The Pakistan Credit Rating Agency Limited

Rating Report

Jadeed Oil Extraction (Private) Limited

Report Contents

Rating History

Dissemination Date	Long Term Rating	Short Term Rating	Outlook	Action	Rating Watch
10-Feb-2023	BBB-	A3	Positive	Maintain	-
11-Feb-2022	BBB-	A3	Positive	Maintain	-
06-Jan-2022	BBB-	A3	Positive	Maintain	-
09-Jan-2021	BBB-	A3	Stable	Initial	-

Rating Rationale and Key Rating Drivers

Pakistan's edible oil industry is heavily reliant on imports since oilseeds and edible oil account for ~80% of the cost of production. Edible oil is among the country’s top five imports. Total oilseed imports for FY23 are forecast to be 3.4MMT, unchanged from the estimated imports for FY22. Similarly, no growth is expected in edible oil imports in FY23, forecast at 3.7MMT. The price of soybean oilseed stood at ~547 USD/MT in Jan-23 followed by an increase of ~8% as compared to Jun-22. The industry is facing issues as imports remain restricted at port over GMO concerns impacting operations of many solvent extraction units from Oct-22. Moreover, reduce imports due to LC restrictions has caused surge in costs of essential raw materials for the sector. This, along with latest interest rate hike, will further stretch the working capital requirements for many solvent extraction units. Currently, the industry players have ceased bulk selling in order to reduce inventory load. However, import substitution is expected to benefit the local refineries. Future outlook look of the industry is developing due to price volatility and PKR depreciation. Industry's margins are expected to post a dip with stretched cashflows.
The rating reflects Jadeed Oil’s association with Jadeed Group, a leading and integrated player in the poultry supply chain. The Group has a significant presence along poultry supply chain as it imports and breeds grandparent poultry (Ross-308) stock. Jadeed Oil supports the Group's vertical integration strategy. The Company's business line includes two main products: meal and semi-refined edible oil. The Company's topline depicts a positive trajectory supported by significant demand from the meal segment i.e. the feed mills; however, the Company falls among second tier players in the edible oil industry. The topline remains dominated by soybean meal, only to its Group Company. While semi-refined edible oil is sold in bulk. Being an importer of soybean oilseed, the Company remains exposed to the inherent risk related to currency fluctuations and raw material cost. The recent uptick in the Company's input costs was prudently managed by passing it on the refinery segment. This along with increased prices kept the business margins on an inclining trend. The Company's financial risk profile is stretched due to high interest rates exerting the coverage ratios. Working capital requirement are expected to further elevate to support the cycle, however, Group's integrated presence in the poultry sector provides comfort to the ratings.

The ratings are dependent on the management's ability to prudently manage the liquidity and debt profile of the Company while improving sales. Envisaged improvement in business and financial profile along with effective changes in governance framework would be good. Any significant and/or prolonged deterioration in revenues and/or coverages will adversely impact the ratings.

Disclosure

Name of Rated Entity	Jadeed Oil Extraction (Private) Limited
Type of Relationship	Solicited
Purpose of the Rating	Entity Rating
Applicable Criteria	Methodology | Corporate Rating(Jun-22),Methodology | Correlation Between Long-term & Short-term Rating Scales(Jun-22),Methodology | Rating Modifiers(Jun-22)
Related Research	Sector Study | Edible Oil(Feb-22)
Rating Analysts	Faiqa Qamar | faiqa.qamar@pacra.com | +92-42-35869504

Profile

Legal Structure Jadeed Oil Extraction (Pvt.) Limited ('Jadeed Oil' or 'the Company') was incorporated in Nov-17 as a Private Limited Company as per the Company Act, 2017.

Background Mr. Javaid, along with his brothers, set up poultry business in 1980's. In 2008, the Group setup its first feed mill with a manufacturing capacity of 60MT/hr. In 2016, another feed mill was setup with a capacity of 120MT/hr. In 2017, the Group setup its edible oil mill, as its backward integration plan. Lately, the Group increased its combined feed manufacturing capacity to 240MT/hr and merged Jadeed Farms and Jadeed GP Farms with and into Jadeed Feeds.

Operations Jadeed Oil is primarily engaged in the process of seed crushing and solvent extraction by mechanical and chemical processes. As of FY22, the Company has a seed crushing capacity of 180,000 MT/ annum and a refining capacity of 36,500 MT/annum. Capacity utilization for seed crushing/solvent extraction posted an increasing trend and stood at ~86% (FY21: ~72%) due to increase in the inventory and increasing demand for soybean meal. Whereas, capacity utilization for refining reduced to ~77% (FY21: ~80%).

