



The Pakistan Credit Rating Agency Limited

## Rating Report

### Gul Ahmed Textile Mills Limited

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#### Rating History

Dissemination Date	Long Term Rating	Short Term Rating	Outlook	Action	Rating Watch
07-Mar-2023	AA-	A1	Stable	Upgrade	-
07-Mar-2022	A+	A1	Stable	Upgrade	-
07-Sep-2021	A	A1	Positive	Maintain	-
03-Sep-2020	A	A1	Stable	Maintain	-
03-Sep-2019	A	A1	Stable	Maintain	-
05-Mar-2019	A	A1	Stable	Maintain	-
05-Sep-2018	A	A1	Stable	Maintain	-
05-Mar-2018	A	A1	Stable	Initial	-

#### Rating Rationale and Key Rating Drivers

Gul Ahmed Textile Mills Limited (Gul Ahmed) has a remarkable history of operations, reflecting a formidable presence in the broader textile value chain. Gul Ahmed is a fully integrated unit and that has proven pivotal to the success story of the Company. One of the fully owned subsidiary Ideas (Pvt) Ltd. has built a strong forte in the retail space of the country now has more than 110 retail stores, offering a diverse range of products from home accessories to fashion clothing. Most of the top line of the Company emanates from exports. The Company has penetrated some of the good markets abroad, though the rising global inflation is a concern around the world, for future demand patterns. The export base is diverse. The Company enjoys an established customer base with several export destinations in European Countries and the United States of America. The sheer quantum of revenue base is huge, while focus on value-added products brings attractive gross margins. A great chunk of local sales is also indirect export. The presence of a seasoned senior management team that possesses considerable experience in the textile sector is also a comfort. The sponsoring shareholder is the driving force for business growth and sustainability. Import of raw materials is a challenge for many businesses these days. However, the very latest trend has shown that the company has been able to manage its business, due to the fact that it brings forex to the country. The raw material inventory is also being maintained for uninterrupted operations for a reasonable period of time. The liquidity profile is considered good with a manageable working capital cycle and sufficient cash flows to meet outstanding obligations while leveraging remains on the higher side. Improved trade leverage and increased coverage are also positive.

The ratings are dependent on the Company's ability to sustain its business profile while maintaining its margins and strong. Continuing operations is important. At the same time, prudent management of working capital needs and meeting financial obligations remain critical. Sponsor's commitment to providing support gives comfort to the ratings.

#### Disclosure

<b>Name of Rated Entity</b>	Gul Ahmed Textile Mills Limited
<b>Type of Relationship</b>	Solicited
<b>Purpose of the Rating</b>	Entity Rating
<b>Applicable Criteria</b>	Methodology   Corporate Rating(Jun-22),Methodology   Correlation Between Long-term & Short-term Rating Scales(Jun-22),Methodology   Rating Modifiers(Jun-22)
<b>Related Research</b>	Sector Study   Composite and Garments(Dec-22)
<b>Rating Analysts</b>	Iram Shahzadi   iram.shahzadi@pacra.com   +92-42-35869504

## Profile

**Legal Structure** Gul Ahmed Textile Mills Limited (Gul Ahmed) is operating in Pakistan since 1953 and is listed on the Pakistan Stock Exchange.

**Background** Gul Ahmed is the flagship company of Gul Ahmed Group, which commenced spinning and weaving operations in 1953 as a private limited company, subsequently converted into public limited company in 1955. The Company is a composite textile unit and is engaged in the manufacturing and sale of broad variety of textile products.

**Operations** The Company's operations are broadly divided into five main segments: Spinning, Weaving, Processing & Home Textile, and Retail, with all segments operating as separate profit centers. The Company also has captive power generation with a capacity exceeding its in-house requirements. The Company has presence in retail segment - through wholly owned subsidiary - "Ideas" in local market adds up to a stronger business risk profile.

## Ownership

**Ownership Structure** Gul Ahmed is a subsidiary of Gul Ahmed Holdings (Private) Limited (GAHPL), which owns 67.10% shares, while the remaining stake vests with financial institutions and the general public. The Company has three wholly-owned subsidiaries that are engaged in trading of textile-related products.

