



The Pakistan Credit Rating Agency Limited

**Rating Report**

**Global Marketing Services**

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Rating History					
Dissemination Date	Long Term Rating	Short Term Rating	Outlook	Action	Rating Watch
19-Sep-2023	BBB	A2	Stable	Maintain	-
23-Sep-2022	BBB	A2	Stable	Maintain	-
23-Sep-2021	BBB	A2	Stable	Upgrade	-
23-Sep-2020	BBB-	A3	Stable	Upgrade	-
13-Nov-2019	BB+	A3	Stable	Maintain	-
14-May-2019	BB+	A3	Stable	Initial	-

**Rating Rationale and Key Rating Drivers**

Global Marketing Services (GMS or “the Company”) has a reputable business profile in the clinical and medical lab equipment segment, which serves as a key ingredient in the health diagnostic field. GMS operates two primary business divisions, Clinical and Medical, comprising a wide range of products related to Biomerieux, core & molecular diagnostics, Onco DX, medical & hospital solutions, and clinical genomics. The clinical division has a significant revenue contribution and deals with lab diagnostic and testing equipment kits. The presence of the company in medical lab equipment augmented the diversification benefits in their revenue streams. In recent times, the pharmaceutical industry has faced multiple challenges including increased costs of borrowing due to elevated interest rates, massive PKR devaluation resulting in hefty foreign exchange losses and a hyper-inflationary environment. Although a prioritized segment, the pharmaceutical sector was affected by import restrictions to some extent due to delays in establishing LCs. Key strategic pillars of GMS are responsibility and responsiveness towards customers’ needs and its association with more than 15 globally renowned principals. Ratings also take comfort in GMS’ strong customer base comprising well-reputed health institutions in the public and private sectors across the country. Going forward, the management intends to corporatize both business divisions separately. The corporatization process of the medical division is underway and a new company has been incorporated under the name of “Global Medical Solutions (Pvt) Ltd” but the completion will be time-sensitive to technicalities in transferring existing business to a new entity and associated DRAP regulations. GMS has developed an internal audit and compliance function that conducts periodic audits to ensure compliance with relevant quality standards. The firm is led by Mr. Zafar, the owner of a majority stake in both business segments, he is assisted by other partners, The firm imports all of its inventory, hence it is prone to currency fluctuation and associated foreign exchange risks. To minimize these effects, the firm has managed to secure long-term contracts with its major customers enabling GMS to sell products at prices based on the prevalent USD exchange rate. Recently, GMS has acquired distribution rights for a range of products of Abbott which will contribute positively towards the growth of GMS’ medical division The overall financial risk profile is characterized by upright working capital management, comfortable cashflows and coverages, adequate capital base, and a non-leveraged capital structure.. The Company is expected to sustain its position as increasing health awareness has shifted the focus of the general public toward self-well-being, and healthcare. Currently, the Company needs to devise its strategy to cope with economic challenges to sustain its financial risk profile.

The ratings are dependent on the firm’s ability to sustain its topline, maintenance of profitability matrix and generation of sufficient cashflows to induce growth. Delivery of the envisaged business and corporatization plan is crucial.

**Disclosure**

<b>Name of Rated Entity</b>	Global Marketing Services
<b>Type of Relationship</b>	Solicited
<b>Purpose of the Rating</b>	Entity Rating
<b>Applicable Criteria</b>	Methodology   Corporate Rating(Jul-23),Methodology   Correlation Between Long-term & Short-term Rating Scales(Jul-23),Methodology   Rating Modifiers(Apr-23)
<b>Related Research</b>	Sector Study   Pharmaceutical(May-23)
<b>Rating Analysts</b>	Sohail Ahmed Qureshi   sohail.ahmed@pacra.com   +92-42-35869504

## Profile

**Legal Structure** Global Marketing Services (hereinafter referred to as 'the firm' or 'GMS') was incorporated in March 1999 as a firm registered under Partnership Act, 1932.

**Background** Serving the health industry since 2000, the firm has steadily expanded its line of products and created a presence in various diagnostic markets, attaining a respective stature in healthcare and Research/Life Science Solutions. The firm also runs a cardiac division to provide consumables for cardiac medical devices.

