

## MIRA INFORM REPORT

<b>Report No. :</b>	518017
<b>Report Date :</b>	04.07.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	PHIL. PHARMAWEALTH INC
<b>Registered Office :</b>	Suite 3001, Tektite, Philippine Stock Exchange Road, Ortigas Center, Brgy. San Antonio, Pasig City 1605
<b>Country :</b>	Philippines
<b>Financials (as on) :</b>	2015
<b>Date of Incorporation :</b>	10.02.1993
<b>Legal Form :</b>	Private. Limited Liability Company
<b>Line of Business :</b>	Primarily engage to manufacture, buy, sell, import, export and otherwise deal in, wholesale on all drugs, medicines, chemicals and pharmaceutical goods, merchandise, articles and supplies.
<b>No. of Employees :</b>	Not Available

### RATING & COMMENTS

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

<b>MIRA's Rating :</b>	B
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Credit Rating	Explanation	Rating Comments
B	Medium Risk	Business dealings permissible on a regular monitoring basis

<b>Status :</b>	Moderate
<b>Payment Behaviour :</b>	Slow but Correct
<b>Litigation :</b>	Clear

#### 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.

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**ECGC Country Risk Classification List**

Country Name	Previous Rating (31.12.2017)	Current Rating (01.04.2018)
Philippines	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

## PHILIPPINES - ECONOMIC OVERVIEW

The economy has been relatively resilient to global economic shocks due to less exposure to troubled international securities, lower dependence on exports, relatively resilient domestic consumption, large remittances from about 10 million overseas Filipino workers and migrants, and a rapidly expanding services industry. During 2017, the current account balance fell into the negative range, the first time since the 2008 global financial crisis, in part due to an ambitious new infrastructure spending program announced this year. However, international reserves remain at comfortable levels and the banking system is stable.

Efforts to improve tax administration and expenditures management have helped ease the Philippines' debt burden and tight fiscal situation. The Philippines received investment-grade credit ratings on its sovereign debt under the former AQUINO administration and has had little difficulty financing its budget deficits. However, weak absorptive capacity and implementation bottlenecks have prevented the government from maximizing its expenditure plans. Although it has improved, the low tax-to-GDP ratio remains a constraint to supporting increasingly higher spending levels and sustaining high and inclusive growth over the longer term.

Economic growth has accelerated, averaging over 6% per year from 2011 to 2017, compared with 4.5% under the MACAPAGAL-ARROYO government; and competitiveness rankings have improved. Although 2017 saw a new record year for net foreign direct investment inflows, FDI to the Philippines has continued to lag regional peers, in part because the Philippine constitution and other laws limit foreign investment and restrict foreign ownership in important activities/sectors - such as land ownership and public utilities.

Although the economy grew at a rapid pace under the AQUINO government, challenges to achieving more inclusive growth remain. Wealth is concentrated in the hands of the rich. The unemployment rate declined from 7.3% to 5.7% between 2010 and 2017; while there has been some improvement, underemployment remains high at around 17% to 18% of the employed population. At least 40% of the employed work in the informal sector. Poverty afflicts more than a fifth of the total population but is as high as 75% in some areas of the southern Philippines. More than 60% of the poor reside in rural areas, where the incidence of poverty (about 30%) is more severe - a challenge to raising rural farm and non-farm incomes. Continued efforts are needed to improve governance, the judicial system, the regulatory environment, the infrastructure, and the overall ease of doing business.

