RATING REPORT

AJ Power (Private) Limited

REPORT DATE:
March 14, 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-2	A-	A-2
Rating Outlook	Stable		Stable	
Rating Date	*Mar 14, 2022*		*Feb 23, 2021*	

COMPANY INFORMATION	
Incorporated in 2014	External auditors: AF Ferguson & Co. Chartered Accountants.
Private Limited Company	Chairman/CEO: Mr. Almas Hyder
Key Shareholders (with stake 5% or more):	

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

AJ Power (Private) Limited

OVERVIEW OF THE INSTITUTION

AJ Power (Private) Limited was incorporated as a private limited company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) in November, 2014. The principal activity of the company is to build, own, operate and maintain a solar plant having a total capacity of 12 MW in Adhi Kot, District Khushab. Head office of the company is located in Quaid-e-Azam Industrial Estate, Kot Lakhpat Lahore.

Profile of Chairman/CEO

Mr. Almas Hyder is an Engineering graduate from University of Engineering & Technology, Lahore, and has completed his OPM (Owner/President Management Program) from Harvard Business School.

RATING RATIONALE

The assigned ratings take into account low business risk profile of the company underpinned by inking of 25-year long energy purchase agreement (EPA) with 'take or pay' provision with the Central Power Purchasing Agency (Guarantee) Limited (CPPA-G). Presence of long-term EPA with guaranteed capacity payments mitigates off-take risk as obligations of CPPA-G are backed by sovereign guarantee. Moreover, upholding operational performance in line with agreed performance levels would remain a key-rating driver. Further, given the energy generation of the company is from a low-cost renewable source, solar, it is expected to remain high on the electricity dispatch merit order. Assessment of financial risk profile incorporates sound debt coverage metrics and healthy cash flows in relation to outstanding debt repayments. The ratings also reflect sizable margins post revision of return on equity component of capacity purchase price and comfortable profitability metrics. Further the ratings take comfort from master agreement signed with the GoP leading to improved liquidity indicators as a sizeable chunk of the outstanding trade debts were received during the rating review period. Leverage indicators have also improved on a timeline basis owing to significant internal capital generation and no dividend payout. Leverage indicators are expected to improve over time on account of timely repayment of debt coupled with augmentation of equity base through profit retention; the projected improvement in the aforementioned is captured in the assigned rating. Going forward, ratings remain dependent on sustained efficiency levels and corresponding profitability indicators.

Key Rating Drivers

Mr. Almas Hyder serves as the Chairman of Synthetic Products Enterprises Limited (SPEL), a public listed company, engaged in manufacturing and sale of plastic auto parts, plastic packaging for food and FMCG industry and molds & dyes. He is also the major shareholder in SPEL. He is currently the CEO of AJPL, RT Power (Private) Limited, MST Power (Private) Limited and Entrepreneurship Development and Advisory Services (Private) Limited. Mr. Almas is an Engineering graduate from University of Engineering & Technology, Lahore.

Mr. Zia Hyder Naqi is the CEO of SPEL; he is also the board member of SPEL Technology Support (Private) Limited, RT Power (Private) Limited and MST Power (Private) Limited. Mr. Zia holds Mechanical Engineering degree from UET, Lahore and MBA from Institute of Management Sciences.

Project Design & Statistics: The photovoltaic solar farm is equipped with blocks of 325Wp polycrystalline modules with fixed tilt arrangement. The modules are protected by high transmission tempered glass covered with anodized aluminum alloy frames to avoid abrasion. The risk of any shortfall in Performance Ratio (PR) is mainly curtailed by precise pre-calculation of power generation facility. AJPL achieved the guaranteed PR of 78.1% (FY20: 78.86%; FY19: 78.33%) in FY21 vis-à-vis the benchmark of 78.0%.

Engineering, procurement and construction (EPC) contract was awarded to CSUN-Solar International Limited, a leading Chinese power engineering service provider. AJPL also signed an energy purchase agreement (EPA) with the Central Power Purchasing Agency (Guarantee) Limited (CPPA-G) on September 8, 2016 for a period of 25 years on 'take or pay' basis. The required commercial operations date (COD) was eight months following the financial close date of April 11, 2017. No liquidated damages were enforced as the project was completed within stipulated time. The plant started commercial operations on December 13, 2017.

