

## MIRA INFORM REPORT

<b>Report No. :</b>	534483
<b>Report Date :</b>	11.10.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	NATIONAL PHARMACEUTICAL INDUSTRIES CO SAOG (NPI)
<b>Registered Office :</b>	Road No. 15, Rusayl Industrial Estate, PO Box 120, Rusayl 124
<b>Country :</b>	Oman
<b>Financials (as on) :</b>	31.12.2017
<b>Date of Incorporation :</b>	14.02.1996
<b>Com. Reg. No.:</b>	1/51284/6
<b>Legal Form :</b>	Omani Public Joint Stock Company
<b>Line of Business :</b>	Subject is engaged in the manufacture of pharmaceutical formulations.
<b>No. of Employees :</b>	215

### RATING & COMMENTS

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

<b>MIRA's Rating :</b>	A
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Credit Rating	Explanation	Rating Comments
A	Acceptable Risk	Business dealings permissible with moderate risk of default

<b>Status :</b>	Good
<b>Payment Behaviour :</b>	Regular
<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)
Oman	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

**OMAN - ECONOMIC OVERVIEW**

Oman is heavily dependent on oil and gas resources, which can generate between and 68% and 85% of government revenue, depending on fluctuations in commodity prices. In 2016, low global oil prices drove Oman's budget deficit to \$13.8 billion, or approximately 20% of GDP, but the budget deficit is estimated to have reduced to 12% of GDP in 2017 as Oman reduced government subsidies. As of January 2018, Oman has sufficient foreign assets to support its currency's fixed exchange rates. It is issuing debt to cover its deficit.

Oman is using enhanced oil recovery techniques to boost production, but it has simultaneously pursued a development plan that focuses on diversification, industrialization, and privatization, with the objective of reducing the oil sector's contribution to GDP. The key components of the government's diversification strategy are tourism, shipping and logistics, mining, manufacturing, and aquaculture.

Muscat also has notably focused on creating more Omani jobs to employ the rising number of nationals entering the workforce. However, high social welfare benefits - that had increased in the wake of the 2011 Arab Spring - have made it impossible for the government to balance its budget in light of current oil prices. In response, Omani officials imposed austerity measures on its gasoline and diesel subsidies in 2016. These spending cuts have had only a moderate effect on the government's budget, which is projected to again face a deficit of \$7.8 billion in 2018.

Source : CIA

## **SUMMARY**

Company Name	: NATIONAL PHARMACEUTICAL INDUSTRIES CO SAOG (NPI)
Country of Origin	: Oman
Legal Form	: Omani Public Joint Stock Company
Registration Date	: 14 <sup>th</sup> February 1996
Commercial Registration Number	: 1/51284/6
Issued Capital	: RO 9,976,205
Paid up Capital	: RO 9,976,205
Total Workforce	: 215
Activities	: Manufacturers of pharmaceutical formulations
Financial Condition	: Fair
Payments	: Regular

## **COMPANY NAME**

NATIONAL PHARMACEUTICAL INDUSTRIES CO SAOG (NPI)

## **ADDRESS**

### **REGISTERED & PHYSICAL ADDRESS**

Street : Road No. 15  
Area : Rusayl Industrial Estate  
PO Box : 120  
Town : Rusayl 124  
Country : Sultanate of Oman  
Telephone : (968) 24449070 / 24449080 / 24449090  
Facsimile : (968) 24446431  
Email : [npico@omantel.net.om](mailto:npico@omantel.net.om)

### **Premises**

Subject operates from a suite of offices and production facilities covering an area of 30,042 square meters that are owned and located in the Industrial Area of Rusayl. The main plant of Orals is of 9,165 square meters. A separate Beta-Lactame plant for Orals is located on 3,110 square meters area and there is also a Utilities area of 1,500 square meters.

## **KEY PRINCIPALS**

<b><u>Name</u></b>	<b><u>Position</u></b>
• Dr Ghazi Omar Al Zubaidi	Chairman
• Khalid Bin Ali Al Yahmadi	Vice Chairman
• Amal S Bahwan	Director
• Dr Waleed Khalid Al Zadjali	Director
• Rahul Kar	Director
• Khaled Al Saeed	Director
• Vivek Varadan	Director
• M V Suresh	Finance Manager

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- Dhabia Wana Plant Manager
- Liaqat Al Bloushi Public Relations Manager

## ***LEGAL FORM & OWNERS***

**Date of Establishment** : Subject was registered on 14<sup>th</sup> February 1996 and commercial production commenced in 2001

**Legal Form** : Sharikat Al Mousahama Al Omania (Societe Anonyme Omani General - SAOG) (Omani Public Joint Stock Company)

**Commercial Reg. No.** : 1/51284/6

**Issued Capital** : RO 9,976,205

**Paid up Capital** : RO 9,976,205

<b><i>Name of Shareholder (s)</i></b>	<b><i>Percentage</i></b>
• Ritaj Holding Kuwait	69.60%
• Suhail Bahwan Group PO Box: 169 Muscat Tel: (968) 24561377 Fax: (968) 24561631	30.00%
• Members of the general public & private investors	0.40%

## ***OPERATIONS***

**Activities:** Engaged in the manufacture of pharmaceutical formulations.

Subjects facilities comprises of two hi-tech plants to manufacture beta-Lactame and Non beta-Lactame products, as well as a quality control laboratory and an in house research and development facility.

