

MIRA INFORM REPORT

Report No. :	529454
Report Date :	18.09.2018

IDENTIFICATION DETAILS

Name :	DYNATECH INDUSTRIES GHANA LIMITED
Registered Office :	Plot No. 138A, Baatsona Accra Tema Industrial Motorway Road Spintex Road, Near Coco Cola Round about, Accra
Country :	Ghana
Financials (as on) :	31.03.2018
Date of Incorporation :	17.07.2005
Legal Form :	Limited Corporation
Line of Business :	Subject operate manufacture and supply of steel and aluminium products
No. of Employees :	80 employees.

RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23rd 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 :	Slow but Correct
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

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Country Name	Previous Rating (31.12.2017)	Current Rating (01.04.2018)
Ghana	B2	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

GHANA - ECONOMIC OVERVIEW

Ghana has a market-based economy with relatively few policy barriers to trade and investment in comparison with other countries in the region, and Ghana is well-endowed with natural resources. Ghana's economy was strengthened by a quarter century of relatively sound management, a competitive business environment, and sustained reductions in poverty levels, but in recent years has suffered the consequences of loose fiscal policy, high budget and current account deficits, and a depreciating currency.

Agriculture accounts for about 20% of GDP and employs more than half of the workforce, mainly small landholders. Gold, oil, and cocoa exports, and individual remittances, are major sources of foreign exchange. Expansion of Ghana's nascent oil industry has boosted economic growth, but the fall in oil prices since 2015 reduced by half Ghana's oil revenue. Production at Jubilee, Ghana's first commercial offshore oilfield, began in mid-December 2010. Production from two more fields, TEN and Sankofa, started in 2016 and 2017 respectively. The country's first gas processing plant at Atuabo is also producing natural gas from the Jubilee field, providing power to several of Ghana's thermal power plants.

As of 2018, key economic concerns facing the government include the lack of affordable electricity, lack of a solid domestic revenue base, and the high debt burden. The AKUFO-ADDO administration has made some progress by committing to fiscal consolidation, but much work is still to be done. Ghana signed a \$920 million extended credit facility with the IMF in April 2015 to help it address its growing economic crisis. The IMF fiscal targets require Ghana to reduce the deficit by cutting subsidies, decreasing the bloated public sector wage bill, strengthening revenue administration, boosting tax revenues, and improving the health of Ghana's banking sector. Priorities for the new administration include rescheduling some of Ghana's \$31 billion debt, stimulating economic growth, reducing inflation, and stabilizing the currency. Prospects for new oil and gas production and follow through on tighter fiscal management are likely to help Ghana's economy in 2018.

Source : CIA

SUBJECT'S NAME

Registered Name: **DYNATECH INDUSTRIES GHANA LIMITED**
Requested Name: **DYNATECH INDUSTRIES GHANA LIMITED**
Other Names: **DYNATECH INDUSTRIES GHANA LTD**

ADDRESS AND TELECOMMUNICATION

Physical Address: Plot No. 138A, Baatsona Accra Tema Industrial
Motorway Road Spintex Road, Near Coco Cola Round
about, Accra,
Country: Ghana
Phone: 233-21811547
Fax: 233-21811549
Email: dynatech@africaonline.com.gh
Website: www.manaksia.com

CREDIT OPINION

Financial Index as of December 2017 shows subject firm with a medium risk of credit.

LEGAL

Legal Form: Limited Corporation
Date Incorporated: 17-July-2005
Reg. Number: Ghana
Nominal Capital: GHS. 843,961
Subscribed Capital: GHS. 843,961
Subscribed Capital is Subscribed in the following form:

	Position	Shares
Mr. Shirish R. Mehta	MD	
Mr. Lalit Kumar Newar	Director	
Mr. Narendra Kumar	Director	
Mr. Sanjay Debnath	Manager	
MINL Limited	Holding Co.	100%

RELATED COMPANIES

MINL Limited	Parent company.
None	Subsidiary company.
MANAKSIA ALUMINIUM COMPANY LIMITED, EUROASIAN VENTURES FZE, EUROASIAN STEEL, MANAKSIA COATED METALS & INDUSTRIES LIMITED, MANAKSIA STEELS LIMITED, MANAKSIA ALUMINIUM COMPANY LIMITED, MANAKSIA COATED METALS & INDUSTRIES LIMITED, MANAKSIA LIMITED, MANAKSIA INDUSTRIES LIMITED.	Affiliated companies.
None	Shareholder of subject firm.
None	Branches of the firm

OPERATIONS

Registered to operate manufacture and supply of steel and aluminium products	
Imports:	Asia
Exports:	None
Trademarks:	None
Terms of sale:	Cash (30%) and 25-90 days (70%), invoices.
Main Customers:	firms and organizations
Employees:	80 employees.
Vehicles:	Several motor vehicles.
Territory of sales:	Ghana
Location:	Leased premises, 100,000 square feet,

AUDITORS AND INSURANCE

Auditors:	ASL Consulting
Insurance Brokers:	Information not available.

