

ATRIUM INTERNATIONAL LIMITED

BUSINESS PLAN

The company is promoted by the Investors from India who is having extensive Industrial and Trade Experience in India. Its established in Tanzania to setup Manufacturing Facilities and Trade of various commodities.

Share Holders Details:

Arpan Singhal with 18000 No. of Shares and 90% Shareholding

Raja Jaipuria with 2000 No. of Shares and 10% Shareholding

Investment Objective:

Company is planning to invest USD Ten Million over next two years' period for implementing project for Steel Bars rolling mill to produce Re Bars domestically using Steel Billets. This Re Bars are used in construction projects. It will help provide products at affordable prices due to local production and provide employment opportunities for several Tanzanian citizens.

Areas of Focus:

Setting up TMT Re Bars Manufacturing facility and Trading of Billets and Bars in Tanzania Market. The idea is conceived by the shareholders to enter to this segment following their thorough Market study conducted by the expert consultants. Tanzania Market is considered as one of the safest and maturing market in the African continent with stable political environment and investor friendly Government policies.

Details of the project:

Automatic Rolling mill can produce daily 250 TMT Bars with BS 500 Grade. Additionally, Smelter project for making Billets using Iron scrap available in the country and importation from neighbor countries. Plant is being Imported from India.

Requirements:

Plant requires Industrial Land with 20 acres' area plain Land and we are planning to choose in Kibaha Town council area. Area need to have good access to Water & Electricity Facility.

Target Dates for the project:

Project is expected to take 18-24 months to be completed and operational. So Management planned to import the steel Billets and Process the same from outsourcing from other manufacturers. Also we can supply Billets to other manufacturers. Company has already started looking for ideal site location which will be finalized soon. Steel Billets suppliers also been shortlisted and first order is made for importation. First consignment is expected to arrive in Oct 2022.

Other Details: Company Head office remains in Dar Es Salaam city and production team will reside in plant location. Management decided to give importance to Local Tanzanians in various position in the company.

Business Model:

During first 24 months it engages in Trade of Billets and TMT Bars. Steel Bars Targets clients mainly Contractors of Infrastructure Projects and other Traders. Company aims to reach the clients directly to minimize the cost by reducing Trade chain.

Monthly volumes are expected to be 1000 tons during first six months and 2000 Tons thereafter. Once plant is ready total volumes will be aimed at monthly 6000 MT. Also company provide Job work services for any other clients.

Employment Opportunities:

Total requirement of Manpower is more than 200 employees and main priority is given for the Tanzanians in employment. Company will use expatriates mainly during Plant erection stages and once operational its run by the Local Teams. Company also having plan to provide necessary Skills Development Programs to nurture the skills of the Employees.

Company provides Free and Fair environment to the employees and have lot of motivational schemes to unearth the talents of the employees. Various welfare schemes are planned for their safety and prosperity.

Technology Impact:

Plant is using State of Art technology to produce products with high Quality and minimum environmental effects. Company takes all measures to curb Pollution emissions coming during production activity.

Investment Cost and Sources:

Investment Plan	Amount in USD		Resources
	CAPEX	WORKING CAPITAL	
Year 1	4,000,000	5,000,000	Own Equity
year 2	4,000,000	5,000,000	Refinancing from Banks

Investment for Expenditure breakdown:

Land	\$ 250,000.00
Site Development	\$ 250,000.00
Compound wall	\$ 100,000.00
Steel Structure for plant	\$ 200,000.00
Electrical wire	\$ 100,000.00
Staff Accounts	\$ 100,000.00
Raw material Billets	
HFO as fuel	\$ 100,000.00

Weigh Bridge	\$ 50,000.00
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Implementation Schedule:

Month 1 starts from 1st October 2022

Month 1-3	Land and Plant supplier finalization
Month 4-6	Compound Wall ,Site preparation, Electricity connection
Month 7-10	Preparing Steel Structure for plant and civil works
month 11-18	Plant Erection
Month 19-20	Production Trial Runs
Month 21 onwards	Commercial Production commencement

Capacity of the project:

	Rolling Mill	Smelter
Installed Capacity	6000 MT	2000 MT
Target Operating Capacity	5400 MT	1800 MT

Source of Inputs:

	Inputs	Source of Supply
1	Steel Billets (BS 500 grade)	Importation from different Countries
2	HMS Scrap (BS 300 grade)	Sourced locally within Tanzania

Financial Projection for 5 years:

