

## MIRA INFORM REPORT

<b>Report No. :</b>	520773
<b>Report Date :</b>	24.07.2018

### IDENTIFICATION DETAILS

<b>Name :</b>	C W MACKIE PLC
<b>Registered Office :</b>	# 36, D.R. Wijewardena Mawatha, Colombo 10
<b>Country :</b>	Sri Lanka
<b>Financials (as on) :</b>	31.03.2018 [Unaudited]
<b>Date of Incorporation :</b>	01.02.1922
<b>Com. Reg. No.:</b>	PQ 47
<b>Legal Form :</b>	Public Limited Liability Company - (Listed in Colombo Stock Exchange)
<b>Line of Business :</b>	Subject is import, manufacture, resale on wholesale terms and distribution in the FMCG sector.
<b>No. of Employees :</b>	350

### 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>	Good
<b>Payment Behaviour :</b>	Slow but Correct
<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)
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

## **BASIC INFORMATION**

Name of Subject of Inquiry Legal Form & Status	<b>C W MACKIE PLC</b> <b>Public Limited Liability Company - (Listed in Colombo Stock Exchange)</b>
Chairman/Group CEO Primary Line of Business	<b>Mr W T Ellawala</b> <b>Subject is import, manufacture, resale on wholesale terms and distribution in the FMCG sector.</b> <b># 36,D R Wijewardena Mawatha,</b> <b>P O BOX . 89,</b> <b>Colombo-10,</b> <b>Sri Lanka.</b>
Group Head Office	<b>Tel. No: (00 94 11) 2423554/2423555/2423556/2423557/2423558</b> <b>/2423559 /2423560</b> <b>Fax. No: (00 94 11) 2440228</b> <b>E-Mail : <a href="mailto:info@cwmackie.com">info@cwmackie.com</a></b> <b>Web : <a href="http://www.cwmackie.com/">http://www.cwmackie.com/</a></b>
Employees	<b>Approximately 600 in Entire group</b>

## **COMPANY DETAILS**

### **Registration and Shareholder Details**

Registration No	<b>J 496</b>
Date of Registration	<b>01<sup>st</sup> February 1922</b>
Re-Registration No	<b>PQ 47</b>
Date of Re-Registration	<b>30<sup>th</sup> October 2007</b>
Registered Office	<b># 36,D.R.Wijewardena Mawatha,Colombo 10,Sri Lanka.</b>
	<b>William Tissa Ellawala</b>
	<b>Chairman</b>
	<b>CEO</b>
	<b>Camani Renuka Ranasinghe</b>
	<b>Director</b>
	<b>Ajith Mahendra De Silva Jayaratna</b>
	<b>Director</b>
	<b>Ranjit Crisantha Peries</b>
	<b>Director</b>
	<b>Sir Dhaman Rajendram Arudpragasam</b>
	<b>Director</b>
	<b>Anushman Rajaratnam</b>
	<b>Director</b>
	<b>Thirugnanasambandar Senthilverl</b>
	<b>Director</b>
	<b>Hemaka Devapriya Senarath Amarasuriya</b>
	<b>Director</b>
	<b>K.T.Aruna Mangala Perera</b>
	<b>Director</b>
	<b>Alagarajah Rajaratnam</b>
	<b>Director</b>
Issued Share Capital	<b>LKR 507,047,000.00</b>
No. of Shares	<b>35,988,556</b>
Nominal Value of Share	<b>NA</b>
Present Share Value	<b>LKR 46.00</b>
All Time low	<b>LKR 1.75</b>
All Time High	<b>LKR 124.90</b>

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## **REGISTRATION**

Auditors	<b>KMPG Ford Rhodes Thornoton &amp; Company</b> <b># 32A, Sir Mohamed Macan Markar Mawatha, Colombo 03, Sri Lanka.</b>
Company Secretaries	<b>Camani Renuka Ranasinghe</b> <b># 18/48, Muhandiram E D Dabare Mawatha, Colombo 05, Sri Lanka.</b>
Bankers	<b>HNB, Commercial Bank of Ceylon PLC, NDB Bank, Standard Chartered Bank</b>
Website	<a href="http://www.cwmackie.com/">http://www.cwmackie.com/</a>
Public Quoted Date	<b>01<sup>st</sup> January 1995</b>

