The Pakistan Credit Rating Agency Limited

Rating Report

Sadiq Oil Extraction (Pvt.) Ltd

Report Contents

Rating History

Dissemination Date	Long Term Rating	Short Term Rating	Outlook	Action	Rating Watch
07-Aug-2020	BBB	A2	Negative	Maintain	YES
10-Aug-2019	BBB	A2	Stable	Maintain	-
20-Mar-2019	BBB	A2	Stable	Maintain	-
18-Sep-2018	BBB	A2	Stable	Maintain	-
22-Mar-2018	BBB	A2	Stable	Initial	-

Rating Rationale and Key Rating Drivers

Pakistan's edible oil industry is heavily reliant on imports since key imported raw materials account for ~80% of the cost of production. Additionally, low domestic oil seed production caused by a distortion in support price mechanism and lower yields have pushed farmers away from oil seed, further increasing dependence on imports. Amidst the COVID-19 outbreak, demand has been impacted due to closure of restaurants and banquet halls. However, being a staple food item, demand from household is not likely to drop. Meanwhile, sale and recovery of soy meal has been affected due to unfavorable circumstances of poultry and feed sector. On the supply side, the key raw materials – oil seed and RBD palm oil – are imported primarily from the USA, Brazil and Malaysia. Industry players have sufficient inventories to fulfill demand. International prices of soybean oil seed have dropped (~5%) slightly. Palm oil prices saw steeper decline (~20%), while the rupee has depreciated around 9% since Jan-20. Sales may remain under pressure due to prolonged closure of banquets and restaurants. However, branded and packaged oil segment is expected to remain competitive. Margins and profitability may reduce for players in soybean oil refining segment. However, players refining crude palm oil and making ghee may benefit from lower prices once existing inventory is diluted. Interest rate cut and SBP initiative steps like restructuring/deferment of loans will provide some respite in the short-time.
The ratings reflect Sadiq Oil's association with an established and integrated poultry group, Sadiq Group. The Group has significant presence along poultry supply chain and Sadiq Oil supports its vertical integration strategy. After venturing branded oil segment (SB Gold), increase in utilization levels of extraction plants resulted in higher production volumes, in turn, sales. Margins decreased, and remain volatile due to international oil seed prices. The Company imports oil seeds (Soybean, Canola and Sunflower), thus is exposed to the inherent risk of currency fluctuations and prices of raw material. Sales of Soy Meal are expected to remain under pressure. Financial risk profile of the Company is characterized by high leveraging – both to fund the increasing working capital needs and expansion activities. Coverages have declined and remain on the lower side. Working capital cycle remains stretched but drives comfort from Groups integrated presence in poultry sector. The Company has availed SBP relief measures through deferment/rescheduling of loans. This, coupled with significant interest rate cut, will provide relief in cashflows.

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

Disclosure

Name of Rated Entity	Sadiq Oil Extraction (Pvt.) Ltd
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 | Edible Oil(Feb-20)
Rating Analysts	Faiqa Qamar | faiqa.qamar@pacra.com | +92-42-35869504

Profile

Legal Structure Sadiq Oil Extraction (Pvt.) Ltd. was incorporated in 2013 as a private limited company.

Background Sadiq Group came into existence as a small scale family business and became formally operational in Apr, 1975. Today, the Group is known as one of the leaders in poultry operating under the brand name of Sadiq.

Operations Sadiq Oil primarily extracts and produces two different products in three variants. These include: Semi-refined Soybean oil and Soya Meal, Semi refined Canola Oil and Canola Meal and Semi-refined Sunflower Oil and Sunflower Meal. Company imports 90-95% seeds from the USA, Brazil and Malaysia. Along with this, they have set up a Physical Refinery, Soap and Ghee plant. The Company successfully completed the trial run for Physical Refinery and started commercial operations from Feb. 15, 2019. Ghee Plant also became commercially operational during April 2019.

Ownership

Ownership Structure Sadiq Oil's major shareholding vests with Dr. Muhammad Sadiq (90.58%), followed by his two sons, Mr. Asif Zubair (3.88%) and Mr. Salman Sadiq (5.54%).

