PABC

PAKISTAN ALUMINIUM
BEVERAGE CANS LIMITED

FORM-25
Ref: PABC/PACRA-RATING/24
June 28, 2024

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi.

<u>Subject: Material Information</u>

Dear Sir,

In accordance with Section 96 of the Securities Act, 2015 and Clause 5.6.1(a) of PSX Regulations, we hereby convey the following information:

We are pleased to inform that the Pakistan Credit Rating Agency Limited (PACRA), a leading credit rating agency providing independent rating services in Pakistan, in its press release issued on June 27, 2024, has upgraded credit rating of Pakistan Aluminium Beverage Cans Limited (PABC) as "AA-" (Long Term) and "A1" (Short Term) with "Stable" outlook *[previously "A+" (Long Term) and "A1" (Short Term) with "Stable" outlook]*. The copy of above-mentioned press release attached.

This credit rating emphasizes PABC's strong financial standing and stability, reinforces confidence in the Company's operations and presents a favorable outlook for its shareholders.

You may please inform the TRE Certificate Holders of the Exchange accordingly.

Yours sincerely,

For Pakistan Aluminium Beverage Cans Limited

Pakistan Aluminium Beverage Cans Limited
Company Secretary

Sohail Akhtar Gogal
(Company Secretary)

CC: Director / HOD - for information
Off site-II Department, Supervision Division
Securities and Exchange Commission of Pakistan
63, NIC Building, Jinnah Avenue, Blue Area, Islamabad

The Pakistan Credit Rating Agency Limited

Rating Report

Pakistan Aluminium Beverage Cans Limited

Report Contents
1. Rating Analysis
2. Financial Information
3. Rating Scale
4. Regulatory and Supplementary Disclosure

Rating History

Dissemination Date	Long Term Rating	Short Term Rating	Outlook	Action	Rating Watch
27-Jun-2024	AA-	A1	Stable	Upgrade	-
24-Nov-2023	A+	A1	Stable	Maintain	-
24-Nov-2022	A+	A1	Stable	Initial	-

Rating Rationale and Key Rating Drivers

Pakistan Aluminium Beverage Cans Limited ("PABC" or the "Company") has established itself as a leading manufacturer of beverage cans within Pakistan. The demand for aluminium cans is directly linked to consumption of beverage drinks which is always in increasing trend. The business model of PABC is that of B2B and directly supplies aluminum cans to beverage producers. The high entry barriers and the time required for the installation of the production plant, along with the necessary technical expertise, have strengthened the Company. This has enabled it to establish its brand name and capture the entire market share in Pakistan. Additionally, the Company has secured a major share of clients in Afghanistan and other countries. The company has established a sound customer base with a strong financial profile thus minimizing the credit risk to a low level. The governance structure is considered strong due to the presence of Board committees and having a sufficient number of board meetings. Furthermore, external auditors are category-A with satisfactory QCR rating. During CY23, PABC achieved a significant milestone by enhancing its previous rated capacity of 750mln cans per annum to 950mln cans per annum. While in the 1QCY24, the Company reached a significant milestone of 1200mln cans per annum, following the successful installation and commissioning of its capacity expansion project. This additional capacity will enable the Company to better meet the peak season demand. Going forward, the advanced packaging trend for carbonated drinks and juices is becoming a significant part of the consumption markets. This development is expected to boost the demand for the product. The financial risk profile of the Company is considered strong, with sufficient cashflows and a well-managed working capital cycle. During CY23, the Company witnessed a substantial increase of ~40% in net sales stood at PKR 19.7bln. The surge is attributed to increased sales of cans specifically exports, favorable exchange rates, and improved pricing. While domestic sales faced a decline due to reduced local consumption influenced by inflationary pressures. The Company is working on growing exports to overcome the shortfall of local demand. The remarkable growth in the sales translated into an exceptional increase in the net profits by ~86% to PKR 5bln. The equity of the Company was standing at PKR 10.6bln as of the end Dec'23. Being associated with the well-established and stable Liberty Group and Soorty Enterprises bodes well for the rating.

The ratings are dependent on the Company's ability to sustain its market position and management's ability to run the operations of the Company optimally. With the upcoming growth in firm's business & volumes; prudent financial discipline and implementation of a stringent control environment shall remain imperative.

