

ACQUA MORANI LIMITED

BUSINESS PLAN
FOR
BEVARAGE AND PACKAGING (BOTTLES) MATERIAL PRODUCTION PLANT



1.0. INTRODUCTION

ACQUA MORANI LIMITED is a private limited liability company registered in Tanzania with Certificate of Incorporation No. 151499589 dated 9th April 2021 planning to invest in beverages production and packaging materials.

1.1 Project Concept

The proposed project will involve construction of building to be used as industrial premises and installation of machines to be used for the project. The company is targeting cost region and neighboring region such as Morogoro, Dodoma and Singida market. Proposed project intends to develop soft drinks such as bottled water, juice, soda etc, the soft drinks produced to be packed and distributed at affordable price the project will employ adequately trained and experienced management and employees. The company plan to produce bottle for its use and for other users

The business plan by **ACQUA MORANI LIMITED** a locally registered company, the project promoters are confident of mobilizing financial resources through equity and long-term loan from financial institutions This study will be used as guiding tool and will be presented to TIC for obtaining certificate of incentives to facilitate smooth implementation of the project.

1.2 Location

The bottled drinking water and other beverages products plant to be located at **Plot No190 Block A, Mapinga Area, Bagamoyo District, Coast region, Tanzania**

1.3 Mission Statement

Beverages facilities with customized services

1.4 Vision Statement

To be a leading company in beverages production and distribution within the East Africa

1.5 Audited Reports

ACQUA MORANI LIMITED is audited by a local reputable auditing firm based in Dar es Salaam.

1.6 Company Values

- Competitive
- Efficiency
- Affordable
- Customized services



1.3 The Sponsors

ACQUA MORANI LIMITED will be sponsoring this project. The Company is currently jointly owned by four shareholders

Share Holders	% of Share	Nationality	Date of Birth
Mohamad Hamzi Ali Plot No. 57, Borj, Majdalzoun, Tyre City, Lebanon	95	Lebanese	10 th May 1987
Fatima Nesser Mohamad Ali Plot No. 57, Borj, Majdalzoun, Tyre City, Lebanon	5	Lebanese	22 th Feb 19 84

1.4 ACQUA MORANI LIMITEDPROJECT

The company main business objectives include the following:

Proposed project intends to develop soft drinks such as bottled water, juice soda etc, the soft drinks produced, packed and distributed at affordable price



1.5 Objective of the study

The purpose of this study is to work out the technical and commercial viability of the project

1.6 Optimizing Manufacturing

The bottled water industry involves a relatively light manufacturing process, meaning it does not require any heavy transformation processes. Impacts considered in the manufacturing phase are primarily related to energy required for the entire production process at the factory level. This includes the transformation of packaging materials into bottles, product bottling (pumping, storage, treatments (if any), filling), securing with secondary packaging and storage until finished products are shipped outside of the factory.

1.7 Chlorine Dosing System

Raw water may contain living micro-organisms and organics which are objection a Membrane as it may cause fouling to deteriorate the performance. Even water may contain ferrous which can be oxidized to ferric oxide which is settling down in storage tank. We have offered a Hypo chlorite dosing system for this purpose. About 3-4 ppm of sodium hypo chlorite solution is dosed in raw water storage tank. This



reacts with water to form hypo chlorite acids which acts as disinfecting agent.

For this purpose, one no. of HDPE hypo chlorite solution preparation tank along with one nos. of dosing pumps are provided. Required suction / discharge pipe work in pvc construction is provided with isolation valves. Dosage rate is adjusted as per the actual requirement, which may vary on case-to-case basis

Raw Water Storage Tank

Raw water is required in for storage of chlorinated water having appropriate capacity. The tank is fitted with PVC pipe work & isolation valves and suitable type of level indicator.

Raw Water Supply Pump

A Horizontal Centrifugal type of pump in Stainless Steel construction has been provided for supplying Raw water to Pressure Sand Filter Unit. Necessary Suction / discharge pipe work in s.s construction with isolation valves are also provided up to PSF Unit.

Pressure Sand Filter

Raw Water is first filtered by filtration unit in series prior feeding R.O. Plant. Pressure Sand Filter Unit is provided for removal of suspended matters & turbidity from raw water. PSF Unit is a SS vertical Pressure



Vessel. Internally, it is fitted with bottom collecting system. Uniform grades silica quartz sand is charged on the supporting media of pebbles and gravels. This unit is fitted with SS frontal pipe work and Multiport Valve externally. During service cycle water is passed in downward direction through sand bed, thus entrapping suspended matter & turbid particles. Over a period of time, sand bed gets choked due to suspended matters resulting higher pressure drop and lesser flow. At this stage filter bed need to be backwashed.

