The Pakistan Credit Rating Agency Limited

Rating Report

Shujabad Agro Industries (Pvt.) Limited

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Rating History

Dissemination Date	Long Term Rating	Short Term Rating	Outlook	Action	Rating Watch
07-Feb-2024	A-	A2	Stable	Maintain	-
10-Feb-2023	A-	A2	Stable	Maintain	-
11-Feb-2022	A-	A2	Stable	Maintain	-
04-Mar-2021	A-	A2	Stable	Upgrade	-
07-Aug-2020	BBB+	A2	Positive	Maintain	-
09-Aug-2019	BBB+	A2	Stable	Maintain	-
08-Feb-2019	BBB+	A2	Stable	Initial	-

Rating Rationale and Key Rating Drivers

Pakistan's edible oil industry is heavily reliant on imports since oilseeds and edible oil account for ~80% of the cost of production. Edible oil is one of the highest imported commodities in Pakistan. The Genetically Engineered (GE) import ban is removed by third quarter FY23, total oilseed imports are forecasted to reach 2.6 million tons in FY24, which would be 71% higher than the estimated use for FY23. The price of Soybean oilseed stood at 750 USD/MT in Jun-23, whereas the price of Palm Oil stood at 800 USD/MT in Jun-23, forecasted to ease further. Due to the rise in input costs, especially raw material cost, many companies have experienced a reduction in their profit margins and faced working capital shortages. Total oilseed production in FY24 is projected to increase to 2.95mln Tons. Higher selling prices have increased revenues substantially for the refineries; despite the rise in input costs could not be fully covered and gross profit margins have also been reduced Future outlook of the industry is developing due to price volatility and PKR depreciation.
The ratings reflect Shujabad Agro Industries (Pvt.) Limited's established brand equity for its premium (Eva Oil) and middle tier (Maan Ghee) brands. The Company's revenue witnessed a slight dip (FY23: PKR 42bln FY22: PKR 43bln) resulting from low volume supply of soybean seed. The Company being an importer of edible oilseed remains exposed to inherent industry risks, like currency fluctuations and raw material costs. In FY23, increased raw material and finance costs led to a significant margin squeeze, reducing profitability to 1.9% from 3.5% in FY22. The company faces challenges in sustaining previous levels of profitability due to these elevated expenses. Moreover, stable demand for meal remains beneficial. Shujabad follows a cautious approach for its procurement and avoids inventory pile-up. However, recently, the company experienced a slight increase in inventory days (FY23: 69 days FY22: 62 days) due to demand constraints. The Company has a leveraged capital structure of ~52.7%. Coverages are stretched in to high interest rate scenario, whereas, the overall quantum of borrowings decreased. The Company's working capital cycle is supported by considerable borrowing cushion at the trade level.

The ratings are dependent on the management's ability to maintain its growing business volumes, while sustaining margins and profitability. Prudent management of working capital and maintaining strong coverages is critical

Disclosure

Name of Rated Entity	Shujabad Agro Industries (Pvt.) Limited
Type of Relationship	Solicited
Purpose of the Rating	Entity Rating
Applicable Criteria	Methodology | Corporate Rating(Jul-23),Methodology | Correlation Between Long-term & Short-term Rating Scales(Jul-23),Methodology | Rating Modifiers(Apr-23)
Related Research	Sector Study | Edible Oil(Feb-23)
Rating Analysts	Muhammad Zain Ayaz | zain.ayaz@pacra.com | +92-42-35869504

Profile

Legal Structure Shujabad Agro Industries (Pvt.) Limited ('Shujabad Agro' or 'the Company') is incorporated as a private limited company in Pakistan, since Feb 2000.

Background The Sponsors of the Company had been supplying variants of semi-refined edible oils to local refiners since 1990. In 2000, Mian Shakil Ashfaq and his friend, Mian Abdul Wahid co-founded Shujabad Agro Industries (Pvt.) Limited. Initially, the Company was extracting and supplying edible oil to B2B consumers only. Later, it entered the branded edible oil segment. The Company is competing in premium edible oil segment with 'Eva' and middle tier edible oil segment with 'Maan'.

