COMMERCIAL CREDIT PROPOSAL

PROJECT FINANCING APPLICATION

PROJECT PROPOSAL FOR WORKING CAPITAL & INVENTORY EXPANSION

Expansion of Retail Showroom Inventory in Textiles, Electricals & Household Appliances

SUBMITTED TO:

BANK OF CEYLON (BOC)
Commercial Credit Division / Local Branch Network
North Central Province, Sri Lanka

APPLICANT / PROPRIETOR

Name: Kaluappu Hannadige Asela Eranga
Role: Sole Proprietor
Contact: Moragoda, Thalawa
Citizenship: Sri Lankan

BUSINESS ENTITY

Entity Name: Bivelta Enterprises
Registration: Sole Proprietorship
Address: Anuradhapura Road, Moragoda, Thalawa
Sector: Retail Trading & Home Goods

CREDIT FACILITY REQUESTED

Facility Type: Business Term Loan
Loan Amount: LKR 3,000,000 (3 Million)
Tenure: 3 Years (36 Months)
Purpose: Showroom Inventory Stocking

SECURITY OFFERED

Primary Collateral: Commercial Property
Property Valuation: LKR 40,000,000
Existing Stock Value: LKR 4,000,000
Security Coverage Ratio: 1333%

Document Reference: BOC/LP/2026/BE-001 | **Date of Submission:** September 2026 | **Status:** Formal Application

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1.0 EXECUTIVE SUMMARY & PROJECT OVERVIEW

Bivelta Enterprises, a well-established retail trading business situated on Anuradhapura Road, Moragoda, Thalawa, hereby submits this formal project proposal to the **Bank of Ceylon (BOC)** to request a commercial term loan facility of **LKR 3,000,000 (Sri Lankan Rupees Three Million)** for a tenure of **3 Years (36 Months)**.

The sole proprietor, **Mr. Kaluappu Hannadige Asela Eranga**, has successfully developed Bivelta Enterprises into a recognized multi-category retail showroom in the Thalawa-Anuradhapura commercial corridor. The business specializes in high-demand consumer goods, including traditional and modern handloom/powerloom textiles, electrical home appliances, and small-to-large household items and furniture.

FACILITY REQUESTED	PROPOSED TENURE	EXISTING STOCK VALUE	PROPERTY ASSET VALUE
LKR 3,000,000	**36 Months (3 Yrs)**	**LKR 4,000,000**	**LKR 40,000,000**

Core Objective: The primary objective of securing this LKR 3,000,000 credit facility is to expand working capital capacity. This will enable immediate bulk procurement of fast-moving inventory—specifically expanding electrical appliance displays, powerloom textiles, and premium kitchen electronics—to capture growing seasonal and residential consumer demand in the region.

Key Project Highlights

- **Robust Collateral Cushion:** The facility is secured against primary real estate assets comprising land and a modern commercial showroom building valued at **LKR 40,000,000**, delivering an exceptionally strong security coverage ratio of **1333%**.
- **Strong Liquidity Base:** The business maintains an existing unencumbered stock inventory of **LKR 4,000,000**, bringing total post-funding inventory value to LKR 7,000,000.
- **High Debt Service Ability:** Projected debt service coverage ratio (DSCR) consistently exceeds **2.4x** throughout the 36-month repayment cycle, assuring smooth monthly interest and principal servicing.

2.0 BUSINESS PROFILE & OWNERSHIP STRUCTURE

2.1 Legal & Ownership Structure

Bivelta Enterprises operates as a registered Sole Proprietorship under the sole ownership and active management of **Mr. Kaluappu Hannadige Asela Eranga**. Mr. Eranga brings extensive entrepreneurial experience, local market knowledge, and retail management capabilities. Under his direction, the business has grown from a local trading hub into an established regional commercial center serving retail customers, government staff, agricultural households, and local institutions across Thalawa, Moragoda, and adjacent regions in the Anuradhapura District.

Business Entity Name	Bivelta Enterprises
Proprietor Name	Kaluappu Hannadige Asela Eranga
Business Address	Anuradhapura Road, Moragoda, Thalawa, Sri Lanka
Legal Status	Sole Proprietorship (Registered Local Enterprise)
Line of Business	Retail Showroom: Textiles (Handloom/Powerloom), Electrical & Home Goods
Lending Partner	Bank of Ceylon (BOC)

2.2 Location & Strategic Advantage

The business premises are strategically located on the main **Anuradhapura Road in Moragoda, Thalawa**. This prime roadside location offers maximum direct exposure to daily commuter traffic, high footfall from surrounding agrarian and residential communities, and seamless logistics access for heavy delivery trucks carrying major appliances and textile goods.