**Stability** Gul Ahmed Holdings, the Group's holding company, is formed solely for the purpose of investment in subsidiaries of Gul Ahmed and is owned by the Bashir Family. The presence of the holding company bodes fairly well for stability.

**Business Acumen** Bashir Family has over five decades of experience in the textile industry. In addition to textile, the Family has interests in chemicals and IT through other group companies. The sponsors of the Company carry significant industrial experience and are actively involved in their respective roles.

**Financial Strength** Bashir Family has demonstrated commitment and support for Gul Ahmed, in the years of expansion, injecting cash in the form of the right issue. The family also holds a sizable investment portfolio of properties and has demonstrated willingness and ability to support the Company in case the need arises.

## Governance

**Board Structure** The seven-member Board of Directors comprises four directors from the sponsoring family. Further, two directors are independent and two are nonexecutive directors.

**Members' Profile** Mr. Mohamed Bashir – Chairman of the Group – is a business veteran entrusted with various honorary consular positions by the Government of Pakistan. He also serves on the Board of various other companies. The other Board members also possess diversified experience and have a reasonably long association with the Company.

**Board Effectiveness** Although the Board is dominated by the sponsoring family, the due challenge is brought in by independent directors, enhancing the Company's governance profile. Furthermore, attendance of board members remains satisfactory and board meeting minutes are properly documented.

**Financial Transparency** The Company has outsourced its internal audit function to M/s Grant Thornton Anjum Rahman Chartered Accountants while M/s. Kreston Hyder Bhimji & Co. Chartered Accountants is the external auditor of the Company. Both auditors are listed in the "A" category of the State Bank's panel of auditors. The auditor gave an unqualified opinion on the Company's financial statement for the year ended June 30th, 2022.

## Management

**Organizational Structure** The business profile is segregated into different divisions headed by their respective managers, resulting in effective control and management. Operations are segregated into six segments, i) Spinning ii) Weaving, iii) Processing, iv) Retail & Local Distribution v) Export, and vi) Services. All the department heads report to the CEO.

**Management Team** Mr. Mohamed Bashir is entrusted with overall oversight of the Company while his youngest son, Mr. Zaki Bashir, is CEO. The family members have structured themselves well in terms of roles and responsibilities with defined management roles. With the support of a qualified and experienced team of professionals, the Company is building its operational strength.

**Effectiveness** The functions of the management are defined clearly to effectively achieve its underlying goals and objectives. Further, weekly one-to-one meetings are held with all departmental heads where the performance of each department is discussed at length.

**MIS** The Company has deployed Oracle EBS 12.1 and Microsoft Dynamics as ERP solutions, which integrates the company's business functions and helps the management in timely decision making. Meanwhile, Microsoft Dynamics Cloud has also been successfully implemented in the retail segment.

**Control Environment** The Company's monthly MIS comprises comprehensive segment and unit-wise performance reports review frequently by the senior management. Gul Ahmed is also accredited with International certifications for compliance including ISO 9001.

## Business Risk

**Industry Dynamics** During 7MFY23, the textile exports were valued at \$10.08bln compared to \$10.93bln, reflecting an 8% decline YoY – the declining trend has been recorded in the last few months. The decline in exports is driven by attrition in the demand pattern of export avenues. The hike in cotton prices and low demand for yarn in international markets is also a challenge. The analysis of 5MFY23 reveals that among value-added items, bedwear has witnessed the largest decline of 19% (on an MoM basis), down to \$217 million. Knitwear remained on the downward path in October 2022 and declined by 10% to \$392 million. Among non-value-added items, the cotton yarn has shown the largest decline of 35%. Moreover, a slowdown is prevailing in textile demand amid burgeoning inflationary pressures in the exporting destinations, especially in the US and European countries. The demand pattern is expected to improve post-Jun-23.

**Relative Position** Gul Ahmed is one of the largest vertically integrated textile unit in the country. Overall, it is among the largest exporters of the country, with an approximate share of 1.7% in Pakistan's total textile exports, while "Ideas by Gul Ahmed" is a leading textile retail brand.