Stability Ownership of the business has changed this year, but the major ownership still vests with Dr. M. Sadiq. Previously, Dr. Muhammad Sadiq held 87.25% shareholding, followed by his two sons, Mr. Asif Zubair (5.25%) and Mr. Salman Sadiq (7.5%).

Business Acumen Sadiq Group has experienced multiple business cycles and have maintained their position since 1975. The Group's broiler farms are among the highest chick producers in Pakistan. Currently, there are seven companies, one AOP and one trust working under Sadiq Group. All are operating in various segments of the poultry chain.

Financial Strength At the end of FY19, Sadiq Group has consolidated equity of PKR 12 billion. Moreover, group is managing an asset base of above PKR 43 billion. Through its diverse set of businesses, it is generating a turnover of almost PKR 50 billion.

Governance

Board Structure Sadiq Oil's Board, comprising three members, is dominated by the sponsoring family. Absence of independent directors on the Company's Board indicates a room for improvement in the governance framework.

Members' Profile All BoD members have relevant expertise. Dr. Muhammad Sadiq, Board's Chairman, holds a DVM degree and has four decades of experience in poultry and integrated businesses. The Company's Directors, Mr. Asif Zubair and Mr. Salman Sadiq, are US graduates and have been associated with the business world for over a decade.

Board Effectiveness There are no sub-committees of the Board. During 3QFY20, the Board met with full/majority attendance to discuss pertinent matters and make strategic decisions.

Financial Transparency Sadiq Oil's external auditors, Muniff Ziauddin and Co Chartered Accountants, have expressed an unqualified opinion on the financial reports for FY19. The firm has been QCR rated by ICAP and are in Category 'A' of SBP panel.

Management

Organizational Structure The Company's sales and production are monitored by GM Production. Whereas, support departments, IT and Human Resource, work as shared services for the Group. All departments eventually report to the Group's CEO.

Management Team Sadiq Oil's management is led by Dr. Muhammad Sadiq, Group's CEO, who has headed several national and international forums and is recognized as a leading authority on poultry sciences and avian welfare. Mr. Naeem Haider, Chief Financial Officer, is associated with the group for 20 years and has an overall experience of 24 years. GM Production, Dr Gulraiz Ahmed, carries 30 years of experience and has been associated with the group for more than 7 years.

Effectiveness Management ensure effectiveness through Technical and Operational committee, established at the Group level. Technical committee comprises 4 members and meet are per requirement. Operational committee comprises representative form each department and meet in weekly basis. Minutes of these meetings are documented informally.

MIS Two financial software, set up by Sidat Hyder, are used at the Group level. However, for internal dissemination, information is documented when required.

Control Environment At Sadiq Oil, internal audit department has been established at group level to ensure controls. The Company's entire extraction and refining facilities is fully automated.

Business Risk

Industry Dynamics Pakistan is a leading consumer of edible oils - a function of its population and eating habits. With ~ 4MMT annual demand, Pakistan is the 4th largest market for edible oil. This is met primarily through imports (~ 86% of total consumption), wherein ~ 80% (of total imports) is in the form of finished product and for the rest, oil seed is imported to be crushed and refined locally. Pakistan's edible oil refinery industry is currently producing ~1.5 MMT of oil and vanaspati ghee, and ~ 3MMT of meal for manufacturing cattle/poultry feed. Amidst the COVID-19 outbreak, sales and margins have come under pressure. However, branded and packaged oil segment is expected to remain competitive. Moreover, industry players are expected to benefit from reduced Soybean oil seed and RBD Palm oil prices once the existing inventories dilute.

Relative Position As per the All Pakistan Solvent Extractions' Association, there are 103 solvent extraction companies out of which only 30 are extracting edible oil. Among these 30 companies, Sadiq Oil Extraction (Pvt.) Limited holds a share of 2%.

Revenues Sadiq Oil generates revenue by selling edible oil in semi-refined and refined form, meal and soap sludge. Semi-refined oil is sold to the brokers on cash basis and directly in bulk quantities to customers. Majority meal produced during the oil extraction process is consumed by Sadiq Feeds (forwardly integrated venture). During 3QFY20, major chunk of revenue (59%) was generated by selling meal to poultry/cattle feed industry; followed by Soybean edible oil sale (19%). Revenue in 3QFY20 grew by 8% to PKR 8.4bln (3QFY19: PKR 7.8bln) on the back of higher prices.