When pressure drop across the sand bed increases beyond the specified limit (0.5 kg/cm^2) or quality of filtered water deteriorates, whichever is earlier. Regeneration involves backwash & rinsing of Sand Bed as below. For backwashing service water is passed in reverse direction of service cycle to loosen the filtering media bed. Due to this, entrapped suspended matters get free and come out along with effluent water. Backwashing is continued for about 10– 15 minutes or till the effluent coming out is clear For Rinsing of Sand Bed: Service water is passed in downward direction to settle down the sand bed. The effluent water is drained for about 5 minutes time to ensure all unclear water is drained down.

Smbs Dosing System



The Chlorinated water may oxidize the membrane and to avoid the same precautionary we have provided Sodium MetaBiSulphite dosing system Dosage rate is 4–5 mg/liter. A HDPE chemical preparation tank with an electronics diaphragm type dosing pump is provided for this.

Activated Carbon Filter

Natural water may contain Colour, Odour, Chlorine & Organics in different proportion, which is undesirable for potable application, and hence, it is necessary to remove the same from water. If raw water is chlorinated for disinfection, it is necessary to remove the free Chlorine feeding to R.O System. Chlorine being a strong oxidizing agent, it damages R.O. Membranes. Activated Carbon can remove Chlorine, Odour, & Colour while passing the water through carbon bed along with Odour & colour. This Carbon granules having larger surface area and specific property to absorb organics. ACF Unit is a FRP vertical pressure vessel. Internally it is fitted with strainer on bottom collecting system. The unit is fitted with SS frontal pipe work & MPV externally. A granular activated carbon is charged on the supporting media of Coarse & Fine Silica. During service cycle water is passed in down ward direction through Carbon Bed, which removes Chlorine & Odour from water.

When pressure drop across the Carbon Bed increased beyond the specified limit of (0.8 kg/cm²) or quality of filter water deteriorates,



whichever is earlier the unit is isolated for regeneration. The regeneration involves, backwashing & rinsing of Carbon Bed. Over a period of time, life of carbon gets exhausted which can be checked during laboratory testing. Particularly iodine value is most important for this application. Generally, carbon is replaced once in a year.

Anti Scalent Dosing

The hardness salts of calcium & magnesium are likely to be precipitated if concentration exceeds its solubility limit & it may faults the membranes resulting into scaling which ultimately leads to poor treated water quality from R.O. System. To prevent this a anti Scalent dosing (scale inhibitor) dosing system is provided. Normally a scale inhabitator like Perma care 191 or equivalent chemical is dosed in feed water. Dosage rate is 4-5 mg/liter. A HDPE chemical preparation tank with an electronics diaphragm type dosing pump is provided for this.

2.0 The Product Market

The market survey carried out reveals that the current demand for soft drinks in Tanzania is high, current price of bottled drinking water, soda and juice in Tanzania has attracted the company to venture in this business, the average price of bottled drinking water of one liter in Dar es Salaam is US\$ 0,5 , in up country the price is more than that almost 25% higher than Dar es Salaam, the same cost apply to other soft drinks.



The competitive advantage of the company's products is quality produced and customer care services,

The company will be producing various soft drinks such as bottled drinking water, soda, juice etc.

2.1 Competition

Tanzania has a good number of soft drinks produced domestically and other imported from Kenya, South Africa, UAE, Uganda, Rwanda etc the big challenge for the above mentioned is price charged. It is very expensive and most of low-income earners cannot afford the price, and bad enough juice imported are made with additive and juice concentrated, the quality is questionable that why the **ACQUA MORANI LIMITED** came in to bridge the came which have been left by existing companies such as Ufresh, Sayona, Azam, Jambo etc brand such to mention few

2.2 Special Strengths of ACQUA MORANI LIMITED

- The customer care provided by the company
- New technology used by the company
- Directors experience in soft drinks business
- Availability of fresh water



2.3 Marketing Strategy

According to expert, personal selling is the most effective method for marketing. In order to reduce sunk costs, the project will use various marketing strategies such as:

- Internet
- Specialized magazine, news paper
- Radio
- Television
- Posters
- Sponsorship etc

The project products will be aggressively promoted to domestic market and skilled personnel will be recruited

2.4 Product Pricing

The pricing policy for the project will be based on the service cost and competition levels from substitute services available in Tanzania market considering various variables namely:

- Service positioning
- Gain market share from competitors
- Stimulating and increasing demand and

Achieving profitability and liquidity financial performance goals, the general price of the company for each product will be lower by 5%



compared with the current price. the average price per carton is estimated to be US\$ 1 and production capacity estimated to be 1,200,000 cartons per year

2.5 Products

Soft drinks produced will meet WHO guide line, TFDA, TBS, the state-of-the-art technology will be used, water will e treated to conform to the bacteriological standard using micro filter, activated carbon filter and ultraviolet rays, the treated water enters automatic bottle filter and sealer. The sealed water bottles are packed ready for the market

3.0 Project Management and Manpower Requirements

ACQUA MORANI LIMITED will be under the Management with vast experience in managing various soft drinks businesses, the project will be directly managed Managing Director assisted by Managers who will comprise the management team. **145** staff will be directly employed.

