



The Pakistan Credit Rating Agency Limited

## Rating Report

### Siddiqsons Limited

#### 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
24-Jun-2022	A-	A1	Stable	Maintain	-
24-Jun-2021	A-	A1	Stable	Maintain	Yes
24-Jun-2020	A-	A1	Stable	Maintain	Yes
27-Dec-2019	A-	A1	Stable	Maintain	-
28-Jun-2019	A-	A1	Stable	Maintain	-
04-Jan-2019	A-	A1	Stable	Maintain	-
04-Jul-2018	A-	A1	Stable	Initial	-

#### Rating Rationale and Key Rating Drivers

Siddiqsons Limited (Siddiqsons or 'the Company') is the flagship company of the Siddiqsons group and is considered a pioneer of the denim industry in Pakistan. Siddiqsons mainly derives its revenue from the manufacturing and sale of denim in addition to having a portfolio of strategic investments. During 9MFY22, revenues of the company achieved sizable growth of ~49% YoY on the back enhanced volumes which further supplemented by rupee depreciation. Over the last few years, the business profile has strengthened manifold. Accordingly, rating watch has been removed. Sales mix remained dominated by healthy exports. Similarly, margins recorded favorable increase. Denim industry enjoys relatively better margins that are reflected in the Company's profitability. Meanwhile, the diverse investment portfolio generates steady investment income, mainly in the form of dividends and rental income, supporting the Company's bottom line. The Company is diversifying its product slate to enhance outreach to export avenues. The financial matrix reveals efficient leveraging, strengthened coverage and adequate working capital cycle. The ratings incorporate financial strength and proven track record of the sponsoring family. During 9MFY22 (Jul21-Mar22), Pakistan textile exports surged to \$14.2bln (recording growth of 25%) as compared to \$11.3bln in the same period last year. This is attributable to increase in demand for textile products internationally and channeling of export orders towards Pakistani market. On a YoY basis, the exports of raw cotton, cotton (carded or combed) and cotton cloth recorded notable growth. However, month on month basis, textile exports have declined by 3.5%. Going forward, the textile sector's outlook is expected to stay good in the medium term where demand for textile products is expected to sustain.

The ratings are dependent on the Company's ability to sustain its operations in prevailing conditions. The management is cognizant of these challenges and is working on this front. Meanwhile prudent working capital management and generating sustainable cashflows from core operations are important. Significant deterioration in business profile due to prolonged downturn leading to deterioration in coverages and/or margins will impact the ratings.

#### Disclosure

<b>Name of Rated Entity</b>	Siddiqsons Limited
<b>Type of Relationship</b>	Solicited
<b>Purpose of the Rating</b>	Entity Rating
<b>Applicable Criteria</b>	Methodology   Corporate Rating(Jun-21),Criteria   Correlation Between Long-term & Short-term Rating Scales(Jun-21),Criteria   Rating Modifiers(Jun-21)
<b>Related Research</b>	Sector Study   Composite and Garments(Dec-21)
<b>Rating Analysts</b>	Sehar Fatima   sehar.fatima@pacra.com   +92-42-35869504

## Profile

**Legal Structure** Siddiqsons Limited (Siddiqsons or 'the Company') is a Public unlisted company incorporated in 1987.

**Background** Siddiqsons is the pioneer of the denim industry in Pakistan. The Company is engaged in spinning, weaving, dyeing, finishing and stitching of denim, making it a composite textile unit.

**Operations** The Company operates 26,832 spindles and 265 looms. The weaving unit has a capacity of producing 31 million meters of denim every year. The Company regularly undertakes BMR activities, with the underlying objective of enhancing the efficiency of production processes. The Company is self-sufficient in terms of energy production and meets its energy requirements through captive power generation.

## Ownership

**Ownership Structure** Ownership of Siddiqsons lies with the Tariq family. Mr. Tariq Rafi owns the majority stake with 62% shares, followed by his wife Mrs. Nighat Tariq own 15% shares, and son Mr. Abdur Rahim Tariq own 12% shares. The remaining shares are owned by family friends.

**Stability** There is no formal succession plan. However, the ownership of shares and business roles are divided to maintain stability. Formation of a group holding company or documented succession plan would bode well, going forward.

