The Pakistan Credit Rating Agency Limited

Rating Report

Platinum Steel Mill (Pvt.) Limited

Report Contents

Rating History

Dissemination Date	Long Term Rating	Short Term Rating	Outlook	Action	Rating Watch
15-Nov-2024	BBB	A2	Stable	Maintain	-
16-Nov-2023	BBB	A2	Stable	Upgrade	-
22-Nov-2022	BBB-	A2	Stable	Initial	-

Rating Rationale and Key Rating Drivers

Platinum Steel Mill (Pvt.) Limited ("PSML" or "the Company") is a modern, vertically integrated steel mill that produces high-quality deformed steel rebar. As an emerging player in the southern steel market, PSML's smaller scale presents significant growth potential. The assigned ratings reflect the high business risk inherent in Pakistan's long steel industry, characterized by economic cyclicality, exchange rate fluctuations, international steel price volatility, and competition from unregulated segment. In line with the macroeconomic challenges of FY24, sluggish economic growth led to reduced demand for construction and infrastructure projects—key drivers of steel consumption. This decline in demand led to a 30% reduction in PSML's volumes, down to 10.9mln units in FY24 (FY23: 15.6mln units). However, the topline decreased by approximately 23%, reaching PKR 2,290mln in FY24 (FY23: PKR 3,118mln), supported by favorable retention prices. Margins also improved, benefiting from these retention prices as well as inventory gains from the previous year's raw material buildup. In July 2024, PSML installed a second furnace, raising its total capacity to 100,000 tons per annum, with plans to expand further to 150,000 tons. The new energy-efficient furnace is expected to reduce production costs, and will translate into better margins, going forward. All expansions have been equity-financed, and PSML has no plans for bank borrowings related to new CAPEX expansions, keeping leverage at a comfortable level. PSML's equity base in FY24 remained modest at PKR 1,237mln (FY23: PKR 1,221mln). Enhanced capacities enable PSML, to explore the untapped market and for this purpose management is focusing on improving its distribution channels. PSML has largely relied on internally generated cash for working capital, but a potential rise in demand may lead to an increase in short-term borrowing. Maintaining an optimal capital structure will be crucial if volumes increase. The Company sponsor's diversification into other businesses, including charter shipping, the paint industry, and the "Metalink" scrap business in the UK, enhances confidence in the sponsor 's financial resilience. PSML benefits from backward integration in its supply chain through charter shipping and scrap sourcing along with its vertically integrated mill and strategic location at Port Qasim, this provides a competitive edge.

The ratings depend on the Company's ability to grow its market share through increased volume and geographical diversification. Effective and prudent management of financial risk indicators remains essential. As a family-owned and operated business, PSML faces risks associated with a single management and ownership structure. The governance framework is still in its early stages and requires improvement, though the Company is led by capable management. Furthermore, the business remains susceptible to fluctuations in macroeconomic financial indicators.

Disclosure

Name of Rated Entity	Platinum Steel Mill (Pvt.) Limited
Type of Relationship	Solicited
Purpose of the Rating	Entity Rating
Applicable Criteria	Methodology | Rating Modifiers(Apr-24),Methodology | Correlation Between Long-term & Short-term Rating Scales(Jul-24),Methodology | Corporate Rating(Jul-24)
Related Research	Sector Study | Steel(Sep-24)
Rating Analysts	Ali Arslan Malik | Ali.Arslan@pacra.com | +92-42-35869504

Profile

Legal Structure Platinum Steel Mill (Private) Limited ("PSML" or "the Company") is a private limited company incorporated in Pakistan on July 15, 2019 under the Companies Act, 2017. The registered office of the Company is situated at C-49, K.D.A Scheme No.1, Main Karsaz Road. Gulshan Town, Karachi, Pakistan. The Plant is located at Plot-A, 60 Port Qasim Road, Eastern Zone Bin Qasim Town, Karachi, Pakistan. The Company started its operations in June 2021.

Background Guided by the visionary foresight of Mr. Masood Tariq Baghpati (late), the founder member of PSML saw an opportunity to establish a modern, vertically integrated steel mill capable of producing high-quality rebar to meet local demand and reduce reliance on imports. The Company's strategic location at Port Qasim provides logistical advantages for importing raw materials and, in the future, accessing export markets.

