

(PPTL)

# PARKSONS PACKAGING TANZANIA LIMITED

BUSINESS PLAN FOR SETTING UP A  
MANUFACTURING FACTORY OF CARTONS AND  
OTHER RELATED PACKAGING MATERIALS

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Tanzania

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# PART I

## 1.0 EXECUTIVE SUMMARY

### 1.1. COMPANY & PROJECT CONCEPT

Parksons Packaging Tanzania Limited (PPTL) is a limited Company incorporated in Tanzania under the Company act of 2002. The Company was incorporated 17<sup>th</sup> April 2023, and bears Certificate of Incorporate # 165077105. Company belongs to Manufacturing Industry.

PPTL is a subsidiary of Parksons Packaging Ltd (PPL), largest manufacturer of high quality printed folding cartons in India. PPL cater to premium brands and leading names across industry in various segments such as FMCG, Food & Beverages, Pharmaceutical, Home and Personal care, Electronic, Retail, and other industries. Some of their clients include Godrej, Chemi & Cotex, Unilever, Colgate, Sun Pharma, P&G, Nestle, L'Oréal, Henkel, McDonalds, Kellogg's, Mondelez, Polycab, KEI, Gold medal, Hershey's, etc. PPL has 13 manufacturing units in India with a consolidated revenue of ~USD 250 million in FY 2023.

PPL believes that Tanzania along with other countries of East Africa has vast growth potential in coming decades. After considering strong socio-economic environment, proximity to port and the PPL's existing relationships with companies such as Chemi & Cotex, PPL has decided to set up its plant in Dar-es-Salaam for East African operations. With experienced management team, strong & long-term relations with key raw material suppliers and technical knowhow of more than 6 decades in printing and packaging, PPL will enable PPTL to service its customers with superior quality and a strong focus on innovation.

PPTL has identified experienced senior management who will run and operate the Tanzania operations. They have successfully established and run folding carton business in India as well in East Africa. One of the shareholder directors has also worked in Tanzania in the past and has vast experience in working in the East African countries including Tanzania, Kenya, Uganda, Malawi, Zambia, Zimbabwe, Ethiopia, Angola and DR Congo.

PPTL has the vision to be the largest and the most technologically advanced printed folding cartons manufacturing company in East Africa. PPTL will deploy state of the art machines, quality raw materials and best of class production methodologies to provide quality packaging solutions to businesses in Tanzania and contribute to the development of packaging industry in Tanzania.

PPTL will be equipped with state of the art and machines. It consists of seven colour German made UV offset printing machines, die-cutting machines, folder-gluer, lamination machine, sheeting machine and other advanced machines.

PPTL will have in-house lab consisting of a bursting strength tester, viscosity tester, board tester and other ancillary equipment which will provide rigorous quality control. In terms of the market, we will supply local and regional manufactures and to numerous nearby countries. PPTL clientele will include: - Large manufacturing conglomerates, Small to medium sized manufacturing units, FMCG industry, pharmaceutical industry, Agriculture sector, Food and beverage manufacturers, Horticulture sector, etc.

## 1.2 Purpose of Business Plan

This document is prepared to serve the purpose as a business plan for PPTL for a new of manufacturing facilities for printed folding cartons and other related packaging materials. I business plan shall be submitted to TIC for an award of Certificate of Incentives. The implementation of the project will compromise the following activities: -

- Importation of machines and equipment for printed folding cartons and associated activities
- Rehabilitation of existing industrial warehouse at Kilwa road to get the same ready for planned machineries
- Installation of machines along with all all necessary utilities, furniture and other facilities.

**1.3 Project promoter:** The proposed project will be managed and operated by PPTL. PPTL is owned by PPL along with a renowned entrepreneur with diverse business in India and Tanzania and East Africa at large. Shareholding distribution owned by shareholders is hereby shown below.

NAME OF SHAREHOLDERS	NATIONALITY	SHARES	SHARES%
Parksons Packaging Limited	Indian	1,845,514	79%
MAC Group Limited	Tanzanian	350,414	15%
Naveen Kumar	Indian	46,722	2%
Neeraj Kumar	Indian	46,722	2%
Anurag Kumar	Indian	46,722	2%

**1.4 Company Legality:** PPTL is a duly incorporated company as per the laws and regulations of Tanzania. The Company has also received various registrations and certificates including, certificate of incorporation, Business License, Tax Identification Number, Value added Tax certificates, NSSF registrations, etc. PPTL has also applied for all other necessary licenses and registrations required as per the law of the Land.

**1.3 Project Organization Structure**, the management of PPTL will constitute by the following organization set up:-

- Board of Directors,
- 2 of the directors are appointed as Director Operations and Director Sales and Marketing who will be responsible for the supervision on the entire operations of the Company
- A qualified accountant as finance head
- HR head who will be responsible for employment management and labour compliances
- Other managers including Production manager, quality manager and head of engineering, etc who will be responsible for procurement of raw materials, manufacturing of quality standards of the products; training of employees in methods production of packaging products and control of cost of production

**1.5 Investment Structure:** The initial project cost is estimated at USD 7.5 million for the first line of production, which includes a capital expenditure of USD 6 million and working capital requirement of USD 1.5 million. The total value of investment will cover upgradation costs of building and equipping the building with all necessary facilities, plant & machineries, furniture and fixtures and other facilities. The Company will make further investment of approximately USD 4-5 million in the next year for another line of production depending on growth of operations.

The initial investment is funded by a mix of debt and equity. The capital expenditure of USD 6,000,000 will be funded in a debt: equity mix of 1:1. Approximately USD 3,000,000 million will be invested by the shareholders in the form of equity and the remaining capital cost of USD 3,000,0000 will be financed through debt from the bank. Working capital will be funded through debt finance. The shareholders have already invested an amount of approximately USD 1 million till date.

