BANK OF CEYLON — PROJECT LOAN PROPOSAL

PROJECT PROPOSAL REPORT

Central Dry Food Processing Facility & Garment Welfare Outlet Network Expansion

Applicant: NJ Universal (Pvt) Ltd
Promoter: Mr. H.M. Nalaka Sampath
Address: Badiwewa Junction, Thambuttegama

Requested Facility: LKR 15,000,000 (15M)
Repayment Period: 3 Years (36 Months)
Contact: 071 193 1928

LOAN FACILITY	PROMOTER NET WORTH	DSCR COVERAGE
LKR 15.0M	LKR 150M - 200M	2.74x

1. EXECUTIVE SUMMARY

NJ UNIVERSAL (PVT) LTD (operating as NJ Catering Service) is a well-established commercial enterprise in Sri Lanka, specializing in operating exclusive, authorized Welfare Outlets within major garment factory premises. The company delivers high-quality dry food products, snacks, and daily essential consumables directly to industrial workforce personnel.

Currently, the enterprise operates highly successful welfare outlets within garment factory complexes in **Thambuttegama** and **Abanpola** by sourcing finished products from external suppliers. The company has recently finalized an agreement to expand its operational footprint into the premier **Bulnewa Vogue Tex (Pvt) Ltd** factory complex.

The core strategic objective of this proposal is to establish a state-of-the-art **Central Dry Food Processing Unit** within the Bulnewa Vogue Tex facility. By transitioning from external product procurement to automated, in-house manufacturing, NJ Universal will supply high-margin processed food products across its entire existing and upcoming outlet network (Bulnewa, Thambuttegama, Abanpola, and prospective branches in Nochchiyagama and Rajanganaya).

Key Financial Request: To finance this expansion, the promoter requests a project term loan of **LKR 15,000,000/= (15 Million)** from the **Bank of Ceylon**, repayable over a 3-year period (36 months). The promoter's substantial personal asset base of **LKR 150 Million – 200 Million** provides exceptional financial security and collateral backing for this facility.

Figure 1.1: Operational Model — High-capacity garment factory welfare outlet & dining facility serving industrial workforce.

2. COMPANY & PROMOTER PROFILE

2.1 Business Overview

Business Name	NJ UNIVERSAL (PVT) LTD (NJ Catering Service)
Registration Number	Refer Attachment 03 (Business Registration Certificate)

Headquarters Address	Badiwewa Junction, Thambuttegama, Sri Lanka
Core Sector	Garment Factory Welfare Retailing, Industrial Catering & Dry Food Processing
Target Market	Industrial Garment Workforce (6,200+ direct consumers across network)

2.2 Promoter Profile

Promoter: Mr. H.M. Nalaka Sampath
Industry Experience: Extensive background in commercial catering, food supply chain management, and retail business operations within industrial export processing zones.

Promoter Asset Base & Net Worth:
The promoter holds personal and business assets—including prime real estate, personal residences, fleet vehicles, commercial land, and existing business infrastructure—valued between **LKR 150,000,000 and LKR 200,000,000 (LKR 15 - 20 Crores)**. This substantial net worth ensures rock-solid solvency and strong risk mitigation for the lending institution.

3. BUSINESS MODEL & OPERATIONAL STRATEGY

The business model of NJ Universal (Pvt) Ltd is highly defensible, structured around direct institutional partnerships that eliminate traditional retail credit risks.

1. Factory Approval & Welfare Contract
Exclusive agreement with factory management granting sole rights to operate welfare outlets within secure factory zones.

↓

2. Direct Workforce Access
Captive market access to over 1,500+ factory employees per location during daily tea, breakfast, and lunch breaks.

↓

3. Salary Deduction Credit Mechanism
Employees purchase dry foods and daily essentials on credit, authenticated via employee identification badges.

↓

4. Guaranteed Direct Settlement
Factory management/payroll directly deducts store purchases from monthly employee salaries and remits lump-sum payment directly to NJ Universal.

