

Maple Leaf Cement (MLCF)

'Almost' there to recommence construction on new-line

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Court Sets Aside EPA's Earlier Order

- Lahore High Court (LHC) has set aside Environmental Protection Agency's (EPA) earlier order, dated Dec 3, 2017 to halt construction of MLCF's 2.2mn tons per annum of Brownfield cement line and approved the company's Environmental Impact Assessment (EIA), as per the notice on PSX today.
- However, the company has been ordered to wait until the issuance of a survey report (criteria for the delineation of negative and positive areas for the installation of new or enhanced existing cement plant), carried out by Mines & Minerals department of Punjab.
- Further, EPA has been directed by the Court to issue orders in light of this survey, within 14 days of its release date (the survey report was expected by mid Jan 2018; we now expect the report to be issued next week).
- MLCF will most likely receive a 'green light' to carry out its planned expansion as the venture lies in the 'Positive Zone', as per our channel checks.
- This Brownfield venture of US\$220mn (D/E of 50/50) is expected to add around Rs1.65/sh (~19%) to MLCF's bottom-line in FY19, at capacity utilization of 60%.

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