The Pakistan Credit Rating Agency Limited

Rating Report

Jadeed Oil Extraction (Private) Limited

Report Contents

Rating History

Dissemination Date	Long Term Rating	Short Term Rating	Outlook	Action	Rating Watch
11-Feb-2022	BBB-	A3	Positive	Maintain	-
06-Jan-2022	BBB-	A3	Positive	Maintain	-
09-Jan-2021	BBB-	A3	Stable	Initial	-

Rating Rationale and Key Rating Drivers

Pakistan's edible oil industry is heavily reliant on imports since oilseeds account for ~80% of the cost of production. Total oil and fats consumption of the country is ~ 5mln MT per annum and the per capita consumption is ~22 kg, while global per capita consumption is ~26 kg. Consumption is met by 70% (~3.3 MMT) of edible oil import. The remaining 30% (~1.7 MMT) of edible oil is produced from oilseeds (local ~ 3.5MMT, imported ~ 3.1 MMT). Additionally, low domestic oilseed production in Pakistan caused by a distortion in support price mechanism and lower yields have pushed farmers away from oilseed, further increasing dependence on imports. Post Jan-21, demand for edible has picked up due to the reopening of demand avenues. On the supply side, the key raw materials – oilseed and RBD palm oil – are imported primarily from USA, Brazil, and Malaysia. Since Dec-20, raw material prices have continued to inflate amid supply uncertainties and historically low global inventory levels. Subsequently, prices of cooking oil and vegetable ghee have remained on the higher side. Being a staple food item, sales are expected to remain stable going forward. Margins and profitability are expected to improve for players and costs will be offset by the increased demand and in turn prices.
The rating reflects Jadeed Oil's association with Jadeed Group, a leading and integrated player in the poultry supply chain. The Group has significant presence along poultry supply chain as it imports and breeds grandparent poultry stock. Jadeed Oil supports the Group's vertical integration strategy. The Company's business line includes two main products: soybean meal and soybean edible oil. The Company topline depicts a positive trajectory, however, remain small as compared to other players. The topline remains dominated by soy meal, only to its Group Company. While refined edible oil is sold in bulk. Uptick in topline is supported by significant demand for soy meal and increased prices. Being an importer of soybean oilseed in Pakistan, the Company remains exposed to the inherent risk related to currency fluctuations and prices of raw materials. Financial risk profile showcased a recovery as the coverages of the Company showcased improvement owing to rationalized finance costs. Additionally, capital structure of the Company has improved due to an equity injection by Jadeed Feeds.

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

Disclosure

Name of Rated Entity	Jadeed Oil Extraction (Private) 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 | Edible Oil(Feb-21)
Rating Analysts	Ahmad Ziaf | ahmad.ziaf@pacra.com | +92-42-35869504

Profile

Legal Structure Jadeed Oil Extraction (Pvt.) Limited ('Jadeed Oil' or 'the Company') was incorporated in Nov-17 as a Private Limited Company as per the Company Act, 2017.

Background Mr. Javaid, along with his brothers, set up poultry business in 1980's. In 2005, the assets split and S.B. Feeds was renamed as Jadeed Farms. Jadeed Farms has a placement capacity of 2.6mln breeder birds and a hatching capacity of 453mln eggs per annum. In 2008, the Group setup its first feed mill with a manufacturing capacity of 60MT per hour. In 2012, Jadeed GP Farms was setup with a placement capacity of 0.33mln grandparent stock and has a hatching capacity of 47.5mln eggs per annum. In 2016, the Group's second feed mill was setup with a feed manufacturing capacity of 120MT per hour. In 2017, the Group setup its edible oil mill, as its backward integration plan. Lately, the Group increased its combined feed manufacturing capacity to 240MT per hour and merged Jadeed Farms and Jadeed GP Farms into Jadeed Feeds.

Operations Jadeed Oil is primarily engaged in the process of seed crushing and solvent extraction by mechanical and chemical processes. The Company has a seed crushing capacity of 182,500 MT per annum and solvent extraction capacity of 36,500 MT per annum. As of FY21, the capacity utilization for seed crushing and solvent extraction posted an increasing trend and stood at 78% (FY20: 63%) and 80% (FY20: 67%), respectively. The Company's extraction facility is located in Khanewal. While, the head office is located in Satellite Town, Rawalpindi.