Disclosure	
Name of Rated Entity	Pakistan Aluminium Beverage Cans Limited
Type of Relationship	Solicited
Purpose of the Rating	Entity Rating
Applicable Criteria	Methodology | Correlation Between Long-term & Short-term Rating Scales(Jul-23),Methodology | Rating Modifiers(Apr-24)
Related Research	Sector Study | Paper and Packaging(Nov-23)
Rating Analysts	Madiha Sohail | madiha.sohail@pacra.com | +92-42-35869504

Pakistan Aluminium Beverage Cans Limited
Company Secretary

Profile

Legal Structure Pakistan Aluminium Beverage Cans Limited (PABC or the "Company") is a Public Listed Company. The Company got registered in 2014 and started its commercial production in September, 2017 as the first and only aluminum beverage cans manufacturer in Pakistan. The company was subsequently listed on Pakistan Stock Exchange in July-21 under the symbol "PABC". The company has following certifications: ISO 9001, 2015 QMS, FSSC 22000 (V5.1) Food Safety and PFA License. The company is in process of getting certification of Halal.

Background PABC was set up to address a captive customer base, capitalizing on land connectivity of Pakistan, Afghanistan and central Asia. Ashmore Investment Management Limited & Liberty Group joined hands in 2015 to execute the project; while Ashmore divested with listing of the Company in Jul'21.

Operations The Company deals in B2B structure and deals with both local and international customers. The production facility is built on a 20.9 acre of land in Special Economic Zone, Faisalabad with a rated capacity to produce 1200 million cans per annum, due to which it enjoys 10-year tax holiday under Special Economic Zones Act, 2012. The strategic location of PABC's plant has been proven to be instrumental in its success, allowing cost advantage due to close proximity of PABC's plant with key beverage bottlers in Pakistan, Afghanistan and central Asia.

Ownership

Ownership Structure Currently, the sponsors, directors, and substantial shareholders collectively own 55.62% of the shares. Zain Ashraf Mukaty holds 20.99%, Temor Ashraf Mukaty holds 17.30%, and Ahmed Ashraf Mukaty holds 17.30%. Soorty Enterprises Pvt Ltd holds 20%. Banks, DFIs, and NBFIs own 3.55%, and the general public holds 15.40% of the shares.

Stability Ms. Hamida Salim Mukaty is part of the Liberty Group and the initiator of SINA healthcare trust. Soorty Enterprises is one of the oldest denim manufacturers in Pakistan having 6.5mln meter/month fabric rated capacity in LEED Platinum Denim Mill.

Business Acumen The owners are mostly business personnel with extensive years of experience from SINA healthcare trust and Soorty enterprises having an average 42 years of business experience.

Financial Strength The liberty group has many projects such as: Steel Plant, Hydro, wind and coal Power projects. The Soorty Enterprises has been in industry since last 42 years. The Mukatys and the Soortys having major stake in the Company extends financial benefits in times of need as well.

Governance

Board Structure The BoD of PABC comprises of 7 members with chairman as non-executive director. There are a total of four non-executive directors, two independent directors and one executive director as the CEO. The board structure is fully compliant as per CCG guidelines including one female director in the board as well.

Members' Profile The CEO - Mr. Azam Sakrani has overall 30 years of experience and Chairman – Mr. Simon Michael Gwyn Jennings has 40 years of experience. Mr. Asad Shahid Soorty as a non-executive member is also part of Audit committee. Ms. Hamida Salim Mukaty represents the board as a non-executive director. The overall average experience of the board is 21 years.

Board Effectiveness The Board met six times during CY23 , with the majority attendance to discuss pertinent matters. The minutes of the meetings are documented properly. To ensure effective governance, the Board has formed two committees, namely, (i) Audit and Risk Committee (ii) Human Resource and Remuneration Committee Both committees are chaired by independent directors.

Financial Transparency PABC appoints Kreston Hyder Bhimji & Company Chartered Accountants (Category-A Auditor as per SBP and Satisfactory QCR-Rating) as external auditor. The Company discloses an adequate amount of information in notes of annual reports as required for all listed companies.

Management

Organizational Structure The Company has established a well-defined management structure divided into functional departments with clear lines of responsibilities.

Management Team The CEO - Mr. Azam Sakrani has an overall 30 years of experience. The CFO – Mr. Asad Zaidi has an overall experience of 20 years. The Company Secretary - Mr. Sohail Akhtar Gogal has an overall experience of 19 years and have been associated with the group for past 1 years. The General Manager/Controller Plant – Mr. Mohamed Moustafa has an overall experience of 26 years and been associated with the company for past 3 years. Head of Internal Audit – Mr. Obaid-UrRehman has an overall experience of 10 years and been associated with the Company for past 5 years.

