VIS
Credit Rating Company Limited

BRENTWOOD HOSPITALITY (PRIVATE) LIMITED

Analyst:
Husnain Ali
(husnain.ali@vis.com.pk)

RATING DETAILS				
RATINGS CATEGORY	LATEST RATING		PREVIOUS RATING	
	MEDIUM TO LONG-TERM	SHORT-TERM	MEDIUM TO LONG-TERM	SHORT-TERM
ENTITY	A-	A2	A-	A2
RATING OUTLOOK	Stable		Stable	
RATING ACTION	Reaffirmed		Initial	
RATING DATE	August 17, 2026		July 1, 2025	

SHAREHOLDING 5% OR MORE	OTHER INFORMATION
Al-Feroz (Private) Limited – 99.7%	Incorporated in 2024
	Private Limited Company
	External Auditor: Bilal Arsalan and Co. Chartered Accountant
	Chairman of the BOD & CEO: Mr. Shoaib Feroz

APPLICABLE RATING CRITERIA

VIS Entity Rating Criteria Methodology –Corporates
https://docs.vis.com.pk/docs/CorporateMethodology.pdf

APPLICABLE RATING SCALE

https://docs.vis.com.pk/docs/VISRatingScales.pdf

RATING RATIONALE

Brentwood Hospitality (Private) Limited ('BHPL', 'the Project' or 'the Company') is a wholly owned subsidiary of Al-Feroz (Private) Limited ('AFPL' or 'the Holding Company'). Through BHPL, the Holding Company is undertaking the development of a premium hotel and serviced apartments project within Dolmen City, Karachi. Currently in the development phase, the project is exposed to execution risk until construction is completed and operations commence, expected by late 2027, subject to potential macroeconomic and geopolitical developments. Notwithstanding, execution risk is partially mitigated by the completion of the structural framework, with remaining work largely concentrated in the design and finishing phases.

The assigned ratings are underpinned by strong sponsor commitment from the Al-Feroz Group, demonstrated through asset contributions, financial support during the initial debt-servicing window. Additionally, the planned injection of PKR 18.7b in sponsor funds is a vital credit-strength consideration that will be instrumental in supporting the Company's financial profile and mitigating development risks. The importance of continued support from the Holding Company remains critical, particularly in light of the project's financial profile, characterized by limited liquidity, tight debt coverage metrics in the early years, and reliance on highly competitive market segments.

The reaffirmation of ratings incorporates moderate sector risk, alongside the project's strategic location within a high-footfall commercial hub. Moreover, the project's association with the international hospitality brand Pullman Hotels & Resorts under AccorHotels is expected to support market positioning and revenue generation; continuity of this branded affiliation, timely achievement of project milestones, operational support from the Holding Company, and the ability of the sponsors to bridge any cost overruns and meet debt servicing obligations will remain critical rating drivers.

COMPANY PROFILE

Brentwood Hospitality (Private) Limited ('BHPL' or 'the Project' or 'the Company'), is a wholly owned subsidiary of Al-Feroz (Private) Limited ('AFPL' or 'the Holding Company'). Through BHPL, the Holding Company is undertaking the development of a premium hotel and serviced apartments project within Dolmen City, Karachi. Located in Sky Towers – East Wing, the Project is positioned to cater to the upper segment, targeting both business and leisure travelers.

SPONSOR PROFILE

Al-Feroz Group is a family run high end real estate group, with a strong footprint in Karachi through landmark projects, including corporate associations with Dolmen City, Sky Towers, and premium waterfront joint ventures in Karachi and more recently in Lahore. Expanding its market frontier, the group recently integrated international hospitality into its portfolio via a landmark tripartite partnership with Accor and Valor Hospitality. This milestone collaboration will debut the Pullman Karachi Brentwood Tower in 2028, a high-end development featuring 250+ premium keys including serviced apartments in Clifton.

Mr. Shoaib Feroz
With 34+ years of experience, Mr. Shoaib Feroz specializes in Real Estate, Amusement Parks, Mechanical Engineering, and Renewable Energy. As CEO/Director of Al-Feroz (Pvt) Ltd (since 2021), Green Waste Energy (Pvt) Ltd (since 2020), and Pioneer Amusement Services (Pvt) Ltd (since 2013), he has led landmark projects like Dolmen City, Chunky Monkey Amusement, and renewable energy initiatives converting waste to synthetic gas. His expertise spans strategic real estate trading, long-term retail leases, and specialized engineering solutions for defense sectors.

Mr. Irfan Feroz
A seasoned professional with 36+ years, Mr. Irfan Feroz specializes in Real Estate, Amusement Parks, and Manufacturing of Engineering Equipment. Serving as Director at Al-Feroz (Pvt) Ltd (since 2021), Brentwood (Pvt) Ltd (since 2013), and Metal Engineering Works (Pvt) Ltd (since 1991), he has executed key projects including Dolmen Malls, Signature-27 Apartments, and Sindbad Amusement. His contributions include pioneering long-term retail leases and manufacturing specialized transport carriers for defense industries.

