

## MIRA INFORM REPORT

Report No. :	546344
Report Date :	26.12.2018

### IDENTIFICATION DETAILS

Name :	ZAO KANONFARMA PRODAKSHN
Registered Office :	Zarechnaya Street 105 Shchyolkovsky District 141100 Moscow Region Shchelkovo
Country :	Russia
Financials (as on) :	31.12.2017
Date of Incorporation :	24.09.1998
Com. Reg. No.:	OGRN 1025006523520
Legal Form :	Closed Joint Stock Company
Line of Business :	Manufacturers of pharmaceutical products and medicine
No. of Employees :	387

### RATING & COMMENTS

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

**MIRA's Rating :** A+

Credit Rating	Explanation	Rating Comments
A+	Low Risk	Business dealings permissible with low risk of default

Status :	Good
Payment Behaviour :	Regular
Litigation :	Clear

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**NOTES :**

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

**ECGC Country Risk Classification List**

Country Name	Previous Rating (30.06.2018)	Current Rating (30.09.2018)
Russia	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

**RUSSIA - ECONOMIC OVERVIEW**

Russia has undergone significant changes since the collapse of the Soviet Union, moving from a centrally planned economy towards a more market-based system. Both economic growth and reform have stalled in recent years, however, and Russia remains a predominantly statist economy with a high concentration of wealth in officials' hands. Economic reforms in the 1990s privatized most industry, with notable exceptions in the energy, transportation, banking, and defense-related sectors. The protection of property rights is still weak, and the state continues to interfere in the free operation of the private sector.

Russia is one of the world's leading producers of oil and natural gas, and is also a top exporter of metals such as steel and primary aluminum. Russia is heavily dependent on the movement of world commodity prices as reliance on commodity exports makes it vulnerable to boom and bust cycles that follow the volatile swings in global prices. The economy, which had averaged 7% growth during the 1998-2008 period as oil prices rose rapidly, has seen diminishing growth rates since then due to the exhaustion of Russia's commodity-based growth model.

A combination of falling oil prices, international sanctions, and structural limitations pushed Russia into a deep recession in 2015, with GDP falling by close to 2.8%. The downturn continued through 2016, with GDP contracting another 0.2%, but was reversed in 2017 as world demand picked up. Government support for import substitution has increased recently in an effort to diversify the economy away from extractive industries.

Source : CIA

## SUMMARY

<b>COMPANY NAME</b>	ZAO KANONFARMA PRODAKSHN			
<b>ADDRESS</b>	Street	Area	Town	PO Box
	Zarechnaya	Shcholkovsky	Shchelkovo	141100
	Street 105	District		Moscow Region
<b>TEL/FAX</b>	Verified Phones: (+7 495) 739 3886 / (+7 495) 797 9954 / Fax: (+7 495) 797 9663			
<b>EMAIL/WEBSITE</b>	Email: production@canonpharma.ru / Website: www.canonpharma.ru			
<b>ACTIVITY</b>	NACE 2120 - Manufacture of pharmaceutical preparations;			
<b>PRINCIPAL</b>	Merab Revazovich Kokeladze President			Workforce 387
<b>LEGAL INFO</b>	Date Of Est.	Reg. No.	Legal Form	Status
	24/09/1998	OGRN 1025006523520	Closed Joint Stock Company	Active
<b>CAPITAL</b>	<b>CURRENCY</b>	<b>AMOUNT</b>		
	RUBLE (RUB)	700,000		

## IDENTIFICATION

<b>CO. NAME</b>	ZAO KANONFARMA PRODAKSHN		
<b>ENQUIRED NAME</b>	JSC Canonpharma Production		
<b>ALSO KNOWN NAME (S)</b>	CJSC CANONPHARMA PRODUCTION / ZAKRYTOYE AKTSIONERNOYE OBSHESTVO KANONFARMA PRODAKSHN / JSC Canonpharma Production		
<b>STREET</b>	Zarechnaya Street 105		
<b>AREA</b>	Shcholkovsky District		
<b>POSTAL ADDRESS</b>	141100 Moscow Region		
<b>TOWN</b>	Shchelkovo		
<b>COUNTRY</b>	Russia		
<b>TELEPHONE</b>	(+7 495) 739 3886 / (+7 495) 797 9954 / (+7 495) 740 0381		
<b>FAX</b>	(+7 495) 797 9663		
<b>VERIFIED EMAIL</b>	production@canonpharma.ru		
<b>WEBSITE</b>	www.canonpharma.ru		
<b>BUSINESS HOURS</b>	<b>DAYS</b>	<b>OFFICE HOURS</b>	<b>BREAK TIME</b>
	Mon-Fri	09:00-18:00	13:00-14:00
<b>REGISTERED ADDRESS</b>	Zarechnaya Street 105 Shcholkovsky District 141100 Moscow Region Shchelkovo Russia		

