The Pakistan Credit Rating Agency Limited

Rating Report

Ismail Industries Limited - PPSTS-4 - PKR 8bln - Feb-25

Report Contents

Rating History

Dissemination Date	Long Term Rating	Short Term Rating	Outlook	Action	Rating Watch
02-Jun-2025	AA-	A1	Stable	Initial	-
13-Feb-2025	AA-	A1	Stable	Preliminary	-

Rating Rationale and Key Rating Drivers

Ismail Industries Limited ("IIL" or "the Company") is strategically evolving into a structure holding diverse revenue streams, which is the key consideration for assigned rating. The Company's total revenue is derived from local and export sales. ~55% of the revenue is generated from domestic sales, while ~45% is attributed to export sales. The rating is primarily driven by IIL’s expanding operations, fueled by increased sales volumes, along with the successful introduction of new products. IIL is further expanding its footprint in the UAE by establishing a new Bisconni subsidiary in Abu Dhabi, with an investment of up to $10mln. The diversity in the revenue stems from well-established brands such as Candyland, Bisconni, Snackcity, Ismail Nutrition, Ghiza Flour, and Astro Films. IIL's strong organizational structure and governance framework provides effective oversight of its strategic investments, further strengthening its credit profile. IIL holds significant investments in its subsidiaries and associates. The Company owns ~78.53% holding of Hudson Pharma (Pvt) Limited and ~75% holding of Ismail Resin (Pvt) Limited. IIL's associates include Bank of Khyber, Plastiflex Films (Pvt) Limited, and Innovita Nutrition (Pvt) Limited. IIL’s ratings reflect its improved financial performance, driven by enhanced working capital management and stable cash flows. Strong operational performance, including efficient inventory management, along with IIL’s ability to maintain profitability despite rising financial costs, has contributed to this positive outcome. IIL recognizes confectionery industry risks, such as shifting consumer preferences. To mitigate these, the Company prioritizes product innovation, including premium offerings, to enhance margins by targeting high-end consumers. The Company is currently fulfilling its working capital requirements through the issuance of Privately Placed Subordinated Term Sukuks (PPSTS). In this regard, the Company has issued a new PPSTS amounting PKR 8bln during Feb, 2025, as a replacement for the previously issued PPSTS of PKR 5bln, which has been redeemed on February 24, 2025.

The ratings are dependent on sustained revenue growth, margin maintenance, and prudent financial management. Prioritizing brand reputation and disciplined debt management are crucial for maintaining the ratings.

Disclosure

Name of Rated Entity	Ismail Industries Limited - PPSTS-4 - PKR 8bln - Feb-25
Type of Relationship	Solicited
Purpose of the Rating	Debt Instrument Rating
Applicable Criteria	Methodology | Rating Modifiers(Apr-24),Methodology | Correlation Between Long-term & Short-term Rating Scales(Jul-24),Methodology | Debt Instrument Rating(Oct-24)
Related Research	Sector Study | Food Products(Jan-25)
Rating Analysts	Muhammad Atif Chaudhry | Atif.Chaudhry@pacra.com | +92-42-35869504

Issuer Profile

Profile Founded in 1988, Ismail Industries Limited ('ISIL' or 'the Company') was incorporated as a public listed Company in 1989. Mr. Muhammad Ismail, in partnership with his brothers, founded Ismail Industries, which has since become the largest manufacturer and exporter of confectionery products in Pakistan. The Company's flagship brand, Candyland, operates within the confectionery sector. Over the years, Ismail Industries has diversified its portfolio through horizontal expansion, introducing brands such as Bisconni (specializing in biscuits and cookies) and SnackCity (offering chips, peanuts, and other snacks). The Company has made backward integration by ensuring top-quality all-purpose flour (maida) for Bisconni and established Ghiza Flour. Additionally, the Company has pursued vertical integration with the establishment of Astro Plastics, which specializes in the production of BOPET, CPP and BOPP films.Ismail Industries Limited (ISIL), headquartered in Karachi, operates ten production facilities across key industrial zones, including Hub, Port Qasim, and Sundar. The Company's operations are segmented into Food and Plastics divisions. For FY24, ISIL reported a production capacity of 298,356 MT (FY23: 219,932 MT) in the Food division and 63,000 MT (FY23: 63,000 MT) in the Plastics division, achieving actual outputs of 192,644 MT (FY23: 123,317 MT) and 35,580 MT (FY23: 34,121 MT), respectively. This translates to increased capacity utilization rates of approximately 65% (FY23: 66%) for Food and 56% (FY23: 54%) for Plastics, indicating room for potential production optimization in both divisions. The ISIL's strategic initiative to establish a 'Bisconni' subsidiary in Abu Dhabi, UAE, is a commendable step to tap into the lucrative MENA confectionery market.