O&M Contact: The O&M contract was signed with CSUNPower Pakistan (Private) Limited (CSUN Pakistan) in September 2016. CSUN Pakistan is a part of China-based CSUNPOWER Technology Company Limited having commissioned 500MWs of solar farms in more than 50 countries over the past 15 years. The O&M contract was renewed on January 01, 2022 till December 31, 2023, for fixed monthly payments of Rs. 2.35m. As per the O&M contract, fixed monthly payment becomes due and payable by the 30th day from the receipt of invoice by AJPL. AJPL withholds 5% of invoiced amount as retention money. The aggregate of retention money for the first year is released upon the satisfactory evaluation of guaranteed parameters, including plant uptime warranty, guaranteed PR and liquidated damages. In case of delayed payment, AJPL is liable to pay late payment charges for the period of delay at a rate of KIBOR plus 2% per annum.

CSUN is liable to pay AJPL the plant uptime and guaranteed PR LDs, as compensation for damages and not as penalty, for failure to meet the Plant Uptime Warranty and guaranteed PR. All LDs are payable by O&M contactor within 14 days from the issuance of invoice. Performance risk in terms of meeting the required plant time and guaranteed PR is largely mitigated by considerable experience of O&M contractor.

Drop in revenues on account of revision of Return on Equity (ROE) component of Tariff: Despite registering slight increase in electricity generated and delivered to national grid to 18,591 MWh (FY20: 18,121 MWh), AJPL's revenue was recorded lower at Rs. 352.4m (FY20: Rs. 417.3m) during FY21 owing to reduction in ROE component by the government from 17% to 13%; the same has been put into effect from 1st June, 2021. On the other hand, recognition of one-off event in FY20 amounting to Rs. 63.1m relating to the differential amount of sales due to tariff adjustment upon receipt of NEPRA's decision resulted in higher revenues for FY20. The company's ROE component was revised to Rs. 3.0/kWh from Rs. 3.9/kWh while withholding tax on dividend was considered as pass-through item. The full impact of the change will be seen during the ongoing year. The benchmark energy for FY21 was recorded at 17,644 MWh (FY20: 17,781 MWh); benchmark energy is calculated using the capacity factor of 17% as determined by NEPRA in its decision for determination of COD tariff dated July 8, 2019, and an annual degradation factor of 0.5% on each anniversary of COD as defined in the EPA. Moreover, O&M component of Rs1.87/kWh was also revised to Rs1.59/kWh. Moreover, the tariff share of the company for energy generation beyond its respective annual plant factors was reduced in the third block to 50%(FY20: 100%%) of the incremental energy generated with the inking of the new Master Agreement. As per the EPA, CPPA-G is required to pay invoice amount on or before 30th day following the day the invoice is received. In case of delay, the CPPA-G is also liable to pay markup at the rate of 3M KIBOR plus 2% on prorated basis for the delayed period.

AJPL incurred direct cost of Rs. 105.3m (FY20: Rs. 110.0m), which mainly pertained to operations & maintenance (O&M) fees, staff salaries, and deprecation charge. The gross margin of the company decreased to 70.1% (FY20: 73.7%) as an outcome reduced proportion of CPP in revenue mix on account of revision of ROE component. The administrative expenses were recorded higher at Rs. 30.2m (FY20: Rs. 23.7m) during FY21 primarily owing to inflationary impact on employee related expenses along with higher fee and subscription charges paid. Further, AJPL recorded higher other income at Rs. 13.7m (FY20: Rs. 8.0m) on account of increased profit reaped on savings accounts amounting to Rs. 7.5m (FY20: Rs. 2.5m) coupled with markup on delayed payment from CPPA-G of Rs. 6.2m (FY20: Rs. 5.6m) during FY21. On the other hand, finance cost decreased to Rs. 71.1m in FY21 in comparison to Rs. 93.6m in previous year as a combined impact of decline in total borrowings along with benchmark rate being at the very bottom end of the spectrum during the reporting period. Moreover, as per Finance Act 2021, income from generation and sale of electricity is exempt from tax while tax is payable on income from other sources, therefore, provision for tax on income from other sources was charged minimal at Rs. 2.1m (FY20: Rs. 0.7m) during FY21. Primarily stemming from decline in gross margin, the net margin was recorded slightly lower at 44.7% (FY20: 47.3%) during FY21. During HY22, net revenue amounted to Rs. 158.1m with gross margin recorded at 69.5%. After adjustments of all expenses, the net profit stood at Rs. 74.2m for HY22.