Mr. Kamran Feroz
With 38+ years in Real Estate, Amusement Parks, and Mechanical Engineering, Kamran Feroz holds leadership roles as CEO/Director of Metal Engineering Works (Pvt) Ltd (since 1991) and Al-Kehkashan (Pvt) Ltd (since 1989). He has overseen the development of Dolmen projects and Sindbad Amusement, emphasizing cost-effective, quality-driven real estate ventures. His engineering expertise includes manufacturing aircraft refuellers and specialized vehicles for defense sectors.

AUDIT OPINION

Bilal Arsalan & Co., Chartered Accountants, holds a satisfactory QCR rating from ICAP and has issued an unmodified audit opinion on the financial statements, with an emphasis of matter highlighting continued sponsor support underpinning the going concern assumption.

BUSINESS RISK

INDUSTRY

During FY25–FY26, Pakistan's commercial real estate sector exhibited signs of recovery amid improving macroeconomic conditions. Declining inflation, easing interest rates, and greater exchange rate stability supported a gradual revival in investor confidence, resulting in renewed momentum in commercial developments, particularly mixed-use projects incorporating retail malls, office spaces, hotels, and serviced apartments. The recovery has been led by demand for integrated developments in major urban centers such as Islamabad, Rawalpindi, Lahore, and Karachi, where developers continue to launch projects catering to corporate, hospitality, and retail segments. The hospitality segment also witnessed improving fundamentals, supported by rising domestic tourism, business travel, and government initiatives aimed at attracting foreign investment. The Government's continued emphasis on investment facilitation through the Special Investment Facilitation Council (SIFC), alongside incentives for REITs and large-scale real estate developments, is expected to support the sector's long-term growth prospects.

The geopolitical tensions arising from the Iran–Israel conflict have renewed interest from overseas Pakistanis and Middle Eastern investors seeking geographical diversification through real estate investments in Pakistan, particularly in premium residential, mixed-use commercial, and hospitality developments. Improved investor sentiment and growing engagement from GCC-based investors are expected to provide incremental support to demand for high-quality hotels and serviced apartments. Despite this improving outlook, the sector continues to face structural challenges, including elevated construction costs, lengthy regulatory approval processes, execution delays, and limited long-term project financing. Nevertheless, supported by strengthening macroeconomic fundamentals, declining financing costs, favorable FY26–27 Federal Budget fiscal measures, and rising overseas demand, the outlook for Pakistan's commercial and hospitality real estate sectors remains cautiously positive.

PROJECT DEVELOPMENT UPDATE

BHPL will build "Pullman Karachi Brentwood Tower", a five-star hotel project currently in the design phase in Dolmen City, Karachi. A Hotel Franchise Agreement (HFA) has been signed with AccorHotels Middle East for the "Pullman" brand, while a separate agreement has been executed with Valor Hospitality Middle East to serve as the hotel operator. On the instructions of both the franchisor and operator, the Company has engaged approximately 15 to 20 outsourced architectural and technical consultants to drive the design and subsequent development phases. These include specialized firms such as M/s IDA Design (Lead Architect and Designer), M/s HPG Products Design Services (Back-of-House), M/s Tenable (Fire & Life Safety), M/s Onsecon (Security), M/s PPS (Acoustics), M/s Weaverant FZE (Audio Visual & ICT), and M/s SAVORS by Valor (Food & Beverages and branding). While the hotel was originally scheduled to open for commercial operations by December 2026, recent global events have caused shipping delays. If these logistics disruptions persist, the project timeline could slide by 3 to 6 months toward 2028. To mitigate this risk and expedite construction, management is actively considering transitioning toward a turnkey arrangement with Chinese contracting partners to ensure timely project delivery.

PROFITABILITY

While managing timelines to mitigate cost-overruns during the construction phase (FY24-FY26) remains important, the Company has moved on to develop its pricing model and services based on demand dynamics of the upscale vicinity. The up-scale hotel will use be utilizing a diversified revenue framework split between high-yield accommodation (200 rooms, 40 luxury suites, and 42 serviced apartments priced from $160 per day to $8,500 per month), a Food & Beverage and wellness wing, and a high-capacity banquet operation. Benchmarked in USD but transacted in PKR at an exchange rate of 300, the pricing strategy integrates a 7% annual compounding escalation to guard against inflation, while occupancy is modeled to scale from 50% in Year 3 to a stable 75% by Year 5.

Financially, management expects a sharp turnaround from early development losses to strong operational profitability by 2028 onwards. While the hotel's strategic location in Dolmen City underpins demand, assigned ratings remain sensitive to effective marketing execution, client acquisition and managing of operational vendor and overhead costs.

FINANCIAL RISK

Financial risk profile is supported by a loan provided by its majority sponsor, AFPL. The Diminishing Musharakah facility was made available in November 2024. This 16-month loan commenced with its first disbursement on February 3, 2025. Initially priced at the prevailing 3M KIBOR rate with markup payable at maturity, AFPL waived all markup payments for the entire term of the outstanding loan in February 2025. As of June 30, 2025, the maximum aggregate outstanding due to the parent company stood at PKR 46.5m, with sponsor-based funding expected to scale further during the construction phase through FY27-28. Additional drawdown is expected to begin in FY27, and principal repayments will start in FY31. The Company anticipates meeting these repayment obligations using internal cash flow.

