



The Pakistan Credit Rating Agency Limited

## Rating Report

### TPL Trakker Limited | Sukuk

#### Report Contents

1. Rating Analysis
2. Financial Information
3. Rating Scale
4. Regulatory and Supplementary Disclosure

#### Rating History

Dissemination Date	Long Term Rating	Short Term Rating	Outlook	Action	Rating Watch
21-Jan-2025	A+	-	Stable	Maintain	-
22-Nov-2024	A+	-	Stable	Maintain	-
21-May-2024	A+	-	Stable	Maintain	-
21-Nov-2023	A+	-	Stable	Maintain	-
07-Jun-2023	A+	-	Stable	Maintain	-
07-Jun-2022	A+	-	Stable	Maintain	-
07-Jun-2021	A+	-	Stable	Initial	-
23-Dec-2020	A+	-	Stable	Preliminary	-

#### Rating Rationale and Key Rating Drivers

TPL Trakker Limited (or the "Company") is a leading provider of GPS, GSM, and satellite-based asset tracking and information solutions. The assigned rating reflects its dominant industry position, driven by a diversified product suite and advanced technological infrastructure. Leveraging expertise in digital mapping and IoT integration, the Company targets high-growth segments with innovative solutions and strategic partnerships. The Company's emphasis on cutting-edge analytics and market expansion in the IoT space drives sustainable growth and strengthens its competitive position in the evolving digital landscape, positively supporting the assigned rating. The Company has diversified revenue streams into fuel management solutions, smart energy management, cold chain monitoring, water level monitoring, fleet management, AI-based vehicle video surveillance, smart farm management, and automated fuel terminals. In FY24, the Company launched Pakistan's first native navigation app, covering over 380 cities, and introduced the "Network Planning" platform to assist businesses in optimizing their network infrastructure. During FY24, the Company reported an increase in topline of ~13% standing at PKR ~2.543bln (FY23: PKR ~2.253bln) in which ~58% of the revenue comes from the rental of tracking devices followed by monitoring income whereas at the end of 1QFY25, topline stood at PKR 557mln. The Company's profit rose to approximately PKR 135mln in FY24 (FY23: PKR -42mln), driven by higher topline revenue and lower finance costs. In 1QFY25, profit reached PKR 23mln. As of September 2024, the Company's equity stood at PKR 2.53bln (FY24: PKR 2.51bln). The capital structure remains leveraged, with a mix of short-term and long-term borrowings.

The ratings are dependent upon the Sukuk's tiered security structure and a pre-default mechanism, including a facility payment and reserve account holding one installment.

#### Disclosure

<b>Name of Rated Entity</b>	TPL Trakker Limited   Sukuk
<b>Type of Relationship</b>	Solicited
<b>Purpose of the Rating</b>	Debt Instrument Rating
<b>Applicable Criteria</b>	Methodology   Rating Modifiers(Apr-24),Methodology   Corporate Rating(Jul-24),Methodology   Debt Instrument Rating(Oct-24)
<b>Related Research</b>	Sector Study   Tracking Services(Dec-23)
<b>Rating Analysts</b>	Madiha Sohail   madiha.sohail@pacra.com   +92-42-35869504

## Issuer Profile

**Profile** TPL Trakker Limited (the "Company" or "TPL Trakker") is a public listed Company. The Company's registered office is situated at Plot No. 1, Sector # 24, near Shan Chowrangi, Korangi Industrial Area, Karachi. TPL Vehicle Tracking (Private) Limited (the Company) was incorporated in Pakistan on December 27, 2016 as a private limited Company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). Effective from November 30, 2017, the name of the Company was changed to TPL Trakker (Private) Limited. The Company was later converted into a public listed Company on January 17, 2018, and accordingly, the name was changed to TPL Trakker Limited. TPL Trakker's core business includes vehicle tracking and fleet management solutions. TPL Trakker is now making its way into new business arenas by stepping into the Internet of things-IoT service provision. Post-merger, digital mapping, and location-based services are yet another auspicious addition to its product offerings. It is serving leading corporate clients; corporate, retail, and institutional sectors constitute the client mix and operates a network of 8 branches, across major cities of Pakistan with an installation center in Karachi.

