RATING REPORT

H.A Fibres (Pvt.) Limited

REPORT DATE:
June 23, 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-2	A-	A-2
Rating Outlook	*Positive*		*Positive*	
Rating Date	*23rd Jun'22*		*8th Jun'21*	
Rating Action	*Reaffirmed*		*Maintained*	

COMPANY INFORMATION	
Incorporated in 2006	**External auditors:** BDO Ebrahim & Co. Chartered Accountants
Private Limited Company	**Chairperson/CEO:** Mrs. Sabeena Husnain
Key Shareholders (with stake 5% or more): Mrs. Sabeena Husnain—100%	

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

H.A Fibres (Pvt.) Limited

OVERVIEW OF THE INSTITUTION

H.A Fibres (Pvt.) Limited was incorporated as a private limited company in May 2006 under the Companies Ordinance 1984 (Now Companies Act 2017). Registered office of the company is situated at DHA Lahore while plant is located at Sujhan pura 6 km, Off Khanewal Road, Multan.

Profile of Chairperson of Board & CEO: Mrs. Sabeena Husnain serves as chairperson of the board and CEO of the company. She has over 15 years of experience in textile sector. She is also the CEO of associated concern Husnain Textile Mills (Pvt.) Limited.

Financial Snapshot

Tier-1 Equity:end-9MFY22: Rs. 4.1b; end-FY21: Rs. 3.4b; end-FY20: Rs. 2.2b; end-FY19: Rs. 2.0b

Assets:end-9MFY22: Rs. 7.9b; end-FY21: Rs. 4.7b; end-FY20: Rs. 4.9b; end-FY19: Rs. 4.0b

Profit After Tax: 9MFY22: Rs. 821m; FY21: Rs. 1.1b; FY20: Rs. 272m; FY19: Rs. 263m

RATING RATIONALE

Ratings assigned to H.A Fibres (Pvt.) Limited (HAFL) factor in holistically positive outlook on textile industry on account of higher demand of local products in export markets coupled with additional support to the industry on the regulatory front. The ratings have built in high cyclicality and competitive intensity of spinning segment along with volatility in cotton prices which translate into moderate to high business risk profile. Furthermore, ratings draw comfort from the continuous increase in production capacities of the company to cater to increasing demand which are expected to support profitability and yield operational efficiencies going forward.

The ratings take into account notable improvement in the financial risk profile of the company marked by positive momentum in revenues, sizable and largely sustained margins, significant quantum of share of profit from associate booked, sound liquidity profile and substantial debt-service coverage. The significant improvement in margins during the rating review period was an outcome of increased sale of specialized yarn entailing premium pricing as opposed to normal combed/carded yarn along with high inventory gains stemming from timely procurement of raw material at lower average cost. The gross and net margins of the company are one of the highest amongst peers. The ratings incorporate that majority of the company's sales are categorized as indirect export; therefore, the company has access to concessionary financing schemes introduced by the central bank; the same reflects positively on the bottom line. Going forward, sales are expected to escalate on account of adequate orders in pipeline along with expansion of scale of operations. Further, the ratings factor in conservative capital structure with limited reliance on long-term borrowings. Despite procurement of incremental long-term to fund capex pertaining to capacity expansion, leverage indicators still exhibited an improvement on a timeline basis during the rating review period; moreover, the leverage indicators continue to remain lower than industry averages. Although plans of partially financing ongoing capex through long term borrowings are in place, capitalization indicators of the company are expected to improve and trend downwards as the increase in long-term debt is projected to be nominal and expected to be off-set by augmentation of equity base. Ratings would also be dependent upon materialization of sustenance of margins, incremental cash flow generation and cost savings from recent capital expenditure, maintenance of leverage indicators intended capex and of achievement of projected sales growth.

H.A Fibres (Pvt.) Limited (HAFL) is a spinning unit located at Multan. The company is a part of 'H.A group', other two group companies are Husnain Textile Mills (Pvt.) Limited (HTML) and Palm Villas, an Association of Persons in real estate sector. HAFL holds 30.21% equity in HTML which is a spinning mill with an installed capacity of 77,700 spindles.

Key Rating Drivers

Spinning Sector Dynamics: Uptick in country's value-added textile exports provides impetus to local spinning segment hence supporting business risk profile of the Company

The business environment for textile spinning improved considerably in 2HFY21 due to resurgence in demand following easing of COVID-19 related lockdowns globally.

