

## MIRA INFORM REPORT

Report No. :	532891
Report Date :	06.10.2018

### IDENTIFICATION DETAILS

Name :	POSITIVE PACKAGING UNITED (ME) FZCO
Registered Office :	Plot No. MO 0132 Sheikh Zayed Road Jebel Ali Free Zone PO Box: 17032 Dubai
Country :	United Arab Emirates
Financials (as on) :	31.12.2017
Date of Incorporation :	21.08.2007
Com. Reg. No.:	7918
Legal Form :	Free Zone Company
Line of Business :	Manufacturers, exporters, wholesalers and distributors of flexible packaging materials.
No. of Employees :	<ul style="list-style-type: none"> <li>• 625 (10.2018)</li> <li>• 17,076 (Huhtamaki Group) (01.2017)</li> </ul>

### 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+	Low Risk	Business dealings permissible with low risk of default

Status :	Good
Payment Behaviour :	Regular
Litigation :	Clear

### NOTES :

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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**

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 introduced excise taxes (50% on sweetened carbonated beverages and 100% on energy drinks and tobacco) in October 2017. A five-percent value-added tax was introduced in January 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**

<b>COMPANY NAME</b>	POSITIVE PACKAGING UNITED (ME) FZCO			
<b>ADDRESS</b>	Building Plot No. MO 0132	Street Sheikh Zayed Road	Area Jebel Ali Free Zone	PO Box 17032 Dubai
<b>TEL/FAX</b>	Verified Phones: (+971 4) 881 5111 / Fax: (+971 4) 881 5572			
<b>EMAIL/WEBSITE</b>	Email: jeevan.devpura@huhtamaki.com / Website: www.huhtamaki.com			
<b>ACTIVITY</b>	NACE 8292 - Packaging activities; NACE 2222 - Manufacture of plastic packing goods;			
<b>PRINCIPAL</b>	Pekka Ala-Pietila Group Chairman		Workforce 625	
<b>LEGAL INFO</b>	Date Of Est. 21/08/2007	Reg. No. 7918	Legal Form Free Zone Company	Status Active
<b>CAPITAL</b>	<b>CURRENCY</b> AED	<b>AMOUNT</b> 500,000		

## **IDENTIFICATION**

<b>CO. NAME</b>	POSITIVE PACKAGING UNITED (ME) FZCO		
<b>BUILDING</b>	Plot No. MO 0132		
<b>STREET</b>	Sheikh Zayed Road		
<b>AREA</b>	Jebel Ali Free Zone		
<b>POSTAL ADDRESS</b>	17032 Dubai		
<b>TOWN</b>	Dubai		
<b>COUNTRY</b>	United Arab Emirates		
<b>TELEPHONE</b>	(+971 4) 881 5111 / (+971 55) 495 7122 (Dev Pura Jeevan)		
<b>FAX</b>	(+971 4) 881 5572		
<b>VERIFIED EMAIL</b>	jeevan.devpura@huhtamaki.com		
<b>WEBSITE</b>	www.huhtamaki.com		
<b>BUSINESS HOURS</b>	<b>DAYS</b> Sun-Thu	<b>OFFICE HOURS</b> 08:30-18:00	<b>BREAK TIME</b> 13:00-14:00
<b>REGISTERED ADDRESS</b>	Plot No. MO 0132 Sheikh Zayed Road Jebel Ali Free Zone PO Box: 17032 Dubai		

## **SENIOR PERSONNEL**

MANAGEMENT	NAME	POSITION
	Pekka Ala-Pietila	Group Chairman
	Dev Pura Jeevan	Finance Manager
WORKFORCE	NO. OF EMPLOYEES	PERIOD
	625	10.2018
	17,076 (Huhtamaki Group)	01.2017

## **FINANCIAL SUMMARY**

TURNOVER	31/12/2017	31/12/2018 (Projected)
	USD 120,000,000	USD 125,000,000
NOTES	The following Balance Sheets as at 31/12/2017 applies to Huhtamaki PPL Limited, subject's parent company:	

31/12/2017 31/12/2016  
(in INR Lacs)

### ASSETS

#### Non-Current Assets

(a) Property, Plant and Equipments	42,641.02	45,052.18
(b) Capital Work in Progress	206.83	199.47
(d) Goodwill	968.80	968.80
(e) Other Intangible Assets	117.64	440.97
(f) Intangible Assets Under Development	468.73	946.76
(g) Financial Assets		
(i) Investments	0.03	0.03
(iii) Loans	919.39	807.90
Other Financial assets	10.01	4.68
(h) Deferred Tax Assets (net)	1,019.09	1,870.63
(i) Non Current Tax Assets (net)	546.32	401.97
(j) Other Non Current Assets	2,789.50	2,590.24
	49,218.63	52,336.87
Current Assets		
(a) Inventories	19,187.32	18,250.05

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**POSITIVE PACKAGING UNITED (ME) FZCO - 532891**