Ownership

Ownership Structure Jadeed Oil is owned by Jadeed Feeds (~48%), Mr. Jan M. Javaid (~28%) and equally between his two sons, Mr. M. Sohaib Javaid and Mr. M. Safwan Javaid (~12%).

Stability Ownership of the business is seen as stable as the major ownership vests with Mr. Javaid. Moreover, succession plan has been formally documented.

Business Acumen Jadeed Group has experienced multiple business cycles and have maintained their league since 2005. The Group is among the few players that imports and breeds Grand Parent stock and is among the highest GP chick producers in Pakistan.

Financial Strength The Group has substantial financial strength with a consolidated asset base of PKR ~36bln and an equity base of ~PKR 11bln as of FY22. Group's turnover and PAT stood at ~PKR 70bln and PKR 2bln, respectively, during FY22.

Governance

Board Structure The Company's BoD comprises of three Executive Directors from the sponsoring family. However, independent oversight and diversity is required for a streamlined governance structure.

Members' Profile The BoD members are very well equipped with the relevant business knowledge. Mr. Javaid has ~ 41 years of experience in poultry and allied chain. Mr. Sohaib and Mr. Safwan also have above a decade of experience and are actively managing operations.

Board Effectiveness The BoD is assisted by Board Audit Committee, comprising 5 members. The Committee is headed by Mr. Safwan and meets on quarterly basis. Minutes of the BoD and Committee meetings are adequately maintained.

Financial Transparency External auditors Muniff Ziauddin and Co. Chartered Accountants have expressed an unqualified opinion on the financial statements of the Company for year ended Jun-22. The firm has been QCR rated and is in category A of SBP's panel.

Management

Organizational Structure The Company have three functions: Production, Finance and Sales & Marketing. Whereas, support departments work as shared services for the Group. All functions eventually report to the CEO, who then makes pertinent decisions.

Management Team Jadeed Oil's management comprises experienced professionals. Mr. Javaid, Group's CEO, has significant experience and expertise in the poultry and feeds industry. The Company's CFO Mr. Yasar Ali, an FCA has an overall experience of 14 years.

Effectiveness Management's effectiveness is ensured through the presence of Sales and Management committee setup at Group level. The Committee, comprising 5 members, is headed by an Executive Director, meets on need basis to manage and monitor pertinent business matters in timely manner.

MIS Customized software, installed by Sidat Hyder, is used at group. Standardized reports are generated as per requirement

Control Environment Internal Audit Function has been setup at Group level which ensures operational efficiency and implementation of policies and procedures of the Company.

Business Risk

Industry Dynamics Pakistan's edible oil industry is heavily reliant on imports since oilseeds and edible oil account for ~80% of the cost of production. Edible oil is the country's 2nd largest import after petroleum. Total oilseed imports for FY23 are forecast to be 3.4MMT, unchanged from the estimated imports for FY22. Similarly, no growth is expected in edible oil imports in FY23, which are forecast at 3.7MMT. The price of soybean oilseed stood at ~547 USD/MT in Jan-23 followed by an increase of ~8% as compared to Jun-22. The industry is facing issues as imports remain restricted at port over GMO concerns impacting operations of many solvent extraction units from Oct-22 till mid-Jan-23. Moreover, reduce imports due to LC restrictions have caused surge in costs of essential raw materials for the sector. This, along with latest interest rate hike, will further stretch the working capital requirement of many solvent extraction units. Future outlook look of the industry is developing due to price volatility and PKR depreciation. Industry's margins are expected to post a dip with stretched cashflows.

Relative Position Jadeed Oil has a stable market share of ~2% in terms of revenue, and ~2.1% in terms of production. However, the Group is among the largest poultry players of the Pakistan.

Revenues The Company mainly generates revenue by selling Soybean meal, Semi-Refined Soybean Oil and Soybean Hull. ~54% of the Company's total revenue is generated by selling Soybean Meal to Jadeed Feeds. The Company's topline posted growth of ~29% and reported at ~PKR 17bln during FY22 (FY21: ~PKR 13bln) owing to significant demand for soymeal and increased prices of edible oil. Similarly, in 2QFY23, sales increased to ~PKR 12bln (2QFY22: ~PKR 4bln) posting a two-fold increase due to price increase of edible oil. Going forward, revenues is expected to follow similar trend due to inflationary pressure.

