

MIRA INFORM REPORT

Report No. :	524446
Report Date :	13.08.2018

IDENTIFICATION DETAILS

Name :	AGP LIMITED
Registered Office :	B-23C, Sindh Industrial Trading Estate (SITE), Karachi
Country :	Pakistan
Financials (as on) :	2017 (Summarized)
Date of Incorporation :	27.05.2014
Com. Reg. No.:	0088506
Legal Form :	Non-Listed Public Limited Company
Line of Business :	Manufacture & Marketing of Pharmaceutical Products
No. of Employees :	787

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

Status :	Satisfactory
Payment Behaviour :	Slow and delayed
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)
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

COMPANY NAME

Business Name **AGP LIMITED**

FULL ADDRESS

Registered Address & Factory

B-23C, Sindh Industrial Trading Estate (SITE), Karachi, Pakistan

Tel # 92 (21) 111-247-247

Fax # 92 (21) 32570678

SHORT DESCRIPTION OF BUSINESS

- | | | |
|----|---------------------------|--|
| a. | Nature of Business | Manufacture & Marketing of Pharmaceutical Products |
| b. | Year Established | 27 th May, 2014 |
| c. | Registration # | 0088506 |

BRANCHES

Is Located at Lahore

AUDITORS

EY Ford Rhodes
(Chartered Accountants)

LEGAL STATUS

Subject Company was established as a Non-Listed Public Limited Company on 27th May, 2014

CAPITAL

AUTHORIZED CAPITAL	Rs.3,500,000,000/- divided into 350,000,000 shares of Rs.10/- each
ISSUED & PAID UP CAPITAL	Rs.2,800,000,000/- divided into 280,000,000 shares of Rs.10/- each

DETAILS OF DIRECTORS

Names	Designation
Mr. Tariq Moinuddin Khan	Chief Executive
Mr. Naved Abid Khan	Director
Mr. Zafar Iqbal Sobani	Director
Mr. Kamran Nishat	Director
Ms. Nusrat Munshi	Director
Mr. Mahmud Yar Hiraj	Director
Mr. Muhammad Kamran Mirza	Director

SHAREHOLDERS

Names	No. of Shares
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List of Shareholders are attached in separate file in PDF format

ASSOCIATES

A. SUBSIDIARY
None

B. ASSOCIATED COMPANIES

Sanofi Aventis Pakistan Limited, Pakistan.
The Anglo French Drug Company Pakistan (Pvt) Limited, Pakistan.

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- Eli Lilly Gohar (Private) Limited, Pakistan.
(4) Avery Scales (Pvt) Limited, Pakistan.
(5) AGT Systems (Pvt) Limited, Pakistan.
(6) Trade Wind Associates (Pvt) Limited, Pakistan.
(7) Bayer CropScience (Pvt) Limited, Pakistan.
(8) Ali Gohar & Company (Pvt) Limited, Pakistan.

PRODUCTS / BRAND NAMES

ACTI-5, ADAMON, ALGOCIN, ANAFORTAN, ASTELIN, BETADINE, CHYMORAL, CONTROLLOC, CROMETIN A, CROZYL, CYTEAL, DOLOFEN, DOLOFLAM, EKSALB, ENZAR, GLUCONORM, GROFENAC, HAPRO, LUCAST, MAGNOPYROL, MAGNUS, MAXNA, MELFAX, MERLON, MIKAN, CONTINUS, NEOGENE, OSLIN, OSSOPAN 800, PANTOLAX, PERMIXON, PHYLLCONTIN, POSTERISAN FORTE, PROCLOR, PROLIXAN, RHINOLAST, RIGIX, RIOPAN 800, RUBIFER, SINAXAMOL PLUS, SINUPRET, SOMATOSAN, SPASLER, SPASLER NEO, TARDYFERON, TEBOKAN FORTE, THEOPLUS, TRICEF, UROMITEXAN, URSOFALK, VITARNIN, VIVIOPTAL

NUMBER OF EMPLOYEES

787

ACTUAL CAPACITY & PRODUCTION

The capacity and production of the Company's plant is indeterminable as it is multi-products and involves varying process of manufacturing

ANNUAL SALES VOLUME

Year	In Pak Rupees
2017	4,724,990,322/-

TRADE SUPPLIERS (FOREIGN)

- (1) ALEMBIC LIMITED, INDIA.
- (2) AUROBINDO PHARMA LIMITED, INDIA.
- (3) CIPLA LIMITED, INDIA.
- (4) DEPA PHARMACEUTICAL ACTIVE MATERIAL INC, TURKEY.