Business risk profile is supported by growing textile demand and strong emphasis of the Government of Pakistan on enhancing exports. Textile export grew significantly by 26% year on year to USD 9.4b in the first half of FY22, therefore demand for yarn has increased sizably in retrospect. Due to relatively high demand in comparison to the supply, cotton prices in Pakistan have depicted a rise of more than 50% over the last six months. To mitigate the associated risk to some extent, the reliance of local players on imported cotton has increased. The increase in cotton prices along with many other commodities has in turn resulted in increased yarn prices. With higher international demand for Pakistani textiles along with favorable government policies to fund capital investment, large capacity enhancement projects in the downstream textile industry are expected, which will further strengthen demand for yarn. Going forward, the improvement in margins for the spinning segment will remain contingent on investment in technology and capital expansion to reap economies of scale. On the other hand, key risk factor includes rising cost of doing business (increasing electricity and gas tariff and rising local cotton prices).

Capacity utilization & capital expenditure:

The number of spindles installed and installed capacity when converted at 20/s count remained unchanged at end-FY21. On the other hand, the capacity utilization indicators improved in line with increased production levels owing to growth in demand of yarn. The uptick in yarn demand was in turn an outcome of better reception of local value-added products in the export markets owing to capitalizing of market gap created by the pandemic and rupee devaluation leading to positive price parity. The table below gives a snapshot of installed capacity and utilization for the company:

	FY20	FY21
Number of spindles installed	41,844	41,844
Number of spindles shifts worked	3	3
Installed capacity @ 20/S count (Kgs) 360 days	18,076,608	18,076,608
Actual production of all counts (Kgs)	10,456,113	10,712,807
Actual production @ 20/S count (Kgs) 360 days	15,911,951	16,896,729
Capacity Utilization on conversion (%)	88.0%	93.5%

In line with the strategic objective of enhancing capacity, the company incurred capex of Rs. 441.4m that primarily pertained to procurement of high-speed ring frame and automatic cone winder amounting to Rs. 212.0m and Rs. 148.8m respectively during FY21. However, despite capex being booked the new machines did not become operational by end-FY21, therefore no change in installed capacity was evidenced. Further, the company incurred capex amounting to Rs. 1.3b out of which Rs. 1.2b was manifested in plant and machinery. In line with the capex incurred during the review period, the number of operating spindles has increased to 58,164 by end-May'22. Currently, 9,120 spindles ordered are still in transit and are expected to reach the production facility by end-FY22 so the total number of spindles will increase to 67,284. For the above-mentioned capex aggregating to 1.6b made during the last 21 months, Rs. 1.1b was funded by borrowings from banks while the remaining Rs. 565.6m was contributed from internal resources. Further, in order to aide expansion and improvement operational efficiencies, HAFL plans on undertaking capex of Rs. 827.7m in FY23 primarily involving setup of two latest technology Murata Vortex Spun (MVS) yarn spinning machines and procurement of additional ring frames. Vortex spinning system entails higher spinning speed than traditional spinning system for a number of count ranges and materials. The yarn produced in this method is spun directly from slivers and wound to packages. The capex will be met by a mix of equity (Rs. 542m) and debt (Rs. 286m). Installation of MVS would be completed by end-Dec'22.

Topline & profitability indicators picked pace during the outgoing year:

The revenues of the company exhibited positive trajectory increasing to Rs. 5.5b (FY20: 4.3b) during the outgoing year on account of combined outcome of increase in prices of final product along with higher quantum of goods sold. The declining trend in quantum sales was rescued during FY21 with the company's operations back at optimal operational capacity. The volumetric sales recorded growth of around 11% and were recorded at 248,004 bags during FY21 as opposed to 228,736 in the preceding year. Exports sales, only made to China, largely constituting coarser yarn reduced to Rs. 75.1m (FY20: Rs. 86.7m) during FY21. Majority of company sales comes under the category of indirect export. The growth in revenues is also a function of improved business risk dynamics of the local spinning textile sub-segment stemming from capitalizing of market gap presented by prolonged lockdowns in competitor countries by exporters in the downstream. Moreover, the average selling price of the entire product portfolio also marked improvement to Rs. 21,790/bag during FY21 (FY20: Rs. 19,078/bag). Concentration risk continues to remain high given sales to top ten customers constituted around 75% (FY20: 73%) of the topline in FY21. As to the management, the associated risk is considered manageable on account of long-standing relationships with customers, higher supplier switching cost and specialty yarn produced by the company.