Sound liquidity position; adequate coverages supported by internal cash flows generation: Liquidity profile of the company is supported by healthy cash flows generation. In line with reduction in ROE component of CPP leading to reduced margins along with decline in revenues for FY21, funds from operations (FFO) decreased on a timeline basis to Rs. 115.1m (FY21: Rs. 239.0; FY20: Rs.278.5) at end-HY22. However, despite reduction in FFO, FFO to total debt remained at FY20's level of 0.23x (FY21: 0.25x; FY20: 0.23x) by end-HY22 owing to timeline decline in long-term borrowings arising from timely repayment of obligations. Further, as the company has a short-term debt free balance sheet therefore FFO to total debt is equivalent to FFO to long-term debt. In addition, the debt service coverage albeit declined still remained sound at 1.4x (FY21: 1.2x; FY20: 3.9x) at end-FY21.

Asset mix mainly comprises solar farm, receivables from CPPA-G and cash & bank balance: Asset base of the company largely remained stagnant at Rs. 1.95b (FY21: Rs. 1.87b; FY20: Rs. 1.94b) at end-HY22, with property, plant and equipment comprising 81% (FY21: 82%; FY20: 85%) of overall asset mix. Trade receivables decreased to Rs. 77.6m (FY21: Rs. 125.2m; FY20: Rs. 222.4m) in line with swifter payments made by the government at end-HY22. The trade debts are receivables from CPPA and are secured by sovereign guarantee under IA; the same are under normal course of business and considered good. The receivables are interest-free; however, a delayed payment mark-up at the of 3M KIBOR plus 2% per annum is charged in case the amounts are not paid within due dates. The rate of delayed payment mark-up charged during FY21 on outstanding amounts ranged between 8.8% to 10.1% (FY20: 10.1% to 15.9%) per annum. Out of the total receivables, Rs. 51.6m (FY21: Rs. 82.0m; FY20: 132.1m) are neither overdue nor impaired; meanwhile the remaining Rs. 26.1m (FY21: Rs. 43.3; FY20: Rs. 90.4b) are overdue but not impaired. Overdue receivables included Rs. 0.1m (FY21: Rs. 37.3m; FY20: nil) overdue up to 3 months and Rs. 26.0m (FY21: Rs. 5.9m; FY20: Rs. 83.2m) overdue for 30 to 90 days. Owing to overall decrease in receivables, the proportion of receivable overdue for more than one month has increased during the period under review; the delay in receivables is inherent in the power sector due to circular debt escalation. On the other hand, the delay in receivable poses no credit risk for the company owing to sovereign guarantee attached. In addition, as per the Master & EPA Amendment Agreement, the total outstanding overdue at end-Nov'20 was to be paid in two installments with 40% upon notification of tariff determination by NEPRA comprising one-third in the form of tradable 10-year floating rate PIBs and one-third in the form of tradeable 5-year floating rate GOP Ijara Sukuk. The remaining 60% was payable six months thereafter through the same method as of the first installment. Both installments, first in June'21 and the second in Nov'21, have been serviced leading to decline receivables of the company.

Advances, deposits and prepayments increased to Rs. 42.8m (FY21: Rs. 39.3m; FY20: Rs. 32.9m) mainly pertaining to receivables from CPPA-G as pass through items including insurance, workers' profit participation fund and workers' welfare fund. Under the terms of Master Agreement and EPA Amendment Agreement dated 19th Feb'2021, the actual insurance cost for minimum cover required not exceeding 0.5% of the EPC cost is to be treated as a pass-through item and such payments are recoverable rom CPPA-G. Moreover, cash & bank balance also increased to Rs. 231.4m (FY21: Rs. 171.4m; FY20: Rs. 40.0m) on account of cash inflows from CPPA-G. As a result, the current ratio improved to 2.96x (FY21: 2.13x; FY20: 1.57x) at end-HY22.

Project financing comprised debt to equity mix of 75:25: Project cost outlay of Rs. 1.7b was funded with a debt to equity mix of 75:25. The debt financing of Rs. 1.3b was arranged through local and foreign currency syndicated loan facilities from the BoP and MCB while the equity of Rs. 427.5m was injected by four individual investors. However, the project was completed for a sum of Rs. 1.55b on account of cost saving during project completion.

