



The Pakistan Credit Rating Agency Limited

PRESS RELEASE

Rating Action

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Analyst

Awais Khan
(+92-42-586 9504)
awais@pacra.com
www.pacra.com

PACRA PLACES RATINGS OF MAPLE LEAF CEMENT ON RATING WATCH

Lately, the business prospects of Maple Leaf Cement Factory Limited (MLCFL) have come under pressure due to difficult dynamics of the cement industry. Moreover, the financial profile of the company has been impacted due to highly leveraged capital structure and stressed cashflows, which could impede the company's ability to meet its financial obligations, going forward.

The management of the company is taking several steps to mitigate these risks including a) capital injection and b) debt restructuring to ease the pressure on company's financial profile. PACRA would closely monitor the progress of these initiatives, as their timely materialization is critical for the ratings. Meanwhile, the Entity (long term: **BBB+**; short term: **A2**) and Sukuk (**A-**) ratings of MLCFL are placed on "**Rating Watch**".

Any further deterioration in the financial profile of the company and/or inability of the management to execute above mentioned steps would negatively impact the ratings.

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