Ownership

Ownership Structure Jadeed Oil is owned by Jadeed Feeds (48%), Mr. Jan Mohammad Javaid (28%) and equally between his two sons, Mr. Muhammad Sohaib Javaid and Mr. Muhammad Safwan Javaid (12%).

Stability Ownership of the business is seen as stable as the major ownership vests with Mr. Javaid. Moreover, succession plan has been formally documented.

Business Acumen Jadeed Group has experienced multiple business cycles and have maintained their league since 2005. The Group is among the few players that imports and breeds Grand Parent poultry stock and is among the highest GP chick producers in Pakistan.

Financial Strength The Group has substantial financial strength with a consolidated asset base of PKR ~27 bln and an equity base of ~PKR 10 bln as at FY21. The Group generated a turnover of ~PKR 48 bln and a PAT of ~ PKR 1,859 mln during FY21.

Governance

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

Members' Profile The three BoD members are very well equipped with the relevant business knowledge. Mr. Javaid has ~ 41 years of experience in poultry and allied chain. Mr. Sohaib and Mr. Safwan have 16 years and 13 years of experience in the same field, respectively and have been actively managing operations. Mr. Safwan oversees strategic plans, machine procurement and production plans while Mr. Sohaib oversees financial matters and operational side of the business.

Board Effectiveness The BoD is assisted by Board Audit Committee, comprising 5 members. The Committee is headed by Mr. Safwan and meets on quarterly basis. The BoD convenes quarterly meeting. Minutes of the BoD and Committee meetings are adequately maintained.

Financial Transparency The Company has appointed Muniff Ziauddin and Co. Chartered Accountants as its external auditors. The firm has been QCR rated by ICAP and is placed in category A of SBP's panel of auditors. The auditors have expressed an unqualified opinion on the financial statements of the Company for year ended Jun-21.

Management

Organizational Structure The Company operates through three functions : Production, Finance and Sales & Marketing. Whereas, support departments work as shared services for the Group. All functional eventually report to the CEO, who then makes pertinent decisions. Thus, highlighting key man risk of management

Management Team Jadeed Oil's management comprise experienced professionals. Mr. Javaid, Group's CEO, has significant experience and expertise in the poultry and feeds industry. The Group CFO, Mr. Bilal, has almost two decade of overall experience. Mr. Faisal Rasheed, DGM Finance, has an overall experience of 15 years.

Effectiveness Management's effectiveness and efficiency is ensured through the presence of Sales and Management committee setup at Group level. The Committee, comprising 5 members, is headed by an Executive Director. The Committee meets on need basis to manage and monitor pertinent business matters in timely manner.

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

Control Environment Internal Audit Function has been setup at Group level which ensures operational efficiency and implementation of policies and procedures of the Company.

Business Risk

Industry Dynamics 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. Moreover, being a staple food item, demand from household did not drop. On the supply side, soybean oil seed are imported primarily from the USA and Brazil. International prices of soybean oil seed have picked up (~51%), during FY21. Sales are expected to remain stable. Margins and profitability will improve for players in soybean oil segment.

Relative Position Jadeed Oil, being a new venture, has a stable market share of ~2% in terms of revenue, and ~2.1% in terms of production. However, the Group is among the largest poultry players of the Pakistan.

Revenues The Company mainly generates revenue by selling Soybean meal, Semi-Refined Soybean Oil, Soybean Crude Oil and Soybean Hull. The Company's top 10 customers generate around 93% of total revenue. Around 80% of the Company's total revenue is generated by selling Soybean Meal to a Group Company, Jadeed Feeds. The Company generates revenue by selling, mainly in the central region (97%), followed by northern (2.6%) and southern (0.3%) regions. The Company's topline posted a growth of 56% and reported at ~PKR 13.3bln during FY21 (FY20: ~PKR 8.6bln) owing to significant demand of soy meal and increased prices.

