

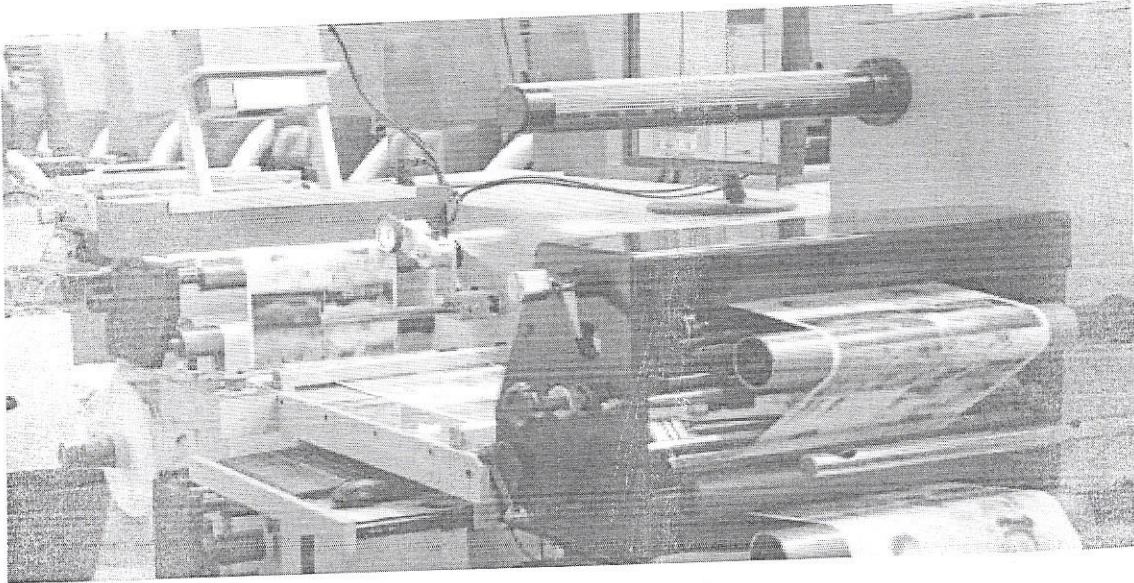
BUSINESS PLAN

For A PRINTING AND MANUFACTURING OF EDUCATIONAL PRODUCTS,
STATIONERY & OFFICE SUPPLY UNIT

(Text books, Exercise Notebooks, Magazines, Government Reports, Brochures, Posters,
Calendars, Diaries and Manuals etc.)

By

CHAMWINO PRINTING TECHNOLOGIES LIMITED



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1. Industry Overview

The Country Commercial Printing and Manufacturers Market Size according to renowned various researches are estimated at:

- Government sector \$ 2,000,000 annually
- Private sector \$ 1,000,000 annually.

The commercial printing market in the new capital city of Dodoma is poised for remarkable growth over the next five years. Technological proliferation, along with rising applications, is anticipated to encourage the demand in the city. It is expected that most of government departments and corporations that have moved from Dar es Salaam to Dodoma to utilize printed materials to keep their image and services in the public eye. This aspect of printing is expected to continue an upward trend in the future.

- Increased demand for promotional materials from the retail, food, and beverage industries is driving the market. The commercial printing market is being driven majorly by several promotional activities such as print advertising. Retail businesses that understand their target markets are including print advertising as part of an overall marketing strategy.
- Introduction of eco-friendly practices, reducing the printing industry's impact on the environment drives the market. The market is experiencing major changes in activities and processes, such as slowly being replaced by sustainable systems. Several new initiatives are being implemented for printing industries by taking the major environmental impacts into prime consideration.

Key Market Trends

The Advertising Segment Expected to Witness Significant Growth

- The growing need for advertising in enterprises across the country, along with extensive technological proliferation, currently represents the key factors driving the market growth. Organizations and companies are increasingly adopting commercial printers, as they are more cost-effective and efficient for bulk printing.
- The advertising sector has gained high traction in digital advertising. The increase in digital advertising significantly impacted the market for commercial printing in the advertising sector.
- Further, Soft signage is gaining popularity at a constant speed. Thus, more banners, including giant 5m wide prints or less, more straightforward signs, are seen in 2021.
- Factors, such as the inception of new technologies, changing lifestyles, rise in e-commerce, and urbanization, are driving the growth of the printing market in the Dodoma city and across the country.

Competitive Landscape

The commercial printing market is fragmented due to the presence of many country and regional players. Due to the overcapacity of firms and pricing pressures, the market appears competitive in nature. However the giant printers mostly based in Dar es

Salaam find it at least for the next five years as uneconomical to move their investments to Dodoma which puts Chamwino Printing Technologies Limited at an advantage.

2. Executive Summary

Chamwino Printing Technologies Limited and has been supplying quality printing in Tanzania since its inception. The company now provides services to many large corporations, financial institutions and leading Tanzanian businesses. We have proven our ability to provide quality printed materials within expected delivery times. Chamwino Printing Technologies Limited has also been relied upon to produce items with critical and short lead times, or other challenging circumstance, and our commitment to our clients has ensured that these requirements have been met. This project document gives details on a business proposal by Chamwino Printing Technologies Limited for which the company aims at strengthening its current printing unit by procuring Digital Printing Machine, 3 D Printing Machine, Latest type setting computers and software, color printing Machine (Komoro), Automatic binding Machine and Lino-Matic (Automatic) machine for printing exercise books all valued at USD 506,000 or Tshs 1,163,800,000 in form a term loan from NBC Bank for a period of five years.

Chamwino Printing Technologies Limited is hereby applying for a Certificate of Incentives from the Tanzania Investment Centre (TIC) under Section 17 of the Tanzania Investment Act and Part IV of the Investment Regulations 2002.

CHAMWINO PRINTING TECHNOLOGIES LIMITED is a neighborhood Printing and manufacturing of stationery and office supply that is located in a centralized area in-between a busy educational and government department's district and business offices district in Dodoma. We conducted our feasibility studies and market survey and we came to the conclusion that Dodoma is the right location for the company to locate our printing and manufacturing of printing and manufacturing business.