Ownership The Company's major shareholding is concentrated with the Ismail Family, holding approximately 99% of the shares. Key stakeholders include Mr. Muhammad Ismail with around 16%, Mr. Miftah Ismail at approximately 31%, Ms. Almas Maqsood (spouse of Mr. Maqsood Ismail) at roughly 30%, and Mr. Ahmed Muhammad with 15%, alongside other associates holding about 0.7%. The remaining shares are held by the general public. This ownership structure remains stable, with the Ismail Family as the primary shareholders. Mr. Muhammad Ismail, who has led the Company for several years, brings substantial industry expertise, supported by the sponsors' vast experience spanning over four decades. In addition to a significant presence in the confectionery, biscuits, and snacks sector, the Group is also active in the plastic films and pharmaceitical.

Governance The Company's Board of Directors primarily comprises seven members from the sponsoring family, including the Chairman, two non-executive directors, two executive directors, and two independent directors. The Board members bring strong credentials with expertise in diverse fields, including industrial engineering and economics, complemented by in-depth knowledge of the confectionery, biscuits, and snacks sector. The Board operates through two committees: the HR and Remuneration Committee, and the Audit Committee. Meeting minutes are meticulously documented, showing active engagement and substantive discussions from all members, including independent directors. Grant Thornton Anjum Rahman Chartered Accountants serve as the Company's external auditors and provided an unqualified opinion on the Company's financial statements for the fiscal year ending June 30, 2024.

Management The Company has a well-defined organizational structure. Functions such as Accounts & Finance, HR, IT, and Supply Chain are common to the entire organization while Sales and Marketing departments are specific for each brand. Mr. Munsarim Saifullah is the Group CEO. A close associate of the sponsors, he has been involved with the Company since its inception. He has significant experience in production and engineering. Mr. Saifullah is aided by a team of experienced professionals. The Company has no management committees in place. However, members of the senior management regularly communicate and discuss ongoing issues and upcoming plans relating to relevant brands and management functions. The Company has implemented SAP to streamline the flow of information within the Company. All of the Company's products are ISO 22000 certified and have received Halal certifications from SANHA. The Company has an effective internal audit department that reports to the Audit Committee.

Business Risk In Pakistan, the convenience food market is primarily dominated by domestically produced products. This industry is highly competitive, with products that are particularly sensitive to price fluctuations. A significant portion of the market is also held by unbranded products, which play a notable role. The Company's portfolio boasts significant market share across its brands, with 'Cocomo' standing as the flagship product under the 'Bisconni' umbrella. Recent product innovations in the Candyland range—such as Jelly World, Sour Bites, Pizza Jelly, Sweet Bear, Orangy Jelly, Biggy, Buttons, Bisca, Puffs, Cloud9, Punch Candy, and You Chocolate—have further strengthened its market position. Premium Bisconni offerings, including Divine, Mi Amor, Daydream, Digestive, Perfetto, and Chip Hop, also experienced notable sales growth. Additionally, Ghiza and Ismail Nutrition products contributed to higher sales, with the Company's LNS (Lipid-based Nutrient Supplement) products providing a distinct competitive edge in the market.The Company employs segment reporting for its revenue, which is divided into two primary segments: Food and Plastics. The Company's primary revenue driver is the Food segment, which accounted for approximately 86% of total sales. The Food segment generated revenue of PKR 93bln during FY24. The revenue from food segment during 9MFY25 stood at PKR 68bln (FY23: PKR 74bln). The Plastics segment, contributing approximately 14% of total sales, generated revenue of PKR 15bln in FY24. Whereas the revenue of plastic segment for 9MFY25 stood at PKR 12bln (FY23: PKR 14bln). Company's gross profit margins stood at 22% during FY24, 9MFY25: PKR 21% (FY23: 21%). This improvement was driven by a combination of strong sales volume growth and strategic price adjustments, demonstrating the Company's ability to navigate a challenging market environment and maintain profitability. The Company demonstrated a notable improvement in operational efficiency during FY24 which reflected in the expansion of operating profit margins (FY24: 13%,9MFY25: 10%, FY23: 12%). Despite improvements in operational performance, the Company's net profit margins remained stable in FY24, with net profit recorded at PKR 6.1bln compared to PKR 6.3bln in FY23. Whereas net profit for 9MFY25 stood at PKR 4bln. While EBITDA increased, the stability in net profitability was primarily due to a significant rise in finance costs, which escalated to PKR 7bln in FY24 from PKR 4bln in FY23