Effectiveness The experience of the sponsors along with a professional management team has helped the Company to streamline their operations and cut down on their costs. There are two committees. The audit and risk committee headed by Independent directors.

MIS The Company has outsourced SAP Business One Module as Management Information System which is adequate for normal business processes.

Control Environment The annual accounts are audited for opinion by the external auditors appointed. Independent Internal audit function is established that is led by the Head of Internal Audit and reports directly to audit committee and board of directors of the company as per CCG guidelines.

Business Risk

Industry Dynamics PABC operates under tinplate/Cans segment of the industry. The demand of the product is directly correlated with canned beverages production. Most of the segment's direct costs consist of imported raw materials. Therefore, volatility in exchange rates, economic volatility within Pakistan, Regularity uncertainties, Decline in Aluminum benchmark prices, and increase in regional production capacity may expose the Company to business risks.

Relative Position PABC is the only producer of Aluminium Beverage Cans in Pakistan and solely fulfills all the local demand.

Revenues The Company's top line shows significant increase in sales of cans primarily attributable to favorable exchange rates and improved pricing. However, the local sales witnessed a decline on the back of high inflationary pressure. During CY23, the Company generated a top line of ~PKR 19,735mln (CY22: ~PKR 14,153mln) showing an increase of ~ 40% in revenue.

Margins In CY23, the gross margin and operating profit margin both increased as compared to CY22. The GP margin increased from ~ 33.4% in CY22 to ~ 38.7% in CY23 (CY22: ~33.4%, CY21: ~35.5%) while the OP margin increased from ~ 27.2% in CY22 to ~ 31.8% in CY23. As result, the net profit margin of the Company increased from ~ 19.1% in CY22 to ~ 25.4% in CY23.

Sustainability Cash conversion efficiency stood at 30.8% at CY23 as compared to 28.6% in CY22. Return on assets and return on equity of the company stood at 27.3% and 57.3% respectively at end Dec'23. (Dec'22: 19.6% and 46.6%). Asset turnover for the company was 107.2% as of Dec'23 showing efficient structure.

Financial Risk

Working Capital During the year the on the back of increased exports the Company has increased the the working capital requirement and availed short term financing under export refinance facilities from various commercial banks. At end CY23 the Company's net inventory days increased to ~93 days from ~82 days in CY22 The inventory days are high because PABC has imported raw materials in huge quantities due to the rise in raw material prices and currency rate fluctuations. Meanwhile, trade receivable days also decreased to ~13 days from ~20 days during the same period. During CY23 the trade payable days decreased to ~23 days from ~25 days. Consequently, the Company's net working capital days increased to ~83 days during CY23 from ~76 days at the end of CY22.

Coverages In CY23, the Company's FCFOs stood at ~PKR 6,080mln increasing from ~PKR 4,050mln in CY22. However, the FCFO/Finance cost stood at ~ 9.8x decreased from ~ 11.3x of coverage during CY23 due to a significant increase in the finance cost. The finance cost stood at ~PKR 621mln increased from ~PKR 360mln during CY22; however, this is still a healthy coverage level for the Company.

Capitalization At the end of CY23 the long-term borrowing has decreased to ~PKR 1,425mln from ~PKR 2,891mln end-CY22 and the fixed assets increased to ~PKR 7,585mln from ~PKR 6,963mln end-CY22 because the CAPEX being financed from internal cashflows. While the short-term borrowing has increased to ~PKR 4,978mln from ~PKR 1,490mln during the same period. Consequently, at the end of CY23, the total borrowing has increased to ~PKR 6,825mln from ~PKR 4,951mln at the end of CY22. Its gearing ratio has improved from ~41.8% at the end of CY23 to ~39.1% at the end of CY23 due to increase in total borrowings, while it has remained at ~53.6% in CY21.