We are in the printing and manufacturing business to make profits and at the same to give our customers value for their money. We want to give people who patronize our printing and manufacturing of stationary and office supply products the opportunity to choose from a wide range of office supplies and stationery.

We will engage in printing and manufacturing of office supplies, stationery, books (including e-books), newspapers, magazines and other periodicals and we will also trade books, religious goods (including books), textbooks and other merchandise.

We are aware that there are several small stationery stores and chains of stationery stores all around Dodoma, which is why we spent time and resources to conduct our feasibility studies and market survey so as to enable us locate the printing and manufacturing business in an area that will support the growth of the business and also for us to be able offer much more than our competitors will be offering.

We ensured that our facility is easy to locate and our outlet is well secured and equipped with the various payment of options available in Tanzania.

Beyond retailing quality and affordable items in our stationery store, we will ensure that our customer care is second to none in the whole of Dodoma. We know that our customers are the reason why we are in business which is why we will go the extra mile to make them satisfied and get what they are looking for whenever they visit our store.

Chamwino Printing Technologies Limited will ensure that all our customers are given first class treatment whenever they visit our printing and manufacturing unit. We have a CRM software that will enable us manage a one on one relationship with our customers no matter how large the number of our customer base may grow to.

We will ensure that we get our customers are involved in the selection of brands that will be on our racks and also when making some business decisions that will directly or indirectly affect them. CHAMWINO PRINTING TECHNOLOGIES LIMITED is owned by shareholders who have acumen to succeed in the printing and manufacturing of stationery and office supplies industry whose names and shares are as follows:

1. Masegesa Magira Magoma -20.6%
2. Ziporah Noel Kanza - 0.1%
3. Magori Kehawga Nyongo - 10%
4. Theodory John Mhina - 0.1%
5. Dharmendra Kumar Nayak - 1%

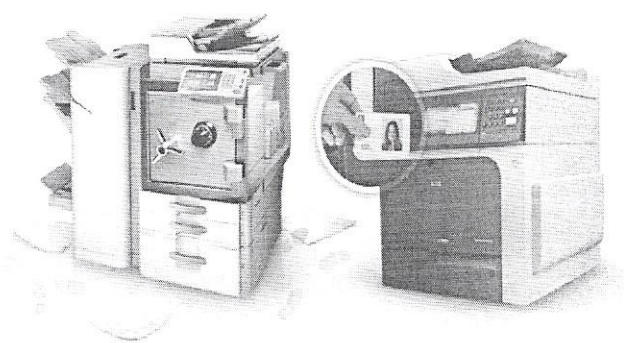
3. Our Products and Services

Chamwino Printing Technologies Limited is going to operate a standard and registered printing and manufacturing unit of stationery and office supply business that will acquire a wide range of products category from both locally and internationally in Tanzania.

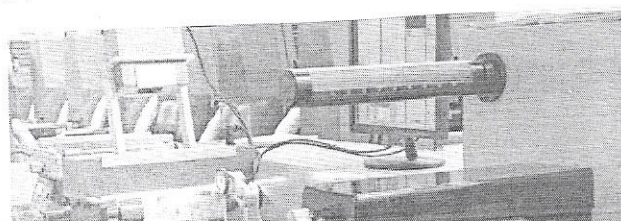
We are in the printing and manufacturing of stationary and office supply industry to provide quality products and give our customers value for their money. Below are some of the products and services that we will offer in our printing and manufacturing unit

(i) Security and Confidential Printing

Chamwino Printing Technologies Limited is often relied upon by our clientele for our business ethics and trust. We understand the importance of confidentiality and direct and indirect costs involved with security items and information. We also offer secure warehouse storage at Chamwino Printing Technologies Limited.



(ii) Commercial & Colour Printing

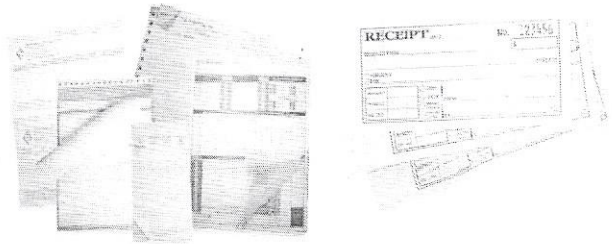


Chamwino Printing Technologies Limited has provided high quality color printing since its inception. Our range of presses enables cost

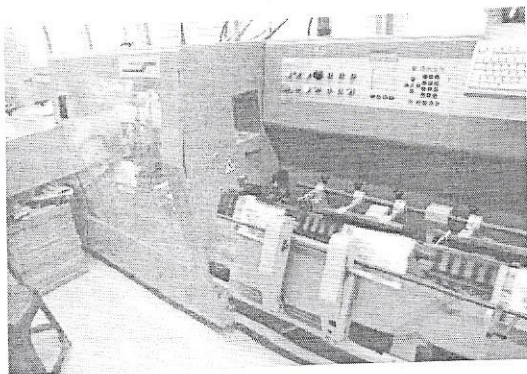
range of sizes and volumes. Printing plates produce image directly from computer, and as such each is an original master providing the very best in image clarity.

(iii) Forms and Carbonless Printing

Forms printing are a specialty area of Chamwino Printing Technologies Limited. Our range of presses enables variable sizes and cost effective options for any volume print run.



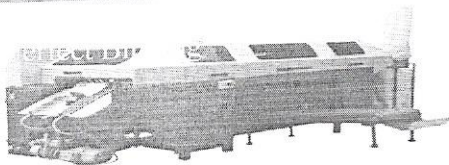
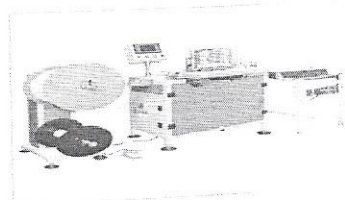
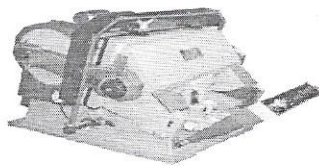
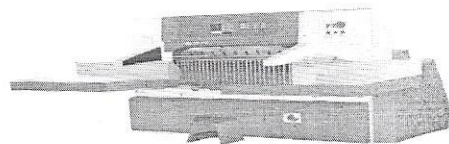
(iv) Standard & Specialty Finishing Services



Chamwino Printing Technologies Limited has a comprehensive range of automated finishing equipment enabling us to handle all standard finishing requirements in-house. This enables our production planners to tailor the print of the job to suit our folding equipment etc. which aids cost efficiency and quality control. Very few specialist services are required to be performed by outside suppliers.

