The Pakistan Credit Rating Agency Limited

Rating Report

Ghani Chemical Industries Limited | Sukuk | Feb-17

Report Contents

Rating History

Dissemination Date	Long Term Rating	Short Term Rating	Outlook	Action	Rating Watch
30-Oct-2019	A-	-	Negative	Downgrade	-
30-Apr-2019	A	-	Developing	Maintain	YES
28-Dec-2018	A	-	Stable	Maintain	-
20-Jun-2018	A	-	Stable	Maintain	-
01-Nov-2017	A	-	Stable	Maintain	-
27-Feb-2017	A	-	Stable	Initial	-
20-Jan-2017	A	-	Stable	Preliminary	-

Rating Rationale and Key Rating Drivers

The Ghani Global Group of Companies recently underwent a scheme of arrangement which resulted in the transfer of the manufacturing undertaking, along with all assets and liabilities, of Ghani Global Holdings Limited (formerly “Ghani Gases Limited”) to subsidiary, Ghani Chemical Industries Limited (Ghani Chemicals). The previous ratings correspond to Ghani Gases Limited while the current rating corresponds to Ghani Chemical Industries Limited.
The ratings recognize Ghani Chemicals' prominent position in the industrial and medical gases sector. The industry largely possesses oligopolistic structure, benefiting the players. Recent slowdown in demand for industrial gases from key sectors, in line with the overall economic slowdown, has kept product prices depressed, reflected in a decline in the Company's margins at gross and operating level. Simultaneous increase in working capital needs on account of slow recovery from customers in the health sector led higher short-term borrowing, which increased finance cost substantially, leading the Company to book a net loss for FY19. Resultantly, cashflows and coverages witnessed a downturn, highlighting financial risk despite moderate leveraging. Ghani Chemicals’ third 110TPD plant has been set up and is expected to commence commercial operations in 1HFY20. The Company will be taking on additional debt to make payment for the new plant, due in Dec-19, which may exert further pressure on coverages. Smooth functioning of the new plant and timely generation of incremental cashflows remains critical to the Company’s performance. Given the Group's expansionary stance and stressed financial performance, sponsors have committed to sustained vigilance and support, as extended in the past.

The ratings are dependent on the Company's ability to effectively utilize enhanced capacities. At the same time, management of financial risk, particularly debt coverages, remains important, wherein any further dilution would have negative implications for the ratings. Sustained market share and, in turn, improved margins would support ratings.

Disclosure

Name of Rated Entity	Ghani Chemical Industries Limited | Sukuk | Feb-17
Type of Relationship	Solicited
Purpose of the Rating	Debt Instrument Rating
Applicable Criteria	Methodology | Corporate Ratings(Jun-19),PACRA_Methodology_Debt Instrument_FY19(Jun-19),PACRA_Methodology_Sukuk_FY19(Jun-19),Criteria | Rating Modifier(Jun-19)
Related Research	Sector Study | Industrial Gases(Dec-18)
Rating Analysts	Muhammad Hassan | muhammad.hassan@pacra.com | +92-42-35869504

Profile

Legal Structure Ghani Chemical Industries Limited (Ghani Chemicals) is an unlisted, public limited concern incorporated in 2015.

Background Ghani Chemicals was established as a private limited company in Nov-15, as part of the Ghani Global Group of Companies, for the purpose of setting up a a chemical manufacturing plant in Hattar Economic Zone. However, due to economic and political challenges, the said project was postponed. Up till Jul-19, the Company had not started commercial operations. In Jul-19, as part of the Scheme of Compromises, Arrangement and Reconstruction undertaken by the Ghani Global Group of Companies, the manufacturing undertaking of Ghani Gases Limited, along with all assets and liabilities, was transferred to Ghani Chemicals. The Company is a subsidiary of Ghani Global Holdings Limited (formerly "Ghani Gases Limited").

Operations Ghani Chemicals is engaged in the manufacturing, sale and trading of medical and industrial gases and chemicals including Liquid Nitrogen, Liquid Oxygen, Argon and Calcium Carbide. The Company was previously operating with two production facilities for manufacturing of liquid industrial and medical gases with combined capacity of ~220TPD. A third 110TPD plant was set up in Aug-19, which is yet to begin commercial operations. The total production capacity of the Company now stands at ~330TPD.