Operations Shujabad Agro is primarily engaged in edible oilseed crushing/solvent extraction, refining, oil and ghee manufacturing and its packaging. The Company manufactures two different products (refined edible oil and meal) in four variants (cottonseed, sunflower, soybean and canola). The combined seed crushing capacity of the Company's three solvent extraction units is 225,000 MT per annum, with utilization of ~95%. The Company recently enhanced its edible oil refining capacity by 35,000 MT, making total installed capacity of 135,000 MT per annum. Whereas, Shujabad Agro's ghee manufacturing plant has an installed capacity of 30,000 MT per annum. The Company's registered office is located in P.E.C.H.S, Karachi. While, the manufacturing facility is situated at Port Qasim, Karachi.

Ownership

Ownership Structure Shujabad Agro is majorly (~60%) owned by the family members of Mr. Shakil Ashfaq, out of which Mrs. Ambreen Shakil holds ~45% of the shares. The remaining ~40% of the shareholding resides with Ms. Bushra Asad.

Stability Major ownership resides with Mr. Shakil's family. The Sponsors have also formally executed a shareholding agreement providing clarity on succession

Business Acumen The Sponsors through their vast experience have become reliable partner for the consumer, hotel and retail industry, by making the Company to consistently comply with the standards of high quality. The Company has successfully established its brand's position

Financial Strength Shujabad Agro is a stable business entity. The Sponsors have substantial financial strength to support the Company, if needed.

Governance

Board Structure Shujabad Agro 's Board comprises one Non-Executive Director and one Executive Director. Lack of independent oversight indicates room for improvement in the governance framework.

Members' Profile The Board's Chairman, Mr. Shakil Ashfaq has been associated with the Company since inception and is a veteran of the industry. He was the Chairman of All Pakistan Solvent Extractors' Association (APSEA). He has served as the President of Bin Qasim Association of Trade and Industry (BQATI) and was a member of Executive Committee of Pakistan Vanaspati Manufacturers' Association (PVMA)

Board Effectiveness During FY23, the Board met informally to discuss pertinent matters and make strategic decisions, with majority attendance. Minutes of these meetings are not formally documented.

Financial Transparency Shujabad Agro external auditors, M/s Haroon Zakaria & Co. Chartered Accountants, have expressed an unqualified opinion on the financial statements of the Company for the year ended FY23. The firm has been QCR rated by ICAP and are in auditors panel 'B' of SBP

Management

Organizational Structure Shujabad Agro has structured and organized its organogram as per its operational needs. The Company operates through four divisions: Production, Finance, Marketing and Sales. All Divisional Heads report to the Company's CEO, who then makes pertinent decisions.

Management Team Shujabad Agro has experienced and professional management, with long association with the Company. The Company's CEO, Mr. Shakil Ashfaq laid the foundation of the Company. He was the Chairman of All Pakistan Solvent Extractors' Association (APSEA).

Effectiveness An Executive Committees is formally in place and meets as per requirement to discuss pertinent matters of the Company. Minutes of these meetings are documented as per requirement.

MIS To observe and evaluate the business activity, a customized software is installed to generates production sheets. These sheets are reviewed by the respective departmental heads before presenting to the CEO. However, monthly reports are also generated as per requirement.

Control Environment To ensure operational efficiency, the Company has setup an internal audit function, which implements and monitors the policies and procedures of the Company. Head of Internal Audit reports to the Company's CEO.

Business Risk

Industry Dynamics Pakistan's edible oil industry is heavily reliant on imports since oil seed than the edisubstantially forfor~80% the of the cost of production. Edible oil is one of the highest imported commodities in Pakistan. Assuming the Genetically Engineered (GE) import ban is removed by third quarter FY23, total oilseed imports are forecasted to reach 2.6 million tons in FY24, which would be 71% higher than the estimated use for FY23. The price of Soybean oilseed stood at 1200 USD/MT in Jun-23,whereas the price of Palm Oil stood at 800 USD/MT in Jun-23, forecasted to ease further. Due tothe rise in input costs, especially raw material cost, many companies have experienced a reduction in their profit margins and faced working capital shortages. Total oilseed production in FY24 is projected to increase to 2.95 mln Tons. Higher selling prices have increased revenues substantially for the refineries; despite the rise in input costs could not be fully covered and gross profit margins have also been reduced Future outlook look of the industry is developing due to price volatility and PKR depreciation.

