SUBMITTED TO: BANK OF CEYLON

BUSINESS LOAN PROPOSAL

Working Capital Loan Facility of LKR 7,000,000 (7.0 Mn)

Applicant Name: Dehiwala Liyanage Amila Kumara Liyanage
Business Name: Liyanage Chemicals | **Address:** No. 05 Kanuwa, Rajanganaya

Date: September 08, 2026

Facility Requested: Term Working Capital Loan
Repayment Tenure: 3 Years (36 Months)
Purpose: Seasonal Bulk Fertilizer Procurement

REQUESTED LOAN	TANGIBLE FIXED ASSETS	CURRENT INVENTORY	COLLATERAL COVERAGE
LKR 7.0 Mn	LKR 113.0 Mn	LKR 45 - 50 Mn	1,614%

TABLE OF CONTENTS

1. EXECUTIVE SUMMARY

Liyanage Chemicals, operating under the sole proprietorship of **Dehiwala Liyanage Amila Kumara Liyanage**, is a premier, highly established commercial agricultural inputs provider based at No. 05 Kanuwa, Rajanganaya. The enterprise specializes in the wholesale and retail distribution of chemical fertilizers, agrochemicals, and high-yield local and imported crop seeds, serving a vast farming customer base across the North Central Province.

To meet the surge in demand during the upcoming agricultural cultivation season, Liyanage Chemicals is applying for a **3-Year Working Capital Loan Facility of LKR 7,000,000 (7.0 Million)** from the **Bank of Ceylon**. The entirety of this loan facility will be deployed into bulk procurement of essential commercial chemical fertilizers—specifically Urea, MOP (Muriate of Potash), and TSP (Triple Super Phosphate) in standard 50kg bag packaging.

The business boasts an extraordinary operational foundation, featuring two operational commercial outlets with an active chemical and seed inventory valued between **LKR 45.0 Million and LKR 50.0 Million**. Furthermore, the applicant owns prime commercial real estate and transport assets valued at **LKR 113.0 Million**, offering Bank of Ceylon an unassailable **Collateral Coverage Ratio of 1,614%** (over 16x the loan value).

2. APPLICANT & BUSINESS PROFILE

PARAMETER	DETAILS
Applicant Name	Dehiwala Liyanage Amila Kumara Liyanage
Business Trade Name	Liyanage Chemicals
Primary Operating Address	No. 05 Kanuwa, Rajanganaya, Sri Lanka
Secondary Outlets & Real Estate	05 Kanuwa Commercial Outlets (2 Units) & Parakumpura Commercial Complex & Land
Core Business Operations	Wholesale & Retail Supply of Chemical Fertilizers (Urea, MOP, TSP), Agrochemicals, Insecticides, and Local & Imported Agricultural Seeds
Target Banking Partner	Bank of Ceylon (BOC)

3. REGIONAL AGRICULTURE & MARKET OPPORTUNITY

Rajanganaya and its surrounding agrarian divisions represent one of the most intensive paddy and commercial crop cultivation zones in Sri Lanka. The region relies heavily on high-yield inputs to sustain multi-season harvesting cycles across thousands of acres of paddy fields, vegetables, and cash crops.

Key Market Demand Drivers:

- **Continuous Paddy & Crop Seasons:** High seasonal demand during soil preparation, basal dressing, and top-dressing phases requiring consistent bulk availability of primary fertilizers (Urea, MOP, TSP).
- **Established Wholesale Goodwill:** Liyanage Chemicals is recognized as a trusted, primary supplier in 05 Kanuwa and Parakumpura, catering to hundreds of individual farmers, agricultural cooperatives, and commercial farming groups.
- **Strategic Inventory Synergy:** Supplying essential chemical fertilizers creates immediate cross-selling opportunities for agrochemical plant protection products and high-margin local/imported seed lines.

4. PURPOSE OF LOAN & CAPITAL ALLOCATION

The total requested credit facility of **LKR 7,000,000** will be deployed 100% into direct factory/importer bulk purchasing of standard 50kg chemical fertilizer bags according to the following strategic allocation ratio:

FERTILIZER VARIETY	ALLOCATION (%)	CAPITAL ALLOCATED (LKR)	STRATEGIC AGRONOMIC ROLE
Urea	45%	3,150,000.00	Primary Nitrogen source; highest turnover rate during vegetative growth.
TSP - Triple Super Phosphate	30%	2,100,000.00	Essential Phosphorus source for root development and initial crop establishment.
MOP - Muriate of Potash	25%	1,750,000.00	Vital Potassium source for grain filling, disease resistance, and yield quality.
TOTAL ALLOCATION	**100%**	**LKR 7,000,000.00**	**100% Direct Fertilizer Stock Procurement**

5. FERTILIZER PROCUREMENT BUDGET & PROFITABILITY PROJECTIONS

The table below illustrates the unit economics, bag quantities, revenue generation, and gross profit margins per inventory turnover cycle based on current wholesale acquisition costs and regional retail pricing structures:

FERTILIZER TYPE	CAPITAL (LKR)	BUYING PRICE / 50KG	SELLING PRICE / 50KG	PROCURED QTY	TOTAL REVENUE (LKR)	GROSS PROFIT (LKR)
Urea	3,150,000.00	12,500.00	13,750.00	252 Bags	3,465,000.00	315,000.00
MOP	1,750,750.00	11,750.00	12,925.00	149 Bags	1,925,825.00	175,075.00
TSP	2,106,000.00	13,500.00	14,850.00	156 Bags	2,316,600.00	210,600.00
TOTAL PER CYCLE	**7,006,750.00**	—	—	**557 Bags (27,850 kg)**	**7,707,425.00**	**LKR 700,675.00**

