

IDENTITY PROMOTIONS LIMITED

P.O. BOX 38070
DAR ES SALAAM.

Feasibility Study Report

On

Establishment of
Books & Promotional Items Production Facility

In

Dar es Salaam - Tanzania

Prepared for
M/s IDENTITY PROMOTIONS LTD,
P.O. BOX 38070,
DAR ES SALAAM.

IDENTITY PROMOTIONS LIMITED

P.O. 38070,
DAR ES SALAAM.

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0.1 Introduction

This feasibility study report is being prepared for **M/S ICENTITY PROMOTIONS LIMITED of P.O. BOX 38070 DAR ES SALAAM -TANZANIA** hereinafter referred to as **IPL** has undertaken a project to venture into the Production of Books & Other Promotional Items.

The promoters are well experienced in the envisaged line of business. The promoters have enough financial resources to see through the project and will bring in foreign exchange right from the inception stage of the project.

The purpose of this study is to assess the commercial viability and operational feasibility of the project being undertaken by **IPL**.

Most of the data has been complied by the promoters' own research and study in Tanzania and is first hand information.

The financials have also been worked out on the basis of market and cost information provided by the promoters of the project.

This report has additionally deliberated upon the social and related economic benefits (net) that will accrue to the nation and has given adequate weight age for the same in the conclusion & recommendation paragraph.

02. Company Details:

Registration:

M/S **IPL** was registered with the Registrar of Companies on 23RD of December 2009 as a limited liability company.

The Authorized share capital of the company is same as the paid-up share capital. The registration number of the company is 74307.

Object Clause:

"To carry on the business of Production of Books & Promotional Items and other products of allied products as well"

Promoters/Shareholders & Directors:

The Shareholders of IPL are as under:

Name of the Share Holder	Nationality	% Holding
HASNAIN KHIMJI P.O.BOX 38070 DAR ES SALAAM	TANZANIAN	51%
REMA BALLOT P.O.BOX 74 AUSTRALIA - 2171	TANZANIAN	49%

Location of the Proposed Site:

The site for the business shall be in Kinondoni District, Dar es Salaam Region.

Registered Office Address:

Plot No. 372/2 – COLE ROAD - OYSTERBAY - DAR ES SALAAM.,

01. The Project:

The basic purpose of the entire project is to add value to the abundantly available inputs, which have hitherto not been adequately exploited. The project will create more wealth for the nation and shall endeavor to bring in more prosperity and economic independence.

IPL is interested in venturing into this area, as they are confident about their latest technology and manufacturing process. IPL is sure to process high quality Books & Promotional Item products out of the so considered inferior quality products.

The project will create nearly 150 employment opportunities directly and more than that indirectly. Apart from adding to the wealth of the nation, it shall also increase the purchasing power of the community thereby leading to an overall increase in demand for other products, which shall in turn lead to better economy conditions.

The project shall bring in plant and machinery from outside the country and shall eventually train the local population in the running of the plant.

The project will thus contribute towards the manufacturing sector of the economy. As per the latest findings of CTI (Confederation of Tanzanian Industries), manufacturing contributes less than 10% of contribution towards this sector which is very much welcome by the government.

The manufacturing process being undertaken shall also ensure that value addition is being done within the country, which is added advantage.

02. Project Location & Inputs: -

Since the project is related to Production of Books & Promotional Items the project location preferably has to be near to the raw materials region.

The promoters reportedly carried out a survey of various regions in Tanzania where such project can be established with minimal obstacles.

Their study led them to the Dar es Salaam Region, it also has advantages in terms of availability of adequate local manpower, power and roads also, besides it is the main commercial city of Tanzania.

The local authorities have assured the promoters about adequate supply of power and water, which is required for the successful running of the business.

0.5 **The Market Demand: -**

Tanzania as a country has been enjoying a steady economic growth rate of nearly 4.5% to 5% for last more than 8 years and that has resulted into spurt of demand for quality Books & Promotional Items.

The demand has been more pronounced in the basic necessity sector, to the Public & Private Sector.

From marketing angle, apart from the points noted above, this project enjoyed a distinct advantage. There are certain international standards in which the dimensions are available for Books & Promotional Items; however, IPL envisaged producing Books & Promotional Items which can suit the requirements of local populace.

