

DRAFT RATING REPORT**Mughal Iron & Steel Industries Limited****REPORT DATE:**

November 25, 2022

RATING ANALYSTS:

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RATING DETAILS

| Rating Category | Latest Rating | | Previous Rating | |
|-----------------|------------------------------------|------------|------------------------------------|------------|
| | Long-term | Short-term | Long-term | Short-term |
| Entity | A+ | A-1 | A+ | A-1 |
| Rating Outlook | <i>Stable</i> | | <i>Stable</i> | |
| Rating Action | Reaffirmed | | Reaffirmed | |
| Rating Date | <i>25th November'22</i> | | <i>28th December'21</i> | |

COMPANY INFORMATION**Incorporated in 2010**

External auditors: Fazal Mahmood & Co. Chartered Accountants and Muniff Ziauddin & Co. Chartered Accountants

Public Limited Company – Quoted

Chairman: Mirza Javed Iqbal
 CEO: Mr. Khurram Javaid

Key Shareholders (with stake 5% or more):

Mr. Muhammad Mubeen Tariq Mughal – 7.09 %
 Mr. Khurram Javaid – 10.85%
 Mr. Fahad Javaid – 10.85%
 Mr. Muhammad Mateen Jamshed – 10.56%
 Mr. Muhammad Sayyam – 10.56%
 Mr. Fazeel Bin Tariq – 7.02%

APPLICABLE METHODOLOGY(IES)

VIS Entity Rating Criteria: Corporates (May 2019)

<https://www.vis.com.pk/kc-meth.aspx>

Mughal Iron & Steel Industries Limited

OVERVIEW OF THE INSTITUTION

Mughal Iron & Steel Industries Limited (MISIL) was incorporated as a public limited company on February 16, 2010 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The principal business activity of the company is manufacturing and sale of long steel products. The manufacturing facility is located at 17-KM Sheikhupura Road, while head office is located at 31-A Shadman I, Lahore.

Profile of Chairman

Mirza Javed Iqbal is the Chairman of the Board of Directors. Mr. Javed joined the family business in 1976.

Profile of CEO

Mr. Khurram Javaid serves as the CEO MISIL. Mr. Khurram holds an MBA from the Coventry University, UK and a BSc. from the Lahore School of Economics, Pakistan.

RATING RATIONALE

Rating Rationale

The ratings assigned to Mughal Iron & Steel Limited (MISIL) incorporate the company's prominent position as one of the main players in the long-steel sector of Pakistan. The business risk profile of the long steel sector is relatively high on account of sensitivity to changes in exchange rate and volatile nature of raw material prices. However, the risk profile is supported by a positive demand outlook, increased ferrous melting capacity and ongoing capacity expansion and operational efficiency projects focusing on improved market penetration and outreach. Prospects of the industry are strong going forward; however, rising cost of doing business, inflationary pressures coupled with rising commodity prices and onset of monetary tightening regime is likely to impact profitability across the entire steel sector, going forward.

Assessment of financial risk profile draws support from sizeable growth in revenue and profits over the review period. Growth in ferrous segment was mainly due to higher selling prices of rebars and girders, supported by sizeable activity in the construction sector. Due to the volatile nature of steel prices in the international market, margins showed slight improvement in the outgoing year yielded by inventory gains. Going forward, profit margin is expected to remain range-bound because of rising finance cost. The ratings reflect improvement in liquidity profile of the company during the rating review period; the same is supported by adequate cash flows generation in relation to outstanding financial obligations. Going forward, maintenance of liquidity position is considered imperative from ratings perspective. The leverage indicators also exhibited improvement during the outgoing year; however, the same continue to remain on a higher side in comparison to peers. Nevertheless, although there are capex plans in perspective, leverage indicators are expected to trend downwards or at least remain at current levels given no additional long-term funding is planned to be procured during the ongoing year. The ratings will remain dependent on maintenance of margins, timely completion of expansion initiative coupled with incremental cash flow generation from the same and maintenance of leverage indicators within prudent limits.

Business Risk

Business risk profile remains elevated as a combined outcome of multiple factors; however, mitigants for some are in place: Steel sector in Pakistan has been witnessing a growth trend since the last decade due to large demand pouring in from the construction sector especially after inking of CPEC agreement between Pakistan and China. The demand uptick was affected by the outbreak of COVID-19 pandemic for a short period; however, the same picked up in the outgoing year driven by government support extended for construction sector. Business risk for the sector is considered to be on the higher side due to its sensitivity to exchange rate and volatile nature of raw material prices. Given sizable rupee depreciation in terms of dollar in the outgoing year, the pressure on raw material cost is expected to remain. Moreover, due to the current political and economic turmoil in Pakistan demand volatility is expected to persist for the steel sector. According to Pakistan Association of Large Steel Producers (PALSP) the steel sector faces issues regarding rising cost of inputs in line with massive hike in electricity tariffs. As per PALSP, low-priced electricity is imperative for the survival of steel industry therefore, in order for the domestic industry to compete, the sector must be facilitated with provision of electricity at competitive rates. The energy tariffs in Pakistan are amongst the highest in world.