Financial Risk Working capital IIL'S working capital requirements are a function of its inventory, trade receivables, and trade payables which are financed through shortterm borrowings and FCFO.The Company's working capital management in FY24 showed mixed results. While gross working capital days increased to 77 days due to longer receivable cycles, net working capital days improved slightly to 55 days, indicating better payables management. The average inventory days showed a slight improvement reducing to 37 days in FY24 from 38 days in FY23,reflecting efficient inventory management practices. The current ratio's improvement to 3.6x highlights a strong liquidity position, enhancing the Company's ability to meet short-term obligations.Overall the Company demonstrated effective financial management but must continue to balance liquidity with strategic asset utilization for optimal growth.Coverages The Company's coverage ratio decreased from 3.1x in FY23 to 2.3x in FY24 (9MFY25: 2.5x). This suggests that the Company is spending more of its earnings to cover its finance costs. This is further supported by the decrease in total coverages from 1.6x to 0.7x (9MFY25: 1.1x). Finance cost directly linked to coverages has increased significantly from PKR 4bln in FY23 to PKR 7bln in FY24. This increased burden can strain the Company's ability to meet its financial obligations and indicates potentially higher interest rates and additional debt taken on during the fiscal year. Despite higher finance costs, the Company's FCFO grew by 23%, from PKR 13bln in FY23 to PKR 16bln in FY24 (9MFY25: PKR 9.2bln). This growth in operational cash flow is a positive indicator of the Company's strong operational performance and cash generation capabilities. The Company's ability to manage its debt and maintain financial stability will be crucial in the coming periods Capitalization The Company exhibits a highly leveraged capital structure, with a leverage ratio consistently at 68% during FY24 (9MFY25: 67%). While this reflects a slight improvement due to an increase in the equity base, the overall financial risk remains elevated. A 68% leverage ratio signifies heavy reliance on debt financing, which may heighten the Company's vulnerability to interest rate fluctuations and market uncertainties. Total borrowings increased from PKR 42bln in FY23 to PKR 50bln in FY24 (9MFY25: PKR 55bln). This rising trend indicates an aggressive funding strategy, possibly to finance growth or manage working capital. Long-term Debt declined from PKR 23bln in FY23 to PKR 20bln in FY24, suggesting repayment of obligations. Short-term borrowings Reduced from PKR 15bln in FY23 to PKR 14bln in FY24 (~28% share in total borrowings), reflecting a focus on short-term debt reduction and liquidity management. The Company is currently fulfilling its working capital requirements through the issuance of Privately Placed Subordinated Term Sukuks (PPSTS). In this regard, the Company has issue new PPSTS amounting PKR 8bln during Feb, 2025, as a replacement for the previously issued PPSTS of PKR 5bln, which is set for redemption on February 24, 2025.

Instrument Rating Considerations

About The Instrument The Company has issued a rated, privately placed, unsecured short-term Sukuk or Islamic commercial paper Ismail Industries Limited | PPSTS | PKR 8bln | TBI of PKR 8bln (inclusive of Rs 3bln green shoe option) in Feb, 2025, to finance the working capital requirement of the Company. This PPSTS will be issued in replacement of PPSTS amounting to PKR 5bln which will matures on Feb 24, 2025. The tenor of the instrument will be 6 months. PPSTS-4 will carry a profit rate of 3MK+10bps. Profit and principal will be realized at the time of maturity.

