



The Pakistan Credit Rating Agency Limited

## Rating Report

### Shahzad Textile Mills 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
30-Apr-2021	BBB+	A2	Stable	Maintain	YES
30-Apr-2020	BBB+	A2	Stable	Maintain	YES
30-Oct-2019	BBB+	A2	Stable	Maintain	-
30-Apr-2019	BBB+	A2	Stable	Maintain	-
27-Dec-2018	BBB+	A2	Stable	Initial	-

#### Rating Rationale and Key Rating Drivers

Shahzad Textile Mills Limited - a public listed company - manufactures ring spun cotton yarn and synthetic blended yarns. Recently, the Company has also added Socks to its product profile. The ratings reflect the Company's modest, albeit improving business profile. Recent rationalization of yarn capacity and addition of sock manufacturing unit are expected to bring efficiency and growth as the Company moves into value added segment. The revenue and margins of the Company inclined attributable to addition of sock unit, however remain submissive when compared to the peer universe. The Company maintains a low-leveraged capital structure and lean working capital cycles. Core coverage has room for improvement. Going forward, augmentation in margins along with business profile remains vital.

The Rating Watch signifies the prevailing uncertainty due to the third wave of the COVID-19 pandemic that is prevailing in the world including Pakistan. The impacts and potential implications of this third wave are yet to be seen.

The ratings depend on sustaining operations and expansion of revenue. Maintaining business margins is important. Meanwhile, prudent working capital management and maintaining financial discipline will remain critical.

#### Disclosure

<b>Name of Rated Entity</b>	Shahzad Textile Mills Limited
<b>Type of Relationship</b>	Solicited
<b>Purpose of the Rating</b>	Entity Rating
<b>Applicable Criteria</b>	Methodology   Corporate Ratings(Jun-20),Methodology   Correlation Between Long-Term And Short-Term Rating Scale(Jun-20),Criteria   Rating Modifier(Jun-20)
<b>Related Research</b>	Sector Study   Spinning(Sep-20)
<b>Rating Analysts</b>	Sehar Fatima   sehar.fatima@pacra.com   +92-42-35869504



## Profile

**Legal Structure** Shahzad Textile Mills Limited (The Company) is a public listed company, incorporated in 1978.

**Background** The Company was established in 1981 by Mian Muhammad Aslam (late) and was part of then Sargodha Group. The Group had twelve textile mills, one jute mill and one sugar mill. The group entities were later split among sons of Mian Muhammad Aslam (late). Operations of Shahzad Textile Mills were handed over to his son Mian Parvez Aslam and passed on to his son (third generation) Mian Imran Aslam.

**Operations** The Company comprised of three spinning units. Unit # 1 & 4 focus on PV yarn, while Unit # 2 produces polyester cotton yarn. The Company's current capacity is 63,648 spindles, as it has phased out one of its spinning unit (Unit # 3) and installed a socks manufacturing unit in the same premises with a capacity of 100 knitting machines. The power requirements of the Company stand at ~4.7MW, which is met through mix and match of in-house power generation (capacity: ~8.9MW) and LESCO's (sanctioned limit: 7.2MW) connection, whichever is more feasible.

## Ownership

**Ownership Structure** Mr. Imran Aslam (CEO) along with other family members collectively own majority (~74%) stakes of the Company. The remaining shareholding of the Company is held by Corporates (5.67%) and institutions (20.50%).

**Stability** Fourth generation of Aslam family has joined the business. Although, there is no formal succession plan but the shareholding and business roles are equally divided between the two brothers (Imran Aslam and Irfan Aslam).

**Business Acumen** Mr. Imran Aslam - the CEO and major shareholder - has been managing the Company's operations for more than two decades. His ability to take strategic decisions and to seize opportunities on the right time has kept the entity on the right track.

**Financial Strength** Mr. Imran Aslam has ~28% shareholding in Sargodha Jute Mills Limited, an associated company. Sargodha Jute's net assets were worth ~PKR 1.995bln (FY19: PKR 1.48bln) in FY20. Other than that, on personal level he is an active investor in real estate and stock market. The net worth of Mr. Imran Aslam is ~PKR 758mln. This portrays adequate financial muscles of sponsors to support the Company, if need arises.