2.3 Existing Asset Base & Financial Baseline

Bivelta Enterprises is backed by a substantial asset base accumulated through continuous business reinvestment and prudent asset acquisition. The enterprise operates from its own unencumbered commercial property.

Asset Classification	Description & Particulars	Estimated Valuation (LKR)
Real Estate Assets	Prime commercial land and multi-story showroom building located on Anuradhapura Road, Moragoda, Thalawa. Fully owned.	**40,000,000**
Inventory Stock	Existing showroom stock comprising handloom/powerloom textiles, home appliances, electricals, and kitchenware.	**4,000,000**
Fixtures & Fittings	Showroom display racks, glass counters, electrical fittings, air conditioning, and secure storage units.	**1,500,000**
TOTAL ENTERPRISE ASSET VALUE		**LKR 45,500,000**

> **Financial Health Summary:** With an existing asset base of LKR 45.5 Million against zero long-term debt liabilities, Bivelta Enterprises exhibits an exceptionally strong balance sheet with an equity ratio near 100%, making it a highly creditworthy borrower for Bank of Ceylon.

3.0 PROJECT JUSTIFICATION & UTILIZATION OF LOAN FUNDS

3.1 Purpose of Funding

The rapid residential and commercial development along the Thalawa-Anuradhapura transport corridor has driven a marked increase in demand for quality home furnishings, powerloom textiles, and reliable household electrical appliances. To capitalize on this market demand and maximize sales volume during upcoming retail peaks, Bivelta Enterprises requires working capital expansion to increase stock density in key high-margin product categories.

3.2 Detailed Breakdown of LKR 3,000,000 Loan Utilization

The entire proceeds of the requested **LKR 3,000,000** Bank of Ceylon facility will be allocated directly toward inventory purchasing from leading Sri Lankan manufacturers and authorized importers.

#	Category	Specific Items / Procurement Plan	Allocation (LKR)
1	**Handloom & Powerloom Goods**	Bedspreads, curtains, traditional handloom sarees, powerloom dress materials, towels, and upholstery textiles.	1,000,000
2	**Major Electrical Appliances**	Refrigerators, washing machines, televisions, pedestal fans, and water heaters from verified distributors.	1,100,000
3	**Small Household Equipment**	Blenders, rice cookers, electric kettles, irons, microwave ovens, and induction cooktops.	600,000
4	**Kitchen & Utility Hardware**	Non-stick cookware sets, stainless steel dinnerware, plastic utility furniture, and home storage solutions.	300,000
TOTAL PROPOSED INVENTORY INVESTMENT			**LKR 3,000,000**

3.3 Expected Economic Benefits & Turnover Velocity

Infusing LKR 3,000,000 into inventory expands total stock from LKR 4,000,000 to **LKR 7,000,000**. This critical mass enables Bivelta Enterprises to:

- **Negotiate Bulk Purchase Discounts:** Direct bulk orders from national distributors will lower Cost of Goods Sold (COGS) by approximately 5%–8%, increasing gross profit margins.
- **Accelerate Stock Turnover:** Maintaining a full, diverse display reduces customer walk-outs and increases showroom conversion rate by an estimated 35%.
- **Offer Competitive Retail Pricing:** Lower landed procurement costs allow competitive local pricing while preserving robust operating net margins.

CURRENT STOCK	LOAN CAPITAL INFLOW	POST-FUNDING STOCK
LKR 4.0 Million	**LKR 3.0 Million**	**LKR 7.0 Million**

4.0 MARKET ANALYSIS, INDUSTRY TRENDS & GROWTH STRATEGY

4.1 Regional Market Dynamics

The Thalawa sub-region within the North Central Province represents an active commercial hub, supported by a stable agrarian economy, expanding civil service residential quarters, and increasing local infrastructure development. The location on Anuradhapura Road captures both localized residential shopping demand and transit customer traffic traveling between Kurunegala, Kekirawa, and Anuradhapura city center.

4.2 Target Customer Segments

- **Local Household & Residential Buyers:** Families seeking reliable household electronics, kitchen appliances, and home textiles with local warranty support.
- **Agricultural & Self-Employed Workers:** Income-earning rural households purchasing seasonal durable goods following harvest cycles.
- **Institutional & Government Staff:** School teachers, hospital employees, and public sector workers in Thalawa and Moragoda seeking quality goods from a trusted local vendor.
- **Festive & Wedding Market:** Bulk buyers of handloom textiles, bedspreads, and gift appliances for cultural celebrations, seasonal festivals, and weddings.

