

BUSINESS PLAN

Europe Inc. Industries Ltd.

2021 - 2025

BUSINESS PLAN 2021-2025 EUROPE INC. INDUSTRIES LTD.

Europe Inc. Industries Ltd.
Plot No.1 and 2
Mikocheni Industrial Area
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EXECUTIVE SUMMARY

This is a five-year Business Plan for the Europe Inc. Industries Ltd in respect of the Kigamboni new factory. The blue print spells the expected achievement in the planning period.

Europe Inc. Industries Ltd. is a company registered and existing under the laws of Tanzania. It was incorporated on 1st day of November 2013. It has its registered office located at Plot No.1 and 2 Mikochei Industrial Area Dar es salaam Tanzania. It is a private owned company.

The company main business centers in producing and importing of high quality electrical goods (mainly cables, conductors and transformers) to customers. Various local and international quality standard bodies have recognized the quality of the company's products. The bodies include Tanzania Bureau of standards (TBS), the International Standards Organization (ISO) and the UKAS Management system.

The goods produced by the company find markets locally and in the East Africa Region. The demand has been growing rapidly and the company cannot meet the growing demand in the near future without expansion of the production facility.

In order to meet the challenge the Company acquired a long-term lease of Plot No. 41, of Kisarawe II Kigamboni Municipality, in Dar es Salaam having 11,370 ha of land, to set up a new Factory. The company will set up a new production facility at the Kigamboni that will start production by July 2021.

The investment of the new factory will cost Tshs of 49.9 billion of which 5% will be equity and the rest 95% will be long-term loan at an interest rate of 11%

The Financial projection of the new factory will realized a net profit from the first year of production. However, there will be a cash-flow problem in year 2 and 3. The positive cash flow will start flowing in year 4 and thereafter. With positive cash balances, the loan and its interest will be repaid.

The company will employ 500 employees when the factory first phase is commissioned. After commissioning all the phases, the company will employ 3,000 employees. With the new facility at Kigamboni, the company will be able to meet the customer demand locally and in the external market especially in the East Africa region.

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1. **Company description**

Europe Inc. Industries Ltd. is a company registered and existing under the laws of Tanzania. The Registrar of Companies (BRELA) registered the company on 1st day of November 2013 with incorporation number 103551.

As a workplace (industry), Europe Inc. Industries Ltd has a Certificate of registration Number DAR/4548 No.11556 of 19th August 2015 issued by the Chief Inspector of the Ministry of Labour and Employment under the requirement of section 16 of the Occupation Health and Safety Act No. 5 of 2003.

According to the extract from BRELA the main business Activities of the company are to manufacture electrical motors, generators, transformers and electricity distribution and control apparatus.

The company has its registered office located at Plot No.1 & 2, Block 2, House No.5 Lugano Street, Tropical Road Mikocheni, Kinondoni District, Dar es Salaam Tanzania. It is a private owned company.

The Board of Directors directs the management of the company. The Chief Executive Officer (CEO) heads the Management team. The organization of the company has the following departments:

- **Finance and Human Resources**

A finance department manages company's long-term and day-to-day monetary operations and strategy. Finance groups oversee incoming and outgoing payments, cash management, accounting, financial reporting and many other task related to the finances of the company.

Human Resources (HR) Departments hiring personnel, giving training, talent development, quality management and employee benefit administration. Our HR department focused on maximizing employee productivity and protecting the company from any issues that may arise from the workforce.

- **Procurement and Logistics**

The Procurement Department issues purchase orders, develops term contracts and acquires supplies and services. Procurement looking

tendering, supplier selection, transportation to final port of entry, import and export, insurance, inspection services etc.

- **Sales and Marketing**

Marketing departments improve a company's effectiveness in selling products/services by identifying customer needs and developing, publicizing and communicating our products to customers.

- **Technical (Operations and Maintenance)**

Our cable machine operators are skilled workers who operate and monitor the machine that produce cables. They have sound knowledge and good skills in wire drawing and stranding, extrusion, armouring, copper rod, aluminium rod, PVC Compound and rewinding. Cable machine operator got vocational training and experience in cable industries. Breakdowns are fixed fast because of skilled and experience technical workers in Europe. Simultaneously the manpower utilization degree or wrench time, is low due to all sort of tools, parts, documents etc. our technical team quickly identify the fault and fix it immediately. And our Design specialist team with customer not only ensure our solutions are tailored to customer specifications. We follow innovative new technology and designing for next generation Robotics.

