

MIRA INFORM REPORT

Report No. :	543180
Report Date :	06.12.2018

IDENTIFICATION DETAILS

Name :	C.I. FARMACAPSULAS S.A.
Registered Office :	Calle 79 B 78 C 21 Barranquilla, Atlantico
Country :	Colombia
Financials (as on) :	31.12.2017
Date of Incorporation :	12.05.1975
Legal Form :	Sociedad Anonima
Line of Business :	Manufactures and supplies empty hard gelatin capsules.
No. of Employees :	908

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+	Low Risk	Business dealings permissible with low risk of default

Status :	Excellent
Payment Behaviour :	Regular
Litigation :	Exist

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 (30.06.2018)	Current Rating (30.09.2018)
Colombia	A2	A2

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

COLOMBIA - ECONOMIC OVERVIEW

Colombia heavily depends on energy and mining exports, making it vulnerable to fluctuations in commodity prices. Colombia is Latin America's fourth largest oil producer and the world's fourth largest coal producer, third largest coffee exporter, and second largest cut flowers exporter. Colombia's economic development is hampered by inadequate infrastructure, poverty, narcotrafficking, and an uncertain security situation, in addition to dependence on primary commodities (goods that have little value-added from processing or labor inputs).

Colombia's economy slowed in 2017 because of falling world market prices for oil and lower domestic oil production due to insurgent attacks on pipeline infrastructure. Although real GDP growth averaged 4.7% during the past decade, it fell to an estimated 1.8% in 2017. Declining oil prices also have contributed to reduced government revenues. In 2016, oil revenue dropped below 4% of the federal budget and likely remained below 4% in 2017. A Western credit rating agency in December 2017 downgraded Colombia's sovereign credit rating to BBB-, because of weaker-than-expected growth and increasing external debt. Colombia has struggled to address local referendums against foreign investment, which have slowed its expansion, especially in the oil and mining sectors. Colombia's FDI declined by 3% to \$10.2 billion between January and September 2017.

Colombia has signed or is negotiating Free Trade Agreements (FTA) with more than a dozen countries; the US-Colombia FTA went into effect in May 2012. Colombia is a founding member of the Pacific Alliance—a regional trade block formed in 2012 by Chile, Colombia, Mexico, and Peru to promote regional trade and economic integration. The Colombian government took steps in 2017 to address several bilateral trade irritants with the US, including those on truck scrappage, distilled spirits, pharmaceuticals, ethanol imports, and labor rights. Colombia hopes to accede to the Organization for Economic Cooperation and Development.

Source : CIA

STATUTORY INFORMATION

Legal Name	C.I. FARMACAPSULAS S.A.
Trade Name	FARMACAPSULAS
ID	NIT
ID Details	890105927 - 3
Creation Date	1975
Incorporation Date	1975-05-12
Legal Address	CALLE 79 B 78 C 21 BARRANQUILLA, Atlantico Colombia
Operative Address	CALLE 79 B 78 C 21 BARRANQUILLA, Atlantico Colombia
Telephone	+57-53304100
Fax	+57-53304197
Legal Form	SOCIEDAD ANONIMA
E-Mail	info@farmacapsulas.com / lledesma@farmacapsulas.com
Registered In	COLOMBIA
Website	www.farmacapsulas.com
Contact	SAUL GILINSKI GROSMAN, Manager
Staff	908 employees
Activity	2100 Manufacture of pharmaceutical products, medicinal chemical substances botanical products for pharmaceutical use

BANKS

Name of Bank	Reported Amount
BANCOLOMBIA	NA
Description	The company does not make its banking data public.

HISTORY

History

The company was founded in 1975

Key Developments

The previous name of the company was
FARMACAPSULAS S.A.

1984

Beginning

It started with the production of hard gelatin capsules.

1995

Manufacture begins

The medicine and micro-pellets facility was opened and
own manufacturing of immediate response medicine
began.

1996

Pellets Manufacturing.

Followed by the manufacturing of controlled release in
pellets form.

1999

Vegetable capsules

Beginning of the production of vegetable capsules

2001

Arrival to Canada

Partner in North America is consolidated :
CAPSCANADA®, located in Winsor (ONT)

2002

Capsuline® is created

Capsuline®, the e-commerce channel is created for the
distribution of hard capsules.

2006

Flavored Capsules Launch

Farmacapsulas makes their product more appealing by
launching flavored capsules

2009

Covered in fluid bed technology

Beginning of the production of pellets with the use of
covering of fluid bed technology.

2010

Operation and logistics center.

Operation and Logistic Center starts operating.

2011

Filling of hard capsules

Beginning of production of the filling of hard capsules with liquid products.

2014

Vegetable capsules manufacturing in Canada
Farmacapsulas begins the vegetable capsules manufacturing in Canada.

2016

AR-Caps[®]

Farmacapsulas launches acid-resistant capsules AR-Caps[®].

2017

FM-Caps[®] and New K-Caps[®] Manufacturing Plant

Farmacapsulas launches its Fast To Market

FM-Caps[®] Capsules and the new plant for Vegetable Capsules K-Caps[®] starts operating.