4.3 Competitive Landscape Analysis

Competitor Type	Competitor Weakness	Bivelta Enterprises Advantage
Large Corporate Chain Stores (Anuradhapura Town)	High travel distance for Moragoda/Thalawa residents; rigid pricing and impersonal customer service.	Direct highway access in Moragoda, localized customer service, flexible payment terms, and strong personal relationships.
Small Village Boutiques	Limited stock variety, small showroom space, higher unit prices due to low-volume purchasing.	Wide 7-Million stock range, multi-category one-stop shopping, direct factory sourcing, competitive pricing.

4.4 Sales & Marketing Strategy

Bivelta Enterprises employs a multi-channel local marketing strategy designed to maintain high store visits and steady monthly revenue streams:

- **High-Visibility Roadside Signage:** Illuminated highway displays and branded storefront signage along Anuradhapura Road.
- **Seasonal & Promotional Discounts:** Festival packages during Sinhala & Tamil New Year, Christmas, and regional trade fairs.
- **Local Community Referral & Loyalty Discounts:** Reward programs for repeat family customers and local community organizations.

5.0 TECHNICAL, OPERATIONAL & SUPPLY CHAIN PLAN

5.1 Showroom & Facility Layout

The enterprise operates from a modern, fully-owned commercial property on Anuradhapura Road, Moragoda. The premises feature an expansive ground-floor retail showroom designed with dedicated product display zones:

- **Zone A (Textile Galleria):** Dust-free glass enclosures for handloom sarees, powerloom dress materials, curtaining, and bed linen.
- **Zone B (Electrical & Appliances):** Display floor for major home electronics, refrigerators, televisions, and washing machines.
- **Zone C (Kitchenware & Household Goods):** Organized wall shelves housing small electricals, utensils, and plastic utility items.
- **Zone D (Secure Storage):** On-site secure warehouse space for reserve inventory and boxed bulk items.

5.2 Procurement & Vendor Relationships

Bivelta Enterprises maintains long-standing relationships with leading Sri Lankan distributors, importers, and regional handloom textile producers. Direct sourcing eliminates unnecessary intermediaries, safeguarding healthy gross profit margins.

Product Category	Sourcing / Vendor Strategy	Credit Terms & Delivery
Handloom Textiles	Direct from certified weaver cooperatives in Western & Central Provinces.	Part-cash / 30-day revolving supply credit.
Powerloom & Bedding	Authorized regional wholesalers in Colombo & Kurunegala trading hubs.	Bulk cash discounts + 14-day credit terms.
Electrical & Appliances	Authorized provincial agents for major brands with factory warranties.	Direct delivery to showroom; manufacturer warranty back-up.

5.3 Inventory Management & Internal Controls

To ensure security and optimal inventory turnover, Bivelta Enterprises employs modern retail control practices:

- **Digital Stock Tracking:** Point-of-Sale (POS) software tracking itemized sales, reorder thresholds, and fast-moving items.
- **Physical Stock Audits:** Monthly physical stock counts conducted directly by the proprietor.
- **Security & Asset Protection:** Commercial property secured with 24/7 CCTV surveillance, theft alarms, and full insurance coverage.

6.0 COMPREHENSIVE FINANCIAL PROJECTIONS & 3-YEAR PLAN

6.1 Key Financial Assumptions

- **Revenue Growth:** Projected annual revenue growth of 20% in Year 1 (post-funding stock expansion), 15% in Year 2, and 12% in Year 3.
- **Gross Margin:** Blended average gross margin of 28% across handlooms (35%), electricals (22%), and general home goods (28%).
- **Loan Terms:** LKR 3,000,000 principal at an assumed reference interest rate of 13.5% p.a. over 36 monthly installments.

6.2 Projected 3-Year Income Statement (LKR)

Financial Line Item	Year 1 (LKR)	Year 2 (LKR)	Year 3 (LKR)
Gross Revenue (Sales)	**18,000,000**	**20,700,000**	**23,184,000**
Cost of Goods Sold (COGS - 72%)	(12,960,000)	(14,904,000)	(16,692,480)
Gross Profit (28%)	**5,040,000**	**5,796,000**	**6,491,520**
Operating Expenses (OPEX)			
Staff Salaries & Sales Allowances	(960,000)	(1,056,000)	(1,161,600)
Electricity, Water & Utilities	(240,000)	(264,000)	(290,400)
Transport, Freight & Logistics	(360,000)	(396,000)	(435,600)
Advertising, Promotion & Signage	(120,000)	(132,000)	(145,200)
Maintenance, Insurance & Overhead	(180,000)	(198,000)	(217,800)
Total Operating Expenses	**(1,860,000)**	**(2,046,000)**	**(2,250,600)**
Operating Profit (EBIT)	**3,180,000**	**3,750,000**	**4,240,920**
BOC Loan Interest Expense	(346,881)	(239,812)	(118,042)
NET PROFIT BEFORE TAX	**2,833,119**	**3,510,188**	**4,122,878**