2016 saw the election of President Rodrigo DUTERTE, who has pledged to make inclusive growth and poverty reduction his top priority. DUTERTE believes that illegal drug use, crime and corruption are key barriers to economic development. The administration wants to reduce the poverty rate to 17% and graduate the economy to upper-middle income status by the end of President DUTERTE's term in 2022. Key themes under the government's Ten-Point Socioeconomic Agenda include continuity of macroeconomic policy, tax reform, higher investments in infrastructure and human capital development, and improving competitiveness and the overall ease of doing business. The administration sees infrastructure shortcomings as a key barrier to sustained economic growth and has pledged to spend \$165 billion on infrastructure by 2022. Although the final outcome has yet to be seen, the current administration is shepherding legislation for a comprehensive tax reform program to raise revenues for its ambitious infrastructure spending plan and to promote a more equitable and efficient tax system. However, the need to finance rehabilitation and reconstruction efforts in the southern region of Mindanao following the 2017 Marawi City siege may compete with other spending on infrastructure.

Source : CIA

## **COMPANY NAME**

PHIL. PHARMAWEALTH INC.

## **ANTECEDENT INFORMATION**

Company: PHIL. PHARMAWEALTH INC.  
Address: Suite 3001, Tektite, Philippine Stock Exchange Road,  
Ortigas Center, Brgy. San Antonio, Pasig City 1605  
Country: Philippines  
Service Type: Normal

### **FINDINGS:**

We conducted research and verification on PHIL. PHARMAWEALTH INC. Hereunder, our report, viz:

### **VERIFICATION WITH SECURITIES & EXCHANGE COMMISSION (SEC): PHIL. PHARMAWEALTH INC.**

Legal Entity - **PRIVATE. Limited Liability company**

## **REGISTRATION**

(Per SEC General Information Sheet dated July 12, 2016)

Certificate No. : AS93001037  
Date : Feb. 10,1993  
Term : Fifty (50) years  
Type of Organization : Stock Corporation  
Corporate Taxpayer  
ID No. : 002-304-673

Address : 1) Unit 17-A Belvedere Tower, San Miguel Ave., Ortigas  
Center, Pasig City

2) Suite 3001 30th Floor, East Tower, Philippine Stock  
Exchange Road, Ortigas Center, Brgy. San Antonio,  
Pasig City, Metro Manila.

Telephone No: +63(2) 683 0053; 683-0083-87; 634-4026; 634-3732

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Fax No : +63(2) 633-9512

**PRIMARY PURPOSE** : Importation and distribution of finished pharmaceutical products and medical supplies, including biological products.

**SUBSIDIARY/AFFILIATES** : Singapore Pharmawealth Lifesciences, Inc.  
Brgy. San Jose, San Pablo City, Laguna  
(SEC Reg. No. A1998-0605248)

**(NOTE: Unless otherwise specified, the amount is in Philippine Peso)**

**CAPITALIZATION -**

	No. of Shares	Par Value/share	Amount
Authorized Capital Stock -			
Common -	500,000	100.	50,000,000.
Subscribed & Fully Paid Up			
Common -	500,000		50,000,000

**SHAREHOLDERS / DIRECTORS / OFFICERS (As of June 12, 2016)**

Name	Position	Amount Paid Up
Hernan D. Biron, Sr., Filipino	Chairman	25,249,800.
Diana G. Biron, Filipino	President	24,749,900.
Hernan G. Biron, Jr., Filipino	Treasurer	100.
Jonas A Depalac, Filipino	Corporate Secretary	100.
Kris Mae Bolivar-Agtas, Fil.	Director	100.
	Total	50,000,000.

***BUSINESS ACTIVITY***

Primarily engage to manufacture, buy, sell, import, export and otherwise deal in, wholesale on all drugs, medicines, chemicals and pharmaceutical goods, merchandise, articles and supplies.

**PHIL PHARMAWEALTH, INC.** is a 100% Filipino-owned company licensed by the Bureau of Food and Drugs to import and distribute medical devices and finished pharmaceutical products of all dosage forms that may come in the forum of capsules, tablets, syrups, suspensions, ointments, creams, gels, aerosole, inhalation, anasthetics & parenteral products (liquid & dry powder injection).