## **FINANCIAL DETAILS**

**Most recent available Financial Information**

**Attached herewith.**

## **CURRENT INVESTIGATION**

**Clarifications obtained from Subject Company**



### **Company Logo**

#### **• History**

The subject company was established as Merchants and Commission Agents in the year 1900 by Scotsman, Mr. C. W. Mackie, 'C. W. Mackie & Company' was incorporated as a private limited company in 1922. A consortium of Ceylonese and Indian Businessmen following a buy over, converted the company to public company in 1946. Ceylon Trading Company Limited, the Sri Lanka based subsidiary of Aarhus United A/S of Denmark, took over the management of the Company, C.W. Mackie Group is a leading conglomerate counting over 100 years of operations in Sri Lanka. Respected as a solid, reliable organization over many generations, We are engaged in export trading of natural rubber and desiccated coconut; manufacture/export of rubber-based products; manufacture/wholesale distribution of branded consumer products; import/wholesale distribution of sugar; and import/sale of welding equipment, light engineering products, refrigeration and air conditioning components and marine paints/protective coatings.

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C. W. Mackie & Company Ltd went public on being listed in the Colombo Stock Exchange (CSE) in 1994, issuing shares equivalent to 25% of the total shares in the Company with view of raising capital funds for its future diversification and expansion. In early 2010, Lankem Ceylon PLC and Kotagala Plantations PLC, between them acquired shareholding of 56.56% divested by the Aarhus United A/S, Denmark (AU) and Ceylon Trading Company Limited (CTC) who upon sale, relinquished control of affairs of the subject company was initially registered on **01<sup>st</sup> February 1922** under **J 496** under the Companies act of Sri Lanka. The subject company was Re-registered under **PQ 47** as at **2007/10/30** as per the **Companies Act No 7, of 2007** as per the **mandatory Re-registration regulations**.

• **Operational Details.**

**General**

C. W. Mackie PLC and its subsidiaries engaged in diversified industry areas ranging across exports from Sri Lanka, imports, manufacture, resale activity and distribution of products around the island.

**Products**

The Core business activity of the company is import, manufacture, resale on wholesale terms and distribution in the FMCG sector.

Rubber Products Coconut/Coconut Products Nuts and Spices Industrial equipment Marine Paints Sugar Trading FMCG - Sunquick, Scan Jumbo Peanuts, Kotagala Kahata Tea, Scan brand bottled drinking water, N-Joy Coconut Oil, Star brand Essences & Colorings, Ocean Fresh Tuna, Scan Jack Mackerel and KVC brand products.

Distribution

Household & Personal care products

Manufacturing of rubber products & FMCG products (Sunquick and KVC brands)

**Import Countries**

Japan, USA, China, India, UK, Europe, Pakistan, Middle Eastern Countries, Taiwan, Hong Kong, South America and South Africa.

**Employees**

Approximately 350+

**Associate / Subsidiary Companies**

Ceytra (Pvt) Ltd

Ceymac Rubber Company Limited

Scan Tours & Travels (Pvt) Ltd

Kelani Valley Canneries Ltd

## ***DIRECTOR DETAILS***

***Information on company directors***

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**Director 1**

**ITEM**

Name  
ID Number  
Nationality  
Gender  
Date of Birth  
Age  
Present Address

**DETAIL**

**William Tissa Ellawala**  
**370493227V**  
**Sri Lankan**  
**Male**  
**18<sup>th</sup> February 1937**  
**79**  
**#15/6,25<sup>th</sup> Lane,Off Green Path,Colombo 07,Sri Lanka.**

