

## MIRA INFORM REPORT

Report No. :	483468
Report Date :	01.01.2018

### IDENTIFICATION DETAILS

Name :	FRONTIER FOUNDRY (PRIVATE) LIMITED
Registered Office :	4-B, Sir Syed Road, Peshawar Cantt, Peshawar, Khyber Pakhtoonkwa
Country :	Pakistan
Date of Incorporation :	21.08.1986
Com. Reg. No.:	0014856
Legal Form :	Private Limited Company
Line of Business :	The principal activities of the Company are the manufacturing and sale of iron billets.
No. of Employees :	305

### RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23<sup>rd</sup> January 2017)

MIRA's Rating :	A
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Credit Rating	Explanation	Rating Comments
A	Acceptable Risk	Business dealings permissible with moderate risk of default

Status :	Satisfactory
Payment Behaviour :	Slow and delayed

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<b>Litigation :</b>	Clear
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**NOTES :**

Any query related to this report can be made on e-mail : [infodept@mirainform.com](mailto:infodept@mirainform.com) while quoting report number, name and date.

**ECGC Country Risk Classification List**

<b>Country Name</b>	<b>Previous Rating (30.06.2017)</b>	<b>Current Rating (30.09.2017)</b>
Pakistan	B1	B1

<b>Risk Category</b>	<b>ECGC Classification</b>
Insignificant	A1
Low Risk	A2
Moderately Low Risk	B1
Moderate Risk	B2
Moderately High Risk	C1
High Risk	C2
Very High Risk	D

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**PAKISTAN - ECONOMIC OVERVIEW**

Decades of internal political disputes and low levels of foreign investment have led to slow growth and underdevelopment in Pakistan. Pakistan has a large English-speaking population. Nevertheless, a challenging security environment, electricity shortages, and a burdensome investment climate have deterred investors. Agriculture accounts for one-fifth of output and two-fifths of employment. Textiles and apparel account for most of Pakistan's export earnings; Pakistan's failure to diversify its exports has left the country vulnerable to shifts in world demand. Pakistan's GDP growth has gradually increased since 2012. Official unemployment was 6.1% in 2016, but this fails to capture the true picture, because much of the economy is informal and underemployment remains high. Human development continues to lag behind most of the region.

In 2013, Pakistan embarked on a \$6.3 billion IMF Extended Fund Facility, which focused on reducing energy shortages, stabilizing public finances, increasing revenue collection, and improving its balance of payments position. The program concluded in September 2016. Although Pakistan missed several structural reform criteria, it restored macroeconomic stability, improved its credit rating, and boosted growth. The Pakistani rupee, after heavy depreciation in 2013, remained relatively stable against the US dollar in 2016. Low global oil prices in 2016 contributed to a narrowing current account deficit and lower inflation. Remittances from overseas workers continued to be a key revenue source, also mitigating the impact of the lack of foreign investment and a growing trade deficit on the country's current account.

Pakistan must continue to address several longstanding issues, including expanding investment in education and healthcare, adapting to the effects of climate change and natural disasters, improving the country's business environment, reducing dependence on foreign donors, and widening the country's tax base. Given demographic challenges, Pakistan's leadership will be pressed to implement economic reforms, promote further development of the energy sector, and attract foreign investment to support sufficient economic growth necessary to employ its growing and rapidly urbanizing population, much of which is under the age of 25.

In an effort to boost development, Pakistan and China are implementing the "China-Pakistan Economic Corridor," a \$46 billion investment program targeted towards the energy sector and other infrastructure projects that Islamabad and Beijing had agreed on in early 2013.

Source : CIA

## **COMPANY NAME**

FRONTIER FOUNDRY (PRIVATE) LIMITED

## **FULL ADDRESS**

Registered Address

4-B, Sir Syed Road, Peshawar Cantt, Peshawar, Khyber Pakhtoonkwa, Pakistan

Tel # 92 (91) 5812751, 5817751, 5387801, 5891555

Fax # 92 (91) 5815808

## **SHORT DESCRIPTION OF BUSINESS**

- |    |                    |  |
|----|--------------------|--|
| a. | Nature of Business | The principal activities of the Company are the manufacturing and sale of iron billets |
| b. | Year Established   | 21 <sup>st</sup> August, 1986  |
| c. | Registration #     | 0014856  |

