

BUSINESS PLAN

PURE PACK COMPANY LIMITED

FOR

INDUSTRIAL PRODUCTION OF PARKING PRODUCTS

PURE PACK COMPANY LIMITED

This is a Tanzania local company incorporated in 3rd Day of March 2022 with registration Number: **155339454**. This is the Company incorporated under the Companies Act, 2019 and that the Company is limited with its head office at, Plot No 15, Industrial Area, Vingunguti Area, Ilala District, Dares Salaam.

The Company mainly objective being manufacturing and production of packaging goods in large scale that deals in both manufacturing and production and sell to the market and then to sell the same outside Tanzania.

OUR VISION

To become the largest dealer of manufacturing and production industry of packing goods in East and Central Africa by using high industrial technology. The Company will consistently deliver convenience, quality services and add values that are **Teamwork, Reliability, and Integrity & Customer Satisfaction**.

OUR MISSION

To constantly exceed customer expectations by providing quality packing goods, efficient, economical and friendly to the environment. To identify and enter new areas of business thereby expanding the company, to create a work environment where an employee can exceed his personal best in job performance and in customer service, to

operate the company in a manner of continuous improvement thereby expanding market share in all its diversified businesses, to be oriented towards adaptation and to take advantage of windows of opportunity, to make a contribution to various communities as individuals and as a group and finally to succeed in business and to provide a sufficient return on investment to the stakeholder.

OUR VALUES

The company will maintain a high standard of efficiency in terms of service to manufacturing with latest technology to ensure maximum and quality output that can make the industry grown to its full potential regarding the international standards.

PLANNED ACTIVITIES IN THE COMPANY

Pure pack Limited intends to hire building in Dar es salaam region where the company intends to use as an industry for production of packaging products. The project objective is to increase the resilience modern package productivity in Regions and, increasing package productivity. It is planned to respond to the environment significant because their disposable material.

The plan will also contribute positively to the growth of the local industries. There is also good alignment with experts' recommendations for environment adaptation measures to enhance resilience in production and with the proposals under the Tanzania Investment Centre to enhance the resilience of user to protect and improve the productivity while focusing on investment in the sector for poverty reduction in Tanzania communities. Gender equality will be mainstreamed throughout the project to ensure that the project does not perpetuate gender inequality but enhances gender equality through company interventions.

PROJECT DESCRIPTION

Significant measures have been taken to liberalize the Tanzania economy so that to encourage private sector to take a lead in Tanzania economic growth; The Government of Tanzania embarked on adjustment program to give the private sector the leading role. It is in view of the above our Company came up with a proposal to develop manufacturing packing goods industry so as to support the industrialization policy of the Government.

MARKET ANALYSIS AND STRATEGY

According to expert, personal selling is the most effective method for marketing, apart from personal selling the company will employ other strategies such as online marketing, sponsorship, international magazine etc.

PRICING

The pricing policy will be based on the cost of services provided;

MONITORING AND EVALUATION

The Management has full commitment to ensuring good use of the resources and sustainable environment. Thus, the management philosophy is through business process, the company will strive to ensure compliance to standards and safety. Management crew will be skilled in both human resources administration and financial management; therefore the persons to be hired should have minimum qualification of a diploma in Business Administration, Business management or similar fields. The monitoring and evaluation tools will be applied in running this project as well, the company shareholders are determined to cooperate fully with the government and other stakeholders for smooth business running.

COMPANY INVESTMENT COST

The share capital investment cost for the company is estimated to cost 729,000,000 USD. The whole amount will be raised from shareholders

PURE PACK COMPANY LIMITED

PARTICULAR	USD
Machines/ Factory	300,000.00
Vehicles	30,000,.00
Insurance Cover	30,000.00
Furniture, and Equipment	50,000.00
Lease/ Land Rent for Godown	19,257.9
Working Capital	300,000.00
TOTAL	729,000,000

FINANCING PATTERN

The company will be financed by company shares and company cash flows realized from business in various phases.

ASPECT OF PROJECT SUSTAINABILITY

Due to the research conducted on market conditions and the infrastructure, there is high demand of the product in the market, company will be able to operate undisturbed. The peace and tranquility that exist in Tanzania is another aspect of assured business sustainability.

FINANCIAL ANALYSIS: 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, it is assumed to be 5% annual depreciation.

It is assumed that the major building raw material will be procured from local market and other will be imported. Revenues have been conservatively estimated based on experience of the promoters and trends in the transportation industry. Five (5) years financial projections have been worked out.

COMPANY INVESTMENT FINANCING PLAN

The main activity of the financing company is production of packaging product provided by shares equity to the company as a starting capital for business operations. This is not a loan equity.

