



The Pakistan Credit Rating Agency Limited

**Rating Report**

**Dynamic Packaging (Pvt.) 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
17-Jan-2023	BBB	A2	Stable	Initial	-

**Rating Rationale and Key Rating Drivers**

Dynamic Packaging (Pvt.) Limited ('DP' or 'The Company') is predominately manufacturing different types of Flexible Packaging, Pharmaceutical Sachet, Tropical Blister Foil, Aluminum Blister Foil, and Cold Forming Aluminum Foil packaging. The Company is wholly owned by family members. Family businesses include i) Dynamic Packaging (Pvt.) Limited ii) Global Inks & Chemicals (Pvt.) Ltd iii) Royal Traders. The Company is backward integrated wherein, Global Inks & Chemicals (Pvt.) Ltd is providing a complete range of solvent-based ink systems for the Rotogravure & Flexographic printing industries across Pakistan. The demand for packaging products is mainly derived from the food and pharmaceutical industry. The strong customer base of the Company bodes well for the assigned rating. The sponsor's family has vast experience in packaging and engaged in this business since 2004. The raw material of the finished product is ~100% imported hence, exposed to exchange rate risk. As per management representation, the Company has captured a good share of the flexible packaging market. While being the sole manufacturer of pharmaceutical packaging in Pakistan, the company holds ~ 5% market share, the rest of the market of ~95% is captured by importers. The actual capacity utilization was ~ 64% during FY22 (FY21: ~60%). Considering the growth in the pharma sector, capacity utilization is expected to increase further, going forward. The internal audit department is operating under the direct supervision of directors. The Company has developed an effective mechanism for the identification, assessment, and reporting of all types of risk arising out of business operations.

On the financial profile of Dynamic Group has generated a topline of ~ PKR 5,377mln in FY22 as compared to ~PKR 4,906mln in FY21. In FY22, bottom line of ~PKR 148(FY21: ~PKR 186mln). Equity stood at ~PKR 1,868mln at the end of FY22(FY21: ~PKR 1,720mln). The Company is low leveraged with sound financial indicators as of the end of Jun'22.

The ratings are dependent upon the management's ability to improve margins while sustaining its market share. Prudent management of the working capital, and maintaining sufficient cash flows and coverages are essential for the ratings. Any significant change in margins and coverages will impact the ratings.

**Disclosure**

<b>Name of Rated Entity</b>	Dynamic Packaging (Pvt.) Limited
<b>Type of Relationship</b>	Solicited
<b>Purpose of the Rating</b>	Entity Rating
<b>Applicable Criteria</b>	Methodology   Corporate Rating(Jun-22),Methodology   Correlation Between Long-term & Short-term Rating Scales(Jun-22),Methodology   Rating Modifiers(Jun-22)
<b>Related Research</b>	Sector Study   Paper and Packaging(Nov-22)
<b>Rating Analysts</b>	Muhammad Atif Chaudhry   Atif.Chaudhry@pacra.com   +92-42-35869504

## Profile

**Legal Structure** Dynamic Packaging (Pvt.) Limited ('DP' or 'The Company') was incorporated as a private limited company on 23rd June 2004.

**Background** The Company provides flexible packaging products to customers of various industries including snacks, beverages, confectionery, pharma, etc. The main sponsor family has utilized his skills and experience to turn Dynamic Packaging (Pvt.) Limited into a competent contender in the flexible packaging industry.

**Operations** Dynamic Packaging (Pvt.) Limited provides different types of Flexible Packaging, Pharmaceutical Sachet, Tropical Blister Foil, Aluminum Blister Foil, and Cold Forming Aluminum Foil packaging to customers of various industries. The total installed capacity of the manufacturing plant in FY22 was ~11,400 MT (FY21: ~11,400 MT), while the actual production remained at ~7,420 MT during FY22 (FY21: ~6,821 MT). Actual capacity utilization was ~64% during FY22 (FY21: ~60%).