Margins Gross margin remained stable despite an increase in input cost after rupee devaluation in 3QFY20 at 8% (3QFY19: 8%) as higher cost was passed on to the customers. The Company's selling and marketing expenses increased after the launch of SB Gold, causing a dip in operating margins (3QFY20: 6%, 3QFY19: 7%). Increase in borrowing cost on account of high interest rate impacted the net margins (3QFY20: 1%, 3QFY19: 2%). The Company booked net income of PKR 90mln during 3QFY20 (3QFY19: PKR 141mln). Going forward, margins may remain under pressure due to prolonged lockdown situation in the country.

Sustainability The Company aims to optimize utilization of its production capacity along with keeping costs under control. However, prolonged lockdown and unfavorable circumstances of poultry sector may keep sales under pressure.

Financial Risk

Working Capital Sadiq Oil Extraction's inventory days are high as a buffer stock of 3-4 months is maintained to fulfill the supply gap (3QFY20: 128 days, 3QFY19: 137 days). It operates with brokers on cash basis for oil sales while a credit period of 50-60 days is given for meal sales, of which 98% are sold to Sadiq Feeds. The average receivable days have significantly risen to 64 days (3QFY19: 3 days) as feed business faced challenges. Majorly raw materials are procured on advance basis, thus creditor days remain low (7 days). This leads to a net cash cycle of 185 days (3QFY19: 138 days). The Company utilized short-term borrowings to fund its working capital needs.

Coverages Interest coverage decreased to 1.3x during 3QFY20 (3QFY19: 1.8x) due increase in finance cost (3QFY20: PKR 680mln, 3QFY19: PKR 369mln). Core and Total Coverage stood at 1x during 3QFY20 (3QFY19: 1.6x), despite rise in free cashflows (3QFY20: PKR 853mln, 3QFY19: PKR 624mln). Coverages remain low on account of higher quantum of borrowings, signalling financial risk. The Company availed SBP measures of debt deferment/rescheduling. This, along with lower interests, will provide relief in cashflows and improve coverages.

Capitalization The Company is highly leveraged owing to it's expansion and need for credit facilities for working capital requirements (3QFY20: 71%, 3QFY19: 81%). Debt majorly comprises of short term 89% (3QFY19: 97%). The leveraging reduced on YoY basis as Sponsors injected equity of PKR 353mln during 3QFY20.