3.1 Key Operational Advantages

- **Zero Bad Debt Risk (0% Credit Default):** Debt recovery is 100% guaranteed as payments are processed through automated payroll deductions handled directly by factory HR and accounting departments.
- **Captive High-Volume Demand:** Factory staff remain on-site throughout their shifts, guaranteeing steady daily sales volume.
- **Automated Cost Reduction:** Establishing an in-house processing facility reduces production costs by **25% – 35%** compared to purchasing pre-packaged retail goods.

Figure 3.1: Prime exterior storefront setup at Bulnewa Vogue Tex facility.

Figure 3.2: Modernized interior checkout counter with integrated POS systems.

4. PROJECT SCOPE & FACILITY EXPANSION

NJ Universal (Pvt) Ltd is executing a strategic two-phase network expansion across key industrial hubs in the North Central Province.

BRANCH / FACILITY NAME	LOCATION	WORKFORCE / SCALE	STATUS
Thambuttegama Garment Outlet	Thambuttegama	1,200 Employees	**Active & Operational**
Abanpola Garment Outlet	Abanpola	1,000 Employees	**Active & Operational**
Bulnewa Central Processing & Outlet	Bulnewa (Vogue Tex)	1,500 Employees	**Key Focus (New Project)**
Nochchiyagama Garment Outlet	Nochchiyagama	1,300 Employees	Proposed Expansion
Rajanganaya Garment Outlet	Rajanganaya	1,200 Employees	Proposed Expansion

4.1 Bulnewa Vogue Tex (Pvt) Ltd Strategic Hub

Factory Profile: Vogue Tex (Pvt) Ltd is a BOI-registered, 100% export-oriented garment manufacturer employing over 1,500 personnel. (Refer Attachment 01).
Facility Agreement: Vogue Tex management and Welfare Society have granted exclusive operational rights for both the Welfare Outlet and the dedicated central dry food processing factory premises to Mr. H.M. Nalaka Sampath.

5. CAPITAL UTILIZATION & MACHINERY PLAN

The requested LKR 15.0 Million loan facility will be deployed systematically into capital expenditure (infrastructure and machinery) and operational working capital.

5.1 Fund Allocation Breakdown

#	ITEM DESCRIPTION	ESTIMATED COST (LKR)	SHARE (%)
01	Bulnewa Vogue Tex Welfare Outlet Construction & Setup	1,500,000 /=	10.0%
02	Processing Facility Infrastructure & Electrical Systems	3,500,000 /=	23.3%
03	Automated 15-Nozzle String Hopper Machine, Compressor & SS Trays	1,000,000 /=	6.7%
04	Industrial Food Dehydrators & Drying Machinery	3,500,000 /=	23.3%
05	Automated Packaging & Nitrogen Flushing Sealing Lines	2,000,000 /=	13.3%
06	Working Capital & Bulk Raw Material Inventory Purchasing	3,500,000 /=	23.3%
	TOTAL PROJECT INVESTMENT REQUIRED	**LKR 15,000,000 /=**	**100.0%**

5.2 Machinery Specification Summary

Based on Quotation **SH-15-2606089** from *Yantech Lanka (Pvt) Ltd* (Attachment 02):

- **15-Nozzle Automated String Hopper Machine:** Pneumatic CNC-controlled extruding system, food-grade 304 Stainless Steel construction, complete with 200L air compressor (230V/250W).
- **SS Net Trays (100 Units):** High-hygiene industrial grade 304 stainless steel mesh trays for commercial food processing.
- **Industrial Food Dehydrators:** Multi-deck thermal dehydrators designed for prolonged shelf-life snack processing and moisture control.

6. MARKET ANALYSIS & DEMAND DYNAMICS

The primary market comprises industrial garment factory workers operating under structured shift schedules.

- **Total Captive Customer Base:** Currently 3,700 employees across 3 active branches, expanding to **6,200+ workers** upon completing the Nochchiyagama and Rajanganaya expansions.
- **Consistent Daily Demand:** Garment workers require affordable, hygienic, and ready-to-eat dry foods and snacks during morning, lunch, and evening tea intervals.
- **Competitive Pricing:** In-house processing eliminates middleman markups, enabling NJ Universal to offer products at prices below market retail rates while maintaining high gross margins.