## **PLANT LOCATION**

Plot No. 168, Road B-7, Hayatabad,  
Jamrud Road, Peshawar, Pakistan

## **AUDITORS**

Rafaqat Babar & Co.  
(Chartered Accountants)

## **LEGAL STATUS**

Subject Company was established as a Private Limited Company on 21<sup>st</sup> August, 1986

## **CAPITAL**

Authorized Capital Rs. 500,000,000/- divided into 5,000,000 shares of Rs. 100/- each  
Issued & Paid up Capital Rs. 205,970,000/- divided into 2,059,700 shares of Rs. 100/- each

## **DETAILS OF MANAGEMENT**

Names	Designation
Mr. Nauman Wazir	Chief Executive
Mr. Zarak Khan	Director

## **SHAREHOLDERS**

Names	No. of Shares
Mr. Nauman Wazir	1,396,050
Mr. Zarak Khan	199,940
Mrs. Rubina Nauman	299,910
Mrs. Zartasha Khan	163,800

## **ASSOCIATES**

- A. SUBSIDIARY  
None
- B. ASSOCIATED COMPANIES  
- Do -

## **BUSINESS ACTIVITIES**

The principal activities of the Company are the manufacturing and sale of iron billets.

In case of import, payments would be made through L/C, D/P basis to its trade suppliers globally

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It sells against cash term basis to its domestic customers.

Its importing Countries are European Countries, Japan, Korea, China, India, Malaysia, Taiwan & Singapore.

Its major customers are Private Companies, Distribution Companies, Traders etc.

Subject operates from owned office & factory premises situated at commercial & industrial centers of Peshawar, Khyber Pakhtoonkwa.

Subject employs about 305 persons in its set up.

## ***ANNUAL SALES VOLUME***

Year	In Pak Rupees
2016	3,200,000,000/- (Estimated)

## ***ANNUAL PRODUCTION VOLUME***

Annual production volume is indeterminable as its mainly depend on the demand / requirements from their domestic customers

## ***TRADE SUPPLIERS (FOREIGN)***

Subject import globally from Companies belongs to European Countries, Japan, Korea, China, India, Malaysia, Taiwan & Singapore

## ***BANKERS***

Bank Alfalah Limited, Pakistan.  
Habib Bank Limited, Pakistan.  
Askari Bank Limited, Pakistan.  
MCB Bank Limited, Pakistan.  
Meezan Bank Limited, Pakistan.

(Total Mortgage Obtained PKR: 436,000,000/-)

## **MEMBERSHIPS**

KPCCI  
FPCCI

## **COMMENTS**

Subject Company was established in 21<sup>st</sup> August, 1986. The principal activities of the Company are the manufacturing and sale of iron billets. Overall reputation is satisfactory. Trade relations are reported as fair. Subject can be considered for normal business dealings at usual trade terms and conditions.

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 64.93
UK Pound	1	INR 86.06
Euro	1	INR 76.39
PKR	1	INR 0.58

**Note :** Above are approximate rates obtained from sources believed to be correct

**INFORMATION DETAILS**

Analysis Done by :	NIS
Report Prepared by :	TRU

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**RATING EXPLANATIONS**

Credit Rating	Explanation	Rating Comments
A++	Minimum Risk	Business dealings permissible with minimum risk of default
A+	Low Risk	Business dealings permissible with low risk of default
A	Acceptable Risk	Business dealings permissible with moderate risk of default
B	Medium Risk	Business dealings permissible on a regular monitoring basis
C	Medium High Risk	Business dealings permissible preferably on secured basis
D	High Risk	Business dealing not recommended or on secured terms only
NB	New Business	No recommendation can be done due to business in infancy stage
NT	No Trace	No recommendation can be done as the business is not traceable

NB is stated where there is insufficient information to facilitate rating. However, it is not to be considered as unfavourable.

This score serves as a reference to assess SC's credit risk and to set the amount of credit to be extended. It is calculated from a composite of weighted scores obtained from each of the major sections of this report. The assessed factors are as follows:

- Financial condition covering various ratios
- Company background and operations size
- Promoters / Management background
- Payment record
- Litigation against the subject
- Industry scenario / competitor analysis
- Supplier / Customer / Banker review (wherever available)

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