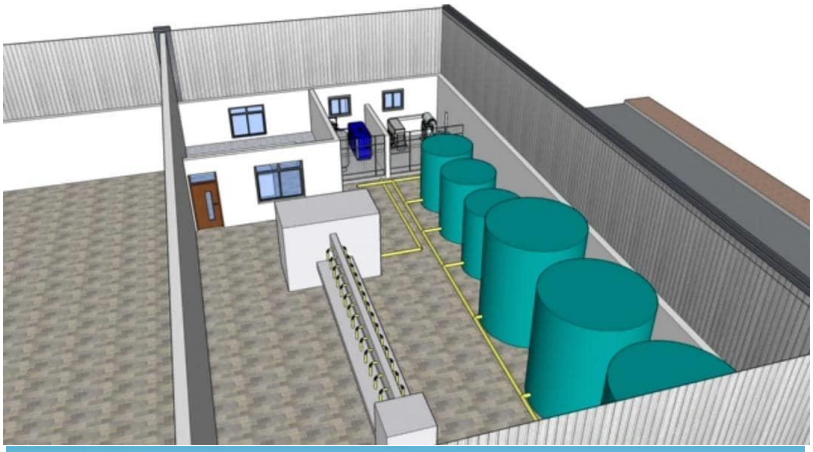
BUSINESS PLAN
FOR
MAK TANZANIA LIMITED



Promoter: MAK TANZANIA LIMITE

>>>>>September,2023<<<<<<

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0.1EXECUTIVE SUMMARY

This is a Business Plan to be presented to Tanzania Investment Center (TIC) certificate of incentive with the investment procedures.

The project is envisaging on manufacturing, trading and distributing automotive, commercial, industrial and agricultural mining, and specialty lubricants. Including Engine oil, Gear and Hydraulic oils, ATF, Transmission oil, Greases, Break Fluids, Coolants, Specialty Petroleum products, Petrochemicals, laundry Detergent & soap, Car Care, Base Oil, Additives and Bitumen at Temeke, Dar EsSalaam. The company has so already rent a land for the project.

All reports pertaining to pre-operational costs have been annexed within this business plan.

The project is being entirely financed by the company from the country.

According to the studies carried out reveals that the industry is one among theindustries in Tanzania fetching more foreign currency to the government.

The Financial projections of the proposed project reveal lucrative profits with strong cash base on cash flow, cash discounted flow reveal IRR with high gearing financial ratio, Financial indicators on sensitivity analysis also depictspay back period from Return On Equity (ROE) and Return On Investment (ROI) .

The project is technically sound, financially viable with fast re-coupment as indicated in the financial analysis. Profitability analysis reveals contribution ofpositive cash balance at the end of the project that would be geared on sustainability and ploughed back for re-investment

INTRODUCTION

1.001 Profile

MAK TANZANIA LIMITED is a Tanzanian company registeredwith the major objective of manufacturing, trading and distributing of automotive, commercial, industrial and agricultural mining, and specialty lubricants. Including Engine oil, Gear and Hydraulic oils, ATF, Transmission oil, Greases, Break Fluids, Coolants, Specialty Petroleum products, Petrochemicals, laundry Detergent & soap, Car Care, Base Oil, Additives and Bitumen and selling in Tanzania and neighboring African countries.

LEGAL STATUS

The company is a limited liability company which was registered under Certificate of Incorporation No. 168333609 on the 6th day of September, 2023. The registered office of the

company is at Yombo vituka in Dar Es Salaam with TIN. 168333609.

DIRECTORS AND SHAREHOLDERS- PROFILE

The Present Directors of the company are:

- HAYAT ULLAH KHAN
- IRFAN ULLAH KHAN.

They are Tanzanians, HAYAT ULLAH KHAN is holding 7000 and IRFAN ULLAH KHAN is holding 3000 of the shares in the company which are fully issued and will be fully paid in near future. See attachment — Memorandum and Articles of Association.