**CORPORATE ADDRESS** Babaevskaya Street 6, Building 1  
107014 Moscow  
Russia

## **SENIOR PERSONNEL**

<b>MANAGEMENT</b>	<b>NAME</b>	<b>POSITION</b>
	Merab Revazovich Kokeladze	President
	Galina Anatolievna Baryshnikova	Vice President
	Anastasiya Andreevna Novoselova	Chief Accountant
<b>WORKFORCE</b>	<b>NO. OF EMPLOYEES</b>	<b>PERIOD</b>
	387	12.2018

## **FINANCIAL SUMMARY**

<b>TURNOVER</b>	<b>31/12/2017</b>	<b>31/12/2016</b>
	RUBLE 5,677,703,000	RUBLE 4,070,940,000
<b>NET PROFIT / (LOSS)</b>	<b>31/12/2017</b>	<b>31/12/2016</b>
	RUBLE 1,268,540,000	RUBLE 1,010,431,000
<b>NOTES</b>	Balance sheets as at 31 December 2017 showed :	

31/12/2017                      31/12/2016  
(in RUBLE)

<b>ASSETS</b>		
Non-current assets		
Intangible assets	367,000	417,000
Fixed assets	787,206,000	438,088,000
Deferred tax assets	2,436,000	1,999,000
Other non-current assets	298,000	334,000
Total non-current assets	934,270,000	575,181,000
Current assets		
Stock	795,271,000	801,499,000
Value added tax on purchased valuables	48,067,000	40,660,000
Trade receivables	2,136,989,000	1,536,282,000
Cash equivalents	33,662,000	16,664,000

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Other current assets	5,382,000	6,702,000
Total current assets	3,019,370,000	2,401,808,000
<b>TOTAL ASSETS</b>	<b>3,953,640,000</b>	<b>2,976,989,000</b>

**EQUITY & LIABILITIES**

<b>Equity</b>		
Share capital	700,000	700,000
Additional capital	9,874,000	9,874,000
Reserve capital	105,000	105,000
<b>Retained earnings</b>		
	2,491,760,000	1,880,692,000
<b>Total equity</b>	<b>2,502,439,000</b>	<b>1,891,370,000</b>
<b>Long-term liabilities</b>		
Borrowings	653,959,000	474,750,000
Deferred tax liabilities	28,192,000	15,994,000
<b>Total long-term liabilities</b>	<b>682,151,000</b>	<b>490,743,000</b>
<b>Short-term liabilities</b>		
Borrowings	136,072,000	27,194,000
Accounts payable	630,969,000	563,835,000
<b>Total Short-term liabilities</b>	<b>769,051,000</b>	<b>594,875,000</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>3,953,640,000</b>	<b>2,976,989,000</b>

**INCOME STATEMENT**

Revenue	5,677,703,000	4,070,940,000
Cost of Sales	(1,592,360,000)	(1,283,680,000)
<b>Gross Profit</b>	<b>4,085,343,000</b>	<b>2,787,260,000</b>
<b>Commercial expenses</b>		
	(425,094,000)	(322,064,000)
<b>Administrative expenses</b>		
	(639,533,000)	(503,533,000)
<b>Profit(loss) from sales</b>	<b>3,020,716,000</b>	<b>1,961,663,000</b>
<b>Other income and expenses</b>		
Interest income	0	47,000
Interest payable	(65,208,000)	(64,195,000)
Other income	147,361,000	187,794,000
Other expenses	(1,511,918,000)	(813,905,000)
<b>Profit(loss) before taxation</b>	<b>1,590,951,000</b>	<b>1,271,404,000</b>
<b>Change in deferred tax assets</b>		
	437,000	60,000
<b>Change in deferred</b>		

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	tax liabilities (12,199,000)	6,144,000
	Current income tax(310,649,000)	(250,666,000)
<b>FISCAL YEAR-END</b>	Net Profit(loss) 1,268,540,000	1,010,431,000
	31 December.	