There was exponential improvement in gross margins of the company to 22.7% (FY20: 14.1%) during the outgoing year; the same was a function of multiple factors involving higher average yarn prices, company's dealing with specialty yarn entailing higher margin than normal combed yarn coupled with higher opening inventory of 33,797 bales available at start of FY21 resulting in higher inventory gains. The cotton procurement in the outgoing year was lower at 58,259 bales (FY20: 70,411) out of which 59% (FY20: 47%) was imported in line with availability issues along with lower yield of local cotton owing to high moisture and trash content. The company procured cotton at higher average rate of Rs. 9,153/maund (FY20: Rs. 8,798/maund) during FY21; however, in line with sizable inventory carried forward the average rate of consumption of cotton was recorded lower from purchase price at Rs. 8,880/maund (FY20: 8,678/maund) for FY21. The gross margins of the company are the highest in the peer group.

The administrative expenses increased slightly in line with scale of operations. The selling expenses also increased to Rs. 59.1m (FY20: Rs. 48.3m) majorly due to increase in clearing & forwarding and high commission paid to agents to improve market presence during the outgoing year; the increase is in sync with enhanced scale of operations. Further, other expenses stood significantly higher at Rs. 52.9m (FY20: Rs. 23.0m) owing to increased contribution to workers' profit participation fund in line with higher profit reaped during FY21. On the contrary, the finance cost reduced to Rs. 181.4m (FY20: Rs. 246.5m) during FY21 in the line with low average benchmark rates coupled with reduced utilization of borrowings during the period under review. In addition, other income was recorded higher at 5.8m (FY20: 1.3m) on the back of gain on extinguishment of original GIDC liability and government grants against SBP refinance. HAFL booked considerable unrealized share of profit from associate amounting to Rs. 284.8m (FY20: Rs. 81.2m) which resulted in the company having highest net margins in the peer group at 21.0% (FY20 6.4%) during FY21. The investment represents long-term investment in Husnain Textile Mills (Pvt.) Limited, with an equity share of 30.2%. In line with share of profit positively reflecting on the bottom line along with revenue growth and noticeable enhancement in margins, the company recorded sizable profit of Rs. 1.1b (FY20: Rs. 272.2m) during FY21. The topline and bottom line of the company for the outgoing year are the highest ever recorded while the net margins of the company are on a higher side in comparison to peers.

Going forward, the management projects to close FY22 with a topline of Rs. 9.0b, the company is on track of meeting the projected target as revenue of Rs. 6.7b was booked during 9MFY22. Further, the company has orders of over Rs. 2.0b in the pipeline the rest of the year. The increase in revenue is mainly attributable to positive outlook on sector and capacity enhancement with addition of 16,320 operating spindles leading to increase in volumetric sale; the extent of the growth is evident from the fact that the volumetric sale increased to 139,547 bags by end-HY22 which, if annualized, projects to sale of 279,094 bags for FY22. On the contrary, the full impact of capacity expansion will become visible in FY23. The management projects to close FY23 at a topline of around 22.3b. The gross margins declined to 18.1% during 9MFY21 in line with increase in input price, low raw material stock carried forward from FY21 as opposed to FY20 along with timing differential is transferring cost increase to end consumers.

Liquidity position exhibited improvement stemming from enhanced scale of operations & improved margins: Liquidity profile of the company has exhibited positive trajectory with significant improvement during outgoing year and onwards in line with growth in scale of operations, margins and profitability indicators. Funds from Operations (FFO) were recorded sizable at Rs. 1.1b (FY21: Rs. 962.2m; FY20: Rs. 335.2m) during 9MFY22 owing to growth in scale of operations and enhancement of margins; the extent of improvement can be evidenced from the fact that the FFO for the 9MFY22 is higher than the full-year FFO booked in FY21. However, the magnitude of improvement in cash coverages to outstanding obligations on a timeline basis is downplayed as the major increase in FFO is offset with increase in utilization of borrowings. HAFL almost had limited reliance on long-term borrowings till FY20, therefore with higher utilization of borrowings to fund capex requirements, FFO to total debt, despite significant growth in FFO depicted downward trend; the same was recorded at 1.27x (FY21: 1.34x; FY20: 1.85x) at end-9MFY22. On the other hand, FFO to total debt also shows a mix trend given FY21 was a peculiar year with exponentially low short-term borrowings outstanding at Rs. 232.4m (FY20: 2.1b); the same was on account of deliberate adjustment by the management at year end as the company was flushed with liquidity. Therefore, FFO to total debt was sizable at 1.01x at end-FY21 (FY20: 0.15x); however, the same was reported lower, albeit still sizable, at 0.43x at end-9MFY22 in line with normal level of short-term credit carried on the books. On the other hand, the debt service coverage ratio has exhibited positive momentum on a timeline basis and was recorded considerably high at 5.20x (FY21: 4.30x; FY20: 2.14x) at end-9MFY22.