AUTHORIZED SHARE CAPITAL

The authorized share capital of the company is Tanzania Shillings 100,000,000/= (one hundred million) divided into divided into Ten Thousand ordinary shares (10,000) of Tanzanian Shillings Ten Thousand only (Tshs. 10,000/=) each,. The capital shall **NOT** with the power for the company to increase or reduce the sameand to issue any part of the original or the increase with or without preferences,priority or special privilege. See attachment Memorandum and Articles of Association

2 PROJECT DESCRIPTION

2.1 Location and Infrastructure

This is a new company starting the business at Yombo Vituka, Temeke where the plant for manufacturing refined petroleum products, manufacturing soap and detergents, cleaning and polishing preparations, perfumes and toilet preparation and warehousing with storage in Dar Es Salaam.

3. PRODUCTION PROCESS

3.1.1 Soap-making processes

The industrial production of soap involves continuous processes, such as continuous addition of fat and removal of product. Smaller-scale production involves the traditional batch processes. The three variations are: the 'cold process', wherein the reaction takes place substantially at room temperature, the 'semi-boiled' or 'hot process', wherein the reaction takes place near the boiling point, and the 'fully boiled process', wherein the reactants are boiled at least once and the glycerol is recovered. The glycerin remains in the soap and the reaction continues for many days after the soap is poured into molds. In addition to the handmade soap for small scale industries. The following chart show the steps of soap-making processes.

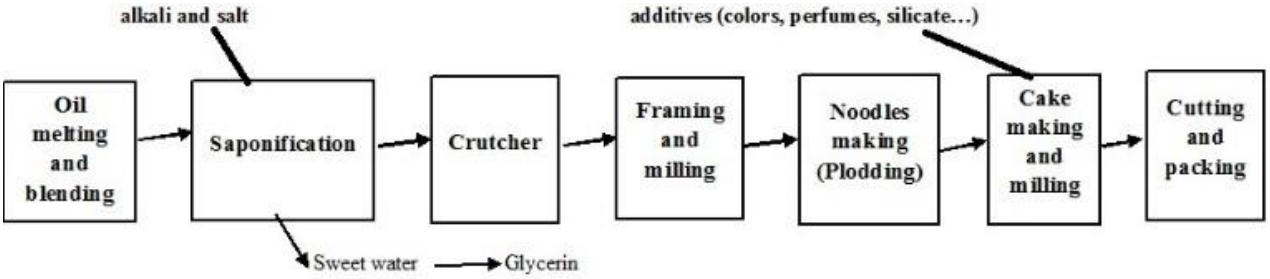


Fig. 1. Soap-making processes flow diagram

3.1.2 Purification and finishing

In the fully boiled process on an industrial scale, the soap is further purified to remove any excess sodium hydroxide, glycerol, and other impurities, color compounds, etc. These components are removed by boiling the crude soap curds in water and then precipitating the soap with salt. At this stage, the soap still contains too much water, which has to be removed. This was traditionally done on chill rolls, which produced the soap flakes commonly used in the 1940s and 1950s. This process was superseded by spray dryers and then by vacuum dryers. The dry soap (about 6–12% moisture) is then compacted into small pellets or noodles. These pellets or noodles are then ready for soap finishing, the process of converting raw soap pellets into a saleable product, usually bars. Soap pellets are combined with fragrances and other materials and blended to homogeneity in an amalgamator (mixer). Different kinds of detergent additives are included in each type of particular soap (bath soap, medical purposes soap, cosmetics soap, …etc.) for example sodium laureth sulfate and sodium palmitate added as cleanser with high-foaming properties also add sodium coco ate for sensitive skin.

3.1.3 Materials and Methods

The objectives of this paper are:

To establish clear links between the Evaluation and the summary of Findings derived from the raw data.

