

MIRA INFORM REPORT

Report No. :	518937
Report Date :	11.07.2018

IDENTIFICATION DETAILS

Name :	GULF PHARMACEUTICAL INDUSTRIES P.S.C.
Registered Office :	Airport Road, Digdaga Area PO Box: 997 Ras Al Khaimah
Country :	United Arab Emirates
Financials (as on) :	31.12.2017 (Consolidated)
Date of Incorporation :	30.03.1980
Com. Reg. No.:	2173
Legal Form :	Public Shareholding Company
Line of Business :	Manufacturers, distributors and exporters of a wide range of pharmaceutical products such as tablets, capsules, syrups, powders, suspensions, oral drops, suppositories, ointments and creams; analgesic, antipyretic, anti-inflammatory, anti-rheumatic, muscle relaxant, antacid, ant flatulent, anti-anginal, antihypertensive, antibiotics, antiprotozoal, antidiuretic, insulin, anticold, antidiarrheal, antiemetic, antiviral, antifungal, topical soothing, tissue healing, antihistaminic, anti-peptic ulcer, antispasmodic, expectorant, antitussive, bronchodilator, mucolytic, corticosteroids, hypolipidemic, laxative, nasal decongestant, sedative, tranquilizer, throat antiseptic, vitamins.
No. of Employees :	3,000

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

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Litigation :	Clear
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NOTES :

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

ECGC Country Risk Classification List

Country Name	Previous Rating (31.12.2017)	Current Rating (01.04.2018)
United Arab Emirates	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

UNITED ARAB EMIRATES - ECONOMIC OVERVIEW

The UAE has an open economy with a high per capita income and a sizable annual trade surplus. Successful efforts at economic diversification have reduced the portion of GDP from the oil and gas sector to 30%.

Since the discovery of oil in the UAE nearly 60 years ago, the country has undergone a profound transformation from an impoverished region of small desert principalities to a modern state with a high standard of living. The government has increased spending on job creation and infrastructure expansion and is opening up utilities to greater private sector involvement. The country's free trade zones - offering 100% foreign ownership and zero taxes - are helping to attract foreign investors.

The global financial crisis of 2008-09, tight international credit, and deflated asset prices constricted the economy in 2009. UAE authorities tried to blunt the crisis by increasing spending and boosting liquidity in the banking sector. The crisis hit Dubai hardest, as it was heavily exposed to depressed real estate prices. Dubai lacked sufficient cash to meet its debt obligations, prompting global concern about its solvency and ultimately a \$20 billion bailout from the UAE Central Bank and Abu Dhabi Government that was refinanced in March 2014.

The UAE's dependence on oil is a significant long-term challenge, although the UAE is one of the most diversified countries in the Gulf Cooperation Council. Low oil prices have prompted the UAE to cut expenditures, including on some social programs, but the UAE has sufficient assets in its sovereign investment funds to cover its deficits. The government reduced fuel subsidies in August 2015, and has announced plans to introduce excise and value-added taxes by January 1, 2018. The UAE's strategic plan for the next few years focuses on economic diversification, promoting the UAE as a global trade and tourism hub, developing industry, and creating more job opportunities for nationals through improved education and increased private sector employment.

Source : CIA

BRIEF SUMMARY

COMPANY NAME	Gulf Pharmaceutical Industries P.S.C.			
ADDRESS	Building Julphar Complex	Street Airport Road	Area Digdaga Area	PO Box 997 Ras Al Khaimah
TEL/FAX	Verified Phones: (+971 7) 246 1461 / Fax: (+971 7) 246 1461			
EMAIL/WEBSITE	Email: info@julphar.net / Website: www.julphar.net			
ACTIVITY	NACE 2110 - Manufacture of basic pharmaceutical products; NACE 4646 - Wholesale of pharmaceutical goods;			
PRINCIPAL	H.H. Sheikh Faisal Bin Saqr Al Qasimi Chairman		Workforce 3,000	
LEGAL INFO	Date Of Est. 30/03/1980	Reg. No. 2173	Legal Form Public Shareholding Company	Status Active
CAPITAL	CURRENCY AED	AMOUNT 1,124,800,000		

