

BALAJI TECHNOPACK LIMITED

BUSINESS PLAN FOR COMPLETE FULL LINE POLYPROPYLENE WOVEN BAGS

Amj Partners
P. O. Box 16357
Dar Es Salaam.

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0752366550

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1.0 BACKGROUND

1.1 INTRODUCTION

Balaji Technopack Limited intends to engage in manufacturing of woven packaging bags famously known as polypropylene bags (PP) by acquiring new machinery for manufacturing agricultural packaging bags for farmers at Kisemvule area, Mkuranga District in Coast region.

This has come as an opportunity after long study which has shown that there is great demand of packaging materials in Tanzania as a country.

The Government of Tanzania is currently advocating modernization of Agricultural sector through mechanization, for such reason directors of Balaji Technopack Limited has decided to invest in this potential sector.

The company need to have a complete full line of machines to manufacture PP bags which will be used to pack agricultural produce and some of the factory will use these bags to pack their products in the same way such as sugar, fertilizers, flour, nails just to mention a few besides other normal traders in the markets and shops of which its demand is not questionable according to the number of potential clients.

Balaji Technopack Limited aim at targeting multiple customers' namely industrial companies and agricultural farms in northern, central and southern Tanzania that require high quality packaging bags for their products. These will be medium to large businesses that require large quantities of 50Kg or 100 kg bags per year

However, our market is not only limited to the mentioned areas, will expand wings and serve other customers who will need our products where we know Tanzania is importing some of the woven bags from India and Kenya. This will be a start-up business for Balaji

Technopack Limited which will be specialised in the production of polypropylene (PP) packaging bags.

Due to their versatility and strength, PP woven bags are the most commonly used bags in the packing industry. They are used in packing fertilizers, animal feeds, fish, grains, flours, salt, sugar, cement, seeds, and chemical resin, garbage, sand bags for military uses, steel or for many palletized, granulated and powdered materials.

In the international market, PP woven bags are more competitive and abundantly available compared to organic bags, eg. Jute, sisal, hemp etc.

However, in the case of Tanzania, the existing producers are not able to meet the total national requirement. Balaji Technopack Limited, woven bags are an attractive project because PP packaging bags are a vital component in many of the manufacturing and agricultural industries in Tanzania.

This business opportunity was identified after a comprehensive market study revealed the great demand study packaging bags in the northern, central and western regions of Tanzania. The analysis showed that there are some manufacturers in the region like Azam, Azania, Mohamed Enterprises, Hill packaging and others who produces for in house uses at the same time sells to outsiders.

However, Tanzania is having huge fertile and erable land for agriculture in the areas like Karatu, Babati, Katesh, Kiru, Mbulu, Moshi, Arusha, Manyara, iringa, Mbeya, Rukwa, Lindi, Mtwara, Songea, Dodoma, Singida, Kigoma, Bukoba and Tanga with a strong demand for these bags.

In fact, we were able to identify a dedicated company, the TPC (Tanzania Plantation Corporation) in Moshi and many other potential buyers in the area who could serve once Balaji Technopack Limited is in production. There are currently few main PP woven bags production companies in the whole of Tanzania, while they

mainly focus and target is the eastern coast, hence the accessible location of a new factory in Mkuranga district will appeal to a large market in Dar es salaam and some parts like southern and northern regions.

In summary, this business opportunity is being pursued because of the following reasons;

- The actual demand of PP bags is much greater than the supply offered by the existing manufacturers
- The existing manufacturers are constantly falling short in meeting their commitments resulting in losses for agriculture/horticulture producers as they fail to deliver their produce in time
- Rural farmers and large scale plantation estates are showing more preference for PP bags
- Rural farmers and large scale plantation estates are showing more preference for PP bags because they are durable, stronger and cheaper compared to other natural fabric bags
- The consistent growth in farm production in the Kilimanjaro and Mbeya, Iringa, Morogoro, Rukwa, Dodoma only to mention a few on Government Agricultural improvement initiatives
- Rural farmers and large scale plantation estates are showing more preference for PP bags because they are durable, stronger and cheaper compared to other natural fabric bags

Goals

The goal of this project is to increase the production capacity of PP woven bags in Tanzania by introducing a new plant that uses modern machinery and technology. Through effective marketing of the product in the local and export market, we aim to achieve the following objectives:

- To promote the local market for PP woven bags in Tanzania
- To increase the quality of PP woven bags manufactured in Tanzania
- To reduce dependence on external sources for imported PP woven bags

- To encourage the growth of the PP woven bags industry in Tanzania
- To create employment for the local people (skilled and unskilled)
- To promote the transfer of knowledge to Tanzania through skill and human resources development. Training on the use and application of new machinery and technology
- To contribute to the country's economy through taxes and other levies
- To promote growth and expansion of the private sector and
- To boost the export market in SADC and COMESA countries, resulting in increased foreign earnings.

