



Rating Action

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PACRA AND NESPAK MAINTAIN 'PG3+' PROJECT GRADING OF CENTREPOINT KARACHI

The grading indicates good overall project execution capacity. The grading reflects the engagement of reputed project consultants supplemented by a rental yield based model, more suitable to current operating environment. The grading incorporates slow project progress, mainly due to stressed availability of requisite funds, which has led to delays in timely completion. However, the management's recent funding plan is expected to alleviate liquidity constraints and spur construction activities.

The grading is dependent on the management's effectiveness in timely finalizing the proposed loan facility to meet funding requirements. Adherence to revised project timelines is critical as any variation in construction activities, leading to further delays in completion, would have a negative grading impact.

About the Project: Centrepoint is planned as a twenty-eight storey commercial building with 16 floors of office space, 9 levels of parking and 3 floors for services and equipment storage. Once complete, it will be the tallest structure in Karachi. The project site, measuring 2,914 square yards (around six kanals) and located at the KPT Interchange, is accessible from most locations in the city.

About the Developer: TPL Properties (Pvt.) Limited (TPLP), is the real estate arm of the TPL Holdings, and is engaged in development, management and sale of properties. Previously these activities were being managed under a partnership structure, namely A&A Associates. TPLP acquired the business of A&A Associates in June 2010.

TPLP is majority owned by Trakker Group (74%) through group companies (55%) and individuals (19%). Group CEO, Mr. Ali Jameel and Group Chairman, Mr. Jameel Yusuf are seasoned entrepreneurs who have successfully launched ventures in vehicle tracking and insurance sectors. In addition, Mr. Zia Chishti, a recent addition to the shareholding group, is renowned as the key founder of The Resource Group.

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