(v) Professional Finishing Services

Post Press



4. Our Mission and Vision Statement

Our vision is to establish a one stop printing and manufacturing business in Dodoma and in other cities and towns in Tanzania where we intend opening chains of stationery stores. To become the most reliable, creative and innovative printing, branding and promotional items company in East and Central Africa

- Our mission is to establish a stationery store and office supply business that will make available a wide range of office supplies and stationery from top brands at affordable prices to the residents of Dodoma and other cities and towns in Tanzania where we intend opening our outlets and selling our franchise. Our mission is to provide you with the highest quality products and services possible in a timely fashion at a competitive price.
- We promise to listen to you and help you achieve your business goals. We will always be there with honest, expert advice and quick friendly customer service.

5 Investment and Business Structure

CHAMWINO PRINTING TECHNOLOGIES LIMITED intention is to consolidate its printing and manufacturing unit and stationary / office supply business and to build a standard retail chain outlets that will be a one – stop shop for stationery and offices supplies which is why we will ensure that we put the right structures in place that will support the kind of growth that we had in mind while setting up the business.

The total investment is USD 2,699,000 or Tshs 6,207,700,000 and the proposed new investment cost is estimated at USD 506,000 or Tshs 1,163,800,000 and the rest is the company's equity contribution distributed as presented in Appendix 1 and as summarized below:

COMPANY INVESTMENT in Tshs		APPENDIX 1	
		USD	Tshs
Exchange rate		1	2300
NEW ASSETS			
Digital Printing Machine		150,000	345,000,000
3 D Printing Machine		50,000	115,000,000
Latest type setting computers and software		28,000	64,400,000
5 color printing Machine (Komoro)		100,000	230,000,000
Automatic binding Machine		58,000	133,400,000
Lino-Matic (Automatic) machine for printing exercise books		120,000	276,000,000
Total New Assets		506,000	1,163,800,000
Working capital		1,396,000	3,210,800,000

Existing Assets			
Land and Buildings		615,000	1,414,500,000
Machinery & Equipment		400,000	920,000,000
Vehicles		160,000	368,000,000
Office equipment & furniture		15,000	34,500,000
Total Existing		575,000	1,322,500,000
TOTAL ASSETS		2,699,000	6,207,700,000

Chamwino Printing Technologies Limited will purchase machinery and equipment worth USD 608,695.65 or Tshs 1, 400, 000,000 through a term loan from the NBC Bank. The term loan facility is assumed to attract an interest rate not exceeding 8% per annum in Tshs terms, both the principal and interest to be repaid during and within five years of initial operations. The company also will mobilize a working capital of USD 1,396,000.

5.1 Operational Costs

The main operational costs for the printing and office supply unit will be Raw Material (Paper rolls) Purchasing costs which have been estimated at 25% of turnover, Customs and port charges estimated at 1.0% of turnover, Marketing and distribution costs 2.0% of turnover and Travelling and accommodation estimated 3.0% of Turnover other utility costs.

6. MANAGEMENT AND ADMINISTRATION

We will ensure that we only hire people who are ready to work to help us build a prosperous business that will benefit all our stakeholders.

As a matter of fact, profit-sharing arrangement will be made available to all our management staff and it will be based on their performance for a period of five years or more especially when we start selling our franchise or running chains of stationery stores. In view of that, we have decided to hire qualified and competent hands to occupy the following positions;

- General Manager
- Accountant / cashier -
- Marketing & Sales Managers
- Production Manager
- Store keeper
- Admin and Human Resource Manager
- IT manager
- Laborers (skill & non – skill)

6.1 Job Roles and Responsibilities

General Manager

- Increases management's effectiveness by recruiting, selecting, orienting, training, coaching, counseling, and disciplining managers; communicating values, strategies, and objectives; assigning accountabilities; planning, monitoring, and appraising job results; developing incentives; developing a climate for offering information and opinions; providing educational opportunities.
- Responsible for fixing prices and signing business deals
- In charge of providing direction for the business
- Creates, communicates, and implements the company's vision, mission, and overall direction – i.e. leading the development and implementation of the overall company's strategy.
- In authority of signing checks and documents on behalf of the company
- Evaluates the success of the company

Store keeper

- Responsible for managing daily activities in the store
- Ensures that the store facility is in tip top shape and conducive enough to welcome customers
- Checks stocks; placing and expediting orders; evaluating new products
- Interfaces with third – party providers (vendors)
- Controls the sales floor inventory
- Ensures that goods and products are properly arranged
- Supervise the entire sales staff and workforce
- Handle any other duty as assigned by the GM

Production Manager

- Manages vendor relations, market visits, and the ongoing education and development of the company's' buying teams
- Helps to ensure consistent quality of stationery and office supplies on our rack
- Responsible for the purchase of stationery for the company
- Responsible for planning sales, monitoring inventory, selecting the merchandise, and writing and pricing orders to vendors

Sales and Marketing Manager

- Manages external research and coordinate all the internal sources of information to retain the company's' best customers and attract new ones
- Models demographic information and analyze the volumes of transactional data generated by customer purchases
- Identifies, prioritizes, and reaches out to new partners, and business opportunities et al
- Answerable to supervising implementation, advocate for the customer's needs, and communicate with clients
- Changes, execute and evaluate new plans for expanding sales
- Documents all customer contact and information
- Helps to increase sales and growth for the company

Admin and Human Resource Manager

- Manages the company website
- Handles ecommerce aspect of the business
- Responsible for installing and maintenance of computer software and hardware for the company
- Manages logistics and supply chain software, Web servers, e-commerce software and POS (point of sale) systems
- Manages the company's CCTV
- Handles any other technological and IT related duties.
- Handle all Human Resources aspects