- **Production**

We pride ourselves on our ability to deliver high quality cable solutions quickly and in a cost effective manner the use of innovative of new technology machines. We follow state of the Art production methodologies and tooling. We produced all aluminium cables for power distribution namely 25mmsqr, 50mmsqr, 100mmsqr, Aluminium core steel reinforced medium/high tension voltage line with various sizes. We obtained ISO 9001 - 2015 and Tanzania Bureau of Standards. We can produce more than 150,000 meters per week. We do batch sample tested to comply according to customer specifications for flexibility, flex fractures, shape conformity, insulation characteristics, liquid permeability and many other requirements. We produce various size power distribution transformers according customer requirements.

Our cable helps to power, transmit data and control

Europe Inc. Industries Ltd. is one of the large-scale backbone manufacturer of cables in Tanzania. It supplies of all types of cables, conductors and transformers, the details of which are as follows:

- a. All aluminum cables for power distribution names 25mm², 50mm², 100mm². These are either stranded or ABS
- b. Aluminum Core Steel Reinforced (ACSR) for medium and high tension voltage lines with the sizes 50mm², 100mm² and 150mm²
- c. Distribution transformers at 11Kv and 33Kv with the following sizes 25 kVA, 50 kVA, 100 kVA , 200kVA, 315kVA, 500 kVA and 1000 kVA
- d. Power transformers of 33/11KV
- e. Metal products including panels for control switching and metering.
- f. PVC products including conduits, trunking
- g. Copper conductors for earthing, single core wire for wiring

The company performance has been growing very fast. While the company suffered a loss of Tshs 31,085,343/= in the financial year 2018, it made a profit of 305,541,824/= in the year 2019. This has been a result of the increasing demand of the company products, which are highly need in the implementation of government program to electrify all the villages in Tanzania.

Company mission

The mission of the company is to provide high quality cables, conductors transformers, metal products and PVC products used in electrical works in Tanzania and East Africa Region.

Vision of the company

To be the leading and preferred supplier of high quality cables, conductors and transformers of all sizes in the East Africa region.

Core Values

- Employees, customers and public safety as top priority
- Company business ethics are unquestionable
- Demonstrating environmental responsibilities
- Customer care and service beyond expectation
- Corporate Social Responsible to the community

Europe Inc. Limited is composed of a team of visionary leaders, subject Experts in each product, dedicated Engineers & diligent Workers who are

quality conscious and have the attitude to deliver it every time to the expectation of the customers.

The company operations, from handling customer enquiries to dispatching the finished product, conform to stringent safety, health, environment and quality control systems in place to achieve a consistently high standard of quality.

On the issue of quality, the company products have certification by the Tanzania Bureau Standards mark (TBS), International Standard Organization (ISO 9001-2015) and UKAS Management System.

In recent years, the demand of the company products have been growing rapidly. The company now is unable to satisfy the customers' orders. In order to continue meeting the demands of our customers, the company has acquired a twenty- year long lease of Plot No. 41, of Kisarawe II Kigamboni Municipality, in Dar es Salaam having 11.370 hectare of land for setting up another facility in order to increase the production capacity of the company.

This Business Plan gives the projections of production and revenue of the Kigamboni Factory for in the coming five years.

2. Investment Objectives

2.1. Overview

Europe Inc. Industries Ltd. is a large-scale backbone manufacturer of cables in Tanzania. It supplies all types of cables, conductors and transformers. It has more than ten (10) advanced production lines at its Mikocheni Factory.

The capacity of the existing production facility are now inadequate to meet the demand of our customers. The company has resolved to put up new production lines in Kigamboni District in order to meet the growing demand.

2.2. Investment Objective and Products

The main investment objective is to produce electrical products and materials like cables, transformers and other electrical accessories to meet the growing demand, which the existing factory cannot satisfy.

The investment is in the manufacturing industries in the Energy sector dealing with electricity subsector products.

The Factory will produce items listed in the following table

S/No.	Products category	Types
1.	Aluminum Cables/wires	Aluminium cables ,25mm ² , 50mm ² ,100mm ²
2.	ACSR cables	50mm ² , 100mm ² , 150mm ²
3.	Copper cables/wires	copper cables, single wires, armoured
4.	Transformers	various sizes and voltages
5.	Metal Products	control panels, metering cubicles
6.	Others	PVC pipes, trucking and accessories

2.3. Investment Costs and Sources of Finance

The Investment cost of the facility at Kigamboni will be equivalent to Tshs. 49,900,000,000 (say Tshs Forty Nine billion nine hundred million). The sources of the finance are from owners' equity, which will constitute to 25% of the cost and 75% will be long-term loan from the Banks.