## **LEGAL STATUS**

<b>INCORPORATION REGISTRATION NO.</b>	24/09/1998 <b>C.R. NUMBER</b> OGRN 1025006523520	<b>ISSUED BY</b> Federal Tax Service
<b>OTHER REGISTRATION NO.</b>	INN 5050026081 (Tax Code) / KPP 505001001 / OKPO 48811452 (Statistics Code) / OKTMO 46659101001	
<b>AUTHORISED CAPITAL</b>	<b>AMOUNT</b> 700,000	<b>CURRENCY</b> RUBLE
<b>PAID-UP CAPITAL</b>	<b>AMOUNT</b> 700,000	<b>CURRENCY</b> RUBLE
<b>BUSINESS HISTORY</b>	The Company was incorporated in Russia on 24 September 1998 and commenced production in 2004.	
<b>LEGAL FORM STATUS</b>	Closed Joint Stock Company Active	
<b>SHAREHOLDERS</b>	<b>NAME</b>	<b>PERCENTAGE</b>
	1. Merab Revazovich Kokeladze Nationality: Russian Tax Code: INN 770100288450	70.00%
	2. Sergey Valerievich Mironov Nationality: Russian Tax Code: INN 505002525126	25.00%
	3. Timofey Georgievich Kozhoka Nationality: Russian Tax Code: INN 772900575320	5.00%

## **OPERATION**

<b>BANKERS</b>	1. PAO Sberbank Vavilova Street 19 117997 Moscow Russia Telephone: (+7 495) 957 5731 Fax : (+7 495) 747 4758
	2. PAO VTB Bank

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	Leninskaya Sloboda Street 26 Moscow Russia Telephone: (+7 800) 200 2326
<b>ACTIVITY CODE (NACE)</b>	2120 - Manufacture of pharmaceutical preparations;
<b>LINE OF BUSINESS</b>	Manufacturers of pharmaceutical products and medicine preparations for the following:  – Cardiology – Neurology – Gastroenterology – Psychiatry – Dermatology – Endocrinology – Oncology – Other Drugs  Subject's broad portfolio of cardiovascular agents offers such high-demand pharmaceuticals as Deprenorm MV (prolonged release trimetazidine), CardiASK (acetylsalicylic acid), Aritel® (bisoprolol), Aritel Plus (bisoprolol and hydrochlorothiazide), Fosinap (fosinopril), Warfarin, Clopidogrel, Felodipine, Indapamide retard, Amlodipine, Atorvastatin etc. Our neurological products include Vinpotropile (vinpocetine and piracetam), Thiolepta (thioctic acid), Mexi B6 (ethylmethylhydroxypyridine succinate + pyridoxine), Glycine-Canon, Gabapentin and Betahistine.  The plant quality system is certified according to the National Standard GOST R52249 "Rules of production and quality control of drugs (GMP)" and the National Standard GOST R ISO 9001-2008 "Quality management system. Requirements". Europe and Asian countries.
<b>IMPORT FROM</b>	Europe and Asian countries.
<b>EXPORT TO</b>	CIS countries.
<b>FACILITIES</b>	Premises comprising administrative offices, a manufacturing unit and storage facilities located at the heading address as well as corporate offices located at Babaevskaya Street 6, Building 1, 107014 Moscow, Russia.
<b>RELATED COMPANIES</b>	Associate  OOO BAKTER Babaevskaya Street 6 107014 Moscow Russia Est.: 11/04/2016 C.R. No.: OGRN 1167746361793 Tax Code: INN 9718001832 Shareholders: Merab Revazovich Kokeladze – 80%

Izolda Rezovna Zubareva – 5%  
Vyacheslav Merabovich Kokeladze – 5%  
Natalya Vladimirovna Girina – 5%  
Galina Baryshnikova – 5%

## **PAYMENT RECORDS**

### **CREDIT OPINION**

We consider it is acceptable to deal with subject.

## **SPECIAL REMARKS**

### **INTERVIEWED COMMENTS**

Anastasiya Andreevna Novoselova (Chief Accountant).  
You enquired on: JSC Canonpharma Production. Please note that this name applies to an English translation of the subject's name. Subject's correct registered name is as per heading.

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 70.18
UK Pound	1	INR 88.87
Euro	1	INR 79.88
RUB	1	INR 1.01

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

**INFORMATION DETAILS**

Analysis Done by :	VIV
Report Prepared by :	TRU

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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)