The Pakistan Credit Rating Agency Limited

# Rating Report

## Sui Southern Gas Company Limited

**Report Contents**



**Rating History**

| Dissemination Date | Long Term Rating | Short Term Rating | Outlook | Action | Rating Watch |
|---|---|---|---|---|---|
| 24-Dec-2020 | A+ | A1 | Negative | Maintain | YES |
| 28-Dec-2019 | A+ | A1 | Negative | Maintain | YES |
| 28-Jun-2019 | A+ | A1 | Negative | Maintain | YES |
| 31-Dec-2018 | A+ | A1 | Negative | Maintain | YES |
| 30-Jun-2018 | A+ | A1 | Negative | Maintain | YES |
| 23-Jun-2017 | A+ | A1 | Negative | Maintain | YES |
| 25-Jun-2016 | A+ | A1 | Rating Watch(-ve) | Downgrade | - |
| 26-Jun-2015 | AA- | A1 | Rating Watch(-ve) | Downgrade | - |

**Rating Rationale and Key Rating Drivers**

The ratings reflect significant pressure on the company’s financial profile, emanating from substantially high UFG disallowance and other matters pertaining to operating / non-operating income. The management has cushioned it through various integral steps including the establishment of UFG hub on DMD level; reflecting effectiveness of controls. The developments in the past include the proposal of Economic Coordination Committee (ECC) to OGRA to allow gas utility to stagger the impact of remaining amount of PKR 18bln to five years (from FY16 and onwards), from which only two installments are left which is a relief. Furthermore, the company has filed a petition with OGRA for Final Revenue Requirement (FRR) for FY18-19 and Estimated Revenue Requirement (ERR) for FY19-20 & FY20-21. Timely execution and expected positive financial impact of these is crucial to hold the ratings. Apart from this, timely settlement of pending receivables is also important as the company’s liquidity profile is significantly stretched. The management has represented that resolution of this, is expected. SSGC has not issued its financial statements for FY19 & FY20; quarterly financials are also pending, however the management accounts reflects that some heads of accounts are in evolving position. The management is obligated to issue its quarterly statements and yearly financial statements in due time however; company sought extension on issuing of accounts till Mar & Jun, 2021 for FY19 & FY20 respectively. Given SSGC's exclusive license to operate in its area of franchise (provinces of Sindh and Baluchistan), guaranteed return is increased on its net operating assets in FY19 17.43% (FY18-17%), the business profile is considered adequate.

The company's financial risk profile is manageable owing to no major CAPEX that has been made for the last few years. The ratings take comfort from the fact that the company leveraging has shown a declining trend over the periods; additionally, management is intending to strengthen its equity base. The management received a ‘Support Letter’ from GoP that depicts the company’s resilience in current circumstances.
The negative outlook captures the diluted financial profile, aimed at reduced equity base and erosion of profitability. Also, the delay in the publishing of financial statements is a consideration for rating watch.

**Disclosure**

| | |
|---|---|
| **Name of Rated Entity** | Sui Southern Gas Company Limited |
| **Type of Relationship** | Solicited |
| **Purpose of the Rating** | Entity Rating |
| **Applicable Criteria** | Methodology \| Corporate Ratings(Jun-20),Methodology \| Correlation Between Long-Term And Short-Term Rating Scale(Jun-20),Criteria \| Rating Modifier(Jun-20) |
| **Related Research** | Sector Study \| Distribution \| Gas(Jun-20) |
| **Rating Analysts** | Anam Waqas Ghayour \| anam.waqas@pacra.com \| +92-42-35869504 |

## Profile

**Legal Structure** Sui Southern Gas Company Limited (SSGC) was formed in 1989 as a result of merger of three pioneering companies, namely Sui Gas Transmission Company Limited, Karachi Gas Company Limited, and Indus Gas Company Limited. SSGC is listed on Pakistan Stock Exchange (PSX).

**Background** SSGC is primarily engaged in the business of purchase, transmission, and distribution of natural gas in its franchise area, comprising the Sindh and Balochistan provinces, where it enjoys a monopoly position.

**Operations** The company operates with transmission and distribution network of 49,276km, SSGC serves ~2.8mln customers across Sindh and Balochistan. Owns and operates gas meter manufacturing plant; annual capacity of 356,000 meters on single shift basis.