Accountant/Cashier

- Responsible for preparing financial reports, budgets, and financial statements for the company
- Provides managements with financial analyses, development budgets, and accounting reports; analyzes financial feasibility for the most complex proposed projects; conducts market research to forecast trends and business conditions.
- In charge of financial forecasting and risks analysis.
- Performs cash management, general ledger accounting, and financial reporting
- Responsible for developing and managing financial systems and policies
- Responsible for administering payrolls
- Ensures compliance with taxation legislation
- Handles all financial transactions for the company
- Serves as internal auditor for the company

Laborers

- Responsible for cleaning the store at all times
- Ensures that machinery and equipment are clean
- Operates the machinery and equipment efficiently
- Handles any other duty as assigned by the store manager

7. SWOT Analysis

Our intention of starting just one outlet of our printing and manufacturing stationery store in Dodoma is to test run the business for a period of up to 5 years to know if we will invest more money, expand the business and then open other stores all over the country and perhaps also sell franchise.

We are quite aware that there are several stationery stores all over the country and even in the same location where we intend locating ours, which is why we are following the due process of establishing a business.

We know that if a proper SWOT analysis is conducted for our business, we will be able to position our business to maximize our strength, leverage on the opportunities that will be available to us, mitigate our risks and be well equipped to confront our threats.

Printing Technologies Limited employed the services of an expert HR and

help us create a Business model that will help us achieve our business goals and objectives. This is the summary of the SWOT analysis that was conducted for Chamwino Printing Technologies Limited.

- **Strength:**

Our location, the business model we will be operating (one stop physical printing and manufacturing of various stationery and office supply), varieties of payment options, wide range of office supplies and stationery from local and international manufacturing brands and our excellent customer service culture will definitely count as a strong strength for Chamwino Printing Technologies Limited.

- **Weakness:**

A major weakness that may count against us is the fact that we are among many printing and manufacturing business in Dodoma and we don't have the financial capacity to engage in the kind of publicity that we intend giving the business that is why we are seeking for a loan to buy the new machinery and equipment.

- **Opportunities:**

The fact that we are going to be operating our stationery store and office supply business in one of the busiest government business and educational district with the right demographic composition in Dodoma provides us with unlimited opportunities to sell our items to a large number of people. We have been able to conduct thorough feasibility studies and market survey and we know what our potential customers will be looking for when they visit our store.

- **Threat:**

We are quite aware that just like any other business, one of the major threats that we are likely going to face is economic downturn. Another threat that may likely confront us is the arrival of a new stationery store in the same location where ours is located or even the arrival of a mall where office supply and stationery are retailed.

8. MARKET ANALYSIS

- **Market Trends**

One notable trend in the printing and manufacturing of stationery and office supply industry is the ever-changing consumer behavior and of course increasing competition from e-commerce and alternative retailers like mass merchandisers et al. This trend is part of what is responsible for the decline in the revenue generated by stationery stores.

Although these trends are forecast to continue over the next 5 years, some stationery stores will benefit from increasing demand for new technologies, such as e-readers.

Beyond every reasonable doubt, our printing and manufacturing stationery Store Company will successfully flow with the trend and keep up with consumer and technology trends and will definitely fare well in the coming years.

Since we are going to be operating our stationery store and office supply business, you would have noticed that

effectively predict consumer demand patterns and to strategically position their stores to meet their needs; in essence, the use of technology help retailers to maximize supply chain efficiency.

Another common trend in the printing and manufacturing stores industry is the pricing system. Apart from having varieties of items in a stationery store, one of the easiest ways for players in this line of business to sell their supplies is to ensure that the prices of their items are a bit lower than what is obtainable elsewhere.

8.1 Our Target Market

When it comes to supply of office and school stationery, there is indeed a wide range of available customers. So our target market can't be restricted to just a group of people, but all those who reside in the locations where our printing unit and stationery stores are. One thing is certain; we will ensure that we only retail quality and affordable items in our store.

In view of that, we have positioned our printing and supply of stationery and office supply products business to service offices and the residents of Dodoma and every other location where our stationery stores and office supply business will be located all over Tanzania.

We have conducted our market research and our target market would be :-

- Publishers
- TIE (TANZANIA INSTITUTE OF EDUCATIO)
- Higher Institutions
- Ministries
- Schools (private and government)
- Offices
- Corporate Houses
- Business People
- Government officials

Our client list is shown below

Company Name	Address	Job Description
WIZARA YA ELIMU NA MAFUNZO YA UFUNDI	S.L.P. 9121 DAR ES SALAAM SIMU: 2110146, 2110150/2	UCHAPISHAJI MTIHANI WA TAIFA KIDATO CHA PILI MWAKA: 2013
"OWM" TAMISEMI	S.L.P. 1923	UCHAPISHAJI

	DODOMA SIMU: 026-2-2323164, 23233176 NUKUSHI: 026-2-2322116 2322146	MTIHANI WA TAIFA DARASA LA NNE MWAKA: 2013-2014
“OWM” TAMISEMI	S.L.P. 1923 DODOMA SIMU: 026-2-2323164, 23233176 NUKUSHI: 026-2-2322116 2322146	UPIGAJI PICHA NA UCHAPISHAJI WA FOMU ZA TSM 9 ZENYE ALAMA YA MFICHO KWA WANAFUNZI WA DARASA LA VII MIKOA YOTE YA TANZANIA BARA MWAKA: 2014
“OWM” TAMISEMI	S.L.P. 1923 DODOMA SIMU: 026-2-2323164, 23233176 NUKUSHI: 026-2-2322116 2322146	UCHAPISHAJI WA NYARAKA ZA UCHAGUZI WA SERIKALI ZA MITAA MWAKA: 2014
Company Name	Address	Job Description
BARAZA LA	S.L.P. 3070	UCHAPISHAJI WA

