



The Pakistan Credit Rating Agency Limited

## Rating Report

### Allawasaya Spinning Mills (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
26-Apr-2021	BB+	A3	Stable	Maintain	YES
30-Apr-2020	BB+	A3	Stable	Maintain	YES
30-Oct-2019	BB+	A3	Stable	Maintain	-
30-Apr-2019	BB+	A3	Stable	Maintain	-
28-Dec-2018	BB+	A3	Stable	Initial	-

#### Rating Rationale and Key Rating Drivers

The ratings reflect the adequate business profile of Allawasaya Spinning Mills (Pvt.) Limited emanating from a relatively small revenue base, low margins, and profitability. The Company manufactures various types of cotton ring and open-end yarn. Despite challenging textile industry dynamics, Allawasaya spinning managed to maintain its volumes. Company does not have a brand-based clientele and all of its output is sold locally in Faisalabad through sales brokers. During 1HFY21, revenues rebounded after challenging fourth quarter of FY20. Hence, quarterly profitability observed notable improvement where trend is expected to continue. The company's financial risk profile remains good. Following the improvement in cash flows, interest and debt coverages along with consistent low leveraged capital structure. Going forward, the planned CAPEX is expected to bring in efficiency gains and improve margins. The Company's association with an established business family in spinning sector of textile industry provides comfort to the ratings.

The outlook of the Company is 'stable' as the company resumed operations and continued its business fundamentals after resumptions of operations post July20. The Rating Watch signifies the prevailing uncertainty due to the ongoing challenges of COVID-19 pandemic. While the business continues to function, there is need to remain vigilant. Textile industry dynamics are prone to challenges posed by third wave of COVID-19 pandemic. Exports front witnessed dilution in last two months of CY21. Trend of exports orders will determine stability in sector's outlook in the medium term.

The ratings are dependent upon the management's ability to improve margins, profitability and financial profile of the Company. This includes keeping the debt levels manageable and improve the Company's competitive position in the industry. Sponsor's support and business acumen remains important for the ratings.

#### Disclosure

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

## Profile

**Legal Structure** Allawasaya Spinning Mills (Pvt) Limited ('Allawasaya Spinning' or 'The Company') was established in 2004. The Company's production facility is located in Multan.

**Background** The Company is a venture of "Jamil Family", a well-respected family of industrialists in Multan. The Company is engaged in the production of cotton yarn and man-made fibres.

**Operations** The Company operates a single spinning unit with 17,500 spindles. The Company's head office and production facility are located in Multan, on a 38 acres facility that the Company shares with Allawasaya Textile and Finishing Limited.

## Ownership

**Ownership Structure** Mian Muhammad Jamil owns the company (7%) directly and (36%) indirectly through his daughters. Mian Alamgir Jamil, son of Mian Jamil owns (43%) directly and (14%) indirectly through his wife.

**Stability** The Company was set up to engage and transfer over the technical and business skills of the first generation to the second generation of the Jamil family. The Company encompasses the advice and expertise of first-generation and leadership of the new generation. Although, no official succession plan has been announced till date.

**Business Acumen** Besides Allawasaya Spinning, the family has a 34% stake in Allawasaya Textile & Finishing Mills Limited, which is engaged in the production of yarn as well. The sponsors have vast experience and knowledge of various aspects of the textile value-chain.

**Financial Strength** Jamil family has a major stake in Allawasaya Textile & Finishing Mills Limited. Both Allawasaya's collectively own 38 acres of land as their premises, most of which is not being utilized. The Company's management aims to capitalize on this asset by starting a real estate development project in the future.

## Governance

**Board Structure** The board comprises of two people i.e. Mian Muhammad Jamil in the capacity of Chairman and Mian Alamgir Jamil as an executive director.

**Members' Profile** All the board members are highly qualified in different disciplines and carry ample experience in textile as well as other industries. Mian Muhammad Jamil is a textile engineer and carries 45 years of industry experience. Mian Alamgir has been associated with the textile business since 2002 and holds a BBA. Both board members are also on the board of directors of Allawasaya Textile and Finishing Mills Limited.