The Company has obtained approval for a PKR 10b, 5-year Diminishing Musharakah facility from UBL Ameen, which includes a 2-year grace period. Priced at 3-Month KIBOR + 2.0% per annum, the facility is secured by a first constructive and exclusive charge over the floors of Sky Tower (inclusive of a 15% margin) and is backed by corporate guarantees from the Holding Company. Additionally, this facility includes a PKR 10b sublimit of Letter of Credit (LC) sight to support the import of project inventory.

From a credit risk perspective, managing potential cost overruns over the next two years remains critical, as the project commercial operations, along with subsequent room and service revenues, are not slated to begin until FY28. Additionally, the planned injection of PKR 18.7b in sponsor funds is a vital credit-strength consideration that will be instrumental in supporting the Company's financial profile and mitigating development risks.

(PKR in m)	FY25A	FY26P	FY27P	FY28P
Long-term bank loans	-	-	5,000.0	10,000.0
Lease liabilities	6.7	-	-	-
Loan payable to Al-Feroz (Pvt) Ltd	46.5	310.2	2,310.2	4,310.2
Total interest-bearing debt	**8**	**-**	**5,000.0**	**10,000.0**
Paid up capital	0.1	0.1	0.1	0.1
Accumulated loss/profit	-14.7	-20	-50	932
Advance for shares	-	18,700.0	18,700.0	18,700.0
Equity	**-14.6**	**18,680.10**	**18,650.1**	**19,632.1**
FFO	-14	-20	-287.1	1,121.9
DSCR (x)	-8.8	-65.3	-97.8	7,878.6
Gearing (x)	-0.55	-	0.27	0.51
Leverage (x)	-3.74	0.02	0.12	0.22

FINANCIAL SUMMARY

Balance Sheet (PKR in m)	**FY25A**	**FY26P**	**FY27P**	**FY28P**
Project under construction	28.2	18,850.0	25,807.1	34,403.9
Cash and bank balances	2.6	140.2	153.2	975.2
Total assets	**40.2**	**18,990.3**	**25,960.3**	**34,519.0**
Long-term bank loans	-	-	5,000.0	10,000.0
Lease liabilities	6.7	-	-	-
Loan payable to Al-Feroz (Pvt) Ltd (non-interest bearing)	46.5	310.2	2,310.2	4,310.2
Total debt	**6.7**	**-**	**5,000.0**	**10,000.0**
Total liabilities	**54.8**	**310.2**	**2,310.2**	**4,310.2**
Paid up capital	0.1	0.1	0.1	0.1
Accumulated (loss)/profit	(14.7)	(20.0)	(50.0)	932.0
Advance for shares	-	18,700.0	18,700.0	18,700.0
Equity	**(14.6)**	**18,680.1**	**18,650.1**	**19,632.1**
Income Statement (PKR in m)	**FY25A**	**FY26P**	**FY27P**	**FY28P**
Net revenue	-	-	-	4,732.2
Operating profit	(14.5)	(20.0)	(30.0)	1,751.3
Finance costs	(0.3)	(0.3)	(0.3)	(0.3)
Net profit	**(14.7)**	**(20.3)**	**(30.3)**	**1,174.3**
Ratio Analysis	**FY25A**	**FY26P**	**FY27P**	**FY28P**
OP margin	-	-	-	37.0%
NP margin	-	-	-	24.8%
FFO (PKR in m)	(14.0)	(20.0)	(287.1)	1,121.9
DSCR	(8.8)	(65.3)	(97.8)	7,878.6
Current ratio (x)	0.08	0.45	0.07	0.23
Gearing (x)	(0.55)	-	0.27	0.51
Leverage (x)	(3.74)	0.02	0.12	0.22
ROAA	-36.7%	-0.2%	-0.1%	3.9%
ROAE	100.7%	-0.2%	-0.2%	6.1%

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REGULATORY DISCLOSURES — Appendix II

Name of Rated Entity	Brentwood Hospitality (Private) Limited
Sector	Hotels
Type of Relationship	Solicited
Purpose of Rating	Entity Ratings
Instrument Structure	N/A
Statement by the Rating Team	VIS, the analysts involved in the rating process and members of its rating committee do not have any conflict of interest relating to the credit rating(s) mentioned herein. This rating is an opinion on credit quality only and is not a recommendation to buy or sell any securities.
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Rating History

Rating Date	Medium to Long Term	Short Term	Rating Outlook	Rating Action
RATING TYPE: ENTITY				
17-Aug-26	**A-**	**A2**	**Stable**	**Reaffirmed**
01-Jul-25	A-	A2	Stable	Initial

Due Diligence Meetings Conducted

Name	Designation	Date
Mr. Aftab Ahmed	CFO	10 July 2026