To generalization law-like theory

By using the inductive method to verify the process of derivation of general principles from the specific observations The general inductive approach has followed the following steps:

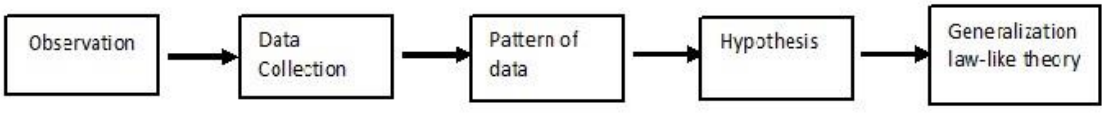


Fig. 2. Inductive strategy method flow chart

3.1.4 Observation/Tanzania Soap Industry Capacities and Status

In Tanzania soap industry is distinguished by high range of manufacturing capacities estimated at 520 thousand tons washing soap, 40 thousand tons powder, 20 thousand tons toilet soap which can supply all the demands of the country and there is surplus for export . All this amounts belong to famous family business (for example: Azania soap, Nice one soap, Foma,

Jamaa soap and Wite wash soap), which the specification qualities of each soap brand so far away from the high quality of the international products.

3.1.5 Data collection

Investigation and evaluation depend on the following types of data:

- Process technical techniques
- Chemical and physical specifications
- Materials consumption and cost
- Management policies

3.1.6 Pattern of data

The Main Ingredients and additives of Soap (Bar, liquid or powder) determine the Qualities of each soap brand

Which chemical and physical characteristic of soap such as
Hardness, Cleansing, Condition, Bubbly and Creamy … etc., are indicators of the soap's qualities. Each recipe content values (either the typical values or especial values) contributes certain qualities to the soap, the following table show the most important characteristic with the international standards (IS)

Table1 : Toilet Soap chemical and physical characteristic

Characteristic	Definition	Range **INS**
Hardness	This refers to the hardness of the soap bar	29 to 54
Cleansing	This refers to the soap's ability to grab on to oils.	12 to 22.
Condition	Conditioning refers to the soap's emollient content.	44 to 69
Bubbly /Creamy lather	This value indicates the stability and creaminess of the lather	16 to 48
Iodine	Number of grams of iodine that will react with the double bonds in 100 grams of fats or oils.	136 - 170

INS - A measure of the physical qualities of the soap

Soap Materials Specification and Average Cost Estimation
The following tables show the comparison results between different brands and Standards & Meteorology Organization

Table 2: Toilet Soap specifications of quality comparison

Product's quality specification	Brand 1	Brand 2	SSMO standard
Free fatty matter (%)	0.35	0.22	Not more than 0.25 %
Total fatty matter (%)	75	77	Not less than 78 %
Free total alkalinity (%)	0.21	0.08	Not more than 0.1%
Moisture contents (%)	10.8	11.6	Not more than 12%
Insoluble matter in water (%)	traces	Nil	Not more than 0.5%
Insoluble matter in alcohol (%)	0.08	Nil	Not more than 0.2%
Colors	Pale	Good	Good color
Perfumes	light	Good	Good smell
Healthy substances	light	Non	Referring to IS
Cosmetics	Non	light	Referring to IS
Others	Non	Non	Referring to IS
packaging	1layer	2layers	Three layers