This strategy shall provide the project with an additional marketing edge compared to imports, the first edge being lower prices. IPL believes that creation of non-standard size shall not only make it more viable/profitable but will in long run also ensure maximum utilization of available resources.

IPL promoters firmly believe that they will not encounter any major hurdle in marketing their products. Some time will definitely be required as the product boast of being import substitute and the products are not meant for direct consumption (which implies that they are being sold to an intermediary).

However, in long run IPL promoters and management are very much sure about the successful operation of the project.

06. Promoters & Management: -

The importance of well-informed promoters and professional management can never be over estimated for successful implementation of the any project. It is said that well – informed promoter and professional management can make even a not so viable project otherwise and vice-versa.

07. Manufacturing Process & Technology: -

The factory to be put-up for Production of Books & Promotional Items.

This will not only ensure that the initial set – up cost of the project will be minimal but will also enable IPL to increase the factory will maintain a very large open space to accommodate the storage Raw Materials received in form of Paper Roles waiting for further processing. In other words, the factory will be not consuming a very large area of land.

08. Manpower: -

Although the project of Production of Books & Promotional Items will require lot of automatic machines, lot of manpower especially at lower end shall be required to carry out preparatory processes as well as for quick movement of Paper within the factory premises.

IPL will hire few expatriate to oversee the operations supported by local workers.

Workers will be guided and trained by the expatriate technical experts to run machines. Organization hierarchy shall be as under: -

a. Top level

Chairman / Managing Director
General Manager

b. Middle Level

Production Manager
Chief Engineer
Finance Manager
Marketing Manager

c. Lower Level

Production Supervisors
Personnel and Administrative Officer
Accounts Officer.
Sales Officer

IPL shall endeavor to promote local staff as much as possible to ensure better employment opportunities to the local populace. However, it shall always ensure that efficiency of the unit is kept intact.

IPL shall run simultaneously a small in-house training house, where the experts will provide training to the new recruits before they are put on the jobs for on-job training.

IPL believes that a motivated and skilled manpower can for sure bring in immense benefits to the industry and can ensure peaceful co-existence of all concerned.

09. Cost of the Project & Means of Finance: -

A. Cost of the Project: -

Sr. NO.	Details	TZS
1	Land & Building	500,000,000/=
2.	Plant & Machinery	300,000,000/=
3.	Furniture, Computers & Fixtures	200,000,000/=
4.	Vehicles	300,000,000/=
5.	Pre-operating Costs	200,000,000/=
6.	Others	100,000,000/=
7.	Initial working capital	400,000,000/=
	Total Cost of the Project	2,000,000,000/=

B. Means of Finance: -

Sr. NO.	Details	TZS
1	Equity Funds	1,000,000,000/=
2	Promoters' Loan	1,000,000,000/=
	Total Means of finance	2,000,000,000/=

The total cost of the project consisting of both the phases has been estimated at **TSH 2,000,000,000/=** as can be seen from the above chart, majority of the expenses involved will be on Plant, Machinery and Vehicles.

Besides considerable money will be required in the starting up of the unit which has been grouped under the head pre-operating and initial working capital costs.

Phase I will be implemented within a span of three months and the second and the final phase will be completed within a span of nearly 21 months from the date of the completion of the first phase.

Building will be a simple structure based on pillars with sidewalls open to facilitate future expansions. The height of the factory shed will be 15 feet.

A small training house and a rest room for the workers will also be constructed.

