

**THE UNITED REPUBLIC OF TANZANIA**  
**MINISTRY OF DEFENCE AND NATIONAL SERVICE**  
**THE CORPORATE SOLE OF NATIONAL SERVICE (SUMAJKT)**



**SUMAJKT ROOFING COMPANY LIMITED**  
**BUSINESS PLAN**

**AUGUST 2021**

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## List of Abbreviation

SUMAJKT – Shirika la Uzalishaji Mali la Jeshi la Kujenga Taifa

BRELA - Bureau for Registration and Licensing authority

SADC - Southern Africa Development Community

EAC – East Africa Community

## **Executive Summary**

SUMAJKT ROOFING COMPANY LIMITED is a start up factory in SUMAJKT which is located in Dodoma City-Tanzania. The Industry plans to produce iron roofing sheet, caps and nails. The aim of this start up factory is to fulfil the vision and mission of the fifth government which is related to the motto of "Tanzania of Industry". This motto aims at reducing country dependency to other countries, products which in return the whole scenario will reduce poverty in the country since these factories will employ the local with experts in various areas. The factory expects to get customer both in the country and outside since it also aim at producing high quality, durable and effective metal products.

The proposition to establish SUMAJKT ROOFING COMPANY LIMITED in Tanzania came as a response to the huge market opportunity that the business has identified. The goal is to produce the unique products as compared to other products in the market. Thus the industry will deal with the production of iron roofing sheet, caps and nails to be used domestically. The project will be established in Dodoma region and expecting to catch the interest of a regular local customers both in the defense forces and the general public. The company plans will be able to build a strong market position in Dodoma and other big cities. SUMAJKT ROOFING COMPANY LIMITED aims at offering its products at a reasonable price to meet the demand of the middle-to higher-income local market.

The successful establishment of SUMAJKT Metal industry need an adequate capital of **Tshs 2,413,774,605.00** being the initial capital outlay for restructuring of the building, restructuring of electricity and

water system, office facilities such as Computer, peripherals, furniture and fittings inclusively of operation cost. The total capital outlay will allow the establishment of unique and successful operation of the industry. The said total capital will allow the business to become self-sufficient by the beginning of 2 years.

The main source of income will be profit generated by the products sale and the factory expects to raise its start-up capital from SUMAJKT own sources. Therefore the factory anticipates sales of about Tshs 699,496,375.00 in the first phase of three months. The company is also expecting to break in the first year of its operation as sales are expected to steadily increase. Profit for the first three phase of production which is divided in a term of three months is expected to be approximately Tshs 2,555,555,833.46.

## **1. Mission, Vision, Objectives and Core Values.**

### **2.1 Mission**

The mission of SUMAJKT ROOFING COMPANY LIMITED is to become the recognized leader in its targeted market for sheet metal fabrication products and services.

### **2.2 Vision**

SUMAJKT ROOFING COMPANY LIMITED is a factory seeking to provide quality product, design and fabrication services of high value to our clients at a low cost which will meet their needs with the utmost in efficiency.

### **2.3 Objectives**

- To provide easily accessible roofing products.
- To provide affordable roofing products for all.
- To provide knowledge and work to the local roofing experts which in return act as the source of their income.
- To fulfil the fifth government motto of "Tanzania of Industry".

### **2.4 Core Values**

- **S**afety
- **H**ealth
- **I**nsurance
- **P**rosperity

We are sailing **SHIP** to reach the highest metal industrial level for prosperity generation in Tanzania

## **2.0 Company History/Business Overview and Concept**

The SUMAJKT ROOFING COMPANY LIMITED will strive to become the most well known and reputable roofing product producer in Tanzania with target focus on quality and safety. The company will be legally registered by Bureau for Registration and Licensing authority (BRELA) and acquire certificate of incorporation. Therefore the company will provide quality products and services to customers in the country and also in Southern Africa Development Community (SADC) and East Africa Community (EAC).

### **2.1.1 The Company**

SUMAJKT ROOFING COMPANY LIMITED is a start-up metal-working manufacturer to be located in Tanzania. The principals' extensive machining skills, their excellent relations with the Tanzanian government and their existing order commitments will ensure the success of this start-up venture.