Given steel sector is a capital-intensive industry, the all-time high benchmark interest rate of State Bank of Pakistan (SBP) is also hindering the expansion/ efficiency improvements processes. Further, due to worsening economic conditions leading to periods of liquidity crunch coupled with increasing cost of doing business in line with rising interest rates, the working capital requirements and cost has scaled up. The aforementioned factors have forced many small to mid-sized mills to shut down which will impact the supply side position in the medium term. Moreover, with widespread floods the construction industry has come to a standstill; the same has resulted in an overall slowdown of economic activity given the sector has a trickle-down effect directly driving multiple sectors including

cement, steel, electrical appliances, ceramics, glass, etc. On the flip side, the temporary halt in construction activities also paves way for a huge opportunity for the steel sector given surge in demand projected in the short to medium term due to rehabilitation activities in flood affected areas.

Company Profile & Production Capacity

MISIL, incorporated in 2010 as a public limited company, is among the largest players in the long steel sector in Pakistan. Two main segments of MISIL are ferrous and non-ferrous segment; ferrous segment comprises long-rolled mild steel related products such as steel rebars, billets, and girders whereas non-ferrous segment mainly comprises copper ingot and related items. While the ferrous segment contributes the major chunk with over-two-thirds share in total revenue, the non-ferrous segment has also made sizeable contribution in the outgoing year with further plans announced for expansion in non-ferrous segment. MISIL's active melting capacity increased with the addition of new furnaces. On the other hand, the re-rolling capacity remained unchanged during the rating review period following the Balancing, Modernization and Replacement (BMR) carried out in FY21. The non-ferrous melting capacity also remained constant during FY22. Capacity utilization of melting unit (ferrous) was recorded lower during the outgoing year in line with reduced export demand in the last quarter due to Ukraine-Russian war and political turmoil in the home country.

| Mughal Steel | FY21 | FY22 |
|-----------------------------|---------|---------|
| Capacities-MT | | |
| Ferrous: Melting | 419,100 | 500,000 |
| Re-rolling | 630,000 | 630,000 |
| Non-Ferrous: Melting | 10,000 | 10,000 |
| Production | | |
| Ferrous: Melting | 276,982 | 261,698 |
| Re-rolling | 307,945 | 309,626 |
| Non-Ferrous: Melting | 6,188 | 8,317 |
| Utilization | | |
| Ferrous: Melting | 66% | 52% |
| Re-rolling | 49% | 49% |
| Non-Ferrous: Melting | 62% | 83% |

Plan Going Forward

Presently, MISIL plans to maintain momentum in the ferrous segment while working on improving the efficiency, capacity and product mix of the non-ferrous segment. In line with the long-term plans of increasing market penetration coupled with bringing in operational efficiencies, the company is setting up a new plant for automated copper extraction with capacity of approximately 10,000 MT; the total capex incurred is estimated around Rs. 1.5b. The new plant is expected to contribute to cost rationalization on account of improvement in the recovery rate, lead time and overall capacity. The plant machinery has arrived at the port while the assembly is likely to take around two months, therefore commissioning of the same is expected by mid-Dec'22.

Topline exhibited growth trend in line with higher prices:

MISIL's revenue exhibited positive momentum with substantial growth to Rs. 66.2b (FY21: Rs. 45.0b) recorded in FY22 primarily on account of increase in sale prices and depreciation of local currency. Sales volumes of ferrous segment declined slightly, whereas sales volumes of non-ferrous segment witnessed an increase in comparison to preceding year. The export revenue for the non-ferrous segment almost doubled in FY22 to Rs. 13.2b (FY21: Rs. 6.8b) mainly comprising of export of copper ingots; there has been a significant increase in the demand originating from the People's Republic of China. Increase in sales commission was in line with increase in commission relating to exports operations, which is expected to decline in upcoming periods. As per segment results, sales of ferrous

