



The Pakistan Credit Rating Agency Limited

## Rating Report

### Sapphire Fibres 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
23-Nov-2022	A+	A1	Stable	Maintain	-
23-Nov-2021	A+	A1	Stable	Maintain	-
23-Nov-2020	A+	A1	Stable	Maintain	-
23-Nov-2019	A+	A1	Stable	Maintain	-
24-May-2019	A+	A1	Stable	Maintain	-
23-Nov-2018	A+	A1	Stable	Maintain	-
29-May-2018	A+	A1	Stable	Initial	-

#### Rating Rationale and Key Rating Drivers

The ratings reflect Sapphire Fibres Limited's (Sapphire Fibres) established business profile emanating from a strong presence in the broader value chain; enabling the Company to manage volatility in the textile industry. On one side from producing a range of finer quality yarn, the Company is also engaged in dyeing, knitting, stitching, and manufacturing denim fabric. The business profile, mainly emanating from enhanced contribution from the spinning segment, has recorded a sizable increase. However, the volumetric analysis reflects a largely sustained pattern where the major benefit taken is from high yarn prices as well as rupee devaluation during the year. During FY22, the contribution of exports to the topline improved YoY (FY22: PKR 38.2bln, FY21: PKR 22.2bln). Selling and marketing expenses increased YoY where as other income inched up (FY22: PKR 1.4bln, FY20: PKR 1.2bln). The net profitability of the company improved to a historically high PKR 6.2bln (FY21: PKR 2.2bln). The financial risk matrix reflected largely the same trend. Free cash flows from operations remained in a comfortable range due to the good performance of core operations. The company witnessed a slight decline in coverages and margins in 1QFY23. A sizable investment book built over the years by deploying surplus funds supports the Company's liquidity profile. Ratings incorporate the association of the company with the well-established Sapphire Group which enjoys a distinguishing presence in several sectors. During FY22, Pakistan's textile exports surged to \$19.3bln (recording a growth of 26%). Exports grew owing to increased volumetric growth of (16% YoY) in the value-added segment, a steep rise in global demand. Under the value-added category, the knitwear segment remained the top performer by posting 34% YoY growth in exports to \$5.1bln in FY22 due to a sharp rise in global demand, especially in the US and European countries. From July to August 2022, the cumulative exports of knitwear increased by 15.4% to \$1.32bln; cotton cloth by 4.2% to \$580.5mln, and readymade garments by 5.9% to \$911.5mln over their exports in the same period of last year. However, bed wear exports were down 2.9% to \$780mln, towels by 1.7% to \$237.3mln, and cotton yarn sales declined by 18%. A slowdown is expected in textile demand amid burgeoning inflationary pressures in the exporting destinations, especially in the US and European countries.

The ratings are dependent on sustaining the business profile of the Company by maintaining profitability and margins achieved from core textile operations. At the same time, the sustainability of non-core income and prudent management of surplus funds are important. The sustainability of coverages would remain critical to avoid any drag on the financial profile.

#### Disclosure

<b>Name of Rated Entity</b>	Sapphire Fibres 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   Composite and Garments(Dec-21)
<b>Rating Analysts</b>	Sehar Fatima   sehar.fatima@pacra.com   +92-42-35869504

## Profile

**Legal Structure** Sapphire Fibres Limited (Sapphire Fibres) is a listed, public limited concern established in 1979.

**Background** Sapphire Fibres is the flagship Company of Sapphire Group. Mr. Mohammad Abdullah, Ex-Chairman of the Group, founded Sapphire Group in 1969 and is succeeded by his sons, Mr. Shahid Abdullah, Mr. Nadeem Abdullah, Mr. Amer Abdullah, and Mr. Yousaf Abdullah.

**Operations** The company is a vertically integrated composite textile unit engaged in the production of yarn, knitwear, and denim fabric. The Company has eight manufacturing facilities in and around Lahore as well as captive power plants. The Company currently operates with 102,096 spindles and 150 looms.