**Operations** The firm is engaged in the supply of pharmaceuticals, healthcare and life science solutions from more than 30 manufacturers around the globe. The firm's focus areas include biomedical investigation, research, life sciences, blood banking, haematology and other medical devices. The corporate head office of the firm is in Islamabad. Corporate, Marketing, Distribution and Storage facilities are located in Rawalpindi.

## Ownership

**Ownership Structure** Mr. Zafar Mehmood holds majority of the firm's (68%) in the clinical division followed by Muhammad Ayub (20%) & Miss Naheed Dilshad (12%). Mr. Fahad divested his stake during FY22 and it was acquired by Miss Naheed. On the flip side, 58% of the ownership of the medical division is held by Mr. Zafar, while Miss Naheed Dilshad holds (32%) & Mr. Muhammad Ayub have (10%) ownership stake. Mr. Muhammad Ayub transferred their 2.0% stake to Miss Naheed Dilshad at a price of PKR 11.04mln during FY22.

**Stability** The sponsors have drafted a formal partnership agreement. Although Mr. Zafar and Mr. Ayub have a strong business relationship of 20 years, there is a need for formal succession planning in order to ensure future prospects of the firm are taken care of in the hour of need. Sponsors also intend to corporatize both divisions. The process for the corporatization of medical division is in process which will be followed by the corporatization of clinical division.

**Business Acumen** The sponsors have business presence of 20 years. Mr. Zafar has set up ViSol group of companies that undertakes the supply of pharmaceuticals, healthcare and life science solutions. ViSol represents strategically placed business hubs providing maximum coverage across GCC, Asia, Africa and North America.

**Financial Strength** The sponsors' financial strength is considered adequate as they have been able to finance the business through capital injection. The sponsors supplement the financial support through equity when required.

## Governance

**Board Structure** The board comprises three sponsors which include Mr. Zafar Mahmood (CEO of the Company), Mr. Ayub (director of operations) & Ms. Naheed Dilshad (by profession a doctor).

**Members' Profile** The sponsors have expertise of the relevant industry. Mr. Zafar also looks after ViSol group of companies in its corporate office in UAE. Both the sponsors hold degree of MBA from University of Azad Jammu & Kashmir and have an experience of 20 years in the business

**Board Effectiveness** Although compliance of corporate governance is not necessary for the firm but for there is a room for better governance – appointment of independent director on the board. CEO chairs meeting of all departmental heads, held on periodic basis, to review performance and set targets.

**Financial Transparency** The firm's external auditors, Zahid Farooq & Co. Chartered Accountants, expressed an unqualified opinion on annual financial statements for FY22. GMS has set up an internal audit department which directly reports to higher management. Monthly reports are being generated which are reviewed by him as well. The external auditor of the firm are non-QCR rated.

## Management

**Organizational Structure** The firm has a well-defined organizational structure, divided into various functional departments including (i) Supply Chain, (ii) Operations, (iii) Sales & Marketing, (iv) IT, (v) Finance, (vi) Quality Management, and (vii) Business Development.

**Management Team** Mr. Zafar Mahmood, CEO, has an industry presence of around 20 years, giving him ample experience and business acumen to run the business successfully. Apart from the firm, Mr. Zafar holds majority shares in ViSole group of companies, which operates in GCC, Asia, Africa and North America. He is accompanied by an experienced management team with a long association with the firm.

**Effectiveness** The functions of the management are clear and well-defined to achieve its underlying objective effectively. Internal controls are in place and have been effectively implemented including extensive supply chain management procedures to ensure efficient receipt, storage and transport of stock.

**MIS** The firm has installed SAP 9.3-based software from Ms. Abacus Consulting. Senior management including CEO monitors business performance through key MIS reports

**Control Environment** The firm has a separate compliance department that regularly monitors the effective implementation of internal controls through compliance audits and reports instances of non-compliances to the board monthly. Global Marketing is the first medical firm in Pakistan to earn certification for ISO 9001:2015 & Good Distribution Practice for Medical Devices (GDPMD).

