

# **BAJUTA H.R.JUTE INDUSTRIES LIMITED**



**Jute Bag Manufacturing Business Plan at  
Kibaha, near Dar es salaam city, Tanzania**

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# 1. Industry Overview

Jute is a natural fibre obtained from the bark of the white jute plant or the tossa jute plant. It is also known as the golden fibre owing to its golden and silky shine, and is extensively used in the manufacturing of packaging products and textiles.

Jute material is a natural vegetable fibre which is made from the outer stem and skin of a jute plant. Jute is an incredibly versatile material which also makes up hessian cloth, however, it is most commonly used now for making durable items such as eco-friendly jute bags.

As a packaging material, jute offers advantages such as good insulation, low thermal conductivity and moderate moisture retention. On account of this, jute bags are used as packaging material for bulk goods as well as shopping and gift bags.

According to the latest report by IMARC Group, titled "Jute Bag Market: Global Industry Trends, Share, Size, Growth, Opportunity and Forecast 2023-2028," the global jute bag market size reached US\$ 2.5 Billion in 2022. According to the report, the market value is expected to reach US\$ 4.2 Billion by 2028, exhibiting a CAGR of 8.67% during 2023-2028<sup>1</sup>

The report shows a deep insight into the global jute bag market covering all its essential aspects. This ranges from macro overview of the market to micro details of the industry performance, recent trends, key market drivers and challenges, SWOT analysis, value chain analysis, etc.

The report also provides a comprehensive analysis for setting up a jute bag manufacturing plant. The study analyses the processing and manufacturing requirements, project cost, project funding, project economics, expected returns on investment, profit margins, etc.

Interestingly, the global jute bag industry is currently at a nascent stage with encouraging growth aspects. The demand for jute bags has witnessed a surge over the past few years globally. This can be attributed to the growing environment and climate change consciousness around the world.

The import of jute bags in non-producing countries have also been facilitated by the ban on plastic packaging materials and bags. Additionally, the benefits offered by jute bags such as their biodegradability, durability, low cost, high strength, etc. have further supported the market growth.

Currently, jute sack bags dominate the market, accounting for the majority of the sales volume. The market has further been segmented on a regional basis and includes India, Bangladesh, China and Others. Amongst these, India holds the majority of the share, representing the leading producer of jute bags.

The report has also assessed the competitive landscape of the market and finds that it is fragmented in nature.

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<sup>1</sup><https://www.imarcgroup.com/global-jute-bag-market>

The revenue generated in the industry is heavily influenced by national demand for consumer goods, as the majority of the products that are produced in the industry are sold for downstream use in the fast-moving consumer goods (FMCG) sector.

Over and above, jute bags manufacturing business is a profitable business and it is open for any aspiring entrepreneur to come in and establish his or her business; you can choose to start on a small scale or one can choose to start on a large scale with standard manufacturing factories both in India, other Asian countries where one can get cheaper labor and raw materials.

Tanzania imports jute bags from India mainly for use as packaging material for cashew nuts, tobacco, and coffee. With Government tax incentives on import of jute manufacturing machinery, and lower tax on imported jute yarn, it may be viable to set up a jute bag manufacturing facility in Tanzania. Bajuta Group has seen this opportunity and is now investing in the manufacturing facility in Tanzania.

## 2. Executive Summary

BAJUTA H.R.JUTE INDUSTRIES LIMITED is a newly registered company in Tanzanian specialized jute bag manufacturing business that will be located in Kibaha; in an ideal location that is highly suitable for access to port and transport infrastructure to markets..

Bajuta has been able to lease a facility that is big enough (a 20 thousand square foot facility) to fit into the kind of facility that is intended to be established. Bajuta H.R. Jute Mill will be involved in the manufacturing of a wide range of jute bags.

We are set to service a wide range of clientele not just in the Tanzania, but also all parts of the East and Southern African region. We are aware that there are several jute bag importing companies in Tanzania, which is why we spent time and resources to conduct a thorough feasibility studies and market survey.