MITIHANI LA ZANZIBAR	ZANZIBAR SIMU: 024-24223298 NUKUSHI: 024- 2232827	MTIHANI WA MAJARIBIO STD VII NA KIDATO CHA PILI MWAKA: 2013- 2014
BARAZA LA MITIHANI LA ZANZIBAR	S.L.P. 3070 ZANZIBAR SIMU: 024-24223298 NUKUSHI: 024- 2232827	UCHAPISHAJI WA MTIHANI WA WA TAIFA DARASA LA NNE MWAKA: 2013- 2014
BARAZA LA MITIHANI LA ZANZIBAR	S.L.P. 3070 ZANZIBAR SIMU: 024-24223298 NUKUSHI: 024- 2232827	UCHAPISHAJI WA MTIHANI WA WA TAIFA DARASA LA SABA MWAKA: 2013- 2014
BARAZA LA MITIHANI LA ZANZIBAR	S.L.P. 3070 ZANZIBAR SIMU: 024-24223298 NUKUSHI: 024- 2232827	UCHAPISHAJI WA MTIHANI WA WA TAIFA KIDATO CHA PILI MWAKA: 2013- 2014
TUME YA MABADILIKO YA KATIBA	S.L.P. 1681 DAR ES SALAAM SIMU: 22-2133425 NUKUSHI: 22-2133442	UCHAPISHAJI WA RASIMU YA KWANZA NA YA PILIYA KATIBA MPYA YA JAMHURI

Our competitive advantage

Chamwino Printing Technologies Limited has launched a standard printing and manufacturing of stationery and office supply business that will indeed become the preferred choice for offices in Dodoma.

Our stationery store is located in a corner piece property on a busy road directly opposite one of the largest residential estates and office district in Dodoma and few meters away from a busy educational and government district. We have enough parking spaces that can accommodate well over 10 cars per time.

One thing is certain, we will ensure that we have a wide range of quality and affordable items available in our store at all times. It will be difficult for customers to visit our store and not see the items that they are looking for. One of our business goals is to make Chamwino Printing Technologies Limited a one stop stationery store and office supply business.

Our highly experienced and qualified management, customer service culture, online store, various payment options and highly secured facility with enough packing space will also serve as a competitive advantage for us.

Lastly, all our employees will be well taken care of, and their welfare package will be among the best within our category in the industry. It will enable them to be more than willing to build the business with us and help deliver our set goals and achieve all our business aims and objectives.

9. SALES AND MARKETING STRATEGY

• Sources of Income

Chamwino Printing Technologies Limited is established with the aim of maximizing profits in the printing and Manufacturing of stationary and office supply products and we are going to go all the way to ensure that we do all it takes to sell a wide range of printing and manufacturing related products to a wide range of customers.

Chamwino Printing Technologies Limited will generate income by Printing and supply of Manufacturing of following items;

- Provision of color printing services
- Manufacturing of Exercise books and envelops including customize and stationery and Office supplies and other related merchandise such as
 - Stationery for small or home office
 - Plain paper (for printer)
 - Notebooks, ruled paper, binder books,
 - Scrapbook, art book, Ruler, Glue, Sticky tape + dispenser
 - Plastic pockets, Manila folders, Storage pockets, Arch folders
 - Folder dividers, Hanging files, Filing trays, Sticky labels (e.g. Avery) for addressing or filing, Post-Its/yellow stickies

- Envelopes, Rubber stamps

10. Sales Forecast

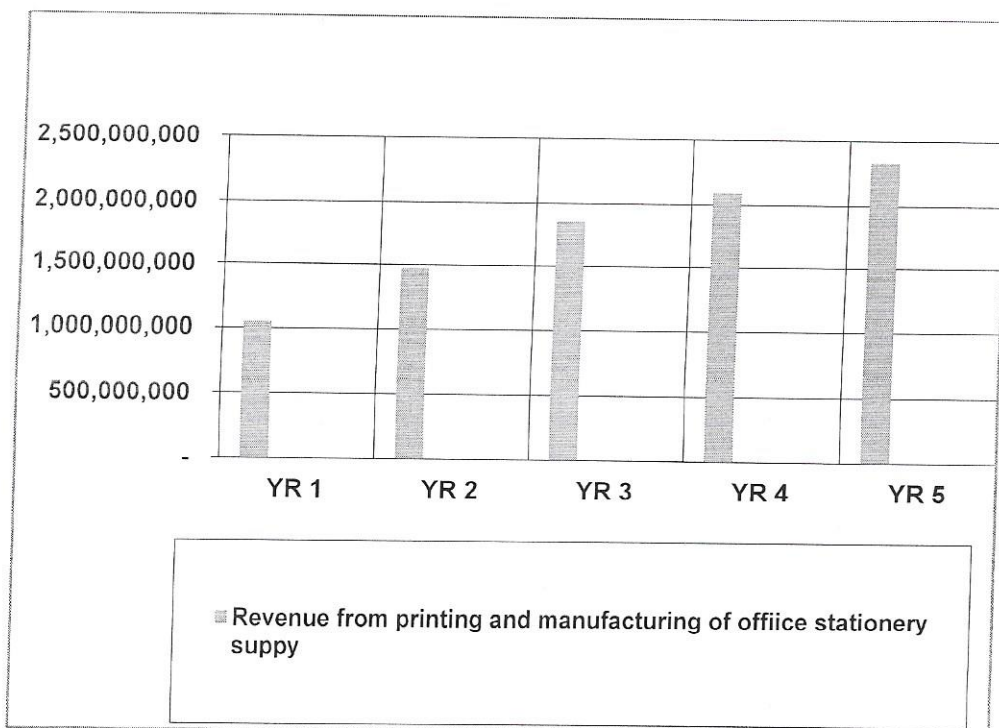
It is important to state that our sales forecast is based on the data gathered during our feasibility studies, market survey and also some of the assumptions readily available on the field.

One thing is common with the stationery printing and manufacturing of office supply business, the larger a supply chain outlet, the larger the number of customers that will patronize them. Although we may not be as large as the biggest in Tanzania, but we will ensure that within our capacity we will make available a wide range of items from different brands both locally and internally.

