

## MIRA INFORM REPORT

<b>Report No. :</b>	529455
<b>Report Date :</b>	18.09.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	JEBBA PAPER MILLS LIMITED
<b>Registered Office :</b>	21/23 Abimbola Street Isoloindustrial Industrial Estate Isolo, Lagos
<b>Country :</b>	Nigeria
<b>Financials (as on) :</b>	31.03.2018
<b>Date of Incorporation :</b>	10.04.2004
<b>Com. Reg. No.:</b>	RC 660356
<b>Legal Form :</b>	Limited Corporation
<b>Line of Business :</b>	Registered to operate manufacture and production of paper and related products
<b>No. of Employees :</b>	250

### RATING & COMMENTS

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

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

<b>Status :</b>	Satisfactory
<b>Payment Behaviour :</b>	No Complaints
<b>Litigation :</b>	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 (31.12.2017)	Current Rating (01.04.2018)
Nigeria	B2	B2

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

### **NIGERIA - ECONOMIC OVERVIEW**

Nigeria is Sub Saharan Africa's largest economy and relies heavily on oil as its main source of foreign exchange earnings and government revenues. Following the 2008-09 global financial crises, the banking sector was effectively recapitalized and regulation enhanced. Since then, Nigeria's economic growth has been driven by growth in agriculture, telecommunications, and services. Economic diversification and strong growth have not translated into a significant decline in poverty levels; over 62% of Nigeria's over 180 million people still live in extreme poverty.

Despite its strong fundamentals, oil-rich Nigeria has been hobbled by inadequate power supply, lack of infrastructure, delays in the passage of legislative reforms, an inefficient property registration system, restrictive trade policies, an inconsistent regulatory environment, a slow and ineffective judicial system, unreliable dispute resolution mechanisms, insecurity, and pervasive corruption. Regulatory constraints and security risks have limited new investment in oil and natural gas, and Nigeria's oil production had been contracting every year since 2012 until a slight rebound in 2017.

President BUHARI, elected in March 2015, has established a cabinet of economic ministers that includes several technocrats, and he has announced plans to increase transparency, diversify the economy away from oil, and improve fiscal management, but has taken a primarily protectionist approach that favors domestic producers at the expense of consumers. President BUHARI ran on an anti-corruption platform, and has made some headway in alleviating corruption, such as implementation of a Treasury Single Account that allows the government to better manage its resources and a more transparent government payroll and personnel system that eliminated duplicate and "ghost workers." The government also is working to develop stronger public-private partnerships for roads, agriculture, and power.

Nigeria entered recession in 2016 as a result of lower oil prices and production, exacerbated by militant attacks on oil and gas infrastructure in the Niger Delta region, coupled with detrimental economic policies, including foreign exchange restrictions. GDP growth turned positive in 2017 as oil prices recovered and output stabilized.

Source : CIA

## **COMPANY NAME**

Registered Name: **JEBBA PAPER MILLS LIMITED**  
Requested Name: **JEBBA PAPER MILLS LIMITED**  
Other Names: **JEBBA PAPER MILLS LTD**

## **ADDRESS AND TELECOMMUNICATION**

Physical Address: 21/23 Abimbola Street Isoloindustrial Industrial Estate  
Isolo, Lagos,  
Country: Nigeria  
Phone: 234-8136869081/-1-4529135/37  
Fax: 234-1-4529136  
Email: infomil@manaksia.com/ minl-ltd@multilink.com  
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: 10-April-2004  
Registered Date: 14-July-2006  
Reg. Number: RC 660356  
Nominal Capital: NGN. 300,000,000  
Subscribed Capital: NGN. 300,000,000  
Subscribed Capital is Subscribed in the following form:

	<b>Position</b>	<b>Shares</b>
Mr. Shirish Mehta	MD	
Mr. Anup Kumar Drolia	Director	
Mr. Dinesh Kumar	Director	
Mr. Ashok Guha	Director	
Mr. Abhay Nath Jha	Director	
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 LTD, MANAKSIA COATED METALS & INDUSTRIES LIMITED, MANAKSIA LIMITED, DYNATECH INDUSTRIES GHANA LTD, MANAKSIA INDUSTRIES LIMITED.	Affiliated companies.
None	Shareholder of subject firm.
None	Branches of the firm

## **OPERATIONS**

Registered to operate manufacture and production of paper and related products	
Imports:	Asia
Exports:	None
Trademarks:	None
Terms of sale:	Cash (40%) and 25-90 days (60%), invoices.
Main Customers:	firms and organizations
Employees:	250 employees.
Vehicles:	Several motor vehicles.
Territory of sales:	Nigeria
Location:	Owned premises, 20,000 square feet,

## **AUDITORS AND INSURANCE**

Auditors:	Messrs Opone Johnson & Co
Insurance Brokers:	Information not available.

## **FINANCE**

Currency Reported: Nigerian Naira (NGN.)  
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: Zenith Bank  
Branch: Nigeria  
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.

