

Guidelines for Completion of Application for Acquisition of Land from Industrial Estate for Expansion of an Existing Project in an Industrial Estate

(Production should take place on the land. Not only for warehousing. Information should be included only for expansion)

- The name of the industry should be mentioned in 1.1 of the application.
- Mail address of the owner should be mentioned in 1.2 of the application.
- The product should be included in 1.3 of the application.
- The nature of the relevant business should be marked in 1.4 of the application and if it is a company, the business registration certificate should be submitted along with the details of the directors.
- The investment should be marked in 1.5a of the application and the investment percentage should be mentioned in 1.5c. (Land is not approved for 100% foreign investment and should include local investment. If it is a company at least one Sri Lankan should be a member on its board of directors. It should be notified later when the Board of Directors changes.).
- Enter the bank details of the transaction in 1.6 of the application.

- Enter the full details of the owners in 2.1 of the application

- Enter the registration details in 2.2 of the application

- Enter the income tax registration details in 2.3 of the application.
- Enter the details of the persons to be contacted in 2.3 of the application regarding the future activities of the project (All inquiries and notifications are made with the persons mentioned here)

- A summary of the main types of products should be included in 3.1 of the application.
- As per the 3.2 of the application, an extension is another land request in addition to the land allocated for an industry currently in the industrial park. A reestablishment is the relocation of an industry that is currently located elsewhere in that industrial park. A new project is an industry that is not currently underway

- Divide the investment as Fixed and Working Capital in 3.3 of the application
(Investment projects over 10 million only are approved. Relevant information should be included for expansion only)

- ❖ The above fixed capital in 3.3 should be divided under i, ii, iii, iv in 3.3a of the application. E.g. – If the fixed capital specified as 100 in 3.3, the sum of all i, ii, iii, iv in should be 100.
- ❖ The above working capital in 3.3 should be same in 3.3b in the application.
- Method of funding for the project should be stated in 3.4 of the application. This could be his own capital, debt capital and so on. (Projects with own capital is more than the loan capital will be approved)
 - ❖ The sum of own capital, loan capital and other capital in 3.3 above should be equal to the sum of the fixed and working capital referred to as total investment in 3.3 above.)
- Specify the number of employees expected to be deployed for the project in 3.5 of the application. (There should be at least 15 employees. Information only for expansion should be included)
- Specify the square footage of the buildings to be constructed for the project in the application 3.6 (this should be in line with the building plan details. Include information relevant to the expansion only).
- Indicate all the types of products of the project including the annual production in 3.7 of the application (products should be equal with the project report)
- Followings should be specified in 3.8 of the application
 - ❖ Land requirement.
 - ❖ Required industrial area under first choice.
 - ❖ Requirement of water (compulsory)
 - ❖ Requirement of electricity (compulsory)
 - ❖ Other details for the project
- Specify the types and quantities of material required for the project in 4.1 of the application.
- Specify the types and quantities of chemicals required for the project in 4.2 of the application.
- Specify project waste types and disposal methods in 4.3 and 4.4 of the application.
- Details of machinery required for the project should be specified in 4.5 of the application. If a new project in (a) and if an expansion in (b).
- Indicate the duration in months for the activities to be completed, mentioned in 5 of the application from the date of allocation of lands (The letter of land allocation stipulates to start commercial production within one year from the date of allocation of the land)

- The application should be signed and sealed by the owners themselves.
- All of the above details should match with the data contained in the project report you submit

3. Project Report (02 copies) - This report should be prepared in two copies including the required information as per the instructions below. Information relevant to expansion only should be included.

Detail has to be included in preparing a project report

Relevant information should be included for expansion only.

1. Introduction of the institution

An introduction of the activities of the organization from its inception to the present should be provided.

2. Management

Details of the management of the institution should be included.

3. Organizational structure

The cadre of the organization (from the management level to the minor employees) should be indicated in a flow chart.

4. Production

Types of Products and annual production should be included.

5. Production process

The manufacturing process should be indicated by a flow chart

6. Employment generation, investment, capital and fixed assets

Employment generation should be classified separately as management, technical, labor(skilled and unskilled) clerk, other (driver, office assistant, etc.)It should be same as the data in the application. Number of employees should be over 15.)

The investment should be divided into fixed and working capital as stated in the application and fixed capital should be reclassified as land, buildings, machinery, vehicles and so on.

Documents of fixed assets (machinery, vehicle types and quantities) should be included. How to invest money should be stated separately as your capital and loan capital (here the loan capital should be less than your own capital and should be the same as the information you submit in the application.)

7. Sales and distribution system

Varieties and quantities sold should be mentioned

Distribution locations should be included.

8. Land use and work plan

It should be pointed out that how the land is used for industry and the duration from building construction to manufacturing.

9. Environmental effects

Various possible impacts on the environment through the industry, types and quantities of waste emitted by industrial activities, the effluents generated by workers and how they are disposed should be described.

10. Financial Indicators

For a new project - Submission is mandatory for the next 5 years.

For expansion or relocation - Submission is mandatory for the last 3 years and the next 5 years.

11. Projected Profit and Loss Account

Expected profit and loss of the project should be presented for the next 5 years.

12. Cash flow

The project should include how the cash flows over the next 5 years

4. Certificate of Registration of Business Names –

Certified list of the Board of Directors should be submitted along with the business name registration certificate.

(Form 01 and Form 20 of the Department of Registration of Companies)

05. Building Plan (02 copies) –

This is a plan of the buildings to be constructed within the proposed plot of land to be allotted for expansion only. Approval of the Urban Development Authority or the relevant local authorities should be obtained at the time of construction of buildings.

06. Land Use Plan (02 copies) –

A marked plan of buildings to be constructed within the proposed plot of land to be allocated for expansion only. Expected locations for setting up factory, sanitary facilities, warehouse, car park, etc. should be marked.

07. Income tax payment details

As it is an existing project, certified copies of income tax receipts for the last 06 months are required.

08. EPF Payment Details -

As this is an existing project, certified copies of EPF paid receipts for the last 06 months are required.

09. Bank certificate confirming the loan amount

Only if it is expected to get a loan to expand the project, a letter from the respective bank that agrees to grant the loan

10. Documents that can prove the self-capital of the investors

- Bank statements relating to bank accounts in the name of the owner to prove this capital,
- Documents related to ownership and value of machinery / vehicles
- Copies of deeds of lands etc. in the name of the owner can be submitted.