Details of Items to be imported is as under: -

1	Delivery Vehicles
2	Distribution Vehicles
3	Distribution Motorbikes
4	Forklifts
5	Floor Tiles
6	Wall Tiles
7	Sanitary Appliances
8	Printing Machinery
9	Finishing machinery
10	Packing Machinery
11	Paper
12	Electrical Equipment
13	Transformers
14	Stabilizers
15	Voltage control
16	Electrical Cabling
17	Light Fittings
18	Warehouse Steel Frames
19	Warehouse Roofing Sheets
20	Warehouse guttering
21	1000ml Aluminium Water Bottle - White
22	9mm Packing Strap 1900 Meter
23	Abs Boards - 1.22 x 2.44 (0.8mm)
24	ABS Promotional Tables 7kgs
25	Acrylic Clear 1.22x2.44 (10mm)
26	Acrylic Clear 1.22x2.44 (5mm)
27	Acrylic Clear 1.22x2.44m (3mm)
28	Acrylic Cutting Knife
29	Acrylic White 1.22x2.44 (9mm)
30	Acrylic White 1.22x2.44m (2mm)
31	Acrylic White 1.22x2.44m (3mm)
32	Acrylic-Black-3mm
33	Acrylic-Blue-3mm
34	Acrylic-Red-3mm
35	Acrylic-Yellow-3mm
36	Adapter for LED Strips
37	Adjustable Display Frame - 3M Width
38	Alluminium Bottle 600ml - White
39	Alucobond 4mm - Apple Green
40	Alucobond Dark Grey
41	Alucobond Silver 1.22x2.44m (4mm)
42	Alucobond White 1.22x2.44m (4mm)
43	Alucobond-Dark Blue
44	Aluminium Profile Double Side Hy-D60/6x4.2x600

45	Aluminium Profile Singe Side Hy-S60/6x3.5x600
46	Anti Set Off Spray Powder
47	Art Paper 100gsm Gloss 630*900-500shts
48	Art Paper 115gsm Gloss 630*900- Ream of 250sheets
49	Art Paper 130gsm Gloss 630*900 Reams of 250
50	Art Paper 150 Gsm Gloss - 670 * 870
51	Art Paper 150gsm Gloss 630*900- Reams of 250 Sheet
52	Art Paper 170gsm Gloss 630*900 - Ream of 250 Sh
53	Art Paper 250GSM Gloss - 100sh/ream
54	Art Paper Gloss - 115gsm - 630x900 - Ream of 500 Sh
55	Art Paper Gloss 100gsm 720x1040 - Ream of 500 Shts
56	Art Paper Matt 128gsm 620*900 Reems of 250 Sheets
57	Backlit Pet Films 1.27x50m
58	Backpack with Mesh Pouch and Pole
59	Bar Blanket Heid SM74
60	Bean Banner 2.2mts * 1mt
61	Binding Cloth 794*1017mm
62	Bluetooth Speaker Black
63	Bluetooth Speaker Red
64	Bond Paper 70gsm 610*860mm
65	Bond Paper 80gsm 610*860mm
66	Bottle Sublimation Silver
67	Brochure Stand
68	Buttons 44mm Round Pin Badge Blanks
69	Buttons 58mm Round Pin Badge Blanks
70	Calendar Hangers White 80mm
71	Calendar Hangers White 135mm
72	Car Chargers
73	Chloroform - 500 Gms (Acrylic Glue)
74	Clips 20mm Width - Lanyard
75	Computer Backpacks
76	Corners for Aluminium Profiles
77	Cotton Canvas Material 1.27x30m
78	Creasing Matrix Box - PB Yellow
79	Ctp Plate GTO 450*380
80	Ctp Plate Sm74 605*745mm
81	Developer 20ltrs
82	Duplex Board 250 Gsm -White Back 680 * 970 mm
83	Duplex Board - 250gsm White Back 620 * 890mm
84	Eco Solvent Dark Printable Pu Flex 30mx50cm
85	Eco Solvent Golden Printable Pu Flex 30mx50cm
86	Eco Solvent Ink DX5 Cyan
87	Eco Solvent Inks DX5 Black
88	Eco Solvent Inks DX5 Magenta
89	Eco Solvent Inks DX5 Yellow
90	Eco Solvent Light Printable Pu Flex 30mx75cm