## Ownership

**Ownership Structure** Sapphire Group collectively continues to own the majority shares of the Company directly through individuals (14%) and group companies (52%). The remaining (34%) stake is well spread among financial institutions, companies, modaraba and mutual funds, and the general public.

**Stability** The presence of a Group holding company, Sapphire Holdings (Pvt.) Limited, as well as formal documentation capturing the family ownership structure bodes well for the stability of Sapphire Fibres.

**Business Acumen** The Abdullah family has more than 50 years of experience in the textile industry with extensive technical knowledge of textile mills as well as a special knack for the formulation of policies and strategic planning.

**Financial Strength** The Sapphire Group has one of the largest vertically integrated textile set-ups in Pakistan with more than 30 production units. It also has interests in diversified sectors including power, dairy, cement, and investment companies.

## Governance

**Board Structure** Overall control vests in an eight-member board of directors chaired by Mr. Yousaf Abdullah. The Board is dominated by Sapphire Group with six members. However, the non-executive role of some family members and the presence of two independent directors makes the overall governance structure strong. All the board members are seasoned professionals. The board meets on regular basis for strategic planning and to foresee any future challenges faced by the business.

**Members' Profile** Mr. Amer Abdullah has ceased to be the Chairman of the Board as of September 23, 2021, and Mr. Yousaf Abdullah has been appointed as the chairman of the board. He became director in various companies of Sapphire group in 1995.

**Board Effectiveness** Attendance of members in Board meetings remained strong while the minutes of meetings are well documented. Two committees - Audit, and Human Resource & Remuneration - are in place to assist the Board on relevant matters. Both committees are chaired by independent directors. The Risk Management Committee has been formed recently and shall conduct its first meeting from FY22-23. It is chaired by Mr. Shahid Abdullah.

**Financial Transparency** Mis. Shinewing Hameed Chaudhri & Co. - in category "B" on the SBP panel of auditors - is the external auditor of the Company. The auditor gave an unqualified opinion on the Company's financial statements for the period ended June 30th, 2022. Sapphire Fibres also has an Internal Audit function which is co-sourced.

## Management

**Organizational Structure** The Company's overall operations are segregated into eight broad functional divisions which are further categorized into various sub-divisions to ensure a smooth flow of operations with a large number of senior executives reporting directly to the CEO.

**Management Team** The management team comprises qualified and experienced professionals, led by the CEO - Mr. Shahid Abdullah - who possesses rich textile industry experience and has been associated with the Company since its inception. He is currently serving as the CEO of Sapphire Electric Company Limited. He is assisted by the COO, Mr. Shayan Abdullah.

**Effectiveness** The management tier ensures effective delegation of functional responsibility across various departments, facilitating a smooth flow of operations while the implementation of IT systems covers the integration of business processes, optimizing resources using synchronization and planning.

**MIS** The Company has implemented an Oracle-based ERP - Oracle E-business suite - to cater to the large-scale and diversified operations of the Company. Regular updates to the software aid the management in timely decision-making.

**Control Environment** The Company's monthly MIS reports which comprise comprehensive segment and unit wise performance reports are reviewed formally by the CEO along with monthly accounts.

## Business Risk

**Industry Dynamics** During FY22, Pakistan's textile exports surged to \$19.3bln (recording a growth of 26%). Exports grew owing to increased volumetric growth of (16% YoY) in the value-added segment, a steep rise in global demand. Under the value-added category, the knitwear segment remained the top performer by posting 34% YoY growth in exports to \$5.1bln in FY22 due to a sharp rise in global demand, especially in the US and European countries. From July to August 2022, the cumulative exports of knitwear increased by 15.4% to \$1.32bln; cotton cloth by 4.2% to \$580.5mln, and readymade garments by 5.9% to \$911.5mln over their exports in the same period of last year. However, bed wear exports were down 2.9% to \$780mln, towels by 1.7% to \$237.3mln, and cotton yarn sales declined by 18%. A slowdown is expected in textile demand amid burgeoning inflationary pressures in the exporting destinations, especially in the US and European countries.