Relative Position Shujabad Agro holds a share of ~2% according to total consumption. The Company also holds a sizable share in the branded edible oil segment

Revenues The Shujabad Agro generates 2% revenue by selling meal and fatty acid palm in export markets. The remaining revenue is generated by selling refined and branded edible oil (36%), banaspati ghee (15%), Eva and Maan, Meal (17%) and others. During FY23, Shujabad's top line clocked in at PKR 42bln (FY22: PKR 43bln). This decrease was backed by a volumetric decline and less market demand

Margins Gross margins of the Company slightly declined (FY23 ~10.3%. FY22: 11%) due to an increase in the input cost resulting from a shortfall in market demand for seeds. High input costs mainly relate to raw materials (i.e. soybean oilseed and RBD Palm oil) imported from Brazil, the USA, Indonesia, and Malaysia. The Company's operating expenses were reduced (FY22: PKR 1.2bln, FY22: PKR 1.6bln). Resultantly, the operating margins remained stable (FY23: 7.3%, FY22: 7.2%).A visible increase in the Company's finance cost (FY23: PKR 869mln FY22: PKR 1143mln) led to reduced net margins for the Company (FY23: 1.9%, FY22: 3.5%). Net income also posted a decrease during the period (FY23: PKR 793mln, FY22: PKR 1.5bln).

Sustainability Going forward, growth in demand is anticipated in edible oil industry. The management is eyeing on expanding its crushing operations to incorporate BMR capability in order to utilize other seeds that are locally available in the market.

Financial Risk

Working Capital Shujabad Agro working capital management is supported through short-term running finance facility obtained from a consortium of banks. At Shujabad Agro, working capital is dominated by high inventory days (FY23: 69 days, FY22: 62 days). Operating with meal customers on credit with a period of 50 - 60 days, led to average debtor days of 60 days in FY23 (FY22: 66 days). Most of the raw materials i.e., oilseed is purchased on Sight LC, payable within one to two weeks (FY23: 11 days, FY22: 7 days). This led the Company's net cash cycle at 118 days in FY23 (FY22: 121 days).

Coverages Interest cover (FY23: 1.8x, FY22: 3.0x) is a function of increase in the Company's gross interest (FY23: PKR 1,143mln, FY22: PKR 869mln) and increased finance cost. The Company's free cash flows posted a decline to PKR 2,072mln (FY22: PKR 2,566mln) due to dip in the profits. However the total coverage ratio as fell sharply (FY23: 1.7x, FY22: 2.8x).

Capitalization Shujabad Agro has a highly leveraged capital structure with debt-to-equity ratio of ~57% in FY23 (FY22: ~60%). The Company's total debt decreased to PKR 6.8bln in FY23 (FY22: PKR 8.1bln), to procure/import raw materials (oilseed) in bulk after rupee depreciation. Total debt mainly consists of short-term finance facilities availed from various banks.