The breakdown of the money in terms of local currency and foreign currency are as in the table

S/No.	Source of Finance	Local Tshs	Forex in USD
1	Equity	12,475,000,000.00	0
2	Loan	37,425,000,000.00	0
3	Others	-	0
	Total	49,900,000,000.00	0

The company has offers for long-term loan from CRDB Bank and NCBA Bank. The repayment of the loan is 15 years at an interest rate of 11 % per annum.

2.4. Job creation Kigamboni Factory

The new facility at Kigamboni will recruit five hundred (500) employees during the first phase and it will increase employment to three thousand

(3,000) employees to run the Factory when operational. The phases will be as follows.

S/No.	Phase	Description	Date on line	Local Employee	Foreign Employee	Total Employees
1	Phase 1	Cable production	1st July 2021	497	3	500
2	Phase 2	Transformers	Dec-21	999	1	1,000
3	Phase 3	Other items	Jul-22	1,500	0	1,500
			Total	3,000	0	3,000

The number is for permanent employees in the whole Factory excluding casual labourers.

During the construction period, the company will employ about 30 labourers per day. The company policy, and indeed the country policy, is to employ people in the locality of the project if qualified for the job.

2.5. Investment Funds expenditure breakdown

The costs of investment are broken down as follows:

Item	Description	Amount Tshs	Amount in USD	Percentage
1	Land and Buildings	7,485,000,000		15%
2	Plant /machinery	29,940,000,000		60%
3	Vehicles	4,990,000,000		10%
4	Furniture and Fittings	2,495,000,000		5%
5	Pre - expenses	2,495,000,000		5%
6	Others	998,000,000		2%
7	Working Capital	1,497,000,000		3%
	Total	49,900,000,000		100%

The working capital will be part of loan.

2.6. Source of supply of Inputs

2.6.1. Construction Materials

The materials for the construction of buildings for the production lines, storage yards and office buildings will be available locally except for the steel structures (mainly the I and H sections) that will be imported from abroad.

2.6.2. Input materials for Production

Aluminum and copper materials are the main input materials in the production. These will be imported. Other materials like those used for production of PVC pipes, trucking are available locally.

The average importation of aluminum will be 12,000 tons per year and 2,400 tons for the copper. Aluminum will be imported from India/Russia/Oman, UAE, while copper will be imported from India/ Russia/Oman/UAE.

Packaging materials like timber, nails, steel bar, stickers, and marks will be obtained locally.

2.7. Marketing Plan

Sales Market

The Products from the Kigamboni factory will sell its products mainly in the local market and export market.

The market plan for the next five years after commissioning of the Factory will be as follows:

Marketing Plan							
S/N	Production Category/Year	Unit	2021	2022	2023	2024	2025
1.	Aluminum Cables/wires	tons	12,000	12,240	12,485	12,734	12,989
2.	Copper cables/wires	tons	2400	2,448	2,497	2,547	2,598
3.	Transformers	pieces	18,000	18,360	18,544	18,729	18,916
4.	Metal Products	tons	12,000	12,240	12,485	12,734	12,989
5.	PVC pipes, trucking and accessories	tons	12,000	12,240	12,485	12,734	12,989

The sales in the local market and the export market for the main products i.e. Aluminum cable/wires, copper cable/wires, transformers and metal products especially control panel cubicles, are estimated at 75% locally and 25 %export.

The export products will mainly go to Democratic Republic of Congo, Kenya, Uganda, Rwanda, Burundi and Zambia. These countries have been Tanzania trading partners for a long time and the company has been exporting few

products in the past. The export was limited due to the constrained production capacity at the existing factory at Mikocheni.

Marketing Strategies

The Kigamboni factory will have enough capacity to meet the local and export market for more over ten years to come. The sales will increase to more than five times that of the 2019.

In order to achieve this volume of sales, the company has formulated strategies, which are:

- a. Pricing: The company will sell its products at a competitive price allowing only a small profit. It should be pointed out that Europe Inc. Ltd is not a monopoly company as there are other companies (like East Africa Cables) dealing with the same products. The company will have a dedicated section to monitor the prices of the company competitors and when necessary advise the management to revise the prices where necessary. When there is a price revision, the customers are prior to the effectiveness of the prices and the reasons thereof.
- b. Quality: The quality of the products will continue to be of good quality. To this end, the company will always strive to get the quality certification from necessary authorities including Tanzania Bureau of standards (TBS).