**Business Acumen** The Company's founder, Mr. Tariq Rafi, has been associated with the textile business since 1959 and carries vast knowledge and experience of the industry.

**Financial Strength** Siddiqsons is the flagship company of the Siddiqsons group. The group has invested in several other successful businesses in banking, energy, real estate and metal industries. The sponsors have the capacity and provided timely financial support to the Company, when needed.

## Governance

**Board Structure** The overall control of the board vests with the 4 member board of directors. There are no independent or non-executive directors on the board reflecting room for improvement. Mr. Tariq Rafi is the Chairman and CEO while Mr. Abdur Rahim is the COO of the Company.

**Members' Profile** Mr. Tariq Rafi has been awarded the Sitara-e-Imtiaz for services in commerce and industry. He is also the honorary consul general of Pakistan to Serbia. Mr. Abdur Rahim, the only son of Mr Tariq Rafi, is the Chief Operating Officer of the Company. He has been a member of the board since 2007. He has vast experience in Denim fabric and garments and extensively traveled to different regions of the world for sales and marketing of Siddiqsons group.

**Board Effectiveness** The effectiveness of the board is being compromised due to the small size of the board and lack of independent directors. There are no board committees and no formal structure to record broad meeting minutes, which does not reflect well for the board's effectiveness.

**Financial Transparency** The Company's auditors are Deloitte Yousuf Adil & Co., Chartered Accountants. The auditor's issued a qualified opinion on the financials for the FY21 due to the limitation of scope on certain matters. This reflects negatively on the financial transparency of the Company. The auditor has issued qualified opinion on the financials of 2021, the reason of opinion is the disclosure of investment in properties, the Company has made an investment at G-5 Clifton valued at 2,815 billion. This property has been purchased as a part of joint venture made by the Company through a formal agreement, which should have been accounted for interest in joint venture.

## Management

**Organizational Structure** The Company has a well-defined organizational structure with clear segregation of responsibilities. Corporate office has three departments namely, i) Finance, ii) Admin & HR, and iii) Imports & Exports. Manufacturing segment has six departments namely, i) Marketing & Merchandising, ii) Operations, iii) Quality Control, iv) Finance, v) HR, and vi) Compliance. Each of these departments is headed by a GM who reports directly to the COO with the exception of Finance GM, who reports directly to the CEO.

**Management Team** The Company employs a senior management team that is qualified and experienced. However, the decision making is concentrated with the CEO.

**Effectiveness** The Company has a designated internal audit department to ensure all the business operations remain transparent. Timely completion of financial reporting has consistently been delayed, which does not bode well.

**MIS** The Company has installed SAP to streamline the flow of information within the Company. However, the Company faced challenges during SAP implementation. Most of these issues have now been resolved and it is expected that flow of information will improve, going forward.

**Control Environment** The Company implements customized controls at various levels for SAP. In addition, rigorous quality checks are conducted at the manufacturing units. The denim unit has a dedicated Quality Control lab that ensures quality at all stages of production. The Company is accredited with several international certifications including Better Cotton Initiative, Sedex and Global Recycle Standard etc, reflecting well on control environment.

## Business Risk

**Industry Dynamics** During 9MFY22 (Jul21-Mar22), Pakistan textile exports surged to \$14.2bln (recording growth of 25%) as compared to \$11.3bln in the same period last year. This is attributable to increase in demand for textile products internationally and channeling of export orders towards Pakistani market. On a YoY basis, the exports of raw cotton, cotton (carded or combed) and cotton cloth recorded notable growth. However, month on month basis, textile exports have declined by 3.5%. Going forward, the textile sector's outlook is expected to stay good in the medium term where demand for textile products is expected to sustain.

**Relative Position** Siddiqsons is the pioneer of the denim industry in Pakistan. The Company has enjoyed successful business operations in the past three decades. The Company has spinning capacity of ~21mln kilograms per year, ~2.6mln meters of denim fabric and ~12mln pieces of garments per year. It is one of the largest garment manufacturers in Pakistan. The company has also one of the most advanced manufacturing facilities in the country.

**Revenues** During FY21, Siddiqson's topline amounted to PKR 13.8bln (FY20: PKR 11.49bln) growing by 20.4%. Export market made up 85% of the total sales while rest comes from local sales. During 9MFY22, Company's revenue increased to PKR 15.39bln.