Projection Balance Sheet

Particulars	Year-1	Year-2	Year-3
	Expected	Projected	Projected
	TZS	TZS	TZS
<u>Particulars</u>			
<u>ASSETS</u>			
<u>Non-current Assets</u>			
Land	1,000,000,000	1,000,000,000	1,000,000,000
Capital WIP	4,000,000,000		
Property ,Plant & Equipment		11,267,264,820	20,000,000,000
	5,000,000,000	12,267,264,820	21,000,000,000
<u>Current Assets</u>			
Inventory	1,551,528,345	2,000,000,000	4,335,000,000
Trade & Other Receivables	2,500,000,000	3,500,000,000	4,500,000,000
Cash & Cash Equivalentents	500,000,000	12,351,794	254,252,636
	4,551,528,345	5,512,351,794	9,089,252,636
Total Assets	9,551,528,345	17,779,616,614	30,089,252,636
<u>EQUITY & LIABILITIES</u>			
<u>Capital & Reserves</u>			
Share Capital	200,000,000	200,000,000	200,000,000
Retained Earnings	4,506,299,094	12,159,118,986	22,958,459,679
Shareholders Equity	4,706,299,094	12,359,118,986	23,158,459,679
<u>Non Current Liabilities</u>			
Investment from Dircetors	2,000,000,000	2,000,000,000	2,000,000,000
Loan From Banks	1,000,000,000	1,000,000,000	1,000,000,000
	3,000,000,000	3,000,000,000	3,000,000,000
<u>Current Liabilities</u>			
Trade & Other Payables	1,000,000,000	1,000,000,000	1,935,026,952
	845,229,252	1,420,497,628	1,995,766,005
Provisions	1,845,229,252	2,420,497,628	3,930,792,957
Total Equity & Liabilities	9,551,528,345	17,779,616,614	30,089,252,636

Project Profit & Loss Account

Particulars	Year-1 Expected	Year-2 Projected	Year-3 Projected
	TZS	TZS	TZS
A. Revenue	47,796,610,169	71,694,915,254	95,593,220,339
B. Direct Expenses	40,274,181,818	60,411,272,727	80,548,363,636
C. Gross Margin	7,522,428,351	11,283,642,527	15,044,856,703
D. Indirect Expenses			
Employee Benefits	625,200,000	647,600,000	670,000,000
General and Administration	361,200,000	388,600,000	416,000,000
Selling and Distribution	-	-	-
Finance Costs	634,500,000	644,125,000	653,750,000
Sub-Total	1,620,900,000	1,680,325,000	1,739,750,000
E. Profit Before Tax and Depreciation (C-D)	5,901,528,351	9,603,317,527	13,305,106,703
F. Depreciation	600,000,006	600,000,006	600,000,005
G. Profit Before Tax (E-F)	5,301,528,345	9,003,317,521	12,705,106,698
Less : Tax for the Year	795,229,252	1,350,497,628	1,905,766,005
Net Profit / (Loss) after Tax	4,506,299,094	7,652,819,893	10,799,340,693

Projected Monthly Profit & Loss Account

Particulars	Month 1	Month 2	Month 3	Month 4	Month 5
Sale of materials	3,983,050,847	3,983,050,847	3,983,050,847	3,983,050,847	3,983,050,847
Direct Expenses					
Cost of Materials	2,380,931,818	2,380,931,818	2,380,931,818	2,380,931,818	2,380,931,818
Duties & Other post importation cost	70,500,000	70,500,000	70,500,000	70,500,000	70,500,000
Transportation cost- Billets	35,250,000	35,250,000	35,250,000	35,250,000	35,250,000
Other Costs	47,000,000	47,000,000	47,000,000	47,000,000	47,000,000
Processing Cost	822,500,000.00	822,500,000.00	822,500,000.00	822,500,000.00	822,500,000.00
Total	3,356,181,818.18	3,356,181,818.18	3,356,181,818.18	3,356,181,818.18	3,356,181,818.18
Gross Profit/(Loss)	626,869,029.28	626,869,029.28	626,869,029.28	626,869,029.28	626,869,029.28
Gross Margin	16%	16%	16%	16%	16%
Indirect Expenses					
Employee Benefits					
Salaries & Wages	45,000,000.00	45,000,000.00	45,000,000.00	45,000,000.00	45,000,000.00
Statutory Contributions	5,000,000.00	5,000,000.00	5,000,000.00	5,000,000.00	5,000,000.00
Medical to Staff	1,350,000.00	1,350,000.00	1,350,000.00	1,350,000.00	1,350,000.00
Staff Welfare	750,000.00	750,000.00	750,000.00	750,000.00	750,000.00
Sub-Total	52,100,000.00	52,100,000.00	52,100,000.00	52,100,000.00	52,100,000.00
General and Administration					
Office Expenses	5,000,000.00	5,000,000.00	5,000,000.00	5,000,000.00	5,000,000.00
Fuel & Transport	3,000,000.00	3,000,000.00	3,000,000.00	3,000,000.00	3,000,000.00
Insurance	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00
Printing and Stationery	300,000.00	300,000.00	300,000.00	300,000.00	300,000.00
Advertisement & Promotion	3,000,000.00	3,000,000.00	3,000,000.00	3,000,000.00	3,000,000.00