Bajuta H.R. Jute Mill will ensure that all the jute bags that leaves of factory are of the highest quality and highly durable and affordable. We want to build a business that cuts across businesses in the fast-moving consumer goods (FMCG) sector. We have highly experienced directors and group management team that would manage a one on one relationship with our customers no matter how large they may grow to.

Bajuta H.R. Jute Mill will at all times demonstrate her commitment to sustainability, both individually and as a firm, by actively participating in our communities and integrating sustainable business practices wherever possible. We will ensure that we hold ourselves accountable to the highest standards by meeting our customers' needs precisely and completely whenever they patronize our products.

Bajuta H.R. Jute Mill local investor is a family business that is owned by Gesso Bajuta and his immediate family members. Gesso Bajuta is a renowned entrepreneur and has a over 30 years' experience in the agricultural related businesses including supply of jute products in Tanzanian market. He will be bringing in his vast experience to build Bajuta H.R. Jute Mill

### **3. Our Products and Services**

Bajuta H.R. Jute Mill is in the global jute bag industry to manufacture a wide range of jute bags for clients. We are set to services a wide range of clientele not just in the Tanzania, but also all parts of the EAC and SADC.

We will do all that is permitted by the law of Tanzania to achieve our business goal, aim and ambition of starting the business. Our product offerings are listed below;

- Jute export bags for cashew, tobacco, and coffee
- Jute bags for other local food crops like maize, beans, rice, etc
- Customized jute bags for events
- Jute bags for grocery shopping
- Carrier jute bags

## 4. Our Mission and Vision Statement

- Our vision is to build a business that will support climate change, preserve the earth and reduce the burden over our natural resources and environment.
- Our mission is to establish a world – class jute bag manufacturing company whose products will not only be used by individuals and of course both small and big corporations in the FMCG sector in the Tanzania, but also be exported to other countries in EAC and SADC.

### Our Business Structure

Our intention of starting a jute bag manufacturing company is to build a standard and one stop jute bag manufacturing company in Tanzania. Although our jute bag manufacturing company might not be as big as those in India, but we will ensure that we put the right structures in place that will support the kind of growth that we have in mind while setting up the business.

We will make sure that we employ people that are qualified, honest, customer centric and are ready to work to help us build a prosperous business that will benefit all the stake holders. As a matter of fact, profit-sharing arrangement will be made available to all our senior management staff and it will be based on their performance for a period of ten years or more.

In view of that, we have decided to hire qualified and competent hands to occupy the following positions;

- General Manager
- Factory Manager
- Human Resources and Admin Manager
- Merchandize Manager
- Sales and Marketing Manager
- Jute bags Designers
- Accountants/Cashiers
- Customer Services Executive

# 5. Job Roles and Responsibilities

## General Manager – GM:

- Increases management's effectiveness by recruiting, selecting, orienting, training, coaching, counseling, and disciplining managers; communicating values, strategies, and objectives; assigning accountabilities; planning, monitoring, and appraising job results
- Creates, communicates, and implements the organization's vision, mission, and overall direction – i.e. leading the development and implementation of the overall organization's strategy.
- Responsible for fixing prices and signing business deals
- Responsible for providing direction for the business
- Responsible for signing some documents on behalf of the company
- Evaluates the success of the organization
- Reports to the board.

## Admin and HR Manager

- Responsible for overseeing the smooth running of HR and administrative tasks for the organization
- Maintains office supplies by checking stocks; placing and expediting orders; evaluating new products.
- Ensures operation of equipment by completing preventive maintenance requirements; calling for repairs.
- Defines job positions for recruitment and managing interviewing process
- Carries out induction for new team members
- Responsible for training, evaluation and assessment of employees
- Responsible for arranging travel, meetings and appointments
- Oversees the smooth running of the daily office activities.

## Factory Manager:

- Responsible for managing the daily activities in the jute bag manufacturing factory
- Ensures that proper records of jute materials and jute bags are kept and warehouse does not run out of finished products
- Ensures that the factory is in tip top shape and easy to locate
- Controls jute bag distribution and supply inventory
- Supervises the workforce in the jute bag manufacturing factory.