IDENTIFICATION

CO. NAME	Gulf Pharmaceutical Industries P.S.C.		
ENQUIRED NAME	GULF PHARMACEUTICAL INDUSTRIES		
TRADEMARK	Julphar		
ALSO KNOWN NAME (S)	Gulf Pharmaceuticals Industries (Julphar) Ltd		
BUILDING	Julphar Complex		
STREET	Airport Road		
AREA	Digdaga Area		
POSTAL ADDRESS	997 Ras Al Khaimah		
CITY	Ras Al Khaimah		
COUNTRY	United Arab Emirates		
TELEPHONE	(+971 7) 246 1461		
FAX	(+971 7) 246 1461		
EMAIL	info@julphar.net / noushad@julphar.net / julphar@emirates.net.ae		
WEBSITE	www.julphar.net		
BUSINESS HOURS	DAYS Sun-Thu	OFFICE HOURS 08:00-16:30	BREAK TIME 13:00-14:00
REGISTERED ADDRESS	Airport Road, Digdaga Area PO Box: 997 Ras Al Khaimah		

SENIOR PERSONNEL

MANAGEMENT	NAME	POSITION
	H.H. Sheikh Faisal Bin Saqr Al Qasimi	Chairman
	H.H. Sheikh Faisal Bin Saqr Al Qasimi	Vice-Chairman
	H.H. Sheikh Faisal Bin Saqr Al Qasimi	Member of the Board
	Sheikh Saqer Bin Humaid Al Qasimi	Member of the Board
	Mr. Yousef Ali Mohammed	Member of the Board
	Mr. Abdul Aziz Al Zaabi	Member of the Board
	Dr. Ali Hussain Al Zawawi	Member of the Board
	Mr. Jamal Salem Bin Darwish Al Nuaimi	Member of the Board
	Mr. Ahmed Salim Abdullah Salim Al Hosni	Member of the Board
	Management	
	Jerome Carle	General Manager
	Laurent de Chazeaux	Chief Financial Officer
	Fatema Nayea	Executive Director
	Dr Maged Mina	Regulatory Affairs Director
	Dr Hosam Badr	Marketing Director
	Ms. Hanan Hourani	Accounts Manager
	Fatimah Nayah	HR Manager
	Noushad Rahman	Deputy Accounts Manager
WORKFORCE	NO. OF EMPLOYEES	PERIOD
	3,000	07.2018

FINANCIAL SUMMARY

TURNOVER	31/12/2017	31/12/2016
	AED 1,273,400,000	AED 1,454,500,000
NET PROFIT / (LOSS)	31/12/2017	31/12/2016
	AED 90,300,000	AED 210,100,000
STOCK/INVENTORIES	AED 328,000,000 as at 31/12/2017	
NOTES	The following consolidated balance sheets as at 31/12/2017, showed:	

31/12/2017 31/12/2016
(in millions of AED)

ASSETS

Non-current assets		
Property, plant and equipment	1,156.9	1,162.8
Intangible assets	46.5	49.9
Investment in an associate	268.4	263.7
Available-for-sale-financial assets	11.5	47.2
	1,483.3	1,523.6
Current Assets		
Inventories	328.0	387.2
Financial assets at fair value through profit and loss	0.3	19.0
Trade and other receivables	1,547.6	1,379.6
Cash and bank balances	168.5	164.0
	2,044.4	1,949.8
Total Assets	3,527.7	3,473.4

EQUITY AND LIABILITIES EQUITY

EQUITY		
Share Capital	1,124.8	1,092.0
Statutory reserve	562.4	546.0
Voluntary reserve	184.8	184.8
Foreign currency translation reserve	(136.6)	(120.0)
Fair value reserve	2.0	2.7
Retained earnings	328.3	462.1
Capital and reserve attributable to owners of the Company	2,065.7	2,167.6
Non-controlling interest	144.6	138.6
Total equity	2,210.3	2,306.2

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LIABILITIES

Non-current liabilities		
Provision for employees' end of service indemnity	46.7	44.3
Bank borrowings	409.9	304.0
	456.6	348.3
Current Liabilities		
Bank borrowings	499.5	487.7
Trade payables and other accruals	361.3	331.2
	860.8	818.9
Total liabilities	1,317.4	1,167.2
Total equity and liabilities	3,527.7	3,473.4