**Board Effectiveness** Being a private Company, Allawasaya Spinning does not comply with the code of corporate governance and there is no independent director on the board. There is no system to record the board minutes and the overall governance structure needs improvement.

**Financial Transparency** External auditors of the company "PKF F.R.A.N.T.S & Co" are listed under category "B" by SBP. The auditors issued an unqualified opinion on the Company's financial statements for the year ended 30th June 2020. They have performed an interim review on the financial statements for the six months ending December 2020.

## Management

**Organizational Structure** The organizational structure of the Company is divided into three main departments namely, i) Finance, Admin & Marketing, ii) Purchase, and iii) Production. The finance, admin, and marketing department report directly to the CEO while other departments report to the Chairman.

**Management Team** Mian Alamgir, CEO of the Company has completed his BBA (Hons) and has been associated with the textile business since 2002, earning him the excessive experience to run to handle the affairs of the Company. Other members of the management are also experienced and equipped with the knowledge of the Company and industry at large.

**Effectiveness** The Company has no management committees. The sponsor's close involvement in the day to day affairs of the business bodes well with the effectiveness of the Company.

**MIS** The Company has built an in-house ERP to cater to its business needs. The senior management monitors the business performance through certain Key MIS reports.

**Control Environment** Production is completely order driven, there is a rigorous quality check done on the end product by the QC department. The Company has obtained ISO 9001 certification.

## 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 Ruppee 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 knit wear 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** With 17,604 operational Spindles, Allawasaya Spinning Mills' position in Pakistan's Spindle capacity is considered small. The Company plans to carry out a BMR to add 8,000 more Spindles to its existing capacity. However, even after the proposed expansion, the Company's share in the local spinning industry will remain minimal.

**Revenues** The Company does not have a brand-based clientele and sells all of its output locally in Faisalabad through sales brokers. During FY20, the Company's revenue declined by 16% to PKR 1,160mln (FY19: PKR 1,381mln) due to a lockdown in the last quarter of FY20. In 1HFY21, the revenue of the Company stagnant and stood at PKR 698mln (1HFY20: PKR 703mln).

**Margins** During FY20, the Company's cost of goods sold decreased by 16% to PKR 1,098mln (FY19: PKR 1,324mln), mainly driven by hike in raw material and energy cost, which increased by 11% and 18% respectively YoY, while the Company's operating expenses increased by 9% YoY to PKR 12mln (FY19: PKR 11mln). The impact of increase in cost of goods sold and operating expenses was overshadowed by 39% increase in revenue and consequently, gross profit margin improved to 5.3% (FY19: 4.7%) and operating profit margin to 4.3% (FY19: 3.8%). In 1HFY21, the margins of the Company improved; gross margin 7.5% and operating margin 5.9%. Net profit of the Company also improved during 1HFY21 to PKR 26mln (1HFY20: PKR 10mln).

**Sustainability** In line with the improving the business environment, the Company is planning to start a CAPEX, which will add 8,000 Spindles to existing capacity. The total cost of CAPEX is estimated to be PKR 225mln, which will entirely be funded from equity. CAPEX is expected to bring in efficiency gains, lowering cost per spindle and will consequently improve margins.

## Financial Risk

**Working Capital** During FY20, the Company's working capital requirement has deteriorated which is evident from an increase in net working capital days to 23days (FY19: 18days) because of inventory days (FY20: 35days, FY19: 27days). On the other hand, the Company's room to borrow displayed improvement and stood at 12% (FY19: 11%) as its trade assets stood at PKR 225mln and short-term borrowings at PKR 55mln, while the figure for net trade assets was PKR 82mln. During 1HFY21, the Company's working capital requirement remains stagnant and stood at 23days and short-term trade leverage witnessed improved and stood at 69%.

**Coverages** The Company's cash flows from operations – a factor of its decrease in profitability – witnessed a decrease and clocked in at PKR 31mln (FY19: PKR 49mln), consequently, interest coverage ratio, decreased to 2.4x (FY19: 4.0x), and debt coverage ratio that also decreased to 1.2x (FY19: 1.5x). In 1HFY21, the Company's coverages witnessed improvement. The interest coverage ratio increased to 12.5x and the debt coverage ratio also increased to 2.9x.