Relative Seniority/Subordination Of Instrument The instrument is unsecured.

Credit Enhancement Facility Covenants are mutually agreed between the Issuer and the Financial advisors and arrangers in the Facility Documents. All applicable Regulations and Guidelines issue by the Securities & Exchange Commission of Pakistan ("SECP").

The Pakistan Credit Rating Agency Limited

Financial Summary
PKR mln

Ismail Industries Limited Food Products	Mar-25 9M	Jun-24 12M	Jun-23 12M	Jun-22 12M
A BALANCE SHEET				
1 Non-Current Assets	31,816	32,666	28,867	25,157
2 Investments	1,726	1,568	1,151	965
3 Related Party Exposure	13,204	9,556	8,751	7,146
4 Current Assets	57,034	47,127	34,286	18,076
a Inventories	*16,505*	*12,640*	*15,885*	*8,338*
b Trade Receivables	*17,332*	*13,135*	*10,505*	*5,746*
5 Total Assets	103,779	90,917	73,056	51,344
6 Current Liabilities	17,272	13,261	10,469	4,239
a Trade Payables	*9,804*	*6,749*	*5,908*	*1,666*
7 Borrowings	55,420	50,278	42,397	32,166
8 Related Party Exposure	-	-	-	-
9 Non-Current Liabilities	3,404	3,169	2,474	2,359
10 Net Assets	27,684	24,209	17,716	12,580
11 Shareholders' Equity	27,684	24,209	17,716	12,580
B INCOME STATEMENT				
1 Sales	81,392	108,887	88,906	55,261
a Cost of Good Sold	*(64,274)*	*(84,865)*	*(70,474)*	*(45,415)*
2 Gross Profit	17,118	24,022	18,432	9,845
a Operating Expenses	(8,673)	(10,042)	(8,102)	(5,601)
3 Operating Profit	8,445	13,980	10,330	4,244
a Non Operating Income or (Expense)	*901*	*1,080*	*1,601*	*557*
4 Profit or (Loss) before Interest and Tax	9,346	15,061	11,931	4,801
a Total Finance Cost	*(3,847)*	*(7,384)*	*(4,399)*	*(1,414)*
b Taxation	*(1,494)*	*(1,544)*	*(1,150)*	*(836)*
6 Net Income Or (Loss)	4,005	6,132	6,382	2,551
C CASH FLOW STATEMENT				
a Free Cash Flows from Operations (FCFO)	*9,299*	*16,159*	*13,098*	*5,929*
b Net Cash from Operating Activities before Working Capital Changes	*4,740*	*9,114*	*9,416*	*5,929*
c Changes in Working Capital	*(4,848)*	*(10,889)*	*(9,763)*	*(1,345)*
1 Net Cash provided by Operating Activities	(108)	(1,775)	(347)	4,584
2 Net Cash (Used in) or Available From Investing Activities	(4,429)	(6,692)	(7,769)	(8,621)
3 Net Cash (Used in) or Available From Financing Activities	5,410	9,736	5,121	4,136
4 Net Cash generated or (Used) during the period	874	1,268	(2,995)	99
D RATIO ANALYSIS				
1 Performance				
a Sales Growth (for the period)	-0.3%	22.5%	60.9%	48.1%
b Gross Profit Margin	21.0%	22.1%	20.7%	17.8%
c Net Profit Margin	4.9%	5.6%	7.2%	4.6%
d Cash Conversion Efficiency (FCFO adjusted for Working Capital/Sales)	5.5%	4.8%	3.8%	8.3%
*e Return on Equity [Net Profit Margin * Asset Turnover * (Total Assets/Shareholders' Equity)]*	20.6%	29.3%	42.1%	21.4%
2 Working Capital Management				
a Gross Working Capital (Average Days)	87	77	71	66
b Net Working Capital (Average Days)	60	55	56	54
c Current Ratio (Current Assets / Current Liabilities)	3.3	3.6	3.3	4.3
3 Coverages				
a EBITDA / Finance Cost	3.0	2.5	3.4	5.2
b FCFO / Finance Cost+CMLTB+Excess STB	1.1	1.2	1.6	1.3
c Debt Payback (Total Borrowings+Excess STB) / (FCFO-Finance Cost)	4.5	4.0	3.1	5.0
4 Capital Structure				
a Total Borrowings / (Total Borrowings+Shareholders' Equity)	66.7%	67.5%	70.5%	71.9%
b Interest or Markup Payable (Days)	53.1	73.5	95.7	105.7
c Entity Average Borrowing Rate	7.9%	14.7%	10.7%	4.8%