Ownership

Ownership Structure The majority stake in Ghani Chemicals (~99%) is held by the Group holding company, Ghani Global Holdings Limited, which is majorly owned by the Ghani Family (~56%).

Stability The recent restructuring undertaken by the Ghani Group has resulted in the transition of Ghani Gases Limited – formerly a manufacturing entity – into the Group holding company, Ghani Global Holdings Limited, of which Ghani Global Glass Limited is also a subsidiary. The restructuring was undertaken with the objective of transitioning to a structure which allows for better oversight, supervision and control of Group companies.

Business Acumen The sponsors have over five decades of entrepreneurial experience in vastly diversified sectors including industrial gases, engineering, mining, glass, real estate, automobiles and food.

Financial Strength The Ghani Group, which includes Ghani Global Holdings Limited, Ghani Global Glass Limited and Ghani Chemical Industries Limited, had total equity of ~PKR 6bln at end-FY19. The Group has adequate financial muscle and has shown willingness and ability to support the Company in the past.

Governance

Board Structure The oversight of the Company lies with a four-member Board of Directors, chaired by Mr. Masroor Ahmad Khan. The remaining Board comprises two members of the sponsoring family including the CEO and one Group employee.

Members' Profile Mr. Masroor Ahmad Khan – Chairman – has been associated with the family business since 1985. With over three decades of experience, he holds managerial and directorial positions in various Group companies. Most Directors have been associated with the Board since the inception of the Company and have extensive experience in diversified sectors.

Board Effectiveness Board meetings of the Company are held quarterly in compliance with the principles of corporate governance for public, unlisted companies. However, minutes remain undocumented. Addition of independent directors to the Board would add quality to its independent oversight function.

Financial Transparency M/s, Rizwan & Co. Chartered Accountants is the external auditor of the Company. The auditor is QCR listed, however, does not appear on the State Bank of Pakistan's panel of auditors. The auditor gave an unqualified opinion on the Company's financial statements for the year ended June 30, 2019.

Management

Organizational Structure The Company's overall operations are segregated into six broad functional divisions with divisional heads reporting directly to the CEO.

Management Team Mr. Hafiz Farooq Ahmad holds the office of CEO. The Company's management team comprises qualified and experienced professionals with a diversified range of skills related to the industrial gases industry and other sectors.

Effectiveness Ghani Chemicals maintains adequate IT infrastructure and related controls with regular presentation of reports to senior management. Management committees are in place to attend to relevant matters with documentation of minutes.

MIS The Company recently deployed Oracle ERP solution which has resulted in quality enhancement of its reporting system.

Control Environment MIS reports are presented on a regular basis to the senior management including inventory, finance and production. Recent implementation of Oracle technology ensures timely availability of information for efficient decision making.

Business Risk

Industry Dynamics Pakistan's overall production capacity for industrial gases currently stands at ~825TPD, with the major capacity lying with Ghani Chemicals and Pakistan Oxygen (formerly Linde Pakistan). While Ghani Chemicals recently undertook expansion with its third plant, Pakistan Oxygen has announced its capacity expansion for FY20. Meanwhile, demand for industrial gases remained sluggish over FY19 as industrial activity was curbed in line with the overall economic slowdown. This trend is expected to continue in the short-term, at least, and may put pressure on the margins of industry players.

Relative Position Pakistan Oxygen currently holds the leading position in industrial gases' industry with a market share of ~45%, whereas Ghani Chemicals follows with share of ~37%. Ghani Chemicals' share may increase once its new plant becomes operational.

Revenues The Company's topline is led by industrial gases, mainly Liquid Oxygen and Liquid Nitrogen, followed by chemicals segment mainly including Calcium Carbide. During FY19, net sales of the Company clocked in at ~PKR 2,301mln, showing modest YoY growth of ~12%, a factor of prices of industrial and medical gases largely remaining depressed over the period, as demand from key sectors including steel and shipbreaking remained sluggish. This was also reflected in a slight decline in volumetric sales of gases. Meanwhile, revenue from chemicals' segment surged YoY driven by increased prices of imported Calcium Carbide due to the currency devaluation.

Margins An increase in the cost of importing Calcium Carbide as well low prices of key products contributed to a substantial YoY decline in the Company's gross margin (FY19: ~25%, FY18: ~31%). A simultaneous increase in power and distribution distribution costs translated into a decline in operating margins to ~7% (FY18: ~14%). Meanwhile, increased need of borrowing to support working capital needs due to slow recovery of receivables resulted in a ~73% surge in the Company's finance cost. This resulted in the Company posting a net loss of ~PKR 65mln (FY18: Profit of ~PKR 157mln) while net margin deteriorated to ~-3%, compared to ~7% in FY18.