segment were recorded at Rs. 48.2b (FY21: Rs. 34.2b) accounting for around 73% (FY21: 77%) of the total revenue reaped. Despite increase in sale value, the contribution of ferrous segment declined slightly during the rating review period; the same is an indicator that MISIL is focusing on new market development to add flexibility to its revenue mix by introducing new product range in non-ferrous segment. Moreover, gross margins of ferrous segment declined slightly whereas gross margins of non-ferrous segment showcased slight improvement. Within the ferrous segment, gross margin decreased as the impact of increase in raw material and other input costs was not completely transferred into sale prices. Meanwhile, within non-ferrous segment increase in copper prices and PKR devaluation resulted in increase in gross margins. Overall, margins marginally improved to 15.3% (FY21: 14.9%) during the outgoing year mainly as a result of effective inventory and logistics management coupled with relatively higher contribution of non-ferrous segment to revenue mix entailing higher margins. The segment wise revenue and gross margin are summarized below:

| Rs. Million | Ferrous Segment | | Non-ferrous Segment | |
|--------------|-----------------|--------|---------------------|--------|
| | FY21 | FY22 | FY21 | FY22 |
| Sales- net | 34,229 | 48,219 | 10,505 | 17,933 |
| Gross Profit | 3,724 | 4,902 | 2,949 | 5,225 |
| Gross Margin | 10.9% | 10.1% | 28.1% | 29.1% |

Total sales and marketing expenses declined slightly in absolute terms to Rs. 245.6m (FY21: Rs. 254.3m) mainly due to elimination of rental charges in FY22; however, the cost rationalization in respect to operating scale is substantial. On the flip side, administrative expenses were recorded higher at Rs. 704.9m (FY21: Rs. 537.9m) mainly as an outcome of high employee related expenses incurred in line with annual salary adjustments and increase in average number of employees to 2,157 (FY21: 1,840) during FY22; the increase is in sync with higher scale of operations. Other expenses also showed an increase to Rs. 533.1m (FY21: Rs. 379.2m) mainly attributed to increased contribution towards the workers profit participation and welfare fund due to high profit recorded during the outgoing year. Another contributing factor of increased other expenses was the high foreign exchange loss amounting to Rs. 53.2m (FY21: nil) recorded during FY22 due to currency devaluation. Further, other income stood higher at Rs. 213.9m (FY21: Rs. 66.8m) owing to commission income worth Rs. 60.0m booked against corporate guarantee extended to related party, Mughal Energy Limited. Allowance for expected credit losses amounting to Rs. 33.5m was also recognized during the rating review period. In addition, finance costs increased significantly by around 91% to Rs. 2.6b (FY21: Rs. 1.4b) as a combined outcome of increased in market interest rates and overall higher utilization of borrowings. There was no major change in taxation, however, taxation included impact of super tax imposed during the year to the tune of Rs. 282.8m. Subsequently, in line with considerable jump in revenues, MISIL reported substantial profit of Rs.5.4b during FY22 as opposed to profit of Rs. 3.4b in the preceding year.

The revenue growth and profitability indicators of the company are dependent upon a number of external factors such as economic development, international raw material prices, political stability, consistent economic policies and law and order situation of the country. Going forward, the ferrous segment volumes are expected to remain at the current levels or decline slightly whereas non-ferrous volumes are projected to increase post expansion. Therefore, the management has projected to close FY23 almost at previous year's revenue at Rs. 67.2b. Given the growth momentum evidenced along with sizable demand uptick from public and industrial sector expected, the target seems to be realistic and achievable.

Liquidity position exhibited improvement stemming from higher revenues: Liquidity profile of the company has exhibited positive trajectory with improvement during the outgoing year in line with growth in revenues coupled with higher non-cash adjustments. Hence, Funds from Operations (FFO) were recorded sizable at Rs. 6.2b (FY21: Rs. 3.8b) during FY22. As a result, despite increase in borrowings, FFO to total debt and FFO to long-term debt were recorded higher at 0.24x (FY21: 0.19x) and 1.17x (FY21: 0.89x) respectively at end-FY22. In addition, the debt service coverage (DSCR) also improved and was recorded at 2.61x (FY21: 1.27x) in line with growth in FFO; the same depicts that the company is comfortably placed to meet its contractual obligations due in one year. Going forward, according to the management, cash flows in terms of obligations are expected to improve on account of maintenance of market share and efficiency improvements in the operational process.