Credit Rating

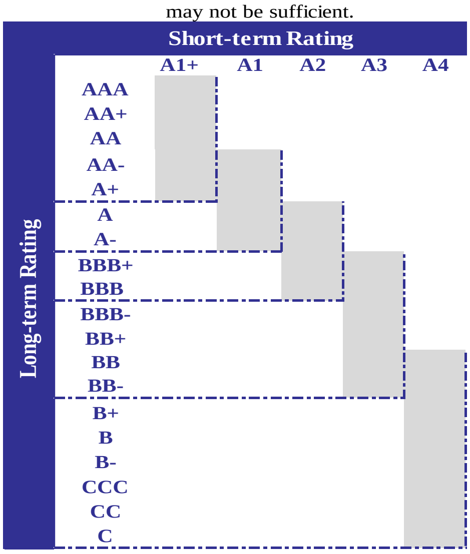
Credit rating reflects forward-looking opinion on credit worthiness of underlying entity or instrument; more specifically it covers relative ability to honor financial obligations. The primary factor being captured on the rating scale is relative likelihood of default.

Long-term Rating

Scale	Definition
AAA	**Highest credit quality.** Lowest expectation of credit risk. Indicate exceptionally strong capacity for timely payment of financial commitments
AA+ AA AA-	**Very high credit quality.** Very low expectation of credit risk. Indicate very strong capacity for timely payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.
A+ A A-	**High credit quality.** Low expectation of credit risk. The capacity for timely payment of financial commitments is considered strong. This capacity may, nevertheless, be vulnerable to changes in circumstances or in economic conditions.
BBB+ BBB BBB-	**Good credit quality.** Currently a low expectation of credit risk. The capacity for timely payment of financial commitments is considered adequate, but adverse changes in circumstances and in economic conditions are more likely to impair this capacity.
BB+ BB BB-	**Moderate risk.** Possibility of credit risk developing. There is a possibility of credit risk developing, particularly as a result of adverse economic or business changes over time; however, business or financial alternatives may be available to allow financial commitments to be met.
B+ B B-	**High credit risk.** A limited margin of safety remains against credit risk. Financial commitments are currently being met; however, capacity for continued payment is contingent upon a sustained, favorable business and economic environment.
CCC CC C	**Very high credit risk.** Substantial credit risk "CCC" Default is a real possibility. Capacity for meeting financial commitments is solely reliant upon sustained, favorable business or economic developments. "CC" Rating indicates that default of some kind appears probable. "C" Ratings signal imminent default.
D	Obligations are currently in default.

Short-term Rating

Scale	Definition
A1+	The highest capacity for timely repayment.
A1	A strong capacity for timely repayment.
A2	A satisfactory capacity for timely repayment. This may be susceptible to adverse changes in business, economic, or financial conditions.
A3	An adequate capacity for timely repayment. Such capacity is susceptible to adverse changes in business, economic, or financial
A4	The capacity for timely repayment is more susceptible to adverse changes in business, economic, or financial conditions. Liquidity may not be sufficient.



The correlation shown is indicative and, in certain cases, may not hold.

Outlook (Stable, Positive, Negative, Developing) Indicates the potential and direction of a rating over the intermediate term in response to trends in economic and/or fundamental business/financial conditions. It is not necessarily a precursor to a rating change. 'Stable' outlook means a rating is not likely to change. 'Positive' means it may be raised. 'Negative' means it may be lowered. Where the trends have conflicting elements, the outlook may be described as 'Developing'.

