

MIRA INFORM REPORT

Report No. :	528791
Report Date :	22.09.2018

IDENTIFICATION DETAILS

Name :	ACME PRINTING AND PACKAGING PLC
Registered Office :	1st Floor, Lakshmans Building, 321, Galle Road, Colombo - 3
Country :	Sri Lanka
Financials (as on) :	31.03.2017
Date of Incorporation :	20.12.1949
Com. Reg. No.:	PQ 196
Legal Form :	Public Limited Liability Company (In Operation) listed at Colombo Stock Exchange
Line of Business :	Manufacturer of Flexible Packaging Material(Aluminium Linings and Foils) for Local and Export Markets
No. of Employees :	Approximately 200

RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23rd 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 :	Slow but Correct
Litigation :	Clear

NOTES :

Any query related to this report can be made on e-mail : 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, 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 AT A GLANCE

- a. Name of Subject of Inquiry : ACME PRINTING AND PACKAGING PLC
b. Legal Form & Status : Public Limited Liability Company (In Operation) listed at Colombo Stock Exchange
c. Chairman : H.D.S. Amarasuriya
d. Primary Line of Business : Manufacturer of Flexible Packaging Material(Aluminium Linings and Foils) for Local and Export Markets
e. Corporate Head Office & Place of Business : 1st Floor, Lakshman's Building,
231, Galle Road,
Colombo 03,
Sri Lanka

Tel. No: (00 94 11) 464 1818, 550 3300, 256 458

Fax. No: (00 94 11) 420 9830

Email : info@acmepacklk.com

Marketing Office & Factory : # 318, Gonamaditta Road,
P.O. Box 29,
Piliyandala,
Sri Lanka.

Tel. No: (00 94 11) 464 1818 / 464 1830/ 436 8468

Fax No: (00 94 11) 420 9830

E-Mail: info@acmepacklk.com

- g. No. of Employees : Approximately 200

COMPANY DETAILS

- Registration and Shareholder Details

- a. Registration No : PVS/PBS 823
Date of registration : 20th December 1949
b. Re-registration No : PQ 196
Date of Re-registration : 03rd September 2008
c. Registered Office : 1st Floor, Lakshmans Building, 321, Galle Road, Colombo - 3
d. Board of Directors : H. D. S. Amarasuriya Chairman
As At : R. Seevarathnam Director
31st March 2017 : Paras Chandaria Director
C.L.K.P. Jayasuriya Director
J.M. Swaminathan Director
N.M. Chandaria Director
Sanjeev Kumar Director
G.K.B. Dasanayake Director

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e.	Issued Share Capital	:	Rs. 592,813,237
	Number of Shares	:	41,161,913
f.	Nominal Value of Share	:	Not applicable/declared vide Companies Act #7 of 2007

REGISTRATION AND SHAREHOLDER DETAILS CONT....

g.	Share Holders As At 31st March 2017 (Total Number Share Holders 2,073)	:	Major Share Holders Clovis Company Ltd Richardson Holdings (Pvt) Ltd See details of 10 major shareholders below	No. of Shares 11,054,831 8,000,000
	Individuals:1,957 Institutions: 116			
i.	Auditors	:	KPMG Ford, Rhodes, Thornton & Company P. O. Box 186, Colombo 00300	
j.	Company Secretaries	:	S S P Corporate Services (Pvt) Ltd (#. 101, Inner Flower Road, Colombo 03)	
k.	Bankers	:	Commercial Bank of Ceylon, Hatton National Bank Plc Sampath Bank PLC, Nations Trust Bank Plc National Develop, Peoples bank	

Share Valuation: (Source- Annual Report 2017)

The Market value of Acme Printing and Packaging PLC, ordinary shares on March 31st, 2017 was Rs. 4.80 per share. The highest and the lowest values recorded for the year ended March 31st, 2017 were Rs. 8.00 and Rs. 4.30 Respectively.