**Relative Position** During FY22, Sapphire Fibres contributed a healthy share of the country's total textile exports. It is one of the largest specialized yarn manufacturing and marketing companies in Pakistan.

**Revenues** During FY22, the exports largely comprise the segments of spinning (55%), denim (28%), and knit (17%). The local sales mainly comprise yarn (50%), fabrics (39%), and garments (1%). The Company's topline enhanced to PKR 43.6bln (FY21: PKR 27.5bln). The company witnessed a decrease in local sales during 1QFY23 to stand at PKR 2.1bln (FY21: 2.3bln). The revenue base of the company has shown a robust increase to PKR 12.2bln during 1QFY23 (1QFY22: PKR 9.2bln) recording a growth of 32.5% attributable to the increased operational efficiencies. The sales mix is tilted towards the exports. The majority of the company's exports are to Asia, Europe, America, Australia, and Africa. Geographically, the concentration of the revenues is moderately diversified.

**Margins** The company's gross margin stood at 19.6% during 1QFY23, due to controlled input costs. The operating margin inched down to 12.8% (1QFY22: 14.7%). Despite an increase in administrative and distribution expenses, the company was largely able to secure an improvement in its operating profit. Finance costs increased YoY (1QFY23: PKR 478mln; 1QFY22: PKR 291mln) attributable to higher interest rates. The net profitability of the company was recorded at PKR 1bln (1QFY22: 1.1bln). The net profit margin was recorded at 8.8%.

**Sustainability** Regular Balancing, Modernization, and Replacement (BMR) in spinning and weaving segments in FY22 had a positive impact on overall productivity. Furthermore, continuous BMR has reflected an improvement in the turnover and margins of the Company, and the benefits are expected to sustain, going forward.

## Financial Risk

**Working Capital** The company meets its working capital requirements through a mix of internal generation and short-term borrowings (STBs). The net working capital days improved to 122 days at end-Sep22 (FY22: 140 days) attributable to a slight decrease in inventory days to stand at 109 days (FY22: 107 days). The short-term trade leverage was recorded at 34% (FY22: 37%) attributable to an increase in trade assets of the company reflecting a positive outlook.

**Coverages** The free cash flows from operations witnessed a sizeable decline to PKR 810mln (FY22: PKR 1.1bln) reflecting a decrease in interest coverage to 1.9x (FY22: 5.4x). Due to an increase in finance cost, the debt coverage also inched down to 1.3x (FY22: 3.1x). The company's debt payback increased to 4.1 years (FY22: 1 year) reflecting that the company is generating enough cash to meet its obligations.

**Capitalization** The company has a moderately leveraged capital structure. At end-Sep22, the equity base of the company was enhanced to PKR 23.9bln (FY22: PKR 23.3bln) reflecting a growth of 2.5%. The total borrowings of the company reflected a decrease to stand at PKR 18.8bln (FY22: 20.6bln) out of which short-term borrowing constitutes 67%. At end-Sep22, the leveraging of the company inched up to 44% (FY22: 43.1%).