**Ownership** TPL Corp. Limited is the major shareholder of the Company which beneficially owns ~64% shareholding. The rest of the shareholding is held with Banks, DFI, NBFI, Modarabas, insurance, and General Public. TPL Corp is a ~53% subsidiary of TPL Holdings. The ownership structure is deemed stable, supported by strong leadership capabilities emanating from parent Company-TPL Corp. which owns a major stake in all group entities, running different business lines. TPL Trakker's sponsors bring over two decades of industry leadership in telematics and IoT solutions, with a strong portfolio of strategic investments and innovative solutions. They are committed to corporate social responsibility, supporting education, health, and environmental initiatives. TPL Corp. Limited is majorly owned by TPL Holdings, and has extended footings in diversified business avenues with a sizeable portfolio of strategic investments, representing firm business profiles. Key figure, Mr. Jameel Yusuf, the Group Chairperson and Director, has been associated with TPL Trakker Limited since 2016. He brings extensive industry knowledge and experience, having been honored with numerous awards and accolades. Notably, he received the Presidential Award "Sitara-e-Shujaat" for his gallantry services in August 1992. The group's business portfolio encompasses various segments, including asset tracking, insurance, real estate, energy, financial services, and container tracking. Additionally, it features diversified business avenues, all demonstrating adequate financial strength.

**Governance** The Board of Directors (BoD) is composed of eight members, featuring one female director and four non-executive directors. BoD also includes two independent directors. All Board of Directors (BoD) members are seasoned professionals with experience in managing diverse business affairs. The independent directors are well-regarded experts with industry knowledge and diverse expertise. Mr. Jameel Yusuf, a businessman by profession is the Chairperson of TPL Trakker Limited. He also serves as the Chairperson of TPL Corp Limited with vast expertise expanded in managing various business ventures. The Board has formed two committees namely i) Audit and ii) HR Committee, which are chaired by independent directors. During FY24, three Board meetings were held. Attendance of Board members in these meetings remained strong and the meeting minutes are documented adequately. The Company has its own internal audit function which reports directly to the board Audit Committee. BDO Ebrahim & Co, Chartered Accountants are the external auditors of TPL Trakker. They have given an unqualified opinion on the financial statements for the year ended June 2024.

**Management** The Group is organized into multiple operational entities, each led by a specialized management team tailored to its specific functions. Clear reporting lines and well-defined roles and responsibilities ensure efficient oversight and coordination. Currently, all key positions are filled, maintaining a stable and effective organizational structure. TPL Trakker maintains a well-defined yet concentrated business process with established real time management systems. The group's management team comprises highly qualified professionals with extensive skills and diverse experience. TPL Trakker's leadership portfolio includes a wealth of seasoned experts. Notably, Mr. Amjad Waqar, has replaced Mr. Rao Salman as the new CEO, who brings over ~22 years of experience working with high-profile clients and industries. He joined the Company in 2022 and was appointed CEO in FY24. Newly appointed CFO of the Company, Mr. Ghalib Jalees, brings with him wealth of experience spanning over two decades in the finance and corporate sector. The Company has an able management team. The long association of the management team with the group bodes well for the overall growth of the Company. All pertinent issues are resolved at department levels by the department heads and managers. The organization has implemented the Oracle ERP suite to automate its installation and repair center countrywide. This solution has completed integration with the Company's financial and Customer Relationship Management (CRM) enterprise applications. ERP facilitates information flow between all business functions inside the organization and manages connections to outside stakeholders. An effective internal control system, along with clear lines of responsibility and authorization, is existed. This is complemented by a robust technological infrastructure that supports all advanced technological solutions, ensuring proficient business operations and timely reporting.