SHAREHOLDERS' INFORMATION

MAJOR SHAREHOLDERS AS AT		31 ST MARCH 2017		31 ST MARCH 2016	
Name		Number of Shares	Percentage	Number of Shares	Percentage
1	Clovis Company Limited	11,054,831	26.86	11,054,831	26.86
2	Richardson Holdings (Pvt) Ltd.	8,000,000	19.44	8,000,000	19.44
3	Lanka Aluminium Industries PLC	1,836,486	4.46	1,836,486	4.46
4	Mr. K. C. Vignarajah	1,506,461	3.66	1,414,411	3.44
5	Seylan Bank Ltd / Govindasamy Ramanan	1,136,478	2.76	572,754	1.39
6	Bank of Ceylon No.1 Account	1,078,700	2.62	1,078,700	2.62
7	Mr. D.F.G. Dalpethado	681,685	1.66	234,753	0.57
8	Mr. J.D. Peiris	609,300	1.48	589,300	1.43
9	Seylan Bank Ltd / R.P Sugathadasa	585,288	1.42	584,697	1.42
10	Seylan Bank Ltd / T. Senthilvel	503,975	1.22	503,975	1.22

DIRECTOR'S DETAILS

01)

Name H.D.S. Amarasuriya
ID Number 433241304 V
Nationality Sri Lankan
Gender Male
Date of Birth 19th November 1943
Address # 30/15, Park Road, Colombo 05

02)

Name Ranjeevan Seevaratnam
ID Number 432681750 V
Nationality Sri Lankan
Gender Male
Date of Birth 24th September 1943
Address # 19, 4/6, Station Court, 19, Station Road, Colombo 06

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03)

Name Paras Chandaria
PP Number 099263843
Nationality British

04)

Name C.L.K.P. Jayasuriya
ID Number 537411953 V
Nationality Sri Lankan
Gender Male
Date of Birth 28th August 1953
Address Residence 'E', Finlay House, # 186, Vauxhall Street, Colombo 02

05)

Name N.M. Chandaria
PP Number A 958601
Nationality Kenya

06)

Name J.M. Swaminathan
ID Number 410091356 V
Nationality Sri Lankan
Gender Male
Date of Birth 09th January 1941
Address # 119, Rosmead Place, Colombo 07

07)

Name Sanjeev Kumar
ID Number N/a
Nationality Sri Lankan
Gender Male
Date of Birth N/a
Address 1st Floor, Lakshman's Building, # 231, Galle Road, Colombo 03,

08)

Name G.K.B. Dasanayake
ID Number N/a
Nationality Sri Lankan
Gender Male
Date of Birth N/a
Address N/a

FINANCIAL DETAILS

- Most recent available Financial Information INCOME AND PROFIT & LOSS STATEMENT

For the year ended 31 st March		2017	2016	2017	2016
	Notes	Rs'000	Rs'000	Rs'000	Rs'000
Revenue	5	1,247,633	1,080,817	1,031,392	1,023,816
Cost of Sales		(1,023,945)	(968,486)	(922,371)	(941,413)
Gross Profit		223,688	112,331	109,021	82,403
Other Income	6	17,322	37,382	33,644	47,254
Administrative Expenses		(91,594)	(71,026)	(65,358)	(64,124)
Distribution Expenses		(27,420)	(15,734)	(16,458)	(8,668)
Profit from Operations	8	121,996	62,953	60,849	56,865
Net Finance Expense	7	(121,896)	(96,601)	(83,501)	(77,339)
Profit / (Loss) before Taxation		100	(33,648)	(22,652)	(20,474)
Income Tax Reversal / (Expense)	9	540	(4,483)	(9,797)	(3,130)
Profit / (Loss) for the Year		640	(38,131)	(32,449)	(23,604)
Other Comprehensive Income for the Year					
Loss on Available-for-Sale Investment		-	(1,407)	-	(1,407)
Fair Value Loss realised & recycled to the Income Statement on Disposal		-	(4,163)	-	(4,163)
Net changes in the FV of AFS Investments during the year		-	(5,570)	-	(5,570)
Actuarial Gain / (Loss) on Defined Benefit Plans		1,516	35	1,290	(72)
Tax on Other Comprehensive Income		(396)	(71)	(333)	(42)
Total Other Comprehensive Income for the Year		1,120	(5,606)	957	(5,684)
Total Comprehensive Income for the Year		1,760	(43,737)	(31,492)	(29,288)
Profit / (Loss) attributable to					
Equity Holders of the Company		640	(38,131)	(32,449)	(23,604)
Non Controlling Interest		-	-	-	-
Profit / (Loss) for the Year		640	(38,131)	(32,449)	(23,604)
Total Comprehensive Income Attributable to					
Equity Holders of the Company		1,760	(43,737)	(31,492)	(29,288)
Non Controlling Interest		-	-	-	-
Total Comprehensive Income for the year		1,760	(43,737)	(31,492)	(29,288)
Basic Earnings / (Loss) per Share (Rs.)	10	0.02	(0.93)	(0.79)	(0.57)