## Merchandize Manager

- Manages vendor relations, market visits, and the ongoing education and development of the organizations' buying teams
- Helps to ensure consistent quality of jute bag making raw materials are purchased and used
- Responsible for planning sales, monitoring inventory, selecting the merchandise, and pricing orders for vendors

## **Sales and Marketing Manager**

- Manages external research and coordinate all the internal sources of information to retain the organizations' best customers and attract new ones
- Models demographic information and analyze the volumes of transactional data generated by customer purchases
- Identifies, prioritizes, and reaches out to new partners, and business opportunities et al
- Identifies development opportunities; follows up on development leads and contacts
- Responsible for supervising implementation, advocate for the customer's needs, and communicate with clients
- Documents all customer contact and information
- Represents the company in strategic meetings
- Helps increase sales and growth for the company

## **Jute Bag Designers**

- Responsible for designing and manufacturing different types of jute bags

## **Accountant/Cashier:**

- Responsible for preparing financial reports, budgets, and financial statements for the organization
- Provides managements with financial analysis, development budgets, and accounting reports
- Responsible for financial forecasting and risks analysis.
- Performs cash management, general ledger accounting, and financial reporting
- Responsible for developing and managing financial systems and policies
- Responsible for administering payrolls
- Ensures compliance with taxation legislation
- Handles all financial transactions for the organization
- Serves as internal auditor for the organization

## **Client Service Executive**

- Ensures that all contacts with clients (e-mail, walk-In center, SMS or phone) provides the client with a personalized customer service experience of the highest level
- Through interaction with customers on the phone, uses every opportunity to build client's interest in the company's products and services
- Manages administrative duties assigned by the human resources and admin manager in an effective and timely manner
- Consistently stays abreast of any new information on the organizations' products, promotional campaigns etc. to ensure accurate and helpful information is supplied to customers when they make enquiries

## Staff Head Count Requirements

TENTATIVE SKILLED & NON SKILLED WORKERS PER SHIFT				
	Process and Man- power	unskilled	skilled	Total
	<b>Material handling job - 24 hours job</b>	10	2	12
1)	Unloading and stacking yarn			
2)	Folk lift driver			
3)	Loading of cargo			
4)	Delivery yarn at production point			
5)	Beam movement to looms			
6)	Cloth movement for cutting			
7)	Bags movement for bale press			
A)	<b>Beaming</b>			
	per 8 hours or 12 hours per local rules	6	3	9
	<b>Weaving</b>			
B)	per 8 hours or 12 hours per local rules	8	4	12
				0
	<b>Dumping</b>			
C)	per 8 hours or 12 hours per local rules	5	1	6
				0
	<b>Cutting</b>			
D)	per 8 hours or 12 hours per local rules	8	1	9
				0
	<b>Stitching</b>			
E)	per 8 hours or 12 hours per local rules	7	3	10
				0
	<b>Printing</b>			
F)	per 8 hours or 12 hours per local rules	1	2	3
	<b>Bales Press</b>			
G)	per 8 hours or 12 hours per local rules	2	4	6
	<b>Mics department, watch and wards</b>	5		5
	<b>Total</b>	<b>52</b>	<b>20</b>	<b>72</b>

## 6. SWOT Analysis

Bajuta H.R. Jute Mill is in business to become one of the leading jute bag manufacturing companies in Tanzania and we are fully aware that it will take the right business concept, management and organizational structure to achieve our goal.

We know that there are several jute bag manufacturing companies all over the world from which Tanzania imports jute products, which is why we are following the due process of establishing a business. We know that if a proper SWOT analysis is conducted for our business, we will be able to position our business to maximize our strength, leverage on the opportunities that will be available to us, mitigate our risks and be equipped to confront our threats.

Bajuta H.R. Jute Mill employed the services of an expert HR and Business Analyst with bias in the manufacturing industry to help us conduct a thorough SWOT analysis and to help us create a business model that will help us achieve our business goals and objectives.

