company paid a requital fee of Rs. 300.0m in Mar'23 to Directorate General of Industries, Price, Weights & Measures (DGIPWM). The crushing capacity of Unit Layyah and Chiniot (Safina) have now been increased to 18,000 and 12,000 tpd respectively, which will be incorporated in the audited annual report for MY23. The crushing season 2022-23 started on Nov 25th, 2022 compared to Nov 15th, 2021 in previous season and lasted for a total of 108 days (MY22: 138 days; MY21: 114 days) primarily as a result of contraction in sugarcane yield due to floods. Resultantly, during 2022-23 season, cane crushed stood lower at 2.58m MT (MY22: 3.05m MT; MY21: 2.37m MT). Therefore, despite improvement in average sucrose recovery rates at 10.78% (MY22: 9.99%; MY21: 9.61%), sugar production was recorded lower at 277,664 MT (MY22: 305,521 MT; MY21: 228,107 MT) in line with lower crushing. A snapshot of production related information of sugar segment is tabulated below:

	2019-20	2020-21	2021-22	2022-23
Crushing Capacity – tpd	23,000	23,000	23,000	23,000
Cane Crushed - Tons	1,973,755	2,374,601	3,059,465	2,575,766
Crushing Days	110	114	138	108
Capacity Utilization	78.01%	90.56%	96.39%	96.44%
Sucrose Recovery – %	9.63%	9.61%	9.99%	10.78%
Sugar Produced – tons	189,843	228,107	305,521	277,664
Molasses Produced-Tons	88,307	104,397	133,421	105,073

The maximum power requirement of the company stood at 22.5 MW. All production units operate on in-house electricity with surplus generation sold to CPPA. The company generated 147.2m KWh (MY21: 103.4m KWh) energy out of which 50% (MY21: 45%) was dispatched to CPPA during MY22.

Property, plant, and equipment (PP&E) stood at Rs. 5.5b (MY22: Rs. 5.1b, MY21: Rs. 4.8b) at end-1H'MY23. The company carries out balancing, modernization and replacement (BMR) on regular basis to improve operational efficiency. During the ongoing year and MY22, additions amounted to Rs. 440.3m and Rs. 570.5m respectively. In MY22, additions majorly pertained to falling film evaporator, molasses tank and powerhouse up gradation, meanwhile; during 1H'MY23, additions were largely related to BMR in distillery. These expenditures have been financed majorly through own sources.

Contraction in revenue in the outgoing year on account of decrease in sugar sales. Profitability remained subdued in 1H'23; while revenues and profitability profile is expected to improve in full year mainly on account of favorable trend in sugar prices and higher volumetric sales: During MY22, net sales were recorded lower at Rs. 19.8b (MY21: Rs. 21.4b) depicting a 7.6% decrease in sales, primarily due to lower sugar sales on account of a decrease in volume as well as average selling prices. Sugar sales accounted for 80% (MY21: 86.7%) of the sales mix. The company sold 4.3m bags of sugar (MY21: 4.8m bags) at a lower average rate of Rs. 74 per Kg (MY21: Rs. 77.3 per Kg). Institutional clients accounted for nearly two-third of the total sugar sales, while remaining sales were made to wholesalers and traders. Client concentration risk has remained high since more than half of the corporate sales emanated from only three clients. Major clients included Naubahar Bottling Co. (Pvt.) Ltd., CocaCola Beverages Pakistan Ltd., Mondeleze Pakistan Ltd., Punjab Beverages Co (Pvt) Ltd., National Foods Ltd., Continental Biscuits Ltd., and Unilever Pakistan Ltd. Molasses and electricity sales witnessed an uptick, with net molasses and electricity sales amounting to Rs. 947.3m (MY21: Rs. 588.2m) and Rs. 2.77b (MY21: Rs. 2.02b), respectively. Contribution of power segment in revenues increased to 4.78% (MY21: 2.75%) in MY22.

