



RATING ACTION

Lahore: (02-July-2010)

ANALYST

Awais Khan
(+92-42-586 9504)
awais@pacra.com
www.pacra.com

PACRA PLACES ENTITY RATINGS OF NISHAT CHUNIAN POWER LIMITED ON RATING WATCH

In view of the recent delay in achieving Commercial Operation Date (COD), the Pakistan Credit Rating Agency (PACRA) has placed the entity ratings (long-term: AA-; short-term A1+) of Nishat Chunian Power Limited (NCPL) under **Rating Watch**.

NCPL was targeting to achieve COD by end-June 2010. However, the COD has been revised due to extended testing and commissioning phase. The management now intends to accomplish COD within July 2010.

The ratings will continue to remain under watch till the COD is achieved. Meanwhile, further delay in this process could have negative rating implications. However, comfort can be drawn from strong profile and technical expertise of Wartsila, the Engineering, Procurement, and Construction Contractor.

About the Company: Nishat Chunian Power Limited (NCPL) is a special purpose company established to set up an Independent Power Producer (IPP). It is setting up a 200 MW power plant in Jambar Kalan, in District Kasur, near Lahore on Build-Own-Operate (BOO) basis. The plant is designed to run on Residual Fuel Oil (RFO). The electricity generated will be sold to NTDC under the PPA.

The capital structure of NCPL comprises 80% debt, arranged from a consortium of local banks, and 20% equity. The principal share holder is Nishat Chunian Limited – holding 58% of the equity. Meanwhile, Allied Bank Limited and National Bank of Pakistan hold 12% and 8%, respectively. The remaining (22%) of the shareholding belongs to the general public.

Disclaimer

This press release is being transmitted for the sole purpose of dissemination through print/electronic media. The press release may be used in full or in part without changing the meaning or context thereof with due credit to PACRA.

The primary function of PACRA is to evaluate the capacity and willingness of an entity to honor its obligations. Our ratings reflect an independent, professional and impartial assessment of the risks associated with a particular instrument or an entity.

PACRA's comprehensive offerings include instrument and entity credit ratings, insurer financial strength ratings, fund ratings, asset manager ratings and real estate gradings.

PACRA's opinion is not a recommendation to purchase, sell or hold a security, in as much as it does not comment on the security's market price or suitability for a particular investor.