

## MIRA INFORM REPORT

Report No. :	519004
Report Date :	14.07.2018

### IDENTIFICATION DETAILS

Name :	LITRO GAS LANKA LIMITED
Registered Office :	# 267, Dr. Colvin R. De Silva Mawatha (Union Place), Colombo 02
Country :	Sri Lanka
Date of Incorporation :	08.09.1992
Com. Reg. No.:	PB 453
Legal Form :	Private Limited Liability Company
Line of Business :	Importing, storing, filling, marketing and selling LPG
No. of Employees :	Approx.1,000

### 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 :	Good
Payment Behaviour :	Regular
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

## **GENERAL**

- Basic information at a glance

- a. Name of Subject of Inquiry : **LITRO GAS LANKA LIMITED**  
b. Legal Form & Status : **Private Limited Liability Company (In Operation)**  
c. Chairman : **Nissanka Nananayakkara PC**  
Managing Director : **Muditha Peiris**  
d. Primary Line of Business : **Importing, storing, filling, marketing and selling LPG**  
e. Head Office & Place of Business : **# 267, Dr. Colvin R. De Silva Mawatha (Union Place), Colombo 02, Sri Lanka**

**Tel. No: (00 94 11) 258 1131**  
**Fax No: (00 94 11) 232 7715**  
**Customer Hotline: (00 94 11) 250 5808**  
**E-mail: [CSC@litrogas.com](mailto:CSC@litrogas.com)**

- f. Employees : **Approx.1,000**

## **COMPANY DETAILS**

- Registration and Shareholder Details

- a. Registration No : **N (PBS) CGB 153**  
Date of registration : **08<sup>th</sup> September 1992**  
b. Re-registration No : **PB 453**  
Date of Re-registration : **28th July 2008**  
c. Registered Address : **# 267, Dr. Colvin R. De Silva Mawatha (Union Place), Colombo 02 Sri Lanka**  
d. Board of Directors : **Nissanka Nananayakkara PC** **Chairman**  
As at : **Muditha Peiris** **Managing**  
31<sup>st</sup> December 2017 : **Dinouk Colombage** **Director**  
: **D.R.B. Ratnayake** **Director**  
e. Issued Share Capital : **Rs. 360,000,000.00**  
Issued Shares : **36,000,000**  
f. Nominal Value of Share : **Not Stated vide Companies Act #7 of 2007**

## **REGISTRATION AND SHAREHOLDER DETAILS**

g.	Share Holders As at 31 <sup>st</sup> December 2017	:	Share Holders <b>Sri Lanka Insurance Corporation Ltd</b>	No. of Shares <b>36,000,000</b>
h.	Auditors	:	<b>Auditor General, Govt. of Sri Lanka</b>	
i.	Company Secretaries	:	<b>Jacey And Company</b>	
j.	Bankers	:	<b>Standard Chartered Bank, Bank of Ceylon, Peoples Bank, Citi Bank, NDB Bank, Commercial Bank Plc, HNB, Sampath Bank, DFCC Bank</b>	

## **FINANCIAL DETAILS**

- Most recent available Financial Information

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

However, it should be noted 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 expect a steady growth in the income.

Subject is the market leader in distribution of LP Gas in Sri Lanka and expected to have a steady growth in income.

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**



### **Company Logo**

- **History.**

The Subject Company **LITRO GAS LANKA LIMITED** is a Private Limited liability Company incorporated on **08<sup>th</sup> September 1992** under registration number **N (PBS / CGB) 153** and then the company was re-registered on **28th July 2008** under registration number **PB 453**

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The subject company earlier known as a **SHELL GAS LANKA LTD** was changed on **24<sup>th</sup> November 2010**, to **Litro Gas Lanka Limited (LGLL)** when the Govt. of Sri Lanka through Sri Lanka Insurance Corporation bought 51% percent stake. The product band was also changed from "Shell Gas" to "Litro Gas".

Sri Lanka Insurance acquired balance shares of 49% of Litro Gas Lanka Limited in year 2014 and is now a fully owned subsidiary of Sri Lanka Insurance Corporation Ltd.

**LITRO GAS LANKA LIMITED** is a member of **World LP Gas Association**

Subject is having a subsidiary company named **LITRO GAS TERMINAL LANKA (PVT) LTD** which offers import and storage facilities to its exclusive marketer Litro Gas Lanka Ltd.

- **Location.**

The Subject Company is located at the client given address # 267, Dr. Colvin R. De Silva Mawatha (Union Place), Colombo 02, Sri Lanka

- **Operational Details.**

**General**

The subject company primary is **importing, storing, filling, marketing and selling LPG and accessories.**

**Litro Gas** distributes its gas directly to Bulk Customers.

All domestic Customers are served through Distributors and a network of over 6000 Points of Sale Island-wide. Litro gas has extended its service by having more than 1500 Home delivery hubs operating through Dealers Island wide in order to deliver the product to the door step of the customer within couple of minutes. Customers are also provided with an individually metered supply of LP Gas through a piped network.

Subject Company is said to be the largest filling operation in South East Asia, which has the capacity of refilling more than 125,000 cylinders per day.

Litro Gas has a reputation for the strict follow up of safety standards and has received SLSI standards certificate.



**Products**

Domestic, Commercial, Industrial Bulk LP Gas, Cylinders, Regulator, Hoses and Clips & accessories

LPG is bought from the Ceylon Petroleum Corporation and balance from suppliers worldwide after calling for tenders from suppliers.

**Importing Countries:**

Middle East, Singapore, USA etc.

**No of Employees**

Approx.1, 000

**Projects/Investments:**

Litro Gas Lanka Ltd. is an investor in the building which will become Sri Lanka's first Grand Hyatt hotel in Colombo. This project commenced in 2012 and is planned to open its doors to Hyatt customers in early 2018. The hotel has a total of 558 rooms which includes 100 serviced apartments.

• **Financial Data**

Received from subject company annual report, which is the latest available

• **Trade references**

The subject company is well known and is the household name in Sri Lanka.

**Chamber of Commerce of Sri Lanka**  
**Ministry of health**  
**Singer (Sri Lanka) Plc**  
**Ceylon National Chamber of Industries**  
**Ceylon Petroleum Corporation (CPC)**  
**Sri Lanka Institute of Marketing**

## ***SUMMARY***

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 DENIED***

**Management Non Co-Operative [Tel No.: (00 94 11) 258 1131]**

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.41
UK Pound	1	INR 90.07
Euro	1	INR 79.76
LKR	1	INR 0.43

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

**INFORMATION DETAILS**

<b>Information Gathered by :</b>	AKS
<b>Analysis Done by :</b>	NIS
<b>Report Prepared by :</b>	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)