Margins The Company's margins are exposed to foreign currency risk as the main raw material (soybean seeds) is imported from Brazil and USA. Amidst the increase in imported raw material costs and hence precautionary buying at unfavorable costs, the Company's gross margin declined and stood at 5.8% during FY21 (FY20: 6.2%). On an operational level, margins followed a similar trend and stood at 5.1% during FY21 (FY20: 5.3%). The Company's bottom-line posted a recovery to PKR 379mln during FY21 (FY20: PKR 159mln) owing to rationalized finance costs. Net margins followed a similar trajectory and stood at 2.8% during FY21 (FY20: 1.9%).

Sustainability The Group has started a commercial venture for the construction of 35 storage facility. Land has been acquired and partial sale and partial rental business model would be followed. It is expected to be completed in 2 years and would be at the breakeven point after 4-5 years.

Financial Risk

Working Capital In FY21, the Company's inventory days increased to 115 days (FY20: 98 days) owing to precautionary buying of inventory during supply chain disruptions. The Company makes sales only on cash or advance payment, thus, has no trade receivables outstanding. Meanwhile, trade payable days were stable and stood at 1 day in FY21 (FY20: 1 day) indicating timely payments to its suppliers. The Company's room to borrow increased to 28% in FY21 (FY20: 10%) but is still limited against total assets.

Coverages Interest cover is a function of free cash flows and finance cost. Free cash flows showcased a significant increase and stood at PKR 466mln during FY21 (FY20: PKR 209mln) owing to growth in topline and hence profits before tax. The Company's finance cost remained stable and stood at PKR 273mln during FY21 (FY20: PKR 279mln). Growth topline coupled with rationalized finance costs, interest cover improved to 1.7x during FY21 (FY20: 0.7x). Core and total interest cover improved to 1.6x during FY21 (FY20: 0.7x). Moreover, debt payback stood at 0.2 days during FY21 (FY20: (0.3)).

Capitalization Jadeed Oil has moderately leveraged capital structure with debt-to-equity ratio declined and stood at 63% at FY21 (FY20: 69%) owing to equity injection by Jadeed Feeds. The total debt of the company increased to PKR 4.4bln in FY21 (FY20: PKR 2.7bln). The increase represents the progression of operations in FY21 and short-term borrowings to procure raw material.

