



The Pakistan Credit Rating Agency Limited

Rating Report

Packages Limited

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Rating History

Dissemination Date	Long Term Rating	Short Term Rating	Outlook	Action	Rating Watch
17-Jun-2020	AA	A1+	Stable	Maintain	-
17-Dec-2019	AA	A1+	Stable	Maintain	-
26-Jun-2019	AA	A1+	Stable	Maintain	-
28-Dec-2018	AA	A1+	Stable	Maintain	-
30-Jun-2018	AA	A1+	Stable	Maintain	-
30-Dec-2017	AA	A1+	Stable	Maintain	-
23-Jun-2017	AA	A1+	Stable	Maintain	-
25-Jun-2016	AA	A1+	Stable	Maintain	-
26-Jun-2015	AA	A1+	Stable	Maintain	-
27-Jun-2014	AA	A1+	Stable	Maintain	-

Rating Rationale and Key Rating Drivers

The ratings reflect Packages Limited's ('Packages' or 'the Company') holding company character and robust profile built over the years as the flagship Company of the Ali Group. The sponsor's business acumen and strong connections have remained beneficial. Lately, the Company is in process of internal restructuring and will transfer the manufacturing business into 100% owned subsidiary; Packages Convertors Limited. Packages has prominent market presence in its operational segments - Packaging (Flexible Packaging and Folding Cartons) and Consumer Products (Tissue). The Company was able to pass on the surge in raw material prices and maintained its margins. However, profitability remained subdued due to high finance cost and low dividend income after discontinuation of dividend stream from Tetra Pak Limited. In the wake of recent pandemic, volumes remain low in tissue and flexible packaging businesses. However, the management is confident to hold its market share and improve performance, going forward, despite rise in competition. The profitability of the Company is expected to remain under pressure as envisaged dividend flow from investments may be delayed due to prevailing situation.

Packages holds a sizable investment book ~ PKR 43bln (as at Mar-20), comprising core (PKR 12bln), strategic (PKR 5bln) and non-strategic (PKR 26bln) investments. Packages Mall, a real estate venture, is operational as envisioned. However, it had to waive off rents due to Covid-19. OmyaPack (Pvt.) Ltd, a JV with an international player for calcium carbonate, became operational and is still evolving. While, Bulleh Shah Packaging (Pvt.) Ltd. has generated profits for the first time. In CY19, Packages financed CAPEX and working capital needs through debt. However, leveraging remains low and strong coverages provide comfort.

The ratings are dependent upon achieving operational efficiency, holding margins and building sustainable dividend stream from maturing investments. Maintaining low leveraged capital structure and strong coverages is critical. Predictable and consistent impact of internal organizational restructuring would remain imperative.

Disclosure

Name of Rated Entity	Packages Limited
Type of Relationship	Solicited
Purpose of the Rating	Entity Rating
Applicable Criteria	Methodology Corporate Ratings(Jun-19),PACRA_Methodology_Holding Company_FY19(Jun-19),Methodology Correlation Between Long-Term And Short-Term Rating Scale(Jun-19),Criteria Rating Modifier(Jun-19)
Related Research	Sector Study Paper and Packaging(Nov-19)
Rating Analysts	Faiqa Qamar faiqa.qamar@pacra.com +92-42-35869504



Profile

Legal Structure Packages Limited ("Packages" or "the Company") is incorporated as a Public Limited Company.

Background The Company was established in 1957 as a Joint Venture between the Ali Group of Pakistan and Akerlund & Rausing of Sweden to convert paper and paperboard into packaging for consumer industry. Over the years, Packages has enhanced its facilities to meet the growing demand. The Company is listed on the Pakistan Stock Exchange (PSX) since 1965.

Operations Packages is an operational and investment holding company. On the operational side, the Company is principally engaged in manufacturing and sale of Packaging Materials and Consumer Products. The Company has two business units in Packaging Division: Folding Cartons and Flexible Packaging. These provide packaging solutions to numerous sectors. In the Consumer Product Division, the Company provides a complete range of Personal Hygiene Products - tissues. On the investment side, Packages is the flagship Company of the Group and has made investments of PKR 43bln (as at March-20) in entities engaged in manufacturing and sale of inks, flexible packaging material, paper, paperboard and corrugated boxes, BOPP & CPP films, and grounded calcium carbonate. It also has presence in real estate, insurance and power generation. Lately, the Company is in process of internal restructuring and will transfer the manufacturing business into 100% owned subsidiary; Packages Convertors Limited.

Ownership

Ownership Structure Ali Group holds 45% stake in Packages through directors and family members (3%) and other group entities (42%), with IGI Holdings owning the prime share of 30%. Financial institutions and Modarabas own 9% and 8% stake, respectively. Remaining 31% shares of the Company are held by general public.

Stability Ownership of the Company draws stability from major stake being held by Ali family.

