

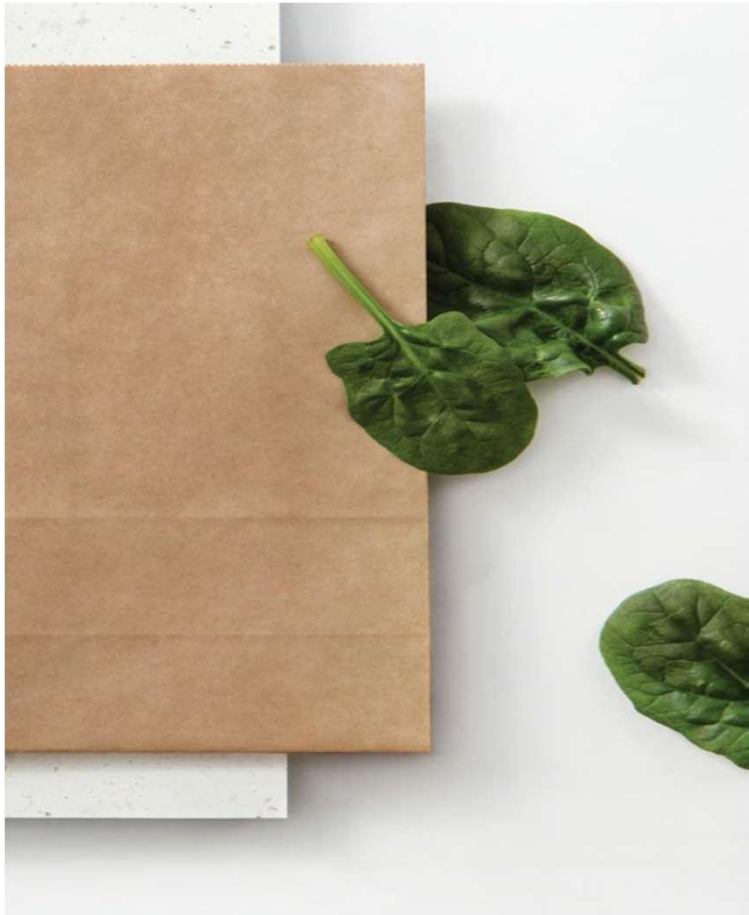


# Paper Converting Company Limited

Business Plan – Paper Converting Factory Project

March  
2023

# Agenda



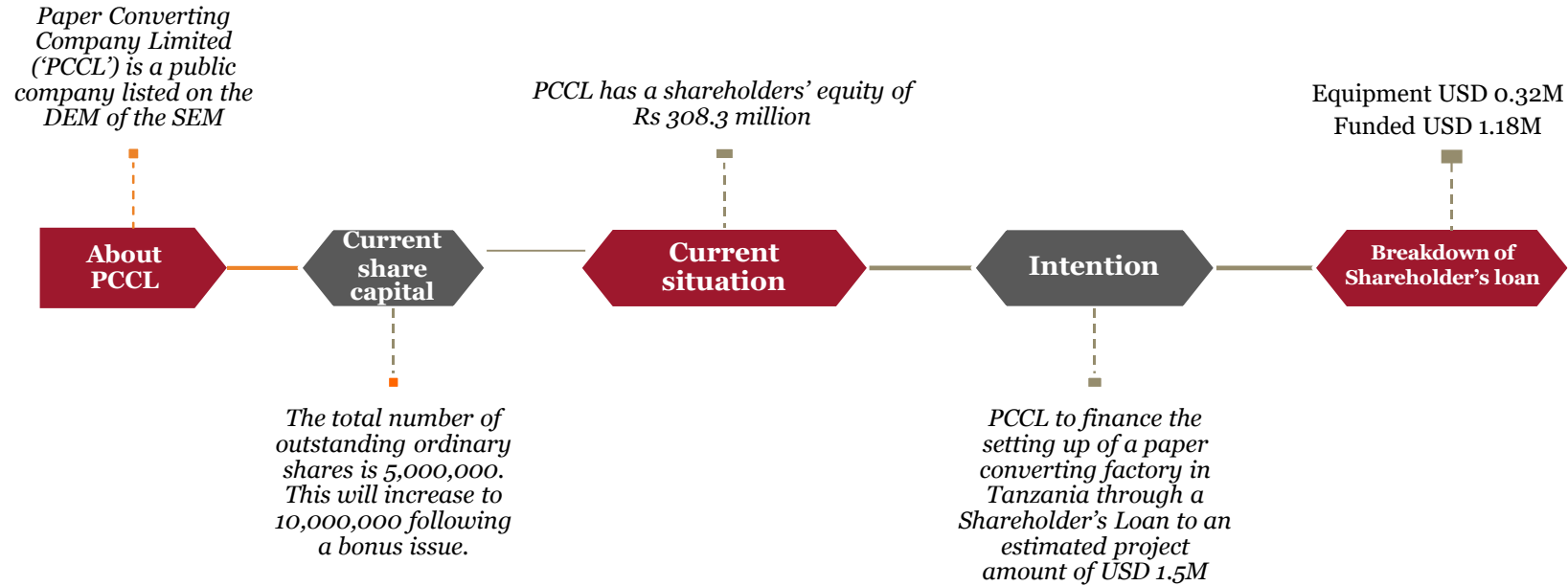
- 1 Introduction
- 2 Description of the project
- 3 The Process
- 4 Promoter
- 5 Project team
- 6 Project costs and timeline
- 7 The Plan
- 8 Financials of project company