Operations PSML operates a melt shop with a nameplate capacity of 150,000 tons per annum (tpa) and a rolling mill with a capacity of 175,000 tpa. Currently, two melting furnaces are installed, each with an annual capacity of 50,000 tpa, with plans to install a third furnace, which will enable the Company to fully utilize its production capacity. PSML manufactures two main products: (i) steel billets and (ii) rebars, including (a) Grade 60 Deformed Steel bars and (b) Grade 72 Deformed Steel bars, available in sizes from 10mm to 40mm. PSML's product range is branded as Armourmax, Thundermax, and Ultramax, all manufactured under an ISO 9001:2015 certified quality management system.

Ownership

Ownership Structure The Company is entirely owned by the Baghpati family. Mr. Faisal Baghpati holds 99% of the shares, while the remaining 1% owned by his wife, Ms. Mehreen Faisal.

Stability This ownership structure has been maintained since the Company's incorporation, and no changes are expected in the future. However, the concentration of ownership within the Baghpati family raises concerns about key man risk and succession planning, as the entire stake is held by a single family member.

Business Acumen The sponsor, Mr. Faisal Baghpati, brings over 15 years of industry experience, demonstrating strong commitment and valuable business knowledge, which is viewed as a key driver of the Company's success. Additionally, his diversification into other ventures—such as charter shipping, the paint industry (Kopak Paints), and the scrap business in the UK (Metalink)—further broadens his expertise.

Financial Strength The sponsor's financial strength is considered adequate, with the upfront equity investment in PSML underscoring a strong commitment to support the Company during challenging times.

Governance

Board Structure The overall control of the Company rests with a two-member Board of Directors (BoD), both members belonging to the sponsoring family. Mr. Faisal Baghpati serves as the key figure in the Company, holding the positions of Chairman and CEO.

Members' Profile The Chairman of the Board, Mr. Faisal Baghpati, brings over a decade of experience in managing a successful business, which supports the Board in making timely and effective decisions. Mr. Faisal also serves as a director on the board of Kopak Paints, while the other board member, Ms. Mehreen Faisal, holds the role of Commercial Advisor at Kopak Paints.

Board Effectiveness The private companies are required to appoint minimum two directors. The Company ensured the regulatory requirement by appointing two directors. However, the effectiveness of the board could be enhanced by appointing independent directors and establishing board committees.

Financial Transparency BDO Ebrahim & Co. Chartered Accountants are the external auditors of the Company. BDO Ebrahim & Co. Chartered Accountants is in 'A' category of SBP list of external auditors and has a satisfactory QCR rating. They have expressed an unqualified opinion on the financial statements for the period ended June 30, 2023, and the audit for FY24 is currently in progress.

Management

Organizational Structure As a newly established company, PSML currently has a lean organizational structure, which is evolving. The team is led by the CEO, who directly oversees operations. The operational heads, including the COO, Head of Sales, Head of Supply Chain, and Manager of Accounts & Finance, all report directly to the CEO.

Management Team Mr. Faisal Baghpati is the CEO of the Company and has been associated with it since its inception. The descending tier includes Mr. Rehan Khalique, who has served as COO since November 2021, and Mr. Obaid-ul-Haq (MBA), who has been serving as Head of Sales since April 2021. Mr. Faisal is supported by a relatively new but experienced team.

Effectiveness PSML has six key functions: (i) Marketing, (ii) Accounts, (iii) Production, (iv) Information Technology, (v) Sales, and (vi) Quality Control. Each function is supervised by an experience resource. The CEO provides the strategic direction and ensures that the strategy is successfully translated into business operations by closely monitoring the results.

MIS The Company has implemented SAP B1 software, SAP B1 is a single and affordable business management system to manage the entire business from accounting, financials, inventory, sales, warehousing, customer relationships to reporting and analytics. As an Enterprise Resource Planning (ERP) system, SAP B1 can streamline key processes to give the management better insights into the business and enable the management to make data-driven business decisions with real time information.

Control Environment The Company has established a quality control department that ensures the smooth functioning of both the plants along with maintaining the product quality. In addition, an in-house resource oversees the internal control functions and the day-to-day operations of PSML. However, an experienced internal control department needs to be established to help PSML enhance operational efficiency, ensure compliance, and effectively mitigate risks.

