The Pakistan Credit Rating Agency Limited

Rating Report

Islamabad Feeds (Pvt.) Limited

Report Contents

Rating History

Dissemination Date	Long Term Rating	Short Term Rating	Outlook	Action	Rating Watch
16-Sep-2021	BBB	A2	Stable	Maintain	-
19-Jan-2021	BBB	A2	Stable	Maintain	-
26-Aug-2020	BBB	A2	Negative	Maintain	Yes
03-Sep-2019	BBB	A2	Stable	Initial	-

Rating Rationale and Key Rating Drivers

Globally, the poultry feed production stood at 1.2bln MT in 2020, up by 1% from 2019. Pakistan's annual poultry feed production is around ~3.5mln MT, with ~150 registered feed mills and ~200 unregistered feed mills catering to it. The industry generates an annual turnover of ~PKR 396bln (Jun-20). At the beginning of the COVID-19 pandemic, the closure of restaurants/marriage halls and export avenues led to a supply glut of poultry products in the local market. However, as business avenues became operational, demand for poultry products improved. Lately, a visible surge was also observed in feed and poultry product prices. This, along with SBP's interest rate cut along with deferment and/or restructuring option provided sufficient respite to the industry players. An uptick in prices and demand dynamics are expected if the hospitality segment remains operational.
The ratings reflect Islamabad Feeds (Pvt.) Ltd.'s ('the Company') established presence in poultry and allied chain including feed, hatcheries, broiler, and layer farms. The second generation has been successfully inducted into the family business. The current sponsors have adequate acumen in the poultry segment. The Company remained exposed to inherent risks in the feed industry emanated from raw material price changes and low demand amidst the Covid-19 pandemic. Lately, the increasing demand and prices of poultry products has eased some pressure off the Company, however, the optimum production and sales levels are anticipated if demand avenues (banquet halls, dine-in restaurants) remain operational and demand uncertainties subside. Although the Company enjoyed stable margins and profitability, sales remained slightly lower leading to lower capacity utilization and off-take. The Company has piled up raw material inventory (maize and soybean meal), procured on cash, to manage the impact of increased cost. As a result, margins and profits are expected to benefit the Company. However, this led to stretched working capital requirement, and receivable days remaining high, which was met through short-term borrowings. The Company has an aggressively leveraged capital structure, while coverages remain stretched.

The ratings are dependent on the management's ability to prudently manage liquidity and working capital requirements. The management's ability to build profitable volumes remains critical for the ratings. Envisioned improvement in business and financial profile along with effective changes in governance framework would be beneficial. Significant deterioration in coverages and/or margins will have negative impact on the ratings.

Disclosure

Name of Rated Entity	Islamabad Feeds (Pvt.) Limited
Type of Relationship	Solicited
Purpose of the Rating	Entity Rating
Applicable Criteria	Methodology | Corporate Rating(Jun-21),Criteria | Correlation Between Long-term & Short-term Rating Scales(Jun-21),Criteria | Rating Modifiers(Jun-21)
Related Research	Sector Study | Poultry Feed(Jan-21)
Rating Analysts	Faiqa Qamar | faiqa.qamar@pacra.com | +92-42-35869504

Profile

Legal Structure Islamabad Feeds (Pvt.) Limited ('Islamabad Feeds' or 'the Company') was incorporated in Aug-2008 as a Private Limited Company.

Background Islamabad Feeds is an established player in the poultry industry, comprising poultry farms and feed mills. The sponsors of the Company started poultry business in 1981 and integrated by setting up poultry feed mill, poultry farms and hatcheries. The Company set up its first feed mill in Rewat in 2008. Second feed mill was setup in Okara in 2017.

Operations Islamabad Feeds is primarily engaged in the production and sale of poultry feed through its two feed mills, located in Rewat and Okara. They have combined installed capacity of 550,000 MT per annum, utilized upto 52%. The Company has also set up its poultry farms for broiler chicken, in Lahore, Multan, Okara, Muree, Hyderabad, Karachi and Attock. The bird placement capacity of these farms is around ~300,000.

Ownership

Ownership Structure The Company is owned by the family of late Dr. Muhammad Aslam. Majority ownership lies with Mr. Aslam's two sons, Mr. Muhammad Ali (43.8%) and Mr. Muhammad Hassan (36.6%). The remaining stake resides among Dr. Aslam's daughters, Ms. Saleha Aslam (7.3%) and Ms. Yumna Aslam (7.3%), and his wife, Mrs. Alia Mehmood (5%).