Sapphire Fibre Mill Spinning	Sep-22 3M	Jun-22 12M	Jun-21 12M	Jun-20 12M	Jun-19 12M
<b>A BALANCE SHEET</b>					
1 Non-Current Assets	14,692	14,695	12,896	11,901	10,592
2 Investments	4,443	5,298	6,854	6,173	7,031
3 Related Party Exposure	5,390	4,966	4,682	4,492	4,318
4 Current Assets	26,554	23,942	16,427	11,751	12,961
<i>a Inventories</i>	14,878	14,344	11,352	7,538	6,831
<i>b Trade Receivables</i>	5,210	5,077	2,728	2,226	4,233
5 Total Assets	51,079	48,900	40,860	34,317	34,903
6 Current Liabilities	7,736	7,329	4,315	3,062	3,029
<i>a Trade Payables</i>	3,592	3,372	1,724	946	661
7 Borrowings	18,853	17,685	17,161	14,912	16,094
8 Related Party Exposure	-	-	-	-	124
9 Non-Current Liabilities	538	517	468	454	369
10 Net Assets	23,951	23,369	18,915	15,888	15,287
11 Shareholders' Equity	23,951	23,369	18,915	15,888	15,287
<b>B INCOME STATEMENT</b>					
1 Sales	12,218	43,638	27,531	22,492	21,750
<i>a Cost of Good Sold</i>	(9,821)	(33,350)	(23,591)	(19,668)	(18,886)
2 Gross Profit	2,397	10,288	3,941	2,824	2,865
<i>a Operating Expenses</i>	(835)	(2,494)	(1,429)	(1,179)	(1,034)
3 Operating Profit	1,562	7,794	2,512	1,645	1,830
<i>a Non Operating Income or (Expense)</i>	160	932	1,125	1,329	448
4 Profit or (Loss) before Interest and Tax	1,721	8,726	3,637	2,974	2,278
<i>a Total Finance Cost</i>	(478)	(1,672)	(963)	(1,463)	(1,262)
<i>b Taxation</i>	(173)	(849)	(400)	(386)	(257)
6 Net Income Or (Loss)	1,071	6,205	2,274	1,125	759
<b>C CASH FLOW STATEMENT</b>					
<i>a Free Cash Flows from Operations (FCFO)</i>	810	8,091	3,144	2,112	2,176
<i>b Net Cash from Operating Activities before Working Capital Changes</i>	339	7,759	3,227	2,017	1,463
<i>c Changes in Working Capital</i>	(1,331)	(5,452)	(3,487)	1,034	(2,553)
1 Net Cash provided by Operating Activities	(992)	2,307	(260)	3,051	(1,091)
2 Net Cash (Used in) or Available From Investing Activities	(162)	(2,628)	(1,718)	(1,852)	(1,156)
3 Net Cash (Used in) or Available From Financing Activities	1,168	302	1,975	(1,207)	2,299
4 Net Cash generated or (Used) during the period	14	(18)	(4)	(8)	53
<b>D RATIO ANALYSIS</b>					
1 Performance					
<i>a Sales Growth (for the period)</i>	12.0%	58.5%	22.4%	3.4%	22.0%
<i>b Gross Profit Margin</i>	19.6%	23.6%	14.3%	12.6%	13.2%
<i>c Net Profit Margin</i>	8.8%	14.2%	8.3%	5.0%	3.5%
<i>d Cash Conversion Efficiency (FCFO adjusted for Working Capital/Sales)</i>	-4.3%	6.0%	-1.2%	14.0%	-1.7%
<i>e Return on Equity [ Net Profit Margin * Asset Turnover * (Total Assets/Sh</i>	18.1%	29.3%	13.1%	7.2%	4.8%
2 Working Capital Management					
<i>a Gross Working Capital (Average Days)</i>	148	140	158	169	157
<i>b Net Working Capital (Average Days)</i>	122	119	140	156	148
<i>c Current Ratio (Current Assets / Current Liabilities)</i>	3.4	3.3	3.8	3.8	4.3
3 Coverages					
<i>a EBITDA / Finance Cost</i>	4.5	6.0	4.3	1.9	2.3
<i>b FCFO / Finance Cost+CMLTB+Excess STB</i>	1.3	3.1	1.7	1.2	1.1
<i>c Debt Payback (Total Borrowings+Excess STB) / (FCFO-Finance Cost)</i>	4.1	1.0	2.7	6.4	4.6
4 Capital Structure					
<i>a Total Borrowings / (Total Borrowings+Shareholders' Equity)</i>	44.0%	43.1%	47.6%	48.4%	51.5%
<i>b Interest or Markup Payable (Days)</i>	55.1	61.4	86.8	50.3	67.0
<i>c Entity Average Borrowing Rate</i>	8.5%	7.6%	5.0%	8.7%	7.3%

**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>
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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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- (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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