FINANCE

Currency Reported: Ghanaian Cedi (GHS.)
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 Submitted Below

BANK

Bank Name: Standard Chartered Bank Ghana Limited
Branch: Ghana
Comments: Other Banks
Bank of Baroda
Barclays Bank Of Ghana Ltd
Zenith Bank Of Ghana Ltd
United Bank Of Africa

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.

**DYNATECH INDUSTRIES GHANA LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31ST MARCH 2018**

	31.3.2018	31.3.2017
	GH¢	GH¢
Revenue	8,135,790	6,930,186
Cost of sales	(7,263,054)	(6,365,661)
	-----	-----
GROSS PROFIT	872,736	564,525
General and Administrative Expenses	(324,677)	(301,238)
Other Income	-	3,113
	-----	-----
OPERATING PROFIT/ (LOSS)	548,060	266,400
Finance cost	(214,319)	(665,438)
	-----	-----
OPERATING PROFIT/ (LOSS) BEFORE TAXATION	333,741	(399,038)
Taxation	-	(235,195)
	-----	-----
PROFIT/ LOSS FOR THE PERIOD	333,741	(634,233)
Other Comprehensive Income	-	-
	-----	-----
TOTAL COMPREHENSIVE INCOME	333,741	(634,233)
	=====	=====

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**DYNATECH INDUSTRIES GHANA LIMITED
STATEMENT OF FINANCIAL POSITION
AT 31ST MARCH 2018**

	31.3.2018	31.3.2017
	GHC	GHC
NON-CURRENT ASSETS		
Property, Plant and Equipment	3,967,396	4,311,099
	-----	-----
Total Non-Current Assets	3,967,396	4,311,099
	-----	-----
CURRENT ASSETS		
Inventory	1,974,232	4,156,786
Trade and Other Receivables	878,115	308,495
Taxation	15,373	6,711
Deferred Tax	695,708	-
Cash and Bank balances	947,702	438,589
	-----	-----
Total Current Assets	4,511,130	4,910,581
	-----	-----
TOTAL ASSETS	8,478,526	9,221,680
	=====	=====
EQUITY & LIABILITIES		
EQUITY		
Stated Capital	843,961	843,961
Retain Earnings	(5,985,059)	(8,868,084)
	-----	-----
TOTAL EQUITY	(5,141,098)	(8,024,123)
NON CURRENT LIABILITIES		
Deferred tax	-	435,869
Loan	2,607,321	4,009,014
	-----	-----
	2,607,321	4,444,883
CURRENT LIABILITIES		
Trade and Other Payables	10,929,709	4,607,138
Bank Overdraft	82,594	8,193,782
	-----	-----
TOTAL CURRENT LIABILITIES	11,012,303	12,800,920
	-----	-----
TOTAL EQUITY AND LIABILITIES	8,478,526	9,221,680
	=====	=====

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**DYNATECH INDUSTRIES GHANA LIMITED
CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31ST MARCH 2018**

	31.3.2018	31.3.2017
	GHC	GHC
Cash flow from operating activities		
Profit before taxation	333,741	(399,038)
<i>Adjustments for:</i>		
Depreciations charges	89,993	100,946
Prior Year Adjustment	(6,132)	-
Changes in Inventory	5,081,442	2,401,071
Changes in receivables	189,921	337,097
Changes in payables	(2,145,432)	(1,829,927)
	-----	-----
Cash flow from operations	3,543,533	610,149
Income taxes paid	5,469	-
	-----	-----
Net cash flow used in operating activities	3,549,002	610,149
Cash flows from investing activities		
Property, plant and equipment purchased	(243,307)	-
	-----	-----
Net cash flow from Investing Activities	(243,307)	-
Cash flows from financing activities		
Loan from Manaksia	(1,496,566)	34,997
	-----	-----
Net cash flow from Financing Activities	(1,496,566)	34,997
	-----	-----
Increase/ (Decrease) in cash and cash equivalent	1,809,129	645,146
	=====	=====
Analysis of changes in cash and cash Equivalent during the year		
Balances at 1 st January	(944,021)	(8,400,339)
Net cash inflow/ (outflow)	1,809,129	645,146
	-----	-----
Balance at 31 st March	865,108	(7,755,193)
	=====	=====
Analysis of balances of cash and cash Equivalent as shown in the balance sheet		
Cash balance	947,702	438,589
Bank Overdraft	(82,594)	(8,193,782)
	-----	-----
	865,108	(7,755,193)
	=====	=====

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FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 72.55
UK Pound	1	INR 94.94
Euro	1	INR 84.40
GHS	1	INR 15.25

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

INFORMATION DETAILS

Analysis Done by :	NIS
Report Prepared by :	SDA

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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)