NA

Parent Company

PRINCIPAL ACTIVITY

General Description

Service/Product Description

C.I. Farmacapsulas S.A. manufactures and supplies empty hard gelatin capsules.

It offers gelatin and vegetable capsules. The company also operates in contract manufacturing of oral and OTC products in the form of capsules, tablets, and liquids (solutions and suspensions); modified released pellets; and liquid-filled hard capsules for pharmaceutical, OTC, and health nutrition products.

Main Products:

K-CAPS[®] – Capsules of vegetable origin – are made from hydroxypropyl methylcellulose (HPMC) – cellulose derived from trees. Non-animal: suitable for vegetarians and vegetarian minded users.

AR CAPS[®] acid resistant capsules for enteric drug delivery are made from hypromellose (HPMC) and hypromellose phthalate (HPMCP)*

Its portafolio includes :

KCAPS[®] – Vegetable Capsules

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			Gelatin Capsules Capsules for liquid filling ARCAPS® – acid-resistant capsules Flavored capsules Pharmaceutical services(Contract manufacturing and development) Manufacturing of bulk or finished products in the following pharmaceutical forms: Solid Forms: Pellets, tablets, coated tablets, powders, granules, vegetable and gelatin capsules. Liquid Forms: Hard liquid filled capsules, syrups, suspensions, emulsions and not sterile solutions Pellets. Wholesale and Retail
Sales			
Operations Area			National and International
Imports From			China
Export To			Worldwide
Employees			908 employees
Payments With Suppliers			Regular
Brands			
Brand			Comments
KCAPS			NA
ARCAPS			NA
CAPSCANADA			NA
CAPSULINE			NA
NEW K-CAPS			NA
Clients			
Name of Client	Country		Comments
L.D. DAVIS INDUSTRIES INC.	USA		NA
TECHNOPHARMA INTERNATIONAL INC.	USA		NA
MANUFACTURERA MUNDIAL FARMACEUTICA S.A.	COLOMBIA		NA
ALFONS KOSTER & CO.GMBH	GERMANY		NA
GENUINE HEALTH C/O SCI	CANADA		NA

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LOGISTICS

CAPSCANADA CORPORATION	CANADA	NA
LABS KENER SA	MEXICO	NA
LABORATORIOS DELTA S.A.	BOLIVIA	NA

Comments -

Suppliers

Supplier Name	Country	Comments
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There are not informed suppliers

Comments The company mainly imports from China

LOCATION

Headquarters	CALLE 79 B 78 C 21 BARRANQUILLA, Atlantico Colombia
Branches	C.I. FARMACAPSULAS S.A. BARRANQUILLA 21098 Establishment C.I. FARMACAPSULAS S.A. PLANT # 2 - 0 BARRANQUILLA 271196 Establishment C.I. FARMACAPSULAS S.A. 4 - 0 BARRANQUILLA 689849 Establishment
Industries	NA

GROUP STRUCTURE AND SUBDIARY COMPANIES

Listed at the stock exchange	NO
Capital	\$2,407,389 in thousands of COPs
Shareholders (%)	This is a private company. The company does not disclose information on shareholders. Despite our long search, we could not confirm major holders.
Management	Saul Gilinski Grosman, Manager Max Gilinski Sragowicz, Manager Luis Alberto Ledesma Angulo, Authorised Signing Officer Elkin Martinez, Financing

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Subsidiary Companies	Henao Jinete Gloria Eugenia, Alternate Representative Mendal De Gilinski Florette, Alternate Manager Luisa Fernanda Carrillo Fontalvo, Purchasing Alejandro Carbo Jassir, Operations Manager Angelica Montes Vergara, Treasurer Luis Fernando Orozco Silva, Manager Eduardo Molinares, Logistics Andrés Loaiza, It NA
Related Companies	CAPSCANADA CORPORATION CANADA

FINANCIAL INFORMATION

General Description	WE ATTACH THE LATEST FINANCIAL STATEMENTS OF THE COMPANY
Import Fob Dollar Year	Amount
2013	12,789,416
2014	14,080,408
2015	14,532,932
2016	13,570,153
2017	11,982,395
Export Fob Dollar Year	Amount
2013	45,011,994
2014	57,027,324
2015	48,059,776
2016	47,088,010
2017	22,577,216

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LEGAL FILINGS

Lawsuits

File No. 55646 ANA MARÍA MUÑOZ SEGURA Judge Speaker SL1692-2018 File No. 55646 Minutes 09 Bogotá, D.C., eleven (11) April two thousand and eighteen (2018). The Court resolves the appeal filed by JOSÉ FEDERICO DÍAZ ARROYO against the judgment rendered by the Third Chamber of Labor Decongestion of the Superior Court of the Judicial District of Barranquilla, on October 31, 2011, in the proceeding against C. I. FARMACÁPSULAS S.A. - FARMACAPS S.A.- and TEMPO LTDA.