As per the projected financial statements, the Company is expected to generate a revenue of USD 9.8 million in its first full year of operations (FY 2025, i.e., for the period April 2024-March 2025). The company expects to generate EBIDTA of USD 1.1 million in FY 25). The company expects to generate a revenue of USD 18.7 million by FY 29 (i.e., for the period April 2028-March 2029) with EBIDTA of USD 3.2 million and PAT of USD 1.2 million. The company is expected to have a net worth of USD 4.1 million in FY 25 and the same is expected to increase to USD 4.3 million in FY 26. The financial documents show that the business will generate a positive net cash flow from FY26.

## **PART II**

### **2.0 PROJECT INFORMATION**

#### **2.1 RATIONALE OF THE PROJECT**

Tanzania like many other Sub-Saharan Africa countries achieved its independence with a severely underdeveloped economy and extremely limited infrastructure. However, Tanzania has made concerted efforts to improve its economy, raise living standard of its people and create a conducive environment for private sector development & investment. Since early 1980s, governments of developing countries have been supporting and implementing strategies of encouraging competitive free markets, privatization of state-owned enterprises (parastatals), move from closed (no trade) to open (trading) economies and opening up the domestic economy through free trade and attracting foreign direct investment. This was done as a way of recognizing the lead role that private sector can play in economic development. The ultimate outcomes of major reforms have lead to the opening up of Manufacturing Investment in large cities like Dar es - Salaam, Mwanza, Tanga and Arusha.

The manufacturers in these cities do import packaging materials from India and Kenya, South Africa and sometimes in Europe. In Tanzania there only few companies which has manufacturing facilities for packaging materials to be used for other local manufactures and yet do not match with demand of these products in Tanzania for instance in Arusha Investors in Horticulture and floriculture Industry import packaging materials from Kenya and sometime from Holland.

The Company believes that Tanzania along with other countries of East Africa has vast potential in coming decades. It is confident that with a world class facility, it can support this growth and contribute to the development of quality and environment friendly paper packaging. The Company is impressed with the Government of Tanzania's realization of the important role played by the private sector for the country's economic and social development and initiatives taken. As a result, the company has decided to base its operations in Tanzania from where it can serve the industries both in Tanzania as well as neighboring east African countries.

## 2.2 THE PROJECT

The management of PPTL intended to invest USD 7.5 million in the first year as the investment cost for the project. USD 6 million out of the same will be inform of capex and the remaining USD 1.5 mn will be for working capital. See table No. 1 below shows the investment breakdown of the project.

Particulars	FY24P
Capex - Machine cost	4.0
Capex - Infra cost (including Furniture and fittings)	1.2
Pre incorporation cost	0.2
Rent Advance & other furniture and fittings	0.6
<b>Total Capex</b>	<b>6.0</b>
Working Capital	1.5
<b>Total</b>	<b>7.5</b>

The Company will make further investment of approximately USD 4-5 million in the next year for another line of production depending on growth of operations.

**Table no. 1**

PPL Tanzania								
INVESTMENT PLAN	USD mn							
	FY24P	FY25P	FY26P	FY27P	FY28P	FY29P	FY30P	TOTAL INVESTMENT
Capex - Machine cost	5.5	4.9	1.2	0.4	-	-	-	11.95
Capex - Infra cost	2.0	0.6	0.4	0.2	0.1	0.1	0.0	3.45
Maintainance capex	-	0.4	0.5	0.6	0.7	0.9	1.0	4.02
<b>Total Capex</b>	<b>7.5</b>	<b>5.9</b>	<b>2.1</b>	<b>1.2</b>	<b>0.9</b>	<b>0.9</b>	<b>1.0</b>	<b>19.43</b>
Pre incorporation cost	0.2							
Rent Advance	0.2							
Initial Working capital (1 month of sales)	0.5							
Loss funding for first year/contingencies								
Total fund required (including debt repayments)	8.8	6.5	4.2	3.6	3.7	2.5	1.7	
Less: Funded from internal accruals	-	-0.5	0.3	0.9	1.6	2.0	2.2	6.43
<b>Total capital required</b>	<b>8.8</b>	<b>7.0</b>	<b>3.9</b>	<b>2.7</b>	<b>2.1</b>	<b>0.5</b>	<b>-</b>	<b>25.86</b>

## 2.2 TECHNICAL REQUIREMENTS OF THE PROJECT

The implementation of the project will compromise the following activities: -

- Importation of machines and equipment for printed folding cartons and associated activities

- Rehabilitation of existing industrial warehouse at Kilwa road to get the same ready for planned machineries
- Installation of machines along with all necessary utilities, furniture and other facilities.

The technical requirement of factory includes the following:

- All electrical Installation works
- Fabrication work for machinery and other areas
- Importation and installation of automated die cutting and folder gluer
- Importation and installation of world class offset seven colour UV enabled offset printer
- Installation of CTP plant along with a best-in-class software for processing the printing and packaging design
- Installation of process chiller and HVAC system for printing room
- Installation of air compressor
- Importation and installation of all other allied machinery including film lamination machines, sheeter machine, liner machines, etc.
- Purchases of new delivery vehicles in order to meet customers' requirements with timely deliveries.
- Employing more than 85 employees.

## **2.3 FINACING STRUCTURE**

The initial investment is funded by a mix of debt and equity. The capital expenditure of USD 6,000,000 will be funded in a debt:equity mix of 1:1. Approximately USD 3,000,000 million will be invested by the shareholders in the form of equity and the remaining capital cost of USD 3,000,0000 will be financed through debt form the bank. Working capital will be funded through debt finance.