**Production Capacity:** The Company produced 2.91 million Syrups & Suspensions, 208.97 million tablets and 3.79 million sachets in its non-beta lactum plant and 0.60 million dry suspension and 137.44 million capsules in its beta lactum plant.

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**Import Countries:** Europe and the United States of America

Subject has a workforce of approximately 215 employees.

## ***FINANCIAL DATA***

Financial highlights provided by local sources are given below:

**Currency: Riyal Omani (RO)**

<b><u>Balance Sheet</u></b>	<b><u>31/12/17</u></b>	<b><u>31/12/16</u></b>	<b><u>31/12/15</u></b>
<b>ASSETS</b>			
Non-current assets			
Property, plant and equipment	4,706,521	3,814,256	3,794,325
Intangible assets	587,403	277,686	263,081
Deferred taxation	60,744	54,759	121,910
Total non-current assets	5,354,668	4,146,701	4,179,316
Current assets			
Inventories	3,166,468	2,880,966	2,771,167
Accounts and other receivables	12,549,816	8,275,372	6,213,762
Short term deposits	2,056,969	2,048,734	2,324,959
Due from related parties	1,045,306	952,059	1,106,967
Bank balances and cash	4,239	350,960	54,775
Total current assets	18,822,798	14,508,091	12,471,630
Total assets	24,177,466	18,654,792	16,650,946
<b>EQUITY AND LIABILITIES</b>			
Equity			
Share capital	5,000,000	5,000,000	5,000,000
Legal reserve	766,308	606,185	474,168
Special reserve	11,364	11,364	11,364
Retained earnings	2,646,457	1,705,356	1,017,203
Total equity	8,424,129	7,322,905	6,502,735
<b>LIABILITIES</b>			
Non-current liabilities			
Non-current portion of Government soft loan	2,525,000	3,525,000	3,725,000
Non-current portion of term loan	667,000	279,199	-
Employees' end of service benefits	475,561	387,787	303,135
Total non-current liabilities	3,667,561	4,191,986	4,028,135
Current liabilities			
Accounts and other payables	2,459,427	1,559,218	1,377,683
Due to related parties	62,503	103,368	78,201
Current portion of Government soft loan	1,000,000	500,000	600,000
Bank borrowings	8,223,180	4,863,534	4,064,192
Current portion of term loan	66,700	-	-

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Taxation	273,966	109,849	-
Total current liabilities	12,085,776	7,139,901	6,120,076
Total liabilities	15,753,337	11,331,887	10,148,211
Total equity and liabilities	24,177,466	18,654,792	16,650,946

**Profit & Loss Account**

**INCOME**

Sales	15,371,610	13,223,243	10,611,548
Cost of sales	(8,949,552)	(7,860,127)	(6,436,608)
Gross profit	6,422,058	5,363,116	4,174,940
Other income	44,671	87,480	53,471
	6,466,729	5,450,596	4,228,411

**EXPENSES**

Product development costs	310,292	216,584	101,231
Salaries and employee related costs	512,192	462,370	409,412
Depreciation	56,833	44,221	38,446
Administration and selling	3,174,092	2,867,134	2,253,275
Finance charges	545,288	343,235	255,913
	4,598,697	3,933,544	3,058,277
Profit for the year before taxation	1,868,032	1,517,052	1,170,134
Taxation	(266,808)	(196,882)	(116,529)
Net profit and total comprehensive income for the year	1,601,224	1,320,170	1,053,605

Local sources consider subject's financial condition to be Fair.

***BANKERS***

- National Bank of Oman Limited (SAOG)  
Mutrah Business District  
PO Box: 751, Ruwi 112  
Muscat  
Tel: (968) 24708894 / 24708630 / 24708684  
Fax: (968) 24707781 / 24703972
- Bank of Oman, Bahrain & Kuwait  
Rusayl Branch  
PO Box: 4708, Ruwi  
Muscat  
Tel: (968) 24446140
- Bank Muscat SAOG  
Ruwi Main Branch  
PO Box: 6326  
Muscat  
Tel: (968) 24561399 / 24708543

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Fax: (968) 24561036

- Oman Arab Bank  
PO Box: 2010  
Muscat  
Tel: (968) 24706265  
Fax: (968) 24797736  
Acc No. 3101241600300

## **PAYMENT HISTORY**

Regular

## **GENERAL COMMENTS**

National Pharmaceutical Industries Co SAOG (NPI) was established in 1996 and was the first pharmaceutical formulations manufacturer in the Sultanate of Oman.

The subject and its shareholders/owners have been searched in the following databases: Office of Foreign Assets Control (OFAC), United Nations Security Council Sanctions, Australian Sanctions List, US Consolidated Sanctions List, EU Financial Sanctions List and UK Financial Sanctions List and nothing adverse could be found on the exact names listed within the report.

During the course of this investigation nothing detrimental was uncovered regarding subject's operating history or the manner in which payments are fulfilled. As such the company is considered to be a fair trade risk.

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**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 74.13
UK Pound	1	INR 97.63
Euro	1	INR 85.26
OMR	1	INR 193.30

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

**INFORMATION DETAILS**

<b>Analysis Done by :</b>	PRA
<b>Report Prepared by :</b>	TPT

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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)