

**SHUAIBA INDUSTRIAL COMPANY KSC - 543483 (PRELIMINARY REPORT) PAGE NO. : 1**

**MIRA INFORM REPORT**

<b>Report No. :</b>	543483
<b>Report Date :</b>	04.12.2018

**IDENTIFICATION DETAILS**

<b>Name :</b>	SHUAIBA INDUSTRIAL COMPANY KSC
<b>Registered Office :</b>	Block No. 3, Plot No. 150, Street No. 31, South Sabhan Industrial Area, PO Box: 10088, Shuaiba 65451
<b>Country :</b>	Kuwait
<b>Financials (as on) :</b>	31.12.2015
<b>Date of Incorporation :</b>	19.06.1978
<b>Com. Reg. No.:</b>	26799
<b>Legal Form :</b>	Kuwaiti Shareholding Company – KSC
<b>Line of Business :</b>	Manufacturers of paper and paper bags.
<b>Employees:</b>	200

**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 – March 31, 2016**

<b>Country Name</b>	<b>Previous Rating (30.06.2018)</b>	<b>Current Rating (30.09.2018)</b>
Kuwait	A2	A2

<b>Risk Category</b>	<b>ECGC Classification</b>
Insignificant	A1
Low Risk	A2
Moderately Low Risk	B1
Moderate Risk	B2

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Moderately High Risk	C1
High Risk	C2
Very High Risk	D

**KUWAIT - ECONOMIC OVERVIEW**

Kuwait has a geographically small, but wealthy, relatively open economy with crude oil reserves of about 102 billion barrels - more than 6% of world reserves. Kuwaiti officials plan to increase production to 4 million barrels of oil equivalent per day by 2020. Petroleum accounts for over half of GDP, 92% of export revenues, and 90% of government income.

With world oil prices declining, Kuwait realized a budget deficit in 2015 for the first time more than a decade; in 2016, the deficit grew to 16.5% of GDP. Kuwaiti authorities announced cuts to fuel subsidies in August 2016, provoking outrage among the public and National Assembly, and the Amir dissolved the government for the seventh time in ten years. In 2017 the deficit was reduced to 7.2% of GDP, and the government raised \$8 billion by issuing international bonds. Despite Kuwait's dependence on oil, the government has cushioned itself against the impact of lower oil prices, by saving annually at least 10% of government revenue in the Fund for Future Generations.

Kuwait has failed to diversify its economy or bolster the private sector, because of a poor business climate, a large public sector that employs about 74% of citizens, and an acrimonious relationship between the National Assembly and the executive branch that has stymied most economic reforms. The Kuwaiti Government has made little progress on its long-term economic development plan first passed in 2010. While the government planned to spend up to \$104 billion over four years to diversify the economy, attract more investment, and boost private sector participation in the economy, many of the projects did not materialize because of an uncertain political situation or delays in awarding contracts. To increase non-oil revenues, the Kuwaiti Government in August 2017 approved draft bills supporting a Gulf Cooperation Council-wide value added tax scheduled to take effect in 2018.

Source : CIA

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## ***SUMMARY***

Company Name	: SHUAIBA INDUSTRIAL COMPANY KSC
Country of Origin	: Kuwait
Legal Form	: Kuwaiti Shareholding Company – KSC
Registration Date	: 19 <sup>th</sup> June 1978
Commercial Registration Number	: 26799
Chamber Membership Number	: 7202
Issued Capital	: KD 6,444,275
Paid up Capital	: KD 6,444,275
Total Workforce	: 200
Activities	: Manufacturers of paper and paper bags.
Financial Condition	: Good
Payments	: Nothing detrimental uncovered
Operating Trend	: Steady

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## **COMPANY NAME**

SHUAIBA INDUSTRIAL COMPANY KSC

## **ADDRESS**

### **Registered & Physical Address**

Building : Block No. 3, Plot No. 150  
Street : Street No. 31  
Area : South Sabhan Industrial Area  
PO Box : 10088  
Town : Shuaiba 65451  
Country : Kuwait

Telephone : (965) 24711350 / 24711258 / 24711020  
Facsimile : (965) 24738667 / 24737996  
Email : [info@sic-kwt.com](mailto:info@sic-kwt.com)

### **Premises**

Subject operates from a large suite of offices and a factory that are rented and located in the Industrial Area of Shuaiba.