91	Eco Solvent-Cleaner
92	Embroidery Stiff 40*100m
93	Equator Brush Cotton Caps - Green
94	Equator Brush Cotton Caps - Yellow
95	Equator Caps Red Cotton Metal Buckle
96	Equator Cotton Brush Caps - White
97	F2 Glue 20 Grams
98	Flag Machine Ink - Clear
99	Flag Machine Inks Black
100	Flag Machine Inks Cyan Blue
101	Flag Machine Inks Magenta
102	Flag Machine Inks Yellow
103	Flex Banner Backlit 510gsm Gloss 3.2x50m
104	Flex Banner Blockout 340gsm-3.2mts*50mts Gloss
105	Flex Banner Blockout 440gsm 1.27*50m Gloss
106	Flex Banner Blockout 440gsm 1.6*50m Gloss
107	Flex Banner Blockout 440gsm Gloss 3.2x50m
108	Flex Banner Blockout 440gsm Matte 3.2x50m
109	Flex Banner Blockout 510gsm 1.27*50m Gloss
110	Flex Banner Blockout 510gsm 1.6*50m Gloss
111	Flex Banner Blockout 510gsm Gloss 3.2mx50m
112	Flex Banner Blockout 510gsm Matte 3.2x50m
113	Foldable Gazebo 3*3
114	Folding Box Board 230 Gsm 680 * 970 Rim- 100 Shts
115	Folding Box Board 230gsm 620*890mm Ream of 100sheet
116	Forex Board 1.22x2.44 (4mm)
117	Forex Board 1.22x2.44m (10mm)
118	Forex Board 1.22x2.44m (3mm)
119	Frame for Fabric Display-Aluminium
120	Gift Box with Pen, Keychain and Card Holder
121	Gift Set Black Box - White Pen & White Key Chain
122	Gift Set Box Black- Black Pen &Black Key Chain
123	Gift Set White Box- White Pen & White Key Chain
124	Gift Set-Pen&Power Bank with Black Box
125	Grey Board 900gsm 610*860
126	Grey Board 900sm 610*1020mm
127	Hard UV Ink for Ricoh - Magenta
128	Hard UV Ink for Ricoh- Black
129	Hard UV Ink for Ricoh -Cyan
130	Hard UV Ink for Ricoh-Yellow
131	Head Sticking Machine - Bpway Brand
132	Heat Transfer Machine
133	Honeycomb Reflective 1.24x50m
134	Hot Melt Adhesive
135	Ink - Gold Offset - 1KG
136	Ink - Magna - Black - 2.5KG

137	Ink - Magna Cyan - 2.5KG
138	Ink - Magna Magenta - 2.5KG
139	Ink - Magna Yellow - 2.5KG
140	Ink - Varnish - High Gloss - 2.5kg
141	Jambo Caps Black Polyster Velcro Closure
142	Jambo Caps Green Polyster Velcro Closure
143	Jambo Caps Red Polyster Velcro Closure
144	Jambo Caps White Polyster Velcro Closure
145	Jambo Caps Yellow Polyster Velcro Closure
146	Key Chain - Acrylic - Rectangle
147	Key Chain - Acrylic - Round
148	Key Chain - Acrylic - Square
149	Key Chain - Leather
150	Key Chain - Metal - Circle
151	Key Chain - Metal - Rectangle
152	Key Chain - Metal - Square
153	Lamination Cold Gloss 1.27x50m
154	Lamination Cold Matte 1.27x50m
155	Lamination Film - Gloss (340mmx3000m)
156	Lamination Film - Gloss (440mmx200m)
157	Lamination Film - Gloss (450mmx3000m)
158	Lamination Film - Matt (440mmx200m)
159	Lamination Film - Matt(450mmx3000m)
160	Lamination Film Gloss (450mmx1000m)
161	Lamination Film Matt 460*3000mtsx18mm
162	Lamination Gloss 3000m*320*18mm
163	Lamination Matte 3000m*320*18mm
164	Lamination Matte 3000m*440*18mm
165	Lanyard Black
166	Lanyard Blue
167	Lanyard Cyan Blue
168	Lanyard Dark Blue
169	Lanyard Dark Grey
170	Lanyard Green
171	Lanyard Light Grey
172	Lanyard Orange
173	Lanyard Red
174	Lanyard White
175	Laser Transfer Paper Dark 297x420mm
176	Laser Transfer Paper Light 297x420mm
177	Led Modules 1.2 W - Normal (200 Pcs)
178	LED Rigid Bar Cool White 457x20x1mm - 12v
179	LED Rigid Bar Cool White 955x20x1mm - 12v
180	LED Strip White 5mtrs
181	LED T8 Tube 160v-265v Blue
182	LED T8 Tube AC 160v-265v Red