### 2.1.2 The Company Goals and Objectives

The goals of our Company are to be a robust and expanding operation which is highly respected among our marketplace. We wish to grow into a business which is of sufficient size to meet the needs of our clients and offer attractive employment to a skilled workforce. In the same sense we also want to limit our size to allow a personal relationship with those who hire our services and work with us. Our performance in safety, quality, efficiency and productivity will be a standard which others will hope to achieve.

Our objectives in brief is to reach these goals include reinvesting in the Company to enhance our equipment and personnel capabilities. In our

initial stages we will need to execute a marketing plan which will allow us to demonstrate our capabilities and business practices to a number of different clients. We will strive to keep an open dialogue with clients to measure our customer service strengths and weaknesses.

### **2.1.3 Business Philosophy**

Our business must provide value, both for our factory and our clients. We must meet or exceed all requirements in an efficient and cost effective manner. We must maintain a balance of proven techniques with the ability to be innovative.

### **2.1.4 Markets**

Our markets will include the people of Tanzania, including different sectors from industrial, commercial, agricultural and residential clients to mention a few.

### **2.1.5 Industry trends**

The design and fabrication industry has recently been in a down turn. It is our belief that this economic cycle has created opportunities for a factory such as ours. Those markets which we wish to serve have come to the realization that efficiency and good planning is the key to success in this new economy. Many who have previously sought to serve these clients have fallen due to lack of flexibility to meet new requirements. With positive economic changes starting to develop, these industries/ factories will be seeking to replace these suppliers to meet their needs. Our factory will be able to provide a package of services that will allow us to offer conception to completion efficiency. These abilities will be attractive to our markets in that it will eliminate many obstacles and conflicts normally associated with projects. The economic and ease of establishment have driven this decision. This

decision will be monitored and evaluated by our factory management as growth occurs to determine if another form of business organization will be required in the future.

#### **2.1.6 Source of Fund**

This project will be financed through loan facility from CRDB bank, which will be paid back in period of five years

### **2.2 Company Ownership**

The factory is owned by SUMAJKT which will be under SUMAJKT management.

### **2.3 Project Location**

The project will be located at plot 130/1 Medeli East, Dodoma – Tanzania.

### **2.4 Business Value Propositions**

The value proposition is creating efficiency, durable, high quality, reasonable price, roofing product factory which will aid knowledge and increased economy to the citizens of Tanzania. Since the case of raising our country's economy is one among the agenda of the government, the SUMAJKT ROOFING COMPANY LIMITED seeks to address this issue. Our service will be part of solution to reduce poverty as well as dependency to other countries' roofing products.

### 3.0. Technical Aspects

#### 3.1. Tehnology, Machinery and Equipment

Production of roofing sheet requires availability and well installed machineries and equipment with proper capacity to meet or satisfy market demand and reduce operational cost. Technological advancement affects directly or indirectly on product output. Therefore equipment and machineries should be selected or purchased with care to avoid unnecessary cost after installation or commissioning. The industry will be having four line of production and machines which used for the production will be Single

**Table 1: List of equipment's in production & estimated CIF Price to Tanzania and double layer machines.**

<b>S/No</b>	<b>EQUIPMENT NAME</b>	<b>Quantity</b>	<b>Price (Usd)</b>
1	Corrugated Forming Machine	1 Set	24,000
2	IT 4 Crimping Machine	1 Set	16,000
3	Step Tile Forming Machine	1 Set	36,000
4	Ridge Cap Forming Machine	1 Set	17,000
5	IT 4 & IT 5 Double Layer Forming Machine	1 Set	40,000
6	Nail Make Machines	3 Sets	23,135
7	Freight to Dar es salaam		17,000

	<b>Grand Total (Usd)</b>	<b>173,135</b>
	<b>Grand Total (Tzs)</b>	<b>375,060,330</b>

## **3.2 Production Process**

In the corrugation process metal sheet is pulled off huge rolls and through rolling dies that form the corrugation. After the metal sheet passes through the rollers it is automatically sheared off at a desired length. The standard shape of corrugated material is the round wavy style, but can be easily modified to a variety of shapes and sizes by simply changing the dies.