Stock in trade declined on a timeline to Rs. 1.1b (end-FY21: Rs. 1.1b; end-FY20: Rs.1.9b) at end-9MFY22; the decrease was a function of operations back at optimal capacity, no manufacturing units' shutdowns leading to timely consumption of raw material coupled with enhanced demand of yarn leading to improved inventory turnover to 53 days (FY21: 95 days; FY20: 190days). On the other hand, trade debts increased sizably to Rs. 2.5b (FY21: Rs. 611.3; FY20: Rs. 829.2m) in line with cyclicality in spinning sector given highest sale is made in third quarter of the financial year. Moreover, increase in days receivable outstanding to 100 days (FY21: 41 days; FY20: 71 days) by end-9MFY22 was on account of higher sales made to clients to whom longer credit period was allotted. On the other hand, the aging of receivables is considered sound as only 3% of receivables were overdue for more than six months while 50% of receivables pertained to one-month bracket at end-FY21. As per the management, no impairment allowance is necessary in respect of trade receivables as some receivables were recovered subsequent to year end and for remaining there are reasonable grounds to believe that the amounts will be recovered in short course of time.

Advances, deposits & prepayments exhibited a volatile trend with sizable increase to Rs. 559.5m (FY21: Rs. 52.4m; FY20: Rs. 357.6m) by end-9MFY22 on account of loan amounting to Rs. 510.0m extended to associate company. The liquidity of the company is slightly impacted, albeit improved during period under review, due to sales and income tax refunds aggregating to Rs. 43.9m (end-FY21: 53.6m; end-FY20: Rs. 94.6m) due from government at end-9MFY22. Given short-term borrowings were significantly low at end-FY21, the current ratio was sizable at 2.83x (FY20: 1.37x); however, the same decreased to 1.59x by end-9MFY22 in line with normal level utilization of short-term debt. Further, HAFL's cash conversion cycle improved significantly on a timeline basis to 131 days (FY21: 110 days; FY20: 238 days) at end-9MFY22 primarily in line with improvement in inventory turnover on account of efficient order servicing post pandemic crisis.

Equity augmentation on account of internal capital generation: The total equity base of HAFL augmented considerably to Rs. 4.1b (FY21: Rs. 3.4b; FY20: Rs. 2.2b) by end-9MFY22 on account of internal capital generation. The debt matrix of the company still has notable tilt towards short-term credit owing to limited reliance of the company on long-term borrowings by end-9MFY22; although the proportion of long-term funding has slightly increased post-FY20 in line with capex incurred for capacity expansion. The company procured addition long-term loans amounting to Rs. 604.8m during the outgoing year to fund the capex requirements; out of the total a major portion amounting to Rs. 425.2m was obtained to retire import LC for the purpose of expansion. The facility carries a fixed markup charge of 5% and is secured by first pari passu charge over present and future fixed assets of the company amounting to Rs. 600m; the loan was disbursed in different tranches starting Jan'21 and is repayable in twenty equal instalments with no grace period. The company mobilized a loan of Rs. 111.6m (FY20: Rs. 35.8m) in FY21 against sanctioned facility of Rs. 132.2m (FY20: Rs. 70.2m) under refinance scheme by SBP for payment of salaries and wages; six installments of the loan have already been serviced. The facility carries markup at a flat rate of 3% and will be repaid in 8 equal quarterly installments starting from Jan'21; Rs. 81.01m was outstanding against the facility at end-FY21 with Rs. 55.8m to be paid during the ongoing year. Another loan facility amounted to Rs. 103.7m (FY20: nil) was obtained during FY21; the loan carries markup at rate of 4% per annum and would be fully retired by end-Dec'26. Short-term borrowings stood at Rs. 2.1b (FY21: Rs. 232.2m; FY20: Rs. 2.1) at end-9MFY22. Increase in outstanding short-term loans during the ongoing year is due to normal course of business given the outgoing year was an outlier and not a true reflection of utilization of short-term credit. The management adjusted the short-term borrowings balance right at year end as the company had sizable liquidity available. Going forward, leverage indicators are projected to remain comfortable despite mobilization of additional long-term borrowings on account of augmentation in equity base due to higher profitability.