Revenue and Profitability Projections

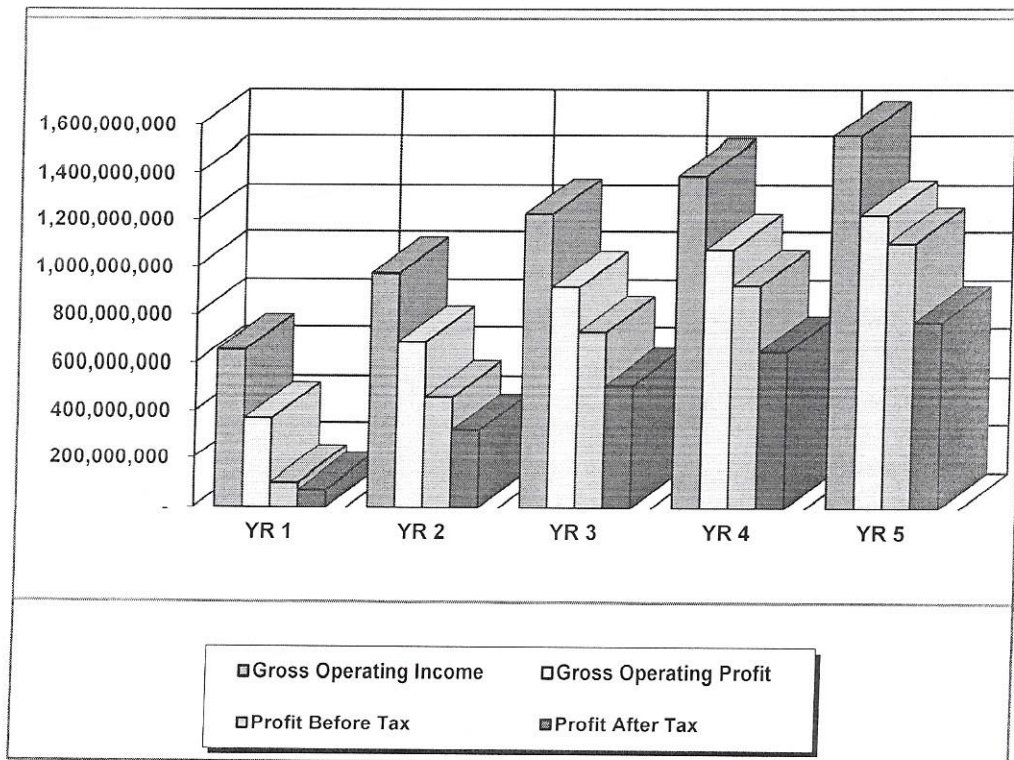
Revenue from all printing works, office supply and stationery services will start from Tshs 1,046,500,000 in the first year, Tshs 1,472,000,000 in the second year, Tshs 1,851,500,000 from the third year, Tshs 2,093,000,000 in the fourth year and Tsh 2,334,500,000 in the fifth year as summarized in *Appendix 4 B*.

Figure 1: Projected Revenue from various sources in TZS



As shown in the Projected Income Statement (*Appendix 6*).

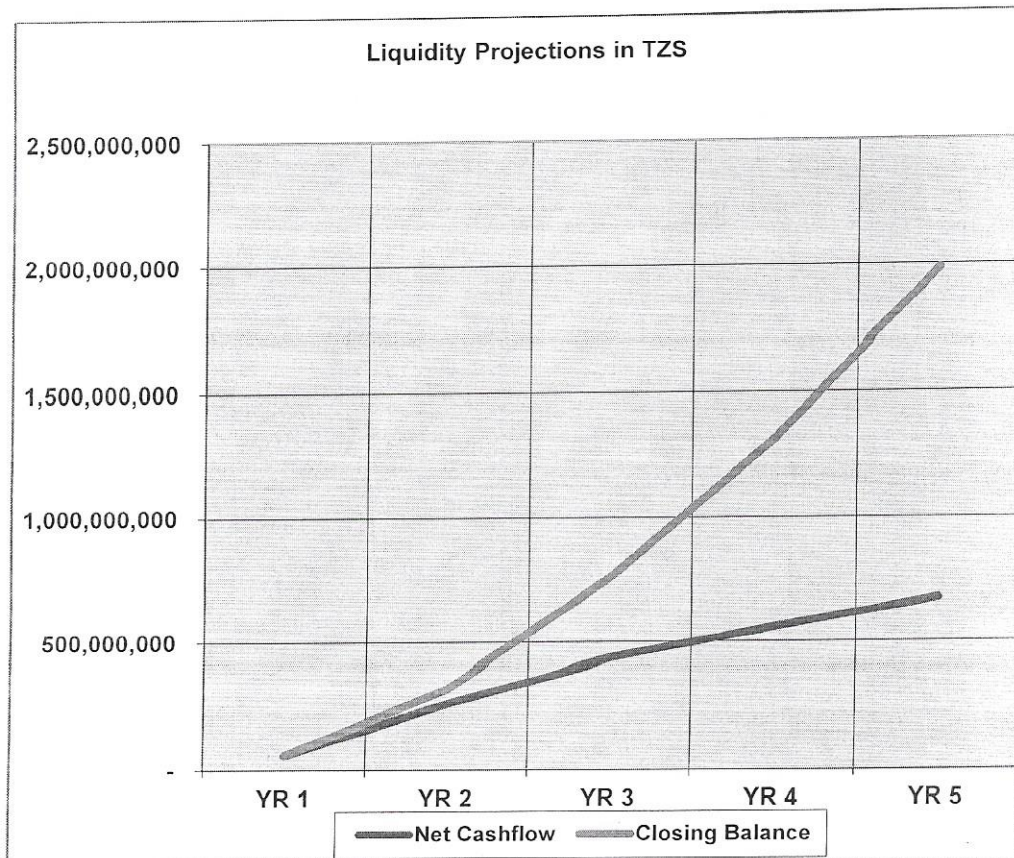
Figure 2: Projected financial performance in Tshs



10.1 Business Liquidity

The proposed business is profitable. It generates cash from the first year of operations with a net cashflow of Tshs 57,920,400. Positive net cashflow are projected to be recorded in each year of operation. At the end of the projected period of five years the business is projected to have a total closing balance of Tshs 1,984,489,076. Cashflow projections are shown in *Appendix 8*.