DIRECTORS OF PURE PACK COMPANY LIMITED	
Total Shares	5,000
Foreign	1600
Foreign	1600
Foreign	1600

KEY HIGHLIGHTS AND INSIGHTS OF OUR COMPANY.

A. Operations Strategies

- Strict financial controls by having the proper controls, production efficiency will be maximized.
- The second key will be the never ending pursuit for the industry's highest concentration levels of ingredients in each production
- The third key is the recognition and implementation of the philosophy that 100% customer satisfaction is required to ensure a profitable business. Profits are a byproduct of satisfying customers, not the other way around

- Production management: More advanced technological equipment from raw material to output to avoid any sort of challenge leading to low standard products.
- Resources available: raw materials will be imported from China, Singapore and Egypt.
- Size and Scale: the company intends to produce in a large scale to be able to meet demand and supply within Tanzania and external countries as well.

B. Human Resources Strategy

The success of company depends most on the functioning of the human capital. Thus, recruitment of skilled and experienced human capital is most crucial for the success of the company. The qualified and experienced staff shall be hired for the wide labor market. In this endeavor, the company will operate under the Tanzania Labor Law in terms of salaries and overall work general conditions and the company's constitution.

C. Marketing Strategy

- The company has identified customers like, wholesale in supermarkets, mini markets, shops and other nurseries. The customer segments are distinct enough to be able to target each one differently. Our company will be able to serve the industry by leveraging their competitive edge of service, potent produce.
- Other strategy will be based on generating awareness and visibility of the company and their ability to produce the highest percentages of packaging products. The strategy will rely on several different forms of communication. The main form is participation in the numerous trade shows for the industry. The trade shows are where everyone from the industry gathers to meet and transact business as it is a wonderful place to network as well as learn about new developments in the industry. The second form of communication will be the use of advertisements, venues for advertisements will be industry trade magazines. The trade magazines are a well-read source of information that buyers and sellers refer to

for many different transactions. The third form of communication will be market research, understanding of who are the clients, where they are, what they do, and what problems they may face and how your product or service can fix them is very important. You might find out that the market for your product is enormous, or very small. Either way, you would have to find out how many people would be willing to purchase your product or service if it could solve a specific problem they have. Also you need to find out what price your potential buyers are willing to pay.

D. Sales Forecast

The sales forecast indicates that growth will be high and steady. Growth will be high because of the high demand in the market. Production is not the slowing element as whenever the challenges are foreseen and advancements have been made reasonably can raise production to meet the sales needs. There are a few risks that could have a negative impact on sales such as high number of competitors, transportation challenge during the importation of raw materials and shortage of law materials.

INCOME STATMENT

<u>REVENUE</u>							
	<u>Year 0</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>TOTAL</u>
TOTAL SALES ANNUALLY CELLO TAPE PRODUCTS	-	317,580	333,459	350,132	367,639	386,021	1,754,832
TOTAL SALES ANNUALLY PACKAGING PRODUCTS	-	204,159	214,367	225,085	236,339	248,156	1,128,106
TOTAL OPERATING REVENUE	-	521,739	547,826	575,217	603,978	634,177	2,882,938
<u>EXPENSES</u>							
	<u>Year 0</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Total</u>
SALARIES		45,250	46,608	48,006	49,446	50,929	240,238
SOCIAL CHARGES & PENSION PAYMENTS		9,050	9,322	9,601	9,889	10,186	48,048
PURCHASE OF RAW MATERIALS		65,217	67,174	69,189	71,265	73,403	346,248
FUEL AND LUBRICANTS		10,904	11,231	11,568	11,915	12,272	57,888
ELECTRICITY AND WATER (UTILITIES)		26,087	26,870	28,213	29,624	31,105	141,898
FACTORY OVERHEAD COST		14,099	14,522	14,958	15,407	15,869	74,854
INSUARANCE/LICENSING/OTHER CHARGES		5,702	5,873	6,049	6,230	6,417	30,271
OTHER COSTS		2,609	2,687	2,768	2,851	2,936	13,850
TOTAL OPERATING COSTS		178,917	184,285	190,351	196,626	203,117	953,296
OPERATIONAL NET EARNINGS BEFORE DEPRECIATION, INTEREST & TAX		342,822	363,541	384,866	407,353	431,060	1,929,642
<i>%AGE GROSS CONTRIBUTION</i>		66	66	67	67	68	1
DEPRECIATION AT 12.5%		29,997	31,810	33,676	35,643	37,718	173,668
NET EARNINGS BEFORE TAX & INTEREST		312,825	331,731	351,191	371,709	393,342	1,755,974
INTEREST PAID (BANK LOAN)		30,108	24,976	19,433	13,447	6,982	94,946
TAX (30%)		102,919	109,140	115,542	122,292	129,410	579,303
NET EARNINGS		179,798	197,616	216,216	235,970	256,951	1,086,550