## Ownership

**Ownership Structure** The company is majority (~53%) owned by Government of Pakistan (GoP) excluding 12% through public sector companies and corporations.

**Stability** The ownership structure is likely to remain same in foreseeable future.

**Business Acumen** The business acumen is considered adequate.

**Financial Strength** Given the strategic importance of the company as an extended arm of the government for its socioeconomic policy implementation, support from the GoP is expected to be forthcoming in times of crisis.

## Governance

**Board Structure** The overall control of the company vests with eleven-member board. The board comprises Chairperson and ten non-executive directors including six independent members. Board members possess good mix of skill set; risk of political intervention remains.

**Members' Profile** Dr. Shamshad Akhter (nominee of Govt. of Pakistan) has joined the company as Chairman of the board since Apr-19; wherein Lt. General Javed Zia was previous Chairperson and held the position during FY18. He has been associated with State Bank of Pakistan; designated as Governor.

**Board Effectiveness** The board has constituted six committees, namely (i) Human Resource and Remuneration, (ii) Audit, (iii) Finance and Procurement, (iv) Unaccounted for Gas (UFG) Committee (v) Risk Management, Litigation & HSEQA and (vi) Nomination Committee. Audit Committee reports to board in line with code of corporate governance.

**Financial Transparency** M/s, Deloitte Yousuf Adil, Chartered Accountants are the external auditor of the company. The auditor gave qualified opinion on the company's financial statements for the year ended June 30, 2018. Meanwhile, the auditor has also placed a matter of emphasis paragraph in its report highlighting that the majority of receivables from absorption of staggered losses till FY21, aggressive favorable treatment of litigations & other matters mentioned in Contingencies and Commitments, discontinuation of LPS expenses payable to Govt. controlled E&P companies.

## Management

**Organizational Structure** Tall organization structure; adequately long associated and experienced management team. Operational infrastructure requires regular capital expenditure.

**Management Team** Mr. Amin Rajput has been promoted to the position of MD (acting charge) since 2017 and his position retained since Jan-20.

**Effectiveness** The board has constituted four committees, namely (i) Human Resource and Remuneration, (ii) Audit, (iii) Finance and Procurement, and (iv) Unaccounted for Gas (UFG) Committee. Each committee is headed by a board member and consists of other non-executive board members.

**MIS** Deploys oracle based ERP; comprehensive MIS reporting mechanism.

**Control Environment** Various MIS reports are generated for the senior management on a daily basis. These include reports pertaining to gas supply & demand, pending connections, field activities, metering, customer billing, etc. However, UFG reports are submitted to the management and board on quarterly basis.

## Business Risk

**Industry Dynamics** Currently, there are two gas distribution companies – SNGPL and SSGC – operating in Pakistan. The companies have a combined network of 152,559km and serve ~7.8mln customers. Each distribution company is a sole supplier of gas in the jurisdiction it serves – that is, it enjoys monopoly over gas distribution. Since this sector is a supply deficit, the companies are not exposed to demand risk. The tariff is determined by OGRA on annual basis. While determining tariff, ORGA i) allows guaranteed return, and ii) covers cost of operations. Gas utilities operate in a highly regulated environment, which limits their ability to take benefit from its position of being the sole supplier.

**Relative Position** SSGC is currently catering to the gas requirements of About 384,979 million cubic feet (MMCF) gas was sold in FY 2015-2016 to around 2.8mln industrial, commercial and domestic consumers in these regions through a distribution network of over 44,761 Km.

**Revenues** The company enjoyed legal stay on UFG benchmark of 7% versus OGRA allowed 4.5% till UFG Sindh High Court decision 2016 applicable to the next three years. Post Sindh High Court decision at 4.50%, company had booked losses upon which Economic Coordination Committee (ECC) proposed to stagger the recording of losses over a period of five financial years effective from FY16-17 and onwards - the decision came in the favor of SSGC. Furthermore, Economic Coordination Committee (ECC) proposes OGRA to finalize/adjust the provisional UFG benchmarks set in line with the recommendations of benchmark rate in UFG study (fixed benchmark of 5% UFG plus 2.6% for local conditions); wherein SSGC claimed 5% fixed and 2.1% out of total allowed 2.5%(variable component). In Mar-20, PM Office released directives, UFG benchmark should not exceed 4%- the decision could not be implemented due to technical incomptencies. During FY18, the turnover witnessed an increase of PKR 20.7bln since FY17 and was recorded at PKR 177.4bln.