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- (5) JUPITER BIOSCIENCE LIMITED, INDIA.
- (6) KAIRAV CHEMICALS LIMITED, INDIA.
- (7) LUPIN CHEMICALS LIMITED, THAILAND.
- (8) NITSON LABORATORIES, INDIA.
- (9) POL PHARMA S.A., POLAND.
- (10) PCAS PHARMA SYNTHESIS, FRANCE.
- (11) RASULA PHARMA & FINE CHEMICALS, INDIA.
- (12) RANBAXY LABORATORIES LIMITED, INDIA.
- (13) SCHWARZ PHARMA, IRELAND.
- (14) WOCKHARDT LIMITED, INDIA.

DISTRIBUTORS NETWORK

Mainly exist at major cities of Pakistan

BANKERS

- (1) Allied Bank Limited, Pakistan.
- (2) Habib Bank Limited, Pakistan.
- (3) Soneri Bank Limited, Pakistan.
- (4) Bank Alfalah Limited, Pakistan.
- (5) Faysal Bank Limited, Pakistan.
- (6) Bank Al-Habib Limited, Pakistan.
- (7) JS Bank Limited, Pakistan.

(Total Mortgage obtained PKR: 3,981,250,000/-)

COMPANY MERGERS AND CONFUSIONS REGARDING AGP (PVT) LIMITED (READ THIS CAREFULLY)

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Appollo Pharma Limited (the Company) was incorporated as a public limited company on May 27, 2014 under the Companies Ordinance, 1984 (the Ordinance). The registered office of the Company is situated at 91, Shahrah-e-Iran, and Block-5 Clifton, Karachi. The Company is a subsidiary of OBS Pakistan (Private) Limited (the Holding Company) which holds 70% of the share capital of the Company. The principal activities of the Company include import, marketing, export, dealership, distribution, wholesale and manufacturing of all kind of pharmaceutical products.

During the year, the Board of Directors of the Company, AGP Healthcare (Private) Limited and AGP (Private) Limited (the subsidiaries) in their separate meetings approved a Scheme of Arrangement (the Scheme) in terms of Section 284 to 288 of the Ordinance for the amalgamation of the Company and the subsidiaries with and into the Company. The Scheme, which was approved and adopted in the Extra Ordinary General Meeting of the shareholders of the Company held on October 7, 2015, was filed with the High Court of Sindh (the Court) for approval after fulfillment of necessary statutory requirements. The Scheme was approved by the Court on December 1, 2015 being the effective date under the Scheme. The Order of the Court was filed with the Securities and Exchange Commission of Pakistan (SECP) on December 16, 2015 which is the date of completion under the Scheme. Accordingly, all the assets of the subsidiaries have been transferred to and vested in and similarly all liabilities of the subsidiaries have been assumed by and vested in the Company.

The above transaction has been accounted for using pooling of interest method which requires that the financial statements items of the merged entity for the period in which the merger occurs and for any comparative periods presented to be included in the financial statements of the merged entity as if they had been merged from the beginning of the earliest period presented. Accordingly, the comparative figures have been restated wherever necessary to reflect the above transaction.

Subsequent to the year ended December 31, 2015, the Company has entered into the process of change of name of Company from Appollo Pharma Limited to AGP Limited.

MEMBERSHIPS

Karachi Chamber of Commerce & Industry.(KCCI)
Pakistan Pharmaceutical Manufacturers Association.(PPMA)

COMMENTS

Subject Company was established in 27th May, 2014 and is engaged in manufacture & marketing of Pharmaceutical Products. Overall reputation is satisfactory. Trade relations are reported as fair. In view of current disturbed economic and political situation, we would advise to deal with all the business in Pakistan with some caution.

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FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.95
UK Pound	1	INR 88.19
Euro	1	INR 79.00
PKR	1	INR 0.56

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

INFORMATION DETAILS

Analysis Done by :	PRI
Report Prepared by :	NIT

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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)