## Governance

**Board Structure** The overall control of the Company vests in seven members' board with Mian Pervez Aslam as Chairman of the board. The Company's board comprises two executive directors, three non-executive directors while two members are independent directors.

**Members' Profile** Mian Parvez Aslam – the Chairman – carries with him over 40 years of experience and has been associated with the board since its incorporation. The board comprises professionals with diverse expertise.

**Board Effectiveness** Shahzad Textile has two board committees: Audit Committee and HR & Remuneration Committee (HR&R). The audit committee meets on quarterly basis to approve financial statements prior to board meetings. HR&R meets at least once in a financial year and may meet more often, if requested by the board. Meanwhile, director's attendance has remained strong and meeting minutes are formally recorded.

**Financial Transparency** The External Auditors of the Company are M/s Horwath Hussain Chaudhry & Co., Chartered Accountants. They have expressed an unqualified opinion on the Company's financial statements of FY20.

## Management

**Organizational Structure** The organizational structure of the Company is divided into two main divisions: Head Office and Mills. Head of Departments of both divisions report directly to the CEO.

**Management Team** Mr. Imran Aslam manages day to day operations as CEO of the Company. He is supported by a team of experienced professionals. Most of the senior management has been associated with the Company for a reasonably long time.

**Effectiveness** The Company maintains adequate IT infrastructure and related controls. Moreover, monthly meetings are conducted in order to review performance of all units.

**MIS** The Company has in place oracle based local ERP system by the name of Wizmen.

**Control Environment** The Company places emphasis in sustainable quality of yarn. For this, it is compliant with the latest version of ISO 9001-2008 Certification. This enhances the trust of the customer base.

## Business Risk

**Industry Dynamics** Textile Sector has depicted an overall growth of approximately 8% (USD value terms) in the exports in first six months of the fiscal year 2021 where knitwear, bed wear and towels segments recorded highest growth of 16.5%, 16.3% and 17.4% respectively. Knitwear, readymade garments, bed wear and cotton cloth segment combined have achieved almost 9% growth over the same period last year excluding cotton cloth which has experienced a decline. Towel and made-up articles both recorded growth of 17% each. In Pak Rupee terms, the overall growth by textile exports has been recorded at around 13%. Covid-19 pandemic and related lock down imposed by the governments around the globe in FY20 had its ramifications however Pakistani textile exports have been seen rebounding in 1HFY20. Excluding knitwear and yarn, all other segments recorded incline in prices (USD terms) which is positive. The export outlook is likely to remain stable in the medium term as textile units have been operating at optimized capacity levels.

**Relative Position** The Company has relatively small share in the local market.

**Revenues** During FY20, the Company's revenue dipped (FY20: PKR 4,315mln; FY19: PKR 6,071mln) on account of the pandemic led lockdown. Sales mix was also impacted; and exports fell (FY20: PKR 144mln; FY19: 935mln) when compared to same period last year. The new sock unit showed promising results even amidst the pandemic, as it recorded segmental revenue of PKR 131mln in FY20. During 1HFY21, the Company's revenue grew by 23.9% (1HFY21: PKR 3,195mln; 1HFY20: PKR 2,578mln) on account considerable increase in sales volume.

**Margins** Shahzad Textile's gross margin dropped (FY20: 7.5%; FY19: 8.1%) on the back of reduced prices; resultant of a contraction in demand induced by the lockdowns around the globe. This translated in to deterioration of operating margin (FY20: 2.5%; FY19: 5.4%) and ultimately shrunk the net margin (FY20: 1.1%; FY19: 2.2%), resulting in decreased net income of PKR 46mln (FY19: PKR 131mln). During 1HFY21, gross margin increased (1HFY21: 9.0%; 1HFY20: 7.3%) on account of better prices. Net margin improved considerably (1HFY21: 3.9%; 1HFY20: 0.6%) supplemented by increased non-operating income (1HFY21: PKR 19mln; 1HFY20: loss of PKR 3mln). Hence, enhanced net income of PKR 123mln was recorded (1HFY20: PKR 15mln).