**Margins** SSGC's average operating assets registered growth of ~23% during FY18, leading to minimal improvement in guaranteed returns. Increase in UFG volume translated into higher UFG disallowance (FY18: PKR 45bln; FY17: PKR 38bln, FY16: PKR 43bln). During FY18, other operating and non-operating income of PKR 13.39bln (FY17: PKR 12.83bln) and PKR 0.609bln (FY16: PKR 0.613bln) supported the bottom-line to turn green. Finance cost augmented by ~200% on account of high key policy rates which led to almost doubled the amount of finance cost on bank borrowings. Hence, the company reported losses of PKR 14.8bln (FY17: profit PKR 1.3bln).

**Sustainability** Going forward, the finalization of financial statements for year ending June, 2020 and quarterly financial statements is of vital importance. Furthermore, asset-liability mismatch, UFG losses and weakened liquidity position are the factors which need urgent attention. The management accounts reflect sustained profile, wherein some heads of accounts are in evolving position.

## Financial Risk

**Working Capital** In recent years circular debt issue keeps on impacting the liquidity position of the company. Hence, the company has delayed its payments which impacted the payable days. The company's receivables days and payables days stand at 397days (end-Jun17: 350days) and 477days (end-Jun17: 449days) respectively. Short term borrowings witnessed an increase to stand at PKR 9.7bln (end-Jun17: PKR 2.9bln) on account of stretched working capital cycle of the company. Asset liability mismatch exists and short term trade leverage stood at -21.8% (end-Jun18: -23.8%).

**Coverages** During last few years, increase in the company's losses kept it cash deficit. Resultantly, coverages of the company remained negative. The company is currently relying on short term borrowings to meet the obligations which has created asset liability mismatch (end-Jun 18: PKR 21bln; end-Jun17: PKR 19bln, end-Jun16: PKR 33bln). However, during FY18, the company's free cash flows from operations turned positive. Hence, interest and debt coverage stood at 0.7x and 0.1x respectively. Going forward, consistent profitability remain vital for the company's going concern status.

**Capitalization** Since last few years, the company has high leveraged capital structure. During FY18, debt to debt plus equity ratio stood at 77% (end-Jun17: 70%, end-Jun16: 61%) on account of surge in short term debt levels to finance working capital requirements. The equity base (end-Jun18: PKR 17bln, end-Jun17: PKR 14bln, end-Jun16: PKR 19bln) of the company has witnessed drag on unappropriated profits due to the consistent losses in recent years. Going forward, the timely repayment of debt remains important for the company.

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*Financial Summary*
*PKR mln*