**Table No. 2**

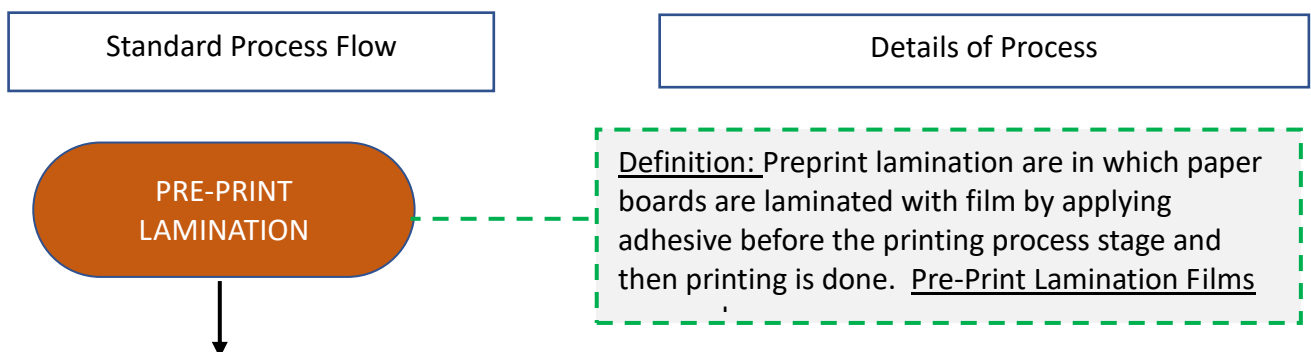
				FY24P	FY25P	FY26P	FY27P	FY28P	FY29P	FY30P
<b>FINANCING PLAN</b>										
<b>Term Loan borrowings</b>			USD in mn							
Opening borrowing				-	4.4	7.3	6.2	5.6	4.1	2.9
addition				4.4	3.5	1.0	1.8	1.4	0.3	-
repayment				-	0.6	2.1	2.4	2.8	1.6	0.7
closing balance				4.4	7.3	6.2	5.6	4.1	2.9	2.1
Interest	14.5%			0.5	0.8	1.0	0.9	0.7	0.5	0.4
	in months									
repayment schedule	Moratorium	Total duration	Repayment period							
New loan 1	18	60	42		0.6	1.3	1.3	1.3	-	-
New loan 2	12	60	48		-	0.9	0.9	0.9	0.9	-
New loan 3	12	60	48	-	-	-	0.3	0.3	0.3	0.3
New loan 3	12	60	48	-	-	-	-	0.5	0.5	0.5
Working capital total limit				-						
Drawing power	70%			0.4	1.6	2.3	2.7	3.0	3.1	3.2
Other utilization										
utilization				0.4	1.6	2.3	2.7	3.0	3.1	2.7
Interest cost	11.0%				0.1	0.2	0.3	0.3	0.3	0.3
Bank charges					0.1	0.1	0.1	0.1	0.1	0.1
<b>Total interest</b>				<b>0.5</b>	<b>1.1</b>	<b>1.3</b>	<b>1.3</b>	<b>1.1</b>	<b>1.0</b>	<b>0.8</b>

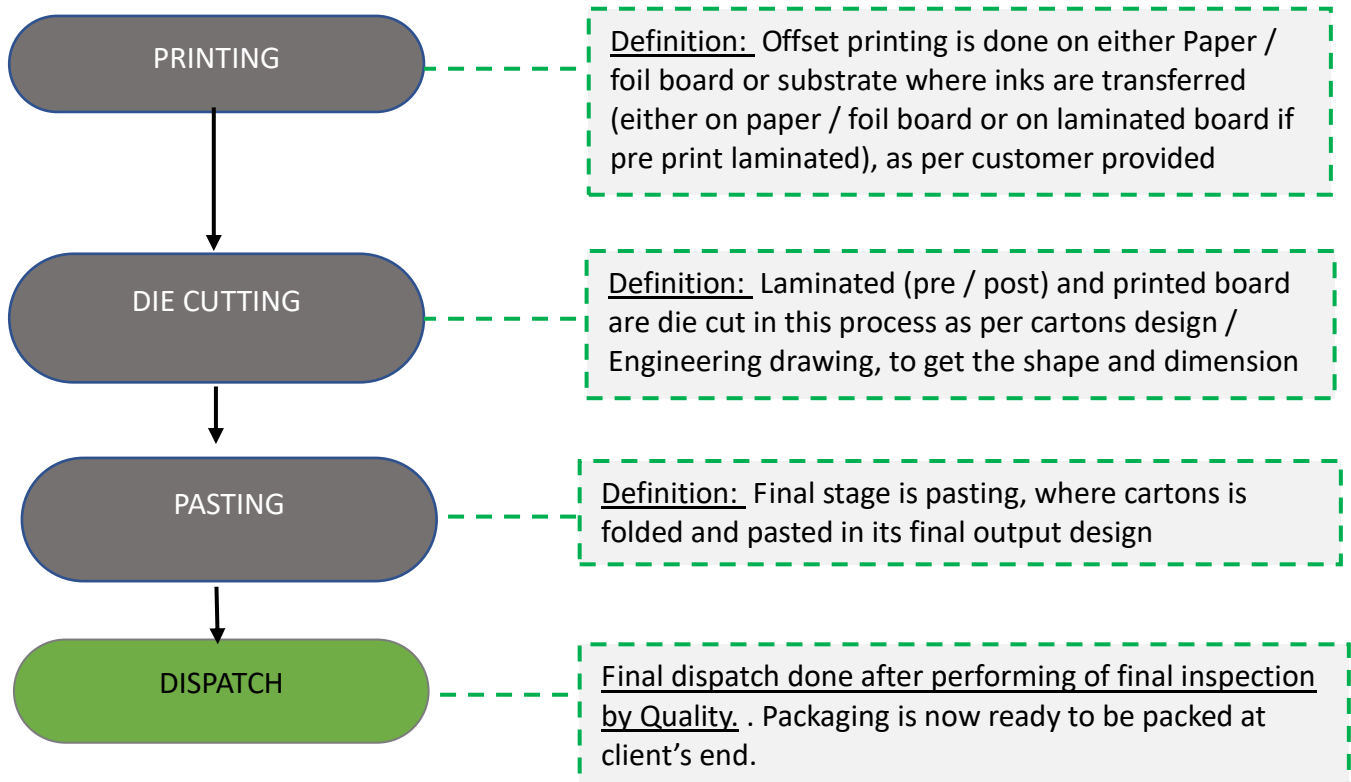
## 2.4 RAW MATERIAL SUPPLY

The major raw material of the project includes paper and paperboard, ink and coatings, adhesive, etc. PPTL will use best quality raw material to provide a quality product to its customers. Most of the raw materials used in the production will be imported from India Europe and other Asian countries. The Company will also procure locally available raw material wherever possible.

