

## MIRA INFORM REPORT

Report No. :	518291
Report Date :	11.07.2018

### IDENTIFICATION DETAILS

Name :	BROWNS THERMAL ENGINEERING (PVT) LTD
Registered Office :	#481, T.B. Jayah Mawatha,Colombo – 10
Country :	Sri Lanka
Date of Incorporation :	13.10.1997
Com. Reg. No.:	N(PVS) 19914
Legal Form :	Private Limited Liability Company (In Operation)
Line of Business :	Subject is engaged in Importer and Distributor of Auto Mobile Radiators and Repairing Radiators.
No. of Employees :	Approx. 200 (Group Approx.10,000)

### 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	Acceptable Risk	Business dealings permissible with moderate risk of default

Status :	Satisfactory
Payment Behaviour :	No Complaints
Litigation :	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.

### ECGC Country Risk Classification List

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Country Name	Previous Rating (31.12.2017)	Current Rating (01.04.2018)
Sri Lanka	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

**SRI LANKA - ECONOMIC OVERVIEW**

Sri Lanka is attempting to sustain economic growth while maintaining macroeconomic stability under the IMF program it began in 2016. The government's high debt payments and bloated civil service, which have contributed to historically high budget deficits, remain a concern. Government debt is about 79% of GDP and remains among the highest of the emerging markets. In the coming years, Sri Lanka will need to balance its elevated debt repayment schedule with its need to maintain adequate foreign exchange reserves.

In May 2016, Sri Lanka regained its preferential trade status under the European Union's Generalized System of Preferences Plus (GSP+), enabling many of its firms to export products, including its top export garments, tax free to the EU. In 2017, Parliament passed a new Inland Revenue Act in an effort to increase tax collection and broaden the tax base in response to recommendations made under its IMF program. In November 2017, the Financial Action Task Force on money laundering and terrorist financing listed Sri Lanka as non-compliant, but reported subsequently that Sri Lanka had made good progress in implementing an action plan to address deficiencies.

Tourism has experienced strong growth in the years since the resolution of the government's 26-year conflict with the Liberation Tigers of Tamil Eelam. In 2017, the government promulgated plans to transform the country into a knowledge-based, export-oriented Indian Ocean hub by 2025.

Source : CIA

## ***COMPANY NAME AND ADDRESS***

Basic information at a glance

- a. Name of Subject of Inquiry : **BROWNS THERMAL ENGINEERING (PVT) LTD**
- b. Legal Form & Status : **Private Limited Liability Company (In Operation)**
- c. Chairman / Director : **Rohini Lettitia Nanayakkara (Ms)**  
CEO : **Gunendra Jayasena**
- d. Primary Line of Business : **Manufacture & Distributor of Auto Mobile Radiators and Repairing Radiators**
- e. Head office & Places of Business : **#34, Sir Mohamed Macan Markar Mawatha, Colombo 3, Sri Lanka**  
**Tel. No: (00 94 11) 266 3000**  
**Fax No: (00 94 11) 230 7392**  
**Email: [bgil@sltnet.lk](mailto:bgil@sltnet.lk), [info@brownsqroup.com](mailto:info@brownsqroup.com)**  
**Customer Care: (00 94 77) 396 3108**  
**General Manager: (00 94 77) 360 9415**  
**Sales: (00 94 77) 332 3001 / 395 0531**  
**Plant & Warehouse**  
**Browns Industrial Park,**  
**Makadura,**  
**Gonawila.**  
**Production: (00 94 77) 738 3594**  
**Director/GM: (00 94 77)759 8310**
- f. Showroom : **#481, T.B. Jayah Mawatha, Colombo -10.**  
**Tel. No: (00 94 11) 269 5392**  
**Mobile: (00 94 77) 297 5819**
- g. No. of Employees : **Approx. 200 (Group Approx.10,000)**