Stability Ownership transition to next generation is visible, post Dr. Aslam's demise. However, the structure remains stable.

Business Acumen The Company is a venture of Islamabad Group, an established player with substantial presence in Pakistan’s poultry and poultry feed industry. The Group’s flagship entity, Islamabad Feeds, has established itself as a provider of high quality poultry feed. Post Dr. Aslam's demise, the Company's succession has been mainly transferred to his sons. However, the current sponsors have limited acumen.

Financial Strength The Group’s overall financial position and performance are strong and the Group has consolidated asset base of ~ PKR 13bln with an equity base of ~ PKR 3.8bln. The Group generated a turnover of ~ PKR 16bln with a PAT of ~ PKR 58mln in FY20.

Governance

Board Structure The Company's BoD comprises one Executive Director and one Non-Executive Director from the sponsoring family. Lack of independent oversight and diversity indicate room for improvement in the governance structure.

Members’ Profile Mr. Muhammad Ali, eldest son of Dr. Muhammad Aslam has been appointed as the Board's Chairman. He has recently completed his Bachelor's in Business Administration from the National University of Sciences and Technology, Islamabad. He has been associated with the Group for more than a year.

Board Effectiveness There are no sub-committees of the Board. The Board meets informally to discuss pertinent matters. Minutes of these meetings are not adequately maintained.

Financial Transparency There are no sub-committees of the Board. During FY20, the Board met informally to discuss pertinent matters. Minutes of these meetings are not adequately maintained.

Management

Organizational Structure The Company operates through Finance, Accounts, Production, Sales & Marketing, Human Resource, IT and Internal Audit division. All functional heads report to the CEO who makes strategic decisions. Thus, highlighting key man risk of management.

Management Team Islamabad Feeds has an experienced management team. Lately, Mr. Ali has been appointed as the Company's CEO. He has recently completed his graduation from the National University of Sciences and Technology, Islamabad. Dr. Munawwar Ali, GM Production, has an overall experience of above three decades and has been associated with the Group from the past 30 years. Mr. Muhammad Sajjad, CFO, has an overall experience of 25 years and has been associated with the Group for almost 20 years.

Effectiveness At Islamabad Feeds, six management committees are formally in place; namely, audit, finance, sales and recovery, production, broiler and layer farms. These committees meet informally to discuss pertinent matters and minutes are not adequately maintained.

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

Control Environment To ensure operational efficiency, the Company has setup an internal audit function to implement the policies and procedures.

Business Risk

Industry Dynamics Pakistan's annual poultry feed production is around ~3.5mln MT, with ~150 registered feed mills and ~200 unregistered feed mills catering to it. The industry generates an annual turnover of ~PKR 396bln (Jun-20). At the beginning of the COVID-19 pandemic, the closure of restaurants/marriage halls and export avenues led to a supply glut of poultry products in the local market. However, as business avenues became operational, demand for poultry products improved. Lately, a visible surge was also observed in feed and poultry product prices. This, along with SBP's interest rate cut along with deferment and/or restructuring option provided sufficient respite to the industry players.

Relative Position The Company has a market share of ~6.8% in terms of revenue and ~6.8% in terms of production in the poultry feeds sector.

Revenues The Company mainly generates revenue by manufacturing and selling variants of poultry feed (88.5%), broiler meat (3.7%) and eggs (7.8%). Around ~25% of the Company's revenue is generated by selling to associated company, Islamabad Farms. During FY20, the Company generated a topline of PKR 13.6bln (FY19: PKR 14bln) witnessing a decline of 3% due to the uncertainty in demand during 1HFY20 amidst the Covid-19 pandemic. In 3QFY21, the Company's topline stood at PKR 10.5bln (3QFY20: PKR 11.5bln) witnessing a decline of 9% QoQ due to decrease in the prices of poultry products.