CONSOLIDATED STATEMENT OF INCOME

	31/12/2017	31/12/2016
	(in millions of AED)	
Sales	1,273.4	1,454.5
Cost of sales	(626.6)	(703.8)
Gross profit	646.8	750.7
General and administrative expenses	(108.6)	(110.6)
Selling and distribution expenses	(465.2)	(463.7)
Other income	14.1	8.1
(Loss)/gain from investments	(0.9)	22.6
Share of profit from investment accounted for using the equity method	24.7	22.1
Operating profit	110.9	229.2
Finance income	5.1	8.9
Finance costs	(25.7)	(28.0)
Finance costs - net	(20.6)	(19.1)
Profit for the year	90.3	210.1
Profit attributable to:		
Owners of the company	94.9	212.1
Non-controlling interests	(4.6)	(2.0)
	90.3	210.1
Basic and diluted earnings per share (in UAE fils)	8.2	18.9

FISCAL YEAR-END

31 December.

LEGAL STATUS

INCORPORATION REGISTRATION NO.	30/03/1980 C.R. NUMBER 2173	ISSUED BY Department of Economic Development of Ras Al Khaimah
OTHER REGISTRATION NO.	Trade License No.: 251 (expiry date: 31 December 2018) / MOH Approval License No.: LR19809	
AUTHORISED CAPITAL	AMOUNT 1,124,800,000	CURRENCY AED
PAID-UP CAPITAL	AMOUNT 1,124,800,000	CURRENCY AED
BUSINESS HISTORY	Subject is a public shareholding company was incorporated by the Amiri decree No.5/80 issued by the Ruler of Ras Al Khaimah on 30 March 1980 and the Amiri decree 9/80 on 4 May 1980. The Company commenced its commercial activities effective from November 1984. Since October 2002, subject's shares were listed on Abu Dhabi Securities Market.	
LEGAL FORM STATUS	Public Shareholding Company Active	
SHAREHOLDERS	NAME	PERCENTAGE
	1. Government of Ras Al Khaimah	21.5803%
	2. Arab Company for Drug Industries and Medical Appliances PO Box 925161 Amman 11190 Jordan Telephone: (962 6) 582 1618 Fax : (962 6) 582 1649	9.1509%
	3. Yasser Yousef Mohamed Naghi	8.9403%
	4. Faisal Sakr Mohamed Al Qassimi	7.9844%
	5. Salem Abdullah Salem Al Hosni	7.0287%
	6. Mohammed Abdulaziz Rabea Shaheen Al Mehairy	6.7582%
	7. Islamic Development Bank PO Box 5925 Jeddah 21432 Makkah Saudi Arabia	6.7200%

Telephone: (+966 12) 636 1400
Fax : (+966 12) 636 6871

8. Members of general public 31.8372%

OPERATION

BANKERS

1. Arab Bank PLC
Oman Street
PO Box: 4972
Ras Al Khaimah
Telephone: (+971 7) 228 8437
Fax : (+971 7) 228 2337
2. United Arab Bank
Main Branch
PO Box 615
Ras Al Khaimah
Telephone: (+971 7) 227 9911
Fax : (+971 7) 227 0969
3. RAK Bank
Al Nakheel
PO Box 5300
Ras Al Khaimah
Telephone: (+971 7) 722 1127
Fax : (+971 7) 722 4202
4. Commercial Bank International PSC
Julphar Towers
PO Box 793
Ras Al Khaimah
Telephone: (+971 7) 205 0999
Fax : (+971 7) 233 8271
5. Standard Chartered Bank
Al Boorj Avenue
PO Box 5
Sharjah
Telephone: (+971 6) 335 7788
Fax : (+971 6) 354 3604
6. Mashreq Bank
Al Nakheel
P.O. Box 5279
Ras al Khaimah

Telephone : (+971 7) 203 7316
Fax : (+971 7) 228 1880

7. National Bank Of Abu Dhabi
Main branch
P.O.Box 350
Ras al Khaimah
Telephone: (971 7) 233 4333
Fax : (971 7) 233 3643

8. HSBC Bank
Main Branch
P.O.Box 9
Ras Al Khaimah
Telephone : (+971 7) 233 3544
Fax : (+971 7) 233 0200

8. Emirates NBD (Fmly National Bank Of Dubai)
Main Road
P.O. Box 33800
Ras Al Khaimah
Telephone: (+971 7) 233 3292
Fax : (+971 7) 233 4384