# 1 Introduction

*Executive summary*



# Executive summary

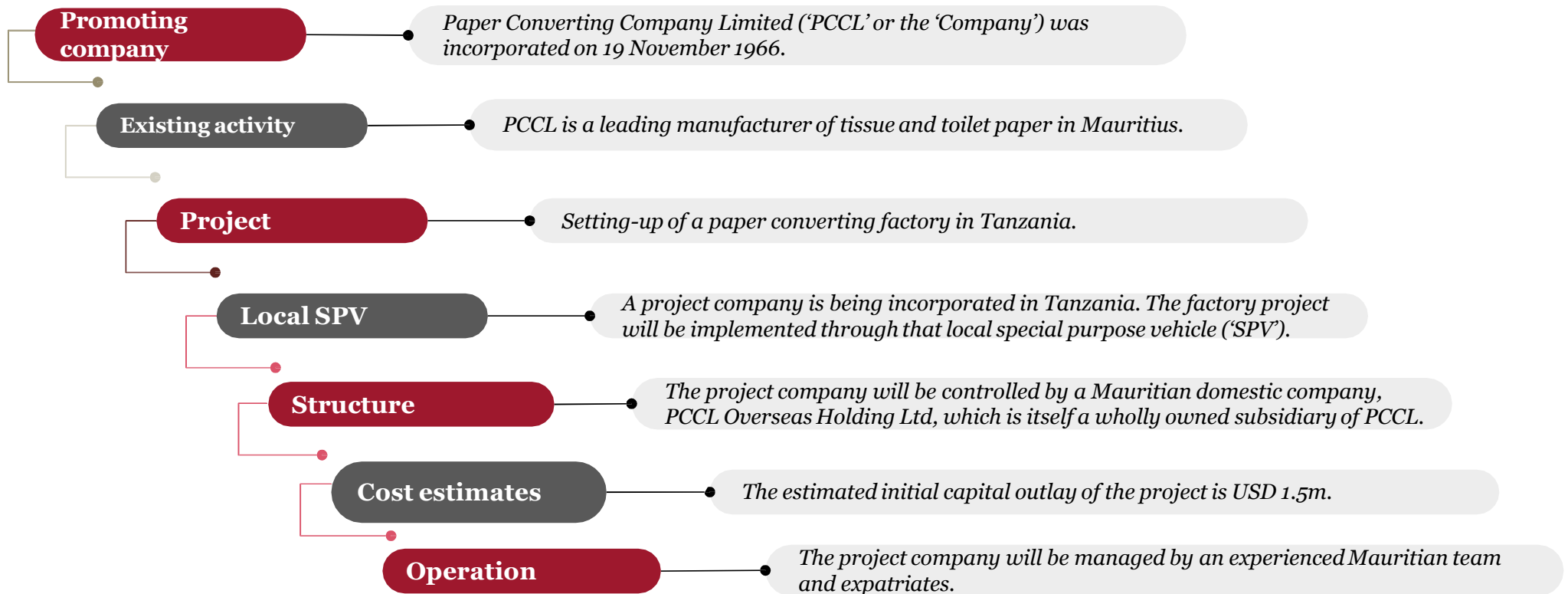


## 2 Description of the project

*Paper converting factory in Tanzania*



# Paper converting factory in Tanzania



# Project overview

## Promoting company

PCCL is a leading manufacturer of tissue and toilet paper “Kleenex” in Mauritius, under license from Kimberly Clark Corporation of USA.

## Project

The project will consist of the setting up of a paper converting factory in Tanzania to produce the following:

- Tissue paper
- Toilet paper

## Estimated cost

The estimated initial capital outlay are as follows:

- Cost of machinery (incl. landing, installation & commissioning) and working capital : USD 1.5m
- Estimated time of completion: 6 months

## Licence & Certification

- PCCL has been granted a manufacturing and distribution licence in Tanzania by Kimberly Clark.
- PCCL is ISO 9001:2015 certified by AFNOR.

# *Process of manufacturing toilet paper products*



The parent jumbo roll paper for toilet paper is a large roll of paper that is used in the manufacturing of toilet paper products. The parent jumbo roll is typically manufactured by paper mills and is designed to be used as a starting material for the production of smaller rolls of toilet paper. The parent jumbo roll paper for toilet paper is typically made from wood pulp or recycled paper and is available in a variety of sizes, weights, and grades. The paper is often treated with chemicals to improve its strength, softness, and absorbency, which are important qualities in toilet paper products.

# *Process of manufacturing toilet paper products*



The parent jumbo roll is placed in a rewinding machine. The machine takes the jumbo rolls of toilet paper and unwinds them into single sheets or smaller rolls. It then cuts the toilet paper into the desired size and rewinds it onto new cores.

# *Process of manufacturing toilet paper products*



These small rolls then undergo the embossing process. This process involves creating a pattern or texture on the surface of the toilet paper which is used to improve the softness and absorbency of the paper, as well as to enhance its appearance and provide additional benefits to consumers. The pattern can range from simple designs, such as dots or lines, to more complex patterns, such as floral designs or logos.

# *Process of manufacturing toilet paper products*



The next step is perforation. During the perforation process, the toilet paper roll is fed into the perforator machine, where it is rolled over the blades or punches. The blades or punches create a series of small holes or perforations between each sheet of toilet paper in the roll, allowing the user to easily tear off individual sheets.

## *Process of manufacturing toilet paper products*



Once the toilet paper has been rewound into smaller rolls, it is then transported to a packaging machine, where it is packaged into various sizes and quantities. The packaging machine typically includes a mechanism for wrapping the toilet paper in plastic or paper, as well as a mechanism for cutting the paper to the desired size. The packaged toilet paper is then labeled with the appropriate information, such as the brand name, product name, and size, and is placed into cartons or other containers for shipping and distribution.

## *Process of manufacturing toilet paper products*



Once the toilet paper products have been produced, they are transported to distribution centers, where they are stored until they are ready to be shipped to retail stores or directly to consumers.

From the distribution centers, the toilet paper products are transported to retail stores or e-commerce platforms, where they are displayed on shelves or online marketplaces for consumers to purchase. Consumers can then purchase the toilet paper products in the desired size and quantity, either in-store or online, and bring them home to use.