Stock in trade increased on a timeline basis to Rs. 22.9b (end-FY21: Rs. 14.9b; end-FY20: Rs. 8.1b) at end-FY22 owing to sizable raw material inventory held to meet forecasted demand; the same is linked with growth in scale of business operations. Finished goods also increased significantly to Rs. 5.7b (FY21: Rs. 1.6b) given the company increased production in the last couple of months of FY22 as electricity tariffs were set to increase from July'22 onwards. Inventory gains arising from devaluation of local currency also resulted in magnified position of stock levels. MISIL as per company policy keeps at least 3 months raw material inventory at hand, 1 month inventory in transit and 1 month inventory in the form of LCs to avoid instances of inventory run-outs during the production process. Trade debts largely remained range bound increasing marginally to Rs. 5.6b (FY21: Rs. 5.3b) at end-FY22 despite sizable increase in sales revenue. On the other hand, the aging of the trade debts presented a slightly troublesome picture with Rs. 863.2m of receivables, representing 15% of total receivables, categorized under over 150 days bucket. However, the management is hopeful that majority of the overdue amount will be recovered eventually as it is a common practice in their line of business. Loans and advances increased slightly to Rs. 148.3m (FY21: 135.6m) by end-FY22; the same mainly comprised of advances extended to suppliers and employees. Deposits, prepayments and other receivables reduced significantly to Rs. 189.8m (FY21: Rs. 932.1m) owing to reduction in margin against guarantees issued for supply of steel bars and girders. The liquidity of the company is impacted due to sizable sales and advance income tax refunds aggregating to Rs. 2.5b (FY21: Rs. 2.5b) due from government at end-FY22; the company is unable to rectify the situation given it is an exogenous factor and inherent in the local steel industry. On the other hand, trade and other payables were also recorded higher at Rs. 2.9b (FY21: Rs.1.7b) at end-FY22 with majority pertaining to trade creditors; the increase in trade creditors is a function of higher inventory kept to meet forecasted demand and projected expansion of operations. Cash and its equivalents witnessed a significant increase to Rs. 5.2b (FY21: Rs. 2.2b) mainly due to cash set aside by the management for repayment of a Rs. 2.0b commercial paper. In line with considerable increase in inventory level and higher cash balances, current ratio improved marginally to 1.45 (FY21: 1.37x) at end-FY22. Moreover, coverage of short-term borrowings via stock in trade and trade debts increased during the outgoing year to 1.51x (FY21: 1.39x) by end-FY22. The current ratio is expected to improve to 1.58x by end-FY23 as MISIL's CP worth Rs. 1.8b matured in July-22.

Leverage indicators improved during the period under review

Tier-I equity showed noteworthy improvement increasing to Rs. 17.8b (FY21: Rs. 13.1b) in line with internal capital generation. There was a structural shift in the equity reserves on account of issuance of fully paid bonus shares worth Rs. 437.8m during FY22. As a result, paid up capital increased to Rs. 3.4b as opposed to Rs. 2.9b in the preceding year while share premium reserve reduced by the same amount simultaneously by end-FY22. MISIL also paid 30% interim cash dividend at Rs. 3.0/share amounting to Rs. 755.0m during FY22. In line with significant increase in operating scale of business leading to higher working capital requirements, short-term borrowings increased to Rs. 20.6b (FY21: 16.1b) by end-FY22. Short-term borrowing mainly comprises of loans secured from Islamic and conventional banks and an Islamic Commercial Paper (ICP) along with a small portion of interest free unsecured loan from directors. The ICP amounting to Rs. 1.8b had a tenor of 360 days, therefore it matured in July'22. The aggregate un-availed short-term bank borrowing facilities available to the company were reported at Rs. 8.1b at end-FY22. Moreover, long-term borrowing also increased to Rs. 5.3b (FY21: Rs. 4.7b) by end-FY22 owing to capex of Rs. 1.7b carried out for the ongoing expansion of non-ferrous segment coupled with efficiency improvement initiatives of ferrous segment. The management had initially planned to issue Sukuk worth Rs. 5.0b in FY23 to meet the funding requirements for the capital investments in the pipeline; however, the plan has been temporarily shelved with no Sukuk issuance to materialize in FY23. However, in the projections shared the incremental borrowing of Rs. 5.0b was included in borrowings which led to leverage indicators exhibiting an increasing trend. However, in actuality despite capex plans in perspective, the leverage indicators are expected to improve during the rating horizon as no additional long-term funding is currently planned to be obtained to fund capex in the medium term.