## ***COMPANY DETAILS***

### Registration and Shareholder Details

a.	Registration No	: N(PVS) 19914	
	Date of Registration	: 13 <sup>th</sup> October 1997	
b.	Re-registration No	: PV 5001	
	Date of Re-registration	: 04 <sup>th</sup> July 2008	
c.	Registered Address	: #481, T.B. Jayah Mawatha, Colombo – 10	
d.	Board of Directors As at 30th September 2017	: Rohini Letitia Nanayakkara (Ms)  Anoj Kumar Devapriya Munidasa  K. Damascene Percival Fernando	Chairman / Director Director  Director
e.	Issued Share Capital	: Rs. 15, 000,000.00	
	Issued Shares	: 1,500,000	
f.	Nominal Value of Share	: Not stated/applicable vide Companies Act # 7 of 2007	

## ***REGISTRATION AND SHAREHOLDER DETAILS CONT***

g.	Share Holders As at 30th September 2017	: Share Holders  Browns & Company PLC  Joseph Chrisantha Rukman Cooray (Deceased)  K. Damascene Percival Fernando	No. of Shares  1,499,997  01  01
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**Manickam Vallipuram Theagarajah**

**01**

- h. Auditors : **KPMG, # 32A, Sir Mohamed Macan Markar Mw. Co. 03**
- i. Company Secretaries : **LOLC Corporate Services (PVT) Ltd, #100/1, Sri Jayawardhanapura Mawatha, Rajagiriya.**
- k. Bankers : **Hatton National Bank Plc , Commercial Bank Plc, Bank Of Ceylon, Peoples Bank, Seylan Bank**

## ***FINANCIAL DETAILS***

Most recent available Financial Information

**The company has declined to provide information on its finances**

The subject company has declined to provide information on its finances without knowing the identity of the end user of the enquiry

**It should be viewed that the particular industry/trading segment the company is involved has very good growth potential and as such it can be expected for the company to have a good income prospects. Subject is also a subsidiary and a member of the BROWNS GROUP of companies which is well known and established business conglomerate in Sri Lanka.**

Note: Based on the corporate laws of Sri Lanka, legal entities which are Private Company with Limited Liability is not required to make public disclosure of their annual financials. Therefore no financials are available for this entity

## ***CURRENT INVESTIGATION***

### **History**

The Subject Company **BROWNS THERMAL ENGINEERING (PVT) LTD** is a Private Limited liability Company incorporated on **13<sup>th</sup> October 1997** under registration number **N (PVS) 19914** and then the company was re-registered on **04<sup>th</sup> July 2008** under registration number **PV 5001**.

The Subject Company initially registered as **BROWN DIMO INDUSTRIAL PRODUCTS (PVT) LTD** on **13.10.1997** and then name of the company was changed to **BROWN RADIATORS (PVT) LTD** on **09<sup>th</sup> August 2010**. Again the name changed to the present name **BROWNS THERMAL ENGINEERING (PVT) LTD** on **24.03.2011**.

**Browns Thermal Engineering (P) Limited (BTEL)** is a subsidiary of **Browns & Company Plc** and a member of **BROWNS GROUP of Companies** in Sri Lanka.

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Browns Group is one of the top five business conglomerates in Sri Lanka with a presence in sectors such as Marine, Agriculture, Batteries, Manufacturing (heat changers & Plastic moulding), Electronic, Household items, General Hardware, Power, Chemicals, Veterinary Products, Leisure & Airline (GAS) and Investments.

#### **Location.**

The Subject Company is located at # **34, Sir Mohamed Macan Markar Mawatha, Colombo 3, which is the Head Office.**

The client given address is the Registered Office situated and Showroom **#481, T.B. Jayah Mawatha, Colombo -10.**

#### **Operational Details.**

##### **General**

The subject company primary line of business is **Importer and Distributor of Auto Mobile Radiators and Repairing Radiators.**

**Browns Thermal Engineering (Pvt) Limited (BTEL) is a manufacturing arm of Browns Group, marketing their products under the "RADCO" brand. BTEL is the largest heat exchanger manufacturer in Sri Lanka. It holds the highest market share of 22% in the radiator market. In the brand new radiator category it has a 42% market share.**