This is the summary of the SWOT analysis that was conducted for Bajuta H.R. Jute Mill;

### **Strength:**

Our main strength lies in the high quality of our finished jute bags, the power of our team and the state of the art jute bag manufacturing factory that we own. We have a team of highly trained and experienced jute bag designers that can produce top notch jute bags. We are well positioned at main commercial city of Dar es salaam and close to gateway to imported raw materials (port of Dar es salaam) and we know we will attract loads of clients from the first day we open our factory. Bajuta Group, through her flagship company, Bajuta international (T) Limited, has already established distribution network across Tanzania and is one of the major suppliers of agricultural inputs for major crops like cotton, cashew, tobacco, and coffee.

### **Weakness:**

A major weakness that may count against us is the fact that we are a new jute bag manufacturing company and we don't have the financial capacity to compete with multi – million dollar companies in the industry, especially in India, when it comes to manufacturing jute bags at a rock bottom prices. So also, we may not have enough cash reserve to promote our business the way we would want to.

### **Opportunities:**

The opportunities when it comes to the market for jute bags is vast because jute bags are extremely strong and sustainable. Jute bags can be reused and are very environmentally friendly. Jute bags are 100% compostable. The life of a jute bag is much more than those of the plastic bags and paper bags, as they are more stronger, more durable, and maintain their beauty for longer period. Importers of jute in to Tanzania can buy locally from our manufacturing facility, saving the country's foreign currency and creating jobs.

### **Threat:**

Just like any other business, one of the major threats that we are likely going to face is economic downturn. It is a fact that economic downturn affects purchasing/spending power.

Another threat that may likely confront us is the jute bag manufacturing companies in India that can easily compete in Tanzanian market. So also, unfavorable government policies especially when it comes to import duties of raw materials and import duties of finished jute products, may also pose a threat for businesses such as ours.

# 7. MARKET ANALYSIS

## Market Trends

One major trend in the global jute bag industry is that most players are leveraging on the fact that governments of the world (and Tanzania) are passing legislation that will limit the use of materials such as nylon and polythene bags because of environmental hazard hence jute bags have become a good substitute.

As a matter of fact, the growing pollution from petroleum-based plastics bags and similar products is negatively affecting the environment and it is a worldwide concern responsible for the evolving demand for bags and packaging materials made from jute and other biodegradable plastics.

The increasing dependence of the medical and food industry on environmental-friendly packaging is a notable factor catalyzing the market demand for jute bags and sacks. The intensifying regulations associated to the disposal of traditional plastics in different developed and developing countries is a top factor drawing attention to industry demand for these bags.

Extensive advances made in manufacturing technologies and the use of a variety of additive materials are likely to improve the biodegradability and composability of these plastic sacks and bags, thereby unlocking exciting avenues during the assessment period.

Lastly, as part of marketing strategies, jute bag manufacturing companies now ensure that they go beyond mass production to producing customized jute bags.

## 8. Our Target Market

There are hardly any pharmaceutical store, departmental store, and other such businesses that do not make use of jute bags for packaging goods bought from their stores. In view of that, we have positioned our jute bag manufacturing company to service a wide range of clientele in the Tanzania.

We have conducted our market research and feasibility studies and we have ideas of what our target market would be expecting from us. We in the global jute bag industry to supply our products to the following anchor customers as well as fast-moving consumer goods (FMCG) organizations;

- Cooperative unions in major export commercial crops like Cashew, tobacco, coffee, and cotton
- Departmental Stores
- Groceries Stores
- Pharmaceutical Stores
- Supermarkets
- Boutiques
- Fast food restaurants
- Mobile phones and accessories stores

## Our Competitive Advantage

A close examination of the global jute bag industry reveals that the market has become much more intensely competitive over the last decade. As a matter of fact, you have to be highly creative with your designs and market approach, customer centric and proactive if you must survive in this industry. We are aware of the stiff competition and we are prepared to compete favorably with other leading companies in the Tanzania.

Bajuta H.R. Jute Mill is launching a standard jute bag manufacturing company that will indeed become the preferred choice for businesses in the fast-moving consumer goods (FMCG) sector both in the Tanzania and other EAC and SADC countries.