Employment	Foreign Skilled	Local Skilled	Local Unskilled	Total
Women	5	15	50	70
Men	20	20	35	75
TOTAL	25	35	85	145



3.1 Monitoring and Evaluation

The Management has full commitment to ensuring goods produced maintain the safety and standards required in the market. The quality control unit will establish a system of routine checking and getting feedback from customers, management philosophy is through business process, managers will strive to ensure compliance to standards and safety of products and customers they serve.

4.0 PROJECT INVESTMENT COST

The estimated capital investment cost of the project is US \$ 1,500,000

ACQUA MORANI LIMITED COST STRUCTURE

Land and Building	100,000
Plant and Machinery	900,000
Motor vehicles	250,000
Furniture and Fittings	5,000
Others	45,000
Working capital	200,000
Total	1,500,000



For the project to be a reality a total investment amounting to US \$1,500,000 is needed for production of Capacity 6m of pp buckets, 500,000 HDPE jerry cans, 1.2m cartons of beverages per year

4.0 Financing pattern

The project will be financed by owners' equity US\$ 350,000 and long-term loan US\$ 1,150,000

5.0 Aspect of Project Sustainability

The project sponsors having studied market conditions and the infrastructure in Tanzania are convinced that the project will be able to operate undisturbed. The Government support for industrialization and rises of middle-income earners gives them assurance of a steady market. The peace and tranquility that exist in Tanzania is another aspect of assured business sustainability.

6.0 Monitoring and Evaluation

The monitoring and evaluation tools will be applied in running this project as well, the project sponsors are determined to cooperate fully with the government and other stakeholders for smooth business running.



7.0 Financial Analysis

7.1 Considerations and Assumptions:

The corporate tax charged is 30% of the profits. Capital investment allowance is 50%. The capital assets are exempted from custom duty and Value Added Tax. The straight-line method to depreciate the project's capital items has been applied.

Revenues have been conservatively estimated based on experience of the promoters and trends in the bottled drinking water and beverages industry in general.

7.2 Financial Statements:

7.3 Projected lodge Revenue

For projection purposes, it is assumed that the economic life of the project is five years, and that revenue from bottled drinking water business from the first year of operation.

ACQUA MORANI LIMITED PROJECTED REVENUE LTD

	1	2	3	4	5	6
Revenue	1,200,000	1,060,000	1,053,000	1,052,650	1,052,633	1,052,632

7.4 Projected Profit and Loss Statement

The Income and Expenditure Statement shows the projected income for the 5 years period. The position depicted is that the project earns



profit throughout its life. Accumulated after tax profits grow from. US\$ 238,788 in first year to US\$ 1,654,180 in 6th year

ACQUA MORANI LIMITED PROJECTED INCOME & EXPENDITURE STATEMENT (US\$)

	1	2	3	4	5	6
Revenue	1,200,000	1,260,000	1,263,000	1,263,150	1,263,158	1,263,158
Operating cost	780,000	819,000	820,950	821,048	821,052	821,053
Profit before Depreciation &Interest	420,000	441,000	442,050	442,103	442,105	442,105
Interest	69,000	55,200	41,400	27,600	13,800	0
Depreciation	9,875	9,875	9,875	9,875	9,875	9875
Net Profit before Tax	341,125	375,925	390,775	404,628	418,430	432,230
Tax (30%)	102,338	112,778	117,233	121,388	125,529	129,669
Profit After Tax	238,788	263,148	273,543	283,239	292,901	302,561
Accumulated Profit	238,788	501,936	775,478	1,058,717	1,351,618	1,654,180

7.5 Projected Cash Flows



This is shown in the financial statements. The project has a positive end of year cash flow from year 1st, i.e., US\$ 317,662 of operation to the 6th year i.e., US\$ 1,920,450

ACQUA MORANI LIMITED PROJECTED CASH FLOW " US\$"

SOURCES:		1	2	3	4	5	6
Profit before interest and depreciation	-	420,000	441,000	442,050	442,103	442,105	442,105
Owners' Equity	350,000						
Loan	1,150,000	-	-	-	-	-	
Total Sources	1,500,000	420,000	441,000	442,050	442,103	442,105	442,105
Applications:							
Capital expenditure	445,000	-	-	-	-	-	
working Capital & Others	1,055,000	-		-	-	-	
Cash	-	317,662	328,222	324,819	320,715	316,576	312,456
Tax	-	102,338	112,778	117,233	121,388	125,529	129,669
Sub total	1,500,000	420,000	441,000	442,052	442,103	442,105	442,125
Total applications	1,500,000	420,000	441,000	442,052	442,103	442,105	442,125
Accumulated cash		317,662	645,884	970,703	1,291,418	1,607,994	1,920,450