| Sui Southern Gas Company Ltd. | Jun-18 | Jun-17 | Jun-16 |
|---|---|---|---|
| Distribution Gas | 12M | 12M | 12M |
| **A BALANCE SHEET** | | | |
| 1 Non-Current Assets | 120,770 | 117,729 | 99,575 |
| 2 Investments | 1,623 | 1,865 | 1,606 |
| 3 Related Party Exposure | - | - | - |
| 4 Current Assets | 263,693 | 196,446 | 177,895 |
| *a Inventories* | *1,305* | *1,305* | *986* |
| *b Trade Receivables* | *226,001* | *159,464* | *141,393* |
| **5 Total Assets** | 386,087 | 316,041 | 279,076 |
| 6 Current Liabilities | 285,388 | 213,603 | 206,611 |
| *a Trade Payables* | *267,253* | *196,236* | *189,610* |
| 7 Borrowings | 66,055 | 58,736 | 33,189 |
| 8 Related Party Exposure | - | - | - |
| 9 Non-Current Liabilities | 31,237 | 27,619 | 25,129 |
| **10 Net Assets** | 3,406 | 16,083 | 14,146 |
| **11 Shareholders' Equity** | 3,406 | 16,083 | 14,146 |
| **B INCOME STATEMENT** | | | |
| **1 Sales** | 177,404 | 156,673 | 138,616 |
| *a Cost of Good Sold* | *(187,181)* | *(157,511)* | *(163,440)* |
| **2 Gross Profit** | (9,777) | (838) | (24,824) |
| *a Operating Expenses* | (4,475) | (7,225) | (3,841) |
| **3 Operating Profit** | (14,252) | (8,063) | (28,665) |
| *a Non Operating Income or (Expense)* | *8,866* | *13,071* | *22,494* |
| **4 Profit or (Loss) before Interest and Tax** | (5,386) | 5,008 | (6,171) |
| *a Total Finance Cost* | *(5,064)* | *(1,692)* | *(2,618)* |
| *b Taxation* | *(4,022)* | *(1,980)* | *1,725* |
| **6 Net Income Or (Loss)** | (14,472) | 1,336 | (7,065) |
| **C CASH FLOW STATEMENT** | | | |
| *a Free Cash Flows from Operations (FCFO)* | *3,217* | *13,600* | *(19,167)* |
| *b Net Cash from Operating Activities before Working Capital Changes* | *(1,362)* | *12,343* | *(20,448)* |
| *c Changes in Working Capital* | *4,635* | *(14,815)* | *41,660* |
| **1 Net Cash provided by Operating Activities** | 3,274 | (2,472) | 21,213 |
| **2 Net Cash (Used in) or Available From Investing Activities** | (11,079) | (23,132) | (27,548) |
| **3 Net Cash (Used in) or Available From Financing Activities** | 460 | 27,506 | 1,485 |
| **4 Net Cash generated or (Used) during the period** | (7,346) | 1,902 | (4,851) |
| **D RATIO ANALYSIS** | | | |
| **1 Performance** | | | |
| *a Sales Growth (for the period)* | 13.2% | 13.0% | 0.0% |
| *b Gross Profit Margin* | -5.5% | -0.5% | -17.9% |
| *c Net Profit Margin* | -8.2% | 0.9% | -5.1% |
| *d Cash Conversion Efficiency (FCFO adjusted for Working Capital/Sales)* | 4.4% | -0.8% | 16.2% |
| *e Return on Equity [ Net Profit Margin * Asset Turnover * (Total Assets/Sh* | -467.3% | 8.8% | -49.9% |
| **2 Working Capital Management** | | | |
| *a Gross Working Capital (Average Days)* | 399 | 354 | 374 |
| *b Net Working Capital (Average Days)* | -78 | -96 | -125 |
| *c Current Ratio (Current Assets / Current Liabilities)* | 0.9 | 0.9 | 0.9 |
| **3 Coverages** | | | |
| *a EBITDA / Finance Cost* | 1.0 | 4.4 | -5.5 |
| *b FCFO / Finance Cost+CMLTB+Excess STB* | 0.1 | 0.5 | -0.5 |
| *c Debt Payback (Total Borrowings+Excess STB) / (FCFO-Finance Cost)* | -44.6 | 6.9 | -2.7 |
| **4 Capital Structure** | | | |
| *a Total Borrowings / (Total Borrowings+Shareholders' Equity)* | 95.1% | 78.5% | 70.1% |
| *b Interest or Markup Payable (Days)* | 0.0 | 0.0 | 0.0 |
| *c Entity Average Borrowing Rate* | 8.3% | 6.4% | 9.3% |

## Credit Rating

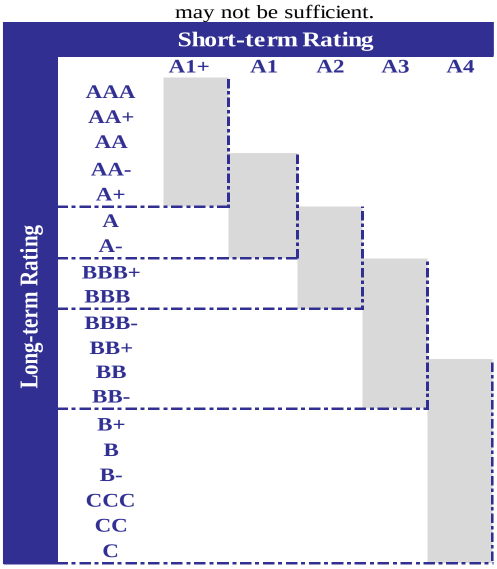
Credit rating reflects forward-looking opinion on credit worthiness of underlying entity or instrument; more specifically it covers relative ability to honor financial obligations. The primary factor being captured on the rating scale is relative likelihood of default.

### 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+<br>AA<br>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+<br>A<br>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+<br>BBB<br>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+<br>BB<br>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+<br>B<br>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<br>CC<br>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

**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)
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