Business Acumen Ali Group is ranked amongst the leading industrial groups of the country with interests in paper and paperboard, packaging, financial institutions, education and real estate sectors. Strong affiliation with international JVs is suitable for the Company's holding structure.

Financial Strength Packages has a consolidated asset base of PKR 101bln supported by PKR 54bln of equity and generated a turnover of PKR 16bln in 1QCY20.

Governance

Board Structure Packages' BoD comprises three independent, five non-executive and two executive directors. Apt Board size and significant presence of independent oversight supplements strong governance framework. The Board seeks advisory support from the key individual in the development of Ali Group.

Members' Profile The BoD members have diversified experience and relevant expertise. The Board's Chairman, Mr. Tawfiq H. Chinoy, holds directorships of various entities and is associated with the Company's Board for 11 years. During 1QCY20, Mr. Atif Bajwa, an independent director, resigned from the Company's Board. The vacancy was filled by Mr. Hasan Askari in May'20. Mr. Irfan Mustafa and Ms. Saba Kamal have also been inducted as independent directors on the Company's Board.

Board Effectiveness The Board ensures effectiveness through two committees; Audit Committee and Human Resource & Remuneration Committee, having 5 and 7 members respectively. Meeting were well attended with discussion focusing on the Company's performance and strategic direction.

Financial Transparency The Board's Audit Committee ensures accuracy of the Company's accounts and internal controls efficacy. Packages external auditors, M/s A.F. Ferguson & Co., have been the Company's auditor since inception and expressed an unqualified opinion on the financial reports of CY19.

Management

Organizational Structure Packages operates through two main divisions: a) Packaging, and b) Consumer Products. However, Engineering, Finance, IT, Human Resource and Internal Audit departments, HR and remuneration work as shared services for the main divisions. All Divisional Heads report to the Company's CEO/MD, who reports to the Board. However, Head of Internal Audit and Human Resource report administratively to the CEO/MD and functionally to the Board Audit, HR and remuneration Committee respectively.

Management Team The Company's CEO/MD, Mr. Syed Hyder Ali oversees the Company's operations and holds directorship in several other companies. Mr Khurram Raza Bakhtiyari is serving as CFO of the Company.

Effectiveness The Company's management ensure effectiveness through its two committees: Executive Committee, and System and Technology Committee. These committees meet periodically to monitor the Company's performance. Minutes of these meetings are well documented.

MIS To generate MIS and operational reports, ERP software, SAP ECC6 is used. The Company's packaging and manufacturing plants and offices in Lahore, Karachi and Islamabad are connected through WAN and radio links.

Control Environment To ensure operational efficiency, the Company has setup an Internal Audit Function that identifies and reports risks arising due to operations.

Business Risk

Industry Dynamics Pakistan's paper and packaging industry that started in 1956, fulfills more than 80% of the domestic demand. Today, there are about 100 paper and packaging units having a combined capacity of approximately 650,000 tons/day. The industry's revenue emanates from tissue, food, beverage, tobacco and allied industries. As they're classified as essential services, they remain operational under the prevailing circumstances. Tissue papers and folding cartons segments witnessed slowed demand due to closure of certain geographical areas. However, this is expected to pick up with lockdown easing and higher demand for hygiene, food and consumer products.

Relative Position Packages holds a significant share in the Packaging side. In the Folding Carton market, the Company holds 17% and 63% share in general and tobacco packaging. The Company holds 22% of the Flexible Packaging market. In the Consumer Product (Tissue) market, Packages' own 62% share of the market.

Revenues Packages generated revenue from Packaging (76%) and Consumer Product (23%) divisions. Topline witnessed growth of 11% in CY19 (CY19: PKR 23bln, CY18: PKR 21bln) backed by higher prices. However, volumes remain subdued. During 1QCY20, the Company's turnover posted a growth of 12% QoQ and clocked in at PKR 6.4bln (1QCY19: PKR 5.7bln). This growth was also supported by rise in prices. The Company's dividend income posted a dip of 36% (CY19: 1.9bln, CY18: 3bln) due to discontinuation of dividend income from Tetra Pak and lower dividend declaration by subsidiaries and associates. Dividends received from the strategic investments also remain low and clocked in at PKR 1.3bln. No dividend income was received during 1QCY20.

Margins The Company passed on the inflated raw material (pulp) prices and conversion costs after rupee devaluation. Thus, having a positive impact in the Company's gross margins (CY19: 19%, CY18: 16% and 1QCY20: 22%, 1QCY19: 20%). Stringent control on operating costs improved the Company's operating margins (CY19: 9%, CY18: 5% and 1QCY20: 11%, 1QCY19: 10%). However, increase in the Company's finance costs and lower dividend income impacted the profitability (CY19: PKR 1,346mln, CY18: PKR 2,654mln, 1QCY20: PKR 199mln).