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Financial Summary
PKR mln

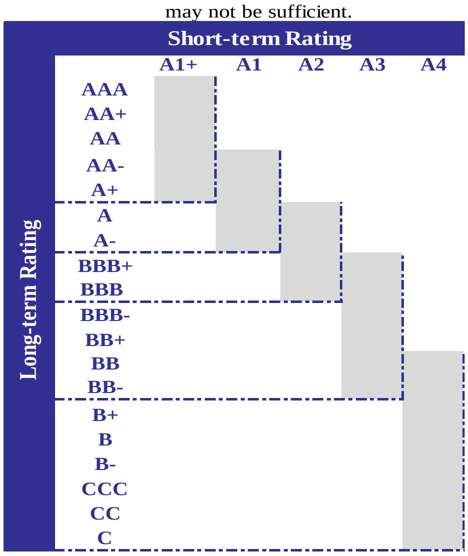
Shujabad Agro Industries Pvt. Limited Edible Oil	Jun-23 12M	Mar-23 9M	Dec-22 6M	Sep-22 3M	Jun-22 12M	Jun-21 12M
A BALANCE SHEET						
1 Non-Current Assets	2,398	2,237	2,101	1,952	1,916	1,195
2 Investments	-	-	-	-	-	-
3 Related Party Exposure	-	-	-	-	-	-
4 Current Assets	15,384	16,711	17,138	13,732	18,178	14,979
a Inventories	*7,695*	*5,760*	*10,640*	*4,913*	*8,341*	*6,608*
b Trade Receivables	*5,795*	*9,426*	*4,801*	*7,091*	*8,246*	*7,492*
5 Total Assets	17,782	18,948	19,239	15,684	20,094	16,174
6 Current Liabilities	4,567	6,324	6,702	2,991	6,405	4,684
a Trade Payables	*1,263*	*1,298*	*1,385*	*592*	*1,325*	*448*
7 Borrowings	6,870	6,581	6,770	7,166	8,172	7,480
8 Related Party Exposure	-	-	-	-	-	-
9 Non-Current Liabilities	188	180	212	162	154	128
10 Net Assets	6,158	5,863	5,556	5,366	5,364	3,882
11 Shareholders' Equity	6,158	5,863	5,556	5,366	5,364	3,882
B INCOME STATEMENT						
1 Sales	42,543	36,074	20,078	11,684	43,745	30,065
a Cost of Good Sold	*(38,171)*	*(32,326)*	*(18,126)*	*(10,589)*	*(38,924)*	*(26,373)*
2 Gross Profit	4,372	3,748	1,952	1,095	4,821	3,692
a Operating Expenses	(1,290)	(1,318)	(795)	(428)	(1,616)	(1,302)
3 Operating Profit	3,083	2,430	1,157	667	3,204	2,390
a Non Operating Income or (Expense)	*(534)*	*(465)*	*(140)*	*(56)*	*(209)*	*(218)*
4 Profit or (Loss) before Interest and Tax	2,548	1,965	1,017	611	2,995	2,172
a Total Finance Cost	*(1,143)*	*(887)*	*(581)*	*(323)*	*(869)*	*(382)*
b Taxation	*(612)*	*(579)*	*(245)*	*(220)*	*(601)*	*(514)*
6 Net Income Or (Loss)	794	499	191	69	1,525	1,276
C CASH FLOW STATEMENT						
a Free Cash Flows from Operations (FCFO)	*2,072*	*1,695*	*825*	*406*	*2,566*	*1,920*
b Net Cash from Operating Activities before Working Capital Changes	*1,016*	*850*	*251*	*122*	*1,778*	*1,521*
c Changes in Working Capital	*799*	*939*	*1,059*	*865*	*(1,347)*	*(3,702)*
1 Net Cash provided by Operating Activities	1,814	1,788	1,310	988	431	(2,181)
2 Net Cash (Used in) or Available From Investing Activities	(496)	(402)	(212)	(151)	(816)	(459)
3 Net Cash (Used in) or Available From Financing Activities	(1,305)	(1,623)	(1,408)	(996)	692	2,699
4 Net Cash generated or (Used) during the period	13	(237)	(310)	(159)	307	59
D RATIO ANALYSIS						
1 Performance						
a Sales Growth (for the period)	-2.7%	10.0%	-8.2%	6.8%	45.5%	54.0%
b Gross Profit Margin	10.3%	10.4%	9.7%	9.4%	11.0%	12.3%
c Net Profit Margin	1.9%	1.4%	1.0%	0.6%	3.5%	4.2%
d Cash Conversion Efficiency (FCFO adjusted for Working Capital/Sales)	6.7%	7.3%	9.4%	10.9%	2.8%	-5.9%
*e Return on Equity [Net Profit Margin * Asset Turnover * (Total Assets/Sh*	13.8%	11.8%	7.0%	5.1%	33.0%	39.4%
2 Working Capital Management						
a Gross Working Capital (Average Days)	129	121	146	112	128	141
b Net Working Capital (Average Days)	118	111	133	104	121	137
c Current Ratio (Current Assets / Current Liabilities)	3.4	2.6	2.6	4.6	2.8	3.2
3 Coverages						
a EBITDA / Finance Cost	2.5	2.5	2.1	2.1	4.0	6.8
b FCFO / Finance Cost+CMLTB+Excess STB	1.7	1.8	1.4	1.3	2.8	5.0
c Debt Payback (Total Borrowings+Excess STB) / (FCFO-Finance Cost)	0.5	0.5	1.1	1.6	0.3	0.2
4 Capital Structure						
a Total Borrowings / (Total Borrowings+Shareholders' Equity)	52.7%	52.9%	54.9%	57.2%	60.4%	65.8%
b Interest or Markup Payable (Days)	81.7	64.8	54.9	57.0	68.1	75.4
c Entity Average Borrowing Rate	15.9%	15.1%	14.1%	14.4%	9.6%	7.3%