### 3.3. Raw Materials

Find below the list of raw materials and packaging materials which are expected to be used during manufacturing after plant establishment:

**Table 2: List of raw material and estimated cost**

Item	Type	Specification	Unit Price (CIF) Usd	QTY Required (Coil)	Total Price (Usd)
IT 5 / Box Profile	ALU - Zinc Coating :85GM/M2	26 Gauge 0.45x1220	756	2	1,512
		28 Gauge 0.38x1220	773	2	1,546
		30 Gauge 0.3x1220	805	2	1,610
Vesstile/Tiles Profile	ALU - Zinc Coating :85GM/M2	26 Gauge 0.45x1220	756	2	1,512
		28 Gauge 0.38x1220	773	2	1,546
		30 Gauge 0.3x1220	805	2	1,610
IT 5 / Box Profile	ALU - Zinc Coating :100GM/M2	26 Gauge 0.45x1220	764	2	1,528
		28 Gauge 0.38x1220	782	2	1,564
		30 Gauge 0.3x1220	817	2	1,634
Vesstile/Tiles Profile	ALU - Zinc Coating :100GM/M2	26 Gauge 0.45x1220	764	2	1,528
		28 Gauge 0.38x1220	782	2	1,564
		30 Gauge 0.3x1220	817	2	1,634

IT 4/Box Profile	ALU - Zinc Coating :85GM/M2	26 Gauge 0.45x975	760	2	1,520
		28 Gauge 0.38x975	777	4	3,108
		30 Gauge 0.3x975	809	4	3,236
Corrugated	ALU - Zinc Coating :85GM/M2	26 Gauge 0.45x975	760	2	1,520
		28 Gauge 0.38x975	777	4	3,108
		30 Gauge 0.3x975	809	4	3,236

IT 4/Box Profile	ALU - Zinc Coating :100GM/M2	26 Gauge 0.45x975	768	2	1,536
		28 Gauge 0.38x975	786	4	3,144
		30 Gauge 0.3x975	820	4	3,280
Corrugated	ALU - Zinc Coating :100GM/M2	26 Gauge 0.45x975	768	2	1,536
		28 Gauge 0.38x975	786	4	3,144
		30 Gauge 0.3x975	820	4	3,280

<b>Cost of Raw Materials (Usd)/Month</b>					<b>50,436</b>
<b>Cost of Raw Materials (Tzs)/Month</b>					<b>118,524,600</b>

### 3.4 Project schedule

Project implementation will take a period of up to six months from the date of approval of the proposed project.

**Table 3: Implementation Schedule**

S/ No	Activity	Period (May 2021 to December 2021)							
		May	June	July	August	September	October	November	December
1	Construction	✓							
2	Machineries &Equipments								
3	Installation & Machine Trials								
4	Recruitment /Training								
5	Production Trials								
6	Approval of Authorities								
7	Production Start								

## **4.0 The Market and Sales Strategy**

### **4.1 The Market Analysis**

There is an existing market of roofing products. This gives the business confidence to provide the service since there is sustainability of the market. The market it is in form of generic taping all level of people, however they are distinguished by the purchasing patterns hence there is a market segment by pricing.

### **4.2 Market Size**

This industry is expected to serve the population of approximately one million residents of Dodoma and neighboring regions such Singida, Iringa, Manyara and Morogoro.

### **4.3 Market Demand**

Currently Dodoma is a fast-growing city, hence there is undeniably huge demand for building materials including roofing sheets. SUMAJKT Roofing Industry is expected to take the portion of that market by introducing a high-quality sheet in an affordable price.

### **4.4 Marketing Strategy**

SUMAJKT ROOFING COMPANY LIMITED will focus on meeting the demand of a regular local resident customer as well as Private organization and government institution, like the Army (TPDF), National Service, Tanzania Police, Tanzania Prison and JKU in Tanzania Island. Reaching all customers/ people to access our roofing products is not easy. The surety comes through the signed MOU between SUMAJKT ROOFING COMPANY LIMITED with other government entities and also with committed department of marketing as well as the

factory being able to produce metal products that are of high quality and of reasonable price. The strategy is "WIN WIN", enabling the factory to gain more customers and at the same time the customer get required products.