Rs. Million	MY21	MY22	1H'MY23
Sugar Sold (bags in millions)	4.8	4.3	2.85
Sugar Price/kg- in PKR	77.3	74.0	79.7
Molasses Sold (MT)	98,078	141,378	80,418
Molasses Price/MT	20,603	19,606	27,989
Electricity Sold to CPPA (Units in millions)	46.4	73.7	44.46
Per Unit price	12.7	12.9	14.42

During the same year, cost of sales stood lower at Rs. 15.8b (MY21: Rs. 18.1b) in line with lower crushing. Raw materials amounted to 87.8% (MY21: 87.7%) of the cost of goods manufactured. The company was able to procure sugarcane at lower average rate of Rs. 241.28/ maund vis-à-vis Rs. 261.95/ maund in the preceding year due to efficient procurement strategy and longstanding relationship with cane growers. Despite lower selling prices of both sugar and molasses during the outgoing year, gross margins improved on the back of inventory gains emanating from selling low cost carryover sugar stock. Distribution and selling expenses amounted to Rs. 204.2m (MY21: Rs. 212.4m) during MY22. Administration expenses increased to Rs. 620.9m (MY21: Rs. 580.5m), mainly due to inflationary adjustments in salaries and other benefits. Other income increased notably to Rs. 250.4m (MY21: Rs. 88.4m) as a result of higher profits on deposit accounts and sale of scrap. During MY22, Finance cost was recorded higher at Rs. 874.3m (MY21: Rs. 471.2m), primarily due to higher short-term borrowings and markup rates. Other expenses mainly increased with higher WPPF. Accounting for taxation, net profit stood at Rs. 1.7b (MY21: Rs. 1.6b) with some improvement in net margins to 9.0% (MY21: 7.6%).

During 1H'MY23 net sales stood higher at Rs. 14.6b (1H'MY22: Rs. 7.2b) which largely included revenue from sugar offtake. The company sold 2.85m bags of sugar at per Kg average rate of Rs. 79.7. The company was allowed an export quota of 8,723 MT, which was sold at an average rate of Rs. 137,246/MT. Gross profit was recorded at Rs. 3.4b (1H'MY22: Rs. 2.01b) with relatively lower gross margins of 23.4% (1H'MY22: 27.8%) primarily due to higher average procurement prices vis-à-vis suppressed selling prices. The company procured cane at an average cost of Rs. 312.4/maund. Finance cost incurred was recorded higher Rs. 598.9m (1H'MY22: Rs.316.5m) at end-1H'MY23. As a result of higher gross profitability and rationalized operating expenses, bottomline enhanced to Rs. 1.6b (1H'MY22: Rs. 781.2m) with increase in net margins to 11.3% (1H'MY22: 10.8%). In full year, growth in topline is expected to be largely supported by higher average selling prices of sugar and increase in volumetric offtake. In addition, higher average recovery rates in the ongoing season would bode well for the gross margins. Sugar prices witnessed an increasing trend post announcement of exports by the Govt. Moreover, retail prices of sugar are also expected to remain high amidst significant gap in imported sugar prices and the locally produced due to rupee devaluation and lower available sugar stocks by the end of this year. Given the company still had sizable sugar stock available by end-Mar'23, this increasing trend is likely to bode well in improving sugar segment profitability. The current price outlook for sugar remains positive until the government takes concrete steps to curb its smuggling to Afghanistan, where sugar prices are almost double the retail prices in Pakistan.

Liquidity profile underpinned by adequate cash flow coverages and working capital management: During MY22, the company generated higher funds from operations (FFO) amounting Rs. 3.1b (MY21: Rs. 2.2b) on the back of higher profitability, lower income tax paid, along with positive differential in finance cost paid vis-à-vis finance cost incurred. FFO to total debt remained adequate at 0.89x (MY21: 1.94x) despite notable increase in short-term borrowings while FFO to long-term debt was sizable at 4.51x (MY21: 2.17x) by end-MY22. Cash flow coverages remained adequate by end-HY'23 as well despite further augmentation in short-term borrowings, reflecting adequate liquidity cushion to meet financial obligations in timely manner. Debt service coverage has also exhibited improvement on a timeline basis (MY22: 3.13x; MY21: 2.74x).

