



Rating Action

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PACRA MAINTAINS ENTITY RATINGS OF NATIONAL REFINERY LIMITED

The Pakistan Credit Rating Agency (PACRA) has maintained the long-term and the short-term ratings of National Refinery Limited (NRL) at ‘AAA’ (Triple A) and ‘A1+’ (A One Plus), respectively. The ratings denote the lowest expectation of credit risk emanating from exceptionally strong capacity for timely payments of financial commitments.

National Refinery’s ratings reflect the company’s sustained monopolist position in the lube segment and its higher operational flexibility, which largely insulates the company from the cyclical nature of the refining industry. Meanwhile, the ratings are supported by the company’s very strong risk absorption capacity emanating from a debt-free capital structure, strong cash flows and robust liquidity. Additionally, the company enjoys synergic benefits as part of an integrated group in the petroleum sector.

The Company: NRL was incorporated as a public limited company at Karachi in 1963. The Government of Pakistan (GoP) took over the management of NRL under the Economic Reforms Order, 1972 and the company remained under public management till its privatization in 2005, when the Attock Group (AG) acquired the majority stake (51%) in NRL through its group companies – Pakistan Oilfields Limited (25% shareholding) and Attock Refinery Limited (25% shareholding) – along with the management control. Islamic Development Bank Jeddah and NIT are other significant shareholders with 15% and 11% stake, respectively.

NRL has three refineries – Fuel Refinery, Lube I Refinery and Lube II Refinery – and a BTX plant. All production facilities are located at the Korangi refinery site. NRL, with the second largest refining capacity in the country, has been operating close to full average capacity utilization for the last few years.

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