**Revenues** The majority of the sales revenue for the Company comes from export sales, which account for 98% of total sales revenue. Exports largely comprise home textiles and apparel while yarn, fabric, and retail clothing are sold locally. During FY22, the Company's top line improved to PKR 100bln growth of 16% (FY21: PKR 86bln). Despite the 20% increase in the cost of goods sold, the gross profits enhanced to PKR 17.4bln (FY21: PKR 16.8bln). The net profitability of the Company inclined and clocked in at PKR 8.9bln (FY21: PKR 5.1bln), up by 74% YoY. Furthermore, in 1HFY23 the topline stood at PKR 51bln. While the profitability of the Company was reported at PKR 1.6bln.

**Margins** During FY22, the gross profit margin stood at 17.3% (FY21: 19.5%). The operating margin inclined to 13.2% (FY21: 8.8%), owing to the decrease in operating expenses to PKR 4.2bln (FY21: PKR 9.3bln). Hence, the net profit margin clocked at 8.8% (FY21: 5.9%). However, in 1HFY23, the gross margin of the Company recorded 12.8%, and the operating profit margin improve to 7.7%.

**Sustainability** The Company regularly undertakes BMR which has resulted in significantly enhanced capacity utilization and margins over the years, particularly in the spinning and home textile segments. The Company incurred significant capex in the weaving segment during FY22, including enhancements for value-addition as well as the replacement of old looms. These measures are expected to help sustain margins, going forward.

## Financial Risk

**Working Capital** Gul Ahmed's working capital requirements are a function of its inventory and receivables for which the Company relies on a mix of internal generation and short-term borrowing. A significant portion of the working capital cycle is the inventory turnover period which stood at 176 days as of end-Dec'22 (end-Jun'22: 155days; end-Jun'21: 134days) owing to the procurement of cotton while finished inventory levels remained high to cater to international orders and local retail demand. The Company's short-term trade leverage stood at 33.2% as of end-Dec'22 (end-Jun'22: 30.9%; end-Jun'21: 29%).

**Coverages** During FY22, free cash flow from operations (FCFO) displayed a robust rise to PKR 14.6bln (FY21: PKR 11.05bln). During FY22, coverages showed YoY improvement, with interest coverage improved to 2.7x (FY21: 2.2x) and interest coverage reflected a healthy improvement to 6.8x (FY21: 5.7x).

**Capitalization** Gul Ahmed has a highly leveraged capital structure (1HFY23: 61.6%, FY22: 62.1%). Out of the total debt, 59% (FY21: 54%) of the debt comprises short-term borrowings. The equity base of the Company recorded good growth to PKR 36.1bln as of end-Jun'22 (end-Jun'21: PKR 18.6bln).



Gul Ahmed Textile Mills Limited Composite & Garments	Dec-22 6M	Jun-22 12M	Jun-21 12M	Jun-20 12M
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**A BALANCE SHEET**

1 Non-Current Assets	49,842	46,496	34,845	26,778
2 Investments	70	70	70	70
3 Related Party Exposure	3,521	3,521	2,353	2,353
4 Current Assets	70,874	64,556	52,284	39,520
<i>a Inventories</i>	38,556	33,362	30,921	25,830
<i>b Trade Receivables</i>	21,472	22,099	11,750	5,702
<b>5 Total Assets</b>	<b>124,307</b>	<b>114,643</b>	<b>89,552</b>	<b>68,721</b>
6 Current Liabilities	24,577	17,467	15,113	11,648
<i>a Trade Payables</i>	9,930	7,065	6,147	4,669
7 Borrowings	60,614	59,269	54,130	37,333
8 Related Party Exposure	-	-	-	900
9 Non-Current Liabilities	1,356	1,774	1,623	207
<b>10 Net Assets</b>	<b>37,761</b>	<b>36,133</b>	<b>18,686</b>	<b>18,633</b>
<b>11 Shareholders' Equity</b>	<b>37,761</b>	<b>36,133</b>	<b>18,686</b>	<b>13,963</b>