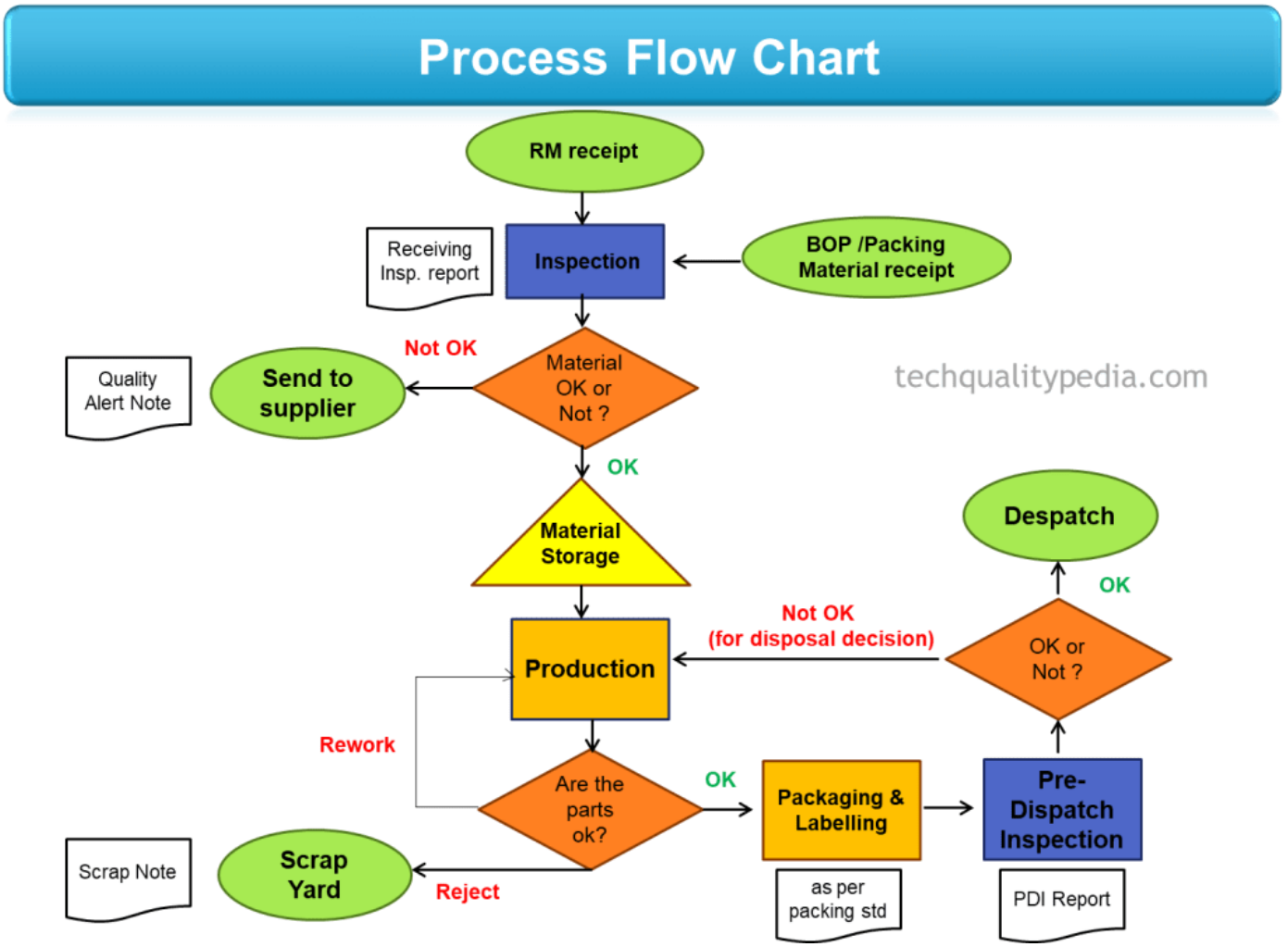
Which brand (1) represent: soap produced under quality management system

Which brand (2) represent: soap produced traditional conditions

Table 3: Toilet soap cost evaluation over view

Ingredient for purpose of:	Average component content (%)	Average cost (kilogram) $	Ingredient cost from average total cost (%)
Color	0.03	1100	0.22×10^{-1}
Perfume	0.1	1400	0.34×10^{-1}
Health	0.75	1000	1.50
Cosmetics	0.8	12000	19.2
Others	0.4	1600	1.3×10^{-1}

It's very important to note that: prices of the above ingredients have a widely ranges so the real cost evaluation depend on the quality formula of toilet soap, which each factory working on it.



Symbols for process flow chart

The common symbols used for making **process flow chart in manufacturing** industries are shown below.

