



# Ministry of State Resources and Enterprise Development



The Ministry of State Resources and Enterprise Development invites you to join hands with Kantale Sugar Industry Ltd. to reap dividends of peace in re-awakening East.

## Invitation

The Ministry of State Resources and Enterprises Development (MSRED) on behalf of the Government of Sri Lanka, invites Expression of Interest (EOIs) from interested parties for a joint venture or for a long term lease of the Kanthale Sugar Industries Limited (KSIL) to re-develop the factory and its premises to manufacture sugar, spirit and other by-products.

## Economic outlook

With the cessation of the three decade long internal conflict in May 2009, the Government has embarked on a fast tracked development initiative of which balance growth among regions has been the key ingredient. As a part of island-wide integrated development strategy the Government has identified the importance of revitalizing sugar industry to reduce its reliance on international market. As enunciated in Government policy document, it is expected to increase domestic sugar production up to 40% of the country's sugar requirement through improved practices and also advanced varieties.

## Sugar Industry

Sugar industry in Sri Lanka was initially commenced by the Government in the 1950's. Few sugar factories were established in stages at Udawalawa, Hingurana, Pelwatta, Sevanagala and Kanthale with the intention of achieving sufficient level of self-sufficiency. However, even by end 2010 about 560,000mt, more than 95% of local requirement, was imported at a cost of US dollars 363 million. Therefore, as per Government's objective to increase sugar production and to promote regional development, it is envisioned to develop the production capacity of sugar factories while expanding sugarcane cultivation up to 40,000 hectares.

## Background of KSIL

The KSIL became operational in 1960 and was making profit until 1993 with sugar cane crushing capacity of 1,200 mt and sugarcane molasses distillation with a capacity of 30 mt per day. This factory consists of lands extending 21,233 acres, out of which 12,061 acres were irrigated for sugar cultivation. The factory infrastructure includes 300 staff quarters, network of roads, rail tracks and canals covering more than 2,000 acres and other factory buildings. The water supply for crop cultivation is currently from Kantale tank and before long, the industry is to benefit by the Moragahakanda Project, which is expected to be complete in 2-3 years.

## Procedure for submitting Expression of Interest (EOI s)

01. Name of the Company
02. Date of Incorporation
03. Address
04. Description of the Current Business activities
05. Copy of the Articles of Association
06. Any other intention other than Sugar Industry
07. Organizational Structure
08. Name and Address of Associated/Subsidiary-Industries (if any)
09. Audited Financial Statements (Last 3 years)
10. Maximum Amount intend to be invested
11. Indicate your Preference with regard to Joint Venture/Lease Agreement
  - (a) Joint Venture
  - (b) Lease Agreement
  - (c) Both (Joint Venture and Lease Agreement)
12. Additional Comments (if any)



The EOIs can be sent by registered post or delivered to the following address on or before the closing time of 10.00 hrs (Sri Lanka Time) on 4th April 2011. The left hand corner of the envelop should have the following identification mark "Expression of Interest-Kanthale Sugar Industries Ltd"