Rating Watch Alerts to the possibility of a rating change subsequent to, or, in anticipation of some material identifiable event with indeterminable rating implications. But it does not mean that a rating change is inevitable. A watch should be resolved within foreseeable future, but may continue if underlying circumstances are not settled. Rating watch may accompany rating outlook of the respective opinion.

Suspension It is not possible to update an opinion due to lack of requisite information. Opinion should be resumed in foreseeable future. However, if this does not happen within six (6) months, the rating should be considered withdrawn.

Withdrawn A rating is withdrawn on a) termination of rating mandate, b) the debt instrument is redeemed, c) the rating remains suspended for six months, d) the entity/issuer defaults., or/and e) PACRA finds it impractical to surveill the opinion due to lack of requisite information.

Harmonization A change in rating due to revision in applicable methodology or underlying scale.

Surveillance. Surveillance on a publicly disseminated rating opinion is carried out on an ongoing basis till it is formally suspended or withdrawn. A comprehensive surveillance of rating opinion is carried out at least once every six months. However, a rating opinion may be reviewed in the intervening period if it is necessitated by any material happening.

Note. This scale is applicable to the following methodology(s):

a) Broker Entity Rating
b) Corporate Rating
c) Debt Instrument Rating
d) Financial Institution Rating
e) Holding Company Rating
f) Independent Power Producer Rating
g) Microfinance Institution Rating
h) Non-Banking Finance Companies Rating

Regulatory and Supplementary Disclosure
(Credit Rating Companies Regulations,2016)

Rating Team Statements
(1) Rating is just an opinion about the creditworthiness of the entity and does not constitute recommendation to buy, hold or sell any security of the entity rated or to buy, hold or sell the security rated, as the case may be | Chapter III; 14-3-(x)

2) **Conflict of Interest**
i. The Rating Team or any of their family members have no interest in this rating | Chapter III; 12-2-(j)
ii. PACRA, the analysts involved in the rating process and members of its rating committee, and their family members, do not have any conflict of interest relating to the rating done by them | Chapter III; 12-2-(e) & (k)
iii. The analyst is not a substantial shareholder of the customer being rated by PACRA [Annexure F; d-(ii)] Explanation: for the purpose of above clause, the term “family members” shall include only those family members who are dependent on the analyst and members of the rating committee

Restrictions
(3) No director, officer or employee of PACRA communicates the information, acquired by him for use for rating purposes, to any other person except where required under law to do so. | Chapter III; 10-(5)
(4) PACRA does not disclose or discuss with outside parties or make improper use of the non-public information which has come to its knowledge during business relationship with the customer | Chapter III; 10-7-(d)
(5) PACRA does not make proposals or recommendations regarding the activities of rated entities that could impact a credit rating of entity subject to rating | Chapter III; 10-7-(k)

Conduct of Business
(6) PACRA fulfills its obligations in a fair, efficient, transparent and ethical manner and renders high standards of services in performing its functions and obligations; | Chapter III; 11-A-(a)
(7) PACRA uses due care in preparation of this Rating Report. Our information has been obtained from sources we consider to be reliable but its accuracy or completeness is not guaranteed. PACRA does not, in every instance, independently verifies or validates information received in the rating process or in preparing this Rating Report | Clause 11-(A)(p).
(8) PACRA prohibits its employees and analysts from soliciting money, gifts or favors from anyone with whom PACRA conducts business | Chapter III; 11-A-(q)
(9) PACRA ensures before commencement of the rating process that an analyst or employee has not had a recent employment or other significant business or personal relationship with the rated entity that may cause or may be perceived as causing a conflict of interest; | Chapter III; 11-A-(r)
(10) PACRA maintains principal of integrity in seeking rating business | Chapter III; 11-A-(u)
(11) PACRA promptly investigates, in the event of a misconduct or a breach of the policies, procedures and controls, and takes appropriate steps to rectify any weaknesses to prevent any recurrence along with suitable punitive action against the responsible employee(s) | Chapter III; 11-B-(m)