The Company has been marketing its products via direct supply to end-users. This strategy has allowed the management to be involved at problem solving and identifying the requirements of its customers. Through this strategy, the management is able to obtain feedback on its products, and continually improve where necessary.

As a result, the Company is able to enhance its after-sales customer services and to provide for changes in the methodologies for the production. With key personnel, possessing strong product development skills and the ability to resolve customers' complaints timely, which ensures continued of business and relationships with clients. The Company's ability to meet the specifications and requirements (especially for big transformers) of clients for products made to order, has opened the option to specialize in a niche market.

It has been the company policy to investigate all complaint raised by a customer in respect of quality and assist the customer to solve the

issue. When a defect is not possible to resolve or will take a long time to rectify, the company will recall the product and replace with another. However, such occurrences have been very rare in the past.

- c. Promotion of the products through various media will be done. This will include participation in the trade fairs such as the Dar es Salaam International Trade Fair. Advertising of the products in social media will be enhanced.

The Company currently markets most of its products using its brand name “tropical.” It is the intention of the Company to enhance the use of this brand on all its products and insist that for high quality should order “tropical” branded products.

- d. Production will be done at Kigamboni. Direct sales will continue to customers except for those who choose to do otherwise continue. However, the company intends to open sales offices in selected zones in Tanzania and neighbouring countries to handle marketing and distribution. Initially there will be a zone in Mwanza for the Lake Zone Regions and Mbeya for the South West regions.

With the introduction of Free Trade Area for the East Africa Community (EAC), the reduction of tariff and protection taxes will enable the Company to export its products to the EAC regional market with the least of difficulties. We intend to appoint an agent in Rwanda to market the products to Burundi, Uganda and the DRC.

2.8. Implementation Schedule

The implementation schedule of the project are summarized in the table below.

Implementation Schedule			
S/No.	Phase	Description	Implementation Date
1	Preliminaries	Permits and EIA	March - April 2021
2	Phase 1	Cable production Line	April - July 2021
3	Phase 2	Transformers Line	July -December 2021
4	Phase 3	Other items	Jan- July 2022

The Factory consists of Production lines using steel structures that can be erected in short time. Once the permits are obtained erection of, the factory will commence.

Most of the civil works materials namely cement, aggregates and sand roofing materials are available in the local market. Only the steel structures for the columns will be imported.

All the foundations and plinth of the Factory at Kigamboni will start immediately after get the relevant permits. The materials to be imported will be sourced immediately after finalizing the registration of the project with the Tanzania Investment Centre and the loan from the Banks.

2.9. Financial Projections

2.9.1. Projected Income statements

The Financial Projections are based on the company experience of the present Mikocheni Factory. The actual Income Statement for 2019 of the Mikocheni Factory is taken as Base reference.

In projecting the income statements, the following assumptions are used:

- a. The production is proportional to the number of employees. Thus in year 2021, The Kigamboni Factory will produce 2.5 times products compared to Mikocheni Factory, as it will have 500 employees compared to 200 employees at Mikocheni Factory. Because there is a learning period for workers in a new facility, a conservative factor of 2 have been used.
- b. The expenses on personnel is directly proportional to the number of employees. However due to the learning curve period the factor will be taken at 80%
- c. The cost of Goods sold is a constant fraction of the sales turnover, which is 90% for the year 2019. The same factor is used.
- d. The investment of capital goods (CAPEX) is assumed to be 75% of the total cost of investment
- e. The Administrative expenses are taken as the fixed O&M costs and are taken at 5% of the CAPEX for each year.
- f. Depreciation is on a reduce balance basis over the 20 year of the life of the plant.

- g. Production will increase gradually at a 2% yearly thereafter for the first five years.
- h. The working capital, which is part of the loan, will be used to meet the costs during construction and operations for the first year. Repayment will be done in as part of the loan after a grace period of two years.
- i. Long term long will have a grace period of one year.

Basing on these assumptions, projections of the Income statements and Balance sheet for the first five years are tabulated attached – Annexure 1 and Annexure 2.

The Kigamboni Factory will be making a net profit from its commercial operation date from the first year of its operation and to year 5 and beyond.