## **4.4 Marketing Mix**

### **4.4.1 Products**

The Plant is expected to produce the following products:

1. IT5 Sheets
2. IT4 Sheets
3. Versatile Sheets
4. Corrugated Sheets
5. Ridge Valley

### **4.4.2 Place**

Apart from selling products to residents of Dodoma, it will be distributed to various parts of the country through Seven SUMAJKT Zonal Offices. However, SUMAJKT will make arrangement for agents to supplement the available distribution channel.

### **4.4.3 Price**

Our products will be priced in such manner than can be affordable to local residents without affecting the quality of our products. Available labor force will also help minimize the production cost.

### **4.4.4 Promotion**

Apart from participating in various exhibitions, SUMAJKT intends to promote these products through advertisement via social media and traditional media. It is also planned to provide special offer to large projects.

## 4.5 Sales Strategy

Our sales strategy will be in the form of meter of iron sheet. This will create average of buying the facility from rural, and urban. In rural the infrastructure and inefficient compare to urban, our project considered this factors and established the purchasing scheme.

**Table 4: Purchasing / Sales Scheme**

Item	Type	Specification	Unit Price (m2) Tzs	Qty to be Sold (M <sup>2</sup> )	Total Sales
IT 5 / Box Profile	ALU - Zinc Coating :85GM/M <sup>2</sup>	26 Gauge 0.45x1220	20,500	460	9,430,000
		28 Gauge 0.38x1220	13,180	480	6,326,400
		30 Gauge 0.3x1220	12,680	680	8,622,400
Vesstile/Tiles Profile	ALU - Zinc Coating :85GM/M <sup>2</sup>	26 Gauge 0.45x1220	20,500	460	9,430,000
		28 Gauge 0.38x1220	13,180	480	6,326,400
		30 Gauge 0.3x1220	12,680	680	8,622,400
IT 5 / Box Profile	ALU - Zinc Coating :100GM/M <sup>2</sup>	26 Gauge 0.45x1220	21,481	460	9,881,260
		28 Gauge 0.38x1220	15,925	480	7,644,000
		30 Gauge 0.3x1220	13,000	680	8,840,000

Vesstile/Tiles Profile	ALU - Zinc Coating :100GM/M <sup>2</sup>	26 Gauge 0.45x1220	21,481	460	9,881,260
		28 Gauge 0.38x1220	15,925	480	7,644,000
		30 Gauge 0.3x1220	13,000	680	8,840,000
IT 4/Box Profile	ALU - Zinc Coating :85GM/M <sup>2</sup>	26 Gauge 0.45x975	20,590	580	11,942,200
		28 Gauge 0.38x975	11,680	1360	15,884,800
		30 Gauge 0.3x975	10,400	1720	17,888,000
Corrugated	ALU - Zinc Coating :85GM/M <sup>2</sup>	26 Gauge 0.45x975	20,590	580	11,942,200
		28 Gauge 0.38x975	11,680	1360	15,884,800
		30 Gauge 0.3x975	10,400	1720	17,888,000
IT 4/Box Profile	ALU - Zinc Coating :100GM/M <sup>2</sup>	26 Gauge 0.45x975	20,590	580	11,942,200
		28 Gauge 0.38x975	11,680	1360	15,884,800
		30 Gauge 0.3x975	10,400	1720	17,888,000
Corrugated	ALU - Zinc Coating :100GM/M <sup>2</sup>	26 Gauge 0.45x975	20,590	580	11,942,200
		28 Gauge 0.38x975	11,680	1360	15,884,800
		30 Gauge 0.3x975	10,400	1720	17,888,000
<b>TOTAL Sales (Tzs)</b>					<b>284,348,120</b>
<b>LESS</b>	<b>VAT 18%</b>				<b>51,182,662</b>
<b>TOTAL Net Sales</b>					<b>233,165,458</b>

#### **4.6 Service Business Analysis**

SUMAJKT ROOFING COMPANY LIMITED will grow rapidly in Tanzania and EAC region due to needs of the product itself and their importance in the community. Although there will be a competition from other products from abroad (Kenya and India).