**Business Risk** The tracking industry in Pakistan is rapidly evolving, driven by advancements in IoT and telematics. Despite economic challenges, the sector continues to innovate and expand through strategic partnerships and technological enhancements. A significant portion of demand in the tracking services industry comes from the automobile sector, with vehicle tracking being the most common application. Although the automobile industry is currently facing economic difficulties, the tracking business is expected to shift its focus more towards fleet management and container tracking in the future. Additionally, there is a growing trend of service delivery applications aimed at maximizing consumer convenience. With inflation showing signs of easing and recent reductions in the Monetary Policy, the industry's outlook appears more favorable. TPL Trakker Limited is the only Company in its segment listed on the Pakistan Stock Exchange (PSX), while all other Companies in this sector are privately held. The main players in the industry include I-Tech, Tracking World, and Falcon I. These Companies primarily offer conventional telematics & IOT solutions. Despite increasing challenges and competition, management claims to hold ~42% of the market share in the tracking and fleet management industry, continuing to outperform the market. This success is primarily due to TPL Trakker's strategic shift towards new avenues such as the Internet of Things (IoT), rather than relying solely on the vehicle tracking market. TPL Trakker's revenue mainly comprises i) Equipment installation sales ii) Rental from tracking devices iii) Monitoring fees iv) Navigation income v) E ticketing income and vi) Other services. During FY24, revenue surged by 13% to PKR 2.5bn, up from PKR 2.2bn in FY23, driven by increased revenue of IoT and cost reduction initiatives taken by management in FY24. Approximately ~53% of the revenue comes from the rental of tracking devices followed by monitoring income. During IQFY25, revenue clocked in at PKR ~0.56bn. The revenue base is further expected to augment in coming periods in view of growth in the Internet of Things (IoT), CPEC, and transshipment projects begin to take up pace. Location-based services are yet another promising segment to add more value to the business. TPL's gross profit margins for FY24 were ~45%, up from ~37% in FY23 whereas, for IQFY25, it stood at ~44%. The net profit margin also saw a significant turnaround, reaching ~5.3%, compared to a loss of -1.9% in FY23. This improvement was primarily driven by increased IoT revenues and ongoing cost reduction initiatives. The bottom line showed a profit of PKR ~135m in FY24, compared to a loss of PKR ~42m in FY23 whereas, during IQFY25, the bottom line showed a profit of PKR ~24m. Multiple yet diversified revenue streams ensure sustainable inflows for the business. The Company has secured the Export Processing Zone mandate which is in the 2nd phase of the STE project covering and from container movement from Karachi Port to Export Processing Zone. In the near future, the EPZs will be covering dry ports as well. Additionally, the introduction of integrated products, 'connected cars', in collaboration with auto manufacturers and near-time CPEC project routing is expected to support the Company's revenues. Moreover, a revised strategy is formulated with the TPL Maps division being carved out from TPL Trakker as a separate entity duly named 'Astra Location Services (Pvt) Ltd'.

**Financial Risk** TPL's working capital requirements emanate from credit allowance to corporates and financial institutions; financed through short-term borrowings. In IQFY25, the cash cycle has been reduced to ~47 days (FY24: ~69 days, FY23: 113 days). As per the norms of the industry, ageing analysis reveals that most of the debtors take about a minimum of four months to pay, which mainly constitute corporate clientele. The equity base stood at PKR ~2.53bn as of IQFY25 (FY24: PKR ~2.51bn, FY23: PKR 2.37bn). Borrowings stood at PKR ~1.56bn in IQFY25 (FY24: PKR ~1.60bn, FY23: PKR ~1.95bn). Resultantly, the debt-to-equity ratio of the Company stood at ~38.2% in IQFY25 (FY24: ~38.9%, FY23: ~45.2%).

## Instrument Rating Considerations

**About The Instrument** TPL Trakker Limited has issued a secured, OTC listed & Privately placed Sukuk (Sukuk) amounting to PKR 1.25bn in March, 2021. The Sukuk carried a profit rate of 3MK + 300bps with a tenor of five (5) years. The purpose of the Sukuk is to meet the Company's working capital requirement, investment in group companies, and partial debt repayment. The Sukuk will be redeemed after eighteen (18) equal quarterly payments in March, 2026. As per client representation, the estimated amount is maintained in both FPA and FRSA accounts. By the end of Dec'24, thirteen principal installments totaling PKR 903m out of PKR 1,250m have been successfully paid. The most recent payment, comprising PKR ~69.4m in principal and PKR ~20.1m in markup, was made at the end of Dec'24.

**Relative Seniority/Subordination of Instrument** The claims of the Sukuk holders will rank superior to the claims of ordinary shareholders.

**Credit Enhancement** The Sukuk is secured by way of a first parri passu Hypothecation charge over the present and future moveable fixed asset of the Company with 25% margin. The Sukuk is also secured by the additional security of maintaining Facility Payment Account (FPA) which is maintained with the account bank, such that the entire upcoming installment is deposited in the FPA three (03) days before the upcoming installment. A Facility Reserve Service Account is also maintained with the Bank, in which one installment (Principal + Markup) is maintained throughout the tenure of the Sukuk.



TPL Trakker Limited Tracking Services	Sep-24 3M	Jun-24 12M	Jun-23 12M	Jun-22 12M
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**A BALANCE SHEET**

1 Non-Current Assets	2,190	2,213	2,219	3,232
2 Investments	-	-	-	-
3 Related Party Exposure	2,328	2,325	2,117	1,110
4 Current Assets	1,812	1,729	2,014	1,763
<i>a Inventories</i>	128	138	203	270
<i>b Trade Receivables</i>	769	732	983	820
<b>5 Total Assets</b>	<b>6,331</b>	<b>6,267</b>	<b>6,350</b>	<b>6,105</b>
6 Current Liabilities	1,794	1,691	1,689	1,163
<i>a Trade Payables</i>	610	580	509	370
7 Borrowings	1,564	1,598	1,953	2,290
8 Related Party Exposure	442	472	335	455
9 Non-Current Liabilities	-	-	-	-
<b>10 Net Assets</b>	<b>2,531</b>	<b>2,507</b>	<b>2,372</b>	<b>2,197</b>
<b>11 Shareholders' Equity</b>	<b>2,531</b>	<b>2,507</b>	<b>2,372</b>	<b>2,197</b>