Sustainability Going forward, the successful replacement of a sizable dividend stream (emanating from Tetra Pak Pakistan Limited) from other profitable and diversified ventures would remain important for the Company's performance. The profitability of the Company is expected to remain under pressure as envisaged dividend flow from investments may be delayed due to prevailing situation.

Financial Risk

Working Capital Packages witnessed an increase in working capital days (CY19: 76 days, CY18: 64 days and 1QCY20: 81 days, 1QCY19: 74 days), due to increased inventory held days. Incremental borrowing to finance the working capital requirements deteriorated the Company's short term borrowing buffer.

Coverages In CY19, increase in FCFO to PKR 2.3bln (CY18: PKR 1.1bln) improved the Company's interest coverage to 2.3x (CY18: 2x) and core coverage to 1.9x (CY18: 0.6x). Improved total operating cashflows built the total coverage to 3.5x (CY18: 2.1x), despite decline in the dividend inflow. Similarly, in 1QCY20, increase in FCFO (1QCY20: PKR 865mln, 1QCY19: PKR 546mln) improved the Company's interest coverage to 2.9x (1QCY19: 2.8x) and core coverage to 2.1x (1QCY19: 1.3x). However, decrease in total operating cashflows reduced the total coverage to 2.1x (1QCY19: 3.8x).

Capitalization Packages reaps benefits from a low leveraged capital structure. Leverage ratio increased to 15% in CY19 and stood at 16% in 1QCY20 (CY18: 12%, 1QCY19: 12%) due to increase in the Company's short term borrowings (CY19: PKR 5.7bln, CY18: PKR 4.4bln) obtained to finance CAPEX and working capital requirements. Total borrowings inclined in CY19 and 1QCY20 to PKR 7.8bln and PKR 7.6bln, respectively (CY18: PKR 5.7bln, 1QCY19: PKR 5.4bln).