**Capitalization** During FY20, the Company's leverage improved to 22% (FY19: 27.4%) due to the repayment of long-term debt, which came down to PKR 58mln (FY19: 66mln). Short-term borrowings make up 43% of the total borrowings, increased to PKR 55mln (FY19: 50mln) but overall borrowings of the Company experienced an upward trend and closed at PKR 127mln at the end of FY20 (FY19: 122mln). In 1HFY21, Company's leveraging slightly decreased and clocked at 23%.



The Pakistan Credit Rating Agency Limited

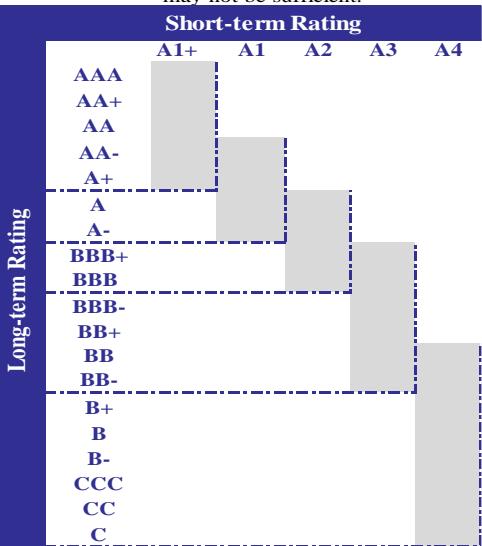
**Financial Summary**  
PKR mln

Allawasaya Spinning Mills (Pvt.) Limited Textile	Dec-20	Jun-20	Jun-19	Jun-18
	6M	12M	12M	12M
<b>A BALANCE SHEET</b>				
1 Non-Current Assets	543	553	570	303
2 Investments	32	32	18	20
3 Related Party Exposure	-	-	-	4
4 Current Assets	216	276	220	178
a Inventories	123	106	115	85
b Trade Receivables	30	86	61	52
<b>5 Total Assets</b>	<b>790</b>	<b>861</b>	<b>808</b>	<b>505</b>
6 Current Liabilities	79	207	186	144
a Trade Payables	44	123	100	79
7 Borrowings	146	127	122	147
8 Related Party Exposure	-	-	101	101
9 Non-Current Liabilities	78	78	76	-
<b>10 Net Assets</b>	<b>487</b>	<b>449</b>	<b>323</b>	<b>113</b>
<b>11 Shareholders' Equity</b>	<b>487</b>	<b>449</b>	<b>323</b>	<b>113</b>
<b>B INCOME STATEMENT</b>				
1 Sales	698	1,160	1,376	992
a Cost of Good Sold	(646)	(1,098)	(1,311)	(958)
<b>2 Gross Profit</b>	<b>53</b>	<b>62</b>	<b>64</b>	<b>34</b>
a Operating Expenses	(11)	(12)	(11)	(9)
<b>3 Operating Profit</b>	<b>41</b>	<b>49</b>	<b>53</b>	<b>25</b>
a Non Operating Income or (Expense)	(2)	0	(1)	(0)
<b>4 Profit or (Loss) before Interest and Tax</b>	<b>40</b>	<b>50</b>	<b>51</b>	<b>25</b>
a Total Finance Cost	(4)	(14)	(13)	(10)
b Taxation	(10)	(19)	(19)	(12)
<b>6 Net Income Or (Loss)</b>	<b>26</b>	<b>17</b>	<b>19</b>	<b>3</b>
<b>C CASH FLOW STATEMENT</b>				
a Free Cash Flows from Operations (FCFO)	42	31	49	28
b Net Cash from Operating Activities before Working Capital Changes	38	11	41	20
c Changes in Working Capital	(61)	17	(12)	(75)
<b>1 Net Cash provided by Operating Activities</b>	<b>(23)</b>	<b>27</b>	<b>28</b>	<b>(54)</b>
<b>2 Net Cash (Used in) or Available From Investing Activities</b>	<b>(10)</b>	<b>(16)</b>	<b>(8)</b>	<b>(20)</b>
<b>3 Net Cash (Used in) or Available From Financing Activities</b>	<b>32</b>	<b>13</b>	<b>(25)</b>	<b>48</b>
<b>4 Net Cash generated or (Used) during the period</b>	<b>(1)</b>	<b>25</b>	<b>(5)</b>	<b>(26)</b>
<b>D RATIO ANALYSIS</b>				
<b>1 Performance</b>				
a Sales Growth (for the period)	20.4%	-15.7%	38.7%	49.2%
b Gross Profit Margin	7.5%	5.3%	4.7%	3.5%
c Net Profit Margin	3.7%	1.5%	1.4%	0.3%
d Cash Conversion Efficiency (FCFO adjusted for Working Capital/Sales)	-2.8%	4.1%	2.7%	-4.7%
e Return on Equity / Net Profit Margin * Asset Turnover * (Total Assets/Shareholders' E	10.0%	4.0%	7.3%	2.8%
<b>2 Working Capital Management</b>				
a Gross Working Capital (Average Days)	45	58	42	37
b Net Working Capital (Average Days)	23	23	18	8
c Current Ratio (Current Assets / Current Liabilities)	2.7	1.3	1.2	1.2
<b>3 Coverages</b>				
a EBITDA / Finance Cost	15.6	5.5	5.1	3.9
b FCFO / Finance Cost+CMLTB+Excess STB	2.9	1.2	1.5	0.6
c Debt Payback (Total Borrowings+Excess STB) / (FCFO-Finance Cost)	1.9	4.0	2.4	5.8
<b>4 Capital Structure</b>				
a Total Borrowings / (Total Borrowings+Shareholders' Equity)	23.1%	22.0%	27.4%	56.4%
b Interest or Markup Payable (Days)	77.8	56.9	267.6	172.5
c Entity Average Borrowing Rate	5.0%	9.9%	8.4%	5.0%