The report provides a social economic evaluation of the PP woven bags production so as to enable the company secure investment incentives through Tanzania Investment Centre as follows:-

Details	Unit PriceUS\$	Pieces /Qty	Value in US\$.
Tape Extrusion Line Model Lorex E1208.1600HS	500,000	1	500,000
Filament/Tape Winder Model LTW 200 CM	550	312	171,600
Circular Loom Model LSL 6	14,000	64	896,000
Flexographic Printing Machine Prismaflex 100	105,000	1	105,000
Extrusion Coating M/C Lamicoast Prime C1500	180,000	1	180,000
Bag Conversion Machine BCS Prime	27,500	4	110,000
TOTAL	FOB India		1,962,600
	Freight & Insurance		159,400
	CIF Lusak		2,122,000

The business plan attempts to achieve the following objectives:

- a) Provide proposals on how the company's PP woven bags where the company expect to produce a total 3,600 tons of PP woven bags at its maximum achievable production capacity.
- b) To provide proposals on how the company's efforts of protecting environment can be practically implemented.
- c) To provide key indicators in the business proposals such as creation of revenue earning capacity, which will cover all costs, repay the bank loan and contribute to profit.
- d) To review the business's technical and market potential so as to match new investment requirements with the type of management team for maximum efficient utilisation.
- e) To estimate the required levels of investment funds, its costs and input for proper investment decision.
- f) To provide a forum through which the company can negotiate with financiers for funding.

With this business plan in place, the company has strong support from location of his business, quality products together with reputable and reliable clients/markets (Kisemvule area in Mkuranga District) customers who are targeted to buy woven bags. The referred to clients include the following:

- ❖ Dar es Salaam Mapinga based communities both business and individuals, and
- ❖ Mkuranga District based communities both business and individuals
- ❖ Upcountry customers

1.2 SPONSORS

This PP woven bag is promoted by Balaji Technopack Limited, a limited liability company that was incorporated and registered in Tanzania under the Companies Act 2002.

1.3 LEGAL STATUS AND MANDATES:

Balaji Technopack Limited is a limited Liability company will be engaged in PP woven bags, where woven paper bags will be manufactured and distributed to various clients within Dar es Salaam and other upcountry regions. The company has been registered under the Companies Act 2002 and given a certificate of registration number 167447066 dated 2nd August, 2023 and pay tax with TIN number 167447066 issued on 2nd August, 2023 and Industrial licence for production and sale of PP woven bags. The company has potential clients and markets for its business and able to expand.

The company has all other legal requirements for carrying out this PP woven bags business.

1.4 PROJECT PROPOSAL

The company's main business focus is to install machinery and produce PP woven bags for sale to various clients in Mkuranga District and up country regions. The company has all necessary statute authority to carry out business as explained in section 1.3 above.

1.5 REGISTRATION

Balaji Technopack Limited is a Tanzanian company owned by foreigners who will be dealing among other duties, in stimulating and developing economic undertakings in Mkuranga District with emphasis in PP woven bags production for sale to various clients at Kisemvule area within Mkuranga District and Tanzania as a whole.

The company's poultry farm at Kisemvule area is strategically located for easy communication with clients.

More specifically Balaji Technopack Limited will focus on the following services and products in this business plan:

- Production of 3,600 tons PP woven bags which will be sold to various customers in Dar es Salaam and upcountry regions.
- Expand and modernise the PP woven bags hence increase its production capacity for sale to various small and medium clients in Mkuranga District and other regions.
- Improve living standard of people employed by the company and imparting new PP woven bags technology and business knowledge by providing on job trainings.
- Improving life standard of Tanzanians employed by the business in one way or another and Tanzanians at large by paying various types of taxes to the Government.
- Under this business plan the company intends to increase its PP woven bags capacity and efficiency to take advantage of the available market.

2:0 TECHNICAL ASPECTS:

2:1 Location

1. Company's' Headquarters:

Balaji Technopack Limited has its head office located Kisemvule, Mkuranga District in Mkuranga District.

The farm can be contacted through the following address:

INDUSTRIAL AREA:
Plot No 7 Block C Kisemvule Area,
Mkuranga District,
COAST.

The location of the Poultry farm provides the following advantages:

- Situated at possible farming centre at Kisemvule area, Mkuranga District in Mkuranga District, the farm can easily be accessible to business information and targeted customers around the area.
- The centre will be furnished with all necessary utilities: Electricity, Internet, water and telecommunications. The company expects to operate its business with added efficiency using these facilities.

2.2 Operational Area:

The company conducts its business within Dar es Salaam region, Kisemvule area, Mkuranga District. The operational area is wide enough to enable the company conduct the intended PP woven bags business and is able to expand.

2.3 Machinery, Tools & Equipment

In order to carry out the modern PP woven bags business more efficiently the following equipment will be purchased

MACHINERY&EQUIPMENTS	US\$
Land and buildings	381,522
Machineries	312,370
Vehicles	175,000
Furniture	25,000
TOTAL	893,892

2.4 Implementation Programme

After the commissioning of the project the company will start operating at a reasonable medium scale which will be highly profitable and will expand as per demand forces subject to availability of adequate funds for meeting the required improvement of business operations.