Figure 3: Liquidity projections in 'Tshs



The business is projected to attain a payback period of *9 years and 4 months* as indicated in *Appendix 9*. Break-even revenue is projected at Tshs 730,451,390 with a break-even capacity utilisation of 69.80% as indicated in *Appendix 10*.

10.2 Internal Rate of Return (IRR)

Through the Discounted Cashflow (*DCF*) method (*Appendix 11*) the proposed investment is projected to realise an Internal Rate of Return (*IRR*) of 11.80% which is above the applied cost of capital of 8%. This demonstrates that the project is financially viable.

The business is more sensitive to changes in capacity utilization than to similar changes in operational costs. However, efforts should be made to control both

capacity utilization and operational costs at all times, or adjusting selling prices to reflect changes in operational costs

11. Economic and Social Benefits

The successful expansion and operation of printing services and office supply and stationery by ***Chamwino Printing Technologies Limited*** will have substantial economic benefits to the country. In summary the benefits to be realized include the following:

- (i) Introduction of an additional printing and office supply and stationery in the printing industry and consequently improving printing services in the country.
- (ii) Provision of income to over **16 employees** to be directly involved in the printing industry business thus contributing to reduction of poverty. The income to be earned will help in improving the standard of employees.
- (iii) Expanded tax base to the Treasury and Local Government authorities and generation of substantial income to the Government. It is projected that by the end of the projected period of five (5) years, **Chamwino Printing Technologies Limited** through the printing industry business alone will contribute a total of TZS 851,828,909 in corporate tax, an annual average of TZS 170,365,782.

12. Conclusions and Recommendations

This project document gives details on a business proposal by CHAMWINO PRINTING TECHNOLOGIES LIMITED for which the company aims at strengthening its current printing unit by procuring Digital Printing Machine, 3 D Printing Machine, Latest type setting computers and software, color printing Machine

printing exercise books all valued at USD 506,000 or Tshs 1,163,800,000 in form a term loan of Tshs 1,400,000,000 from NBC Bank for a period of five years.

Through the various parameters, which have been considered, it has been established that the proposed business is financially viable. In view of the above it is hereby recommended to execute the business proposal.

In view of the above intended investment, *Chamwino Printing Technologies Limited* is hereby applying for a *Certificate of Incentives* from the Tanzania Investment Centre (TIC) under Section 17 of the Tanzania Investment Act and Part IV of the Investment Regulations 2002.

It is therefore we request and wish that the Tanzania Investment Centre (TIC) provide the necessary support to the company by approving this application for *Certificate of Incentives*.

FINANCIAL PROJECTION FOR 5 YEARS

COMPANY INVESTMENT in Tshs

APPENDIX 1

Exchange rate	USD	Tshs
NEW ASSETS	1	2300
Digital Printing Machine		
3 D Printing Machine	150,000	345,000,000
Latest type setting computers and software	50,000	115,000,000
5 color printing Machine (Komoro)	28,000	64,400,000
Automatic binding Machine	100,000	230,000,000
Lin o-Matic (Automatic) machine for printing exercise books	58,000	133,400,000
Total New Assets	120,000	276,000,000
Working capital	506,000	1,163,800,000
Preoperational expenses	1,396,000	3,210,800,000
Existing Assets	222,000	510,600,000
Land and Buildings		
Machinery & Equipment	615,000	1,414,500,000
Vehicles	400,000	920,000,000
Office equipment & furniture	160,000	368,000,000
Total Existing	15,000	34,500,000
TOTAL ASSETS	575,000	1,322,500,000
	2,699,000	6,207,700,000

DEPRECIATION SCHEDULE in Tshs

APPENDIX 2

ITEM	RATE	Year 1	Year 2	Year 3	Year 4	Year 5
Land & Building						
Opening Balance	4.5% SL					
Additions		1,414,500,000				
Annual Depreciation		-	1,350,847,500	1,290,059,363	1,232,006,691	1,176,566,390
Closing Balance	4.5%	63,652,500	60,788,138	58,052,671	55,440,301	52,945,488
Vehicles						
Opening Balance	25% SL					
		368,000,000	276,000,000	207,000,000	155,250,000	116,437,500

YEAR 1	280,000,000	1,120,000,000	112,000,000	392,000,000
YEAR 2	280,000,000	840,000,000	89,600,000	369,600,000
YEAR 3	280,000,000	560,000,000	67,200,000	347,200,000
YEAR 4	280,000,000	280,000,000	44,800,000	324,800,000
YEAR 5	280,000,000	-	22,400,000	302,400,000
TOTAL	1,400,000,000	336,000,000	1,736,000,000	

Income Statement in Tshs

handbills, brochures, posters, calenders, government reports, magazines, books and									
Annual estimated sales and services in USD			Year 1	Year 2	Year 3	Year 4	Year 5		
Annual estimated sales and services in TZS			455,000	640,000	805,000	910,000	1,015,000		
Capacity Utilization			100%	100%	100%	100%	100%		
Total Revenue in Tshs			1,046,500,000	1,472,000,000	1,851,500,000	2,093,000,000	2,334,500,000		
Operating Expenses			1,046,500,000	1,472,000,000	1,851,500,000	2,093,000,000	2,334,500,000		
Raw Material(Paper roll(s) Purchasing costs									
Customs and port charges	Turnover	25.0%	261,625,000	368,000,000	462,875,000	523,250,000	583,625,000		
Marketing and distribution costs	Turnover	1.0%	10,465,000	14,720,000	18,515,000	20,930,000	23,345,000		
Travelling and accommodation	Turnover	2.0%	20,930,000	20,930,000	26,162,500	26,162,500	26,162,500		
Total Operating Expenses in Tshs	Turnover	3.0%	31,395,000	44,160,000	55,545,000	62,790,000	70,035,000		
Gross Operating Income in Tshs			722,085,000	1,024,190,000	1,288,402,500	1,459,867,500	1,631,332,500		