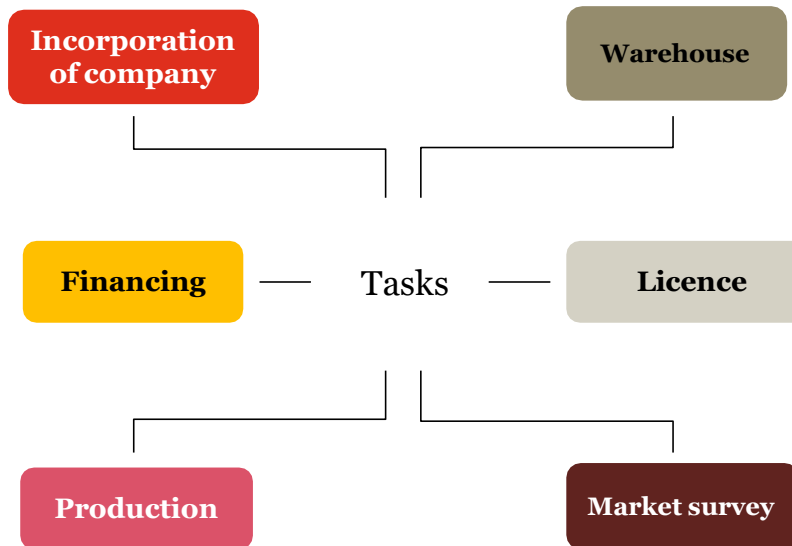
# Successful milestones

**The following tasks have been successfully completed:**

The project company has already been incorporated in Tanzania-Company Name: Dodo Tissue Limited(TIN: 164-563-553)

PCCL has already raised USD 700,000 to finance the factory project in Tanzania.

PCCL has already purchased the productive machinery from Germany on behalf of the project company.



PCCL has already entered into a lease agreement for the renting of 2,880 Sq M at Kisemvule industrial area at Mkuranga District-Pwani.

Kimberly Clark has granted PCCL manufacturing and distribution licence in Tanzania.

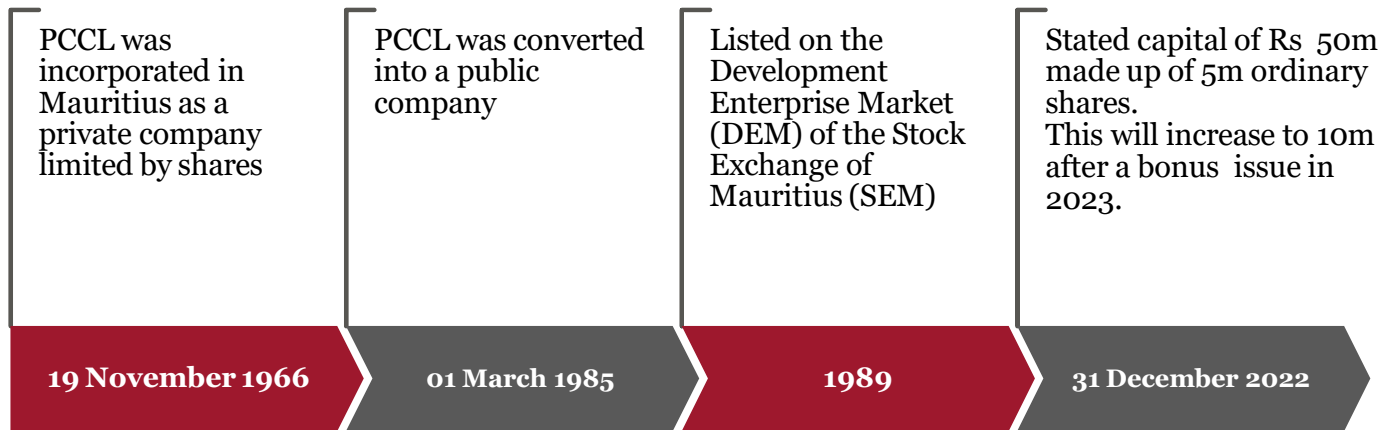
An independent market survey carried out shows great market potential.



### **3 Promoter**

*Paper Converting Company Limited*

# Corporate information



# Directory

## Registered office address

**Paper Converting Company Limited**

Bonne Terre  
Vacoas  
Mauritius

## Corporate secretary

**St James Secretaries Limited**

5<sup>th</sup> Floor, C&R Court  
49 Labourdonnais Street  
Port Louis  
Mauritius

## Auditor

**Moore Mauritius**

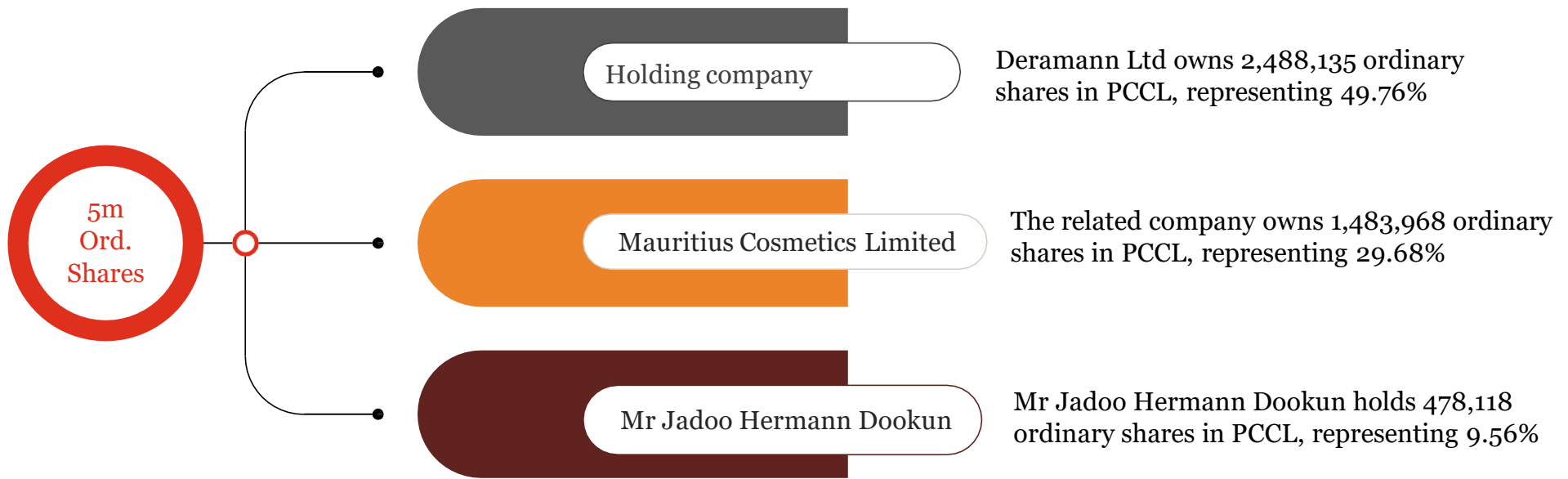
6<sup>th</sup> Floor, Newton Tower  
Sir William Newton Street  
Port Louis  
Mauritius