**BTEL manufactures automotive radiators (Copper & Brass) for an array of vehicles. Geared to manufacture both corrugated type radiators and fin type radiators. The flat fin type radiators withstand high dust and debris levels for heavy industrial vehicles. RADCO is the most sort-after name in cooling systems for the industrial and power generation market. Their ranges are coolers used in generators, locomotives and earth moving equipment & machinery. They also have industrial radiators suited for offshore salt laden environments as well. BTEL also manufactures shell and tube coolers. They also have the capability of manufacturing finned tube driers and flat fin driers for the tea, coconut and rubber industry and for laundry equipment. These driers are made out of seamless heavy duty steam tubes or seamless brass tubes according to customer requirements. Stainless steel tubes and fins are produced for the food industry.**

Also under the RADCO brand BTEL distributes radiators to "emergency power suppliers" abroad. BTEL is one of the main suppliers for a US Company. Company states that they are one of the main suppliers to Sri Lanka Railway, SRI Lanka Transport Board, Sri Lanka Ports Authority, Sri Lanka Fisheries Corporation and lot of other private fleet owners in Sri Lanka.

Company states that as a group they are one of the main suppliers to all government defense establishments having over 250 country wide dealer network, who has been with them for an over 20year. Apart from the dealers they have a set of workshops which deal with the company direct.

##### **Products**

**Radiators: Automobiles/Industrial radiators, Condensers & Evaporators, Dryer Heat Exchangers, Coolers etc.**



Brand Logo



RADCO brand was launched in 2009 and it's only for radiators at the beginning. BTEL venture in to "RADCO" brand coolants in 2011 and will be launching same brand Aluminum/Plastic radiators in 2015.

Awards:

Company claims that RADCO Sri Lanka's First and Only Radiator Brand to Accolade SLS 740 and ISO 9001:2015 Quality Standards Certifications in 2018

Employees

Approx. 200 (Group Approx. 10,000)

## ***DIRECTORS DETAILS***

<b>Name</b>	<b>Kurukulasuriya Damascene Percival Fernando</b>
<b>ID Number</b>	<b>510872878 V</b>
<b>Nationality</b>	<b>Sri Lankan</b>
<b>Gender</b>	<b>Male</b>
<b>Date Of Birth</b>	<b>27th March 1951</b>
<b>Address</b>	<b>No. 92/8, Kurunduwatte Road, Pitakotte, Kotte</b>

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Name Anoj Kumar Devapriya Munidasa  
ID Number 523560123 V  
Nationality Sri Lankan  
Gender Male  
Date Of Birth 21st December 1952  
Address No.22/5 Galle Road, Dehiwela

Name Rohini Lettitia Nanayakkara (Ms)  
ID Number 366031898V  
Nationality Sri Lankan  
Gender Female  
Date Of Birth 12<sup>th</sup> April 1936  
Address #570/3A, Welikadawatta, Road, Rajagiriya

#### Trade references

The subject company has provided the following as trade reference referrals:

**Sri Lanka Railway, SRI Lanka Transport Board, Sri Lanka Ports Authority, Sri Lanka Fisheries Corporation**

## ***SUMMARY***

Since no financial information has been forthcoming from the company, it is not possible to comment on the merits or otherwise of the company.

No computerised data bases exist to make checks whether the partners or the company has any legal action or lawsuit initiated against any of them but informal (but not in-depth) checks do not indicate any such cases in the public knowledge.

## ***INFORMATION DECLINED***

**Management non-cooperative**

**Tel. No.: 009411-2663000/3609415**

**Tel. No.: 009477-7383594/7598310 – Number is continuously ringing**

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**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.79
UK Pound	1	INR 91.11
Euro	1	INR 80.78
LKR	1	INR 0.43

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

**INFORMATION DETAILS**

<b>Information Gathered by :</b>	SUP
<b>Analysis Done by :</b>	PRA
<b>Report Prepared by :</b>	DNS

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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)