183	Medal - Copper
184	Medal - Golden
185	Medal - Silver
186	Mesh 120T Yellow
187	Mesh 77T White
188	Metal Piece 20mm Width - Lanyard
189	Metal Studs - 25mm x 50 mm
190	Metal Studs - 26mm x 16mm
191	Mouse Pad
192	Mug - Sublimation - Magic
193	Mug - Sublimation - White
194	Mug - Sublimation - White with Box
195	Mug - Thermal - Stainless Steel
196	Mugs Press Machine
197	Mugs Press Machine - 5 in 1
198	Name Badge Clips
199	NCR - Top Blue - 50gsm 610*860mm -(CB)
200	Ncr Bottom Yellow 55gsm 610*860mm - (CF)
201	Ncr Middle Blue50gsm 610*860mm - (CFB)
202	Ncr Middle Green 50gsm 610*860mm - (CFB)
203	Non Reflective Sticker Black 1.22x45m
204	Non Reflective Sticker Lime Green 1.22x45m
205	Non Reflective Vinyl Cardinal Red 1.22x45m\
206	Non Reflective Vinyl Medium Blue 1.22x45m
207	Non Reflective Vinyl Yellow 1.22x45m
208	Non Wooven Bag A3 Dark Blue
209	Non Wooven Bag A3 Red
210	Non Wooven Bags Size Yellow A3
211	Non Wooven Bags A2-Red
212	Non Wooven Bags A3 Size Black
213	Non Wooven Bags A3 Size Sky Blue
214	Non Wooven Bags A3 Size White
215	Non Wooven Bags A4 Size Black
216	Non Wooven Bags A4 Size Gray
217	Non Wooven Bags A4 Size White
218	Non Woven Bag - A2 - Blue
219	Non Woven Bags A2- White
220	Non Woven Bags A2-Black
221	Non Woven Bags A2-Green
222	Non Woven Bags A2-Grey
223	Non Woven Bags A2-Yellow
224	Offset Ink - Pantone Reflex Blue - 1kg
225	Offset Ink - Pantone Royal Blue
226	Offset Ink - Pantone Warm Red - 1kg
227	One Way Vision / Contravision 140gsm - 1.27*50mts
228	Opaque White - Pantone 1.5 Kg

229	Paper Bag Handle - White
230	Pen - Black - Econo
231	Pen - Black - Executive
232	Pen - Black - Twist Type
233	Pen - Black - Velvet Type
234	Pen - Black and Copper - Metal
235	Pen - Black and Silver - Metal
236	Pen - Blue - Smart
237	Pen - Blue - Twist Type
238	Pen - Blue and Copper - Metal
239	Pen - Green - Twist Type
240	Pen - Red - Smart
241	Pen - Red - Twist Type
242	Pen - Silver - Smart
243	Pen - White - Executive
244	Pen - White - Standard
245	Pen - White - Twist Type
246	Pen with Box
247	Plan Wave Lanyards
248	Pop Up Stands 3mx2m
249	Power Bank-10000 Mah Batery Black
250	Power Bank-10000 Mah Batery White
251	Power Banks
252	Power Supply Non Water Proof 100w
253	Power Supply Non Water Proof 60w
254	Power Supply Water Proof 100w
255	Power Supply Water Proof 200w
256	Power Supply Water Proof 20watts
257	Power Supply Water Proof 30 Watts
258	Power Supply Water Proof 60w
259	Promotional Notebooks - Black
260	Promotional Notebooks - Grey
261	Promotional Notebooks - Orange
262	Promotional Notebooks - Red
263	Promotional Notebooks - White
264	Reflective Sticker Vinyl Black 1.24x45m
265	Reflective Sticker Vinyl Yellow 1.24x45m
266	Reflective Vinyls 1.24x45m
267	Reflector 5cm*1.5cm Fluorescent Green
268	Roll Up Banner - Broadbase 85x200cm
269	Roll Up Banner - Standard Base 85x200cm
270	Roll Up Material 0.914x50m 290micron
271	Silicone Roll 1.5cmx3mmx250m
272	Silicone Wrist Bands Black
273	Silicone Wrist Bands Green
274	Silicone Wrist Bands White