## Business Risk

**Industry Dynamics** The healthcare services industry is considered a low-risk industry in view of limited demand cyclicality. Currently, the size of the industry is around PKR 705bln (Dec-2022) in comparison to Dec 2021 where the size was around PKR 616bln. The import size up till 9MFY22 is ~USD 3.73bln. The industry has also observed a hike in import costs mainly affected by global inflation and rupee devaluation. This significant reliance on imported raw materials increases the inherent risk of supply chain disruption due to prevalent import restrictions and fluctuating currency exchange rates.

**Relative Position** The Company enjoys exclusive alliances with world-leading principals in the In Vitro Diagnostics, Transfusion Medicine, Disposable and other allied segments. Global Marketing has achieved a sustained ranking in the top quartile of the industry.

**Revenues** In 9MFY23, the top line of the firm clocked in at PKR 3,286mln (FY22: 4,540mln). Major customers for the company included SKMCH Lahore, Chughtai Lab, NDMA, and AFIP. The firm generates revenue in accordance with the seasonal trend, as the public sector executes major contracts near year-end. Revenue brought in by the clinical division is almost 3 times that of the medical division.

**Margins** During 9MFY23, the Gross margins of the firm reached to 26.8% (FY22: 30.4%) reflecting Company is reaching a stabilization phase. Moreover, Upon a separately conducting vertical analysis of the divisions it is revealed that Medical Div GP Margin is 24% and its Net profit Margin is 3.8%. Similarly, Clinical Div GP's Margin is 28% and its Net profit Margin is 5.8% respectively.

**Sustainability** With the PKR 261mln equity injected in FY21, the firm eyes growth in the newly introduced medical division. In addition to the consumables product line, the firm has contracted a supply of cardiac medical devices costing PKR 20mln each to AFIC and HMC. GMS has managed to formalize long-term contracts with major customers that also enables the firm to sell products on the basis of the prevalent USD rate hence minimizing the effects of PKR devaluation. Recently, the firm has acquired distribution rights of a range of products of Abbott laboratories' medical segment, which will contribute in the topline of GMS' medical division.

## Financial Risk

**Working Capital** GMS is maintaining higher inventory levels in comparison to last year (9MFY23: 112days; FY22: 95days), the surge in trade receivable days (9MFY23: 121 days, FY22: 83 days) which ultimately results in higher net working capital days (9MFY23: 135 days, FY22: 115 days) due to timely receipt of receivables and payments to suppliers. The firm's current ratio has decreased slightly to 2.3x in 9MFY23 (FY22: 3.1x)

**Coverages** Free Cash Flow from operations of the firm stood at PKR 276mln in 9MFY23 (PKR 510mln, FY22). Clinical Div invested PKR 82mln into the Medical Div, which explains the increase in debt of MD, however, the sponsors do not consider the firm to have any significant markup risk since the majority of these debts are secured and considered good. Meanwhile, the firms' finance costs clocked at PKR 77mln during 9MFY23 showing a declining trajectory (PKR 104mln, FY22). The interest coverage ratio clocked at 5.5x as of 9MFY23(FY22: 8.1x).

**Capitalization** The total debt of the firm as of 6MFY23 stood at PKR 173mln (FY22: 184mln). It is an interest-based loan advance issued by the sponsor, Mr. Zafer Mahmood, and the remaining amount is obtained from associates of sponsors. The Debt to Debt + equity ratio decreased to 1.6% in 9MFY23 (FY21: 7%), indicating flexibility in room-to-borrow. The non-funded facility of Site & Usance L/C was obtained from JS Bank and is secured against property owned by sponsors



Global Marketing Services Pharmaceutical	Mar-23 9M	Jun-22 12M	Jun-21 12M	Jun-20 12M
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#### A BALANCE SHEET

1 Non-Current Assets	245	276	278	260
2 Investments	-	-	-	-
3 Related Party Exposure	-	-	9	21
4 Current Assets	4,102	3,459	3,037	2,335
<i>a Inventories</i>	1,585	1,106	1,265	797
<i>b Trade Receivables</i>	1,568	1,335	739	610
<b>5 Total Assets</b>	<b>4,347</b>	<b>3,735</b>	<b>3,323</b>	<b>2,617</b>
6 Current Liabilities	1,778	1,117	833	1,020
<i>a Trade Payables</i>	1,482	871	719	831
7 Borrowings	-	-	-	-
8 Related Party Exposure	41	184	318	525
9 Non-Current Liabilities	-	-	-	-
<b>10 Net Assets</b>	<b>2,528</b>	<b>2,434</b>	<b>2,173</b>	<b>1,072</b>
<b>11 Shareholders' Equity</b>	<b>2,528</b>	<b>2,434</b>	<b>2,173</b>	<b>1,072</b>