#### **4.7 Products development strategy**

From the products we made, the company will make sure that will sell more of its products by adhering to new technology, hygienic condition and needs of the customers.

## **5.0 Competitors and Competitive Advantage**

### **5.1 Competition**

The industry will face competition from other roofing products since some of the community will prefer to use them as alternative to our products, this kind of competition will affect the market at minimal scale. Therefore in order to avoid this competition, we will introduce the product of high Quality, hire experienced labour and who have enough knowledge concerning this business, due to this it will be easy to attract many customers to buy our Products.

In fact the organization should conduct the marketing intelligence so as to trap up the strength, weakness, opportunities and threats of the competing industry as far as the production of roofing material is concerned. The organization exactly must understand the weakness of the fellow competitors that will act as an opportunity to the organization. The main competitors for the business will be those who are also producing roofing products. The competitors are private industries; however they are not directly related to our business since with our business model and objective, we will provide reasonable cost and durable products to our customers and in addition we aim at proposing a memorandum of understanding for all government entities to use only roofing products from SUMAJKT.

### **5.2 Competitive Advantage**

The competitive advantage in our business is the availability of reliable experts in the area with strong support from the government and enthusiasm to fulfill the vision and mission of the government by offering work to the local as well as produce products that will raise

the country's economy from one level to another. The potential competitors in relation to the location of the business are:-

**Table 5: Competitor**

<b>NAME OF COMPETITOR</b>	<b>LOCATION</b>
ALAF	DSM, DODOMA, ARUSHA, MWANZA
DRAGON ROOFING SHEETS	DSM, DODOMA, ARUSHA, MWANZA, NJOMBE
ANDO ROOFING MATERIAL	DODOMA, DSM
SUN SHARE	DSM
SIMBA	KENYA
METAL PRODUCTS	DSM
NABAKI AFRICA	DSM

## 6.0 Business Management and Administration

### 6.1 Management Structure

The factory management will consists of single director and others will be managers in the operations department, these are the operations manager, finance manager and the sales and marketing manager. This management setting is set in order to minimize costs. The director should has skills in metal production technologies as well as other skills like project management and monitoring. Other managers should also have skills related to the task that he/he will be doing.