### 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.

Long-term Rating		Short-term Rating	
Scale	Definition	Scale	Definition
<b>AAA</b>	<b>Highest credit quality.</b> Lowest expectation of credit risk. Indicate exceptionally strong capacity for timely payment of financial commitments	<b>A1+</b>	The highest capacity for timely repayment.
<b>AA+</b>		<b>A1</b>	A strong capacity for timely repayment.
<b>AA</b>	<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.	<b>A2</b>	A satisfactory capacity for timely repayment. This may be susceptible to adverse changes in business, economic, or financial conditions.
<b>AA-</b>		<b>A3</b>	An adequate capacity for timely repayment. Such capacity is susceptible to adverse changes in business, economic, or financial conditions.
<b>A+</b>	<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.	<b>A4</b>	The capacity for timely repayment is more susceptible to adverse changes in business, economic, or financial conditions. Liquidity may not be sufficient.
<b>A-</b>			
<b>BBB+</b>	<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.		
<b>BBB</b>			
<b>BB+</b>	<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.		
<b>BB</b>			
<b>BB-</b>			
<b>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>B</b>			
<b>B-</b>			
<b>CCC</b>	<b>Very high credit risk.</b> Substantial credit risk “CCC” Default is a real possibility.		
<b>CC</b>	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.		
<b>C</b>			
<b>D</b>	Obligations are currently in default.		



\*The correlation shown is indicative and, in certain cases, may not hold.

<b>Outlook (Stable, Positive, Negative, Developing)</b> 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’.	<b>Rating Watch</b> 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.	<b>Suspension</b> 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.	<b>Withdrawn</b> 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.	<b>Harmonization</b> 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):

#### Entities

- a) Broker Entity Rating
- b) Corporate Rating
- c) Financial Institution Rating
- d) Holding Company Rating
- e) Independent Power Producer Rating
- f) Microfinance Institution Rating
- g) Non-Banking Finance Companies (NBFCs) Rating

#### Instruments

- a) Basel III Compliant Debt Instrument Rating
- b) Debt Instrument Rating
- c) Sukuk 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.

## **Regulatory and Supplementary Disclosure**

(Credit Rating Companies Regulations,2016)

### **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 principle 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](http://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