#### B INCOME STATEMENT

1 Sales	3,286	4,540	5,203	2,696
<i>a Cost of Good Sold</i>	(2,405)	(3,160)	(3,287)	(1,679)
<b>2 Gross Profit</b>	<b>881</b>	<b>1,380</b>	<b>1,916</b>	<b>1,017</b>
<i>a Operating Expenses</i>	(387)	(557)	(482)	(307)
<b>3 Operating Profit</b>	<b>494</b>	<b>823</b>	<b>1,434</b>	<b>710</b>
<i>a Non Operating Income or (Expense)</i>	(180)	(178)	(40)	(13)
<b>4 Profit or (Loss) before Interest and Tax</b>	<b>314</b>	<b>645</b>	<b>1,395</b>	<b>697</b>
<i>a Total Finance Cost</i>	(77)	(104)	(122)	(82)
<i>b Taxation</i>	(61)	(125)	(37)	(108)
<b>6 Net Income Or (Loss)</b>	<b>176</b>	<b>416</b>	<b>1,236</b>	<b>507</b>

#### C CASH FLOW STATEMENT

<i>a Free Cash Flows from Operations (FCFO)</i>	276	510	1,241	619
<i>b Net Cash from Operating Activities before Working Capital Changes</i>	276	510	1,241	619
<i>c Changes in Working Capital</i>	(376)	(414)	(683)	(51)
<b>1 Net Cash provided by Operating Activities</b>	<b>(100)</b>	<b>96</b>	<b>557</b>	<b>568</b>
<b>2 Net Cash (Used in) or Available From Investing Activities</b>	<b>(8)</b>	<b>(42)</b>	<b>(70)</b>	<b>(105)</b>
<b>3 Net Cash (Used in) or Available From Financing Activities</b>	<b>(82)</b>	<b>(181)</b>	<b>(89)</b>	<b>(11)</b>
<b>4 Net Cash generated or (Used) during the period</b>	<b>(190)</b>	<b>(127)</b>	<b>399</b>	<b>453</b>

#### D RATIO ANALYSIS

<b>1 Performance</b>				
<i>a Sales Growth (for the period)</i>	-3.5%	-12.7%	93.0%	0.0%
<i>b Gross Profit Margin</i>	26.8%	30.4%	36.8%	37.7%
<i>c Net Profit Margin</i>	5.3%	9.2%	23.7%	18.8%
<i>d Cash Conversion Efficiency (FCFO adjusted for Working Capital/Sales)</i>	-3.1%	2.1%	10.7%	21.1%
<i>e Return on Equity [ Net Profit Margin * Asset Turnover * (Total Assets/STB)]</i>	9.4%	18.1%	76.2%	47.3%
<b>2 Working Capital Management</b>				
<i>a Gross Working Capital (Average Days)</i>	233	179	120	190
<i>b Net Working Capital (Average Days)</i>	135	115	65	78
<i>c Current Ratio (Current Assets / Current Liabilities)</i>	2.3	3.1	3.6	2.3
<b>3 Coverages</b>				
<i>a EBITDA / Finance Cost</i>	5.5	9.3	15.5	9.4
<i>b FCFO / Finance Cost+CMLTB+Excess STB</i>	5.5	8.1	14.9	8.6
<i>c Debt Payback (Total Borrowings+Excess STB) / (FCFO-Finance Cost)</i>	0.1	0.4	0.3	1.0
<b>4 Capital Structure</b>				
<i>a Total Borrowings / (Total Borrowings+Shareholders' Equity)</i>	1.6%	7.0%	12.8%	32.9%
<i>b Interest or Markup Payable (Days)</i>	97.9	47.5	12.3	84.2
<i>c Entity Average Borrowing Rate</i>	50.2%	25.3%	19.8%	13.7%

### 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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(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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(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)

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(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)

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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)

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(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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