Our jute bag manufacturing company is located in an ideal property highly suitable for the kind of manufacturing company that we want to run. Our ability to negotiate successfully with regulators, optimum capacity utilization and superior financial management and debt management are part of the competitive advantages we will be bringing to the table.

One of our business goals is to make Bajuta H.R. Jute Mill a one stop jute bag manufacturing company. Our excellent customer service culture, various payment options and highly secured facility will serve as a competitive advantage for us.

Lastly, our employees will be well taken care of, and their welfare package will be among the best within our category in the industry meaning that they will be more than willing to build the business with us and help deliver our set goals and objectives. We will also give good working conditions and commissions to freelance sales agents that we will recruit from time to time.

# 9. SALES AND MARKETING STRATEGY

## Sources of Income

Bajuta H.R. Jute Mill is in business to manufacture and supply jute bags in the Tanzania and other EAC and SADC countries. We are in the global jute bag industry to maximize profits and we are going to ensure that we achieve our business goals and objectives.

Bajuta H.R. Jute Mill will generate income by selling the following products;

- Jute bags for commercial crops like Cashew, tobacco, coffee, and cotton
- Customized jute bags for events
- Jute bags for grocery shopping
- Carrier jute bags

# 10. Sales Forecast

The global jute bag industry is one industry that cuts across various manufacturing industries especially players in the fast-moving consumer goods (FMCG) sector.

We are well positioned to take on the available market in the Tanzania, and we are quite optimistic that we will meet our set target of generating enough income from the first 12 months of operation and grow the business and our clientele base in 24 months to break even.

We have been able to examine the global jute bag industry, we have analyzed our chances in the industry and we have been able to come up with the following sales forecast. Below are the sales projection for Bajuta H.R. Jute Mill, it is based on the location of our business and other factors as it relates to jute bag manufacturing startups in the United States;

## Sales Assumptions

		TZS		\$
1 jute bag	TZS	4,050	Ex-factory	1.50
1 jute bag	TZS	6,500	retail	2.41
1 bale	pcs	300		
Manufacturing costs per bag	USD	1.25		
	TZS	3,375		

	2024	2025	2026	2027	2028
Number of Jute Bags produced	2,268,000	4,536,000	4,989,600	5,488,560	6,037,416
Price per bag (ex-factory) - TZS	4,050	4,455	4,901	5,391	5,930
Manufacturing costs per bag-TZS	3,375	3,713	4,084	4,492	4,941

	2024	2025	2026	2027	2028
Sales (TZS)	9,185,400,000	20,207,880,000	24,451,534,800	29,586,357,108	35,799,492,101

- **First Fiscal Year (FY1): TZS 9.1 Billion**
- **Second Fiscal Year (FY2): TZS 20.2 Billion**
- **Third Fiscal Year (FY3): TZS 24.4 Billion**

**N.B:** This projection was done based on what is obtainable in the industry and with the assumption that there won't be any major economic meltdown and there won't be any major competitor manufacturing or retailing same jute bags as we do within same location. Please note that the above projection might be lower and at the same time it might be higher.

## Marketing Strategy and Sales Strategy

Before choosing a location for Bajuta H.R. Jute Mill we conducted a thorough market survey and feasibility studies in order for us to penetrate the available market and become one of the preferred choices of businesses not only in Tanzania, but also throughout the EAC and SADC region.

We hired experts who have good understanding of the global jute bag industry to help us develop marketing strategies that will help us achieve our business goal of winning a larger percentage of the available market in Tanzania.

In summary, Bajuta H.R. Jute Mill will adopt the following sales and marketing approach to win customers over;

- Introduce our jute bag manufacturing company by sending introductory letters alongside our brochure to manufacturing organizations, retail stores and key stake holders in Dar es salaam and other parts of Tanzania
- Ensure that we manufacture a wide range of types and sizes of jute bags
- Make use of attractive hand bills to create awareness and also to give direction to our factory
- Position our signage / flexi banners at strategic places around Dar es salaam city
- Create a loyalty plan that will enable us reward our regular customers
- List our business and products on yellow pages' ads (local directories)
- Leverage on the internet to promote our products
- Engage in direct marketing and sales
- Encourage the use of Word of mouth marketing (referrals)

# 11. Publicity and Advertising Strategy

Even though our jute bag manufacturing company is well positioned, we will still go ahead to intensify publicity for the business.