**B INCOME STATEMENT**

1 Sales	557	2,543	2,253	2,106
<i>a Cost of Good Sold</i>	(313)	(1,389)	(1,412)	(1,360)
<b>2 Gross Profit</b>	<b>244</b>	<b>1,153</b>	<b>841</b>	<b>746</b>
<i>a Operating Expenses</i>	(121)	(551)	(501)	(543)
<b>3 Operating Profit</b>	<b>123</b>	<b>603</b>	<b>340</b>	<b>203</b>
<i>a Non Operating Income or (Expense)</i>	28	102	197	211
<b>4 Profit or (Loss) before Interest and Tax</b>	<b>151</b>	<b>705</b>	<b>537</b>	<b>413</b>
<i>a Total Finance Cost</i>	(108)	(515)	(536)	(327)
<i>b Taxation</i>	(18)	(55)	(43)	111
<b>6 Net Income Or (Loss)</b>	<b>24</b>	<b>135</b>	<b>(42)</b>	<b>197</b>

**C CASH FLOW STATEMENT**

<i>a Free Cash Flows from Operations (FCFO)</i>	209	935	804	641
<i>b Net Cash from Operating Activities before Working Capital Changes</i>	129	403	315	321
<i>c Changes in Working Capital</i>	(74)	205	85	694
<b>1 Net Cash provided by Operating Activities</b>	<b>55</b>	<b>608</b>	<b>400</b>	<b>1,015</b>
<b>2 Net Cash (Used in) or Available From Investing Activities</b>	<b>(8)</b>	<b>(92)</b>	<b>(136)</b>	<b>86</b>
<b>3 Net Cash (Used in) or Available From Financing Activities</b>	<b>(98)</b>	<b>(419)</b>	<b>(285)</b>	<b>(818)</b>
<b>4 Net Cash generated or (Used) during the period</b>	<b>(51)</b>	<b>96</b>	<b>(22)</b>	<b>283</b>

**D RATIO ANALYSIS**

<b>1 Performance</b>				
<i>a Sales Growth (for the period)</i>	-12.3%	12.8%	7.0%	11.7%
<i>b Gross Profit Margin</i>	43.8%	45.4%	37.3%	35.4%
<i>c Net Profit Margin</i>	4.2%	5.3%	-1.9%	9.4%
<i>d Cash Conversion Efficiency (FCFO adjusted for Working Capital/Sales)</i>	24.1%	44.8%	39.4%	63.4%
<i>e Return on Equity [ Net Profit Margin * Asset Turnover * (Total Assets/Sh</i>	3.8%	5.5%	-1.9%	8.8%
<b>2 Working Capital Management</b>				
<i>a Gross Working Capital (Average Days)</i>	145	148	184	224
<i>b Net Working Capital (Average Days)</i>	47	69	113	164
<i>c Current Ratio (Current Assets / Current Liabilities)</i>	1.0	1.0	1.2	1.5
<b>3 Coverages</b>				
<i>a EBITDA / Finance Cost</i>	2.0	2.0	1.6	2.2
<i>b FCFO / Finance Cost+CMLTB+Excess STB</i>	0.5	0.5	0.5	0.6
<i>c Debt Payback (Total Borrowings+Excess STB) / (FCFO-Finance Cost)</i>	3.8	3.7	6.0	5.1
<b>4 Capital Structure</b>				
<i>a Total Borrowings / (Total Borrowings+Shareholders' Equity)</i>	38.2%	38.9%	45.2%	51.0%
<i>b Interest or Markup Payable (Days)</i>	129.5	92.3	74.1	37.8
<i>c Entity Average Borrowing Rate</i>	25.8%	29.3%	25.5%	10.9%

### 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.

Scale	Long-term Rating Definition
AAA	<b>Highest credit quality.</b> Lowest expectation of credit risk. Indicate exceptionally strong capacity for timely payment of financial commitments
AA+	
AA	<b>Very high credit quality.</b> 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.
AA-	
A+	
A	<b>High credit quality.</b> 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.
A-	
BBB+	<b>Good credit quality.</b> 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.
BBB	
BBB-	
BB+	<b>Moderate risk.</b> 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.
BB	
BB-	
B+	
B	<b>High credit risk.</b> 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.
B-	
CCC	<b>Very high credit risk.</b> Substantial credit risk "CCC" Default is a real possibility.
CC	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.
C	
D	Obligations are currently in default.