3.0 FINANCING PLAN AND PROJECTIONS:

3.1 Investment Programme and Capitalization

The total investment cost of the project in terms of capital has been estimated at US\$.6,668,300. The promoters are ready to inject funds to the tune of US\$.6,668,300 in terms of assets and other trading stocks. The smooth running of the project ,Balaji Technopack Limited will purchase varieties of machineries, completion of factory buildings and purchase of enough raw materials besides other operational costs for smooth running of the factory as explained above.

Total company's contribution/financing is therefore US\$.6,668,300. This is 100% of the estimated total financing and Balaji Technopack Limited is not seeking any loan at the start as an additional capital investment and working capital. Table 2(ii) provides details of investment schedule and financing.

3.2 Equity Financing

Shareholders' financing of US\$.6,668,300 is being sought from shareholders and invest in the factory located at Kisemvule area, Mkuranga District in Coast Region.

3.3 Operating Costs:

The total direct and indirect costs have been estimated between US\$.4,293,856 in 2023 and US\$.4,646,553 in 2027. Please refer to the attached table numbers 7C.

3.4 Projected Sales Revenue

The main sources of revenue will be from selling of woven bags as narrated in the attached table number 6 for sale to various clients at average price of US\$ 1,800 per ton. The projected revenue is expected ranging from US\$.6,480,000 in 2023 and US\$.7,014,160 in 2027.

The net profit is estimated ranging from US\$.1,463,005 in 2023 and US\$.1,631,539 in 2027 as reflected in the attached table number 11.

3.5 Working Capital Requirements

Working capital projections for the project are as presented in the attached cash flow projection. According to the said statement, working capital requirement has been estimated basing on the following assumptions:

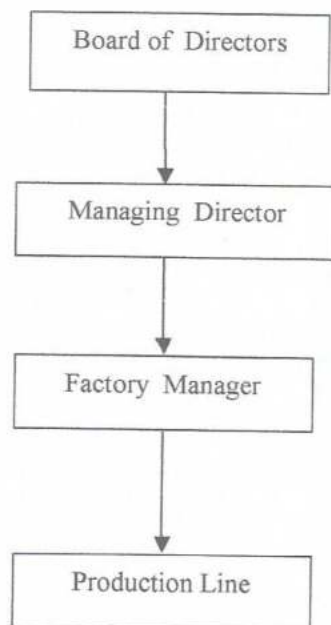
- a) Total of 3,600 tons of woven bags are expected to be purchased. The estimation has considered minimum achievable capacity.
- b) An average procurement/purchasing costs are ranging from US\$.3,960,000 in 2023 and US\$.4,286,433 in 2027 as reflected in the attached table number 5
- c) Operating expenses except Licence fees, bank Charges, Bank Interest, Audit and Consultancy Fees and retails will increase by 5% per annum while inflows will increase by 20% in year two onwards.
- d) Products and services will be sold at reasonable prices on cash basis, that is to say, orders with cash with few reliable debtors' collection has been provided in our projections.

4.0 MANAGEMENT

4.1 Management and Organisational Structure

All major decision and planning to the business will be done by the board of directors. The day to day activities is under the Managing Director who is working in close collaboration with a team of qualified personnel

Organization Structure:



The curriculum vitae of key personnel of the business are as follows:

MANAGING DIRECTOR

Name	Bhavin Nileshbhai Kapuriya
Place of birth	Gujurat - India
Date of Birth:	26 th February, 1985
Nationality:	Indian
Marital Status:	Married + Children

Education and Training:

University graduate with various on job trainings within and outside the country.

Working Experience of 10 years in plastic manufacturing and trading in PP bas.

DIRECTOR

Name	Meet Agrawal
Place of birth	Chhattisgarh - India
Date of Birth:	08-03-2001
Nationality:	Indian.
Marital Status:	Single

Education and Training:

Bachelor of Business Administration with various on job trainings.
Working Experience of 3 years in trading.

DIRECTOR

Name	Meet Agrawal
Place of birth	Chhattisgarh - India
Date of Birth:	Adult
Nationality:	Indian.
Marital Status:	Married + Children

Education and Training:

University graduate with various on job trainings.
Working Experience of 35 years in plastic manufacturing.

4.2 Labour Availability:

There is plenty of manpower at all levels in Tanzania; as such labour availability does not pose any difficulty to the proposed project vacant positions. The company will recruit his personnel from

the labour market. Apart from the administrative staff the company's main productive cadre includes professional (learned) and non professional. Due to high unemployment rates in the country the company will be able to hire workers easily from the labour market.

5.0 MARKETS AND MARKET ANALYSIS

5:1 The products (Woven bags)

The company will make available quality woven bags of various sizes for sale to various clients in Dar es Salaam market and upcountry regions.

Like in many countries south of the Sahara, in Tanzania woven bags production offers great opportunities for the large, small and medium private sector investors to play the game. The small and medium enterprises have managed to increase tonnage of woven bags

5:2 Markets

The clientele is largely expected from Mkuranga District and surrounding areas plus upcountry regions. The available market is wide enough with current and future population to meet the expected return. The quality woven bags are on high demand.

5:3 Contact Channels

[a] Promotion and Publicity

The company will use the existing local mass media within the region to promote his business. These will include but not limited to oral and radio. However, any means of publicity of which its achievement will provide a fast reliable means for external communication may be adopted. At the moment the word of mouth has done to its recommended level.