Margins The Company's gross margin improved in FY20 to 9.5% (FY19: 7.3%) as it was able to pass on the increased raw material costs. On operational level, the Company witnessed improved operating margin of 7.8% (FY19: 5.7%). On net level, significant jump in finance cost to PKR 966mln (FY19: PKR 546mln) led to decreased net profit of PKR 37.5mln (FY19: PKR 146mln) and net profit margin of 0.3% (FY19: 1.04%). In 3QFY21, the Company’s gross margin dipped and stood at 7.6% (3QFY20: 9.8%) due to lower prices of poultry products and lower turnover compared to the same period prior year. Similarly, operational margin dipped to 6.2% (3QFY20: 8.3%). The Company posted net profit of PKR 89mln (3QFY20: PKR 152mln) and net profit margin dipped to 0.8% (3QFY20: 1.3%).

Sustainability Post Dr. Aslam's demise, the Company's succession has been mainly transferred to his sons. Sustaining operations and generating cash flows is expected to improve as prices of day old chicks, broiler chicken and eggs have risen.

Financial Risk

Working Capital High inventory levels resulted in higher inventory days (FY20:173 days, FY19:144 days). Receivable days increased to (FY20: 79 days, FY19: 59 days). Both higher inventory days and receivable days kept the net working capital days on the higher side (FY20: 184 days, FY19: 148 days). Trade payable days has increased slightly (FY20: 68 days, FY19: 56 days). Limited room exists at net trade level (FY20: 12%, FY19: 9%). During 3QFY21, similar trend was witnessed with inventory days increasing to 172 days (3QFY20: 157 days). However, receivables days and payable days decreased and stood at 63 days and 46 days, respectively (3QFY20: 67 days and 60 days). Moreover, net working capital days increased to 189 days (3QFY20: 164 days). Short-term trade leverage increased to 17% but still remains limited (3QFY20: 12%).

Coverages The free cash flows of the Company stood at PKR 1.1bln in FY20 (FY19: PKR 844mln). The Company finance cost stood at PKR 966mln in FY20 (FY19: PKR 504mln). Interest cover stood at 1.2x in FY20 (FY19: 1.7x). Core and total interest cover stood at 1.2x each in FY20. Moreover, debt payback increased to 1.7 in FY20 (FY19: 0.9). In 3QFY21, free cash flows of the Company stood at PKR 710mln (3QFY20: PKR 1,110mln) and finance costs stood at PKR 476mln (3QFY20: PKR 725mln) due to decrease in interest rates culminating in stable interest cover of 1.5x despite lower free cash flows. Core and total interest cover stood at 1.2x each (3QFY20: 1.5x each). Moreover, debt payback stood at 1.6x (3QFY20: 0.5x).

Capitalization The Company has leveraged capital structure with debt-to-equity ratio at 70.2% in FY20 (FY19: 69%). Short-term borrowings constituted 95.2% of total debt in FY20 (FY19: 95.1%). The Company’s total debt increased to PKR 6.7bn in FY20 (FY19: PKR 6.2bln). In 3QFY21, the Company repaid its short-term borrowings and total debt decreased to PKR 6.4bln (3QFY20: PKR 6.7bln). The debt-to-equity ratio improved slightly and stood at 68.5% in 3QFY21 (3QFY20: 69.5%)