Margins During FY22, the Company's gross margin's increased and stood at ~7.1% (FY21: ~5.8%) as high input (soybean seed) costs was passed in the increased price of semi-refined edible oil and meal. Similarly, the Company's operational margins posted growth (FY22: ~ 6.5%, FY21: ~ 5.1%). Net margins stood at ~3.3% (FY21: ~2.8%) due to the trickle-down effect. During 2QFY23, gross margin declined to ~8.4% (2QFY22: ~9.5%) due to the increased import cost. However, gradual pass of cost is expected to normalize the impact. Operational margin followed a similar trend (2QFY23: ~7.9%, 2QFY23 ~8.8%). Net profit margin also posted a dip (2QFY23: ~3.3%, 2QFY22: ~6.7%).

Sustainability The Group has started a commercial venture for the construction of 35 storage facility. Land has been acquired and partial sale and partial rental business model would be followed. It is expected to be completed by 2024.

Financial Risk

Working Capital Inventory days increased (FY22: 142 days, FY21: 115 days) owing to precautionary buying of inventory during supply chain disruptions. The Company makes sales only on cash or advance payment; thus, has no trade receivables outstanding. The payable days remain minimal at ~2 days (FY21: ~1 day). In 2QFY23 inventory days decreased and improved to 94 days (2QFY2: 258 days) as the Company sold the stock efficiently. Payables decreased to 2 days (2QFY22 3 days). The Company has an adequate room to borrow against trade assets and total current assets.

Coverages Free cash flows decreased (FY22: ~PKR 443mln, FY21: ~PKR 466mln) due to high tax deduction at source. The Company's finance cost increased (FY22: ~PKR 503mln, FY21: ~PKR 273mln) owing to high interest rates. As a result, interest cover deteriorated (FY22: 0.9x, FY21: 1.7x). Similarly, core and total interest cover posted a dip (FY22: 0.9x, FY21: 1.6x). In 2QFY23, free cash flows increased (2QFY23: ~PKR 1,204mln, 2QFY22: ~PKR 545mln) due to high profitability. Finance cost increased (2QFY23: ~PKR 582mln, 2QFY22: ~PKR 87mln) due to high interest rates. Resulting core and total interest reducing at 2.1x from 6.3x.

Capitalization Total debt of the Company stood at ~PKR 6,877mln as of FY22 (FY21: ~PKR 4,405mln) against an equity base of ~PKR 3,185mln (FY21: ~PKR 2,610mln) which is supported by better profits. Thus, the leverage ratio remains adequate (FY22:~68%, FY21: ~62%). In 2QFY23, total debt stood at ~PKR 4,697mln (2QFY22: PKR 4,454) against an equity base of ~PKR 3,592mln (2QFY22: ~PKR 2,908mln). Thus, the total leverage reduced to ~57% (2QFY22: 61%). Going Forward, increasing total borrowing will impact the leverage ratio.