PROCESS 096-IP-2008

Ex-officio preliminary interpretation of articles 81, 83, letter a) and 96 of Decision 344 of the Commission of the Cartagena Agreement, and of the First Transitory Provision of Decision 486 of the Commission of the Andean Community, based on the consultation formulated by the Council of State of the Republic of Colombia, Room of the Contentious Administrative, First Section.

Actor: DAIICHI PHARMACEUTICAL CO., LTD.
Brand: "TAVANIC".

Internal File N ° 2003-0349.

THE COURT OF JUSTICE OF THE ANDEAN COMMUNITY, In San Francisco de Quito, on the twenty-eighth (28th) day of the month of October of the year two thousand and eight.

In the request on preliminary interpretation made by the Council of State of the Republic of Colombia, the Administrative Contentious Chamber, First Section, with the intervention of its Counselor, Dr. Martha Sofía Sanz Tobón.

SEEN:

That from the request for a preliminary interpretation and its annexes it appears that the requirements set forth in Article 33 of the Treaty Establishing the Court and the requirements set forth in Article 125 of its Statute were complied with, so that its admission to proceedings was considered coming by order of October 8, 2008.

1. BACKGROUND

The Court, based on the related documentation, considers it appropriate to highlight, as background of the internal process that gave rise to the present request, the following:

1.1. The parts

The plaintiff is: DAIICHI PHARMACEUTICAL CO., LTD.

The defendant is constituted by: the Colombian Nation - Superintendence of Industry and Commerce.

The interested third party is: C.I. FARMACAPSULAS S.A. (formerly FARMACAPSULAS S.A.).

Second Instance Decision No. 225 of 15.05.06
Increase font size Decrease font size E-mail this Article
Print this Article
CLAIM No. 624, DE 09.12.2005,
DIRECTORATE REGIONAL CUSTOMS
METROPOLITAN.
GAVE. No. 4020013656-1 of 04.11.2005.
RESOLUTION OF FIRST INSTANCE N° 072, OF
02/16/2006.

DATE NOTIFICATION: 21.02.2006.

SEEN:

This background: the Ordinary Office No. 328 dated 02.03.2006, from the Judge Regional Director of Metropolitan Customs.

BEARING IN MIND:

The provisions of articles 125 and 126 of the Customs Ordinance.

RESOLVED:

CONFIRMASE, the first instance ruling.

Sign up and communicate

RESOLUTION FIRST INSTANCE N ° 072, OF
FEBRUARY 16, 2006

SEEN:

The presentation interposed to pages one and following by the Customs Agent Mr. Juan Carlos Baeza G., on behalf of Messrs. LABORATORIO VOLTA S.A., RUT. No. 79,802,770-0, which requires the application of the advantages of Economic Complementation Agreement No. 24 between Chile and Colombia, for the Declaration of Income Import. Ctdo / Normal N ° 4020013656-1, dated 04.11.2005, of this Regional Office.

CONSIDERING:

1. That, on page 5, the appellant requests the application of said benefit, for merchandise from Colombia and requested to the general regime, for not having the respective Certificate of Origin, at the time of drafting the DI;

2. That, according to pages 2, the Dispatcher declared in the aforementioned DIN, 20 packages with 178.00

Trademarks	KB, containing medicines for human use, Antiulcer, Omeprazole 40 mg, classified in Tariff Schedule 3004.9010, for a value of US \$ 6,778.40 and CIF US \$ 7,000.00, detailed in Invoice CI 003442, dated 28.10.2005, issued by CI Farmacapsulas S.A., from Colombia FARMACAPSULAS HOLDER AND NATIONALITY OF THE MARKET HOLDER FARMACAPSULAS S.A. / COLOMBIA APPLICANT AND NATIONALITY OF THE APPLICANT OF THE TRADEMARK C.I. FARMACAPSULAS S.A. / COLOMBIA DATA RECORD NRO. RECORD 191823-2003 / OSD TYPE OF EXP. MODIFICATORY ACTS (Change of Name) PRE-DATE. DATA BRAND APPLICATION PRODUCT BRAND NUMBER CERTIFICATE PI0079235 DENOMINATION No found
Patents Registered	
Renewals	The previous name of the company was FARMACAPSULAS S.A.
OFAC Sanctions List Search	The company is not listed in the OFAC list.

SUMMARY

Summary	Founded in 1984, C.I. Farmacapsulas S.A. manufactures and supplies empty hard gelatin capsules. The company has approximately 908 employees. The company imports from China and exports worldwide, operating within national and international markets. This has been an ACTIVE company incorporated in COLOMBIA in 1975.
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RISK INFORMATION

Debts	Controlled
Payments	Regular

Cash Flow Normal
State ACTIVE

INTERVIEW

First Name Lorena
Position Representative
Comments The person contacted confirmed name, telephone, operative address, this email info@farmacapsulas.com, operations area and explained that the company has other locations in Colombia.

She also explained that the client may send an email to the company for further assistance.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 70.51
UK Pound	1	INR 89.44
Euro	1	INR 79.83
COP	1	INR 0.022

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

INFORMATION DETAILS

Analysis Done by :	VIV
Report Prepared by :	DNS

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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)