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Financial Summary
PKR mln

Islamabad Feeds (Pvt.) Ltd.	Mar-21	Jun-20	Mar-20	Jun-19	Jun-18
Poultry Feed	9M	12M	9M	12M	12M
A BALANCE SHEET					
1 Non-Current Assets	2,361	2,397	2,351	2,492	1,991
2 Investments	-	-	-	-	-
3 Related Party Exposure	-	-	-	-	-
4 Current Assets	8,427	10,313	10,490	9,501	7,937
a Inventories	*6,310*	*6,821*	*7,124*	*6,100*	*5,402*
b Trade Receivables	*1,717*	*3,089*	*2,841*	*2,792*	*1,933*
5 Total Assets	10,788	12,710	12,841	11,993	9,928
6 Current Liabilities	1,159	2,814	2,739	2,706	2,300
a Trade Payables	*951*	*2,540*	*2,505*	*2,531*	*1,894*
7 Borrowings	6,405	6,762	6,798	6,136	4,912
8 Related Party Exposure	66	66	66	66	9
9 Non-Current Liabilities	176	176	230	230	140
10 Net Assets	2,982	2,893	3,008	2,855	2,567
11 Shareholders' Equity	2,982	2,893	3,008	2,855	2,567
B INCOME STATEMENT					
1 Sales	10,460	13,626	11,508	14,013	11,826
a Cost of Good Sold	*(9,666)*	*(12,322)*	*(10,384)*	*(12,964)*	*(11,069)*
2 Gross Profit	794	1,304	1,124	1,049	756
a Operating Expenses	(144)	(239)	(172)	(229)	(205)
3 Operating Profit	649	1,066	952	820	551
a Non Operating Income or (Expense)	*(4)*	*(11)*	*(4)*	*(44)*	*(11)*
4 Profit or (Loss) before Interest and Tax	645	1,055	948	776	540
a Total Finance Cost	*(477)*	*(966)*	*(733)*	*(546)*	*(375)*
b Taxation	*(79)*	*(51)*	*(63)*	*(84)*	*(81)*
6 Net Income Or (Loss)	89	38	152	146	83
C CASH FLOW STATEMENT					
a Free Cash Flows from Operations (FCFO)	*710*	*1,162*	*1,110*	*780*	*623*
b Net Cash from Operating Activities before Working Capital Changes	*225*	*235*	*437*	*291*	*240*
c Changes in Working Capital	*246*	*(746)*	*(1,100)*	*(1,107)*	*691*
1 Net Cash provided by Operating Activities	471	(511)	(663)	(816)	931
2 Net Cash (Used in) or Available From Investing Activities	(119)	(120)	(85)	(323)	(289)
3 Net Cash (Used in) or Available From Financing Activities	(357)	599	662	1,048	(522)
4 Net Cash generated or (Used) during the period	(4)	(32)	(85)	(92)	120
D RATIO ANALYSIS					
1 Performance					
a Sales Growth (for the period)	2.4%	-2.8%	9.5%	18.5%	-13.8%
b Gross Profit Margin	7.6%	9.6%	9.8%	7.5%	6.4%
c Net Profit Margin	0.8%	0.3%	1.3%	1.0%	0.7%
d Cash Conversion Efficiency (FCFO adjusted for Working Capital/Sales)	9.1%	3.1%	0.1%	-2.3%	11.1%
*e Return on Equity [Net Profit Margin * Asset Turnover * (Total Assets/Sh*	3.6%	1.3%	7.0%	5.6%	3.4%
2 Working Capital Management					
a Gross Working Capital (Average Days)	235	252	224	211	215
b Net Working Capital (Average Days)	189	184	164	154	173
c Current Ratio (Current Assets / Current Liabilities)	7.3	3.7	3.8	3.5	3.5
3 Coverages					
a EBITDA / Finance Cost	1.7	1.3	1.5	1.6	1.8
b FCFO / Finance Cost+CMLTB+Excess STB	1.2	1.2	1.5	1.4	1.6
c Debt Payback (Total Borrowings+Excess STB) / (FCFO-Finance Cost)	1.6	1.7	0.5	1.2	0.3
4 Capital Structure					
a Total Borrowings / (Total Borrowings+Shareholders' Equity)	68.5%	70.2%	69.5%	68.5%	65.7%
b Interest or Markup Payable (Days)	82.0	57.0	64.1	74.3	52.7
c Entity Average Borrowing Rate	9.1%	14.2%	14.3%	9.8%	7.2%

Credit Rating

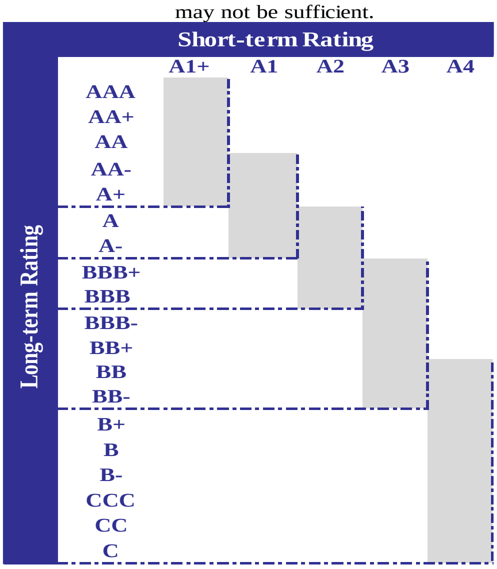
Credit rating reflects forward-looking opinion on credit worthiness of underlying entity or instrument; more specifically it covers relative ability to honor financial obligations. The primary factor being captured on the rating scale is relative likelihood of default.

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