Stores, spares and loose tools amounted to Rs. 1.1b (MY22: 921.0m; MY21: Rs. 752.3m) at end-1H'MY23. Stock in trade was recorded higher at Rs. 16.6b (MY22: Rs. 5.9b; MY21: Rs. 613.5m) at end 1H'MY23, emanating almost entirely from higher sugar inventory. Trade debts increased to Rs. 2.7b (MY22: Rs. 762.7m; MY21: Rs. 759.6m). As a percentage of sales, trade debts were recorded at 9.3% (MY22: 3.85%; MY21: 3.55%) at end-1H'MY23. Generally, around half of the institutional clients make advance payments for sugar sales while 15-30 days credit period is provided to the remaining clients. Meanwhile, unregistered sales are entirely made on cash/advance basis. At end-MY22, loans and advances were recorded higher at Rs. 815.5m (MY21: Rs. 491.4m), which largely consisted of advances made to cane growers and suppliers. Advances made to cane growers amounted to Rs. 474.8m (MY21: Rs. 232.5m) against commitment to supply sugar cane in the following season and is adjusted against price of cane supplied, while advances made to suppliers amounted to Rs. 337.4m (MY21: Rs. 255.7m).The same have decreased to Rs. 749.4m largely in line with higher advances extended to cane growers and other suppliers by end-1H'MY23. Short-term investments amounted to Rs. 127.3m (MY22: Rs. 118.9m; MY21: Rs. 679.7m) by end-MY22, and comprised income fund investments; meanwhile, the company had offloaded its investments from PIBs and GoP Ijarah Sukuks by end-MY22. Trade deposits, prepayments and other receivables stood at Rs. 466.2m (MY22: Rs. 458.9m MY21: Rs. 81.4m) at end-1H'MY23. Cash and Bank balances remained sizable at Rs. 1.8b (MY22: Rs. 1.1b; MY21: Rs. 400.2m), primarily due to outstanding balances in savings account.

Trade and other payables stood higher at Rs. 3.4b (MY21: Rs. 1.2b). Increase was mainly reflected due to increase in contract liabilities amounting to Rs. 2.4b (MY21: Rs. 434.9m), while creditors also increased to Rs. 453.7m (MY21: Rs. 319.0m). At end-1H'MY23, trade and other payables were recorded higher at Rs. 4.66b. Current ratio decreased to 1.22x (MY22: 1.43x; MY21: 1.80x) by end-1H'MY23, primarily due to higher short-term borrowings. Coverage of short-term borrowings via stock in trade and trade debts, albeit decreased, has remained adequate on a timeline basis (1H'MY23: 1.43x; MY22: 2.4x; MY21: 11.2x). Going forward, cash flow coverages are expected to remain adequate in full year in line with higher profitability. Maintaining debt service coverage at adequate levels and improvement in other liquidity indicators will be considered important from ratings perspective.

Manageable leverage indicators: Tier-1 equity augmented to Rs. 8.9b (MY22: Rs. 7.3b; MY21: Rs. 5.6b) at end-1H'MY23, on the back of internal capital generation while dividend payout has remained low at 2.5% (MY21: 2.7%). The sponsors have continued to support operations of the company in the form of unsecured and interest free loan amounting Rs. 535m (MY21: 575m) which is payable at the discretion of the company.

The debt profile of the company remained largely tilted towards short-term borrowings to fund working capital requirements. Long-term borrowings (including current maturity and lease liabilities) stood lower at Rs. 516.0m (MY22: Rs. 685.5m; MY21: Rs. 1.0b) in line with scheduled repayments. These comprised demand finance and diminishing musharaka facilities obtained from various banking companies carrying markup at rate of 3 to 6M KIBOR+ 0.5% to 1.00% per annum. These long-term facilities are set to be fully repaid by end-April'26. Short-term borrowings augmented to Rs. 13.5b (MY22: Rs. 2.8b; MY21: Rs. 122.8m), which comprised running finance and cash finance facilities. The company has access to Rs. 1.18b running finance limit and Rs. 18.2b cash finance limits, which will expire on various dates by Mar 31, 2025 but are renewable. Despite growth in equity base, gearing and debt leverage increased to 1.58x (MY22: 0.47x; MY21: 0.20x) and 2.36x (MY22: 1.15x; MY21: 0.57x) respectively, due to higher short-term borrowings by end-1H'MY23. However, the leverage indicators are expected to recede as majority of the sugar inventory would be lifted by year end. Going forward, gearing and leverage are expected to improve as the management expects lower reliance on short-term borrowings on the back of sufficient availability of funds. Additionally, the company does not plan to mobilize any new sizable long-term loan as no major capex is intended in foreseeable future.

Regulatory matter (Update on CCP 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. 1.77b on TICL 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.

Corporate Governance Framework: At present there are seven board members including one female representation and two independent directors. On 13th Jan 2023, Mr. Farid-ud-din Ahmad replaced Mr. Abdul Wahid Khan as an independent director. There are four Board level committees namely Audit Committee, Human Resource and Remuneration Committee, Nomination Committee and Risk Management Committee. Financial statements are audited by Rahman Sarfaraz Rahim Iqbal Rafiq Chartered Accountants, which are classified in 'Category A' of SBP's Panel of Auditors. The auditors have retired and being eligible, offered their services for reappointment. The Audit Committee has recommended M/S Rahman Sarfaraz Rahim Iqbal Rafiq Chartered Accountants for reappointment as auditors for the year ending 30th Sept 2023.