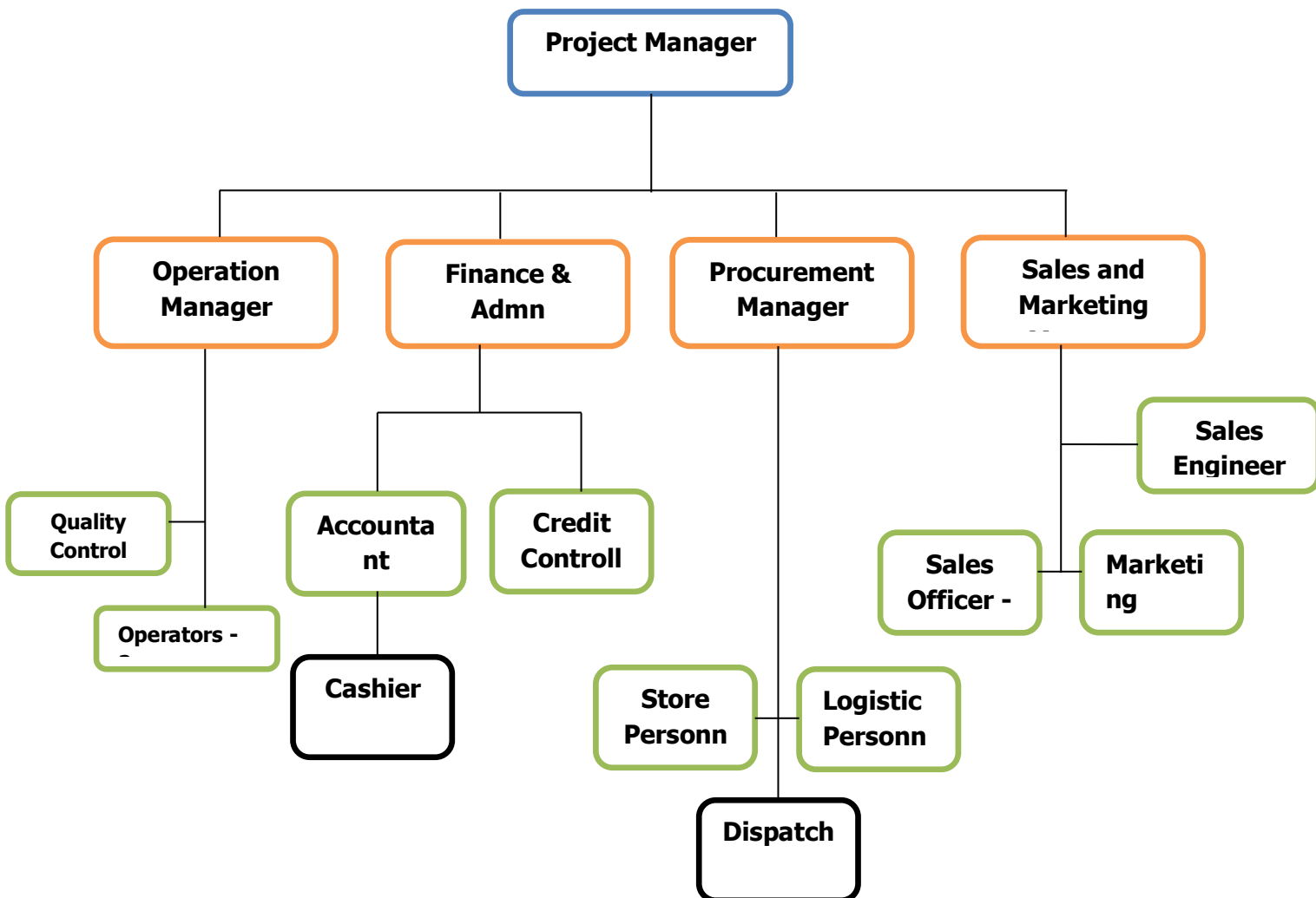


Figure 1: Management Structure

## **6.2 Job descriptions**

### **6.2.1 Project Manager**

Director work with key partners to secure support and resources for the business are in place in time. Director also is responsible in mobilising the business team and setting out business strategies. Also he/she has to evaluate management productivity, develop and enforce business strategies and liaison between the factory and the community.

### **6.2.2 Operations Manager**

Manages factory production, development and operations to be done in time and meets customer needs and requirements, services and support to clients, monitors and reports on the quality and effectiveness of business and performance. He/She reviews and helps identify and implement improvements to the service delivered to customers. He/ She ensure consistent standards of stakeholder communication and customer service.

### **6.2.3 Finance and Administration Manager**

Responsible for managing all financial related activities and Personnel as well as providing financial advice and support on financing decisions, asset management and investment decisions to the company project manager to enable him/her to make sound business decisions.

### **6.2.4 Sales and Marketing Manager**

Effectively develops and executes marketing programs to generate revenue and acquire customers by meeting and visiting customers to ensure revenue and business growth. She/he communicates to

customers on products/services and ensures retention, competition mapping and strong engagement for nurturing business growth.

**6.2.5. Procurement and logistics Manager**

Procurement officers are responsible for evaluating suppliers, logistics, supply chain, inventory control, products and services, negotiating contracts and ensuring that approved purchases are cost-efficient and high quality to avoid costly delays and lost opportunities.

**7.0 SWOT Analysis**

Table 6: SWOT Analysis

<b>Strengths</b>	Exploitation of compatible technology with the market environment and strong partnership with well reputed companies.
<b>Weakness</b>	New in the metal products business.
<b>Opportunities</b>	No well-established competitors and clear large customers.
<b>Threats</b>	Larger and well-funded companies may decide to do the same business.

## **8. 0 Financing and Growth Strategy**

### **8.1. Key Assumptions**

The expenses has been computed based on the research on the costs of establishing and implementation of the metal production business. Most of the initial expenses cover the purchases of goods like office supplies, general administration costs and sales and marketing costs. Cost of goods expense have been computed based on the rates offered in the market where the goods are available, as well as general and administration costs have been computed based on the research conducted on administrating an organization.

The sales and marketing expenses have included costs for brochures, fliers and advertisements, these costs have been determined based upon the current rates in Dodoma region and the quality of the materials used.