The Pakistan Credit Rating Agency Limited

ıncial Summary
PKR mln

Jadeed Oil Extraction (Pvt.) Ltd	Jun-21	Mar-21	Jun-20	Mar-20	Jun-19	Jun-18
Edible Oil	12M	9M	12M	9M	12M	12M
A BALANCE SHEET						
1 Non-Current Assets	808	877	906	877	556	1
2 Investments	-	-	-	-	-	-
3 Related Party Exposure	-	-	-	-	-	78
4 Current Assets	6,599	5,471	3,459	2,943	2,146	76
a Inventories	*5,574*	*4,398*	*2,807*	*2,108*	*1,644*	-
b Trade Receivables	*0*	*0*	*0*	*0*	*0*	*0*
5 Total Assets	7,407	6,348	4,365	3,821	2,702	154
6 Current Liabilities	392	927	399	407	433	1
a Trade Payables	*60*	*106*	*45*	*64*	*15*	-
7 Borrowings	4,405	3,897	2,735	2,201	1,497	-
8 Related Party Exposure	-	-	-	-	-	-
9 Non-Current Liabilities	-	-	-	-	-	-
10 Net Assets	2,610	1,524	1,231	1,212	772	153
11 Shareholders' Equity	2,610	1,524	1,231	1,212	772	153
B INCOME STATEMENT						
1 Sales	13,349	7,997	8,559	6,602	-	-
a Cost of Good Sold	*(12,575)*	*(7,460)*	*(8,029)*	*(6,191)*	*(2)*	-
2 Gross Profit	773	537	530	411	(2)	-
a Operating Expenses	(91)	(31)	(80)	(62)	(8)	(1)
3 Operating Profit	682	506	449	349	(11)	(1)
a Non Operating Income or (Expense)	*(27)*	*(22)*	*(8)*	-	-	*4*
4 Profit or (Loss) before Interest and Tax	655	484	441	349	(11)	3
a Total Finance Cost	*(276)*	*(192)*	*(282)*	*(209)*	*(19)*	*(0)*
b Taxation	-	-	-	-	-	*(1)*
6 Net Income Or (Loss)	379	293	159	140	(30)	2
C CASH FLOW STATEMENT						
a Free Cash Flows from Operations (FCFO)	*466*	*379*	*209*	*232*	*(280)*	*3*
b Net Cash from Operating Activities before Working Capital Changes	*177*	*379*	*(20)*	*33*	*(280)*	*3*
c Changes in Working Capital	*(2,789)*	*(1,311)*	*(1,076)*	*(460)*	*(1,310)*	*(153)*
1 Net Cash provided by Operating Activities	(2,612)	(932)	(1,096)	(427)	(1,591)	(149)
2 Net Cash (Used in) or Available From Investing Activities	(25)	(58)	(432)	(392)	(555)	(1)
3 Net Cash (Used in) or Available From Financing Activities	2,670	1,162	1,533	1,004	2,146	151
4 Net Cash generated or (Used) during the period	33	173	4	185	1	0
D RATIO ANALYSIS						
1 Performance						
a Sales Growth (for the period)	56.0%	24.6%	--	--	N/A	N/A
b Gross Profit Margin	5.8%	6.7%	6.2%	6.2%	N/A	N/A
c Net Profit Margin	2.8%	3.7%	1.9%	2.1%	N/A	N/A
d Cash Conversion Efficiency (FCFO adjusted for Working Capital/Sales)	-17.4%	-11.7%	-10.1%	-3.5%	N/A	N/A
*e Return on Equity [Net Profit Margin * Asset Turnover * (Total Assets/Sh*	18.3%	30.3%	15.9%	18.0%	N/A	N/A
2 Working Capital Management						
a Gross Working Capital (Average Days)	115	123	98	96	N/A	N/A
b Net Working Capital (Average Days)	113	121	97	94	N/A	N/A
c Current Ratio (Current Assets / Current Liabilities)	16.8	5.9	8.7	7.2	5.0	60.6
3 Coverages						
a EBITDA / Finance Cost	2.8	2.0	1.9	2.0	-0.5	N/A
b FCFO / Finance Cost+CMLTB+Excess STB	1.6	1.9	0.7	1.1	-14.7	N/A
c Debt Payback (Total Borrowings+Excess STB) / (FCFO-Finance Cost)	0.2	0.2	-0.3	0.0	0.0	0.0
4 Capital Structure						
a Total Borrowings / (Total Borrowings+Shareholders' Equity)	62.8%	71.9%	69.0%	64.5%	66.0%	0.0%
b Interest or Markup Payable (Days)	78.2	240.5	94.1	38.8	365.0	N/A
c Entity Average Borrowing Rate	7.4%	8.6%	13.5%	14.6%	1.3%	--

Credit Rating

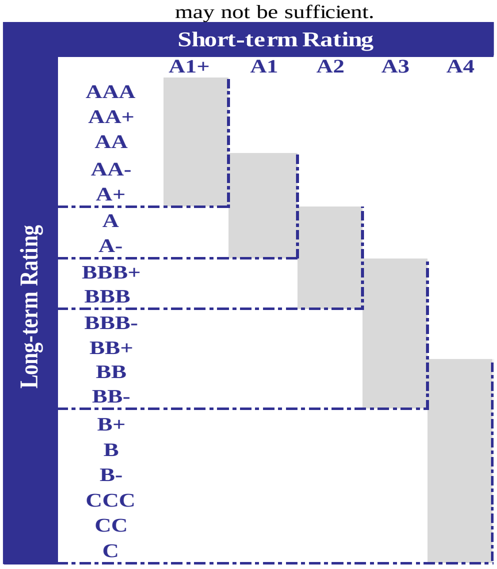
Credit rating reflects forward-looking opinion on credit worthiness of underlying entity or instrument; more specifically it covers relative ability to honor financial obligations. The primary factor being captured on the rating scale is relative likelihood of default.

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):

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