**Margins** During FY21, Company's gross profit margin increased to 15.2% (FY20: 11.50%). Resultantly, net profit margin enhanced to 6.5% (FY20: -0.1%). During 9MFY22, the company's gross margin recorded at 15.5% Subsequently, Net profit margin increased to 7.2%.

**Sustainability** The group has adopted slow and steady regime for expansion in textile, Along with launching projects in real estate domain and has made significant investments in stock market to enjoy dividend income.

## Financial Risk

**Working Capital** At end-Jun21, Siddiqsons' gross working capital days increased to 193 days (FY20: 186 days) driven by increased trade receivable days (FY21: 67 days; FY20: 50 days). Hence, net working capital cycle increased to 154 days (FY20: 138 days). The Company's short-term borrowings increased by 6.1% clocking in at PKR 5.639mln (FY20: PKR 5.312mln). At end-Mar22, gross working capital days decreased to 154 days. Short term borrowings of the company increased by 22.30% to stand at PKR 6,963mln. Short term trade leverage of the company recorded at 23%.

**Coverages** At end-Jun21, the interest coverage has increased to 4.2x (FY20: 2.7x) owing to exceptional increase in FCFO (FY21: PKR 1,602mln; FY20: PKR 831mln). Core operating coverage improved to 2.6x (FY20: 1.5x). The Debt-Payback coverage has also improved clocking in at 3.4 years (FY20: 5.5 years). At end-Mar22, Interest coverage of the company marginally increased to 4.5x while debt coverage improved to 2.9x and debt payback ratio of the company recorded at 3.5 years.

**Capitalization** At end-Jun21, the Company's leveraging witnessed a marginal increase to stand at 44.2% (FY20: 41.6%). Equity base of the Company witnessed improvement by 8.1% to PKR 12bln (FY20: PKR 11.1bln) on account of enhanced unappropriated profit. At end-Mar22, equity base of the company stands at PKR 13bln, whilst leveraging of the company witnessed marginal increase to stand at 46.5%.



Siddiqsons Limited Textile   Denim	Mar-22 9M	Jun-21 12M	Jun-20 12M	Jun-19 12M
---------------------------------------	--------------	---------------	---------------	---------------

**A BALANCE SHEET**

1 Non-Current Assets	7,176	6,629	6,296	6,169
2 Investments	3,257	3,478	3,313	3,343
3 Related Party Exposure	5,185	3,354	3,769	3,659
4 Current Assets	10,553	10,784	8,583	8,370
<i>a Inventories</i>	6,417	4,741	4,808	3,783
<i>b Trade Receivables</i>	2,502	3,623	1,461	1,690
5 Total Assets	26,171	24,245	21,961	21,540
6 Current Liabilities	1,626	2,451	2,757	2,495
<i>a Trade Payables</i>	925	1,394	1,570	1,473
7 Borrowings	11,377	9,563	7,221	6,858
8 Related Party Exposure	-	-	703	750
9 Non-Current Liabilities	92	161	162	159
10 Net Assets	13,076	12,070	11,119	11,278
11 Shareholders' Equity	13,076	12,070	11,119	11,278

**B INCOME STATEMENT**

1 Sales	15,393	13,835	11,494	12,376
<i>a Cost of Good Sold</i>	(13,008)	(11,738)	(10,174)	(10,885)
2 Gross Profit	2,385	2,097	1,320	1,491
<i>a Operating Expenses</i>	(858)	(851)	(1,012)	(911)
3 Operating Profit	1,527	1,247	308	581
<i>a Non Operating Income or (Expense)</i>	112	311	275	191
4 Profit or (Loss) before Interest and Tax	1,639	1,558	584	771
<i>a Total Finance Cost</i>	(357)	(480)	(422)	(361)
<i>b Taxation</i>	(179)	(174)	(169)	(16)
6 Net Income Or (Loss)	1,102	904	(7)	394

**C CASH FLOW STATEMENT**

<i>a Free Cash Flows from Operations (FCFO)</i>	1,281	1,602	831	874
<i>b Net Cash from Operating Activities before Working Capital Changes</i>	1,281	1,183	445	533
<i>c Changes in Working Capital</i>	-	(1,830)	(28)	(528)
1 Net Cash provided by Operating Activities	1,281	(647)	417	5
2 Net Cash (Used in) or Available From Investing Activities	-	(573)	(610)	(1,107)
3 Net Cash (Used in) or Available From Financing Activities	-	1,311	222	1,208
4 Net Cash generated or (Used) during the period	1,281	91	29	107