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FINANCIAL DETAILS - Most recent available Financial Information (Cont/d...)
Financial Position

For the year ended 31 st March	Notes	GROUP		COMPANY	
		2017 Rs'000	2016 Rs'000	2017 Rs'000	2016 Rs'000
ASSETS					
Non-Current Assets					
Property, Plant and Equipment	11	996,936	1,013,733	759,512	785,961
Investment in Subsidiary	12	-	-	104,410	104,410
Financial Investments - Available for Sale	13	25	25	25	25
Defined Benefit Plan Assets	26	7,560	7,848	7,560	7,848
Total Non-Current Assets		1,004,521	1,021,606	871,507	898,244
Current Assets					
Inventories	14	270,446	225,315	160,708	166,958
Trade and Other Receivables	15	339,271	320,697	206,874	197,764
Related Party Receivables	16	-	-	23,511	-
Short-Term Investments	17	-	160,519	-	160,519
Cash and Cash Equivalents	18	17,044	99,051	10,306	98,591
Total Current Assets		626,761	805,582	401,399	623,832
Total Assets		1,631,282	1,827,188	1,272,906	1,522,076
EQUITY & LIABILITIES					
Equity					
Stated Capital	19	592,813	592,813	592,813	592,813
Revaluation Reserve	20	443,007	442,589	420,399	420,399
Accumulated Losses	22	(429,013)	(430,355)	(425,038)	(393,546)
Total Equity		606,807	605,047	588,174	619,666
Non-Current Liabilities					
Interest Bearing Borrowings	24	56,226	105,175	56,226	105,175
Deferred Tax Liability	25	6,995	18,453	-	-
Employee Benefits	26	15,776	16,630	13,775	14,924
Total Non-Current Liabilities		78,997	140,258	70,001	120,099
Current Liabilities					
Trade and Other Payables	27	96,728	99,841	69,137	68,984
Related Party Payables	28	1,300	1,553	1,300	36,893
Interest Bearing Borrowings	24	752,585	853,439	477,256	584,586
Current Tax Liability		1,474	3,172	1,110	3,172
Bank Overdraft	18	93,391	123,878	65,928	88,676
Total Current Liabilities		945,478	1,081,883	614,731	782,311
Total Liabilities		1,024,475	1,222,141	684,732	902,410
Total Equity and Liabilities		1,631,282	1,827,188	1,272,906	1,522,076

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CURRENT INVESTIGATION



Company Logo

- **History**

The Subject Company **ACME PRINTING AND PACKAGING PLC** is a Public Limited Liability Company incorporated on **20th December 1949** under registration number **PVS/PBS 823** and the company was re-registered on **03rd September 2008** under registration number **PQ 196**. The Subject Company is a listed company of **Colombo Stock Exchange**.

The subject company has a fully owned subsidiary named **Acme Packaging Solutions (Private) Limited** having its factory at **IPZ Gonawila, Pannala**.

- **Location**

The Subject Company Corporate Office is located at **client given address # 1st Floor, Lakshmans Building, 321, Galle Road, Colombo – 3**.

The Factory & Office is at 318, Gonamaditta Road, P.O. Box 29, Piliyandala, Sri Lanka

- **Operational Details**

General

The subject company's primary line of business is manufacturing of **Manufacturer of Flexible Packaging Material (Aluminium Linings and Foils) for Local and Export Markets**.