ANNEX III BALANCE SHEET

(all numbers in US\$)	Year 1	Year 2	Year 3	Year 4	Year 5
Current asset	15,217	197,616	216,216	235,970	256,951
Fixed asset	435,652	383,374	337,369	296,885	261,259
Liquidity	342,822	510,455	673,837	813,021	948,505
TOTAL ASSET	793,691	1,091,445	1,227,422	1,345,876	1,466,714
NET ASSET MINUS DEPRECIATION	763,694	1,059,635	1,193,746	1,310,232	1,428,996
Equity	94,087	96,571	105,131	114,450	124,595
Reserves					
Total Own Equity	94,087	96,571	105,131	114,450	124,595
Provisions	442,432	727,856	845,139	943,588	1,043,016
Long term loan	94,259	94,259	94,259	94,259	94,259
Short term Liabilities	132,916	140,949	149,218	157,936	167,127
Total Equity & Liabilities	763,694	1,059,635	1,193,746	1,310,232	1,428,996
NET FA/CL	4.62	4.07	3.58	3.15	2.77
CL/CA	8.73	0.71	0.69	0.67	0.65
DEBIT/CAPITAL RATIOS	0.88	0.91	0.91	0.91	0.91
ROI	16.2	204.6	205.7	206.2	206.2
BREAK EVEN POINT	1.27	1.05	0.88	0.73	0.61
BREAK EVEN RATIO	1.18	1.15	1.13	1.10	1.08
EQUITY/TOTAL LIABILITIES	12	9	9	9	9

ANNEX IV – INTERNAL RATE OF RETURN

	(all numbers in US\$)	
	Initial Investment	-470,435
Year 1	Additional Annual Net Profit	179,798
Year 2	Additional Annual Net Profit	197,616
Year 3	Additional Annual Net Profit	216,216
Year 4	Additional Annual Net Profit	235,970
Year 5	Additional Annual Net Profit	256,951
	IRR (in 5 years)	16.80%

<u>CORPORATE HEADQUARTERS:</u>	<u>OTHER ADDRESS:</u>	<u>CONTACT PERSON:</u>
<p><u>DAR ES SALAAM</u> PURE PACK COMPANY LIMITED P.O BOX 25220 DAR ES SALAAM Vingunguti-Ilala Code 12109, stree viwandani Nyerere road Plot No. 15 block No B House No. 18531 Email: egypack-63@yahoo.com Mobile No. 225753968410</p>	<p>PURE PACK COMPANY LIMITED P.O BOX 25220 DAR ES SALAAM Vingunguti-Ilala Code 12109, stree viwandani Nyerere road Plot No. 15 block No B House No. 18531 Email: egypack-63@yahoo.com Mobile No. 225753968410</p>	<p>SAMIR FATHY MOHAMMED ABOUELENEIN Managing Director PURE PACK COMPANY LIMITED Tel: 255753968410 Email: egypack-63@yahoo.com</p>

8.1. **Conclusive Remarks and Way Forward**

The development of this integrated plant will be funded by private finances. The company acting through its various shareholders and structures will provide the initial risk capital amounting to 729,000,000US\$, the whole amount will be raised from shareholders. Before the Company engages into the development of this project as a private enterprise, it needs to accomplish the pre development activities to make way for the development of the designated project. The company has to accomplish the following;

a) **Apply for TIC certificate**

The company by using this Business Plan and other required supporting documents should apply for the TIC Certificate at Tanzania investment centre. With this certificate, the company will be able to access tax reliefs which to a large extent will help to in reducing project costs, particularly in the purchasing of machineries and minor building of area of proposed industrial area.

b) **Conduct Environmental Impact Assessment.**

The company has to engage a consultant to conduct EIA in order to ensure that environmental and possibly other sustainability aspects are considered effectively in policy, plan and project development. The EIA Directive aims at introducing systematic assessment of the environmental effects of strategic land use related plans and programs. It typically applies to regional and local, development, waste and transport plans, within the country. EIA ensures that plans and programs take into consideration the environmental effects they cause.

c) Minor rehabilitation to suit integrated Industrial requirement

The company should engage a firm to make minor rehabilitation of existing structure that will suit integrated manufacturing requirements. The structure should include all vital service facilities described in this business plan. When possible, the process of design of the facility should be consultative inasmuch that it should allow and incorporate ideas from experienced professionals from the industry.

d) Mobilizing Funds

As previously discussed on the Financial Analysis of this business plan, financing mechanism for the integrated plant should be scrutinized well before commencing the project implementation. There may be several options of financing the project development but the company will find the best option. The investment team should do consultation with relevant financial institutions (Banks and non-bank Financial Institutions), both within and outside the country. This exercise should be more effective if the team works closely with central government agencies, particularly TIC and the Ministry of Industry & Trade and Ministry of Investment.