**Sustainability** Going forward, the Company plans an investment of PKR 260mln in Plant & Machinery and PKR 125mln in building, over the next two years. The Company has availed deferment of principal repayment for 9 months; these repayment will now begin from April-2021. These repayments are against LTFE worth PKR 299mln, obtained for a period of 8 years including 1 year as grace period from HMBL. The Company has Investment property in Tricon building which was previously its own office; now rented out in January 2020. .

## Financial Risk

**Working Capital** Shahzad Textile fulfills its working capital needs through internal cash flow generation supplemented by short-term borrowing. During 1H FY21, net working capital cycle of the Company remained stagnant (1H FY21: 44 days; 1H FY20: 44 days). Trade assets witnessed marginal increase (1H FY21: PKR 1,149mln; 1H FY20: PKR 1,014mln) and short-term trade leverage adequacy displayed improvement (1H FY20: 43%; 1H FY21: 41%).

**Coverages** During 1H FY21, free cash flows of the Company increased (1H FY21: PKR 188mln; 1H FY20: PKR 124mln) as a result of strengthened profitability. Interest coverage improved (1H FY21: 6.3x; 1H FY20: 5.1x); however, debt coverage decreased (1H FY21: 1.5x; 1H FY20: 2.8x) on account of inclined total borrowings (1H FY21: PKR 1,145mln; 1H FY20: PKR 863mln).

**Capitalization** The Company maintains a low-leveraged capital structure. During FY20, the leverage increased (FY20: ~25%; FY19: ~22%) majorly due to higher short-term borrowing (FY20: PKR 415mln; FY19: PKR 285mln). Out of the total debt, ~52% constituted of short-term borrowing; with a favorable spread over KIBOR of 2.3%. During 1H FY21, the leverage further increased (1H FY21: ~32%; 1H FY20: ~28%) on account of increase in total borrowings (1H FY21: PKR 1,145mln; 1H FY20: PKR 863mln).



Shahzad Textile Mills Limited Spinning	Dec-20 6M	Jun-20 12M	Jun-19 12M	Jun-18 12M
---	--------------	---------------	---------------	---------------

**A BALANCE SHEET**

1 Non-Current Assets	2,313	2,283	2,256	1,922
2 Investments	111	102	47	8
3 Related Party Exposure	508	498	370	390
4 Current Assets	1,544	1,129	986	1,110
<i>a Inventories</i>	810	598	512	657
<i>b Trade Receivables</i>	162	83	73	103
<b>5 Total Assets</b>	<b>4,476</b>	<b>4,012</b>	<b>3,660</b>	<b>3,430</b>
6 Current Liabilities	490	514	518	439
<i>a Trade Payables</i>	53	53	53	39
7 Borrowings	1,145	795	643	587
8 Related Party Exposure	-	-	-	-
9 Non-Current Liabilities	372	356	275	290
<b>10 Net Assets</b>	<b>2,470</b>	<b>2,348</b>	<b>2,224</b>	<b>2,113</b>
<b>11 Shareholders' Equity</b>	<b>2,470</b>	<b>2,348</b>	<b>2,224</b>	<b>2,113</b>

**B INCOME STATEMENT**

1 Sales	3,195	4,315	6,071	5,464
<i>a Cost of Good Sold</i>	(2,907)	(3,993)	(5,579)	(5,197)
<b>2 Gross Profit</b>	<b>287</b>	<b>322</b>	<b>492</b>	<b>268</b>
<i>a Operating Expenses</i>	(144)	(214)	(166)	(156)
<b>3 Operating Profit</b>	<b>143</b>	<b>108</b>	<b>326</b>	<b>112</b>
<i>a Non Operating Income or (Expense)</i>	19	33	(79)	43
<b>4 Profit or (Loss) before Interest and Tax</b>	<b>162</b>	<b>141</b>	<b>247</b>	<b>154</b>
<i>a Total Finance Cost</i>	(32)	(78)	(58)	(53)
<i>b Taxation</i>	(7)	(17)	(58)	(29)
<b>6 Net Income Or (Loss)</b>	<b>123</b>	<b>46</b>	<b>131</b>	<b>72</b>