## 2.5 MANUFACTURING TECHNOLOGIES OF CARTONS

The process flow of folding carton manufacturing is as follows:





## PART III

### 3.0 MANAGEMENT TEAM

The management team of PPTL planned to be constituted by the following management team: -

#### 3.1 Board of Directors

PPTL shall be managed by the Board of Directors, which is the apex body for strategic decision making of the project. Some of the Directors of PPTL are the ones who having shares in PPTL managing Company of this project.

### **3.2 Director of Operations**

Immediate after Board of Director will be a Director of Operations who will be responsible with taking care of the matter pertaining operations and managing daily activities of the project as well as other units like Human Resources, Accounts, Planning and Production.

### **3.3 Director of Sales and Marketing**

The Director of Sales and Marketing will be employed who expected to have an extensive background in the Marketing and Business Administration and will be responsible in developing and implementing selling strategies, develop strategic objectives related to sales and marketing functions, develop marketing plans, create and maintain sales and marketing budgets etc. Under the Director of Sales and Marketing there will be units of Prepress, Quality and Maintenance

### **3.3 Management Agreements**

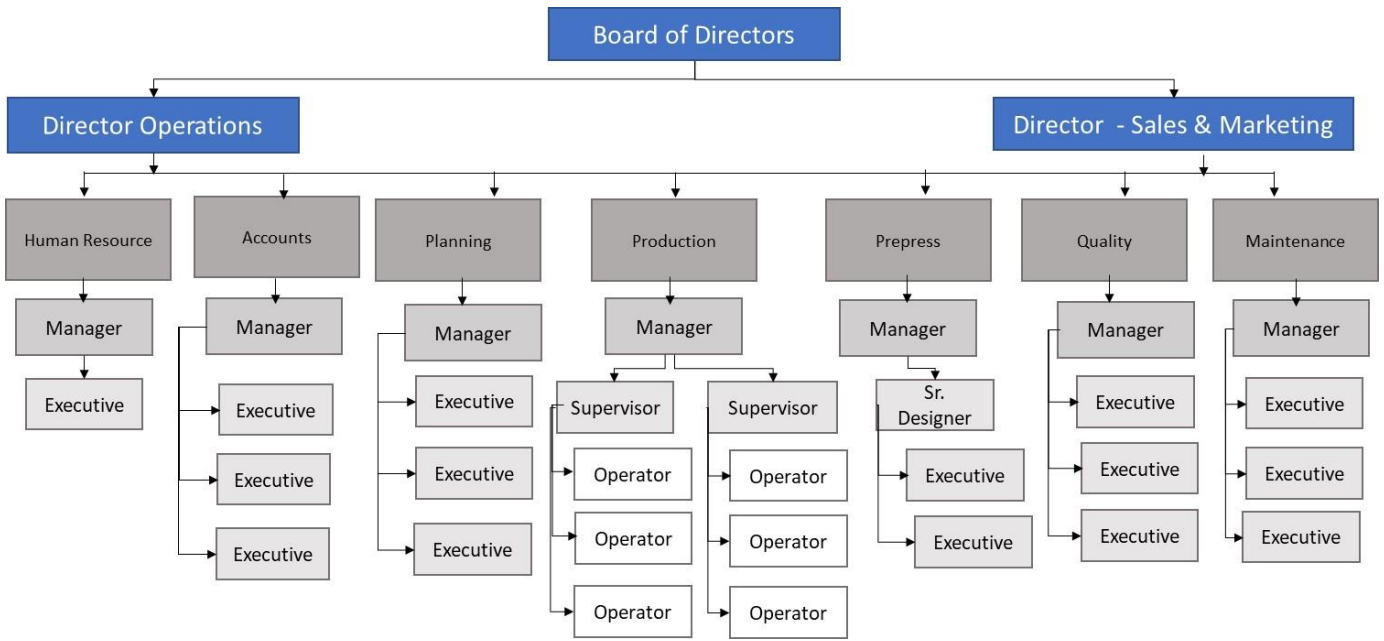
Management Agreements will be executed between PPTL and other team managers. The purpose of these agreements is to define the expectations of both parties, establish an incentive structure, and define the grounds under which the agreement may be terminated.

### **3.4 Confidentiality Agreements**

PPTL will enforce that all employees sign a confidentiality agreement. Confidentiality agreements with our employees and partners will protect our recipes, operating systems, policies and procedures. Having a confidentiality agreement in place is essential to protect the company's trade secrets, and show our employees that we take our business seriously.

### **3.5 Organization Chart**

PPTL proposes to adapt the following Organization Structure as shown in the Organization Chart below.



## PART IV

### 4.0 MARKET DESCRIPTIONS

#### 4.1 Demand/Supply Gap

As per Volza's Tanzania Import data, Packaging industry import shipments in Tanzania stood at 112, imported by 9 Tanzania Importers from 8 Suppliers. According to the Ministry of Industry and Trade 48% of packaging materials are locally manufactured whereas 52% of the packaging materials are imported.