[b] Payment Terms

All clients including foreigners will pay in local currency or in forex which are readily convertible. The mode of operations is on cash basis with limited company's credit.

5:4 Demand and Supply:

5:4:1 Trend in Demand

As pointed out in para 5.2, the company's services and products have ready and steady market locally in Dar es Salaam and surrounding areas.

5:4:2 Trend in Supply

According to the company's purposes a total 1250 clients/Agents are expected to be served per annum direct from the factory. The projection has been considered adequate markets for the business services and products at the present capacity.

5:5 Pricing Mechanism

The company has projected competitive charges at an average price of US\$. 1,800/= per ton of woven bags and 3,600 tons per annum .As such, in preparing the projected cash flow statement, the project management has decided to use average selling prices indicated above used in the calculation.

5.6 Competition

The manufacturing of woven bags is widely sparsely in the country and depends very much on how you choose the market niche and the quality of woven bags. There are currently few main producers of PP woven bags in Tanzania, some of which serve primarily the coastal areas in the east of Tanzania. Their core business activity is to

manufacture PP woven bags. These includes but not limited to the following:

- 1) PP Tanga Limited, located in Tanga.
- 2) Raffia Bags Limited, located in Dar es Salaam.
- 3) Victoria Poly Bags Limited, located in Mwanza.
- 4) Hill Packaging Limited, located in Dar es Salaam.
- 5) PP Packaging in Tanga.

Other Smaller PP woven bag manufacturers:

Bakharesa Limited in Dar es Salaam produces PP woven bags mainly for its own milling company. The company produces a small number of bags for other companies.

5.7 SWOT Analysis

5.7.1 The Strength

The strength on the project relies heavily on the capacity and experience of the directors, factory manager and other staff employed in operations department who have experience for long time (more experienced in the field). The business location in coast Region also adds advantage to the company and created goodwill to the public as they provide employment directly and indirectly. In addition, demand for the company's product and service are always on increase.

5.7.2 Weakness

The company's main limitation is production capacity limit of 300 tons per month. As such, the decision to plan for phase two plant expansions as company's deliberate strategy to overcome this weakness.

5.7.3 Opportunity

The company has a room to expand as the demand is on increasing trend provided population keep on increasing which provide wide market of quality woven bags that will always be available.

5.7.4 The threat

The manufacturing of woven bags is threatened by competitors mostly the big players in the market. However, the company's is targeting niche market with best quality and competitive price. **High quality product**, readily availability in the market at a competitive price is added advantage for company's efforts to overcome market competition.

6.0 ENVIRONMENTAL EFFECT (Environmental Impact Assessment):

The company's product and services have no any known environmental degradation. Great care will always be exercised during production process and so the project is environmentally friendly.

7.0 SOCIO - ECONOMIC CONSIDERATIONS

7.1 Government Revenue:

The company's activities will greatly benefit the Nation in the form of various forms of taxation that Balaji Technopack Limited will pay to the Government. These are Income tax, Royalty, PAYE and payroll levy and other form of taxes paid to the local and central Government. The company will also earn more as a result of increased procurement and sales supported by shareholders financing.

The project will also be a source of income to various people who will be employed on permanent and/or casual terms. Permanent employees include the managing director, production manager, accountants and other operating staff. Casual labour will be required during loading and offloading especially during pick period. Thus financing and developing the proposed business at Mkuranga

District will substantially improve standard of living of various people within the area and Tanzania at large.

7.2 Employment Effect:

Supporting the project will create not less than 45 new jobs excluding the permanent employees mentioned in paragraph 4.1 above. Several other casual labourers will be employed as need arise especially when off-loading factory stocks.

The company employ a total of 2 individuals/employees. The proposed expansion will create more jobs. In an economy such as Tanzania where unemployment rates have reached alarming levels, any effort which creates employment is highly appreciated.

7.3 Foreign Exchange Effect:

Balaji Technopack Limited with its woven bags products which will be sold locally and for export purposes given good quality product and good customer care offered that will make customers communicate with other potential clients. As such is not a foreign income earner as all the products will be sold within Tanzania hence the project will be a foreign exchange earner if products exported.

7.4 Encourage Sectoral Linkages:

The implementation of the project provides an opportunity for linkages in health and agricultural sectors. Efficiency in any of these sectors creates more markets to others thus increasing the need for general merchandize business.

8.0 RECOGNITION OF RISKS

8.1 Assessment:

These are various risks against the achievement of the planned objective. The major ones being:

- (i) Political Instability.
- (ii) Non - availability of customers preferred products.
- (iii) Plants and machinery production capacity limit.

8.2 Mitigation

To encounter the negative effects of the above scenarios when happen, the management is advised to apply the following measures:

- (i) At the moment the supply of woven are less than the actual requirement and therefore very remote chances that the demand will not be there. However in the long run the management should always be prepared to switch to new products/types to meet new demand.
- (ii) Non availability of products may not be experienced in a short run as the products are necessary to human beings and the company is expected to add product demanded by clients to improve efficiency.
- (iii) Political Instability is out of company's control.