## Legal adviser

**Legis and Partners Ltd**

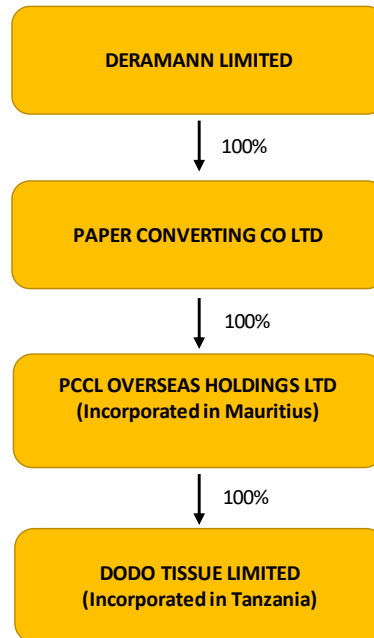
Jamalacs Building, Vieux  
Conseil Street  
Port-Louis 11328  
Mauritius

# Shareholding



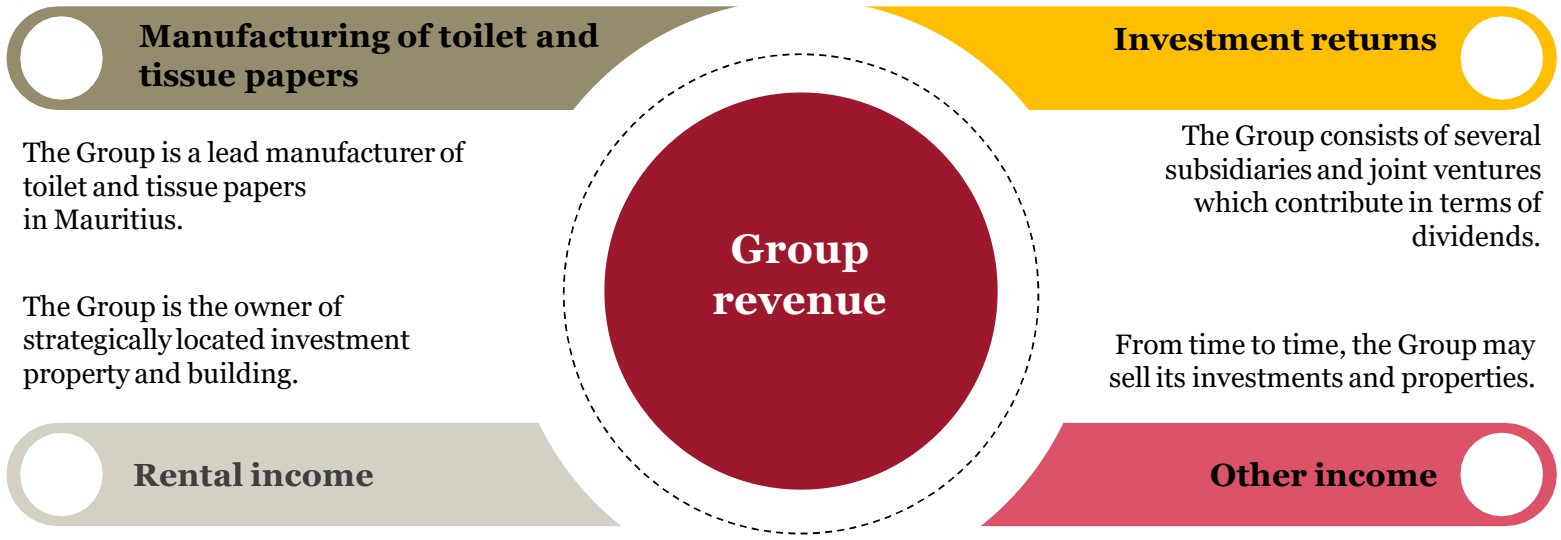
The public holds the remaining 549,779 ordinary shares in PCCL, representing 11.00%.

# Group structure



# Activity

## Group's primary revenue



# Manufacturing activity

## Paper products

Manufacture and distribution of:

- Toilet paper
- Tissue paper

## Brands

Products of the following brands are manufactured:

- Kleenex
- Carlton
- Scottex
- Coronet
- Ballet
- Pacon professional

## Technology & standards

- Use of new manufacturing technologies and state-of-the-art equipment
- Use of eco-responsible and environmentally friendly products and manufacturing processes

## Certification

- PCCL is the first Mauritian Company to certify for FSC (Forest Stewardship Council)
- The Company is ISO 9001:2015 certified by AFNOR

## Brands

*PCCL produces the international prestigious brand of toilet and tissue paper 'Kleenex', Carlton and Scottex under licence from Kimberly Clark Corporation of USA.*