Tanzania imports most of its Packaging industry from India, Vietnam and United States. The top 3 importers of Packaging industry are Vietnam with 65,552 shipments followed by United States with 62,952 and India at the 3<sup>rd</sup> spot with 26,550 shipments.

The Tanzanian packaging sector has about 280 members dealing with glass, paper, plastics, metal, wood packaging and consumables. Demand for packaging remained high account of increased production in user industries.

A national survey has brought out certain challenges under which the packaging industry is operating; the top challenges common to both the public and private enterprises are related to Technology/production, Power/energy/utilities, Laws and regulations.

Converters are equipped to meet the current domestic and export demands. However, because of the infrastructure and operational constraints enumerated previously, user industries find often more convenient and cost effective to import packaging from neighbouring countries. This is the case for fish exporters from Mwanza or Arusha and for cut flower exporters, who import their packaging from Kenya.

#### 4.2 Product

PPTL is the subsidiary of Parksons Packaging Limited ( PPL), the largest producers of high-quality folding cartons in India working with customers across industry segments. With more than fifty years of experience in the printing and packaging industry, PPL combines its technical expertise with market insights to deliver customized solutions that exceed customer expectations.

We engage with brand owners early on in the development process to understand their specific needs, and partner with them to create packs that stand out on the shelves and shape consumer experiences. PPTL will redefine the packing industry by offering unbeatable folding cartons to customers by giving best in terms of quality, service and products at economical prices.

PPTL offers a complete range of carton styles complemented by a wide variety of print finishes ranging from foil stamping, embossing, varnishing and a variety of security features.

#### **4.2.1. Folding Cartons**

Parksons produces high quality folding cartons from all our manufacturing units. Parksons domain knowledge across industries allows us to work with clients to understand their specific folding cartons needs and industry requirements to deliver customized solutions. Parksons offer a complete range of cartons complemented by a wide variety of print finishes such as lamination, foiling, embossing, window patching and security features.

Parksons capabilities include printing high quality graphics on a range of substrates including metallized and holographic films. In addition, Parksons versatile gluing machines can work with complex structures ideal for even high speed automatic cartoning filling/packing machines.

#### **4.3 Pricing**

The company's pricing policy is set with the objectives of achieving profitability and growth and achieving a reasonable share of the market without necessarily pricing the company out of competition. The company will maintain a wide set of packages on offer with different terms and prices to suit different interests and pocket sizes.

### **SWOT ANALYSIS**

#### **4.3.1 Strengths**

The strengths of PPTL will be the same as those that have served the project promoters in other businesses in Tanzania and EAC. These are:

- Sound and credible management and financial policies.
- A fairly well skilled, committed and efficient labour force.
- A quality product of the proposed project:

#### **4.3.2 Weaknesses**

The shortcomings that likely to hold the company back from progress, the following rank highest:

- High electricity rate

#### **4.3.3 Opportunities:**

The company is focused to take optimum possible advantage on the following:

- Market liberalization
- reasonable investment incentives package from TIC for both capital and deemed goods

- Unrestricted repatriation of profits.
- A stable economic and political environment

#### **4.5.3 Threats:**

The most profound threats that likely to threaten the operation of the project include;

- Bureaucracy and corruption, factors which should not be ignored as it might affect government facilitation particularly among public servants who are supposed to support the private sector.
- High electricity rate
- Foreign exchange fluctuations
- Increase in custom duty for import of Raw Material

## **PART V**

### **5 ECONOMIC ASPECTS OF THE PROJECT**

Besides the financial/monetary returns to the project owners, there are other benefits to be derived for the whole country viz.

## **5.5 Employment Opportunities**

Employment and poverty reduction are among the major concern of the Central and the Local Government authorities. It is gratifying to note that in the first year of operations, Parksons Packaging Tanzania Limited (PPTL) is going to provide employment of more 85 people to this expansion plant of this project out of which almost 70 of them will be local nationals. The Company plans to add around 70 employees in the next year almost all of which will be Tanzanians. This is a significant contribution coming from outside the country in creating employment opportunities to our people.

## **5.2 Revenue to the Government**

The project is expected to pay a substantial annual amount in the form of corporation tax. The Company is expected to contribute a corporation tax of around USD 85,000 in FY26. For the period under review, tax paid by the Company alone to the Central Government, accumulate to USD 0.9 million. This excludes the revenue of the Government through worker's income tax and VAT that the Government is expected to earn.

## **5.3 Foreign Exchange Earning**

Currently most of the folding carton requirements in Tanzania is imported. This is leading to a foreign exchange outflow for the country. PPTL will start its operations by providing import replacement for the imported cartons. It will also start exporting to east African countries and expect around 40% of its revenue coming from exports in the next 3-4 years.

After adjusting for foreign exchange outflow on the import of raw materials, PPTL is expected to save an aggregate foreign exchange of USD 15-20 million in the next 5 years.

## **PART VII**

### **7.0 CONCLUSION AND RECOMMENDATION**

#### **7.1 CONCLUSION**

The project is profitable and contributes to government revenue by way of taxes. In the first year of operations, the project will provide employment of more 80 people, and during the sixth year the project is anticipating to employ almost 120 employees of which 95% will be local nationals. The project is an encouraging sign of the confidence shareholders of Parksons Packaging Tanzania Limited (PPTL) have in this country, Tanzania to the extent that they are ready to expand again their investment despite the odds of the sector in question.

#### **7.2 RECOMMENDATION:**

After the foregoing economic and financial evaluation of the project, there is a strong justification for implementing this project and for the relevant Government organs to give it the encouragement and support it deserves. Management strongly recommends that this project be implemented and be given all the support required by all the concerned Government Ministries and agencies, including the Tanzania Revenue Authority, TRA, and the Tanzania Investment Centre, TIC. The project deserves this support because of its viability, since it is technically and financially feasible, economically viable and socially acceptable.