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(b) Financial Assets		
Investments	13,749.79	19,501.66
(i) Trade Receivables	52,651.82	46,279.09
(ii) Cash and Cash		
Equivalents	4,436.36	3,107.22
(iii) Other Balances		
with Banks	32.90	2.50
(iv) Loans	99.33	260.59
(v) Others Financial Assets	143.24	107.03
(d) Other Current		
Assets	3,966.71	4,726.33
	94,267.47	92,234.47
<b>TOTAL ASSETS</b>	<b>143,486.10</b>	<b>144,571.34</b>

**EQUITY AND LIABILITIES**

**Equity**

(a) Equity Share Capital	1,510.53	1,454.33
(b) Other Equity	53,396.07	49,466.41
<b>Total equity</b>	<b>54,906.60</b>	<b>50,920.74</b>

**Liabilities**

**Non Current Liabilities**

**(a) Financial Liabilities**

(i) Borrowings	39,423.65	40,762.61
(iii) Other Financial		

Liabilities	164.62	148.48
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(b) Provisions	324.34	398.20
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**(d) Other Non-Current**

Liabilities	1,092.52	1,037.78
	41,005.13	42,347.07

**Current Liabilities**

**(a) Financial Liabilities**

(i) Borrowings	-	17.54
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**(ii) Trade Payables**

**Due to Micro and Small**

Enterprises	558.21	488.42
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Due to Others	35,981.38	32,090.66
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**(iii) Other Financial**

Liabilities	6,883.18	13,575.89
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**(c) Other Current**

Liabilities	1,155.13	1,813.03
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(d) Provisions	1,839.35	1,679.75
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<b>Current Tax Liabilities</b>	<b>1,157.12</b>	<b>1,638.24</b>
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	47,574.37	51,303.53
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**TOTAL EQUITY AND**

<b>LIABILITIES</b>	<b>143,486.10</b>	<b>144,571.34</b>
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**CONSOLIDATED STATEMENT OF PROFIT AND LOSS**

31/12/2017 31/12/2016

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(in INR Lacs)

Revenue from Operations	222,968.60	236,029.52
Other Income	1,357.99	1,756.49
<b>TOTAL INCOME</b>	<b>224,326.59</b>	<b>237,786.01</b>
<b>EXPENSES</b>		
Cost of Materials Consumed	142,500.00	147,284.75
Changes in Inventories	329.57	(574.45)
Excise Duty on Sale of Goods	9,874.38	17,913.73
Employee Benefits Expenses	20,912.07	19,425.40
Finance Costs	3,176.67	3,723.71
Depreciation and Amortization Expenses	8,524.59	9,275.78
Other Expenses	27,512.23	27,148.70
<b>TOTAL EXPENSES</b>	<b>212,829.51</b>	<b>224,197.62</b>
Profit Before Exceptional Items and Tax	11,497.08	13,588.39
Exceptional Items	-	255.00
Profit Before Tax	11,497.08	13,333.39
Tax Expenses		
Current Tax	5,360.18	5,864.94
Adjustment of Tax relating to earlier periods (Current Tax)	80.74	110.00
Adjustment of Tax relating to earlier periods (Deferred Tax)	(266.48)	-
Deferred tax	(38.96)	(795.66)
Profit for the year	6,361.60	8,154.11

**FISCAL YEAR-END**

31 December.

## **LEGAL STATUS**

**INCORPORATION  
REGISTRATION NO.**

21/08/2007

**LICENSE NUMBER**

Trade License No. : 7918 (expiry date: 20/08/2019)

**ISSUED BY**

Jebel Ali Free  
Zone Authority  
(JAFZA)

**AUTHORISED CAPITAL**

**AMOUNT**

500,000

**CURRENCY**

AED

**PAID-UP CAPITAL**

**AMOUNT**

500,000

**CURRENCY**

AED

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**BUSINESS HISTORY**

Subject was established in Jebel Ali Free Zone (JAFZA) on 21 August 2007.

**LEGAL FORM**

Free Zone Company

**STATUS**

Active

**SOLE SHAREHOLDER**

**NAME**

**PERCENTAGE**

Huhtamaki PPL Limited  
Unit No-12A-06, B-Wing, 13th Floor, Parinee  
Crescenzo, Plot No C-38/C-39, G-Block, Behind  
MCA, Bandra Kurla Complex, Bandra (East),  
Mumbai - 400051  
India  
Phone: (+91 22) 6174 0400  
Fax : (+91 22) 6174 0401  
Chairman: Suresh Gupta

100.00%

Ultimate Parent Company

Huhtamäki Oyj  
Miestentie 9  
02150 Espoo  
Finland  
Telephone: (358 0) 10 686 7000  
Fax : (358 0) 10 686 7992  
Huhtamäki Oyj is a global food packaging specialist, headquartered in Espoo, Finland. Its products include paper and plastic disposable tableware, such as cups, plates and containers for quick service restaurants, coffee shops, retail stores, caterers and vending operators. The company provides coated paper cups for fast food chains like (Burger King) as well as flexible packaging and labels for food and drink, pet food, pharmaceuticals, household and hygiene brands. Huhtamaki also makes egg cartons and trays, fruit trays and cup carriers.