Pakistan Aluminium Beverage Cans Limited
Company Secretary

Financial Summary
PKR mln

Pakistan Aluminium Beverage Cans Limited Paper and Packaging	Mar-24 3M	Dec-23 12M	Dec-22 12M	Dec-21 12M
BALANCE SHEET				
1 Non-Current Assets	7,566	7,588	6,964	6,677
2 Investments	100	2,804	100	-
3 Related Party Exposure	-	-	-	1
4 Current Assets	15,265	11,066	8,293	5,489
a Inventories	*5,111*	*5,913*	*4,098*	*2,253*
b Trade Receivables	*1,138*	*457*	*957*	*561*
5 Total Assets	22,932	21,457	15,358	12,167
6 Current Liabilities	3,224	3,233	2,743	1,442
a Trade Payables	*1,050*	*1,057*	*1,429*	*539*
7 Borrowings	7,406	6,825	4,951	5,458
8 Related Party Exposure	-	-	-	-
9 Non-Current Liabilities	764	764	781	547
10 Net Assets	11,539	10,635	6,882	4,721
11 Shareholders' Equity	11,539	10,635	6,882	4,721
INCOME STATEMENT				
1 Sales	4,608	19,736	14,153	7,230
a Cost of Good Sold	*(3,223)*	*(12,091)*	*(9,425)*	*(4,665)*
2 Gross Profit	1,386	7,645	4,728	2,565
a Operating Expenses	(320)	(1,377)	(874)	(324)
3 Operating Profit	1,065	6,268	3,854	2,241
a Non Operating Income or (Expense)	*145*	*(246)*	*(314)*	*(392)*
4 Profit or (Loss) before Interest and Tax	1,210	6,022	3,540	1,849
a Total Finance Cost	*(253)*	*(719)*	*(409)*	*(277)*
b Taxation	*(54)*	*(286)*	*(429)*	*5*
6 Net Income Or (Loss)	903	5,018	2,703	1,577
CASH FLOW STATEMENT				
a Free Cash Flows from Operations (FCFO)	*1,243*	*6,080*	*4,050*	*2,240*
b Net Cash from Operating Activities before Working Capital Changes	*1,001*	*5,457*	*3,602*	*1,887*
c Changes in Working Capital	*(34)*	*250*	*(2,961)*	*(79)*
1 Net Cash provided by Operating Activities	966	5,707	641	1,808
2 Net Cash (Used in) or Available From Investing Activities	537	(4,654)	(794)	(865)
3 Net Cash (Used in) or Available From Financing Activities	497	(232)	(706)	(113)
4 Net Cash generated or (Used) during the period	2,000	821	(860)	830
RATIO ANALYSIS				
1 Performance				
a Sales Growth (for the period)	-6.6%	39.4%	95.8%	42.2%
b Gross Profit Margin	30.1%	38.7%	33.4%	35.5%
c Net Profit Margin	19.6%	25.4%	19.1%	21.8%
d Cash Conversion Efficiency (FCFO adjusted for Working Capital/Sales)	26.2%	32.1%	7.7%	29.9%
*e Return on Equity [Net Profit Margin * Asset Turnover * (Total Assets/S!*	32.6%	57.3%	46.6%	40.1%
2 Working Capital Management				
a Gross Working Capital (Average Days)	125	106	101	122
b Net Working Capital (Average Days)	104	83	76	100
c Current Ratio (Current Assets / Current Liabilities)	4.7	3.4	3.0	3.8
3 Coverages				
a EBITDA / Finance Cost	4.9	9.8	10.9	9.4
b FCFO / Finance Cost+CMLTB+Excess STB	4.0	5.8	4.4	2.8
c Debt Payback (Total Borrowings+Excess STB) / (FCFO-Finance Cost)	0.4	0.3	0.9	1.6
4 Capital Structure				
a Total Borrowings / (Total Borrowings+Shareholders' Equity)	39.1%	39.1%	41.8%	53.6%
b Interest or Markup Payable (Days)	81.1	107.8	98.2	57.4
c Entity Average Borrowing Rate	14.6%	11.3%	6.8%	4.8%

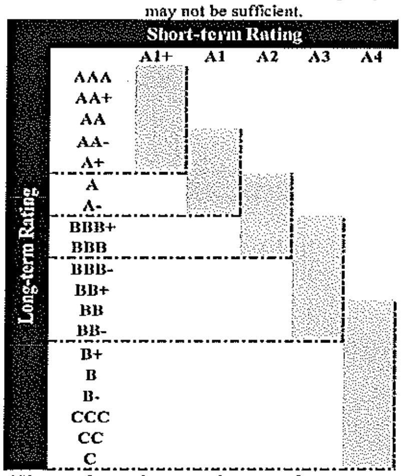
Pakistan Aluminium Beverage Cans Limited
Company Secretary

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

Pakistan Aluminium Beverage Cans Limited
Company Secretary

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
(23) All information contained herein is considered proprietary by PACRA. Hence, none of the information in this document can be copied or, otherwise reproduced, stored or disseminated in whole or in part in any form or by any means whatsoever by any person without PACRA's prior written consent

Pakistan Aluminium Beverage Cans Limited
Company Secretary