**PARKSONS PACKAGING TANZANIA LIMITED  
PROJECTED FINANCIAL STATEMENTS**

## PROJECTED PROFIT AND LOSS STATEMENT

PPL Tanzania (USD mn)		FY24P	FY25P	FY26P	FY27P	FY28P	FY29P	FY30P
<b>Sale of Goods</b>		1.8	9.6	13.8	16.5	18.2	18.6	19.1
<i>Domestic - Tanzania</i>		1.8	7.7	9.9	12.4	15.5	19.4	19.9
<i>Exports</i>		-	1.9	3.9	4.1	2.6	-0.8	-0.8
<b>Scrap</b>	3%	0.1	0.3	0.4	0.5	0.5	0.6	0.6
<b>Revenues</b>		<b>1.88</b>	<b>9.85</b>	<b>14.25</b>	<b>17.04</b>	<b>18.72</b>	<b>19.19</b>	<b>19.67</b>
Revenue Growth			4.23	0.45	0.20	0.10	0.02	0.02
RMC		1.13	5.91	8.55	10.23	11.23	11.51	11.80
		0.60	0.60	0.60	0.60	0.60	0.60	0.60
<b>Gross Margin</b>		0.75	3.94	5.70	6.82	7.49	7.67	7.87
<b>Gross Margin %</b>		<b>40.0%</b>	<b>40.0%</b>	<b>40.0%</b>	<b>40.0%</b>	<b>40.0%</b>	<b>40.0%</b>	<b>40.0%</b>
Direct Selling Expense		0.15	0.67	0.97	0.99	1.09	0.93	0.95
		8.0%	7.0%	7.0%	6.0%	6.0%	5.0%	5.0%
<b>Manufacturing Cost</b>		0.11	0.57	0.83	0.99	1.09	1.12	1.15
		6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
<b>Manpower Cost</b>		0.32	1.17	1.25	1.34	1.43	1.53	1.64
		16.7%	11.8%	8.8%	7.8%	7.6%	8.0%	8.3%
<b>Rent</b>		0.22	0.23	0.28	0.29	0.34	0.36	0.41
		11.5%	2.3%	1.9%	1.7%	1.8%	1.9%	2.1%
<b>Admin Cost</b>		0.18	0.23	0.25	0.31	0.35	0.36	0.38
		9.7%	2.3%	1.8%	1.8%	1.8%	1.9%	1.9%
<b>Plant EBITDA</b>		<b>-0.22</b>	<b>1.07</b>	<b>2.13</b>	<b>2.89</b>	<b>3.19</b>	<b>3.37</b>	<b>3.33</b>
		-11.5%	10.9%	14.9%	17.0%	17.0%	17.6%	17.0%
<b>EBITDA post Royalty</b>		<b>-0.22</b>	<b>1.07</b>	<b>2.13</b>	<b>2.89</b>	<b>3.19</b>	<b>3.37</b>	<b>3.33</b>
EBIDTA Margin %		-11.5%	10.9%	14.9%	17.0%	17.0%	17.6%	17.0%
Depreciation		0.4	1.0	1.3	1.4	1.3	1.3	1.2
Interest Expense		0.5	1.1	1.3	1.3	1.1	1.0	0.8
Other Income - Non operating								
<b>PBT</b>	-	<b>-1.1</b>	<b>-1.0</b>	<b>-0.5</b>	<b>0.3</b>	<b>0.7</b>	<b>1.1</b>	<b>1.3</b>
<b>Tax</b>	30%	-	-	-	0.1	0.2	0.3	0.4
<b>PAT</b>	-	<b>-1.11</b>	<b>-1.03</b>	<b>-0.5</b>	<b>0.2</b>	<b>0.5</b>	<b>0.8</b>	<b>0.9</b>
<b>PAT %</b>		<b>-58.7%</b>	<b>-10.5%</b>	<b>-3.6%</b>	<b>1.2%</b>	<b>2.7%</b>	<b>4.1%</b>	<b>4.6%</b>

## PROJECTED CASH FLOW

PPL Tanzania (USD mn)	FY24P	FY25P	FY26P	FY27P	FY28P	FY29P	FY30P
Net Profit	-1.1	-1.0	-0.5	0.2	0.5	0.8	0.9
Add: Depreciation	0.4	1.0	1.3	1.4	1.3	1.3	1.2
Add: Interest payment	0.5	1.1	1.3	1.3	1.1	1.0	0.8
Less: Change in working capital	-0.6	-1.7	-1.0	-0.6	-0.4	-0.1	-0.1
<b>Cashflow from operating activities</b>	<b>-0.8</b>	<b>-0.6</b>	<b>1.1</b>	<b>2.2</b>	<b>2.6</b>	<b>2.9</b>	<b>2.8</b>
Investment in capex	-7.7	-5.9	-2.1	-1.2	-0.9	-0.9	-1.0
<b>Free Cash Flow</b>	<b>-8.5</b>	<b>-6.5</b>	<b>-1.0</b>	<b>0.9</b>	<b>1.7</b>	<b>2.0</b>	<b>1.8</b>
Equity infusion	4.4	3.5	2.9	0.9	0.7	0.2	-
Increase/(decrease) in debt	4.8	4.1	-0.4	-0.1	-1.2	-1.2	-1.1
Interest payment	-0.5	-1.1	-1.3	-1.3	-1.1	-1.0	-0.8
<b>Cashflow from financing activities</b>	<b>8.7</b>	<b>6.5</b>	<b>1.2</b>	<b>-0.5</b>	<b>-1.7</b>	<b>-2.0</b>	<b>-1.9</b>
Net increase/(decrease) in cash	0.2	0.0	0.2	0.5	0.1	0.0	-0.1
<b>Cash and Cash equivalent</b>	<b>0.2</b>	<b>0.2</b>	<b>0.4</b>	<b>0.9</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>