Sustainability The Company's third ~110TPD plant is expected to commence commercial operations in 1HFY20. However, given the economic slowdown, the impact of its operations on revenue and gross margins remains uncertain. Further, the plant is being financed through a debt:equity mix of ~65:35; this will result in increased finance cost burden and may put further pressure on the profitability of the Company.

Financial Risk

Working Capital Ghani Chemicals' working capital requirements emanate from its need to finance its inventory of imported Calcium Carbide and offering relaxed credit terms to its customers. While the Company's net cash cycle shortened to 79 days in FY19 (FY18: 84 days), increased cost of importing Calcium Carbide as well as slow recovery of receivables from key customers led to increased reliance on short-term borrowing. This has led to depletion of borrowing cushion at trade assets level.

Coverages Free cash flows dipped ~19% YoY as profitability was eroded. Simultaneous increase in short-term borrowing as well as servicing of Sukuk led the Company's interest coverage to fall to 1.1x (FY18: 2.3x) while core coverage declined to 0.5x (FY18: 0.8x), considered very low. Going forward, timely recovery of receivables, receipt of tied up tax refunds and cash flows from the new plant, in line with debt repayments, is critical to avoid further pressure on coverages.

Capitalization Ghani Chemicals' leveraging rose to ~55% in FY19 (FY18: ~48%) due to an increase in short-term borrowing as well as a sharp increase in long-term borrowing to finance equipment for the new plant. Leveraging is expected to show further increase as the Company makes partial use of borrowing to make the payment for its new plant, due in Dec-19. The Company issued a rated, privately placed and secured Sukuk in FY17 amounting to PKR 1,300mln at a profit rate of 3M-KIBOR plus 100bps. The Sukuk has a maturity of six years with repayment in quarterly instalments. Outstanding amount at end-FY19 stood at ~PKR 813mln.

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Financial Summary
PKR mln

Ghani Chemical Industries Limited Industrial Gases	Jun-19 12M	Jun-18 12M	Jun-17 12M
A BALANCE SHEET			
1 Non-Current Assets	3,411	163	119
2 Investments	-	-	-
3 Related Party Exposure	1	3	-
4 Current Assets	1,754	10	31
a Inventories	*44*	-	-
b Trade Receivables	*607*	-	-
5 Total Assets	5,166	176	150
6 Current Liabilities	311	1	0
a Trade Payables	*107*	*0*	*0*
7 Borrowings	2,276	28	1
8 Related Party Exposure	246	-	-
9 Non-Current Liabilities	336	-	-
10 Net Assets	1,997	148	149
11 Shareholders' Equity	1,997	148	149
B INCOME STATEMENT			
1 Sales	2,301	-	-
a Cost of Good Sold	*(1,722)*	-	-
2 Gross Profit	579	-	-
a Operating Expenses	(401)	(0)	(1)
3 Operating Profit	178	(0)	(1)
a Non Operating Income	*11*	*(0)*	-
4 Profit or (Loss) before Interest and Tax	189	(0)	(1)
a Total Finance Cost	*(213)*	*(1)*	*(0)*
b Taxation	*(41)*	-	-
6 Net Income Or (Loss)	(65)	(1)	(1)
C CASH FLOW STATEMENT			
a Free Cash Flows from Operations (FCFO)	*228*	*(0)*	*(1)*
b Net Cash from Operating Activities before Working Capital Changes	*37*	*(0)*	*(1)*
c Changes in Working Capital	*(78)*	*(7)*	-
1 Net Cash provided by Operating Activities	(41)	(7)	(1)
2 Net Cash (Used in) or Available From Investing Activities	(244)	(43)	-
3 Net Cash (Used in) or Available From Financing Activities	221	26	-
4 Net Cash generated or (Used) during the period	(64)	(24)	(1)
D RATIO ANALYSIS			
1 Performance			
a Sales Growth (for the period)	N/A	N/A	N/A
b Gross Profit Margin	25.1%	N/A	N/A
c Net Profit Margin	-2.8%	N/A	N/A
d Cash Conversion Efficiency (EBITDA/Sales)	13.9%	N/A	N/A
e Return on Equity (ROE)	-6.0%	N/A	N/A
2 Working Capital Management			
a Gross Working Capital (Average Days)	103	N/A	N/A
b Net Working Capital (Average Days)	95	N/A	N/A
c Current Ratio (Total Current Assets/Total Current Liabilities)	5.6	10.5	828.1
3 Coverages			
a EBITDA / Finance Cost	1.5	N/A	N/A
b FCFO / Finance Cost+CMLTB+Excess STB	0.5	N/A	N/A
c Debt Payback (Total Borrowings+Excess STB) / (FCFO-Finance Cost)	83.0	-71.5	-1.2
4 Capital Structure (Total Debt/Total Debt+Equity)			
a Total Borrowings / Total Borrowings+Equity	55.8%	15.8%	0.8%
b Short-Term Borrowings / Total Borrowings	47.1%	0%	0%
c Average Borrowing Rate	9.8%	0.0%	0.0%