H.A Fibres (Pvt.) Limited Annexure-I

FINANCIAL SUMMARY				*(amounts in PKR millions)*	
BALANCE SHEET	**FY18**	**FY19**	**FY20**	**FY21**	**9MFY22**
Property, Plant & Equipment	1,364	1,260	1,217	2,015	2,854
Investment in Associate	184	226	308	592	592
Stock in Trade	1,041	1,565	1,905	1,099	1,055
Trade Receivables	629	650	829	611	2,452
Loans and Advances	50	12	358	52	560
Tax Refunds Due from Government	139	167	130	54	44
Cash & Bank Balance	37	29	28	158	271
Total Assets	**3,551**	**3,987**	**4,864**	**4,671**	**7,940**
Trade & Other Payables	283	398	288	303	436
Short-Term Borrowings	1,284	1,399	2,121	232	2,128
Long-Term Borrowings *(Including current maturity)*	288	187	181	716	1,109
Total Borrowings	1,571	1,586	2,302	948	3,236
Total Liabilities	**1,857**	**2,030**	**2,634**	**1,297**	**3,746**
Paid-Up Capital	200	455	455	455	455
Tier-1/Total Equity	**1,695**	**1,958**	**2,230**	**3,374**	4,149
INCOME STATEMENT	**FY18**	**FY19**	**FY20**	**FY21**	**9MFY22**
Net Sales	4,127	4,421	4,261	5,460	6,701
Gross Profit	463	581	607	1,237	1,213
Operating Profit	417	494	501	1,089	1,064
Finance Cost	116	219	247	181	160
Profit Before Tax	301	336	359	1,193	904
Profit After Tax	274	263	272	1,144	821
RATIO ANALYSIS	**FY18**	**FY19**	**FY20**	**FY21**	**9MFY22**
Gross Margin (%)	11.2	13.1	14.1	22.7	18.1
Net Margin (%)	6.6	5.9	6.4	21.0	12.2
Net Working Capital	333	630	920	1,327	1,669
FFO	369	427	335	962	1,055
FFO to Long-Term Debt (x)	1.28	2.29	1.85	1.34	1.27
FFO to Total Debt (x)	0.23	0.27	0.15	1.01	0.43
Debt Servicing Coverage Ratio (x)	3.60	2.12	2.14	4.30	5.20
ROAA (%)	8.4	7.0	6.2	24.0	17.4
ROAE (%)	17.6	14.4	13.0	40.8	28.9
Gearing (x)	0.93	0.81	1.03	0.28	0.77
Debt Leverage (x)	1.10	1.04	1.18	0.38	0.89
Current Ratio (x)	1.20	1.34	1.37	2.83	1.59
Inventory+Receivables to Short-term Borrowings (x)	1.30	1.58	1.29	7.36	1.65
Cash Conversion Cycle (days)	131	165	238	110	131

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	H.A Fibres (Pvt.) Limited
Sector	Textile
Type of Relationship	Solicited
Purpose of Rating	Entity Ratings
Rating History	see table below
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. Contents may be used by news media with credit to VIS.

Rating History

Rating Date	Medium to Long Term	Short Term	Rating Outlook	Rating Action
RATING TYPE: ENTITY				
23/06/2022	A-	A-2	Positive	Reaffirrmed
06/07/2021	A-	A-2	Positive	Maintained
04/24/2020	A-	A-2	Rating-Watch Developing	Maintained
04/03/2019	A-	A-2	Stable	Initial

Due Diligence Meetings Conducted

	Name	Designation	Date
1.	Mr. Muhammad Ismail	Chief Financial Officer	13th May, 2022
2.	Mr. Muhammad Naeem	Finance Manager	13th May, 2022