## FIXED ASSETS AND DEPRECIATION

<b>Plant &amp; equipment</b>	<b>FY24P</b>	<b>FY25P</b>	<b>FY26P</b>	<b>FY27P</b>	<b>FY28P</b>	<b>FY29P</b>	<b>FY30P</b>
<b>USD in mn</b>							
Opening Fixed Assets	0.000	5.445	9.882	10.516	10.391	10.047	9.854
Add: additions	5.732	5.244	1.707	0.976	0.732	0.854	0.976
Less: Depreciation	0.287	0.807	1.074	1.100	1.076	1.047	1.034
<b>Closing Plant &amp; Equipment</b>	<b>5.445</b>	<b>9.882</b>	<b>10.516</b>	<b>10.391</b>	<b>10.047</b>	<b>9.854</b>	<b>9.795</b>
<b>Other Capital goods</b>	<b>FY24P</b>	<b>FY25P</b>	<b>FY26P</b>	<b>FY27P</b>	<b>FY28P</b>	<b>FY29P</b>	<b>FY30P</b>
Opening Fixed Assets	0.000	1.912	2.300	2.417	2.407	2.282	2.112
Add: additions	2.012	0.610	0.366	0.244	0.122	0.061	0.037
Less: Depreciation	0.101	0.222	0.248	0.254	0.247	0.231	0.213
<b>Closing Plant &amp; Equipment</b>	<b>1.912</b>	<b>2.300</b>	<b>2.417</b>	<b>2.407</b>	<b>2.282</b>	<b>2.112</b>	<b>1.936</b>
<b>Land</b>	<b>FY24P</b>	<b>FY25P</b>	<b>FY26P</b>	<b>FY27P</b>	<b>FY28P</b>	<b>FY29P</b>	<b>FY30P</b>
Opening Fixed Assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Add: additions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Less: Depreciation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Closing Plant &amp; Equipment</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Building</b>	<b>FY24P</b>	<b>FY25P</b>	<b>FY26P</b>	<b>FY27P</b>	<b>FY28P</b>	<b>FY29P</b>	<b>FY30P</b>
Opening Fixed Assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Add: additions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Less: Depreciation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Closing Plant &amp; Equipment</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Total</b>	<b>FY24P</b>	<b>FY25P</b>	<b>FY26P</b>	<b>FY27P</b>	<b>FY28P</b>	<b>FY29P</b>	<b>FY30P</b>
Opening Fixed Assets	0.00	7.36	12.18	12.93	12.80	12.33	11.97
Add: additions	7.74	5.85	2.07	1.22	0.85	0.91	1.01
Less: Depreciation	0.39	1.03	1.32	1.35	1.32	1.28	1.25
<b>Closing Plant &amp; Equipment</b>	<b>7.36</b>	<b>12.18</b>	<b>12.93</b>	<b>12.80</b>	<b>12.33</b>	<b>11.97</b>	<b>11.73</b>

**SHAREHOLDING EQUITY AND LOAN  
FINANCING**

USD mn	FY24P	FY25P	FY26P	FY27P	FY28P	FY29P	FY30P
Share Capital	4.4	7.9	10.8	11.7	12.4	12.6	12.6
Reserves and Surplus	-1.1	-2.1	-2.6	-2.4	-1.9	-1.1	-0.2
<i>Networth</i>	3.3	5.8	8.2	9.3	10.5	11.5	12.4
Term Loan	4.4	7.3	6.2	5.6	4.1	2.9	2.1
Working capital loan	0.4	1.6	2.3	2.7	3.0	3.1	2.7
<i>Debt</i>	4.8	8.9	8.5	8.3	7.1	5.9	4.9
<b>Total Liabilities</b>	<b>8.1</b>	<b>14.7</b>	<b>16.6</b>	<b>17.6</b>	<b>17.6</b>	<b>17.4</b>	<b>17.2</b>
<b>Net block</b>	7.4	12.2	12.9	12.8	12.3	12.0	11.7
<b>Working Capital</b>							
Inventories	0.3	1.2	1.8	2.1	2.3	2.4	2.4
Sundry debtors	0.4	1.6	2.3	2.7	3.0	3.1	3.1
Other current assets	0.1	0.3	0.4	0.5	0.5	0.5	0.5
Cash and bank balance	0.2	0.2	0.4	0.9	1.0	1.0	1.0
<b>Current asset</b>	<b>1.0</b>	<b>3.3</b>	<b>4.8</b>	<b>6.2</b>	<b>6.8</b>	<b>7.0</b>	<b>7.1</b>
Creditors	0.2	0.6	0.9	1.1	1.2	1.3	1.3
Other current liabilities	0.0	0.1	0.2	0.2	0.2	0.3	0.3
<b>Net Working Capital</b>	0.8	2.5	3.7	4.8	5.3	5.5	5.5
<b>Total Assets</b>	<b>8.1</b>	<b>14.7</b>	<b>16.6</b>	<b>17.6</b>	<b>17.6</b>	<b>17.4</b>	<b>17.2</b>