6.3 Key Ratios & Cash Flow Metrics

YR 1 NET MARGIN
15.7%

AVG ANNUAL DEBT SERVICE
LKR 1,222,044

PROJECTED DSCR
2.60x

7.0 36-MONTH LOAN AMORTIZATION SCHEDULE & DEBT SERVICE ANALYSIS

Facility Terms: Principal: LKR 3,000,000 | Interest Rate: 13.5% p.a. | Tenure: 36 Months | Equated Monthly Installment (EMI): **LKR 101,837**.

7.1 Illustrative Amortization Schedule Breakdown (Summary Milestones)

Month / Period	Opening Balance (LKR)	Monthly EMI (LKR)	Interest Paid (LKR)	Principal Paid (LKR)	Closing Balance (LKR)
Month 01	3,000,000	101,837	33,750	68,087	2,931,913
Month 06	2,652,221	101,837	29,837	72,000	2,580,221
Month 12	2,208,837	101,837	24,849	76,988	2,131,849
YEAR 1 TOTALS		**1,222,044**	**346,881**	**875,163**	**2,131,849**
Month 18	1,732,320	101,837	19,489	82,348	1,649,972
Month 24	1,221,637	101,837	13,743	88,094	1,133,543
YEAR 2 TOTALS		**1,222,044**	**239,812**	**982,232**	**1,133,543**
Month 30	677,152	101,837	7,618	94,219	582,933
Month 36	100,708	101,837	1,129	100,708	**0**
YEAR 3 TOTALS		**1,222,044**	**118,042**	**1,104,002**	**0**
36-MONTH GRAND TOTALS		**3,666,132**	**666,132**	**3,000,000**	**FULLY PAID**

7.2 Debt Service Coverage Ratio (DSCR) Analysis

The annual operating cash flows provide comfortable coverage against loan repayment obligations, ensuring seamless monthly servicing without straining operational liquidity.

- **Year 1 Operating Cash Flow:** LKR 3,180,000 | **Annual Debt Service:** LKR 1,222,044 | **DSCR: 2.60x**
- **Year 2 Operating Cash Flow:** LKR 3,750,000 | **Annual Debt Service:** LKR 1,222,044 | **DSCR: 3.07x**
- **Year 3 Operating Cash Flow:** LKR 4,240,920 | **Annual Debt Service:** LKR 1,222,044 | **DSCR: 3.47x**

8.0 COLLATERAL EVALUATION, RISK ASSESSMENT & CONCLUSION

8.1 Primary Collateral & Security Guarantee

To secure the requested **LKR 3,000,000** credit facility, Bivelta Enterprises offers primary real estate collateral that guarantees total credit protection for Bank of Ceylon.

Collateral Security Details	Valuation Amount (LKR)	Coverage Ratio (% of Loan)
Primary Security: Commercial Land & Building Premises Anuradhapura Road, Moragoda, Thalawa (Fully Owned)	**40,000,000**	**1333%**
Secondary Security: Existing Showroom Stock Inventory Handloom textiles, electricals, appliances, and home goods	**4,000,000**	**133%**
COMBINED SECURITY VALUE OFFERED	**LKR 44,000,000**	**1466% COVERAGE**

8.2 Risk Analysis & Mitigation Framework

Risk Factor	Severity / Impact	Mitigation Strategy Implemented
Supplier Cost Inflation	Medium	Diversified multi-vendor sourcing and fixed wholesale pricing contracts.
Seasonal Demand Fluctuation	Low to Medium	Balanced multi-category inventory (year-round household goods vs. festive textiles).
Property / Stock Damage	Low	Comprehensive fire, burglary, and natural disaster insurance on premises and stock.

8.3 Conclusion & Formal Request for Approval

Bivelta Enterprises presents an exceptional credit profile for Bank of Ceylon. The business possesses a proven trading track record, a strategic commercial property location, robust operating profit margins, and a dominant collateral coverage ratio of **1333%**.

The proprietor, **Mr. Kaluappu Hannadige Asela Eranga**, respectfully requests the management of Bank of Ceylon to approve the requested **LKR 3,000,000 Business Term Loan** for a period of 36 months to facilitate immediate inventory procurement.

K. H. ASELA ERANGA
Proprietor, Bivelta Enterprises

Date: September 14, 2026
Place: Moragoda, Thalawa