As gathered, subject firm is the Philippine undisputed leader in parenteral products and has the widest range of human injectables. Licensed by Phil. Food & Drugs Authority to import and distribute medical devices, disposables instruments and all forms of finished pharmaceutical products, etc. It has 10 branches

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nationwide. The firm is being supported by several highly respectable manufacturers, such as, B. Braun Medical supplies; Diopharma; Marc Biosciences; Minrad Pharma, & etc.

Today PHIL PHARMAWEALTH, INC. is the biggest Filipino importer of parenteral products and carries the widest range of formulations including cephalosporins, penicillins and derivatives, amino glycosides, analgesics, anesthetic agents, antipsychotic agents, bronchodilators and uterine stimulants. The company has established & operate a manufacturing facility, known as SINGAPORE PHARMAWEALTH LIFESCIENCES, INC.

Products Lines, includes among others, as follows –

- Analgesic Antipyret
- Anesthetics Line
- Anthelmintic
- Anti Asthma
- Anti Coagulant
- Anti Bacterial Agent
- Biological vaccines.

Regional Branches: Baguio; Cebu; Davao; ; Iloilo; Isabela; La Union; Pampanga; Zamboanga; Cagayan de Oro & Bacolod.

Officers – Five (5); Rank & File - 103

E-mail - info@philpharmawealth.com :  
Website - www.philpharmawealth.com

## **FINANCIAL**

**FINANCIAL CONDITION** (Audited Financial Statement for years 2015, 2014 & 2013, as compiled)  
(Latest available from SEC)

### **BALANCE SHEET**

Current Assets	2015	2014	2013
Cash	12,771,634.	3,942,036.	26,445,411.
Account Receivable	45,748,520.	30,639,526.	19,429,665.
Merchandise Inventory	265,929,536.	226,090,932.	189,429,351.
Other Current Assets	275,528.	1,113,100.	442,920.
Total Current Assets	324,725,218.	261,785,594.	235,747,347.
 Non-Current Assets			
Property and Equipment	10,981,252.	15,518,102.	15,063,633.
Other Non Current Assets	32,816,000.	32,816,000.	32,816,000.
Total Non-Current Assets	43,797,252.	48,334,102.	47,879,633.

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TOTAL ASSETS	368,522,470.	310,119,696.	283,626,980.
Liabilities & Stockholder's		Equity	
Current Liabilities			
Accounts Payable & Other payables	78,529,438.	64,639,382.	28,772,988.
Trust Receipts Payable	79,615,734.	45,970,823.	55,286,505.
Taxes Payable	380,042.	339,633.	272,889.
Total Current Liabilities	158,525,214.	110,949,838.	84,332,382.
Non- Current Liabilities			
Due to Related Parties	90,148,735.	86,382,464.	89,286,552.
Total Non-Current Liabilities	90,148,735.	86,382,464.	89,286,552.
Total Liabilities	248,673,949.	197,332,302.	173,618,934.
Equity			
Share Capital	50,000,000.	50,000,000.	50,000,000.
Retained Earnings	69,848,521.	62,787,392.	60,008,046.
Total Equity	119,848,521.	112,787,392.	110,008,046.
TOTAL LIABILITIES & STOCKHOLDER'S EQUITY	368,522,470.	310,119,696.	283,626,960.

**INCOME STATEMENT**

Sales	432,115,348.	329,063,202.	366,895,216.
Gross Profit	75,236,912.	58,108,147.	62,307,092.
Other Expenses	(66,358,339.)	(55,332,038.)	(58,733,956.)
Income from Operation	8,878,573.	2,776,109.	3,573,136.
Other Income	1,208,754.	1,194,385.	1,387,259.
Income Before Tax	10,087,327.	3,970,494.	4,960,395.
Net Income	7,061,129.	2,279,346.	3,472,277.

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**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.62
UK Pound	1	INR 90.43
Euro	1	INR 79.96
PHP	1	INR 1.28

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

**INFORMATION DETAILS**

Analysis Done by :	VAR
Report Prepared by :	KET

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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)

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