



The Pakistan Credit Rating Agency Limited

## PRESS RELEASE

### Rating Action

Lahore: (17-Nov-09)

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## PACRA DOWNGRADES RATINGS OF SHAKARGANJ MILLS LIMITED TO “D”

The Pakistan Credit Rating Agency (PACRA) has downgraded the entity and TFC ratings of Shakarganj Mills Limited to “D” (Previous entity ratings; long-term: BB-; short-term: B and TFC of PKR 630mln: BB). The rating denotes that the financial obligations are currently in default.

The rating reflects the company’s non-performance on its debt obligations, emanating largely from material deterioration in its financial profile – a result of significant business losses, high leveraging, and subdued cashflows. Moreover, prevailing dynamics of the sugar industry instigates doubts about the company’s ability to timely revive its business prospects. Although the management is striving to re-profile its debt obligations, no material progress has been achieved in this context.

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