FINANCIAL SUMMARY *(amounts in PKR millions)*

BALANCE SHEET	MY20	MY21	MY22	1H'MY23
Property, Plant, and Equipment	4,940.2	4,768.7	5,077.5	5,483.2
Stores, Spares. And Loose Tools	683.7	752.3	921.0	1,066.7
Stock-in-Trade	983.9	613.5	5,877.8	16,620.8
Trade Debts	679.7	759.6	762.7	2,717.1
Loan and Advances	370.6	491.4	815.5	749.4
Tax Receivables	358.3	249.4	554.0	946.9
Short term investments	0.0	679.7	118.9	127.3
Cash and Bank Balances	468.7	400.2	1,104.0	1,811.9
Trade deposits, Prepayment, and statutory bal.	70.7	81.4	458.9	446.2
Other assets	56.0	35.3	18.8	8.1
Total Assets	**8,611.6**	**8,831.4**	**15,709.0**	**29,977.6**
Trade and Other Payables	1,843.7	1,246.5	3,392.3	4,659.5
Short-Term Borrowings	465.5	122.8	2,782.2	13,521.2
Long-Term Borrowings *(Inc. current maturity)*	1,338.4	1,019.5	685.5	516.0
Provision for Taxation	298.4	277.1	635.5	1,135.0
Accrued Markup	31.5	16.5	172.4	470.2
Other Liabilities	321.6	425.0	677.2	721.1
Advances from Directors	265.3	95.3	45.3	45.3
Total Liabilities	**4,564.4**	**3,202.6**	**8,390.4**	**21,068.3**
Paid-Up Capital	150.2	150.2	150.2	150.2
Tier-1 Equity	4,047.2	5,628.8	7,318.6	8,909.3
Total Equity	**4,047.2**	**5,628.8**	**7,318.6**	**8,909.3**

INCOME STATEMENT	MY20	MY21	MY22	1H'MY23
Net Sales	16,220.4	21,424.4	19,800.5	14,583.3
Gross Profit	2,759.8	3,336.8	4,035.5	3,407.2
Finance Cost	775.9	471.2	874.3	598.9
Other Income	516.1	88.4	250.4	219.7
Profit Before Tax	1,597.3	2,027.0	2,408.1	2,160.2
Profit After Tax	1,263.8	1,630.3	1,781.9	1,643.2
FFO	1,869.7	2,212.0	3,090.5	2,762.6

RATIO ANALYSIS	MY20	MY21	MY22	1H'MY23
Gross Margin (%)	17.0%	15.6%	20.4%	23.4%
Net Margin (%)	7.8%	7.6%	9.0%	11.3%
Current Ratio	1.08	1.80	1.43	1.22
Net Working Capital	255.7	1803.6	3172.1	4335.7
FFO to Long-Term Debt	1.40	2.17	4.51	10.71*
FFO to Total Debt	1.04	1.94	0.89	0.39*
Debt Servicing Coverage Ratio (x)	1.90	2.74	3.13	5.98
ROAA (%)	14.1%	18.3%	11.3%	13.3%*
ROAE (%)	36.9%	39.2%	24.3%	39.7%*
Gearing (x)	0.45	0.20	0.47	1.58
Debt Leverage (x)	1.1	0.6	1.1	2.4
Inventory + Receivable/Short-term Borrowings (x)	3.6	11.2	2.4	1.4

***Annualized**

REGULATORY DISCLOSURES — Annexure III

Name of Rated Entity	The Thal Industries Corporation Limited
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				
08/22/2023	A	A-2	Positive	Maintained
04/22/2022	A	A-2	Stable	Upgrade
02/01/2021	A-	A-2	Positive	Maintained
02/27/2020	A-	A-2	Rating Watch-Developing	Maintained
10/29/2018	A-	A-2	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.
Disclaimer	Information herein was obtained from sources believed to be accurate and reliable; however, VIS does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. For conducting this assignment, analyst did not deem necessary to contact external auditors or creditors given the unqualified nature of audited accounts and diversified creditor profile.

Due Diligence Meetings Conducted

Name	Designation	Date
Mr. Wasif Mahmood	CFO	May 12, 2023
Mr. Farhan Ahmed	Manager Accounts	May 12, 2023