### **8.2 Initial Capital requirements**

SUMAJKT Roofing Products need a total of **Tshs 2,413,774,605.00** to finance the start-up of the factory and successful implementation of the business. The fund will be used as follows;

- **Tshs 1,815,138,150.00** will be fixed cost.
- **Tshs 481,524,630.00** will be Raw and Packaging Material  
Costs for three months.
- **Tshs 117,111,825.00** will be Administration Costs for three months.

### **8.3 Financial strategy**

SUMAJKT Roofing Products financial strategy is to solicit seed funds from the SUMAJKT Investments fund which were allocated for starting different industries or factories. The seed fund will enable the factory to purchase instruments such as office supplies that will be used in the business, recruit staff labours, and commence its marketing and operation smoothly. It is projected that the seed fund will enable the launch of the business and successfully implement its business operation plan for providing life-changing quality the employers and customers through the production or produced metal products respectively.

### **8.4 Risks Analysis**

The risk associated with this venture is non negligible. The major threat is that larger and well-funded companies may as well decide to enter into the same business. The management believes that the market opportunities are significant and chances of success are excellent.

### **8.5 Financial Plan**

Basing on data collected; everyday an average of 5 to 10 coil of iron sheets will be produced. (in a day, from 1200 m<sup>2</sup> sheet of metal can be produced and machine operates 8 to 10 hours per day), 5 coils produce 1200 m<sup>2</sup> of for example IT5 – ALU Zinc coating, 28 gauge 0.38x1220 which will make a total sales of **Tshs 21,826,080.00** if all be sold in a day at the rate of Tshs 18,188.00 per m<sup>2</sup>. This will amount to an average sales of **Tshs 1,146,312,953.00** in a year for both types of sheets. Thus, it is estimated that the company will have

government and non government customers in the second and third year respectively. We are very confident that the factory will be possible to get more customers both inside and outside the country since our products are of high quality and reasonable price.

## Start-Up Cost Estimates

Table 7: Start Up Capital

<b>Start Up Capital</b>				
<b>Investment Cost</b>				
<b>Description</b>				
<b>1</b>	<b>Land and Building</b>			
	Land	40,455,000	<b>Available</b>	
	Building/Infrastructure for Factory	985,000,000		
	<b>Sub Total</b>			<b>1,025,455,000</b>
<b>2</b>	<b>Machinery and Equipment</b>			
	Machinery - 5	375,060,000		
	Equipment - Forklift	26,155,500		
	Transport and Clearing (30%)	120,364,650		
	Installation and Supervise at Plant 0.5%	18,753,000		
	Electrical Installation	30,000,000		
	Water Borehole	30,000,000		
	Invironmental Ass & Registration	10,000,000		
	Generator (50KWH)	49,350,000		
	<b>Sub Total</b>			<b>659,683,150</b>
<b>3</b>	<b>Motor Vehicle</b>			
	PM Car	90,000,000		
	Delivery Van (Canter)	-		
	<b>Sub Total</b>			<b>90,000,000</b>
<b>4</b>	<b>Office Equipment</b>			
	Office Furnitures	30,000,000		

	Computer Set	10,000,000		
	<b>Sub Total</b>			<b>40,000,000</b>
<b>5</b>	<b>Operational Expences</b>	Monthly Cost		
	Salaries	10,510,000		
	Disposal of Chemicals and waste	500,000		
	Fuel - Cars	2,000,000		
	Fuel - Generator	200,000		
	Communication	1,000,000		
	Insurance	5,127,275		
	Maintanance	1,000,000		
	Stationeries	600,000		
	Marketing and Promotion	2,800,000		
	<b>Sub Total</b>	<b>23,737,275</b>	3 Months	<b>71,211,825</b>
<b>6</b>	<b>Utilities</b>	Monthly Cost		
	Power	15,000,000		
	Water Supply	300,000		
	<b>Sub Total</b>	<b>15,300,000</b>	3 Months	<b>45,900,000</b>
<b>7</b>	Raw Materials			<b>480,024,630</b>
	Packaging Costs			<b>1,500,000</b>
	<b>TOTAL COSTS</b>			<b>2,413,774,605</b>