Process Flow Chart Symbols

Meaning	Symbol	Description
Start or End		An elongated circle represents the start or end of a process.
Step/ Flowline		Represents direction of flow/process from one step to another.
Process/ Operation		Rectangle/square box shows instructions/actions/activity.
Decision		Diamond box represents decision on particular activity.
Storage		Represents storage of material/parts.
Delay/Wait		Indicate delay in operation/process/activity.
Document		Represents supportive documents required.
Start or End		Alternate of elongated circle that also used to represents the start or end of a process.

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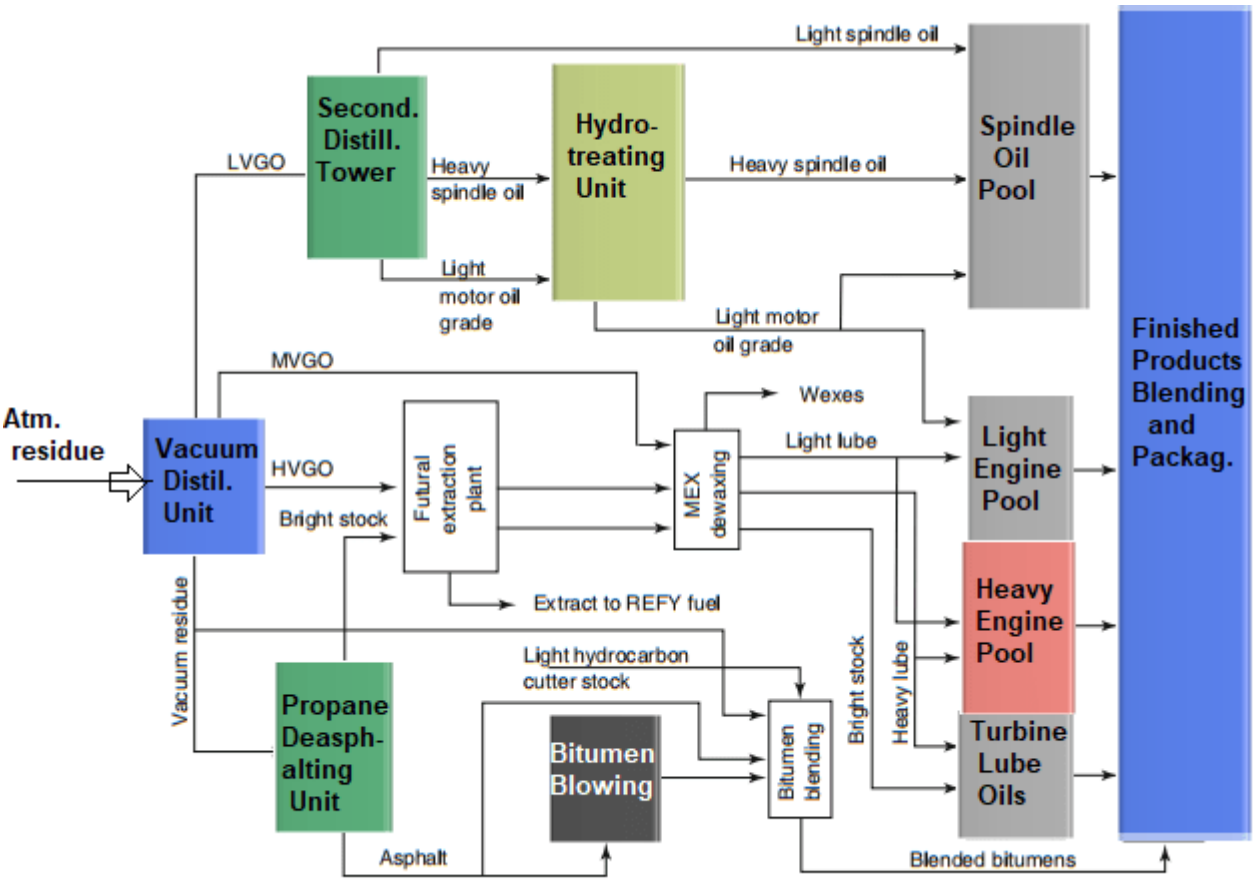
3.2. LUBE OIL REFINERY

In Lube Oil Refinery, the processes used involve extraction and dewaxing of conventional petroleum stocks. Only about 8~10 base lube oil stocks are produced from the refinery streams. The many hundreds of commercial grades of lubricating oils used in industry and transportation are blends of these base stocks with some small amounts of proprietary additives (mostly organic acid derivatives) included to meet their required specifications.

