

MIRA INFORM REPORT

Report No. :	520451
Report Date :	18.07.2018

IDENTIFICATION DETAILS

Name :	PACKAGING CO LTD SAOG
Registered Office :	Industrial Area, Ruwi 112, P O Box: 2818, Muscat
Country :	Oman
Financials (as on) :	31.12.2017
Date of Incorporation :	08.11.1980
Com. Reg. No.:	1/10456/0
Legal Form :	Omani Public Joint Stock Company
Line of Business :	Manufacture and sale of corrugated cartons. It produces different types of carton, including regular slotted carton (RSC), folding types and die cut types. The Company offers micro flute packaging in addition to B, C, E and F flute, as well as having the facility of a computerized five colour printing inline machine and a design studio for art work and negatives.
No. of Employees :	140

RATING & COMMENTS

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

MIRA's Rating :

A

Credit Rating	Explanation	Rating Comments
A	Acceptable Risk	Business dealings permissible with moderate risk of default

Maximum Credit Limit :	US\$ 400,000
Status :	Satisfactory
Payment Behaviour :	No Complaints
Litigation :	Clear

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)
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

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OMAN - ECONOMIC OVERVIEW

Oman is heavily dependent on oil and gas resources, which can generate between 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	: PACKAGING CO LTD SAOG
Country of Origin	: Oman
Legal Form	: Omani Public Joint Stock Company
Registration Date	: 8 th November 1980
Commercial Registration Number	: 1/10456/0
Issued Capital	: RO 3,000,000
Paid up Capital	: RO 3,000,000
Total Workforce	: 140
Activities	: Manufacturers of corrugated cartons and other packaging materials
Financial Condition	: Fair
Payments	: No Complaints
Recommended Credit Limit	: US\$ 400,000

COMPANY NAME

PACKAGING CO LTD SAOG

ADDRESS

REGISTERED & PHYSICAL ADDRESS

Location : Industrial Area
Area : Ruwi 112

PO Box : 2818

Town : Muscat
Country : Oman

Telephone : (968) 24494752 / 24561967 / 24493752
Facsimile : (968) 24494754
Mobile : (968) 92929505 / 99433132 / 99434183
Email : khamis@packoman.com / packltd@omantel.net.om

Premises

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

Branch Office (s)

<u>Location</u>	<u>Description</u>
<ul style="list-style-type: none">PO Box: 234 Al Suwaiq Tel: (968) 26860272 Fax: (968) 26861612	Office premises

KEY PRINCIPALS

<u>Name</u>	<u>Position</u>
<ul style="list-style-type: none">Ajay Ajit Kumar Krisindas Hamlai	Chairman
<ul style="list-style-type: none">Sujay Ajit Kumar Krisindas Hamlai	Director

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• Niti Ajit Kumar Krisindas Hamlai	Director
• Shanthi Kumar	Director
• K M Sharma	Director
• Sanjay Rastogi	General Manager
• Khamis Salem Khalfan Al Hakmani	Administration Manager
• Jasim Mohammed Al Ajmi	Company Secretary

LEGAL FORM & OWNERS

Date of Establishment : 8th November 1980

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

Commercial Reg. No. : 1/10456/0, Muscat

Issued Capital : RO 3,000,000

Paid up Capital : RO 3,000,000

Name of Shareholder (s)	Percentage
Ajay Ajit Kumar Karandas Hamlai	26.41%
Sujay Ajit Kumar Karandas Hamlai	26.11%
Ajay Enterprises LLC	11.86%
Oman Chemicals LLC	11.86%
Oman Hygienic Products LLC	10.36%
Members of the general public & private investors	13.40%

OPERATIONS

Activities: Engaged in the manufacture and sale of corrugated cartons. It produces different types of carton, including regular slotted carton (RSC), folding types and die cut types. The Company offers micro flute packaging

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in addition to B, C, E and F flute, as well as having the facility of a computerized five colour printing inline machine and a design studio for art work and negatives. The Company operates in the Sultanate of Oman, all Gulf Cooperation Council (GCC) countries, South Korea and Iraq.

Import Countries: Europe and the Far East

Operating Trend: Steady

Subject has a workforce of 140 employees.

FINANCIAL DATA

Financial highlights provided by local sources are given below:

Currency: Riyal Omani (RO)

Balance Sheet	31/12/17	31/12/16	31/12/15
Assets			
Non-current assets			
Property, plant and equipment	6,084,712	10,594,298	11,062,089
Investment available for sale	-	-	533
Total non-current assets	6,084,712	10,594,298	11,062,622
Current assets			
Inventories	3,498,707	2,263,069	2,454,432
Accounts and other receivables	2,881,997	2,916,801	2,524,028
Bank balances and cash	160,028	136,043	121,457
Total current assets	6,540,732	5,315,913	5,099,917
Total assets	12,625,444	15,910,211	16,162,539
EQUITY AND LIABILITIES			
Equity			
Share capital	3,000,000	3,000,000	3,000,000
Share premium	90,811	90,811	90,811
Legal reserve	465,243	405,588	338,146
General reserve	53,378	53,378	53,378
Revaluation Reserve - Land	836,608	5,398,136	5,398,136
Retained earnings/accumulated losses	357,158	(179,732)	(847,136)
Total equity	4,803,198	8,768,181	8,033,335
Liabilities			
Non-current liabilities			
Deferred tax liability	311,063	844,292	796,542
Employees end of service benefits	56,882	36,554	28,938
Non-current Portion of term loan	634,399	650,110	835,822
Loan from a related party	-	1,385,407	1,688,090
Total non-current liabilities	1,002,344	2,916,363	3,349,392
Current Liabilities			
Current portion of term loan	299,044	185,712	185,712

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Accounts and other payables	4,511,960	1,877,490	2,516,793
Bank borrowings	1,927,501	2,113,663	2,077,307
Taxation	81,397	48,802	-
Total Current Liabilities	6,819,902	4,225,667	4,779,812
Total liabilities	7,822,246	7,142,030	8,129,204
Total equity and liabilities	2,625,444	15,910,211	16,162,539

Profit & Loss Account

Income			
Revenue	9,692,392	8,931,512	7,908,763
Cost of goods sold	(7,925,722)	(7,067,917)	(6,640,116)
Gross profit	1,766,670	1,854,595	1,268,647
Other income	170,217	106,348	103,164
	1,936,887	1,960,943	1,371,811
Expenses			
General and administration	616,410	513,357	426,122
Selling and distribution	394,191	358,772	268,621
Depreciation	22,847	21,981	21,123
Finance charges	170,591	234,902	140,922
Impairment of investments available for sale	-	533	-
	1,204,039	1,129,545	856,788
Profit before taxation	732,848	831,398	515,023
Taxation	(136,303)	(96,552)	(60,433)
Net profit for the year	596,545	734,846	454,590

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

BANKERS

- Oman Arab Bank
Muttrah Business District
PO Box: 2010, Ruwi 112
Muscat
Tel: (968) 24700161 / 24706265 / 24706267
Fax: (968) 24797736

PAYMENT HISTORY

No complaints regarding subject's payments have been reported.

CREDIT RATING

Recommended credit limit: US\$ 400,000

GENERAL COMMENTS

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.

According to local sources, subject's financial condition is satisfactory whilst payments are made in a timely manner. The company's operating history is reportedly clear and the above credit figure is considered to be within subject's financial means.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.30
UK Pound	1	INR 90.52
Euro	1	INR 80.10
OMR	1	INR 177.93

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

INFORMATION DETAILS

Analysis Done by :	DIV
Report Prepared by :	NIT

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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)