Business Risk

Industry Dynamics In FY24, the steel sector faced significant challenges due to a slowdown in economic activity, higher inflation, and elevated energy and policy rates. These difficulties have particularly affected several notable players in the long steel sector. During FY24, local steel production was reported at approximately 8.4 million metric tons, reflecting a YoY decline of about 5.6%. Production of billets and ingots (long steel) decreased by 7.5% to around 4.9 million metric tons, while production of coils and plates (flat steel) fell by 2.7% to approximately 3.5 million metric tons. However, going forward, the visible reduction in policy rates, the easing of import restrictions, and improved spending on development projects are expected to enhance demand dynamics in the steel sector.

Relative Position Platinum Steel is an emerging player in the southern region, with its smaller scale offering significant growth potential. PSML benefits from backward integration in its supply chain, including charter shipping and scrap sourcing, as well as its vertically integrated mill. Its strategic location at Port Qasim reduces transportation and storage costs, giving the Company a competitive edge. Furthermore, PSML could capitalize on potential opportunities in the export market if they arise in the future.

Revenues In FY24, PSML experienced a significant decline in topline, which decreased by approximately 23% YoY, dropping from PKR 3,118mln in FY23 to PKR 2,390mln. This downturn was primarily driven by a reduction in volumes, stemming from decreased demand for construction and infrastructure projects—key drivers of steel consumption. As a result, PSML's volumes were reduced by 30%, falling to 10.9mln units in FY24, compared to 15.6mln units in FY23. However, the decline in volumes was somewhat offset by better retention prices.

Margins Despite the decline in revenue, PSML managed to improve its gross profit margin, which increased to 6.8% in FY24, up from 5.7% in FY23. This improvement was driven by better prices, inventory gains from the previous year's raw material buildup, and enhanced operational efficiency. The operating and net margins followed a similar trend, rising to 2% in FY24, up from 1.7% in FY23, while net margins improved to 0.7%, compared to 0.3% in FY23. Additionally, the new energy-efficient furnace is expected to reduce production costs, further contributing to improved margins, going forward.

Sustainability PSML is actively working to improve its distribution channels in order to capture growing demand. Previously, the Company focused on the eastern market of Karachi, but now it is targeting the entire Karachi market. Additionally, PSML has expanded its reach to include the city of Hyderabad, which is expected to increase market share and open up new business opportunities.

Financial Risk

Working Capital In FY24, Platinum Steel's working capital requirements, measured by the net cash cycle in days, were recorded at 68 days, slightly down from 69 days in FY23. To improve liquidity, PSML has strategically shifted its focus towards corporate clients. Additionally, the Company has implemented a strategy for sales that includes an advance payment mechanism. PSML also closely monitors its receivables to reduce bad debts. Currently, the Company manages its working capital solely through internally generated cash. However, with a potential rise in demand, PSML may need to utilize short-term borrowings to support operations.

Coverages In FY24, EBITDA showed a slight increase, rising to PKR 254mln compared to PKR 237mln in FY23. Free cash flow from operations (FCFO) also saw notable growth, reaching PKR 234mln, up from PKR 43mln in FY23, primarily driven by high taxes paid in FY23. During FY24, there were no significant bank borrowings, and the Company's major debt consists of interest-free loans from its sponsors. This contributed to strong coverage ratios, driven by minimal finance costs, and is expected to remain robust going forward. As a result, the coverage ratio improved to 20.0x in FY24, up from 6.0x in FY23.

Capitalization In FY24, the Company's leverage was approximately 62%, primarily driven by a subordinate loan from the directors, which amounted to PKR 2,013mln, up from PKR 1,938mln in FY23. This subordinate loan is unsecured, interest-free, and repayable on demand. The Company's long-term borrowings were limited to only PKR 22mln (a decrease from PKR 27mln in FY23), accounting for just 2% of the total leverage.