## **KEY PRINCIPALS**

### **Name**

### **Position**

Saleh Omran Abdullah Kanaan	Chairman
Bader Mohammed Ghuloom Al Qattan	Vice Chairman
Adel Yousef Saleh Alsaqabi	Director
Abdullah Hamad Abdulrahman Al Tarkeet	Director
Wael Yousef Saleh Alsaqabi	Director
Adel Yousef Alsaqabi	Chief Executive Officer
Fared Ahmed Sadiqi	General Manager

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## **LEGAL FORM & OWNERS**

**Date of Establishment :** 19<sup>th</sup> June 1978

**Legal Form :** Kuwaiti Shareholding Company – KSC

**Commercial Reg. No. :** 26799

**Chamber Member No. :** 7202

**Issued Capital :** KD 6,444,275

**Paid up Capital :** KD 6,444,275

<b>Name of Shareholder (s)</b>	<b>Percentage</b>
National Investments Company	8.98%
Al Safwa Holding Group Co KSCC	8.06%
Aisha Abdulaziz Alfahad	5.08%
Local businessmen and private investors	77.88%

## **AFFILIATED COMPANIES**

<b><u>Name</u></b>	<b><u>Percentage Held</u></b>
Advance Technologies (International Agencies) Co WLL	100%
Yanbu Saudi Kuwaiti Paper Product Co Ltd	40%

## **OPERATIONS**

**Activities:** Engaged in the manufacture of paper and paper bags.

**Import Countries:** Europe and the Far East.

**Operating Trend:** Steady

Subject has a workforce of approximately 200 employees.

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**FINANCIAL DATA**

Financial highlights provided by local sources are given below:

Currency: Kuwaiti Dinars (KD)

**Consolidated Balance Sheet**

	<b><u>31/12/15</u></b>	<b><u>31/12/14</u></b>
<b>Assets</b>		
Non-current assets		
Property, plant and equipment	8,640,567	8,541,058
Investment in associate	2,567,131	2,590,021
Available for sale financial assets	-	36,843
	11,207,698	11,167,922
Current assets		
Inventories	4,694,207	3,694,810
Trade receivables	2,463,022	2,249,904
Other receivables	776,733	241,089
Financial assets at fair value	176,072	253,406
Term deposit	100,000	-
Cash	2,570,291	2,854,587
	10,780,325	9,293,796
<b>Total assets</b>	<b>21,988,023</b>	<b>20,461,718</b>
<b>Liabilities</b>		
<b>Equity</b>		
Share capital	6,444,275	6,444,275
Share premium	2,294,444	2,294,444
Statutory reserve	1,985,638	1,803,237
Voluntary reserve	1,894,630	1,712,229
Treasury shares	(164,740)	(253,265)
Treasury shares reserve	471,283	404,979
Foreign currency translation reserve	492,544	263,838
Retained earnings	4,744,837	4,659,964
<b>Total equity</b>	<b>18,162,911</b>	<b>17,329,701</b>
Non-current liabilities		
Employee's end of service benefits	589,997	482,090
Non-current portion of bank borrowings	272,000	456,000
	861,997	938,090
Current liabilities		
Due to a related party	24,924	-
Current portion of bank borrowings	184,000	241,941
Trade and other payables	2,754,188	1,951,986
	2,963,115	2,193,927

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Total liabilities	3,825,112	3,132,017
Total equity and liabilities	21,988,023	20,461,718

**Consolidated Statement of Income**

Sales	15,341,191	13,579,388
Cost of sales	(11,783,461)	(10,715,285)
Gross profit	3,557,730	2,864,103
Other income	57,335	78,892
Foreign exchange gain	24,793	68,871
Share of results of an associate	35,851	127,774
Unrealised loss on financial assets	(77,334)	(94,334)
Impairment loss on available for sale financial assets	(36,843)	-
General and administrative expenses	(830,204)	(733,157)
Selling and distribution expenses	(861,362)	(760,414)
Provisions for old and obsolete inventories	(24,919)	-
Write back of provision for doubtful debts	13,119	-
Finance costs	(34,157)	(49,810)
Profit before KFAS, NLST, Zakat and directors remuneration	1,824,009	1,501,925
KFAS	(16,416)	(13,517)
NLST	(48,286)	(39,392)
Zakat	(19,387)	(15,757)
Directors remuneration	(30,000)	(25,000)
Profit for the year	1,709,920	1,408,259

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

***BANKERS***

Commercial Bank of Kuwait SAK  
Mubarak Al Kabir Street  
PO Box: 2861  
Safat 13029  
Tel: (965) 22411001  
Fax: (965) 22450150

Al Ahli Bank of Kuwait  
Mubarak Al Kabir Street  
PO Box: 1387  
Safat 13033  
Tel: (965) 2411101 / 2411102

***PAYMENT HISTORY***

No complaints regarding subject's payments have been reported.

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## **GENERAL COMMENTS**

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 70.03
UK Pound	1	INR 89.50
Euro	1	INR 79.59
KWD	1	INR 231.87

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

**INFORMATION DETAILS**

**Report Prepared by :** TRU