Scale	Short-term Rating 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 conditions.
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 surveil 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

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### **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**

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## Regulatory and Supplementary Disclosure

TPL Trakker Limited   Sukuk								
Nature of Instrument	Size of Issue (PKR mln)	Years	Purpose	Security	Quantum of Security	Nature of Assets	Issue Agent	
Rated, Listed, Secured and Privately Placed Sukuk	PKR 1,250	5 years	meeting the working capital requirement, investment in group companies and partial debt repayments	<b>Primary Security</b>				
				1st pari passu hypothecation charge of PKR 70M on present and future movable fixed assets of the Company inclusive of a 25% margin in favor of the Issue Agent for the benefit of Sukuk holders	PKR 70M	Present and future movable fixed assets	Pak Oman Investment Company Limited	
				1st pari passu hypothecation charge of PKR 340M on present and future current assets of the Company inclusive of a 25% margin in favor of the Issue Agent for the benefit of Sukuk holders	PKR 340M	Present and future current assets		
				1st pari passu hypothecation charge of up to PKR 1,500M on present and future long-term investments of TPL Corp Limited inclusive of a 25% margin in favor of the Issue Agent for the benefit of Sukuk holders	Up to PKR 1,500M	Present and future long term investments of TPL Corp Limited		
<b>Additional Security</b>								
			An escrow arrangement for deposit of Ordinary shares of the long-term investments of TPL Corp Limited on irrevocable basis with the Escrow Agent amounting to PKR 1,855M inclusive of a ~25% margin.	Up to PKR 1,855M	~17.2M Ordinary Shares of TPL Insurance Limited and ~110M TPL Life Insurance Limited			

TPL Trakker Limited   PP Sukuk   Mar'21   Repayment Schedule								
Installment Due Date	Principal Outstanding	3M Kibor	Markup/Profit Rate (3MK + 3%)	Installment			Principal Outstanding	
				Markup/Profit Payment	Principal Payment	Total		
	PKR in mln	Due Date Profit	%	PKR				
30-03-21	1,250,000,000	29-03-21	7.58%	10.58%	-	-	1,250,000,000	
30-06-21	1,250,000,000	29-06-21	7.45%	10.45%	32,924,658	-	1,250,000,000	
30-09-21	1,250,000,000	29-09-21	7.78%	10.78%	33,964,384	-	1,250,000,000	
30-12-21	1,250,000,000	29-12-21	10.42%	13.42%	42,282,192	69,444,444	1,180,555,556	
30-03-22	1,180,555,556	29-03-22	11.98%	14.98%	43,606,164	69,444,444	1,111,111,111	
30-06-22	1,111,111,111	29-06-22	14.78%	17.78%	49,253,577	69,444,444	1,041,666,667	
30-09-22	1,041,666,667	29-09-22	15.81%	18.81%	49,386,986	69,444,444	972,222,222	
30-12-22	972,222,222	29-12-22	17.06%	20.06%	49,157,686	69,444,444	902,777,778	
30-03-23	902,777,778	29-03-23	21.94%	24.94%	55,517,123	69,444,444	833,333,333	
30-06-23	833,333,333	29-06-23	22.91%	25.91%	54,422,831	69,444,444	763,888,889	
30-09-23	763,888,889	29-09-23	22.66%	25.66%	49,406,240	69,444,444	694,444,444	
30-12-23	694,444,444	29-12-23	21.46%	24.46%	44,426,560	69,444,444	625,000,000	
30-03-24	625,000,000	29-03-24	21.99%	24.99%	38,114,041	69,444,444	555,555,556	
30-06-24	555,555,556	29-06-24	21.99%	24.99%	34,993,607	69,444,444	486,111,111	
30-09-24	486,111,111	29-09-24	20.24%	23.24%	28,475,190	69,444,444	416,666,667	
30-12-24	416,666,667	29-12-24	16.32%	19.32%	20,069,863	69,444,444	347,222,222	
30-03-25	347,222,222	29-03-25	17.06%	20.06%	17,556,317	69,444,444	277,777,778	
30-06-25	277,777,778	29-06-25	17.06%	20.06%	14,045,053	69,444,444	208,333,333	
30-09-25	208,333,333	29-09-25	17.06%	20.06%	10,533,790	69,444,444	138,888,889	
30-12-25	138,888,889	29-12-25	17.06%	20.06%	7,022,527	69,444,444	69,444,444	
30-03-26	69,444,444	29-03-26	17.06%	20.06%	3,511,263	69,444,444	0	
					678,670,053	1,250,000,000	1,928,670,053	