## Ownership

**Ownership Structure** Majority stake of Dynamic Packaging (Pvt.) Limited lies with Mr. Ashraf Ch who owns ~72% of the total shares. Mr. Waqas Ashraf and Ms. Shazia Ashraf hold respectively ~20% and ~8% ownership of the company. Mr. Waqas Ashraf is the son of Mr. Ashraf Ch. Ms. Shazia Ashraf is the wife of Mr. Ashraf.

**Stability** The ownership structure is stable as owners have vast experience in the packaging industry while having a personal stake in the business. Mr. Ashraf Ch also owns Global Inks & Chemicals (Pvt.) Ltd, established in 2008, the company is providing a complete range of solvent-based ink systems for the Rotogravure & Flexographic printing industries across Pakistan. As per management representation, Global Inks holds a market share of ~7%.

**Business Acumen** The owners and directors of Dynamic Packaging (Pvt.) Limited have extensive relevant experience and insights about the packaging industry owing to their family background. Mr. Ashraf Ch and Mr. Waqas Ashraf are involved in managing the affairs of the Company. Mr. Waqas Ashraf oversees all the financial and tax-related affairs of the company. While Mr. Ashraf Ch is involved in managing the operational activities of the company.

**Financial Strength** Dynamic Packaging (Pvt.) Limited is a stable business entity. The Company's sister concern Global Inks & Chemicals (Pvt.) Ltd also has a broad portfolio of customers. This strong forward integration strengthens the customer's bond and gives a competitive edge through strong supply chain support. Mr. Ashraf Ch has significant resources to finance the Company if the need arises. The land on which the Company's production facilities located are owned by the entity.

## Governance

**Board Structure** The Company's Board structure primarily revolves around its sponsor family. There are three directors on the Board, two executive directors, and one non-executive director on the board. The absence of independent directors and board committees decreases governance oversight.

**Members' Profile** All the Board members are businessmen in the profession and have the relevant skills.

**Board Effectiveness** The Board has the strength of all members belonging to the same family, increasing their cohesiveness. The Board met four times during FY22, with the majority attending to discuss pertinent matters.

**Financial Transparency** The Company's external auditors, Qadeer and Company, Chartered Accountants have expressed an unqualified opinion on the financial statements for FY21. The auditors have a satisfactory QCR rating from ICAP.

## Management

**Organizational Structure** Dynamic Packaging (Pvt.) Limited has developed a defined organizational structure keeping in mind the Company's operational needs. The Company has a lean organizational structure to control personnel costs while efficiently managing its operations.

**Management Team** The Company's Chief Operating Officer, Mr. Ahmad Yasir Ch. has been associated with the Company since 2012. Mr. Ahmad has over 24 years of relevant experience and also has special expertise in the packaging industry. The Company's Chief Financial Officer, Mr. Qulb -E- Abbas, is a MBA Finance, LLB and has over 12 years of relevant experience. He has been working with the Company for 10 years.

**Effectiveness** The experience of the sponsors along with a professional management team has helped the Company to streamline its operations and cut down on its costs. The production facilities have minimal wastage which is effectively managed through re-cycling and re-using in the process.

**MIS** To generate MIS and operational reports, the ERP software, Tally 9 is being used. The company is currently in the process to the implementation of SAP by outsourcing the software development function from Hussain and Choudhry consulting.

**Control Environment** The Company has developed an effective mechanism for the identification, assessment, and reporting of all types of risk arising out of the business operations because there is an internal audit department in place to ensure operational efficiency which operates under the direct supervision of directors.

## Business Risk

**Industry Dynamics** A major challenge faced by the sector is the prices and availability of raw materials specifically polymers such as polypropylene, & polyethylene. The packaging industry uses variants of Polymer Resin to manufacture BOPP and CPP films. Polymers' prices are largely a function of global crude oil prices, demand-supply dynamics, and exchange rate volatility. The recent market dynamics of the cost base of raw materials for the company represented a rising trend since FY22. This coupled with the significant depreciation of the currency would be expected to lead to higher raw material prices and thus create pressure on margins going forward. If the cost of raw materials with predictable exchange rates sustain, it will produce better profitability and margins for the industry in the future.