Mughal Iron and Steel Industries Limited **Annexure I**

| BALANCE SHEET | FY19 | FY20 | FY21 | FY22 | FY23P |
|--|---------------|---------------|---------------|---------------|---------------|
| Non-Current Assets | 8,628 | 9,966 | 15,859 | 16,533 | 18,316 |
| Stock in Trade | 5,620 | 8,120 | 14,868 | 22,963 | 26,592 |
| Trade Debts | 3,304 | 2,182 | 5,259 | 5,744 | 9,327 |
| Advances, Deposits & Prepayments | 427 | 335 | 1,068 | 338 | 198 |
| Due from Govt. | 1,460 | 2,626 | 2,529 | 2,503 | 3,005 |
| Cash & Bank Balance | 3,202 | 2,377 | 2,217 | 5,176 | 2,776 |
| Total Assets | 22,641 | 25,606 | 41,800 | 53,085 | 62,814 |
| Trade & Other Payables | 496 | 1,191 | 1,732 | 2,924 | 2,033 |
| Short-Term Borrowings | 10,002 | 11,639 | 16,111 | 20,644 | 23,757 |
| Long-Term Borrowings <i>(Inc. current matur)</i> | 3,340 | 3,461 | 4,677 | 5,309 | 4,955 |
| Total Borrowings | 13,342 | 15,100 | 20,788 | 25,953 | 33,712 |
| Deferred Tax | 721 | 490 | 2,051 | 2,416 | 2,144 |
| Other Liabilities | 579 | 668 | 724 | 946 | 1,390 |
| Total Liabilities | 15,137 | 17,449 | 25,295 | 32,238 | 39,278 |
| Tier-1 Equity | 7,504 | 8,158 | 13,103 | 17,829 | 20,295 |
| Paid-up Capital | 2,516 | 2,516 | 2,918 | 3,356 | 3,356 |
| INCOME STATEMENT | FY19 | FY20 | FY21 | FY22 | FY23P |
| Net Revenue | 30,828 | 27,305 | 44,972 | 66,153 | 67,226 |
| Gross Profit | 3,189 | 2,617 | 6,691 | 10,128 | 9,679 |
| Finance Cost | 786 | 1,515 | 1,370 | 2,622 | 4,805 |
| Profit Before Tax | 1,737 | 554 | 4,161 | 6,202 | 3,853 |
| Profit After Tax | 1,373 | 593 | 3,429 | 5,411 | 3,593 |
| FFO | 2,042 | (111) | 3,885 | 6,233 | - |
| RATIO ANALYSIS | FY19 | FY20 | FY21 | FY22 | FY23P |
| Gross Margin (%) | 10.3 | 9.6 | 14.9 | 15.3% | 14.4% |
| Net Margin (%) | 4.5 | 2.2 | 7.6 | 8.2% | 5.3% |
| Net Working Capital | 2,657 | 1,631 | 7,051 | 11,302 | 16,409 |
| Current Ratio (x) | 1.23 | 1.12 | 1.37 | 1.45 | 1.58 |
| FFO to Long-Term Debt (x) | 0.61 | n.m | 0.89 | 1.17 | - |
| FFO to Total Debt (x) | 0.16 | n.m | 0.19 | 0.24 | - |
| Debt Servicing Coverage Ratio (x) | 4.61 | 0.68 | 1.27 | 2.61 | - |
| Gearing (x) | 1.78 | 1.85 | 1.59 | 1.45 | 1.66 |
| Debt Leverage (x) | 1.91 | 2.13 | 1.93 | 1.81 | 1.94 |
| Inventory Plus Receivables/STD | 0.97 | 0.89 | 1.25 | 1.39 | 1.51 |
| Cash Conversion Cycle (days) | 68 | 103 | 133 | 132 | 173 |

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 | | Annexure IV | | | |
|---|---|----------------------------|-------------------|-----------------------|----------------------|
| Name of Rated Entity | Mughal Iron & Steel Industries Limited | | | | |
| Sector | Steel Industry | | | | |
| Type of Relationship | Solicited | | | | |
| Purpose of Rating | Entity Ratings | | | | |
| Rating History | Rating Date | Medium to Long Term | Short Term | Rating Outlook | Rating Action |
| | <u>RATING TYPE: ENTITY</u> | | | | |
| | 25/11/2022 | A+ | A-1 | Stable | Reaffirmed |
| | 28/12/2021 | A+ | A-1 | Stable | Upgrade |
| | 25/09/2020 | A | A-2 | Stable | Initial |
| | <u>RATING TYPE: ENTITY RATING TYPE: Sukuk</u> | | | | |
| | 28/12/2021 | A+ | | Stable | Reaffirmed |
| | 05/10/2020 | A+ | | Stable | Preliminary |
| | <u>RATING TYPE: ENTITY RATING TYPE: ICP-1</u> | | | | |
| | 28/12/2021 | | A-2 | | Reaffirmed |
| 06/30/2021 | | A-2 | | Preliminary | |
| 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 | | |
| | Muhammad Zafar Iqbal | CFO | Oct 18, 2022 | | |
| | Shakeel Ahmad | COO | Oct 18, 2022 | | |
| | Muhammad Fahad Hafeez | Company Secretary | Oct 18, 2022 | | |