The aggregate amount of local currency loan facility of Rs. 673.0m was available; subsequent to the disbursement, loan amounting Rs. 622.8m was converted into long-term financing (LTF) facility (termed as syndicated term finance loan II) on March 13, 2018, under the SBP's renewable energy financing scheme at a fixed rate of 6% per annum while the remaining unconverted loan amounting Rs. 50m (termed as the syndicated term finance loan I) carried markup rate of 3-month KIBOR plus 3% per annum. With a grace period of 8 months, the local currency loan (both term loan I and II) was repayable in 40 equal quarterly installments ending in December 2027 out of which 14 installments were paid by end-FY21.

The aggregate amount of foreign currency loan facility was US$ 5.75m that was obtained from a consortium of banks comprising MCB Dubai branch and MCB Bahrain branch. The loan carries markup rate of 3-month LIBOR plus 4.5% per annum and a grace period of 8 months from the first drawdown. Due to over-estimation of project cost outlay, the actual utilization of foreign currency loan amounted to US$ 5.4m that is repayable in 17 unequal quarterly installments ending in June 2022 out of which 13 have been paid by end-FY21.

As at December 31, 2020, a refinance facility of Rs. 390.7m from MCB Pakistan was available to the company with the purpose to retire the final installment of foreign currency loan amounting to US$ 3.55m due on June 13, 2022. However, amount of refinance facility actually availed will be determined on the prevailing exchange rate on June 13, 2022. The refinance facility will carry markup of KIBOR plus 3% per annum and will be repaid in 20 equal quarterly installments with a grace period of 8 months starting from March, 2023 and ending in March 2028. AJPL can drawdown this facility till the final repayment date of foreign currency loan i.e. June 13, 2022. As of date, the facility remains unutilized.

According to the terms of loan agreement, the company is required to maintain Rs. 10m at all times in Asset Replacement Fund (AFP) account formed for this purpose. Moreover, two installments are also locked in DSRA at all times to meet any short-fall. Previously, BoP had issued an irrevocable SBLC in favor of AJPL and MCB Bank Limited of Rs. 210m valid till January 31, 2022 against the required balance in Debt Service Reserve Account (DSRA); however, the guarantee has now expired.

Improving leverage indicators: Paid up capital of the company remained unchanged at Rs. 427.5m while the total equity accumulated to Rs. 922.8m (FY21: Rs. 848.6m; FY20: Rs. 691.1m) at end-FY21 owing to significant internal capital generation. With sizable cash generation, AJPL has zero reliance on short-term borrowing; moreover, as per the projections shared by the management there is no plan even to procure short-term funding during the rating horizon. On the other hand, the company long-term debt scaled down to Rs.981.3m (FY21: Rs. 972.3m; FY20: Rs. 1.2b) by end-HY22 in line with regular servicing of periodic long-term repayments. Furthermore, three Directors had provided interest-free short-term loans amounting to Rs. 10m during FY20; the loans were unsecured and repayable in full on demand of directors and have been retired during the rating review period. With the scheduled debt repayment and equity accumulation, gearing and debt leverage improved to 1.06x (FY21: 1.15x; FY20: 1.70x) and 1.12x (FY21: 1.20x; FY20: 1.77x) respectively by end-HY22. Given there are no plans for further borrowings in the foreseeable future, the leverage indicators are expected to improve, going forward.

AJ Power (Private) Limited — Annexure I

	Foreign Currency Loan Repayment (US$)	Foreign Currency Markup (US$)	Local Currency Loan Repayment (Rs.)	Local Currency Markup (Rs.)
FY18	105,648	68,562	29,559,265	29,559,265
FY19	497,948	249,095	59,118,531	32,203,402
FY20	464,373	243,695	59,118,531	28,734,035
FY21	492,072	204,663	67,054,506	24,707,881
FY22	3,939,523	180,441	57,897,604	21,116,766
FY23	-	-	57,897,604	17,642,910
FY24	-	-	57,897,604	14,207,123
FY25	-	-	57,897,604	10,692,818
FY26	-	-	57,897,604	7,226,100
FY27	-	-	57,897,604	3,747,485
FY28	-	-	28,948,802	573,426