There are also two quite important by-products of lube oil. These are bitumen and waxes. Most refineries include bitumen blending in their configuration, but only a few of the older refineries process the waxes.



Lube Oil Refinery

Lubricants formulations are technically complex

Engine Oils	Gear Oils	Grease
Base oil Group I, II (Low S), III (Low S, High VI), IV (Synthetic) : 80 to 90%	**Base oil** Group I or IV (Synthetic) : 85 to 90%	**Base oil** Group I (90-95%) or IV (Synthetic) : 75 to 90%
Additives (10 to 20%) ZDDP or TCP • Anti-wear • Corrosion inhibitor • Anti-oxidant Polymethacrylate or Olefin Copolymer • VII (Viscosity Index Improver)	**Additives** (5 to 15%) Sulphur-Phosphorus • Extreme Pressure • Anti-wear • Corrosion inhibitor	Thickeners (5 to 20%) • Lithium • Lithium complex • Aluminium complex • Clay
Other additives • Friction Modifiers • Dispersants • Detergents • Pour point depressants • Anti-foam agents	**Other additives** • Friction Modifiers • Dispersants • Pour point depressants • Anti-foam agents • Metal deactivators	**Additives** (0 to 10%) ZDP • Extreme Pressure • Anti-wear Molydisulphide or Graphite • Solid lubricants
		Other additives • Oxidation inhibitors • Friction Modifiers • Tackifiers • Corrosion and Rust preventives • Metal deactivators
Mono-grade (SAE 10, 20 ,30, 40, 50) Multi-grade (SAE 5W30, 10W30, 20W40, 20W50) API SJ, SL, SM, SN (Petrol) API CF-H, CG-J, CF-I (Diesel)	API GL 4 (moderate duty, low speed) GL 5 (heavy duty, high speed) Mono-grade (SAE 80, 90) Multi-grade (SAE 80W90, 75W90, 85W140)	NLGI grade (6 softest to 000 hardest)