**Relative Position** Dynamic Packaging (Pvt.) Limited has captured a good share of the flexible packaging and pharmaceutical packaging market. The Company provides high-quality products to its customers such as Pepsi Cola Intl (Pvt) Ltd, Nestle Pakistan Ltd, National Foods Limited, and Shan Foods. Major local players in the flexible packaging industry include Packages Convertors and Dynamic Packaging (Pvt.) Limited. The Company is also the sole manufacturer of pharmaceutical packaging. As per management representation, the Company currently holds ~5% market share of pharmaceutical packaging, and the remaining ~95% market is held by local importers.

**Revenues** The Company generates revenue from the sale of flexible packaging and pharmaceutical packaging materials in the local market. The top line of the Company increased from ~PKR 4,906mln in FY21 to ~PKR 5,377mln in FY22 (FY20: PKR 4,446mln). The top line of the Company increased by ~9.6%.

**Margins** In FY22, the gross margin and operating profit margin both decreased as compared to FY21. The GP margin decreased from ~8.3% in FY21 to ~8.0% in FY22 while the OP margin decreased from ~6.1% to ~5.8% during the same period. The main reason for the decreasing profitability ratios is attributable to decreased sales volume due to the demand factors, which remained volatile due to abnormally high raw material costs leading to lower margins. Consequently, the net profit margin also decreased from ~3.8% to ~2.7% during the same period. The Company posted a net profit of ~PKR 148mln in FY22 (FY21: ~PKR 186mln, FY20: ~PKR 169mln).

**Sustainability** Dynamic Packaging (Pvt.) Limited is a stable business entity with top customers such as Pepsi Cola Intl (Pvt) Ltd, Nestle Pakistan Ltd, and National Foods Limited. The Company's sister concern Global Inks & Chemicals (Pvt.) Ltd also has a broad portfolio of customers. The company holds a sustainable market share in the flexible packaging industry. Being the sole manufacturer of pharmaceutical packaging, the Company expects to increase its market share in the future.

## Financial Risk

**Working Capital** In FY22, the Company's inventory days decreased to ~48 days from ~49 days in FY21. The decrease in inventory days may be attributable to better inventory management and excellent communication with customers. Meanwhile, trade receivable days also decreased to ~48 days from ~49 days, but trade payable days stood the same at ~6 days during the same periods. Consequently, the Company's net working capital days stood at ~90 days at end of FY22, decreasing from ~92 days at end-FY21. But the net working capital days are still very high and show weak working capital management.

**Coverages** In FY22, the Company's FCFOs stood at ~PKR 303mln decreasing from ~PKR 316mln in FY21. The FCFO/Finance cost showed a decrease from ~4.9x of coverage at end of FY22 to ~3.1x at end of FY22; however, this is still a good coverage level for the Company. While the Company does take on both short-term and long-term financing from financial institutions, the strategy is to keep the Company mainly equity-focused, thus the finance cost is planned to be on a manageable scale moving forward.

**Capitalization** The Company has a low-leveraged structure, with no long-term liabilities currently at end of FY22. Its gearing ratio has increased from ~27.3% at the end of FY21 to ~28.9% at the end of FY22, while it has remained at ~29.0% in FY20, indicating that while the Company does have debt, it is not increasing its debt ratio currently and is instead relying more on organic growth. The Company obtains short-term debt for meeting the working capital requirements, STB currently stands at ~PKR 750mln increasing from ~PKR 613mln at the end of FY22.