62,500,000.00	62,500,000.00	62,500,000.00	62,500,000.00	62,500,000.00	80,000,000.00	80,000,000.00
50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	50,000,000.00	75,000,000.00	75,000,000.00
244,500,000.00	244,500,000.00	244,500,000.00	244,500,000.00	244,500,000.00	348,500,000.00	348,500,000.00
695,803,543.91	695,803,543.91	695,803,543.91	695,803,543.91	695,803,543.91	905,238,058.55	905,238,058.55
12%	12%	12%	12%	12%	11%	11%

Month 27	Month 28	Month 29	Month 30	Month 31	Month 32	Month 33
7,966,101,695	7,966,101,695	7,966,101,695	7,966,101,695	7,966,101,695	7,966,101,695	7,966,101,695
4,761,863,636	4,761,863,636	4,761,863,636	4,761,863,636	4,761,863,636	4,761,863,636	4,761,863,636
141,000,000	141,000,000	141,000,000	141,000,000	141,000,000	141,000,000	141,000,000
70,500,000	70,500,000	70,500,000	70,500,000	70,500,000	70,500,000	70,500,000
94,000,000	94,000,000	94,000,000	94,000,000	94,000,000	94,000,000	94,000,000
1,645,000,000	1,645,000,000	1,645,000,000	1,645,000,000	1,645,000,000	1,645,000,000	1,645,000,000
6,712,363,636.36	6,712,363,636.36	6,712,363,636.36	6,712,363,636.36	6,712,363,636.36	6,712,363,636.36	6,712,363,636.36
1,253,738,058.55	1,253,738,058.55	1,253,738,058.55	1,253,738,058.55	1,253,738,058.55	1,253,738,058.55	1,253,738,058.55
16%	16%	16%	16%	16%	16%	16%

80,000,000.00	80,000,000.00	80,000,000.00	80,000,000.00	80,000,000.00	80,000,000.00	80,000,000.00
75,000,000.00	75,000,000.00	75,000,000.00	75,000,000.00	75,000,000.00	75,000,000.00	75,000,000.00
348,500,000.00	348,500,000.00	348,500,000.00	348,500,000.00	348,500,000.00	348,500,000.00	348,500,000.00
905,238,058.55	905,238,058.55	905,238,058.55	905,238,058.55	905,238,058.55	905,238,058.55	905,238,058.55
11%	11%	11%	11%	11%	11%	11%

Month 34	Month 35	Month 36
7,966,101,695	7,966,101,695	7,966,101,695
4,761,863,636	4,761,863,636	4,761,863,636
141,000,000	141,000,000	141,000,000
70,500,000	70,500,000	70,500,000
94,000,000	94,000,000	94,000,000
1,645,000,000	1,645,000,000	1,645,000,000
6,712,363,636.36	6,712,363,636.36	6,712,363,636.36
1,253,738,058.55	1,253,738,058.55	1,253,738,058.55
16%	16%	16%

75,000,000.00	75,000,000.00	75,000,000.00
15,000,000.00	15,000,000.00	15,000,000.00
3,000,000.00	3,000,000.00	3,000,000.00
3,000,000.00	3,000,000.00	3,000,000.00
96,000,000.00	96,000,000.00	96,000,000.00
-	-	-
15,000,000.00	15,000,000.00	15,000,000.00
10,000,000.00	10,000,000.00	10,000,000.00
5,000,000.00	5,000,000.00	5,000,000.00
1,500,000.00	1,500,000.00	1,500,000.00
20,000,000.00	20,000,000.00	20,000,000.00
6,000,000.00	6,000,000.00	6,000,000.00
4,000,000.00	4,000,000.00	4,000,000.00
1,000,000.00	1,000,000.00	1,000,000.00
15,000,000.00	15,000,000.00	15,000,000.00
10,000,000.00	10,000,000.00	10,000,000.00
10,000,000.00	10,000,000.00	10,000,000.00
97,500,000.00	97,500,000.00	97,500,000.00
5,000,000.00	5,000,000.00	5,000,000.00
75,000,000.00	75,000,000.00	75,000,000.00
80,000,000.00	80,000,000.00	80,000,000.00

75,000,000.00	75,000,000.00	75,000,000.00
348,500,000.00	348,500,000.00	348,500,000.00
905,238,058.55	905,238,058.55	905,238,058.55
11%	11%	11%