7.6 Projected Balance Sheet

The projected Balance Sheet of the project is shown in the financial statements under same heading. Equity of the project increases from US\$ 350,000 in the first year of operation to US \$2,004,180 in the 6th year

ACQUA MORANI LIMITED PROJECTED BALANCE SHEET " US \$"

Fixed Assets		1	2	3	4	5	6
Opening balance	-	445,000	435,125	425,250	415,375	405,500	395,625
Total Long-term Assets	-	445,000	435,125	425,250	415,375	405,500	395,625
Less depreciation	-	9,875	9,875	9,875	9,875	9,875	9,875
Closing balance	-	435,125	425,250	415,375	405,500	395,625	385,750
Working capital	1,055,000	1,055,000	1,055,000	1,055,000	1,055,000	1,055,000	1,055,000
Accumulated cash	-	317,662	645,884	970,703	1,291,418	1,607,994	1,920,450
Total assets	1,055,000	1,807,787	2,126,134	2,441,078	2,751,918	3,058,619	
Financed by							
Equity	350,000	350,000	350,000	350,000	350,000	350,000	350,000
Net profit	-	238,788	501,936	775,478	1,058,717	1,351,618	1,654,180
Total equity	350,000	588,788	851,936	1,125,478	1,408,717	1,701,618	2,004,180
Long term loan	1,150,000	-	-	-	-	-	-
Total debts	1,150,000	-	-	-	-	-	-
Total equity and debts	1,500,000	588,788	851,936	1,125,478	1,408,717	1,701,618	2,004,180



7.7 Projected payback period

Total investment is US \$ 1,500,000 cash accumulation 6th year is US \$1,713,430.00 which is more than the initial investment by US\$ 213,000 the project payback Period is within 6 years,

The project has a relatively short payback period.

ACQUA MORANI LIMITED PAYBACK PERIOD

Year	Profit After Tax	Depreciation	Total Cash Flow	Accumulated Cash Flow
1	238,788	9,875.00	248,663.00	248,663.00
2	263,148	9,875.00	273,023.00	521,686.00
3	273,543	9,875.00	283,418.00	805,104.00
4	283,239	9,875.00	293,114.00	1,098,218.00
5	292,901	9,875.00	302,776.00	1,400,994.00
6	302,561	9,875.00	312,436.00	1,713,430.00

7.8 Loan repayment schedule

Total loan is US \$ 1,150,000 and interest is 6% charged annual, loan to be repaid within 5 years as indicated below:



ACQUA MORANI LIMITED PROJECTED LONG TERM LOAN REPAYMENT US\$

Repayments US\$				
Year	principle	Loan Interest (5%)	Total Amount Paid	Loan Balance
0				1,150,000
1	230,000	69,000	299,000	920,000
2	230,000	55,200	285,200	690,000
3	230,000	41,400	271,400	460,000
4	230,000	27,600	257,600	230,000
6	230,000	13,800	243,800	0
TOTAL	230,000	0	230,000	-230,000

8.0 ECONOMIC ASPECTS

Implementation of this project will have the following social and economic values

- The project is an ideal option for utilization of Government support for industrialization
- The project will create employment for 145 **people** on permanent contract basis as well as on temporary basis.
- It will create more business opportunities to local suppliers which will also have a trickledown effect in the environmental issues.
- It will generate substantial revenue to the government in the form of corporate tax, value added tax and pay as you earn.



- The project will have transfer of knowledge and skills to manufacturing sector
- The project will generate foreign earnings

9.0 IMPLEMENTATION

Project implementation is expected to be relatively very short once project has been approved it is estimated that implementation of the project will take hardly 9months be completed within one year:

ACQUA MORANI LIMITED IMPLEMENTATION

S/N	ACTIVITY	PERIOD
1	Processing TIC Certificate of Incentive	April 2021
2	Construction of building	Renovation May 2021– Sept 2021
3	Placing order of machines	June – October 2021
4	Installing machines	October–November 2021
4	Recruitment	December 2021
5	In house training	December 2020–February 2022
4	Testing production	March – May 2022
6	Commercial operations	June 2022

9.0 CONCLUSION & RECOMMENDATIONS

The project is technically feasible, financially viable, and economically sound, provided the sponsors will manage it efficiently.

It is recommended that the project be approved by Tanzania Investment Centre and be granted the TIC Certificate of Incentives with its associated privileges and benefits as provided for under the Tanzania Investment Act, 1997.