

MIRA INFORM REPORT

Report No. :	540660
Report Date :	26.11.2018

IDENTIFICATION DETAILS

Name :	BROTHERS ENTERPRISES (PVT) LIMITED
Registered Office :	106, Anum Estate, Shahrah-e-Faisal, Karachi
Country :	Pakistan
Financials (as on) :	2017 [Summarized]
Date of Incorporation :	1989
Com. Reg. No.:	0020763
Legal Form :	Private Limited Company
Line of Business :	Import, Export & Trading of Consumer Food Products, Chemicals & Basmati Rice
No. of Employees :	16

RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23rd 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

Maximum Credit Limit :	25,289.44 USD
Status :	Satisfactory
Payment Behaviour :	Slow and Delayed
Litigation :	Clear

NOTES :

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ECGC Country Risk Classification List

Country Name	Previous Rating (30.06.2018)	Current Rating (30.09.2018)
Pakistan	B1	B1

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

PAKISTAN - ECONOMIC OVERVIEW

Decades of internal political disputes and low levels of foreign investment have led to underdevelopment in Pakistan. Pakistan has a large English-speaking population, with English-language skills less prevalent outside urban centers. Despite some progress in recent years in both security and energy, a challenging security environment, electricity shortages, and a burdensome investment climate have traditionally deterred investors. Agriculture accounts for one-fifth of output and two-fifths of employment. Textiles and apparel account for more than half 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, and was 5.3% in 2017. Official unemployment was 6% in 2017, 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 has remained relatively stable against the US dollar since 2015, though it declined about 10% between November 2017 and March 2018. Balance of payments concerns have reemerged, however, as a result of a significant increase in imports and weak export and remittance growth.

Pakistan must continue to address several longstanding issues, including expanding investment in education, healthcare, and sanitation; adapting to the effects of climate change and natural disasters; improving the country's business environment; 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" (CPEC) with \$60 billion in investments targeted towards energy and other infrastructure projects. Pakistan believes CPEC investments will enable growth rates of over 6% of GDP by laying the groundwork for increased exports. CPEC-related obligations, however, have raised IMF concern about Pakistan's capital outflows and external financing needs over the medium term.

Source : CIA

BUSINESS NAME

BROTHERS ENTERPRISES (PVT) LIMITED

FULL ADDRESS

Registered Address

106, Anum Estate, Shahrah-e-Faisal, Karachi, Pakistan

Tel # 92 (21) 34380784, 34380785

Fax # 92 (21) 34382189

Email bel@cyber.net.pk

SHORT DESCRIPTION OF BUSINESS

- | | | |
|----|--------------------|--|
| a. | Nature of Business | Import, Export & Trading of Consumer Food Products, Chemicals & Basmati rice |
| b. | Year Established | 1989 |
| c. | Registration # | 0020763 |

BRANCHES

Address 209, Uni Tower, I.I. Chundrigar Road, Karachi, Pakistan

Tel # 92 (21) 32413713, 32416127

Fax # 92 (21) 32413544

AUDITORS

Rahman Sarfaraz Rahim Iqbal Rafiq
(Chartered Accountants)

115, Sidco Avenue Centre, Din Muhammad Wafai Road, Karachi, Pakistan

LEGAL STATUS

Subject Company was established as a Private Limited Company in 1989

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AUTHORIZED CAPITAL	Rs. 20,000,000/- divided into 200,000 shares of Rs. 100/- each
ISSUED & PAID UP CAPITAL	Rs. 18,000,000/- divided into 180,000 shares of Rs. 100/- each

DETAILS OF DIRECTORS

Names	Designation
Mr. Muhammad Ahmad	Chief Executive
Mrs. Naima Ahmad	Director
Mr. Hafiz M. Tariq	Director
Mr. Faisal Ahmed	Director
Mr. Khalid Rafi	Director

SHAREHOLDERS

Names	No of Shares
Mr. Muhammad Ahmad	12,600
Mrs. Naima Ahmad	5,400
Mr. Hafiz M. Tariq	54,000
Mr. Faisal Ahmed	54,000
Mr. Khalid Rafi	54,000

ASSOCIATES

A. SUBSIDIARY
None

B. ASSOCIATED COMPANIES

(1) Tariq & Co., Pakistan.

BUSINESS ACTIVITIES

Import, Export & Trading of Consumer Food Products, Chemicals & Basmati rice

NUMBER OF EMPLOYEES

16

ANNUAL SALES VOLUME

Years	In Pak Rupees
2016	62,000,000/- (Estimated)
2017	68,000,000/- (Estimated)

TRADE SUPPLIERS (FOREIGN)

Subject import globally from Companies belongs to China, India, Korea, Taiwan & U.A.E.

CUSTOMERS

Major customers are Food Companies, Chemical Manufacturers, Buying Agencies deal with cash / credit term basis

EXPORTS

Export of Basmati Rice to Gulf Countries

BANKERS

- (1) Habib Bank Limited, Pakistan.
- (2) Bank Alfalah Limited, Pakistan.
- (3) MCB Bank Limited, Pakistan.
- (4) Standard Chartered Bank, Pakistan.
- (5) Faysal Bank Limited, Pakistan.

MEMBERSHIPS

Karachi Chamber of Commerce & Industry.(KCCI)

COMMENTS

Subject Company was established in 1989 and is engaged in import, export & trading of Consumer Food Products, Chemicals & Basmati Rice. Overall reputation is satisfactory. Trade relations are reported as slow and delayed. In view of current disturbed economic and political situation, we would advise to deal with all the business in Pakistan with some caution.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 71.17
UK Pound	1	INR 91.04
Euro	1	INR 81.19
PKR	1	INR 0.53

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

INFORMATION DETAILS

Analysis Done by :	PRI
Report Prepared by :	TPT

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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)