2.9.2. Cash Balances Projections

In preparing the cash flow projections for the first five years, the following assumptions are used:

- a. At the end of each year a stock (inventories) enough for one month operation will be available
- b. Receivable equivalent to one month will be outstanding at the end of each year and are paid in the following year.
- c. Trade payables by the company will be equivalent to one quarter-month inventory. As the stock is provided for, the trade payables will be only for ordinary office expenses.
- d. Loan repayment and interest on long-term loan is a constant throughout the years and computed using the PMT function of the excel formula.
- e. Working Capital will be part of the loan.
- f. The Long-term loan will have a grace period of three years. Repayment of loan and interest will start in year 2023.

Basing on the above assumptions the projected cash flow for the first years is presented in a table annexure -2.

Projected cash balances at the end year five is positive which means that during the initial four years there will be cash flow problem and the company will bridge the same from short loans or overdraft or other sources.

2.10. Capacity of the Factory

The Factory at Kigamboni will have the installed annual capacity as shown in the table below:

INSTALLED CAPACITY OF THE FACTORY		
S/N	Production Category	Installed capacity per annum
1.	Aluminum Cables/wires	12,000 tones
2.	Copper cables/wires	2,400 tones
3.	Transformers	18,000 pieces
4.	Metal Products	12,000 tones
5.	PVC pipes, trucking and accessories	12,000 tones

Initially the Factory will process the following capacity and will increase gradually as the demand increases.

Planned Production for first Year		
S/No.	Production Category	Production per annum
1.	Aluminum Cables/wires	3,600 tones
2.	Copper cables/wires	1,200 tones
3.	Transformers	6,000 pieces
4.	Metal Products	3,600 tones
5.	PVC pipes, trucking and accessories	3,600 tones

3. Market assessment

The demand for the cables and conductors and Transformers in Tanzania and neighbouring countries is growing rapidly. In Tanzania, the high demand is due to the government policy that all villages are electrified by the year 2023.

At present, the company serves only few foreign customers from the neighbouring countries. This is due to the inadequate production. This unsatisfied market has been a motivation to invest in the Factory at Kigamboni.

4. Strength Weakness Opportunities and Challenges (SWOC) Analysis

4.1. Strength

- The Company has a long experience in the business,
- The Company has many and loyal customers
- Products are of the approved good quality
- Economies of scale of the new factory
- Strategic location. The Factory is near the Dar es saam port and the Railways for easy of transportation of products
- Strong brand name with solid reputation

4.2. Weaknesses

- Credit policy which at times creditors do not pay the outstanding amount in time
- Undifferentiated products (i.e. similar products like those of the competitors)
- Weak distribution channels as most of the products are sold direct to the customers. There are no agents or company outlet apart from Dar es Salaam.

4.3. Opportunities

- There is ample market, which has not been satisfied.
- New factory will be of latest efficient technology
- Developing and expanding your market
- Removal trade barriers in the East Africa Community (EAC)

4.4. Challenges

- Electricity power cuts. The company will install a standby Generator to mitigate the power cuts.
- Inflation of Tanzanian shillings as against foreign exchange that lead to loss.
- There are competitors producing similar products. The competitors includes East Africa Cables, Africab and Multi Cable Limited (MCL). However as these were commissioned some years back, they are likely to be using old technology.
- Price war from competitors. They may reduce the price of their products having repaid the loans /or reduced production costs.

5. Environment Protection

Environment protection is a paramount concern of the Company. The new facility at Kigamboni will have in place all the necessary installations/processes to minimize environment pollution if any. The production process will use modern technology friendly to the environment.

In liaison with the relevant authorities, the new facility will dispose any pollutant materials in accordance with methods recommended by the relevant authorities for such disposal.

6. Employment, Welfare and Management

Employment

The Company will recruit the best talents for the various positions. The company is an equal employment organization. Employment is offered on a competitive basis.

New employees will go an induction training so to equip them with the skills of operations of the new Factory and to understand the vision and core values of the company.

The new facility at Kigamboni will recruit five hundred (500) employees during the first phase and it will increase employment to three thousand (3,000) employees to run the facility when fully fledged.

Welfare of Staff

The Human Resource is very vital in production. That being the case the management is keen to the welfare of the employees. The Company will provide all protective gears necessary in the production process. The Company will adhere to all requirements as issued by relevant authorities including but not limited to Occupational Health and Safety Authority (OSHA) among others.