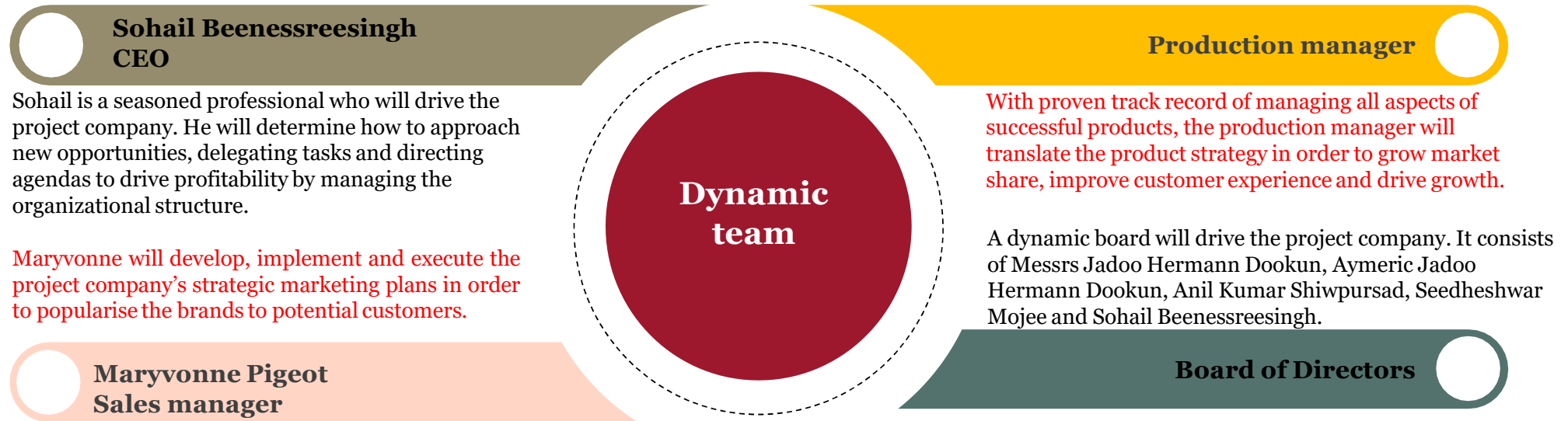


## 4 Project team

*Seasoned professionals*

# The project team

## • Company's main collaborators

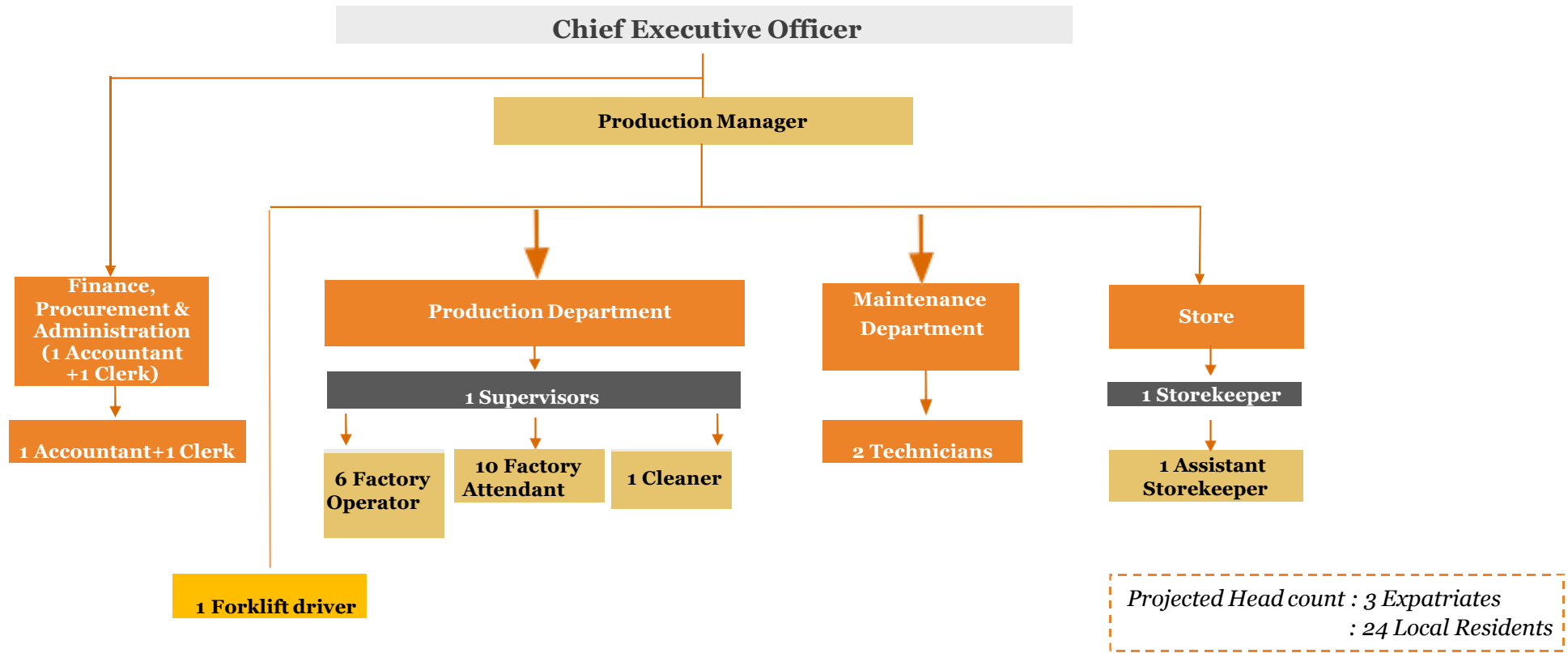


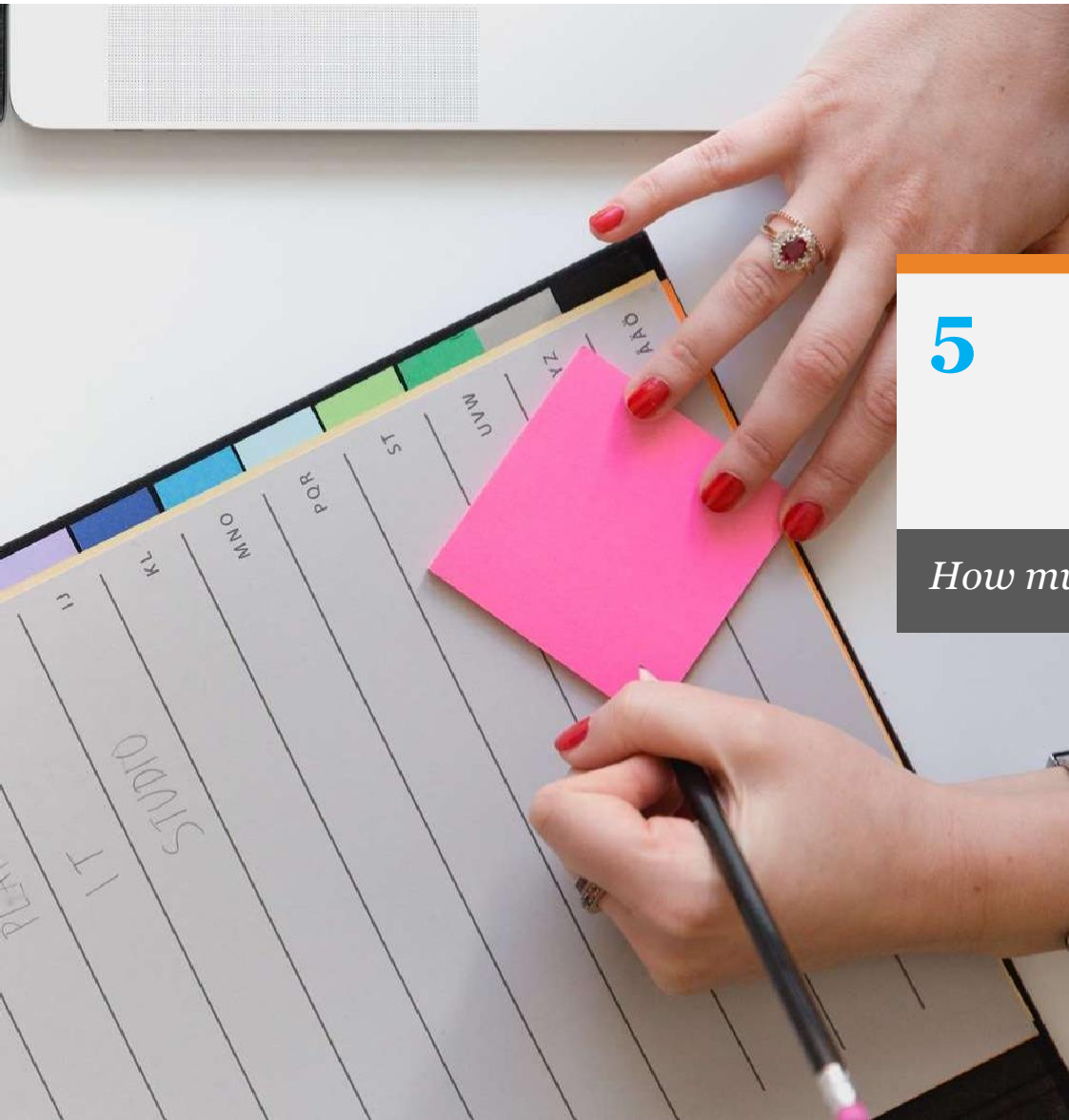
## *Recruitment*



**Local residents will be recruited for this project**

# Organisation structure



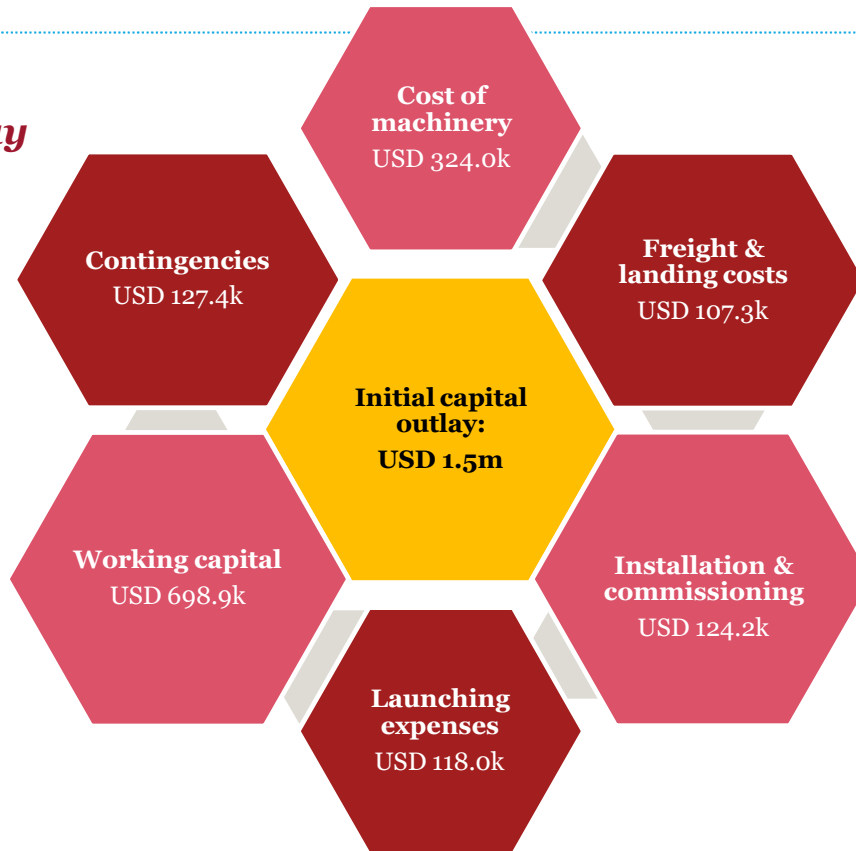