Products:

Subject company supply **packaging** materials in the form of printed/laminated reels, pouches, sheets and lids converted out of Aluminium Foil, BOPP, LLDPE, Nylon, Polyester and Paper for the **packaging** of a wide range of products such as Confectionery, Milk Powder, Biscuits, Snacks, Drinks/Beverages, Tea, Noodles, Soya Nuggets, Processed Meat Products, Pharmaceuticals, Detergent Powders, Agro Chemicals, Cigarette Foil as well as the Garment industry etc.

Services:

Artwork & Design, Extrusion, Aluminium Rolling, Laminating, LID Manufacturing Slitting, Rewinding, Printing, Bag Making, etc.

The subject company has earned **ISO: 9001-2000 certification**

- Below are a few international brand names for which, the Subject Company provides packaging material:
 - Nido
 - Nespray
 - Nestle Coconut Milk Powder
 - Sunlight, Surf Excel, Rin, Supreme
 - Panadol & Disprin
 - Malibon Lemon Puff, Cream Crackers etc

Client list of the Subject Company

- Unilever Ceylon Ltd
- Nestle Lanka Ltd
- Maliban Biscuits Ltd
- Ceylon Chocolate Ltd
- Ceylon Chocolate Ltd
- Edna Chocolate Ltd
- Ceylon Biscuits Ltd
- Glaxo SmithKline Beecham (Pvt) Ltd
- Glaxo SmithKline - Pakistan
- Cargills Quality Foods Ltd
- Ceylon Cold Stores Ltd
- James Finlay & Company (Colombo) Ltd
- Stassen International
- J Cey Tea (Pvt) Ltd
- Ceylon Tea Marketing Ltd
- Raigam Marketing (pvt) Ltd

Import Countries

Raw materials India, China, England, Taiwan...etc

Employees

Approximately 200

Awards & Certifications

Subject has won the following awards etc.



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ADVERSE DATA MONITORING

Subject Company

Dishonoured Checks

No Record Found

Debt

Please see the details of the Mortgage Bonds below

Litigation

No Record Found

Performance Defaults

No Record Found

**ADVERSE LOCAL MEDIA COVERAGE / ADVERSE
FILING HISTORY**

No Record Found

- Litigation**

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.

Mortgaged Bonds of the subject

The Certificate of Charge Created by the Company

01)

Date and description of instrument creating or evidencing the charge 24/06/2014 - 1517

Amount Secured

Rs. 2,052,409/45

Short particulars of property charged

Aluminium Foil

Name, address and description of the persons entitled to the charge

People's Bank, # 35, D.R. Wijewardena
Mawatha, Colombo 10

02)

Date and description of instrument creating or evidencing the charge 11/06/2014 - 1410

Amount Secured

Rs. 4,200,797/02

Short particulars of property charged

Coex, CPP & MET CPP Films

Name, address and description of the persons entitled to the charge

People's Bank, # 35, D.R. Wijewardena
Mawatha, Colombo 10

03)

Date and description of instrument creating or evidencing the charge 19/06/2014 - 1474

Amount Secured

Rs. 2,743,170/02

Short particulars of property charged

Polyester Films

Name, address and description of the persons entitled to the charge

People's Bank, # 35, D.R. Wijewardena
Mawatha, Colombo 10

04)

Date and description of instrument creating or evidencing the charge	12/12/2014 - 2473
Amount Secured	Rs. 961,543/80
Short particulars of property charged	Aluminium Foil - Stock
Name, address and description of the persons entitled to the charge	People's Bank, # 35, D.R. Wijewardena Mawatha, Colombo 10

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- 256 458/ 00 94 11- 464 1830/ 00 94 11- 436 8468)

FOREIGN EXCHANGE RATES

Currency	Unit	Indian Rupee
US Dollar	1	INR 71.85
UK Pound	1	INR 95.15
Euro	1	INR 84.68
LKR	1	INR 0.43

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

INFORMATION DETAILS

Information Gathered by :	SHW
Analysis Done by :	VIV
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)