Bajuta H.R. Jute Mill has a long – term plan of building its brand in Tanzania and the EAC/SADC region. We will deliberately build our brand to be well accepted in the Tanzania before venturing out to other countries.

Here are the platforms we intend leveraging on to promote and advertise Bajuta H.R. Jute Mill;

- Place adverts on community based newspapers, radio and TV stations.
- Encourage the use of word of mouth publicity from our loyal customers
- Leverage on the internet and social media platforms to promote our business.
- Ensure that our we position our banners and billboards in strategic positions all around Dar es salaam city
- Distribute our fliers and handbills in target areas in and around our neighborhood
- Advertise our jute bag manufacturing company in our official website and employ strategies that will help us pull traffic to the site
- Brand all our official cars and trucks and ensure that all our staff members and management staff wear our branded shirt or cap at regular intervals.

## 12. Our Pricing Strategy

We are aware of the pricing trend in the global jute bag manufacturing industry which is why we have decided to produce various qualities and categories of jute bags.

In view of that, our prices will conform to what is obtainable in the industry but will ensure that within the first 6 to 12 months our products are sold a little bit below the average market price. We have put in place business strategies that will help us run on low profits for a period of 6 months; it is a way of encouraging people to buy into our jute bag brand.

## Payment Options

The payment policy adopted by Bajuta H.R. Jute Mill is all inclusive because we are quite aware that different customers prefer different payment options as it suits them but at the same time, we will ensure that we abide by the financial rules and regulation of Tanzania.

Here are the payment options that Bajuta H.R. Jute Mill will make available to her clients;

- Payment via bank transfer
- Payment with cash
- Payment via Point of Sale Machine (POS)
- Payment via online bank transfer
- Payment via check
- Payment via bank draft

In view of the above, we have chosen banking platforms that will enable our clients make payment for the purchase of our jute bags without any stress on their part. Our bank account numbers will be made available on our website and promotional materials.

## 13. Startup Expenditure (Budget)

The bulk of the startup capital will be spent on leasing or acquiring a facility and also in purchasing the needed equipment. Aside from that, we are expected to hire distribution trucks, importation of raw materials, pay our employees and utility bills.

Investment in Capital Expenditure (TZS)	2024	2025	Total
Importation of Machines	811,063,800	615,807,900	1,426,871,700
Rent & Refurbishment of Rented Factory Buildings in Kibaha	300,000,000		300,000,000
Construction of Own Factory		2,000,000,000	2,000,000,000
Initial start-up costs	500,000,000		500,000,000
<b>Total</b>	<b>1,611,063,800</b>	<b>2,615,807,900</b>	<b>4,226,871,700</b>
Working Capital		<b>10,000,000,000</b>	<b>10,000,000,000</b>
<b>Grand Total</b>	<b>1,611,063,800</b>	<b>12,615,807,900</b>	<b>14,226,871,700</b>

These are the key areas where we will spend our startup capital on;

- The fee for registering the Business in the Tanzania
- Legal expenses for obtaining licenses and permits
- Marketing promotion expenses for the grand opening of Bajuta H.R. Jute Mill
- The cost for hiring Business Consultant
- The cost for payment of insurance policy covers (general liability, workers' compensation and property casualty) .
- The cost for leasing of a standard warehouse / factory in the first year
- The cost for remodeling the warehouse / factory
- Other start-up expenses including stationery and phone and utility deposits
- Operational cost for the first 3 months (salaries of employees, payments of bills et al)
- The total cost for start-up inventory (purchase of machinery, tools and equipment and the purchase of raw materials)
- The cost for counter area equipment
- The cost for store equipment (cash register, security, ventilation, signage)
- The cost for the purchase and installation of CCTVs
- The cost for the purchase of office furniture and gadgets (Computers, Printers, Telephone, TVs, Sound System, tables and chairs et al).
- The cost of launching a Website
- The cost for our opening ceremony
- Other Miscellaneous costs

We would need an estimate of **TZS 1.6 billion** to successfully set up our jute bag manufacturing company in Kibaha, near Dar es salaam city.