## 5 Project costs and timeline

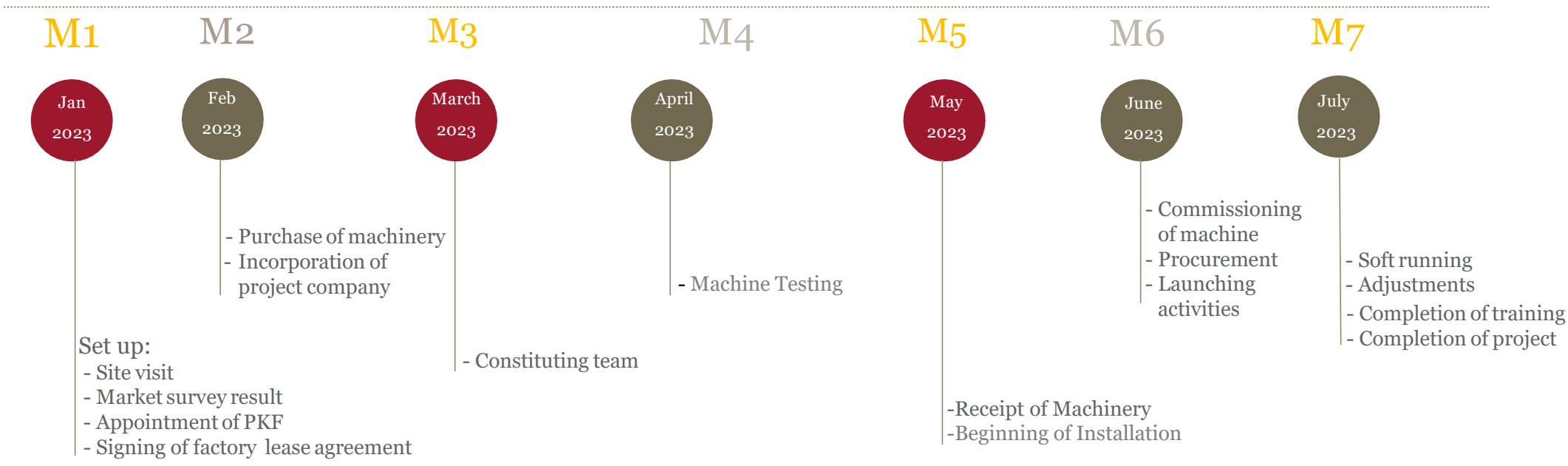
*How much it costs?*

# Project costs and financing

## Summary of the initial capital outlay of the project

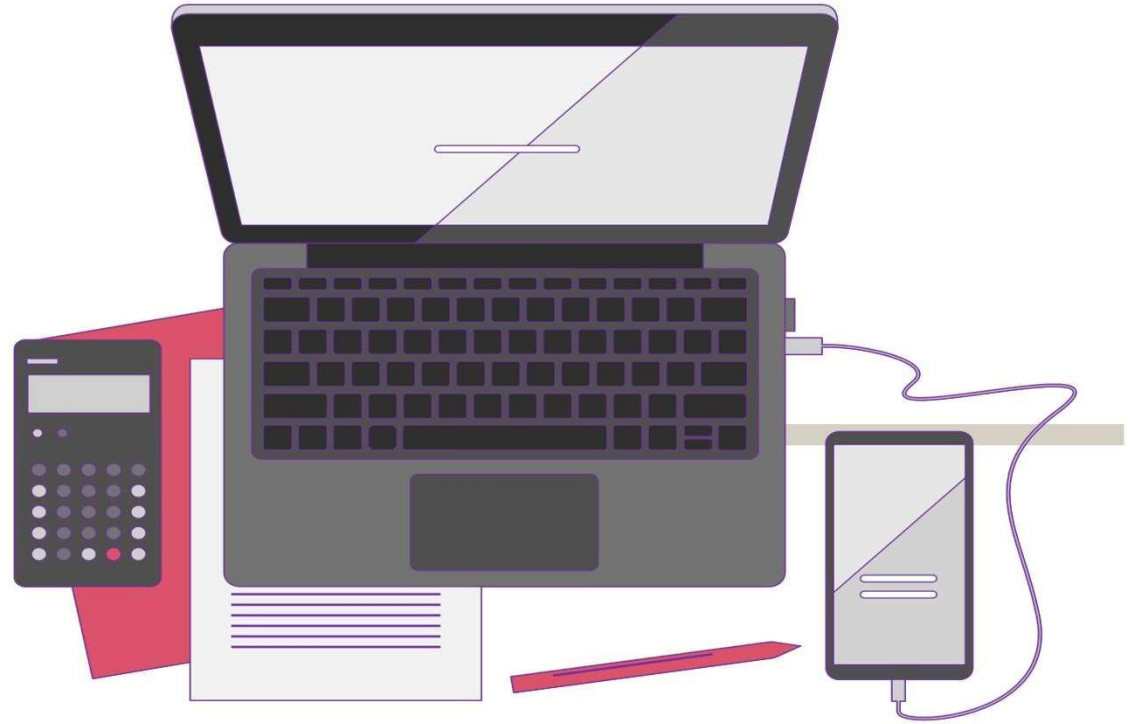


# Tentative timeline for implementation



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## 6 *The Plan*



# The plan

## Current situation

PCCL is a leading manufacturer of tissue and toilet paper “Kleenex” in Mauritius.



## Growth strategy

PCCL wishes to pursue its growth strategy in Africa and has identified Tanzania as a booming market for its products.



## The project

The setting-up of a paper converting factory in Tanzania which would require an initial capital outlay of USD 1.5m.

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# 7 Financials of project company