Independence & Conflict of interest
(12) PACRA receives compensation from the entity being rated or any third party for the rating services it offers. The receipt of this compensation has no influence on PACRA´s opinions or other analytical processes. In all instances, PACRA is committed to preserving the objectivity, integrity and independence of its ratings. Our relationship is governed by two distinct mandates i) rating mandate - signed with the entity being rated or issuer of the debt instrument, and fee mandate - signed with the payer, which can be different from the entity
(13) PACRA does not provide consultancy/advisory services or other services to any of its customers or to any of its customers’ associated companies and associated undertakings that is being rated or has been rated by it during the preceding three years unless it has adequate mechanism in place ensuring that provision of such services does not lead to a conflict of interest situation with its rating activities; | Chapter III; 12-2-(d)
(14) PACRA discloses that no shareholder directly or indirectly holding 10% or more of the share capital of PACRA also holds directly or indirectly 10% or more of the share capital of the entity which is subject to rating or the entity which issued the instrument subject to rating by PACRA; | Reference Chapter III; 12-2-(f)
(15) PACRA ensures that the rating assigned to an entity or instrument is not be affected by the existence of a business relationship between PACRA and the entity or any other party, or the non-existence of such a relationship | Chapter III; 12-2-(i)
(16) PACRA ensures that the analysts or any of their family members shall not buy or sell or engage in any transaction in any security which falls in the analyst’s area of primary analytical responsibility. This clause shall, however, not be applicable on investment in securities through collective investment schemes. | Chapter III; 12-2-(l)
(17) PACRA has established policies and procedure governing investments and trading in securities by its employees and for monitoring the same to prevent insider trading, market manipulation or any other market abuse | Chapter III; 11-B-(g)

Monitoring and review
(18) PACRA monitors all the outstanding ratings continuously and any potential change therein due to any event associated with the issuer, the security arrangement, the industry etc., is disseminated to the market, immediately and in effective manner, after appropriate consultation with the entity/issuer; | Chapter III | 17-(a)
(19) PACRA reviews all the outstanding ratings periodically, on annual basis; Provided that public dissemination of annual review and, in an instance of change in rating will be made; | Chapter III | 17-(b)
(20) PACRA initiates immediate review of the outstanding rating upon becoming aware of any information that may reasonably be expected to result in downgrading of the rating; | Chapter III | 17-(c)
(21) PACRA engages with the issuer and the debt securities trustee, to remain updated on all information pertaining to the rating of the entity/instrument;| Chapter III | 17-(d)
Probability of Default
(22) PACRA´s Rating Scale reflects the expectation of credit risk. The highest rating has the lowest relative likelihood of default (i.e., probability). PACRA´s transition studies capture the historical performance behavior of a specific rating notch. Transition behavior of the assigned rating can be obtained from PACRA´s Transition Study available at our website. (www.pacra.com). However, actual transition of rating may not follow the pattern observed in the past; | Chapter III | 14-3(f)(vii)
Proprietary Information

Regulatory and Supplementary Disclosure

Nature of Instrument	Size of Issue (PKR)	Tenor	Security	Quantum of Security	Nature of Assets	Trustee
Short Term Sukuk	8,000,000,000	6 Months	Unsecured	N/A	N/A	N/A

Name of Issuer	Ismail Industries Limited
Issue Date	17-02-2025 (Tentative)
Base Rate Reset Date	19-05-2025 (Tentative)
Maturity	18-08-2025 (Tentative)
3 MK (At Issue Date)	11.90%
3 MK (At Quaterly Base Resetting Date)	11.90%
Profit Rate	0.10%

Ismail Industries Limited | PPSTS | Redemption Schedule

Sr.	Due Date Principal	Opening Principal	Markup/Profit Rate (Kibor + bps)	Markup/ Profit Payment	Principal Payment	Total	Principal Outstanding
		PKR		PKR			
				Principal * (Profit Rate/365)*Days in Period			
Issue Date	17-Feb-25	8,000,000,000					8,000,000,000
1	17-May-25	8,000,000,000	12.00%	234,082,192	-	234,082,192	-
2	18-Aug-25	8,000,000,000	11.48%	234,003,288	8,000,000,000	8,234,003,288	
				468,085,479	**8,000,000,000**	**8,468,085,479**	