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Financial Summary
PKR mln

Jadeed Oil Extraction (Pvt.) Ltd	Dec-22	Jun-22	Dec-21	Jun-21	Jun-20
Edible Oil	6M	12M	6M	12M	12M
A BALANCE SHEET					
1 Non-Current Assets	733	701	738	808	906
2 Investments	-	-	-	-	-
3 Related Party Exposure	-	-	-	-	-
4 Current Assets	8,652	9,727	8,277	6,599	3,459
a Inventories	*5,072*	*7,791*	*6,138*	*5,574*	*2,807*
b Trade Receivables	-	-	-	*0*	*0*
5 Total Assets	9,386	10,427	9,015	7,407	4,365
6 Current Liabilities	1,096	366	1,652	392	399
a Trade Payables	*87*	*140*	*76*	*60*	*45*
7 Borrowings	4,697	6,877	4,454	4,405	2,735
8 Related Party Exposure	-	-	-	-	-
9 Non-Current Liabilities	-	-	-	-	-
10 Net Assets	3,592	3,185	2,909	2,610	1,231
11 Shareholders' Equity	3,592	3,185	2,908	2,610	1,231
B INCOME STATEMENT					
1 Sales	12,469	17,158	4,142	13,349	8,559
a Cost of Good Sold	*(11,425)*	*(15,934)*	*(3,750)*	*(12,575)*	*(8,029)*
2 Gross Profit	1,044	1,224	392	773	530
a Operating Expenses	(53)	(101)	(26)	(91)	(80)
3 Operating Profit	991	1,123	366	682	449
a Non Operating Income or (Expense)	-	*(43)*	-	*(27)*	*(8)*
4 Profit or (Loss) before Interest and Tax	991	1,080	366	655	441
a Total Finance Cost	*(583)*	*(506)*	*(88)*	*(276)*	*(282)*
b Taxation	-	-	-	-	-
6 Net Income Or (Loss)	408	574	279	379	159
C CASH FLOW STATEMENT					
a Free Cash Flows from Operations (FCFO)	*1,204*	*443*	*545*	*466*	*209*
b Net Cash from Operating Activities before Working Capital Changes	*673*	*17*	*417*	*177*	*(20)*
c Changes in Working Capital	*1,693*	*(2,446)*	*496*	*(2,789)*	*(1,076)*
1 Net Cash provided by Operating Activities	2,365	(2,429)	913	(2,612)	(1,096)
2 Net Cash (Used in) or Available From Investing Activities	(80)	(1)	-	(25)	(432)
3 Net Cash (Used in) or Available From Financing Activities	(2,180)	2,472	(930)	2,670	1,533
4 Net Cash generated or (Used) during the period	106	42	(17)	33	4
D RATIO ANALYSIS					
1 Performance					
a Sales Growth (for the period)	45.3%	28.5%	-37.9%	56.0%	--
b Gross Profit Margin	8.4%	7.1%	9.5%	5.8%	6.2%
c Net Profit Margin	3.3%	3.3%	6.7%	2.8%	1.9%
d Cash Conversion Efficiency (FCFO adjusted for Working Capital/Sales)	23.2%	-11.7%	25.1%	-17.4%	-10.1%
*e Return on Equity [Net Profit Margin * Asset Turnover * (Total Assets/Shc*	24.1%	19.8%	20.2%	19.7%	15.9%
2 Working Capital Management					
a Gross Working Capital (Average Days)	94	142	258	115	98
b Net Working Capital (Average Days)	92	140	255	113	97
c Current Ratio (Current Assets / Current Liabilities)	7.9	26.6	5.0	16.8	8.7
3 Coverages					
a EBITDA / Finance Cost	1.8	2.4	4.2	2.8	1.9
b FCFO / Finance Cost+CMLTB+Excess STB	2.1	0.9	6.2	1.6	0.7
c Debt Payback (Total Borrowings+Excess STB) / (FCFO-Finance Cost)	0.1	-0.1	0.0	0.2	-0.3
4 Capital Structure					
a Total Borrowings / (Total Borrowings+Shareholders' Equity)	56.7%	68.3%	60.5%	62.8%	69.0%
b Interest or Markup Payable (Days)	59.8	100.1	104.8	78.2	94.1
c Entity Average Borrowing Rate	20.7%	9.7%	3.8%	7.4%	13.5%

Credit Rating

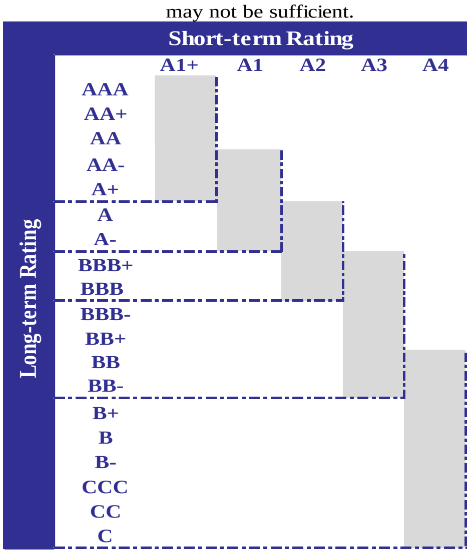
Credit rating reflects forward-looking opinion on credit worthiness of underlying entity or instrument; more specifically it covers relative ability to honor financial obligations. The primary factor being captured on the rating scale is relative likelihood of default.

Long-term Rating

Scale	Definition
AAA	**Highest credit quality.** Lowest expectation of credit risk. Indicate exceptionally strong capacity for timely payment of financial commitments
AA+ AA AA-	**Very high credit quality.** 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.
A+ A A-	**High credit quality.** 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.
BBB+ BBB BBB-	**Good credit quality.** 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.
BB+ BB BB-	**Moderate risk.** 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+ B B-	**High credit risk.** 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.
CCC CC C	**Very high credit risk.** 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.
D	Obligations are currently in default.

Short-term Rating

Scale	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
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 surveill 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

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 | 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