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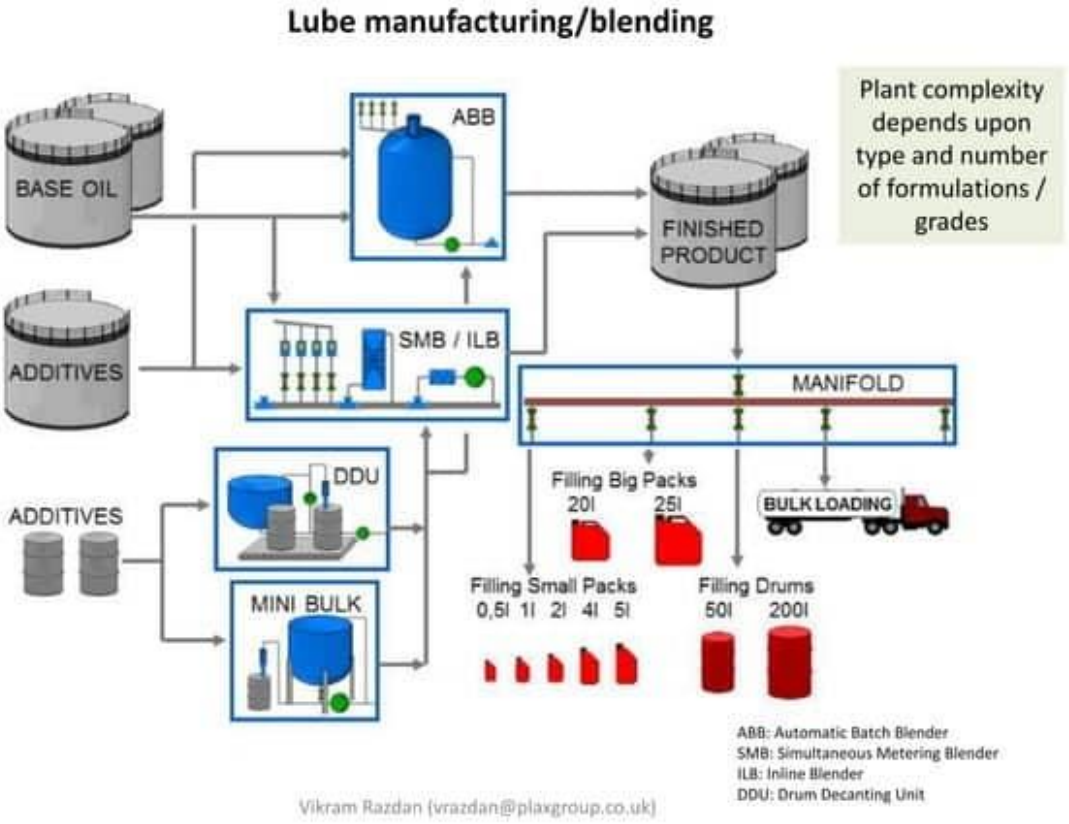

IMPLEMENTATION PLANS

Securing and Drawing Site Plans

First, the subject land shall be secured with barbed wire fence and securitylights placed round. Detailed site plans shall then prepared showing areasfor residential buildings, factory building, machines and vehicles workshopand stores.

Mobilizing Machinery and Equipment

Heavy Machinery, including small machines, vehicles and equipment's shall then be mobilized to the site as they shall be used to transport building materials and contractor with all administration facilities are expected to be put in place.

Putting Up Buildings

Construction works shall then begin with factory and office block first. This shall be followed by workshops, stores and service roads network.Workers shall stay far away from the factory.

7.0 SALES AND SELLING PRICES AND MARKETINGMarket

Our products will be sold within the country (Tanzania) and other African countries.

7.1 Project RequirementsRequirements

Description		Units	Amount USD
1.	Land		75,000
2.	***Buildings*** Factory and Office Building		75,000
3.	***Plant***		
	Machinery		150,000
4.	***Motor Vehicle***		
	Truck		166,200
	Directors Vehicle		30,000
5	***Office equipment's***		
	Furniture		20,000
	Equipment		12,500
	Total		**528,700**

Investment & Re-Investment, Source and Profitability

Investment & Re-Investment US $

Land	75,000
Buildings	75,000
Machinery	150.000
Motor Vehicle	30,000
Office Furniture	20,000
Office Equipment	12,500
Pre-Operational Cost	4,682
Working Capital	50,000
Total	**417,182**

Proposed financing arrangements US $

Description	Sponsor	Loan	Total	%
Equity	702,238	-00-	702,238	99.89
Working Capital	50,000	-00-	50,000	0.11
Long Term Loan	-00-	-00-	-00-	-00-
TOTAL	**752,238**		**752,238**	**100**

Proposed Sources of Funding

The directors/shareholders shall be able to contribute USD 861,938 as their equity contribution from their own sources, they do not propose to borrow fromany local financial institutions.

The project shall enjoy very sound liquidity. From Appendices 1 and 1B,Projected Cash flow statements for year 1 and 5 year projected period, the project shall make USD 1,894,372 million and cash excess every year and shallby the end of year have an accumulated cash reserve of USD 9,461,840 million.This is despite investing in new heavy machinery, vehicles, and furniture and reserve generator in tenth year.

Return on Investment

The total investment cost of the project shall be USD 861,938. By the end of fifth year the project shall have accumulated cash of 9,461,840 million more than original investment cost. The project therefore recoups its investment costin the year seven.