The company policy places top priority on the safety and health of the employees. Employees are educated and assisted to join the health insurance for them and their family members.

Management and organization structure

Current set up of the organization structure will continue. However, the company will appoint a General Manager to manage the Kigamboni Facility and report to the current Chief Executive Officer (CEO).

7. **Annexures**

- Projected financial statement – annexure 1
- Projected balance sheet – annexure 2
- Projected cash flow – annexure 3
- Certificate of Incorporation of the Company – annexure 4
- Short Information the Company from BRELA – annexure 5
- Certificate of registration of work place – annexure 6
- Certificate of Tax Payer Identification Number from Tanzania Revenue Authority – annexure 7
- Memorandum and Article of association – annexure 8

EUROPE INC INDUSTRIES LIMITED

Yearly income projection

Particulars	Year		Year		Year	
	1-Jan-2020 to 31-Dec-2020		1-Jan-2021 to 31-Dec-2021		1-Jan-2022 to 31-Dec-2022	
Trading Account :						
Sales Accounts		41,568,011,326		249,408,067,956		251,902,148,636
<i>Cables/Transformers</i>	<i>41,568,011,326</i>		<i>249,408,067,956</i>		<i>251,902,148,636</i>	
Cost of Sales :		35,889,017,071		220,039,675,111		224,294,609,631
Opening Stock	<i>1,782,503,247</i>		<i>3,100,592,166</i>		<i>6,603,552,995</i>	
Add: Purchase Accounts	<i>37,207,105,990</i>		<i>223,542,635,940</i>		<i>225,475,062,299</i>	
Less: Closing Stock	<i>3,100,592,166</i>		<i>6,603,552,995</i>		<i>7,784,005,663</i>	
Gross Profit:		5,678,994,255		29,368,392,845		27,607,539,005
Income Statement :						
Indirect Expenses		5,798,182,599		15,336,664,273		14,250,862,346
<i>Administrative Expenses</i>	<i>1,871,250,000</i>		<i>3,908,675,000</i>		<i>3,108,775,000</i>	
<i>Depreciation</i>	<i>1,871,250,000</i>		<i>4,007,219,784</i>		<i>3,943,316,277</i>	
<i>Finance Expenses</i>	<i>21,702,029</i>		<i>82,136,069</i>		<i>80,136,069</i>	
<i>Interest on Bank Loan</i>	<i>1,497,000,000</i>		<i>4,116,750,000</i>		<i>4,116,750,000</i>	
<i>Personnel Expenses</i>	<i>536,980,570</i>		<i>3,221,883,420</i>		<i>3,001,885,000</i>	
Nett Profit before tax:		- 119,188,344		14,031,728,572		13,356,676,659

EUROPE INC INDUSTRIE

Yearly income projectio

Particulars	Year	Year	Year
	1-Jan-2023 to 31-Dec-2023	1-Jan-2024 to 31-Dec-2024	1-Jan-2025 to 31-Dec-2025
Trading Account :			
Sales Accounts	254,421,087,122	256,965,381,823	260,975,382,825
<i>Cables/Transformers</i>	254,421,087,122	256,965,381,823	260,975,382,825
Cost of Sales :	228,536,334,175	230,007,111,052	237,785,111,055
Opening Stock	7,784,005,663	6,977,484,410	6,977,484,410
Add: Purchase Accounts	227,729,812,922	230,007,111,052	237,785,111,055
Less: Closing Stock	6,977,484,410	6,977,484,410	6,977,484,410
Gross Profit:	25,884,752,947	26,958,270,771	23,190,271,770
Income Statement :			
Indirect Expenses	14,462,990,412	14,026,310,272	13,664,454,823
<i>Administrative Expenses</i>	3,208,995,000	3,599,099,000	3,908,775,000
<i>Depreciation</i>	3,769,848,412	3,298,617,361	2,886,290,190
<i>Finance Expenses</i>	82,198,000	84,198,800	86,194,521
<i>Interest on Bank Loan</i>	4,116,750,000	3,456,750,000	2,796,750,000
<i>Personnel Expenses</i>	3,285,199,000	3,587,645,111	3,986,445,112
Nett Profit before tax:	11,421,762,535	12,931,960,499	9,525,816,947