9.0 CONCLUSION

Analysis has revealed that the proposed project is technically feasible, financially and economically viable, and socially beneficial. As such, the management should therefore strive to execute the company's decision to seek financial assistance from a bank and start effective operations.

Prospective financiers are advised to support the company's efforts by way of providing the necessary bridging finance.

KEY ASSUMPTIONS AND CONSIDERATION:

Table 1

SN	PARTICULARS	FOREX RATE	EQUIVALENCY	CONVERSION DATE	INTEREST RATE	SENSITIVITY FACTOR ****
[A]	<u>EXCHANGE RATE:</u>					
1.	US\$ to Tshs	1.00	2500,00000	2023		
2.	£ to Tshs	1.00	0,000000	2023		
3.	£ to US\$	1.00	0,000000	2023		
4.	Yen to Tshs	1.00	5,02520	2023		
5.	US\$ to Yen	1.00	497,49264	2023		
[B]	<u>INTEREST RATES:</u>					
1.	Foreign Directors				7%	
2.	Foreign Banks				7%	
[C]	<u>SENSITIVITY FACTOR:</u>					1.00
	Used to test the projects strengths in case of changes in the exchange rate					
[D]	<u>OTHERS:</u>					
	A margin on goods purchased is projected at: Efficiency Utilisation	44.0%	60.0%	70.0%	85.0%	85.0%

NOTE:

*** = The exchange rates used are Average rates for the year 2023

INVESTMENT SCHEDULE:

Table 2 (k&ii)

SN	DETAILS OF THE EXPENDITURE	UNIT COST IN US\$	QUANTITY PIECES	FINANCING ARRANGEMENT		
				EQUITY (US\$)	LOAN(US\$)	TOTAL [US\$]
[A]	LAND AND BUILDINGS [US\$]:					
	Land	140,000.00		140,000	-	140,000
	Buildings	80,000.00		80,000	-	80,000
	Industrial Shade 5000Mts	1,000,000.00		1,000,000	-	1,000,000
	Fencing	65,000.00		65,000	-	65,000
	Mess	25,000.00		25,000	-	25,000
	Gardening	30,000.00		30,000	-	30,000
	Sub-total			1,340,000	-	1,340,000
[B]	MACHINERY, TOOLS & STOCKS(US\$):					
1	PP Woven Bags Machinery	7,500.00	400	3,000,000	-	3,000,000
2	Utilities/Installation i.e. electricity and water	200,000.00	1	200,000	-	200,000
3	Printing Machines	340,000.00	1	340,000	-	340,000
4	Fork Lift	25,000.00	2	50,000	-	50,000
5	Import Duty and Clearance	100,000.00	1	100,000	-	100,000
	Sub-total			3,690,000	-	3,690,000
[C]	VEHICLES(US\$)					
1	Pick up (Isuzu/canier/trucks)	80,000.00	5	400,000	-	400,000
2	Land cruiser Station wagon	75,000.00	2	150,000	-	150,000
3	Sub-total			550,000	-	550,000.00
[D]	FURNITURES, FIXTURE & FITTINGS(US\$):					
1	CCTV Camelors, computers & its accessories	30,000.00	2	60,000	-	60,000
2	Generator	100,000.00	2	200,000	-	200,000
3	Furnitures	100,000.00	1	100,000	-	100,000
	Sub-total			360,000	-	360,000
[E]	PRE-OPERATIONAL EXPENSES [US\$]:					
1.	Entertainment/Drinks/Food e.t.c	1,500	12	18,000	-	18,000
2.	Feasibility Study Preparation	2,000	1	2,000	-	2,000
3.	Legal Documentation/Licence	2,400	1	2,400	-	2,400
4.	Land Rent	200	1	200	-	200
5.	Salary and Wages (First Month)	8,000	12	96,000	-	96,000
6.	Electricity & Other Utilities	200	12	2,400	-	2,400
7.	Transport/Traveling charges	400	12	4,800	-	4,800
8.	Staff Uniform & Other Expenses	2,500	1	2,500	-	2,500
	Sub-total			128,300	-	128,300
[F]	OPERATIONAL EXPENSES [US\$]:					
1.	Working Capital	50,000	12	600,000	-	600,000
	Sub-total			600,000	-	600,000
	TOTAL INVESTMENT COSTS (US\$)			6,668,300	-	6,668,300

NB: Exchange Rate used is 1US \$ = Tshs 2500.00

FINANCING %AGE

100%

0%

100%

PROVISIONAL LOAN REPAYMENT SCHEDULE [US\$]:

Table 3

SN	PARTICULARS/YEARS	YEAR 0					
		2023	2024	2025	2026	2027	
1.	Balance B/F	0	0	0	0	0	
2.	Loan Disbursement	0	0	0	0	0	
	Interest Capitalized	0	0	0	0	0	
3.	Interest Payment during grace period	0	0	0	0	0	
4.	Principal Payment	0	0	0	0	0	
5.	Balance C/F	0	0	0	0	0	
6.	Total Loan Service	0	0	0	0	0	

NOTE:

The loan repayment schedule has been prepared under the following provisional assumptions:

1. The interest rate is as provided in Table # 1.
2. Credit period is assumed to be 5 year with 9 months grace.
3. Repayment frequency of monthly is assumed in the proposal.