**B INCOME STATEMENT**

1 Sales	51,008	100,257	86,424	53,941
<i>a Cost of Good Sold</i>	(44,488)	(82,889)	(69,542)	(44,872)
<b>2 Gross Profit</b>	<b>6,520</b>	<b>17,368</b>	<b>16,883</b>	<b>9,069</b>
<i>a Operating Expenses</i>	(2,608)	(4,178)	(9,308)	(7,241)
<b>3 Operating Profit</b>	<b>3,912</b>	<b>13,189</b>	<b>7,575</b>	<b>1,828</b>
<i>a Non Operating Income or (Expense)</i>	644	(51)	884	(67)
<b>4 Profit or (Loss) before Interest and Tax</b>	<b>4,557</b>	<b>13,138</b>	<b>8,458</b>	<b>1,762</b>
<i>a Total Finance Cost</i>	(1,840)	(2,669)	(2,341)	(1,838)
<i>b Taxation</i>	(1,090)	(1,607)	(984)	(403)
<b>6 Net Income Or (Loss)</b>	<b>1,627</b>	<b>8,862</b>	<b>5,133</b>	<b>(479)</b>

**C CASH FLOW STATEMENT**

<i>a Free Cash Flows from Operations (FCFO)</i>	5,581	14,619	11,054	4,409
<i>b Net Cash from Operating Activities before Working Capital</i>	4,323	12,663	9,107	2,876
<i>c Changes in Working Capital</i>	(2,356)	(9,151)	(9,065)	(2,896)
<b>1 Net Cash provided by Operating Activities</b>	<b>1,967</b>	<b>3,512</b>	<b>43</b>	<b>(20)</b>
<b>2 Net Cash (Used in) or Available From Investing Activities</b>	<b>(4,927)</b>	<b>(10,664)</b>	<b>(9,904)</b>	<b>(8,806)</b>
<b>3 Net Cash (Used in) or Available From Financing Activities</b>	<b>394</b>	<b>8,269</b>	<b>10,046</b>	<b>8,823</b>
<b>4 Net Cash generated or (Used) during the period</b>	<b>(2,566)</b>	<b>1,117</b>	<b>185</b>	<b>(3)</b>

**D RATIO ANALYSIS**

<b>1 Performance</b>				
<i>a Sales Growth (for the period)</i>	1.8%	16.0%	60.2%	-5.8%
<i>b Gross Profit Margin</i>	12.8%	17.3%	19.5%	16.8%
<i>c Net Profit Margin</i>	3.2%	8.8%	5.9%	-0.9%
<i>d Cash Conversion Efficiency (FCFO adjusted for Working Capital / Net Cash from Operating Activities before Working Capital)</i>	6.3%	5.5%	2.3%	2.8%
<i>e Return on Equity [ Net Profit Margin * Asset Turnover * (Total Assets / Total Borrowings + Shareholders' Equity) ]</i>	8.8%	32.3%	31.4%	-3.3%
<b>2 Working Capital Management</b>				
<i>a Gross Working Capital (Average Days)</i>	207	179	157	203
<i>b Net Working Capital (Average Days)</i>	176	155	134	176
<i>c Current Ratio (Current Assets / Current Liabilities)</i>	2.9	3.7	3.5	3.4
<b>3 Coverages</b>				
<i>a EBITDA / Finance Cost</i>	4.2	7.6	6.2	3.1
<i>b FCFO / Finance Cost + CMLTB + Excess STB</i>	1.8	2.7	2.2	1.7
<i>c Debt Payback (Total Borrowings + Excess STB) / (FCFO - Finance Cost)</i>	3.0	1.9	2.7	6.0
<b>4 Capital Structure</b>				
<i>a Total Borrowings / (Total Borrowings + Shareholders' Equity)</i>	61.6%	62.1%	74.3%	72.8%
<i>b Interest or Markup Payable (Days)</i>	119.4	103.8	64.6	89.3
<i>c Entity Average Borrowing Rate</i>	5.0%	--	4.1%	6.2%

### 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+	
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-	
BB+	
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-	
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	
CC	<b>Very high credit risk.</b> 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.
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

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- (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 | 18-(a)
- (19) PACRA reviews all the outstanding ratings on semi-annual basis or as and when required by any creditor or upon the occurrence of such an event which requires to do so; | Chapter III | 18-(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 | 18-(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 | 18-(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-(F-VII)

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