Financial Summary & Annualized Projections

- **Gross Profit per Inventory Cycle:** LKR 700,675.00 (~10.0% Margin)
- **Projected Annual Gross Revenue:** LKR 30.8 Mn – LKR 38.5 Mn
- **Estimated Inventory Turnover:** 4 – 5 Cycles / Year
- **Projected Annual Gross Profit:** LKR 2.80 Mn – LKR 3.50 Mn

6. ASSET, INVENTORY & COLLATERAL ANALYSIS

Dehiwala Liyanage Amila Kumara Liyanage possesses an extensive portfolio of high-value tangible real estate, commercial buildings, operational logistics vehicles, and running inventory stock, providing exceptional financial standing:

ASSET CATEGORY & DESCRIPTION	LOCATION / SPECIFICATIONS	VALUATION (LKR)
Commercial Shop Buildings (2 Units)	05 Kanuwa, Rajanganaya (Prime Commercial Area)	40,000,000.00
Land & Commercial Outlet Complex	Parakumpura Area (Prime Commercial Land)	35,000,000.00
Commercial Building Property	Near Parakumpura Commercial Zone	20,000,000.00
Logistics Vehicle (Toyota Hilux Cab)	YOM 2018, Commercial Transport & Distribution	18,000,000.00
TOTAL TANGIBLE FIXED ASSET VALUATION		**LKR 113,000,000.00**
EXISTING RUNNING CHEMICAL & SEED INVENTORY STOCK		**LKR 45,000,000.00 – 50,000,000.00**

Collateral & Credit Risk Assessment

Collateral Coverage Ratio: 1,614% (Fixed Assets of LKR 113.0 Mn vs. Requested Loan Facility of LKR 7.0 Mn). The tangible asset value exceeds the requested credit facility by over **16 times**. In addition, the running inventory stock alone (LKR 45M - 50M) provides over **6.5x liquidity coverage**, establishing zero default risk for Bank of Ceylon.

7. OPERATIONAL, LOGISTICS & SALES STRATEGY

- **Multi-Location Retail Network:** Operating two strategic commercial hubs (05 Kanuwa Rajanganaya and Parakumpura) ensures broad regional coverage and instant retail access for farmers across both divisions.
- **In-House Logistics Capability:** Utilizing the enterprise's 2018 Toyota Hilux Cab allows direct farm-gate delivery of bulk fertilizer orders and rapid transportation from main warehouses/importers, reducing freight overheads and securing timely delivery during peak planting windows.
- **Comprehensive Product Synergy:** By maintaining a full supply chain of fertilizers, chemical pesticides, weedicides, and seeds, Liyanage Chemicals offers a "one-stop agro-solution" that maximizes customer retention and average transaction value.

8. FINANCIAL ANALYSIS, REPAYMENT STRATEGY & CASH FLOW PROJECTIONS

The proposed loan facility of LKR 7,000,000 will be structured under a 3-Year (36-Month) Term Loan framework:

FINANCIAL PARAMETER	ESTIMATED VALUE (LKR)
Requested Loan Principal	7,000,000.00
Repayment Tenure	36 Months (3 Years)
Estimated Monthly Installment (Principal + Interest @ ~13% p.a.)	~ 236,000.00 / month
Projected Monthly Gross Profit from New Fertilizer Capital	**~ 233,500.00 – 290,000.00 / month**
Existing Baseline Business Net Cashflow (Chemicals & Seeds)	LKR 1,200,000.00+ / month

Debt Servicing Assurance

The estimated monthly debt servicing requirement of ~LKR 236,000 is almost entirely covered by the additional gross profits generated from the new fertilizer sales alone (~LKR 233.5k - 290k/month). When combined with the existing robust baseline cash flows from the running LKR 45M-50M chemical and seed operations (LKR 1.2M+/month), the **Debt Service Coverage Ratio (DSCR) exceeds 5.0x**, guaranteeing seamless, uninterrupted monthly repayments to Bank of Ceylon.

9. RISK MANAGEMENT & MITIGATION FRAMEWORK

- **Price Volatility Protection:** Fertilizer pricing is monitored daily in alignment with national import tariffs and market trends. High inventory turnover (4-5 cycles/year) prevents long-term holding risks and price erosion.
- **Safe & Secure Storage:** Outlets at 05 Kanuwa and Parakumpura feature dedicated, moisture-controlled, dry storage space designed specifically for chemical fertilizer bag preservation (protecting Urea, MOP, and TSP from humidity degradation).
- **Credit Risk Control:** Over 85% of retail sales are processed on a direct cash or instant digital transfer basis, minimizing trade receivables and maintaining high working capital liquidity.

10. CONCLUSION, FORMAL REQUEST & DECLARATION

Professional Conclusion

Liyanage Chemicals presents an exemplary credit profile for Bank of Ceylon. With a proven operational track record in Rajanganaya, an established chemical and seed retail footprint, robust projected profitability, and unparalleled collateral backing of LKR 113.0 Million (1,614% coverage), this credit facility represents an exceptionally secure commercial lending opportunity.

Formal Request

We respectfully request the Management and Credit Committee of Bank of Ceylon to approve the requested Working Capital Loan Facility of LKR 7,000,000 (7.0 Million) for a 3-year term to facilitate seasonal bulk fertilizer procurement.

APPLICANT DECLARATION

"I hereby declare that all information, financial estimates, asset details, and operational figures provided in this proposal are true, accurate, and backed by tangible enterprise assets and operational goodwill."

Dehiwala Liyanage Amila Kumara Liyanage
Proprietor, Liyanage Chemicals
Address: No. 05 Kanuwa, Rajanganaya
Date: September 08, 2026

Enterprise Seal / Signature