Europe Inc Industries Limited

Projected Balance sheet	Balance sheet		Balance sheet		Balance sheet	
	as at 31-Dec-2020		as at 31-Dec-2021		as at 31-Dec-2022	
Sources of Funds :						
Capital Account		15,275,461,159		15,275,461,159		15,275,461,159
Loans (Liability)		37,425,000,000		37,425,000,000		37,425,000,000
<i>Long Term Loan</i>	<i>37,425,000,000</i>		<i>37,425,000,000</i>		<i>37,425,000,000</i>	
Current Liabilities		8,567,984,746		18,328,391,566		27,032,785,694
Profit & Loss A/c		- 119,188,344		9,103,021,657		18,452,695,319
<i>Opening Balance</i>			<i>- 119,188,344</i>		<i>9,103,021,657</i>	
<i>Current Period</i>	<i>119,188,344</i>		<i>14,031,728,572</i>		<i>13,356,676,659</i>	
Total		61,149,257,561		80,131,874,382		98,185,942,172
Application of Funds :						
Current Assets		61,149,257,561		80,131,874,382		98,185,942,172
Closing Stock	<i>3,100,592,166</i>		<i>6,603,552,995</i>		<i>7,784,005,663</i>	
Sundry Debtors	<i>8,882,509,820</i>		<i>12,346,510,764</i>		<i>33,130,516,427</i>	
Cash-in-hand	<i>10,220,119,834</i>		<i>26,242,994,666</i>		<i>26,275,920,402</i>	
Bank Accounts	<i>836,712,380</i>		<i>836,712,380</i>		<i>836,712,380</i>	
Plant, Property, Vehicles	<i>38,109,323,361</i>		<i>34,102,103,577</i>		<i>30,158,787,300</i>	
Total		61,149,257,561		80,131,874,382		98,185,942,172

Balance sheet		Balance sheet		Balance sheet	
as at 31-Dec-2023		as at 31-Dec-2024		as at 31-Dec-2025	
	15,275,461,159		15,275,461,159		15,275,461,159
	31,425,000,000		25,425,000,000		19,425,000,000
31,425,000,000		25,425,000,000		19,425,000,000	
	35,203,685,557		45,064,494,758		107,368,517,605
	26,447,929,094		35,500,301,444		42,168,373,307
18,452,695,319		26,447,929,094		35,500,301,444	
11,421,762,535		12,931,960,499		9,525,816,947	
	108,352,075,810		121,265,257,361		184,237,352,071
	108,352,075,810		121,265,257,361		184,237,352,071
6,977,484,410		6,977,484,410		6,977,484,410	
54,122,362,147		75,324,126,324		140,567,972,030	
20,026,577,985		15,036,612,720		15,651,151,914	
836,712,380		836,712,380		836,712,380	
26,388,938,888		23,090,321,527		20,204,031,337	
	108,352,075,810		121,265,257,361		184,237,352,071

Europe Inc Industries Limited		Projected cash flows				
	Year	2020	2021	2022	2023	2024
Cash flow from Operations						
Opening Cash balance		836,712,380.00	1,085,260,737.00	- 3,973,690,300.00	12,419,358,869.00	19,386,740,207.00
Net profit after tax		- 119,188,344.00	9,220,553,546.00	9,349,673,662.00	7,995,233,775.00	9,052,372,350.00
Add Depreciation		1,871,250,000.00	4,007,219,784.00	3,943,316,277.00	3,769,848,412.00	3,298,617,361.00
Operating Profit before working capital		2,588,774,036.00	14,313,034,067.00	9,319,299,639.00	24,184,441,056.00	31,737,729,918.00
Inventory		- 3,100,592,166.00	- 6,603,552,995.00	- 7,784,005,663.00	- 6,977,484,410.00	- 6,977,484,410.00
Receivable		3,464,000,944.00	3,464,000,944.00	20,784,005,663.00	20,991,845,720.00	21,201,764,177.00
Trade payable		- 775,148,041.00	- 4,950,888,249.00	- 4,697,391,131.00	- 4,744,371,103.00	- 5,981,221,052.00
<i>Cash generated from Operations</i>		- 411,739,263.00	- 8,090,440,300.00	8,302,608,869.00	9,269,990,207.00	8,243,058,715.00
Loan + interest repayment		1,497,000,000.00	4,116,750,000.00	4,116,750,000.00	10,116,750,000.00	9,456,750,000.00
Cash equivalent at the end year		1,085,260,737.00	- 3,973,690,300.00	12,419,358,869.00	19,386,740,207.00	17,699,808,715.00