The Pakistan Credit Rating Agency Limited

Financial Summary

PKR mln

Dynamic Packaging (Pvt.) Limited Paper & Packaging	Jun-22 12M	Jun-21 12M	Jun-20 12M	Jun-19 12M
---	---------------	---------------	---------------	---------------

#### A BALANCE SHEET

1 Non-Current Assets	687	632	579	529
2 Investments	-	-	-	-
3 Related Party Exposure	-	-	-	-
4 Current Assets	2,044	1,825	1,675	1,590
<i>a Inventories</i>	755	667	640	627
<i>b Trade Receivables</i>	715	689	639	614
5 Total Assets	2,732	2,458	2,254	2,120
6 Current Liabilities	103	91	92	99
<i>a Trade Payables</i>	95	80	81	91
7 Borrowings	760	646	627	655
8 Related Party Exposure	-	-	-	-
9 Non-Current Liabilities	-	-	-	-
10 Net Assets	1,868	1,720	1,534	1,366
11 Shareholders' Equity	1,868	1,720	1,534	1,366

#### B INCOME STATEMENT

1 Sales	5,377	4,906	4,446	3,612
<i>a Cost of Good Sold</i>	(4,948)	(4,500)	(4,070)	(3,299)
2 Gross Profit	429	406	376	313
<i>a Operating Expenses</i>	(117)	(108)	(99)	(89)
3 Operating Profit	312	297	278	223
<i>a Non Operating Income or (Expense)</i>	-	-	-	-
4 Profit or (Loss) before Interest and Tax	312	297	278	223
<i>a Total Finance Cost</i>	(97)	(65)	(53)	(49)
<i>b Taxation</i>	(67)	(46)	(56)	(27)
6 Net Income Or (Loss)	148	186	169	147

#### C CASH FLOW STATEMENT

<i>a Free Cash Flows from Operations (FCFO)</i>	303	316	281	281
<i>b Net Cash from Operating Activities before Working Capital Changes</i>	208	251	230	232
<i>c Changes in Working Capital</i>	(44)	(58)	(86)	(64)
1 Net Cash provided by Operating Activities	165	193	145	168
2 Net Cash (Used in) or Available From Investing Activities	(114)	(119)	(106)	(193)
3 Net Cash (Used in) or Available From Financing Activities	(22)	(27)	(38)	82
4 Net Cash generated or (Used) during the period	29	47	1	58

#### D RATIO ANALYSIS

1 Performance				
<i>a Sales Growth (for the period)</i>	9.6%	10.3%	23.1%	N/A
<i>b Gross Profit Margin</i>	8.0%	8.3%	8.5%	8.7%
<i>c Net Profit Margin</i>	2.7%	3.8%	3.8%	4.1%
<i>d Cash Conversion Efficiency (FCFO adjusted for Working Capital/Sales)</i>	4.8%	5.3%	4.4%	6.0%
<i>e Return on Equity [ Net Profit Margin * Asset Turnover * (Total Assets/Sh</i>	8.2%	11.4%	11.6%	10.8%
2 Working Capital Management				
<i>a Gross Working Capital (Average Days)</i>	96	98	103	125
<i>b Net Working Capital (Average Days)</i>	90	92	96	116
<i>c Current Ratio (Current Assets / Current Liabilities)</i>	19.8	20.0	18.2	16.1
3 Coverages				
<i>a EBITDA / Finance Cost</i>	3.8	5.6	6.4	6.3
<i>b FCFO / Finance Cost+CMLTB+Excess STB</i>	2.8	3.5	3.5	3.7
<i>c Debt Payback (Total Borrowings+Excess STB) / (FCFO-Finance Cost)</i>	0.1	0.1	0.3	0.4
4 Capital Structure				
<i>a Total Borrowings / (Total Borrowings+Shareholders' Equity)</i>	28.9%	27.3%	29.0%	32.4%
<i>b Interest or Markup Payable (Days)</i>	21.3	22.8	27.9	14.3
<i>c Entity Average Borrowing Rate</i>	13.7%	10.1%	8.2%	7.5%

### 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+	<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	
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.
CC	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

**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