**JEBBA PAPER MILLS LIMITED**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2018**

	<b>31-03-18</b>	<b>31-03-17</b>
	<b>N'000</b>	<b>N'000</b>
Revenue	7,266,844	6,861,401
Cost of sales	<u>(4,693,115)</u>	<u>(4,017,865)</u>
<b>Gross profit</b>	<b>2,573,730</b>	<b>2,843,536</b>
Other income	487,269	498
Administrative expenses	(515,030)	(446,362)
Other Charges	-	(631,518)
Finance cost	<u>(74,569)</u>	<u>(180,690)</u>
<b>Profit before tax</b>	<b>2,471,399</b>	<b>1,585,464</b>
Taxation	<u>255,000</u>	<u>(26,851)</u>
<b>Profit after taxation on continuing operations</b>	<b><u>2,216,399</u></b>	<b><u>1,612,316</u></b>
<b>Other Comprehensive Income</b>		
Actuarial Gain/Loss	1,638	3,821
Deferred Tax	<u>(492)</u>	<u>(1,146)</u>
<b>Total other comprehensive Loss</b>	<b><u>1,147</u></b>	<b><u>2,675</u></b>
<b>Total comprehensive income/(loss)</b>	<b><u><u>2,217,546</u></u></b>	<b><u><u>1,614,990</u></u></b>

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**JEBBA PAPER MILLS LIMITED**

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2018**

	<b>31-03-18</b>	<b>31-03-17</b>
	<b>N'000</b>	<b>N'000</b>
<b>Non-current assets</b>		
Property, plant and equipment	1,087,177	1,260,981
Investment	475	475
Deferred Tax Assets	7,058	71,566
<b>Total non-current assets</b>	<b><u>1,094,710</u></b>	<b><u>1,333,023</u></b>
<b>Current assets</b>		
Inventories	968,397	607,354
Trade and other receivables	1,139,565	1,868,011
Other assets	249,515	117,872
Cash and cash equivalents	3,711,296	1,708,298
<b>Total current assets</b>	<b><u>6,068,773</u></b>	<b><u>4,301,535</u></b>
<b>Total assets</b>	<b><u>7,163,484</u></b>	<b><u>5,634,557</u></b>
<b>Equity</b>		
Share capital	300,000	300,000
Other Reserves	3,822	2,675
Retained earnings	5,229,146	3,012,748
<b>Total equity attributable to owners of the company</b>	<b><u>5,532,968</u></b>	<b><u>3,315,422</u></b>
<b>Non-current liabilities</b>		
Borrowings	-	375,000
Retirement benefit obligation	17,658	12,040
	<b><u>17,658</u></b>	<b><u>387,040</u></b>
<b>Total non-current liabilities</b>	<b><u>17,658</u></b>	<b><u>387,040</u></b>
<b>Current liabilities</b>		
Trade and other payables	862,469	1,142,095
Borrowings	535,388	750,000
Taxation	215,000	40,000
<b>Total current liabilities</b>	<b><u>1,612,858</u></b>	<b><u>1,932,095</u></b>
<b>Total liabilities</b>	<b><u>1,630,516</u></b>	<b><u>2,319,135</u></b>
<b>Total equity and Liabilities</b>	<b><u>7,163,484</u></b>	<b><u>5,634,557</u></b>

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**JEBBA PAPER MILLS LIMITED**

**CASHFLOW STATEMENT FOR THE YEAR ENDED 31  
MARCH, 2018**

	<b>2018</b>	<b>2017</b>
	<b>N'000</b>	<b>N'000</b>
<b>Cashflow from operating activities</b>		
Cash receipt from customers	7,359,874	6,966,471
Cash paid to suppliers and employees	<u>(4,604,119)</u>	<u>(5,114,951)</u>
Cash generated from operations	2,755,755	1,851,520
Income taxes paid	<u>(15,000)</u>	<u>(26,195)</u>
<b>Net cash generated by operating activities</b>	<b><u>2,740,755</u></b>	<b><u>1,825,325</u></b>
<b>Cashflow from investing activities</b>		
Purchase of property, plant and equipment	(73,577)	-
Interest Income	<u>-</u>	<u>-</u>
<b>Net cash generated by investing activities</b>	<b><u>(73,577)</u></b>	<b><u>-</u></b>
<b>Cashflow from financing activities</b>		
Loan Repayment	(780,000)	(250,000)
Interest paid	<u>(74,569)</u>	<u>(180,690)</u>
<b>Net cash generated by financing activities</b>	<b><u>(854,569)</u></b>	<b><u>(430,690)</u></b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1,812,609</b>	<b>1,394,635</b>
Cash and cash equivalents at beginning of year	<u>1,708,298</u>	<u>313,663</u>
<b>Cash and cash equivalents at end of year</b>	<b><u>3,520,908</u></b>	<b><u>1,708,298</u></b>

END OF REPORT

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**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupee
US Dollar	1	INR 72.55
UK Pound	1	INR 94.94
Euro	1	INR 84.40
NGN	1	INR 0.20

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

**INFORMATION DETAILS**

Analysis Done by :	PRI
Report Prepared by :	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)