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+ AA AA-	**Very high credit quality.** Very low expectation of credit risk. Indicate very strong capacity for timely payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.
A+ A A-	**High credit quality.** Low expectation of credit risk. The capacity for timely payment of financial commitments is considered strong. This capacity may, nevertheless, be vulnerable to changes in circumstances or in economic conditions.
BBB+ BBB BBB-	**Good credit quality.** Currently a low expectation of credit risk. The capacity for timely payment of financial commitments is considered adequate, but adverse changes in circumstances and in economic conditions are more likely to impair this capacity.
BB+ BB BB-	**Moderate risk.** Possibility of credit risk developing. There is a possibility of credit risk developing, particularly as a result of adverse economic or business changes over time; however, business or financial alternatives may be available to allow financial commitments to be met.
B+ B B-	**High credit risk.** A limited margin of safety remains against credit risk. Financial commitments are currently being met; however, capacity for continued payment is contingent upon a sustained, favorable business and economic environment.
CCC CC C	**Very high credit risk.** Substantial credit risk “CCC” Default is a real possibility. Capacity for meeting financial commitments is solely reliant upon sustained, favorable business or economic developments. “CC” Rating indicates that default of some kind appears probable. “C” Ratings signal imminent default.
D	Obligations are currently in default.

Short-term Rating	
Scale	**Definition**
A1+	The highest capacity for timely repayment.
A1	A strong capacity for timely repayment.
A2	A satisfactory capacity for timely repayment. This may be susceptible to adverse changes in business, economic, or financial conditions.
A3	An adequate capacity for timely repayment. Such capacity is susceptible to adverse changes in business, economic, or financial
A4	The capacity for timely repayment is more susceptible to adverse changes in business, economic, or financial conditions. Liquidity may not be sufficient.



**The correlation shown is indicative and, in certain cases, may not hold.*

Outlook (Stable, Positive, Negative, Developing) Indicates the potential and direction of a rating over the intermediate term in response to trends in economic and/or fundamental business/financial conditions. It is not necessarily a precursor to a rating change. ‘Stable’ outlook means a rating is not likely to change. ‘Positive’ means it may be raised. ‘Negative’ means it may be lowered. Where the trends have conflicting elements, the outlook may be described as ‘Developing’.

Rating Watch Alerts to the possibility of a rating change subsequent to, or, in anticipation of some material identifiable event with indeterminable rating implications. But it does not mean that a rating change is inevitable. A watch should be resolved within foreseeable future, but may continue if underlying circumstances are not settled. Rating watch may accompany rating outlook of the respective opinion.

Suspension It is not possible to update an opinion due to lack of requisite information. Opinion should be resumed in foreseeable future. However, if this does not happen within six (6) months, the rating should be considered withdrawn.

Withdrawn A rating is withdrawn on a) termination of rating mandate, b) the debt instrument is redeemed, c) the rating remains suspended for six months, d) the entity/issuer defaults., or/and e) PACRA finds it impractical to surveill the opinion due to lack of requisite information.

Harmonization A change in rating due to revision in applicable methodology or underlying scale.

Surveillance. Surveillance on a publicly disseminated rating opinion is carried out on an ongoing basis till it is formally suspended or withdrawn. A comprehensive surveillance of rating opinion is carried out at least once every six months. However, a rating opinion may be reviewed in the intervening period if it is necessitated by any material happening.

Note. This scale is applicable to the following methodology(s):

a) Broker Entity Rating
b) Corporate Rating
c) Debt Instrument Rating
d) Financial Institution Rating
e) Holding Company Rating
f) Independent Power Producer Rating
g) Microfinance Institution Rating
h) Non-Banking Finance Companies Rating

Rating Team Statements
(1) Rating is just an opinion about the creditworthiness of the entity and does not constitute recommendation to buy, hold or sell any security of the entity rated or to buy, hold or sell the security rated, as the case may be | Chapter III; 14-3-(x)

