

## MIRA INFORM REPORT

Report No. :	535730
Report Date :	29.10.2018

### IDENTIFICATION DETAILS

Name :	ALLIANCE PHARMACEUTICALS LTD
Registered Office :	Plot No. 2342 Kabelenga Road Lusaka, Zambia, P.o. Box 32908, Lusaka
Country :	Zambia
Financials (as on) :	2017 (Summarized)
Date of Incorporation :	28.06.2007
Com. Reg. No.:	120070067360
Legal Form :	Limited Corporation
Line of Business :	Registered to operate as distributors of medical and pharmaceutical supplies
No. of Employees :	85

### RATING & COMMENTS

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

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

Status :	Satisfactory
Payment Behaviour :	No Complaints
Litigation :	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 (30.06.2018)	Current Rating (30.09.2018)
Zambia	B1	B1

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

**ZAMBIA - ECONOMIC OVERVIEW**

Zambia had one of the world's fastest growing economies for the ten years up to 2014, with real GDP growth averaging roughly 6.7% per annum, though growth slowed during the period 2015 to 2017, due to falling copper prices, reduced power generation, and depreciation of the kwacha. Zambia's lack of economic diversification and dependency on copper as its sole major export makes it vulnerable to fluctuations in the world commodities market and prices turned downward in 2015 due to declining demand from China; Zambia was overtaken by the Democratic Republic of Congo as Africa's largest copper producer. GDP growth picked up in 2017 as mineral prices rose.

Despite recent strong economic growth and its status as a lower middle-income country, widespread and extreme rural poverty and high unemployment levels remain significant problems, made worse by a high birth rate, a relatively high HIV/AIDS burden, by market-distorting agricultural and energy policies, and growing government debt. Zambia raised \$7 billion from international investors by issuing separate sovereign bonds in 2012, 2014, and 2015. Concurrently, it issued over \$4 billion in domestic debt and agreed to Chinese-financed infrastructure projects, significantly increasing the country's public debt burden to more than 60% of GDP. The government has considered refinancing \$3 billion worth of Eurobonds and significant Chinese loans to cut debt servicing costs.

Source : CIA

## **SUBJECT'S NAME**

Registered Name: **ALLIANCE PHARMACEUTICALS LTD**  
Requested Name: **ALLIANCE PHARMACEUTICALS LTD**  
Other Names: None

## **ADDRESS AND TELECOMMUNICATION**

Physical Address: Plot No. 2342 Kabelenga Road Lusaka, Zambia  
Postal Address: P.o. Box 32908  
Lusaka  
Country: Zambia  
Phone: +260-966-754566/ 211-225667/ 225621  
Cell: +260-966754566  
Fax: +260-211-225621  
Email: alliancepharma@zamnet.zm  
Website: None

## **CREDIT OPINION**

Financial Index as of December 2017 shows subject firm with a medium risk of credit. However, bank and credit information obtained reveal a history of prompt payments.

## **LEGAL**

Legal Form: Limited Corporation  
Date Incorporated: 28/06/2007  
Reg. Number: 120070067360  
Nominal Capital: ZMW. 50,000  
Subscribed Capital: ZMW. 50,000  
Subscribed Capital is Subscribed in the following form:

	<b>Position</b>	<b>Shares</b>	
Mr. Murugiah Krishnasany	CEO	100%	
Mr. M. N. Murthy	Director		

## **RELATED COMPANIES**

None	Parent company.
None	Subsidiary company.
None	Affiliated company.
None	Shareholder of subject firm.
None	Branches of the firm

## **OPERATIONS**

Registered to operate as distributors of medical and pharmaceutical supplies	
Imports:	Middle East
Exports:	Asia
Trademarks:	None
Terms of sale:	Cash (40%) and 25-90 days (60%), invoices.
Main Customers:	Medical firms, stores, outlets etc
Employees:	85 employees.
Vehicles:	Several motor vehicles.
Territory of sales:	Zambia
Location:	Leased premises, 5,000 square feet,

## **AUDITORS AND INSURANCE**

Auditors:	Information not available.
Insurance Brokers:	Information not available.

## **FINANCE**

Currency Reported:	Zambian Kwacha (ZMW.)
Fiscal Year End:	December 31, 2017
Inflation:	According to information given by independent sources, the inflation at December 31st, 2017 was of 13%.

Financial Information not Submitted

Profit and Loss (expressed in ZMW.)

Sales

**2017**  
15,750,000

## **BANK**

Bank Name: FINANCE BANK ZAMBIA LIMITED Ndola,  
STANBIC BANK  
Branch: Zambia  
Comments: None

## **TRADE REFERENCES**

Experiences: Good

NOTARIAL BONDS None

## **COMMENTS / ADDITIONAL INFORMATION**

This information was obtained from outside sources other than the subject company itself and confirmed the above subject.

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 73.37
UK Pound	1	INR 94.05
Euro	1	INR 83.41
	1	INR 6.38

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

**INFORMATION DETAILS**

<b>Analysis Done by :</b>	VIV
<b>Report Prepared by :</b>	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)