



The Pakistan Credit Rating Agency Limited

PRESS RELEASE

RATING ACTION

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PACRA DOWNGRADES RATINGS OF PACE (PAKISTAN) LIMITED

The Pakistan Credit Rating Agency Limited (PACRA) has downgraded the rating of listed, and secured TFC issue of PKR 1,500mln by Pace (Pakistan) Limited (Pace) to "D". The rating denotes that the financial obligations are currently in default. The entity ratings of Pace have been placed on "SD" (Selected Default). Meanwhile, the rating of privately placed and secured Sukuk issue of PKR 400mln has also been downgraded to "CCC" (Triple C).

The ratings reflect the company's non-performance on interest payment of its listed and secured TFC of PKR 1,500mln owing to significant cash flow constraints. As per the management, the company is in the process of divesting a portion of Pace's investment in a real estate project to one of the Middle-Eastern sponsors of First Capital Group. However, owing to recent crises in the Middle-East and North Africa (MENA) region, the respective arrangements are taking some time to materialize.

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