



**Rating Action**

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**PACRA ASSIGNS ENTITY RATINGS TO PAK IRAN JOINT INVESTMENT COMPANY LIMITED**

The Pakistan Credit Rating Agency (PACRA) has assigned the long-term and short-term entity ratings of ‘AA-’ (Double A Minus) and ‘A1+’ (A One Plus) respectively to Pak Iran Joint Investment Company Limited (PIJICL). These ratings denote a very low expectation of credit risk emanating from the highest capacity for timely payment of financial commitments.

The ratings reflect the joint ownership of PIJICL by the governments of Pakistan and Iran, implying strong support to the company. At the same time, the ratings reflect the sound risk absorption capacity of the company, an outcome of a robust capital structure and a conservative stance towards risk. The company is in the process of developing the key management team and building the requisite infrastructure before actively pursuing its business plans. The identified business lines though largely similar to other DFIs, focuses on project financing business by promoting investment flow from Iran. However, the management’s success in carving out a distinctive niche in the increasingly competitive operating environment remains to be seen.

**The company:** Pak-Iran Joint Investment Company Limited (PIJICL) commenced operations in May 2007 as a development finance institution (DFI). It is a joint venture investment company that is equally owned by the Governments of Islamic Republic of Pakistan through the Ministry of Finance (MoF) and the Islamic Republic of Iran through Iran Foreign Investment Company (IFIC). PIJICL operates through its head office in Karachi, with a branch office in Tehran, Iran. IFIC has the objective to manage and expand Government of Iran’s holdings abroad and currently owns majority of Iran’s foreign investments.

According to the Joint Venture Agreement, both the partners would have equal representation on the six-member Board. Mr. Ahmad Jamali, the chairman of the board, is currently Director General for the General Directorate for Foreign Investments, Iran. Mr. Aizaz Sarfraz, the managing director and CEO of PIJICL, an MBA, possesses extensive experience in the financial sector in Pakistan and abroad. PIJICL is in the process of building a management team and developing effective systems and processes. The key management positions filled to date, include qualified and experienced professionals.

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