CAPITAL INVESTMENT AND DEVELOPMENT SCHEDULE [US\$]

Table 4

SN	PARTICULARS/YEARS	2023	2024	2025	2026	2027
[A]	LAND AND BUILDINGS [US\$]:					
	Buildings	80,000.00	-	-	-	-
	Industrial Shade 5000Mis	1,000,000.00	-	-	-	-
	Fencing	65,000.00	-	-	-	-
	Mess	25,000.00	-	-	-	-
	Gardening	30,000.00	-	-	-	-
[B]	MACHINERY, TOOLS & STOCKS(US\$):					
1	PP Woven Bags Machinery	3,000,000	-	-	-	-
2	Utilities/Installation i.e. electricity and water	-	-	-	-	-
3	Printing Machines	340,000	-	-	-	-
4	Fork Lift	-	-	-	-	-
[C]	VEHICLES(US\$)					
1	Pick up (Isuzu/canter/trucks)	400,000	-	-	-	-
2	Land cruiser Station wagon	-	-	-	-	-
3		0	-	-	-	-
[D]	FURNITURES, FIXTURE & FITTINGS(US\$):					
1	CCTV Camerators, computers & its accessories	60,000	-	-	-	-
3	Furnitures	100,000	-	-	-	-
	Sub-total	5,100,000	-	-	-	-
[E]	PRE-OPERATIONAL EXPENSES [US\$]:					
1.	Entertainment/Drinks/Food e.t.c	18,000.00	-	-	18,000	-
2.	Feasibility Study Preparation	2,000.00	-	-	2,000	-
3.	Legal Documentation/Licence	2,400.00	-	-	2,400	-
4.	Land Rent	200.00	-	-	200	-
5.	Salary and Wages (First Month)	96,000.00	-	-	96,000	-
6.	Electricity & Other Utilities	2,400.00	-	-	2,400	-
7.	Transport/Traveling charges	4,800.00	-	-	4,800	-
8.	Staff Uniform & Other Expenses	2,500.00	-	-	2,500	-
	Sub-total	128,300	-	-	128,300	-
	TOTAL INVESTMENT COST [TSH\$]	5,228,300	-	-	128,300	-

PROJECTED PRODUCTION:

Table 5

SN	DESCRIPTION OF ITEMS	UNIT OF MEASURE	QUANTITY	AV. COST/UNIT	2023	2024	2025	2026	2027
			Bags/Units	(USD)					
1.	Bag	Ton	3,600	1,100.00	3,960,000	4,039,200	4,119,984	4,202,384	4,286,431
2.									
3.									
4.									
5.									
6.									
7.									
8.									
9.									
10.									
11.									
	TOTAL WEIGHT FOR ONE CONTAINER (TONS)		40	TOTAL (USD)	3,960,000	4,039,200	4,119,984	4,202,384	4,286,431
				TOTAL (USD)	1,584,00	1,615,68	1,647,99	1,680,95	1,714,57

NOTE:

An increase in production volumes is assumed at 2%.

PROJECTED REVENUE:

Table 6

SN	DESCRIPTION OF ITEMS	MEASURE	COUNTRY OF ORIGIN	QUANTITY	AVERAGE PRICE	2023	2024	2025	2026	2027
1.	Bag	Number	Tanzania	3,600	1,800.00	6,480,000.00	6,609,600.00	6,741,792.00	6,876,627.84	7,014,160.40
2.					-	-	-	-	-	-
4					-	-	-	-	-	-
6					-	-	-	-	-	-
8					-	-	-	-	-	-
6					-	-	-	-	-	-
7					-	-	-	-	-	-
	TOTAL (US\$)					6,480,000.00	6,609,600.00	6,741,792.00	6,876,627.84	7,014,160.40
	TOTAL (US\$)					2,592.00	2,643.84	2,696.72	2,750.65	2,805.66

NOTE:

Annual increase in sales volumes is estimated at 2%

PROJECTED DIRECT EXPENSES:

Table 7A

SN	PARTICULARS	UNIT OF MEASURE	COST/MONTH	QUANTITY	2023	2024	2025	2026	2027
[A]	SERVICE OVERHEADS(US\$)								
1.	Water Utilities	Bundles		10	90	92	94	96	97
2.	Electricity	Pcs of 0.018 cu meter		12	120	122	125	127	130
3.	Packing Materials	Cartoons		12	60	61	62	64	65
4.	Strings	Cartoons		12	24	24	25	25	26
	Sub-Total				294	300	306	312	318
[B]	OTHER DIRECT COSTS(US\$):								
1.	Advertisement				105	107	109	111	114
2.	Promotional Materials				100	102	104	106	108
3.	Others				7	7	7	7	8
4.	Bag		3,600	1,100	3,960,000	4,039,200	4,119,984	4,202,384	4,286,431
5.			-	-	-	-	-	-	-
6.			-	-	-	-	-	-	-
7.			-	-	-	-	-	-	-
8.			-	-	-	-	-	-	-
	Sub-Total				3,960,212	4,039,416	4,120,205	4,202,609	4,286,661
	TOTAL(US\$)				3,960,506	4,039,716	4,120,510	4,202,921	4,286,979