APPENDIX 4 B

Management Salaries & Wages

	Number	TZS per month	Year 1	Year 2	Year 3	Year 4	Year 5
Salaries & Wages							
General Manager	1	2,500,000	30,000,000	30,000,000	31,500,000	31,500,000	33,075,000
Accountant / cashier -	1	1,000,000	12,000,000	12,000,000	12,600,000	12,600,000	13,230,000
Marketing & Sales	1	1,000,000	12,000,000	12,000,000	12,600,000	12,600,000	13,230,000
Production Manager	1	2,000,000	24,000,000	24,000,000	25,200,000	25,200,000	26,460,000
Store keeper	1	750,000	9,000,000	9,000,000	9,450,000	9,450,000	9,922,500
Admin and human resource	1	1,000,000	12,000,000	12,000,000	12,600,000	12,600,000	13,230,000
Labourers	10	350,000	42,000,000	42,000,000	44,100,000	44,100,000	46,305,000
Add: 20% Social Benefits			28,200,000	28,200,000	29,610,000	29,610,000	31,090,500
Total Salaries & Wages	16		169,200,000	169,200,000	177,660,000	177,660,000	186,543,000

SCENARIO 1: THE BASE CASE

Admin Expenses in Tshs

Admin Expenses			Year 1	Year 2	Year 3	Year 4	Year 5
Insurance	1.00%	Turnover	10,465,000	14,720,000	18,515,000	20,930,000	23,345,000
Rent and utility	0.50%	Turnover	5,232,500	7,360,000	9,257,500	10,465,000	11,672,500
General Office Expenses	Per Month	200,000	2,400,000	2,520,000	2,646,000	2,778,300	2,917,215
Meal Allowances	0.10%	Turnover	1,046,500	1,472,000	1,851,500	2,093,000	2,334,500
Government Levies	0.20%	Turnover	2,093,000	2,944,000	3,703,000	4,186,000	4,669,000
Total Admin Expenses			21,237,000	29,016,000	35,973,000	40,452,300	44,938,215

APPENDIX 5

SCENARIO 1: THE BASE CASE

PROJECTED INCOME STATEMENT in Tshs

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Total Revenue		1,046,500,000	1,472,000,000	1,851,500,000	2,093,000,000	2,334,500,000
Operating Expenses		324,415,000	447,810,000	563,097,500	633,132,500	703,167,500
Gross Operating Income		722,085,000	1,024,190,000	1,288,402,500	1,459,867,500	1,631,332,500
Administration Expenses		190,437,000	198,216,000	213,633,000	218,112,300	231,481,215
Gross Operating Profit		531,648,000	825,974,000	1,074,769,500	1,241,755,200	1,399,851,285
Finance & Capital Charges						
Interest Payment (Overdraft Facility)						
Depreciation		112,000,000	89,600,000	67,200,000	44,800,000	22,400,000
Total Finance & Capital Charges		443,440,000	379,877,200	327,250,601	283,415,740	246,689,234
Profit before Tax		555,440,000	469,477,200	394,450,601	328,215,740	269,089,234
Taxation (30%)		(23,792,000)	356,496,800	680,318,899	913,539,460	1,130,762,051
Profit after Tax		(7,137,600)	106,949,040	204,095,670	274,061,838	339,228,615
Accumulated Retained Earnings		(16,654,400)	249,547,760	476,223,229	639,477,622	791,533,436
		(16,654,400)	232,893,360	709,116,589	1,348,594,212	2,140,127,647

APPENDIX 6

SCENARIO 1: THE BASE CASE

PROJECTED CASHFLOW STATEMENT in Tshs

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Cashflow from Operations:						
Equity	-	(16,654,400)	249,547,760	476,223,229	639,477,622	791,533,436
NBC term loan facility	4,807,700,000					
Add non Cash Items:	1,400,000,000					
Depreciation						
Total Inflows	6,207,700,000	443,440,000	379,877,200	327,250,601	283,415,740	246,689,234
		426,785,600	629,424,960	803,473,830	922,893,362	1,038,222,670

APPENDIX 7

Investment									
Normal replacement		6,207,700,000							
Loan Repayment		-							
Total Outflow		6,207,700,000		280,000,000		280,000,000		280,000,000	
Net Cashflow				280,000,000		280,000,000		280,000,000	
Opening Balance				-		146,785,600			
Closing Balance				-		-			
						146,785,600		496,210,560	
								1,019,684,390	
									1,662,577,752
									2,420,800,422

SCENARIO 1: THE BASE CASE

PAYBACK PERIOD

APPENDIX 8

	Investment T shs	Net Cashflow T shs	Cumulative Cashflow T shs
INVESTMENT PERIOD			
YEAR 1	(6,207,700,000)	-	(6,207,700,000)
YEAR 2		146,785,600	(6,060,914,400)
YEAR 3		349,424,960	(5,711,489,440)
YEAR 4		523,473,830	(5,188,015,610)
YEAR 5		642,893,362	(4,545,122,248)
PAYBACK PERIOD (Years)		758,222,670	(3,786,899,578)
	14.91		

SCENARIO 1: THE BASE CASE

BREAK EVEN ANALYSIS BASED ON YEAR 1

APPENDIX 9

COMPONENT	T shs
Revenue	1,046,500,000
FIXED COSTS	
Insurance Premium	10,465,000

General Administration	190,437,000
Depreciation	443,440,000
TOTAL FIXED COSTS	644,342,000
VERIABLE COSTS	
Interest Expenses	112,000,000
TOTAL VARIABLE COSTS	112,000,000
Contribution Margin	934,500,000
Contribution Margin Ratio	0.89
Break Even Revenue	721,566,509
Break Even Capacity	68.95%

SCENARIO 1: THE BASE CASE

**DISCOUNTED CASHFLOW PROJECTIONS
in Tshs**

Net CashFlow	NPV	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
PRESENT VALUE AT 20%	(4,925,036,207)	(6,207,700,000)	146,785,600	349,424,960	523,473,830	642,893,362	758,222,670
PRESENT VALUE AT 21%	(2,669,551,076)	(6,207,700,000)	122,321,333	242,656,222	302,936,244	310,037,308	304,712,686
Internal Rate of Return (IRR)	-13.35%		146,785,600	389,441,822	692,378,067	1,002,415,375	1,307,128,060

APPENDIX 10