

MIRA INFORM REPORT

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| Report No. : | 522424 |
| Report Date : | 01.08.2018 |

IDENTIFICATION DETAILS

| | |
|--------------------------------|--|
| Name : | NILSON PHARMACEUTICALS LTD |
| Registered Office : | 6th Parklands, Shop No. 5 Regal Plaza, Limuru Road, P. O. Box 70479-00400, Nairobi |
| Country : | Kenya |
| Financials (as on) : | 2017 (Summarized) |
| Date of Incorporation : | 08.06.1997 |
| Legal Form : | Limited Corporation |
| Line of Business : | Dealers in Pharmaceutical Products and Medicinal Drugs. |
| No. of Employees : | 15 |

RATING & COMMENTS

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

| | |
|------------------------|---|
| MIRA's Rating : | A |
|------------------------|---|

| Credit Rating | Explanation | Rating Comments |
|---------------|-----------------|---|
| A | Acceptable Risk | Business dealings permissible with moderate risk of default |

| | |
|----------------------------|------------------|
| Status : | Satisfactory |
| Payment Behaviour : | Slow but Correct |
| Litigation : | Clear |

NOTES:

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

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ECGC Country Risk Classification List

| Country Name | Previous Rating (31.12.2017) | Current Rating (01.04.2018) |
|--------------|---------------------------------|--------------------------------|
| Kenya | B1 | B2 |

| 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 |

KENYA - ECONOMIC OVERVIEW

Kenya is the economic, financial, and transport hub of East Africa. Kenya's real GDP growth has averaged over 5% for the last decade. Since 2014, Kenya has been ranked as a lower middle income country because its per capita GDP crossed a World Bank threshold. While Kenya has a growing entrepreneurial middle class and steady growth, its economic development has been impaired by weak governance and corruption. Although reliable numbers are hard to find, unemployment and under-employment are extremely high, and could be near 40% of the population. In 2013, the country adopted a devolved system of government with the creation of 47 counties, and is in the process of devolving state revenues and responsibilities to the counties.

Agriculture remains the backbone of the Kenyan economy, contributing one-third of GDP. About 75% of Kenya's population of roughly 48.5 million work at least part-time in the agricultural sector, including livestock and pastoral activities. Over 75% of agricultural output is from small-scale, rain-fed farming or livestock production. Tourism also holds a significant place in Kenya's economy. In spite of political turmoil throughout the second half of 2017, tourism was up 20%, showcasing the strength of this sector. Kenya has long been a target of terrorist activity and has struggled with instability along its northeastern borders. Some high visibility terrorist attacks during 2013-2015 (e.g., at Nairobi's Westgate Mall and Garissa University) affected the tourism industry severely, but the sector has rebounded strongly in 2016-2017 and appears poised to continue growing.

Inadequate infrastructure continues to hamper Kenya's efforts to improve its annual growth so that it can meaningfully address poverty and unemployment. The KENYATTA administration has been successful in courting external investment for infrastructure development. International financial institutions and donors remain important to Kenya's growth and development, but Kenya has also successfully raised capital in the global bond market issuing its first sovereign bond offering in mid-2014, with a second occurring in February 2018. The first phase of a Chinese-financed and constructed standard gauge railway connecting Mombasa and Nairobi opened in May 2017.

Underlying weaknesses were exposed in the banking sector in 2016 when the government was forced to take over three small and undercapitalized banks. In 2016, the government enacted legislation that limits interest rates banks can charge on loans and set a rate that banks must pay their depositors. This measure led to a sharp shrinkage of credit in the economy. A prolonged election cycle in 2017 hurt the economy, drained government resources, and slowed GDP growth. Drought-like conditions in parts of the country pushed 2017 inflation above 8%, but the rate had fallen to 4.5% in February 2018.

The economy, however, is well placed to resume its decade-long 5%-6% growth rate. While fiscal deficits continue to pose risks in the medium term, other economic indicators, including foreign exchange reserves, interest rates, current account deficits, remittances and FDI are positive. The credit and drought-related impediments were temporary. Now In his second term, President KENYATTA has pledged to make economic growth and development a centerpiece of his second administration, focusing on his "Big Four" initiatives of universal healthcare, food security, affordable housing, and expansion of manufacturing.

Source : CIA

SUBJECT'S NAME

Registered Name: **NILSON PHARMACEUTICALS LTD**
Requested Name: **NILSON PHARMACEUTICALS LTD**
Other Names: **None**

ADDRESS AND TELECOMMUNICATION

Physical Address: 6th Parklands, Shop No. 5 Regal Plaza, Limuru Road,
Postal Address: P. o. Box 70479-00400
Nairobi,
Country: Kenya
Phone: 254-20-3752360/3742490
Cell: 254-722582513/733735046
Fax: 254-20-3752360
Email: None
Website: None

CREDIT OPINION

Financial Index as of December 2017 shows subject firm with a medium risk of credit.

LEGAL

Legal Form: Limited Corporation
Date Incorporated: 08-June-1997
Reg. Number: --
Nominal Capital: KES. 100,000
Subscribed Capital: KES. 100,000
Subscribed Capital is Subscribed in the following form:

| | Position | Shares |
|----------------------|-----------------|---------------|
| Dr. Pritesh Pancholi | MD | |

RELATED COMPANIES

None Parent company.

| | |
|------|------------------------------|
| None | Subsidiary company. |
| None | Affiliated company. |
| None | Shareholder of subject firm. |
| None | Branches of the firm |

OPERATIONS

Registered to operate as dealers in pharmaceutical products and medicinal drugs.

| | |
|----------------|--|
| Imports: | Asia |
| Exports: | None |
| Trademarks: | None |
| Terms of sale: | Cash (40%) and 25-90 days (60%), invoices. |

| | |
|---------------------|--------------------------------------|
| Main Customers: | firms and organizations |
| Employees: | 15 employees. |
| Vehicles: | Several motor vehicles. |
| Territory of sales: | Kenya |
| Location: | Leased premises, 10,000 square feet, |

AUDITORS AND INSURANCE

| | |
|--------------------|----------------------------|
| Auditors: | Information not available. |
| Insurance Brokers: | Information not available. |

FINANCE

| | |
|--------------------|-------------------------|
| Currency Reported: | Kenyan Shillings (KES.) |
| Fiscal Year End: | December 31, 2017 |

Inflation: According to information given by independent sources, the inflation at December 31st, 2017 was of 13%.

Financial Information not Submitted

Profit and Loss (expressed in KES.)

| | |
|-------|----------------------------|
| Sales | 2017 420,000,000 |
|-------|----------------------------|

BANK

Bank Name: Diamond Trust Bank
Branch: Kenya
Comments: None

COMMENTS/ ADDITIONAL INFORMATION

This information was obtained from outside sources other than the subject company itself and confirmed the above subject.

FOREIGN EXCHANGE RATES

| Currency | Unit | Indian Rupees |
|-----------|------|---------------|
| US Dollar | 1 | INR 68.61 |
| UK Pound | 1 | INR 90.07 |
| Euro | 1 | INR 80.37 |
| KES | 1 | INR 0.68 |

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

INFORMATION DETAILS

| | |
|-----------------------------|-----|
| Analysis Done by : | NIY |
| Report Prepared by : | NIT |

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)