**D RATIO ANALYSIS**

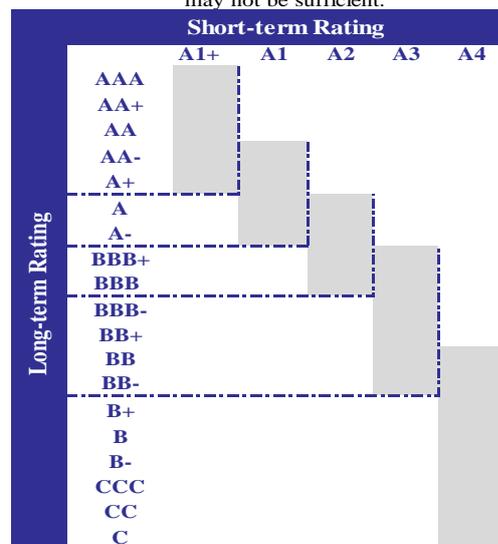
1 Performance				
<i>a Sales Growth (for the period)</i>	48.3%	20.4%	-7.1%	15.1%
<i>b Gross Profit Margin</i>	15.5%	15.2%	11.5%	12.0%
<i>c Net Profit Margin</i>	7.2%	6.5%	-0.1%	3.2%
<i>d Cash Conversion Efficiency (FCFO adjusted for Working Capital/Sales)</i>	8.3%	-1.7%	7.0%	2.8%
<i>e Return on Equity [ Net Profit Margin * Asset Turnover * (Total Assets/Shareholders' Equity )]</i>	11.7%	7.8%	-0.1%	3.5%
2 Working Capital Management				
<i>a Gross Working Capital (Average Days)</i>	154	193	186	155
<i>b Net Working Capital (Average Days)</i>	133	154	138	116
<i>c Current Ratio (Current Assets / Current Liabilities)</i>	6.5	4.4	3.1	3.4
3 Coverages				
<i>a EBITDA / Finance Cost</i>	4.5	4.6	3.1	4.1
<i>b FCFO / Finance Cost+CMLTB+Excess STB</i>	2.9	2.6	1.5	1.4
<i>c Debt Payback (Total Borrowings+Excess STB) / (FCFO-Finance Cost)</i>	3.5	3.4	5.5	5.0
4 Capital Structure				
<i>a Total Borrowings / (Total Borrowings+Shareholders' Equity)</i>	46.5%	44.2%	41.6%	40.3%
<i>b Interest or Markup Payable (Days)</i>	78.1	116.7	70.1	51.5
<i>c Entity Average Borrowing Rate</i>	4.5%	5.2%	3.6%	3.5%

**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+	<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	
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):

<p><b>Entities</b></p> <ul style="list-style-type: none"> <li>a) Broker Entity Rating</li> <li>b) Corporate Rating</li> <li>c) Financial Institution Rating</li> <li>d) Holding Company Rating</li> <li>e) Independent Power Producer Rating</li> <li>f) Microfinance Institution Rating</li> <li>g) Non-Banking Finance Companies (NBFCs) Rating</li> </ul>	<p><b>Instruments</b></p> <ul style="list-style-type: none"> <li>a) Basel III Compliant Debt Instrument Rating</li> <li>b) Debt Instrument Rating</li> <li>c) Sukuk Rating</li> </ul>
--	---

**Disclaimer:** PACRA has used due care in preparation of this document. Our information has been obtained from sources we consider to be reliable but its accuracy or completeness is not guaranteed. PACRA shall owe no liability whatsoever to any loss or damage caused by or resulting from any error in such information. Contents of PACRA documents may be used, with due care and in the right context, with credit to PACRA. Our reports and ratings constitute opinions, not recommendations to buy or to sell.

### **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 | 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)

### **Proprietary Information**

(23) All information contained herein is considered proprietary by PACRA. Hence, none of the information in this document can be copied or, otherwise reproduced, stored or disseminated in whole or in part in any form or by any means whatsoever by any person without PACRA's prior written consent