7. FINANCIAL PROJECTIONS & REPAYMENT PLAN

7.1 Monthly & Annual Income Forecast

Estimated operating statement upon full deployment of the Bulnewa central processing hub and outlet network:

FINANCIAL METRIC	MONTHLY AMOUNT (LKR)	ANNUAL AMOUNT (LKR)
Gross Revenue (All Outlets Combined)	6,500,000 /=	78,000,000 /=
Cost of Goods Sold & Raw Materials (COGS - 55%)	(3,575,000 /=)	(42,900,000 /=)
Gross Margin / Profit (45%)	**2,925,000 /=**	**35,100,000 /=**
Operational Expenses (Utilities, Transport, Logistics)	(850,000 /=)	(10,200,000 /=)
Staff Salaries & Benefits (12 Technical & Outlet Staff)	(650,000 /=)	(7,800,000 /=)
Net Operating Profit (EBIT)	**1,425,000 /=**	**17,100,000 /=**
Estimated Bank Loan Monthly Installment (Capital + Interest)	(520,000 /=)	(6,240,000 /=)
NET SURPLUS CASH FLOW (AFTER DEBT SERVICE)	**905,000 /=**	**10,860,000 /=**

7.2 Debt Service Coverage Ratio (DSCR) Analysis

Debt Service Coverage Ratio (DSCR) Calculation:

DSCR = Monthly Net Operating Profit / Monthly Loan Installment

DSCR = LKR 1,425,000 / LKR 520,000 = 2.74x

*Note: A DSCR ratio exceeding 1.5x is classified as financially sound by banking institutions. A ratio of **2.74x** demonstrates exceptional cash flow liquidity, providing an ample safety cushion to service loan commitments comfortably.*

8. RISK MANAGEMENT & SUSTAINABILITY

IDENTIFIED RISK FACTOR	RISK LEVEL	MITIGATION STRATEGY
Raw Material Price Volatility	**Medium**	Bulk direct procurement from primary agricultural farmers in Anuradhapura and Polonnaruwa districts to secure wholesale pricing.
Power Supply Interruptions	**Low-Medium**	Deployment of heavy-duty standby diesel generators and pneumatic air-compressed machinery to ensure uninterrupted production.
Hygiene & Food Safety Compliance	**Strict Requirement**	Strict adherence to BOI and PHO standards using 100% Food Grade 304 Stainless Steel machinery and automated packaging lines.

9. ATTACHED DOCUMENTS & SUPPORTING EVIDENCE

To substantiate the viability and credibility of this project proposal, the following legal and commercial documents are attached hereto:

- **[ATTACHMENT 01]: Vogue Tex (Pvt) Ltd Confirmation Letter** (Dated: 2026.08.03) — Official approval and exclusive contract allocation for the Bulnewa facility (1,500 employees) issued to Mr. H.M. Nalaka Sampath.
- **[ATTACHMENT 02]: Yantech Lanka (Pvt) Ltd Quotation** (Quote No: SH-15-2606089, Dated: 2026.08.23) — Official machinery quotation for 15-Nozzle Automated String Hopper Machine & SS Trays totaling LKR 935,000/=.
- **[ATTACHMENT 03]: Business Registration (BR) Certificates** — Official BR documentation for NJ UNIVERSAL (PVT) LTD / NJ Catering Service.

Promoter Declaration

I hereby certify that all information, financial estimates, and project strategies set forth in this proposal report are true, accurate, and correct to the best of my knowledge and belief. I affirm that the requested credit facility of **LKR 15,000,000** /= from the **Bank of Ceylon** will be utilized strictly for the expansion purposes detailed herein and will be fully repaid along with applicable interest within the stipulated 3-year timeframe.

Mr. H.M. Nalaka Sampath
Managing Director — NJ UNIVERSAL (PVT) LTD
Date: August 17, 2026