Project Justification

Employment Creation, Management, Other Personnel and Training

Among key staff of the proposed project shall be a General Manager, ChemicalEngineer, Electrical Engineer, an Accountant, Plant technicians, Quality Controller, a Store keeper, and Shift supervisors. Other staff shall be heavy dutymachine operators, plant operators, drivers and security personnel. Recruitment process of other cadres of work force shall come from the community around .The project shall create direct employment to over a fifty people and indirect employment to several hundreds of others.

In this time when unemployment posing a serious social challenge the project is welcome as it is in the right direction. In-house/service training shall be carried one month ahead of commencing operations.

9.0 PROPOSED MANAGEMENT AND OTHER PERSONNEL PLAN

Among key staff of the proposed project shall be the Manager and Supervisor. Other staff shall machine operators, drivers and security personnel and labours. Recruitmentprocess of other cadres of work force shall from the community around the project.

The ultimate authority of the company shall be the board of directors to whom the general manager shall report. Daily tactical decisions shall be made by the Manager while strategic corporate decisions shall be made by the board at their sittings which shall take place every month.

10.0 Manpower Requirement

Designation	**No.**	**Work Description**	**Emolument**
General Manager	1	Incharge	
Plant Manager	1		
Electrical technician	2		
Accountant	1	Supervision, Bursar	
Plant Supervisor	1		
Machine Operators	7		
Security	6	Guards	
Quality Controller	1		
Drivers	3	Driving truck	
Cook	2	Beverages	
Labours	25		
Total	**50**		

11.0 QUALITY CONTROL

Any product is subjected to pass through several steps for examination before it reaches consumer's. There shall be a quality controller with qualification to charge of examining before the products are taken TBS since it mandatory to the laws and regulation of the country.

12.0 ENVIRONMENTAL IMPACT

The final waste shall be buried deep back in areas where mining is over to keep the environment clean. The project shall therefore be environmentally friendly.

MAK TANZANIA LIMITED

DAR ES SALAAM

FORECAST ACCOUNT NO.1	INVESTMENT ANALYSIS					
Investment & Re-Investment						
	USD					
Year/ Component	**0**	**1**	**2**	**3**	**4**	**5**
Land	-	16,057				
Buildings		157,000				
Plant & Heavy Duty Machinery	-	350,000				
Motor Vehicles		149,399				
Office Furniture		17,600				
Office furnitures & Equipments		12,500		0		
Pre-Operational Expenses		4,682	-	**0**		
Working Capital	-	154,700	-	0	-	
Total Investment & Re-Invest	-	**861,938**	-	-	-	

Total Investment

FORECAST ACCOUNT NO.1II							
ECONOMIC DEPRECIATION SCHEDULE AND AMORTIZATION US $							
ITEM/YEAR	**ASSETS**	RATE	**1**	**2**	**3**	**4**	**5**
Land	16,057	0	0	0	0	0	0
Buildings	157,000	5%	7,850	7,850.00	7,850.00	7,850.00	7,850.00
Plant & Heavy Duty Machinery	350,000	24%	84,000	84,000.00	84,000.00	84,000.00	84,000.00
Motor Vehicles	149,399	24%	35,856	35,855.76	35,855.76	35,855.76	35,855.76
Office Furniture	17,600	12%	2,112	2,112.00	2,112.00	2,112.00	2,112.00
Office Equipments	12,500	12%	1,500	1,500.00	1,500.00	1,500.00	1,500.00
Pre-Operational Expenses	4,682	12%	562	561.84	561.84	561.84	561.84
Working Capital	-		-	-	-	-	-
TOTAL FIXED ASSETS	**707,238**		-	-	-	-	-
DEPRECIATION			**131,880**	**131,880**	**131,880**	**131,880**	**131,880**
ACCUMMULATED DEPRECIATION			**131,880**	**263,759**	**395,639**	**527,518**	**659,398**