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Financial Summary
PKR mln

Platinum Steel Mill (Pvt.) Limited	Jun-24	Jun-23	Jun-22	Jun-21
Steel	12M	12M	12M	12M
A BALANCE SHEET				
1 Non-Current Assets	1,960	2,063	1,932	1,867
2 Investments	-	-	-	-
3 Related Party Exposure	-	-	-	-
4 Current Assets	1,750	2,166	1,638	665
a Inventories	*763*	*1,024*	*964*	*387*
b Trade Receivables	*117*	*290*	*117*	-
5 Total Assets	3,709	4,229	3,570	2,532
6 Current Liabilities	437	1,044	425	312
a Trade Payables	*380*	*918*	*370*	*300*
7 Borrowings	22	27	3	-
8 Related Party Exposure	2,013	1,938	1,931	955
9 Non-Current Liabilities	-	-	-	-
10 Net Assets	1,237	1,221	1,211	1,265
11 Shareholders' Equity	1,237	1,221	1,211	1,265
B INCOME STATEMENT				
1 Sales	2,390	3,118	1,452	3
a Cost of Good Sold	*(2,227)*	*(2,939)*	*(1,404)*	*(23)*
2 Gross Profit	163	179	48	(20)
a Operating Expenses	(115)	(125)	(74)	(11)
3 Operating Profit	48	54	(26)	(31)
a Non Operating Income or (Expense)	*10*	*3*	*(9)*	*2*
4 Profit or (Loss) before Interest and Tax	58	57	(34)	(29)
a Total Finance Cost	*(12)*	*(8)*	*(1)*	*(1)*
b Taxation	*(30)*	*(39)*	*(18)*	*(2)*
6 Net Income Or (Loss)	16	10	(54)	(32)
C CASH FLOW STATEMENT				
a Free Cash Flows from Operations (FCFO)	*234*	*43*	*104*	*(102)*
b Net Cash from Operating Activities before Working Capital Cha	*221*	*35*	*103*	*(102)*
c Changes in Working Capital	*(175)*	*96*	*(669)*	*(0)*
1 Net Cash provided by Operating Activities	46	132	(566)	(103)
2 Net Cash (Used in) or Available From Investing Activities	(63)	(308)	(245)	(1,688)
3 Net Cash (Used in) or Available From Financing Activities	72	35	980	1,854
4 Net Cash generated or (Used) during the period	56	(142)	169	64
D RATIO ANALYSIS				
1 Performance				
a Sales Growth (for the period)	-23.3%	114.7%	52179.8%	N/A
b Gross Profit Margin	6.8%	5.7%	3.3%	-738.0%
c Net Profit Margin	0.7%	0.3%	-3.7%	-1135.6%
d Cash Conversion Efficiency (FCFO adjusted for Working Capit	2.4%	4.5%	-38.9%	-3669.1%
*e Return on Equity [Net Profit Margin * Asset Turnover * (Total*	1.3%	0.8%	-4.3%	-3.8%
2 Working Capital Management				
a Gross Working Capital (Average Days)	168	144	219	40638
b Net Working Capital (Average Days)	68	69	135	20857
c Current Ratio (Current Assets / Current Liabilities)	4.0	2.1	3.9	2.1
3 Coverages				
a EBITDA / Finance Cost	21.8	32.8	292.6	N/A
b FCFO / Finance Cost+CMLTB+Excess STB	20.0	6.0	193.2	N/A
c Debt Payback (Total Borrowings+Excess STB) / (FCFO-Financ	9.2	54.7	18.7	-9.4
4 Capital Structure				
a Total Borrowings / (Total Borrowings+Shareholders' Equity)	62.2%	61.7%	61.5%	43.0%
b Interest or Markup Payable (Days)	0.0	0.0	0.0	N/A
c Entity Average Borrowing Rate	0.6%	0.4%	0.0%	0.0%

Corporate Rating Criteria

Scale

Credit Rating

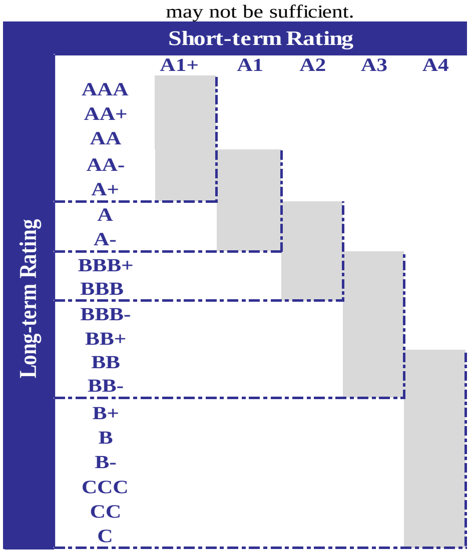
Credit rating reflects forward-looking opinion on credit worthiness of underlying entity or instrument; more specifically it covers relative ability to honor financial obligations. The primary factor being captured on the rating scale is relative likelihood of default.

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

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 | 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