275	Silicone Wristband-Orange
276	Snap Frames A0
277	Snap Frames A1
278	Snap Frames A2
279	Snap Frames A3
280	Snap Frames A4
281	Soft Film 3.2mx100m
282	Solvent Cleaning Solution 5lts
283	Solvent Inks 5lts-Black
284	Solvent Inks 5lts-Cyan
285	Solvent Inks 5lts-Magenta
286	Solvent Inks 5lts-Yellow
287	Spiral 1/2" Black 24loops
288	Spiral 1/2" Blue 24 Loops
289	Spiral 1/2" Red 24 ,Loops
290	Spiral 1/2" White 24 Loops
291	Spiral 1/2"orange 24loops
292	Spiral 5/16" 7.9mm (60,000loops 3:1)
293	Spiral Binding 1/2" 12.7mm (24,000 Loops 3:1)
294	Spiral Binding 1/4" 6.4mm (84,000 Loops 3;1)
295	Spiral Binding 3/16" 4.8mm (122,000 Loops 3:1)
296	Spiral Binding 3/4" 19.0mm (7000 Loops 2:1)
297	Spiral Binding 9/16" 14.3mm (19300 Loops 3:1)
298	Sticker Paper 620*870mm
299	Sticker Paper 700*1000mm
300	Sublimation Cloth 1.62mx100m
301	Sublimation Paper A4 Size
302	Teardrop Cross Base
303	Teardrop Frame and Ground Spike-3.4m
304	Telescopic Elbow
305	Telescopic Frame and Ground Spike 4m

Three in-house utility vehicles will be needed to transport the finished goods from the factory to the buyers' place and also for moving the logs within the factory premises wherever required.

Office furniture will be bare minimum and so will be computers (may be three sets). Telephone lines; fax line and Internet line will be kept handy at the factory to ensure speedy and cheap communication.

Pre-operating costs will take care of the preliminary expenses, initial survey and travel costs including accommodation charges, professional charges for preparation of reports etc and shall also cover for the initial joining costs of various key personnel till the real operations commence.

Initial working capital shall include the money required to spend for the revenue expenses for the process carried out on them and the financing of other revenue costs till the time money starts flowing back from the debtors for the goods sold to them on credit.

The promoters of IPL are in possession of required finances and are committed to put in the same as and when required.

10. Project Implementation Schedule: -

As has been stated in the earlier paragraphs the entire project will be implemented in two phases within a period of 24 months. The first phase is expected to be completed within a span of nearly two to three months and the next phase is expected to be completed in another 21 months. The initial capacity shall be 100 Items a day and after completion of the second phase the manufacturing capacity shall be Items a day.

Considering May 2021 as the first month, the first phase is expected to be completed by August 2014 and commercial operations expected from December 2021.

Whereas the increased production form 100 Units a day to 450 Unit a day will be achieved gradually, however optimum capacity will be reached within 24 months.

The project implementation schedule is shown in form of a table hereunder: (PHASE I).

Sr. No	Activity	Completion Period
01	Company Formation, Registering with statutory authorities, like Income tax, VAT NSSF, etc. securing TIC certificate of incentive Industrial license etc.	May 2021
02	Site identification, purchasing the same, designing of plant layout and commencing of construction of factory shed.	May 2021
03	Order placement for various machineries, recruitment of key personnel.	May 2021
04	Installation of Machines	June 2021
06	Commencement of Trial Runs	July 2021
07	Commencement of commercial Operations.	December 2021

The project implementation schedule is shown in form of a table hereunder (PHASE II)

Sr. NO.	Activity	Completion Period
01	Site Mobilization & Factory Construction	January/February 2022
02	Factory Shed Complete & Plant Layout finalized for implementation.	February 2022
03	Order placement for various machineries, recruitment of key personnel	February/March 2022
04	Installation of Plant & Machines	March/April 2022
06	Commencement of Trial Runs	May/June 2022
07	Commencement of Commercial Operations.	May/June 2022

The second phase implementation will begin immediately after twelve months and it is expected that within a span of another nine months' major expansion as envisaged will be completed. Improvements will be introduced in the next phase based on the experiences of the first phase.