Regulatory and Supplementary Disclosure

Sukuk	
Placement	Rated, Secured, Privately Placed Sukuk
Issue size	PKR 1,300mln
Issue date	February 3rd, 2017
Tenor	6 Years from the date of issue
Profit Rate	3Months KIBOR + 1%
Principal Repayment	Twenty-four (24) consecutive quarterly installments
Security	First Pari Passu charge over present and future fixed assets of the company inclusive of a 20% margin to the extent of PKR 1,625mln
Book Value of Security - 30-Jun19	PKR 1,625mln
Trustee	BankIslami Pakistan Limited

Quarterly Installments	Year	Due Date	Days	Principal	Rent/Profit	Total Installment	Outstanding Balance
					------------PKR 000's ------------		
0	2017	Feb-17	-	-	-	-	1,300,000
1	2017	May-17	89	54,167	44,663	98,830	1,245,833
2	2017	Aug-17	92	54,167	44,245	98,412	1,191,667
3	2017	Nov-17	92	54,167	42,321	96,488	1,137,500
4	2018	Feb-18	92	54,167	40,398	94,564	1,083,333
5	2018	May-18	89	54,167	37,219	91,386	1,029,167
6	2018	Aug-18	92	54,167	36,550	90,717	975,000
7	2018	Nov-18	92	54,167	34,627	88,793	920,833
8	2019	Feb-19	92	54,167	32,703	86,870	866,667
9	2019	May-19	89	54,167	29,776	83,942	812,500
10	2019	Aug-19	92	54,167	28,856	83,022	758,333
11	2019	Nov-19	92	54,167	26,932	81,099	704,167
12	2020	Feb-20	92	54,167	25,008	79,175	650,000
13	2020	May-20	90	54,167	22,583	76,749	595,833
14	2020	Aug-20	92	54,167	21,161	75,327	541,667
15	2020	Nov-20	92	54,167	19,237	73,404	487,500
16	2021	Feb-21	92	54,167	17,313	71,480	433,333
17	2021	May-21	89	54,167	14,888	69,054	379,167
18	2021	Aug-21	92	54,167	13,466	67,633	325,000
19	2021	Nov-21	92	54,167	11,542	65,709	270,833
20	2022	Feb-22	92	54,167	9,619	63,785	216,667
21	2022	May-22	89	54,167	7,444	61,611	162,500
22	2022	Aug-22	92	54,167	5,771	59,938	108,333
23	2022	Nov-22	92	54,167	3,847	58,014	54,167
24	2023	Feb-23	92	54,167	1,924	56,090	(0)

Debt Instrument Rating Scale & Definitions

Credit rating reflects forward-looking opinion on credit worthiness of underlying 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 Ratings

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 Ratings

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.
B	The capacity for timely repayment is more susceptible to adverse changes in business, economic, or financial conditions.
C	An inadequate capacity to ensure timely repayment.

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, a) some material identifiable event and/or b) deviation from expected trend. 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 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) cessation of underlying entity, c) the debt instrument is redeemed, d) the rating remains suspended for six months, e) the entity/issuer defaults., or/and f) 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.

Disclaimer: PACRA's ratings are an assessment of the credit standing of entities/issue in Pakistan. They do not take into account the potential transfer / convertibility risk that may exist for foreign currency creditors. PACRA's opinion is not a recommendation to purchase, sell or hold a security, in as much as it does not comment on the security's market price or suitability for a particular investor.

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 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