

MIRA INFORM REPORT

Report No. :	534081
Report Date :	15.10.2018

IDENTIFICATION DETAILS

Name :	FAVOURITE INTERNATIONAL (PVT) LIMITED
Registered Office :	Level 6, The Land Mark, No. 385, Galle Road, Colombo-03
Country :	Sri Lanka
Date of Incorporation :	12.01.1973
Com. Reg. No.:	PV 2000
Legal Form :	Private Limited Liability Company (In Operation)
Line of Business :	Importer, exporter and wholesaler of foreign liquors, wines and beverages.
No. of Employees :	Approx. 600 (Group)

RATING & COMMENTS

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

MIRA's Rating :	B
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Credit Rating	Explanation	Rating Comments
B	Medium Risk	Business dealings permissible on a regular monitoring basis

Status :	Moderate
Payment Behaviour :	Unknown
Litigation :	Clear

NOTES:

Any query related to this report can be made on e-mail: while quoting report number, name and date.

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ECGC Country Risk Classification List

Country Name	Previous Rating (30.06.2018)	Current Rating (30.09.2018)
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, 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 : FAVOURITE INTERNATIONAL (PVT) LIMITED
- b. Legal Form & Status : **Private Limited Liability Company (In Operation)**
- c. Managing Director : **Prakash Ramchand Mirchandani**
- d. Primary Line of Business : **Importer, Exporter and Wholesaler of Foreign Liquors, wines and beverages**
- e. Corporate Head office :
**Level 6, The Landmark,
#. 385, Galle Road,
Colombo 03,
Sri Lanka.**
- Tel. No: (00 94 11) 237 0000, 237 2840
Fax No: (00 94 11) 237 0014
- E Mail: info@favouritegroup.com
- f. Place of Business :
**# 395, Galle Road,
Colombo 03,
Sri Lanka.**
- Tel. No: (00 94 11) 237, 4500, 237 0872
- g. No. of Employees : **Approx. 600 (Group)**

COMPANY DETAILS

- Registration and Shareholder Details

- a. Registration No : **PVS 3648**
- Date of Registration : **12th January 1973**
- b. Re-registration No : **PV 2000**
- Date of Re-registration : **21st January 2008**
- c. Registered Address : **Level 6, The Land Mark, No. 385, Galle Road, Colombo-03**
- d. Board of Directors : **Prakash Ramchand Mirchandani** **Managing Director**
As at

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16 th February 2018	Kumar Ramchand Mirchandani	Director
	Suren Ramchand Mirchandani	Director
	C.R. Suraj De Silva	Director
e. Issued Share Capital	: Rs. 19,075,000.00	
Issued Shares	: 1,907,500	
f. Nominal Value of Share	: Not stated vide Companies Act #7 of 2007	
g. Share Holders	: Share Holders	No. of
As at		Shares
16 th February 2018	Radhka Ramchand Mirchandani (Ms)	02
	Prakash Ramchand Mirchandani	01
	Kumar Ramchand Mirchandani	01
	Suren Ramchand Mirchandani	01
	F G Holdings (Pvt) Ltd	1,907,495
h. Secretaries	: Ceylon Secretarial Services (Pvt) Limited, #23, 1st Lane, Kirulapone, Colombo 05	
i. Auditors	: M/s. Haqqe Martin & Company, #25, Ramakrishna Rd, Colombo 06	
j. Bankers	: HSBC Hatton National Bank PLC Peoples Bank	

FINANCIAL DETAILS

- Most recent available Financial Information

The company has declined to provide information on its finances without the identity of the client due to security reasons.

However, it should be noted that the particular industry/ 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

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

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CURRENT INVESTIGATION

HISTORY

Company logo



The Subject Company **FAVOURITE INTERNATIONAL (PVT) LTD** is a Private Limited Liability Company incorporated in **12th January 1973** under registration number **PVS 3648** and the company was re-registered on **21st January 2008** under registration number **PV 2000**, in terms of **Companies Act #7 of 2007**.

The subject company initially known as a "**FAVOURITE INTERNATIONAL (EXPORTS) LTD**" and the name has been changed on **01st June 2010** to the present new name "**FAVOURITE INTERNATIONAL (PVT) LTD.**"
Subject is a subsidiary of F.G. Holdings (Pvt) Ltd.

LOCATION

The subject company is located at # **395, Galle Road, Colombo 03, Sri Lanka**.

The client # **297, Galle Road, Colombo 03** is not in operation.

OPERATIONAL DETAILS

GENERAL

The subject company primary line of business is **Importers, Exporters and Wholesalers of Foreign Liquors and Sri Lankan Beer**.

Favourite International is in the importation and distribution of refined alcoholic and non alcoholic beverages. The subject company also distribute award winning wines from around the world and claim to have a long standing relationship with family owned vineyards in Australia, Chile, South Africa, Spain and Italy



Import and Re Export Products

Various types/brands of Wines, Beer, Spirits such as:

Finlandia Premium Vodka, Corona Extra Beer, Premium Wines, Boutique Wines, Italian Wines. Brands such as Bitburger, Antares, Singha Beer, Savanna Dry, Sandalford etc.

Subject also distribute Sri Lanka Beer "Singha Beer".

Import Country

Finland, Mexico, Spain, Australia, South Africa and Italy. Chile etc

Export Country

Maldives

Employees

Approximately 600

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DIRECTORS DETAILS

- 01)
Name Prakash Ramchand Mirchandani
PP Number N 2563851
Nationality Sri Lankan/ Male
Address #4, Maitland Crescent, Colombo 07
- 02)
Name Kumar Ramchand Mirchandani
ID Number 621550039V
Nationality Sri Lankan
Gender Male
Date Of Birth 03rd June 1962
Address #40A, Lake Drive, Kotte.
- 03)
Name Suren Ramchand Mirchandani
ID Number 722370678 V
Nationality Sri Lankan
Gender Male
Date Of Birth 24th August 1972
Address #4, Maitland Crescent, Colombo 07
- 4)
Name Colvin Reginold Suraj De Silva
ID Number 722371992 V
Nationality Sri Lankan
Gender Male
Date Of Birth 24th August 1972
Address #98/3A, Nagahawatte Road, Maharagama

TRADE REFERENCES

The subject company did not provide any trade reference referrals

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.

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupees
US Dollar	1	INR 73.80
UK Pound	1	INR 97.65
Euro	1	INR 85.55
LKR	1	INR 0.43

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

INFORMATION DETAILS

Analysis Done by :	VIV
Report Prepared by :	NIT

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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)