## Profit and loss Assumptions

Fx rate (USD/INR)	82							
<b>Revenue Assumptions</b>	<b>Escalation</b>	<b>FY24P</b>	<b>FY25P</b>	<b>FY26P</b>	<b>FY27P</b>	<b>FY28P</b>	<b>FY29P</b>	<b>FY30P</b>
<b>Ton</b>								
Opening Capacity		0	7200	14400	14400	14400	14400	14400
Addition		7200	7200					
Total Capacity		7200	14400	14400	14400	14400	14400	14400
		1	2	2	2	2	2	2
Utilisation		17%	43%	60%	70%	75%	75%	75%
Per Ton realisation (INR)		125,000	128,125	131,328	134,611	137,977	141,426	144,962
<b>Sale of goods (INR mn)</b>		150	784	1,135	1,357	1,490	1,527	1,566
			423%	45%	20%	10%	2%	2%
PSR (INR)	2.50%	25.0	25.6	26.3	26.9	27.6	28.3	29.0
<b>Cost Assumptions</b>	<b>Escalation</b>	<b>FY24P</b>	<b>FY25P</b>	<b>FY26P</b>	<b>FY27P</b>	<b>FY28P</b>	<b>FY29P</b>	<b>FY30P</b>
<b>RMC</b>		<b>60%</b>	<b>60%</b>	<b>60%</b>	<b>60%</b>	<b>60%</b>	<b>60%</b>	<b>60%</b>
<b>Manufacturing cost</b>		<b>6%</b>	<b>6%</b>	<b>6%</b>	<b>6%</b>	<b>6%</b>	<b>6%</b>	<b>6%</b>
<b>Direct Selling exp</b>								
- Freight		3%	3%	3%	3%	3%	3%	3%
- Other Direct selling expenses		5%	4%	4%	3%	3%	2%	2%
<b>Rent</b>		Yes	Yes	Yes	Yes	Yes	Yes	Yes
Area (sq ft)		64,560	64,560	64,560	64,560	64,560	64,560	64,560
Rent per sq ft		22.9	22.9	24.0	29.2	30.7	36.2	38.0
Increase in rent				3.8		3.8		3.8
Depreciation of forex	5.00%		5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
<b>Total Rent per sq ft</b>		<b>22.9</b>	<b>24.0</b>	<b>29.2</b>	<b>30.7</b>	<b>36.2</b>	<b>38.0</b>	<b>43.9</b>
<b>Rent (INR mn)</b>		<b>17.7</b>	<b>18.6</b>	<b>22.6</b>	<b>23.8</b>	<b>28.0</b>	<b>29.4</b>	<b>34.0</b>
<b>Employee cost (Rs. mn)</b>		<b>25.8</b>	<b>96</b>	<b>102</b>	<b>109</b>	<b>117</b>	<b>125</b>	<b>134</b>
<i>No of employees</i>		<i>87.0</i>	<i>160.0</i>	<i>160.0</i>	<i>160.0</i>	<i>160.0</i>	<i>160.0</i>	<i>160.0</i>

				Business planning Assumptions							
			USD mn	FY24P	FY25P	FY26P	FY27P	FY28P	FY29P	FY30P	TOTAL INVESTMENT
Capex - Machine cost				5.5	4.9	1.2	0.4	-	-	-	11.95
Capex - Infra cost				2.0	0.6	0.4	0.2	0.1	0.1	0.0	3.45
Maintainance capex				-	0.4	0.5	0.6	0.7	0.9	1.0	4.02
<b>Total Capex</b>				<b>7.5</b>	<b>5.9</b>	<b>2.1</b>	<b>1.2</b>	<b>0.9</b>	<b>0.9</b>	<b>1.0</b>	<b>19.43</b>
Pre incorporation cost				0.2							
Rent Advance				0.2							
Initial Working capital (1 month of sales)				0.5							
Loss funding for first year/contingencies											
Total fund required (including debt repayments)				8.8	6.5	4.2	3.6	3.7	2.5	1.7	
Less: Funded from internal accruals				-	-0.5	0.3	0.9	1.6	2.0	2.2	6.43
Total capital required				8.8	7.0	3.9	2.7	2.1	0.5	-	25.85
Debt/Equity Ratio											
Debt				4.4	3.5	1.0	1.8	1.4	0.3	-	
Equity				4.4	3.5	2.9	0.9	0.7	0.2	-	
Working capital ( no of days)											
Inventory da	RMC			75	75	75	75	75	75	75	
Debtors day	Sales			60	60	60	60	60	60	60	
Other curre	Sales			10	10	10	10	10	10	10	
Creditors da	RMC			40	40	40	40	40	40	40	
Other Curre	Sales			5	5	5	5	5	5	5	
Working capital (Rs. mn)											
Inventory				0.3	1.2	1.8	2.1	2.3	2.4	2.4	
Debtors				0.4	1.6	2.3	2.7	3.0	3.1	3.1	
Other Current Assets				0.1	0.3	0.4	0.5	0.5	0.5	0.5	
Creditors				0.2	0.6	0.9	1.1	1.2	1.3	1.3	
Other Current Liabilities				0.0	0.1	0.2	0.2	0.2	0.3	0.3	
Net working capital				0.6	2.3	3.3	3.9	4.3	4.4	4.5	
<b>Term Loan borrowings</b>											
Opening borrowing				-	4.4	7.3	6.2	5.6	4.1	2.9	
addition				4.4	3.5	1.0	1.8	1.4	0.3	-	
repayment				-	0.6	2.1	2.4	2.8	1.6	0.7	
closing balance				4.4	7.3	6.2	5.6	4.1	2.9	2.1	
Interest			14.5%	0.5	0.8	1.0	0.9	0.7	0.5	0.4	
in months											
repayment \$	Moratorium	Total duration	Repayme nt period								
New loan 1	18	60	42	-	0.6	1.3	1.3	1.3	-	-	
New loan 2	12	60	48	-	-	0.9	0.9	0.9	0.9	-	
New loan 3	12	60	48	-	-	-	0.3	0.3	0.3	0.3	
New loan 3	12	60	48	-	-	-	-	0.5	0.5	0.5	
Working capital total limit											
Drawing pov	70%			0.4	1.6	2.3	2.7	3.0	3.1	3.2	
Other utilisiation											
utilisation				0.4	1.6	2.3	2.7	3.0	3.1	2.7	
Interest cos	11.0%			0.0	0.1	0.2	0.3	0.3	0.3	0.3	
Bank charges				-	0.1	0.1	0.1	0.1	0.1	0.1	
<b>Total interest</b>				<b>0.5</b>	<b>1.1</b>	<b>1.3</b>	<b>1.3</b>	<b>1.1</b>	<b>1.0</b>	<b>0.8</b>	