**Director 2**

**ITEM**

Name  
ID Number  
Nationality  
Gender  
Date of Birth  
Age  
Present Address

**DETAIL**

**Camani Renuka Ranasinghe**  
**587321459V**  
**Sri Lankan**  
**Female**  
**19<sup>th</sup> August 1958**  
**58**  
**#18/48,Muhandiram E D Dabare Mawatha,Colombo 05,Sri Lanka.**

**Director 3**

**ITEM**

Name  
Passport Number  
Nationality  
Gender  
Date of Birth  
Age  
Present Address

**DETAIL**

**Ajith Mahendra De Silva Jayaratna**  
**401211233V**  
**Sri Lankan**  
**Male**  
**30<sup>th</sup> April 1940**  
**75**  
**#80/5, Layards Road, Colombo 05,Sri Lanka.**

**Director 4**

**ITEM**

Name  
ID Number  
Nationality  
Gender  
Date of Birth  
Age  
Present Address

**DETAIL**

**Ranjit Crisantha Peries**  
**402630086V**  
**Sri Lankan**  
**Male**  
**19<sup>th</sup> September 1940**  
**75**  
**# 30/35 N,Willo Terrace,De Silva Road,Kalubowila,Sri Lanka.**

**Director 5**

**ITEM**

Name  
ID Number  
Nationality  
Gender  
Date of Birth  
Age  
Present Address

**DETAIL**

**Sir Dhaman Rajendram Arudpragasam**  
**512292410V**  
**Sri Lankan**  
**Male**  
**16<sup>th</sup> August 1951**  
**64**  
**# 25, Alfred House Avenue, Colombo 03, Sri Lanka.**

**Director 6**

**ITEM**

Name  
ID Number  
Nationality  
Gender  
Date of Birth  
Age  
Present Address

**DETAIL**

**Anushman Rajaratnam**  
**772600720V**  
**Sri Lankan**  
**Male**  
**16<sup>th</sup> September 1977**  
**38**  
**# 40/1, Bagatalle Road, Colombo 03, Sri Lanka.**

**Director 7**

**ITEM**

Name  
ID Number  
Nationality  
Gender  
Date of Birth  
Age  
Present Address

**DETAIL**

**Dr. Thirugnanasambandar Senthilverl**  
**452881411V**  
**Sri Lankan**  
**Male**  
**14<sup>th</sup> October 1945**  
**70**  
**# 28 D, Visaka Road, Colombo 04, Sri Lanka.**

**Director 8**

**ITEM**

Name  
ID Number  
Nationality  
Gender  
Date of Birth  
Age  
Present Address

**DETAIL**

**Hemaka Devapriya Senarath Amarasuriya**  
**433241304V**  
**Sri Lankan**  
**Male**  
**19<sup>th</sup> November 1943**  
**72**  
**# 30/15, Park Road, Colombo 15, Sri Lanka.**

**Director 9**

**ITEM**

Name  
ID Number  
Nationality

**DETAIL**

**K.T. Aruna Mangala Perera**  
**720571935V**  
**Sri Lankan**

**C W MACKIE PLC - 520773**

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Gender	<b>Male</b>
Date of Birth	<b>26<sup>th</sup> February 1972</b>
Age	<b>44</b>
Present Address	<b>#140,Sri Gnanendra Mawatha,Nawala,Rajagiriya,Sri Lanka.</b>

**Director 10**

<b>ITEM</b>	<b>DETAIL</b>
Name	<b>Alagarajah Rajaratnam</b>
ID Number	<b>411951081V</b>
Nationality	<b>Sri Lankan</b>
Gender	<b>Male</b>
Date of Birth	<b>13<sup>th</sup> July 1941</b>
Age	<b>74</b>
Present Address	<b># 40/1, Bagatalle Road,Colombo 03,Sri Lanka.</b>

***INFORMATION DENIED***

**Management non co-operative [(00 94 11) 2423554]**

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 68.70
UK Pound	1	INR 90.28
Euro	1	INR 80.56
LKR	1	INR 0.43

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

**INFORMATION DETAILS**

<b>Information Gathered by :</b>	KAM
<b>Analysis Done by :</b>	NIY
<b>Report Prepared by :</b>	SYL

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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)