AJ Power (Private) Limited — Annexure II

FINANCIAL SUMMARY *(amounts in PKR millions)*					
BALANCE SHEET	**FY18**	**FY19**	**FY20**	**FY21**	**HY22**
Non-Current Assets	1,550	1,703	1,649	1,533	1,576
Receivables	71	107	222	125	78
Advances, Deposits & Prepayments	6	17	33	39	43
Cash and Bank Balance	20	5	40	171	231
Total Assets	**1,648**	**1,833**	**1,944**	**1,869**	**1,954**
Trade & Other Payables	10	31	46	43	47
Short-Term Borrowings	-	-	-	-	-
Long-Term Borrowings *(Inc. current matur)*	1,199	1,302	1,192	972	981
Total Liabilities	1,212	1,339	1,244	1,020	1,031
Tier-1 & Total Equity	**437**	**494**	**701**	**849**	**923**
Paid-up Capital	428	428	428	428	428
INCOME STATEMENT	**FY18**	**FY19**	**FY20**	**FY21**	**HY22**
Net Revenue	144	273	417	352	158
Gross Profit	92	167	307	247	105
Operating Expenses	11	16	24	30	9
Finance Cost	58	101	94	71	26
Profit Before Tax	25	58	198	160	75
Profit After Tax	25	57	197	158	74
FFO	57	137	279	239	115
RATIO ANALYSIS	**FY18**	**FY19**	**FY20**	**FY21**	**HY22**
Gross Margin (%)	64.0	61.2	73.7	70.1	69.5
Net Margin (%)	17.1	20.9	47.3	44.7	46.9
Net Working Capital	(40)	(45)	107	179	251
Current Ratio (x)	0.71	0.74	1.57	2.13	2.96
FFO to Long-Term Debt (x)	0.05	0.11	0.23	0.25	0.23
FFO to Total Debt (x)	0.05	0.11	0.23	0.25	0.23
Debt Servicing Coverage Ratio (x)	0.72	1.06	1.64	1.22	1.44
Gearing (x)	2.75	2.64	1.70	1.15	1.06
Debt Leverage (x)	2.78	2.71	1.77	1.20	1.12

AJ Power (Private) Limited Annexure III

FINANCIAL SUMMARY *(amounts in PKR millions)*			
BALANCE SHEET	**FY22**	**FY23**	**FY24**
Non-Current Assets	1,461.5	1,390.0	1,318.6
Receivables	62.9	65.1	67.2
Advances, Deposits & Prepayments	39.3	39.3	39.3
Cash and Bank Balance	271.9	352.8	456.1
Asset Replacement Fund	10.0	10.0	10.0
Total Assets	1,845.6	1,587.2	1,891.2
Trade & Other Payables	43.2	43.2	43.2
Short-Term Borrowings	-	-	-
Long-Term Borrowings *(Inc. current matur)*	805.2	650.0	494.9
Total Liabilities	839.4	698.5	556.7
Tier-1 & Total Equity	1,006.2	1,158.8	1,334.5
Paid-up Capital	427.5	427.5	427.5
INCOME STATEMENT	**FY22**	**FY23**	**FY24**
Net Revenue	326.9	338.4	349.2
Gross Profit	220.9	230.1	238.7
Operating Expenses	13.8	14.8	15.7
Finance Cost	50.4	64.3	50.7
Profit Before Tax	161.8	157.1	180.6
Profit After Tax	157.5	152.6	175.8
FFO	339.5	362.4	357.1
RATIO ANALYSIS	**FY22**	**FY23**	**FY24**
Gross Margin (%)	67.6%	68.0%	68.4%
Net Margin (%)	48.2%	45.1%	50.3%
Current Ratio (x)	1.9	2.2	2.6
FFO to Long-Term Debt (x)	0.42	0.56	0.72
FFO to Total Debt (x)	0.42	0.56	0.72
Debt Servicing Coverage Ratio (x)	1.59	1.94	1.98
Gearing (x)	0.80	0.56	0.37
Debt Leverage (x)	0.83	0.60	0.42

ISSUE/ISSUER RATING SCALE & DEFINITIONS Annexure IV

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 V
Name of Rated Entity	AJ Power (Private) Limited				
Sector	Power				
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				
	14-02-2022	A	A-2	Stable	Upgrade
	23-02-2021	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. Copyright 2022 VIS Credit Rating Company Limited. All rights reserved. Contents may be used by news media with credit to VIS.				
Due Diligence Meetings Conducted	**Name**	**Designation**	**Date**		
	Mr. Khalil Ahad Hashmi	CFO	18-02-2022		