11. Project Financials: -

11.01 Assumptions

- a) Required labor force will be available
- b) Required permits will be granted within the limited time schedule to ensure implementation as per schedule.
- c) The first phase will be operational within a span of three months.
- d) The second phase will take nearly 21 months to complete after the start of first year and will increase the capacity to 450 Units per day.
- e) Total investment will be 2,000,000,000/=
- f) The project will have own finance
- g) Land will be available on lease in future as and when required.
- h) Import duty exemption and deferment of VAT will be available on import of plant and machinery.

11.02 Projected Ten Years Profitability Statements

As can be seen from the enclosed projected profitability statement, the company will not earn profits in the first year where the operations are to run only for six months; however, there will be cash-profits.

The profits will start coming from the 2nd year of operations.

Depreciation has been provided as per the prevailing income tax rates. Further full depreciation has been provided on assets purchased during the year. Separate schedules are attached with this report for calculation of depreciation.

11.03 Projected Ten Years Balance Sheet

The enclosed balance sheet shows a very sound position of the company. The current assets ration is in excess of 1.2 from the beginning and by the year 5 it reaches 2.

Inventory will be maintained only for a period of one week. The reason being the plant is going to be located in the close proximity of Material.

Creditors will be outstanding for a period of 15 days and suppliers of services will be paid at the expiry of one month.

11.04 Projected Ten Years Funds Flow Statements: -

As can be seen from the appended projected funds flow statement the company will be financed by the promoter's own funds and Bank Loan.

11.05 Projected Five Years Taxation Schedule: -

The company will enjoy tax incentives as per the governing laws of the country. It will have taxable profits only from the year 2022 and will then onwards contribute to the Country.

12. Social & Development Benefits: -

◆ Employment creation

As has been observed earlier this project will provide direct employment opportunities to more than 120 locals inclusive of skilled, semi- skilled and un-skilled class. One expatriate will also be employed as per the requirement of the project.

This direct employment of more than 121 individuals will generate indirect employment for more than 500 individuals. In nutshell it can be concluded that this project will have a very positive impact on the level of employment in the country and will be welcome change.

◆ Transfer of technology

This project being a manufacturing project will usher in the country technology. Although the technology is simple the advantages to the country are quite significant. The country will get the advantage of value addition due to such incoming technology. Further the country can reduce its dependence on imports for the finished products manufactured by this project. Local employees will get on-the-job training from the experts (expatriate) employed and in long run will improve the technical competence of the local population.

◆ Contribution to the exchequer.

This project will contribute substantially to the society in general and to the exchequer in particular.

This will result into VAT outflow of substantial amounts. Besides the company will be contributing tremendously in terms of PAYE and NSSF. In addition, the company will also be contributing in terms of corporate taxation from the year 2022 onwards.

- ◆ Positive cascading impact on the nation's economy.

This project will have overall positive impact on the society. It will not only save the precious foreign currency reserves of the country by producing import substitute products, and by exporting the final product, but will also generate direct employment to more than 121 individuals and will provide means of livelihood to more than 500 individuals. The cascading positive impact on the society will be too great. This project will lead to creation of national wealth. Its contribution to the exchequer will also be quite significant in terms of NSSF, PAYE, VAT and direct taxation apart from skills and development levy.

This project will thus result into regional development. This project will thus have helped the government to further its own objective of promoting regional development.

13. Conclusion & Recommendation: -

The foregoing write-up indicates following benefits to the country, which in turn pleads for immediate acceptance of this project as a feasible project.

- ◆ The country will get a manufacturing unit, which will add to its scarce manufacturing base. As on date the country's manufacturing base is very low with contribution of 9% to the GDP and thereby making the economy pre-dominantly agriculture oriented.
- ◆ The project will bring in latest technology in the relevant field and will ensure training or development of skilled labour force in the country. The labour force will get on –job training and will thus make them more and more competent.
- ◆ The project will lead to regional development besides. As it will be located in Dar es Salaam Region. This advantage has many other advantages running parallel. There will be tremendous boost to the economic development in the region.
- ◆ It will provide cascading positive impact on the economic situation in Dar es Salaam and other neighbouring regions.

There are many other benefits direct and indirect of this project and therefore we conclude that this project is feasible technically as well as economically.