

PROGRESS REPORT TODATE

COLOUR & COMPOUNDS LIMITED

Prepared by:
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1.0 PLANNED ACTIVITIES FOR THE PERIOD

1.1 background

Colour & Compounds Limited is the beneficiary of the TIC Certificate of Incentives no 202011216, dated 23 November 2020. The Project is Plastic Raw Material specializing in the manufacturing of Plastic Raw Materials i.e. Colors Masterbatches and PVC Compounds and related products. These products are supplied to over 300 small to large manufacturing companies to enable manufacturing like Electric Cables and Cent Bags. Colour & Compounds Limited are also exporting to regional manufacturing units.

1.2 Planned Activities

During the time the company decided to take the certificate of incentives and it planned to do the following;

- To complete purchasing the remaining capital Items
- To continue with the expansion of production and sales by investing in the machineries
- To purchase a motor vehicle and other logistics-related equipment

1.3 Proposed Investment Structure

The facility was estimated to cost US\$3.3m.

1.4 THE FINANCING PATTERN

The owners of Colour & Compounds Limited undertake to finance the procurement of all capital/deemed capital goods from internally generated funds and they may decide to invite in future other new shareholders. The project to date was financed by equity and bank loans from local banks.

1.5 ECONOMIC ADVANTAGES

The project is financially sound and techno-economic viable. The project is also a foreign exchange earner and has substantial potential to increase job creation.

2.0 ACHIEVEMENT MADE ON THE PROJECT IMPLEMENTATION TO DATE

2.1 General

Both local and external factors have been taken into account when implementing this project. Factors such as obtaining finance for the completion of the project, acquisition of project capital goods recruitment of qualified personnel and number of imports and exports have affected the implementation of our project.

2.2 The project

Colour & Compounds Limited is about 70% completed and operational. The project has been able to construct buildings and warehouses for the factory. The company has also purchased Plant and Machinery, Motor Vehicles, Furniture and Fittings, Logistics equipment, Computers

& Printers. The investment has been carried out in phases. The project has completed some of the purchase of machinery.

The reason for phased execution is mainly the size of the investment vis-à-vis the ability to raise funds immediately.

In order to facilitate the equity funding, the company has increased its capital of the company and the Management of Colour & Compounds Limited has decided to add new shareholders and in that regard is requesting the Centre to amend their certificate of incentives to effect changes on the shareholding pattern of the company.

Management foresees profitable operations likely to generate significant internally generated funds by inviting a new shareholder.

3.0 SOURCE OF FINANCING

The owners of Colour & Compounds Limited undertake to finance the procurement of all capital/deemed capital goods from internally generated funds and they may decide to invite in future other new shareholders.

4.0 PROBLEMS AND SOLUTION

The company has been able to make substantial development by improving and upgrading machinery, constructing buildings and warehouses, and other company facilities. The project could not be completed because of not having enough funds.

5.0 FUTURE PLANS

The shareholders now are ready to inject some more capital and therefore they have decided to look for new shareholders so that they can implement the project and bring the project to completion.

6.0 RECOMMENDATION

In view of the preceding analysis, the TIC is requested to consider their request to amend the project shareholding pattern.