\* According to law No.9 governing the establishment of companies in the Jebel Ali Free Zone, which was introduced in early 1992 and came into force in October 1992, foreign companies are allowed to set up separate legal entities referred to as Free Zone Establishments (FZEs) and Free Zone Companies (FZCO) having all features of a Private Limited Liability Company. The FZE can be either owned by a foreign individual or a corporate body. Its liability is

determined  
by the amount of paid-up capital, which must be at  
least Dh 1  
million. Previously, FZEs had to be branches of a  
company registered  
in a foreign country. A FZCO legal form allows  
investors to establish  
a company in Jebel Ali Free Zone having more than  
one shareholders  
(FZE only permits one shareholder). Its minimal  
registered capital is  
Dh 500,000.

## **OPERATION**

### **BANKERS**

1. National Bank of Fujairah (NBF)  
Main Branch  
PO Box 2979  
Dubai  
Telephone: (+971 4) 397 1700  
Fax : (+971 4) 397 9100
2. HSBC Bank Middle East  
Main Branch  
P.O. Box : 66  
Dubai  
Telephone: (+971 4) 228 8999  
Fax : (+971 4) 227 3301
3. Abu Dhabi Commercial Bank (ADCB)  
Al Rigga Road  
PO Box 5550  
Dubai  
Telephone: (+971 4) 222 8141  
Fax : (+971 4) 227 9632

Subject previously had an account with:

Emirates NBD Bank (fmly National Bank of Dubai)  
Baniyas Street  
PO Box 777  
Dubai  
Telephone: (+971 4) 222 2111  
Fax : (+971 4) 228 3000

### **ACTIVITY CODE (NACE)**

8292 - Packaging activities; 2222 - Manufacture of plastic packing  
goods;

**POSITIVE PACKAGING UNITED (ME) FZCO - 532891**

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<b>LINE OF BUSINESS</b>	Manufacturers, exporters, wholesalers and distributors of flexible packaging materials.
<b>IMPORT FROM</b>	India, China, Egypt and the GCC countries.
<b>EXPORT TO</b>	GCC, Europe, USA and Middle Eastern countries.
<b>FACILITIES</b>	Long leased premises comprising administrative offices, a manufacturing unit and storage facilities located at the heading address.
<b>RELATED COMPANIES</b>	Affiliated companies of Positive Packaging United (M.E.) FZCO :  Associates  1. Primetech (M. E.) FZCO Plot No. S11305 Jebel Ali Free Zone P.O. Box 17032 Dubai Telephone: (+971 4) 886 1242 Fax : (+971 4) 886 1243  2. Huhtamaki S.a.r.l  3. Huhtamaki (Thailand) Ltd.,  4. Huhtamaki Finance B V  5. Fine Chemicals Nigeria Limited 1-5 Fine Avenue, Off Veepee Industrial Avenue K.M. 38 Lagos/Abeokuta Road Sango, Otta, Ogun State Nigeria Telephone: (234 1) 774 1345 Fax : (234 1) 271 9409  6. Positive Packaging Industries Nigeria Limited Plots L & K, Block 1 Ilupeju Industrial Estate P.O. Box No. 2701(Marina) Lagos Nigeria Telephone: (234 1) 496 8340 / 792 7300 Fax : (234 1) 496 8342 / 555 0580  7. Dubai Flex Pack (L.L.C.) P.O.Box 120882 Dubai Telephone: (971 4) 885 3411 Fax : (971 4) 885 3422  8. Positive Packaging Middle East (L L C)

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Sheikh Zayed Road  
Jebel Ali Industrial Area, Dubai Investment  
Park  
PO Box No. 120882  
Dubai  
United Arab Emirates  
Telephone : (971 4) 885 3411  
Fax : (971 4) 885 3422  
E-Mail : jeevan.devpura@positiveuae.com  
Website : www.positiveuae.com

9. Positive Packaging (M.E.) (FZE)  
P.O. Box 122042  
Sharjah  
Telephone: (971 6) 557 2866  
Fax : (971 6) 557 5047

10. ICM Packaging Pvt. Ltd.  
21/1, Chikhholi MIDC  
Kalyan Badlapur Road  
Ambernath West, Dist.  
Thane – 421505,  
Maharashtra  
India  
Telephone: (91 251) 268 5300  
Fax : (91 251) 2683 300

11. Positive Packaging Industries  
Village Ransai, Km. 16,  
Khopoli - Pen Road  
P.O Box 37, Taluka Khalapur  
Khopoli 410203  
Maharashtra  
India  
Telephone: (91 219) 239 1300  
Fax : (91 219) 239 1310

## ***PAYMENT***

### **CREDIT OPINION**

We consider it is acceptable to deal with subject.

## ***SPECIAL REMARKS***

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INTERVIEWED

Dev Pura Jeevan (Finance Manager).

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 73.58
UK Pound	1	INR 95.88
Euro	1	INR 84.70
UAE DH	1	INR 20.16

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

**INFORMATION DETAILS**

Analysis Done by :	NIY
Report Prepared by :	POJ

**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)