**C CASH FLOW STATEMENT**

<i>a Free Cash Flows from Operations (FCFO)</i>	188	188	341	161
<i>b Net Cash from Operating Activities before Working Capital Changes</i>	157	125	294	136
<i>c Changes in Working Capital</i>	(179)	(79)	157	(89)
<b>1 Net Cash provided by Operating Activities</b>	<b>(21)</b>	<b>46</b>	<b>451</b>	<b>46</b>
<b>2 Net Cash (Used in) or Available From Investing Activities</b>	<b>(96)</b>	<b>(161)</b>	<b>(503)</b>	<b>(25)</b>
<b>3 Net Cash (Used in) or Available From Financing Activities</b>	<b>209</b>	<b>125</b>	<b>38</b>	<b>23</b>
<b>4 Net Cash generated or (Used) during the period</b>	<b>91</b>	<b>10</b>	<b>(14)</b>	<b>44</b>

**D RATIO ANALYSIS**

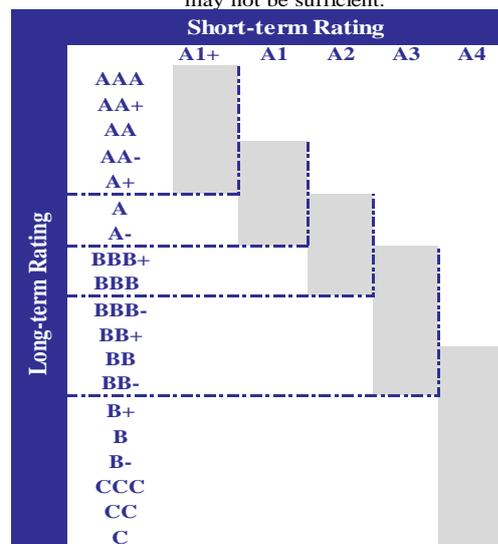
<b>1 Performance</b>				
<i>a Sales Growth (for the period)</i>	48.1%	-28.9%	11.1%	21.1%
<i>b Gross Profit Margin</i>	9.0%	7.5%	8.1%	4.9%
<i>c Net Profit Margin</i>	3.9%	1.1%	2.2%	1.3%
<i>d Cash Conversion Efficiency (FCFO adjusted for Working Capital/Sales)</i>	0.3%	2.5%	8.2%	1.3%
<i>e Return on Equity [ Net Profit Margin * Asset Turnover * (Total Assets/Sl</i>	10.5%	2.0%	6.1%	3.7%
<b>2 Working Capital Management</b>				
<i>a Gross Working Capital (Average Days)</i>	47	54	40	48
<i>b Net Working Capital (Average Days)</i>	44	49	38	46
<i>c Current Ratio (Current Assets / Current Liabilities)</i>	3.2	2.2	1.9	2.5
<b>3 Coverages</b>				
<i>a EBITDA / Finance Cost</i>	7.7	3.7	9.8	5.5
<i>b FCFO / Finance Cost+CMLTB+Excess STB</i>	1.5	1.7	4.2	1.9
<i>c Debt Payback (Total Borrowings+Excess STB) / (FCFO-Finance Cost)</i>	1.7	3.3	1.2	0.9
<b>4 Capital Structure</b>				
<i>a Total Borrowings / (Total Borrowings+Shareholders' Equity)</i>	31.7%	25.3%	22.4%	21.7%
<i>b Interest or Markup Payable (Days)</i>	96.1	108.8	93.5	100.9
<i>c Entity Average Borrowing Rate</i>	7.2%	10.0%	8.8%	7.9%

**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+	
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	<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.
CC	
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.
- (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