PROJECTED INDIRECT EXPENSES:

Table 7B

SN	DESCRIPTION	# OF STAFF	SALARY/MONTH	2023	2024	2025	2026	2027
[A]	PAYROLL EXPENSES(US\$):							
1.	Managing Director	1	2,500	30,000	30,300	30,603	30,909	31,218
2.	Factory Manager	1	1,500	18,000	18,360	18,727	19,102	19,484
3.	Production Supervisors	2	750	18,000	18,360	18,727	19,102	19,484
4.	Senior Staff (Admin +Accounts)	3	850	30,600	31,212	31,836	32,473	33,122
5.	Production staff	22	400	105,600	107,712	109,866	112,064	114,305
6.	Drivers	5	300	18,000	18,360	18,727	19,102	19,484
7.	Cleaning Attendants	5	200	12,000	12,240	12,485	12,734	12,989
8.	Guards	5	150	9,000	9,180	9,364	9,551	9,742
9.	Technician	1	850	10,200	10,404	10,612	10,824	11,041
	Add Social Benefits 20%			-	-	-	-	-
	Sub-Total	45	7,500	251,400	256,128	260,948	265,860	270,869
[B]	OTHER OVERHEADS(US\$):							
1.	Travelling expenses	12	330	47,520	48,470	49,440	50,429	51,437
2.	Postage and Telephone	12	8	1,080	1,102	1,124	1,146	1,169
3.	Printing and Stationery	12	50	7,200	7,344	7,491	7,641	7,794
4.	Taxes	12	13	1,800	1,836	1,873	1,910	1,948
5.	Insurance and Licence	1	2,500	2,500	2,550	2,601	2,653	2,706
6.	Travelling and other utilities	1	100	14,400	14,688	14,982	15,281	15,587
7.	Others (10% of other administrative expenses)	12	100	7,450	7,599	7,751	7,906	8,064
	Sub-Total			81,950	83,589	85,261	86,966	88,705
	TOTAL(US\$)			333,350	339,717	346,208	352,826	359,574

NOTE:

An increase of 2% in indirect overheads has been assumed in the projection, to cover for inflation rises.

PROJECTED DIRECT & INDIRECT OPERATING EXPENSES:

Table 7C

SN	PARTICULARS/YEARS	2023	2024	2025	2026	2027
[A]	DIRECT EXPENSES(US\$):					
1.	Service Overhead	294	300	306	312	318
2.	Other Direct Overhead	3,960,212	4,039,416	4,120,205	4,202,609	4,286,661
3.						
4.						
	Sub-total	3,960,506	4,039,716	4,120,510	4,202,921	4,286,979
[B]	INDIRECT EXPENSES(US\$):					
1.	Salaries and Wages	251,400	256,128	260,948	265,860	270,869
2.	Other Administrative Expenses	81,950	83,589	85,261	86,966	88,705
	Sub-total (US\$)	333,350	339,717	346,208	352,826	359,574
	TOTAL(US\$)	4,293,856	4,379,433	4,466,719	4,555,747	4,646,553

PROJECTED WORKING CAPITAL ESTIMATE:

Table 8

SN	PARTICULARS/YEARS	2023	2024	2025	2026	2027
[A]	CASH(USDS):					
1.	2% of total operating costs	0	-	-	-	-
[B]	DEBTOR(US\$):					
1.	2% of total revenue	-	216	220	225	229
[C]	STOCKS(US\$):					
1.	Service Overhead	294	300	306	312	318
2.	Other Direct Overhead	3,960,212	4,039,416	4,120,205	4,202,609	4,286,661
3.		0	-	-	-	-
4.	Sub-total	3,960,506	4,039,932	4,120,731	4,203,145	4,287,208
[D]	CREDITORS(US\$):					
1.	Utilities and other staff [1 month]	81,950	83,589	85,261	86,966	88,705
2.	Salaries, Wages [1 month]	20,950	21,344	21,746	22,155	22,572
	Sub-total	102,900.00	104,933.00	107,006.41	109,121.04	111,277.70
		3,857,606.00	3,934,999.12	4,013,724.35	4,094,024.34	4,175,930.59

CAPITAL INVESTMENT SCHEDULE [Including Custom Duty & Sales Tax - Tshs]