*Project company forecasts*



# Financial forecasts of project

Project forecasted income statement	Notes	Jan-23 USD	Feb-23 USD	Mar-23 USD	Apr-23 USD	May-23 USD	Jun-23 USD	Jul-23 USD	Aug-23 USD	Sep-23 USD	Oct-23 USD	Nov-23 USD	Dec-23 USD	Year 2023 USD	Year 2024 USD	Year 2025 USD	Year 2026 USD
Turnover		-	-	-	-	-	-	77,613	77,613	85,374	89,255	93,136	135,823	558,814	1,440,000	1,560,000	2,160,000
Cost of production		-	-	-	-	-	-	(55,881)	(55,881)	(61,470)	(64,264)	(67,058)	(97,792)	(402,346)	(1,036,800)	(1,123,200)	(1,555,200)
<b>Gross profit</b>		-	-	-	-	-	-	<b>21,732</b>	<b>21,732</b>	<b>23,905</b>	<b>24,991</b>	<b>26,078</b>	<b>38,030</b>	<b>156,468</b>	<b>403,200</b>	<b>436,800</b>	<b>604,800</b>
<b>Expenses</b>																	
Salary		-	-	-	-	-	-	12,000	12,000	12,000	12,000	12,000	12,000	72,000	144,000	156,000	168,000
Electricity		-	-	-	1,000	1,000	1,200	1,200	1,200	1,200	1,200	1,200	1,200	10,400	18,000	21,600	24,000
Insurance		-	-	-	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	9,000	12,000	12,000	12,000
Rent		9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	108,000	108,000	108,000	108,000
Professional fees		-	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	11,000	12,000	12,000	12,000
Incorporation fees		-	4,400	-	-	-	-	-	-	-	-	-	-	4,400	-	-	-
Secretarial fees		-	-	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	10,000	12,000	12,000	12,000
Sundries		-	-	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	30,000	36,000	36,000	36,000
Launching		-	-	-	-	-	33,333	33,333	33,333	-	-	-	-	100,000	-	-	-
Depreciation		-	-	-	-	-	5,517	5,517	5,517	5,517	5,517	5,517	5,517	38,616	66,199	66,199	66,199
Repairs and maintenance		-	-	-	-	-	-	5,000	5,000	5,000	5,000	5,000	5,000	30,000	60,000	60,000	60,000
		<b>9,000</b>	<b>14,400</b>	<b>14,000</b>	<b>16,000</b>	<b>16,000</b>	<b>55,050</b>	<b>72,050</b>	<b>72,050</b>	<b>38,717</b>	<b>38,717</b>	<b>38,717</b>	<b>38,717</b>	<b>423,416</b>	<b>468,199</b>	<b>483,799</b>	<b>498,199</b>
<b>Net (loss)/profit</b>		<b>(9,000)</b>	<b>(14,400)</b>	<b>(14,000)</b>	<b>(16,000)</b>	<b>(16,000)</b>	<b>(55,050)</b>	<b>(50,318)</b>	<b>(50,318)</b>	<b>(14,812)</b>	<b>(13,725)</b>	<b>(12,639)</b>	<b>(686)</b>	<b>(266,948)</b>	<b>(64,999)</b>	<b>(46,999)</b>	<b>106,601</b>

GP 28% 28% 28% 28% 28% 28% 28% 28% 28%

# Financial forecasts of project

	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Year 2023	Year 2024	Year 2025	Year 2026
Project forecasted cash flows	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
<b>Inflows</b>																
Fund from PCCL Overseas Holding Ltd	-	-	-	-	1,176,000	-	-	-	-	-	-	-	1,176,000	-	-	-
Turnover	-	-	-	-	-	-	59,529	59,529	97,536	100,513	106,695	141,038	564,841	1,679,805	1,842,565	2,492,459
	-	-	-	-	1,176,000	-	59,529	59,529	97,536	100,513	106,695	141,038	1,740,841	1,679,805	1,842,565	2,492,459
<b>Outflows</b>																
Freight & landing charges	-	-	-	-	(97,200)	-	(10,131)	-	-	-	-	-	(107,331)	-	-	-
Installation fees - technician	-	-	-	-	(62,100)	-	(31,050)	(31,050)	-	-	-	-	(124,200)	-	-	-
Contingency	-	-	-	-	(95,580)	(31,860)	-	-	-	-	-	-	(127,440)	-	-	-
Purchases of raw material	-	-	-	-	(150,327)	(150,327)	(105,327)	(100,327)	(100,327)	(100,327)	(100,327)	(100,327)	(907,616)	(1,153,951)	(1,285,831)	(1,780,382)
Salary	-	-	-	-	-	-	(12,000)	(12,000)	(12,000)	(12,000)	(12,000)	(12,000)	(72,000)	(156,000)	(168,000)	(180,000)
Electricity	-	-	-	(1,000)	(1,000)	(1,200)	(1,200)	(1,200)	(1,200)	(1,200)	(1,200)	(1,200)	(10,400)	(18,000)	(21,600)	(24,000)
Insurance	-	-	-	(1,180)	(1,180)	(1,180)	(1,180)	(1,180)	(1,180)	(1,180)	(1,180)	(1,180)	(10,620)	(14,160)	(14,160)	(14,160)
Rent	(10,620)	(10,620)	(10,620)	(10,620)	(10,620)	(10,620)	(10,620)	(10,620)	(10,620)	(10,620)	(10,620)	(10,620)	(127,440)	(127,440)	(127,440)	(127,440)
Professional fees	-	(1,180)	(1,180)	(1,180)	(1,180)	(1,180)	(1,180)	(1,180)	(1,180)	(1,180)	(1,180)	(1,180)	(12,980)	(14,160)	(14,160)	(14,160)
Incorporation fees	-	(5,192)	-	-	-	-	-	-	-	-	-	-	(5,192)	-	-	-
Secretarial fees	-	-	(1,180)	(1,180)	(1,180)	(1,180)	(1,180)	(1,180)	(1,180)	(1,180)	(1,180)	(1,180)	(11,800)	(14,160)	(14,160)	(14,160)
Sundries	-	-	(3,540)	(3,540)	(3,540)	(3,540)	(3,540)	(3,540)	(3,540)	(3,540)	(3,540)	(3,540)	(35,400)	(42,480)	(42,480)	(42,480)
Marketing costs - launching	-	-	-	-	-	(39,333)	(39,333)	(39,333)	-	-	-	-	(118,000)	-	-	-
Acquisition of Machinery	-	-	-	-	-	-	-	-	-	-	-	-	-	(108,000)	-	(325,000)
VAT on expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(79,965)
	(10,620)	(16,992)	(16,520)	(18,700)	(423,907)	(240,420)	(216,742)	(201,610)	(131,227)	(131,227)	(131,227)	(131,227)	(1,670,419)	(1,648,351)	(1,687,831)	(2,601,747)
Net cash flows	(10,620)	(16,992)	(16,520)	(18,700)	752,093	(240,420)	(157,213)	(142,081)	(33,691)	(30,714)	(24,532)	9,811	70,421	31,454	154,733	(109,289)
Opening balance	-	(10,620)	(27,612)	(44,132)	(62,832)	689,261	448,841	291,628	149,547	115,856	85,142	60,610	-	70,421	101,875	256,609
Closing balance	(10,620)	(27,612)	(44,132)	(62,832)	689,261	448,841	291,628	149,547	115,856	85,142	60,610	70,421	70,421	101,875	256,609	147,320



# Thank You

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