The Pakistan Credit Rating Agency Limited

Financial Summary

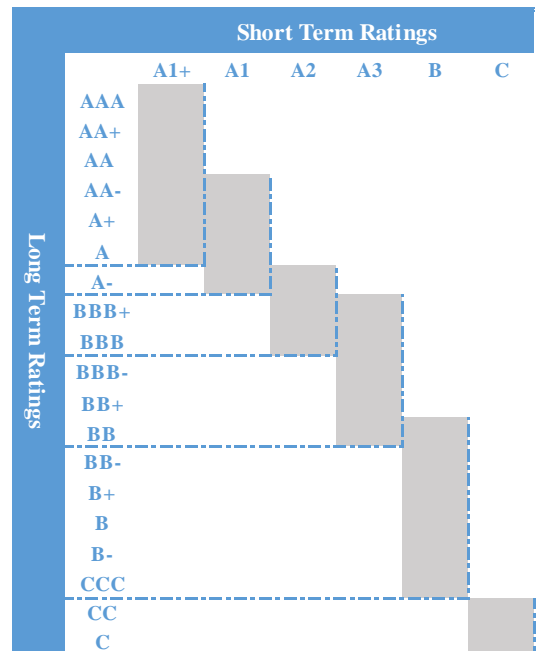
PKR mln

Packages Limited Paper and Packaging	Mar-20 3M	Dec-19 12M	Mar-19 3M	Dec-18 12M	Mar-18 3M	Dec-17 12M
A BALANCE SHEET						
1 Non-Current Assets	7,594	7,422	6,504	6,625	5,291	5,208
2 Investments	567	567	118	112	134	135
3 Related Party Exposure	42,957	47,876	45,015	51,501	64,507	60,295
4 Current Assets	12,283	10,960	11,211	9,939	9,287	8,252
<i>a Inventories</i>	4,103	3,439	3,244	3,125	2,518	1,955
<i>b Trade Receivables</i>	3,720	3,045	3,163	2,569	2,810	2,392
5 Total Assets	63,401	66,827	62,849	68,176	79,219	73,889
6 Current Liabilities	4,997	3,877	4,141	3,749	3,859	3,221
<i>a Trade Payables</i>	1,672	1,295	1,439	1,316	1,723	1,436
7 Borrowings	7,615	7,775	5,417	5,743	2,987	2,977
8 Related Party Exposure	1,539	1,539	1,539	1,539	1,539	1,539
9 Non-Current Liabilities	1,663	1,320	1,446	1,317	1,044	1,093
10 Net Assets	47,588	52,316	50,306	55,828	69,789	65,060
11 Shareholders' Equity	47,588	52,316	50,306	55,828	69,789	65,060
B INCOME STATEMENT						
1 Sales	6,412	22,916	5,772	20,699	5,094	17,894
<i>a Cost of Good Sold</i>	(5,005)	(18,543)	(4,627)	(17,410)	(4,068)	(14,370)
2 Gross Profit	1,407	4,373	1,145	3,280	1,026	3,524
<i>a Operating Expenses</i>	(710)	(2,413)	(593)	(2,266)	(514)	(1,928)
3 Operating Profit	697	1,960	552	1,014	511	1,596
<i>a Non Operating Income or (Expense)</i>	(75)	1,262	1,055	2,956	203	6,005
4 Profit or (Loss) before Interest and Tax	623	3,222	1,607	3,970	714	7,602
<i>a Total Finance Cost</i>	(303)	(1,056)	(206)	(607)	(90)	(490)
<i>b Taxation</i>	(121)	(819)	(324)	(709)	(92)	(940)
6 Net Income Or (Loss)	199	1,346	1,076	2,654	533	6,171
C CASH FLOW STATEMENT						
<i>a Free Cash Flows from Operations (FCFO)</i>	865	2,350	546	1,065	623	618
<i>b Net Cash from Operating Activities before Working Capital Changes</i>	652	3,412	1,508	3,543	671	6,414
<i>c Changes in Working Capital</i>	(188)	(1,331)	(1,062)	(1,360)	(477)	110
1 Net Cash provided by Operating Activities	463	2,081	447	2,183	193	6,524
2 Net Cash (Used in) or Available From Investing Activities	(393)	(2,519)	(86)	(2,423)	(258)	(2,552)
3 Net Cash (Used in) or Available From Financing Activities	(11)	(688)	1,622	(4,076)	(403)	(2,849)
4 Net Cash generated or (Used) during the period	59	(1,127)	1,983	(4,317)	(467)	1,124
D RATIO ANALYSIS						
1 Performance						
<i>a Sales Growth (for the period)</i>	11.9%	10.7%	11.5%	15.7%	13.9%	--
<i>b Gross Profit Margin</i>	21.9%	19.1%	19.8%	15.8%	20.1%	19.7%
<i>c Net Profit Margin</i>	3.1%	5.9%	18.6%	12.8%	10.5%	34.5%
<i>d Cash Conversion Efficiency (EBITDA/Sales)</i>	15.6%	13.9%	13.2%	10.2%	14.5%	11.7%
<i>e Return on Equity (ROE)</i>	1.6%	2.5%	8.1%	4.4%	3.2%	9.5%
2 Working Capital Management						
<i>a Gross Working Capital (Average Days)</i>	102	97	96	89	87	84
<i>b Net Working Capital (Average Days)</i>	81	76	74	64	58	55
<i>c Current Ratio (Total Current Assets/Total Current Liabilities)</i>	2.5	2.8	2.7	2.7	2.4	2.6
3 Coverages						
<i>a EBITDA / Finance Cost</i>	3.3	3.0	3.8	3.6	8.7	4.5
<i>b FCFO / Finance Cost+CMLTB+Excess STB</i>	2.1	1.9	1.3	0.6	1.5	0.3
<i>c Debt Payback (Total Borrowings+Excess STB) / (FCFO-Finance Cost)</i>	1.6	2.8	3.2	6.0	1.8	27.9
4 Capital Structure (Total Debt/Total Debt+Equity)						
<i>a Total Borrowings / Total Borrowings+Equity</i>	16.1%	15.1%	12.1%	11.5%	6.1%	6.5%
<i>b Interest or Markup Payable (Days)</i>	128.5	117.3	148.0	155.8	237.7	148.4
<i>c Average Borrowing Rate</i>	13.0%	12.6%	11.2%	9.9%	7.5%	10.3%

Credit Rating Scale & Definitions

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 Ratings		Short Term Ratings	
AAA	Highest credit quality. Lowest expectation of credit risk. Indicate exceptionally strong capacity for timely payment of financial commitments	A1+	The highest capacity for timely repayment.
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.	A1	A strong capacity for timely repayment.
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.	A2	A satisfactory capacity for timely repayment. This may be susceptible to adverse changes in business, economic, or financial 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.	A3	An adequate capacity for timely repayment. Such capacity is susceptible to adverse changes in business, economic, or financial conditions.
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	The capacity for timely repayment is more susceptible to adverse changes in business, economic, or financial conditions.
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.	C	An inadequate capacity to ensure timely repayment.
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.		



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, a) some material identifiable event and/or b) deviation from expected trend. 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 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) cessation of underlying entity, c) the debt instrument is redeemed, d) the rating remains suspended for six months, e) the entity/issuer defaults, or/and f) 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.

Disclaimer: PACRA's ratings are an assessment of the credit standing of entities/issue in Pakistan. They do not take into account the potential transfer / convertibility risk that may exist for foreign currency creditors. PACRA's opinion is not a recommendation to purchase, sell or hold a security, in as much as it does not comment on the security's market price or suitability for a particular investor.

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.
- (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)

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- (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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