



**Rating Action**

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**Analyst**

Aisha Yasin  
(+92-42-586 9504)  
aishayasin@pacra.com  
www.pacra.com

**PACRA ASSIGNS ENTITY RATINGS TO HUB POWER COMPANY LIMITED**

The Pakistan Credit Rating Agency (PACRA) has assigned a long-term entity rating of ‘AA+’ (Double A plus) and a short-term rating of ‘A1+’ (A one plus) to Hub Power Company Limited. These ratings denote a very low expectation of credit risk emanating from a very strong capacity for timely payment of financial commitments.

The ratings reflect the company's experienced management, established operating track record and association with a major international private power producer (IPP) - International Power Plc. The ratings also take into account the company's strategic importance in the power sector, hence ensuring favorable treatment from the power purchaser and fuel supplier in the present liquidity constrained conditions in the sector. Meanwhile, the weak financial discipline of the sole customer, Water and Development Authority (WAPDA), is a key consideration.

**About the company:** Hub Power Company Limited (HUBCO), incorporated in 1991, is listed on all three stock exchanges and its Global Depository Receipts are listed on Luxembourg Stock Exchange. HUBCO began commercial operations in Mar 97.

The shareholding structure of HUBCO is diverse. The principal sponsors are International Power Plc (17%), followed by Xenel Industries Limited (12%), and Fauji Foundation (9%). The board of directors (BoD) comprises fifteen-members including the Chief Executive Officer (CEO) of HUBCO.

The CEO, Mr. Javed Mehmood, associated with HUBCO for more than three years, possesses over 40 years of diverse experience, mainly in the financial sector.

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