Table 9

PARTICULARS/YEARS	Deprac.	2023	2024	2025	2026	2027
LAND AND BUILDINGS (US\$)						
Buildings	2.0%	80,000.00	-	-	-	-
Industrial Shade 5000Mts	2.0%	1,000,000.00	-	-	-	-
Sub-total						
MACHINERY, TOOLS & STOCKS(US\$)						
PP Woven Bags Machinery	12.5%	3,000,000.00	-	-	-	-
Utilities/Installation i.e. electricity and water	12.5%	-	-	-	-	-
Printing Machines	12.5%	340,000.00	-	-	-	-
Fork Lift	12.5%	-	-	-	-	-
Import Duty and Clearance	0.0%	100,000.00	-	-	-	-
Sub-total						
VEHICLES(US\$)						
Pick up (Isuzu/center/trucks)	25.0%	400,000.00	-	-	400,000.00	-
Land cruiser Station wagon	25.0%	-	-	-	-	-
Sub-total						
FURNITURES, FIXTURE & FITTINGS(US\$)						
CCTV Camerats, computers & its accessories	10.0%	30,000.00	-	-	-	-
Generator	0.0%	200,000.00	-	-	-	-
Furnitures	10.0%	100,000.00	-	-	-	-
Sub-total		5,250,000			400,000.00	
PRE-OPERATIONAL EXPENSES (US\$)						
Entertainment/Drinks/Food e.t.c	25.0%	18,000.00	-	-	18,000.00	-
Feasibility Study Preparation	25.0%	2,000.00	-	-	2,000.00	-
Legal Documentation/Licence	25.0%	2,400.00	-	-	2,400.00	-
Land Rent	25.0%	200.00	-	-	200.00	-
Salary and Wages (First Month)	25.0%	96,000.00	-	-	96,000.00	-
Electricity & Other Utilities	25.0%	2,400.00	-	-	2,400.00	-
Transport/Travelling charges	25.0%	4,800.00	-	-	4,800.00	-
Staff Uniform & Other Expenses	25.0%	2,500.00	-	-	2,500.00	-
Sub-total		128,300.00			128,300.00	
TOTAL INVESTMENT COSTS (US\$)		5,378,300			528,300.00	

PROJECTED INCOME (US\$):

Table 11

PARTICULARS/YEARS	2023	2024	2025	2026	2027	
Total Revenue	0	6,480,000	6,609,600	6,741,792	6,876,628	7,014,160
LESS:						
Total Direct Costs	0	(3,960,506)	(4,039,716)	(4,120,510)	(4,202,921)	(4,286,979)
OPERATING PROFIT	0	2,519,494	2,569,884	2,621,282	2,673,707	2,727,181
LESS:						
Total Indirect Costs	0	(333,350)	(339,717)	(346,208)	(352,826)	(359,574)
GROSS PROFIT	0	2,186,144	2,230,167	2,275,073	2,320,881	2,367,607
LESS:						
Depreciation	0	(357,388)	(314,055)	(279,552)	(383,847)	(328,184)
Interest Capitalised	0	0	0	0	0	0
Interest paid	0	0	0	0	0	0
Pre-operating Costs	0	0	0	0	0	0
PROFIT BEFORE TAX	0	1,828,757	1,916,112	1,995,521	1,937,034	2,039,423
LESS:						
Corporation Tax	0	(365,751)	(383,222)	(399,104)	(387,407)	(407,885)
		20%				
PROFIT AFTER TAX	0	1,463,005	1,532,890	1,596,417	1,549,627	1,631,539
Operating Surplus Percentage	0%	39%	39%	39%	39%	39%
Gross Profit Percentage	0%	34%	34%	34%	34%	34%
Net Profit Percentage	0%	23%	23%	24%	23%	23%
RETAINED EARNINGS	0	1,463,005	1,532,890	1,596,417	1,549,627	1,631,539
CUMULATIVE RETAINING EARNING	0	1,463,005	2,995,895	4,592,312	6,141,939	7,773,478

PROJECTED BALANCE SHEET [US\$]:

Table 12

PARTICULARS/YEARS	2023	2024	2025	2026	2027
CURRENT ASSETS(US\$):					
Cash	0	4,661,941	6,473,492	7,785,062	9,681,718
Debtors	0	220	225	229	234
Stocks	3,960,506	4,120,510	4,202,921	4,286,979	4,372,719
TOTAL CURRENT ASSETS	3,960,506	8,782,672	10,676,637	12,072,270	14,054,671
OTHER INVESTMENTS:					
Pre-operating Costs	0	0	0	0	0
TOTAL INVESTMENTS	0	0	0	0	0
FIXED ASSETS:					
Total Fixed Assets	0	5,229,358	4,949,806	5,094,259	4,766,075
TOTAL FIXED ASSETS	0	5,229,358	4,949,806	5,094,259	4,766,075
TOTAL ASSETS	3,960,506	12,459,596	15,626,443	17,166,530	18,820,746
CURRENT LIABILITIES:					
Corporation Tax	0	365,751	383,222	399,104	387,407
Creditors	102,900	104,933	107,006	109,121	111,278
TOTAL CURRENT LIABILITIES	102,900	470,684	490,229	508,225	498,684
NET ASSETS(US\$)	3,857,606	11,988,911	13,521,801	15,118,218	16,667,845
FINANCED BY(US\$):					
Share Capital	0	0	6,668,300	6,668,300	6,668,300
Equity Capital	0	6,668,300	0	0	0
Loan Balance	0	0	0	0	0
Capital Reserve	0	3,857,606	3,857,606	3,857,606	3,857,606
Retaining Earnings	0	1,463,005	2,995,895	4,592,312	6,141,939
TOTAL EQUITY/US\$	0	11,988,911	13,521,801	15,118,218	16,667,845
					18,299,384