AUDITORS

PricewaterhouseCoopers (Sharjah Branch)
Al Batha Tower, Level 11, Office No. 1102
PO Box 82162
Sharjah
United Arab Emirates
Telephone: (+971 6) 597 8600
Fax : (+971 6) 573 0896
License No.: 515115

ACTIVITY CODE (NACE)

2110 - Manufacture of basic pharmaceutical products; 4646 -
Wholesale of pharmaceutical goods;

LINE OF BUSINESS

Manufacturers, distributors and exporters of a wide range of
pharmaceutical products such as tablets, capsules, syrups, powders,
suspensions, oral drops, suppositories, ointments and creams;
analgesic, antipyretic, anti-inflammatory, anti-rheumatic, muscle
relaxant, antacid, ant flatulent, anti-anginal, antihypertensive,
antibiotics, antiprotozoal, antidiuretic, insulin, anticold, antidiarrheal,
antiemetic, antiviral, antifungal, topical soothing, tissue healing,
antihistaminic, anti-peptic ulcer, antispasmodic, expectorant,
antitussive, bronchodilator, mucolytic, corticosteroids, hypolipidemic,
laxative, nasal decongestant, sedative, tranquilizer, throat antiseptic,
vitamins.

Production Capacity : per 8 hour shift (Annually)

Tablets	805 million
Capsules	190 million

	Syrups	15 million bottles
	Powder pro suspensions	4 million bottles
	Oral drops	7 million bottles
	Suppositories	4 million
	Ointments and creams	5 million tubes
IMPORT FROM	The Company also produces antiseptics, disinfectants, lozenges, effervescent preparations, nasal drops and penicillin preparations. Europe and the Far East mainly India, UK, Germany and France.	
EXPORT TO	93% of its products to over 30 countries mainly Libya, Algeria, Tunisia, Middle East and African Countries.	
FACILITIES	83,000 sq. m. owned premises comprising administrative office and a manufacturing plant with integrated storage facilities located at the heading address.	
RELATED COMPANIES	The land was granted free by the Government of Ras Al Khamimah. Subsidiaries	
	1. Mena Cool F.Z.E	100%
	Ras Al Khaimah UAE Principle activity: Transportation	
	2. Julphar Pharmaceuticals P.L.C	55%
	Ethiopia Principle activity: Manufacturing of medicines, wrapping and packing materials	
	3. Julphar Pharma GMBH	100%
	Germany Principle activity: Manufacturing of medical supplies	
	4. Gulf Inject L.L.C.	100%
	Dubai UAE Principle activity: Manufacturing of medical Supplies	
	5. RAK Pharmaceuticals Pvt. Ltd.	50.5%
	Dhaka Bangladesh Principle activity: Manufacturing of Medicines	
	6. Julphar Saudi Arabia L.L.C.	51%
	Rabigh Saudi Arabia Principle activity: Manufacturing of	

Medicines

7. Julphar Egypt Company L.L.C. 100%
Cairo
Egypt
Principle activity: Distributors of Julphar's
products in Egypt
8. Julphar Diabetes L.L.C. 100%
Ras Al Khaimah
UAE
Principle activity: Manufacturer of insulin
products
9. Julphar General Trading L.L.C. 100%
Ras Al Khaimah
UAE
Principle activity: General Trading
- 10.Mena Cool Machinery Trading 100%
Ras Al Khaimah
UAE
Principle activity: General Trading

PAYMENT RECORDS

CREDIT OPINION

We consider it is acceptable to deal with subject for LARGE amounts.

SPECIAL REMARKS

INTERVIEWED
COMMENTS

Noushad Rahman (Deputy Accounts Manager).
You enquired on: GULF PHARMACEUTICAL INDUSTRIES. Please
note that subject's correct registered name is as per heading.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.79
UK Pound	1	INR 91.11
Euro	1	INR 80.78
UAE DH	1	INR 18.72

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

INFORMATION DETAILS

Analysis Done by :	NIY
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)