2) **Conflict of Interest**
i. The Rating Team or any of their family members have no interest in this rating | Chapter III; 12-2-(j)
ii. PACRA, the analysts involved in the rating process and members of its rating committee, and their family members, do not have any conflict of interest relating to the rating done by them | Chapter III; 12-2-(e) & (k)
iii. The analyst is not a substantial shareholder of the customer being rated by PACRA [Annexure F; d-(ii)] Explanation: for the purpose of above clause, the term “family members” shall include only those family members who are dependent on the analyst and members of the rating committee

Restrictions
(3) No director, officer or employee of PACRA communicates the information, acquired by him for use for rating purposes, to any other person except where required under law to do so. | Chapter III; 10-(5)
(4) PACRA does not disclose or discuss with outside parties or make improper use of the non-public information which has come to its knowledge during business relationship with the customer | Chapter III; 10-7-(d)
(5) PACRA does not make proposals or recommendations regarding the activities of rated entities that could impact a credit rating of entity subject to rating | Chapter III; 10-7-(k)

Conduct of Business
(6) PACRA fulfills its obligations in a fair, efficient, transparent and ethical manner and renders high standards of services in performing its functions and obligations; | Chapter III; 11-A-(a)
(7) PACRA uses due care in preparation of this Rating Report. Our information has been obtained from sources we consider to be reliable but its accuracy or completeness is not guaranteed. PACRA does not, in every instance, independently verifies or validates information received in the rating process or in preparing this Rating Report | Clause 11-(A)(p).
(8) PACRA prohibits its employees and analysts from soliciting money, gifts or favors from anyone with whom PACRA conducts business | Chapter III; 11-A-(q)
(9) PACRA ensures before commencement of the rating process that an analyst or employee has not had a recent employment or other significant business or personal relationship with the rated entity that may cause or may be perceived as causing a conflict of interest; | Chapter III; 11-A-(r)
(10) PACRA maintains principal of integrity in seeking rating business | Chapter III; 11-A-(u)
(11) PACRA promptly investigates, in the event of a misconduct or a breach of the policies, procedures and controls, and takes appropriate steps to rectify any weaknesses to prevent any recurrence along with suitable punitive action against the responsible employee(s) | Chapter III; 11-B-(m)

Independence & Conflict of interest
(12) PACRA receives compensation from the entity being rated or any third party for the rating services it offers. The receipt of this compensation has no influence on PACRA´s opinions or other analytical processes. In all instances, PACRA is committed to preserving the objectivity, integrity and independence of its ratings. Our relationship is governed by two distinct mandates i) rating mandate - signed with the entity being rated or issuer of the debt instrument, and fee mandate - signed with the payer, which can be different from the entity
(13) PACRA does not provide consultancy/advisory services or other services to any of its customers or to any of its customers’ associated companies and associated undertakings that is being rated or has been rated by it during the preceding three years unless it has adequate mechanism in place ensuring that provision of such services does not lead to a conflict of interest situation with its rating activities; | Chapter III; 12-2-(d)
(14) PACRA discloses that no shareholder directly or indirectly holding 10% or more of the share capital of PACRA also holds directly or indirectly 10% or more of the share capital of the entity which is subject to rating or the entity which issued the instrument subject to rating by PACRA; | Reference Chapter III; 12-2-(f)
(15) PACRA ensures that the rating assigned to an entity or instrument is not be affected by the existence of a business relationship between PACRA and the entity or any other party, or the non-existence of such a relationship | Chapter III; 12-2-(i)
(16) PACRA ensures that the analysts or any of their family members shall not buy or sell or engage in any transaction in any security which falls in the analyst’s area of primary analytical responsibility. This clause shall, however, not be applicable on investment in securities through collective investment schemes. | Chapter III; 12-2-(l)
(17) PACRA has established policies and procedure governing investments and trading in securities by its employees and for monitoring the same to prevent insider trading, market manipulation or any other market abuse | Chapter III; 11-B-(g)

Monitoring and review
(18) PACRA monitors all the outstanding ratings continuously and any potential change therein due to any event associated with the issuer, the security arrangement, the industry etc., is disseminated to the market, immediately and in effective manner, after appropriate consultation with the entity/issuer; | Chapter III | 17-(a)
(19) PACRA reviews all the outstanding ratings periodically, on annual basis; Provided that public dissemination of annual review and, in an instance of change in rating will be made; | Chapter III | 17-(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 | 17-(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 | 17-(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 | 14-3(f)(vii)
Proprietary Information