## Generating Funds/Startup Capital for BAJUTA H.R.JUTE INDUSTRIES LIMITED

Bajuta H.R. Jute Mill is owned and financed by Bajuta International (T) Limited. To leverage on experience from India, they welcomed H. R. Vinimay Pvt Limited of Calcutta, India who brings over 30 years' experience in jute industry and especially in sourcing of raw materials from India and Bangladesh.

Financing Plan	2024	2025	Total	
Capital from shareholders	1,611,063,800	615,807,900	2,226,871,700	53%
Bank Term Loans	-	2,000,000,000	2,000,000,000	47%
<b>Total</b>	<b>1,611,063,800</b>	<b>2,615,807,900</b>	<b>4,226,871,700</b>	100 %
Bank Overdraft		10,000,000,000	10,000,000,000	

The source of capital shall be:

- Source for equity and shareholder's loans from parent company, Bajuta International (T) Limited
- Contribution from H. R. Vinimey of India in procurement of machines and provision of technical staff
- A loan from the bank

**N.B:** A loan facility of TZS 2 billion for construction of own factory and overdraft of TZS 10 billion for financing importation of bulk raw materials shall both be raised from bank in 2025.

## **14. Sustainability and Expansion Strategy**

The future of a business lies in the number of loyal customers that we have, the capacity and competence of our employees, our investment strategy and the business structure. If all of these factors are missing from a business, then it won't be too long before the business closes shop.

One of our major goals of starting Bajuta H.R. Jute Mill is to build a business that will survive off its own cash flow without injecting finance from external sources once the business is officially running.

We know that one of the ways of gaining approval and winning customers over is to manufacture durable and quality jute bags and to retail them a little bit cheaper than what is obtainable in the market and we are prepared to survive on lower profit margin for a while.

Bajuta H.R. Jute Mill will make sure that the right foundation, structures and processes are put in place to ensure that our staff welfare are well taken of. Our company's corporate culture is designed to drive our business to greater heights and training and re – training of our workforce is at the top burner.

We know that if that is put in place, we will be able to successfully hire and retain the best hands we can get in the industry; they will be more committed to help us build the business of our dreams.

## 15. Check List/Milestone

- Business Name Availability Check: **Completed**
- Business Registration: **Completed**
- Opening of Corporate Bank Accounts: **Completed**
- Application and Obtaining Tax Payer's ID: **Completed**
- Application for business license and permit: **Completed**
- Purchase of Insurance for the Business: **In Progress**
- Leasing of facility and remodeling the facility: **In Progress**
- Conducting Feasibility Studies: **Completed**
- Generating capital from shareholders: **Completed**
- Applications for Loan from the bank: **In Progress**
- Writing a Business Plan: **Completed**
- Application for TIC certificate in incentives: **In Progress**
- Drafting of Contract Documents and other relevant Legal Documents: **In Progress**
- Design of The Company's Logo: **Completed**
- Printing of Promotional Materials: **In Progress**
- Recruitment of employees: **In Progress**
- Purchase of jute bags manufacturing machines and equipment: **Completed**
- Purchase of the needed furniture, racks, shelves, computers, electronic appliances, office appliances and CCTV: **In progress**
- Creating Official Website for the Company: **In Progress**
- Creating Awareness for the business both online and around the community: **In Progress**
- Health and Safety and Fire Safety Arrangement (License): **In Progress**
- Establishing business relationship with vendors – supplier of jute bag making raw materials, key stakeholders and suppliers of jute bags: **In Progress.**