The Pakistan Credit Rating Agency Limited

PKR mln

Sadiq Oil Extraction Private Limited Food and Allied	Mar-20 9M	Dec-19 6M	Sep-19 3M	Jun-19 12M	Mar-19 9M	Dec-18 6M
A BALANCE SHEET						
1 Non-Current Assets	1,280	1,312	1,326	1,336	1,222	1,211
2 Investments	-	-	-	-	-	-
3 Related Party Exposure	-	-	-	-	-	-
4 Current Assets	6,251	6,605	6,771	6,506	5,396	4,832
a Inventories	*3,882*	*4,066*	*4,907*	*4,003*	*4,407*	*4,015*
b Trade Receivables	*1,907*	*2,077*	*1,398*	*2,048*	*108*	*188*
5 Total Assets	7,531	7,917	8,096	7,842	6,618	6,043
6 Current Liabilities	745	584	854	391	445	840
a Trade Payables	*355*	*225*	*472*	*103*	*79*	*63*
7 Borrowings	4,817	5,499	5,641	6,251	5,007	4,270
8 Related Party Exposure	-	-	28	-	-	-
9 Non-Current Liabilities	7	7	7	7	-	-
10 Net Assets	1,962	1,827	1,567	1,193	1,166	933
11 Shareholders' Equity	1,962	1,827	1,567	1,193	1,166	933
B INCOME STATEMENT						
1 Sales	8,423	5,424	2,797	10,862	7,800	5,854
a Cost of Good Sold	*(7,734)*	*(4,995)*	*(2,585)*	*(10,075)*	*(7,191)*	*(5,442)*
2 Gross Profit	689	429	212	787	609	412
a Operating Expenses	(149)	(96)	(26)	(69)	(36)	(22)
3 Operating Profit	540	333	186	718	574	391
a Non Operating Income or (Expense)	*231*	*213*	*99*	*(6)*	*(3)*	*(7)*
4 Profit or (Loss) before Interest and Tax	770	547	284	712	570	383
a Total Finance Cost	*(680)*	*(483)*	*(249)*	*(577)*	*(369)*	*(214)*
b Taxation	-	-	-	*(121)*	*(61)*	*(26)*
6 Net Income Or (Loss)	90	64	35	14	141	143
C CASH FLOW STATEMENT						
a Free Cash Flows from Operations (FCFO)	*853*	*600*	*315*	*713*	*624*	*351*
b Net Cash from Operating Activities before Working Capital Changes	*232*	*156*	*128*	*258*	*327*	*153*
c Changes in Working Capital	*554*	*62*	*158*	*(3,671)*	*(2,461)*	*(1,341)*
1 Net Cash provided by Operating Activities	786	218	286	(3,413)	(2,133)	(1,188)
2 Net Cash (Used in) or Available From Investing Activities	(43)	(41)	(19)	(331)	(109)	(279)
3 Net Cash (Used in) or Available From Financing Activities	(755)	(182)	(271)	3,744	2,256	1,461
4 Net Cash generated or (Used) during the period	(12)	(4)	(4)	0	14	(7)
D RATIO ANALYSIS						
1 Performance						
a Sales Growth (for the period)	3.4%	-0.1%	3.0%	69.5%	62.3%	82.8%
b Gross Profit Margin	8.2%	7.9%	7.6%	7.2%	7.8%	7.0%
c Net Profit Margin	1.1%	1.2%	1.3%	0.1%	1.8%	2.4%
d Cash Conversion Efficiency (EBITDA/Sales)	10.3%	11.3%	11.4%	7.3%	8.3%	7.8%
e Return on Equity (ROE)	7.6%	8.4%	10.3%	1.5%	20.4%	35.7%
2 Working Capital Management						
a Gross Working Capital (Average Days)	192	205	202	161	140	119
b Net Working Capital (Average Days)	185	200	192	159	138	118
c Current Ratio (Total Current Assets/Total Current Liabilities)	8.4	11.3	7.9	16.6	12.1	5.8
3 Coverages						
a EBITDA / Finance Cost	1.3	1.3	1.3	1.4	1.8	2.3
b FCFO / Finance Cost+CMLTB+Excess STB	1.0	1.2	1.2	1.1	1.6	1.2
c Debt Payback (Total Borrowings+Excess STB) / (FCFO-Finance Cost)	1.8	2.6	0.6	1.1	0.4	0.9
4 Capital Structure (Total Debt/Total Debt+Equity)						
a Total Borrowings / Total Borrowings+Equity	71.1%	75.1%	78.3%	84.0%	81.1%	82.1%
b Interest or Markup Payable (Days)	105.4	86.5	92.2	122.8	107.0	75.4
c Average Borrowing Rate	15.5%	16.4%	16.6%	11.2%	10.8%	10.1%

Credit Rating

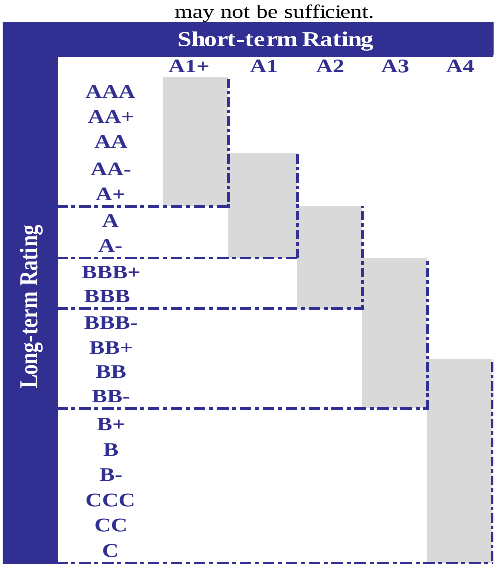
Credit rating reflects forward-looking opinion on credit worthiness of underlying entity or instrument; more specifically it covers relative ability to honor financial obligations. The primary factor being captured on the rating scale is relative likelihood of default.

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):

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

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