# 16. Projections

The following are financial projections based on assumptions indicated

## Projected Profit and Loss Account

	2024	2025	2026	2027	2028
Sales	9,185,400,000	20,207,880,000	24,451,534,800	29,586,357,108	35,799,492,101
Less: Production costs	7,654,500,000	16,839,900,000	20,376,279,000	24,655,297,590	29,832,910,084
Gross Profit	1,530,900,000	3,367,980,000	4,075,255,800	4,931,059,518	5,966,582,017
Administration costs	2,073,548,000	3,233,546,400	3,718,549,800	4,295,701,847	4,983,868,653
Finance costs	261,859,613	170,212,133	63,831,906	-	-
Profit before Tax	(804,507,613)	(35,778,533)	292,874,094	635,357,671	982,713,364
Corporate tax (30%)	(241,352,284)	(10,733,560)	87,862,228	190,607,301	294,814,009
<b>Profit after Tax</b>	<b>(563,155,329)</b>	<b>(25,044,973)</b>	<b>205,011,866</b>	<b>444,750,370</b>	<b>687,899,355</b>

## Projected Balance Sheet

	2024	2025	2026	2027	2028
<b>ASSETS</b>					
<b>NON CURRENT ASSETS</b>					
Property, Plant and Equipment	1,611,063,800	2,615,807,900	2,485,017,505	2,360,766,630	2,242,728,298
<b>Total - Non-Current Assets</b>	<b>1,611,063,800</b>	<b>2,615,807,900</b>	<b>2,485,017,505</b>	<b>2,360,766,630</b>	<b>2,242,728,298</b>
<b>CURRENT ASSETS</b>	1,436,844,671	10,452,755,227	10,126,801,736	9,927,667,003	10,733,604,690
<b>Total - Current Assets</b>	<b>1,436,844,671</b>	<b>10,452,755,227</b>	<b>10,126,801,736</b>	<b>9,927,667,003</b>	<b>10,733,604,690</b>
<b>TOTAL ASSETS</b>	<b>3,047,908,471</b>	<b>13,068,563,127</b>	<b>12,611,819,241</b>	<b>12,288,433,633</b>	<b>12,976,332,988</b>
<b>LIABILITIES</b>					
<b>NON CURRENT LIABILITIES</b>					
Bank Loans	2,000,000,000	1,429,891,729	768,135,978	(0)	(0)
<b>Total - Non-Current Liabilities</b>	<b>2,000,000,000</b>	<b>1,429,891,729</b>	<b>768,135,978</b>	<b>(0)</b>	<b>(0)</b>
<b>CURRENT LIABILITIES</b>					
Bank Overdraft	0	10,000,000,000	10,000,000,000	10,000,000,000	10,000,000,000
<b>Total - Current Liabilities</b>	<b>0</b>	<b>10,000,000,000</b>	<b>10,000,000,000</b>	<b>10,000,000,000</b>	<b>10,000,000,000</b>
<b>TOTAL LIABILITIES</b>	<b>2,000,000,000</b>	<b>11,429,891,729</b>	<b>10,768,135,978</b>	<b>10,000,000,000</b>	<b>10,000,000,000</b>
<b>EQUITY</b>					
Share Capital	1,611,063,800	2,226,871,700	2,226,871,700	2,226,871,700	2,226,871,700
Accumulated Profits (Losses)	(563,155,329)	(588,200,302)	(383,188,437)	61,561,933	749,461,288
<b>Total Equity</b>	<b>1,047,908,471</b>	<b>1,638,671,398</b>	<b>1,843,683,263</b>	<b>2,288,433,633</b>	<b>2,976,332,988</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,047,908,471</b>	<b>13,068,563,127</b>	<b>12,611,819,241</b>	<b>12,288,433,633</b>	<b>12,976,332,988</b>

## Administrative expenses

	2024	2025	2026	2027	2028
Staff costs	1,155,008,000	1,212,758,400	1,273,396,320	1,337,066,136	1,403,919,443
Marketing costs	459,270,000	1,010,394,000	1,222,576,740	1,479,317,855	1,789,974,605
Other operating expenses	459,270,000	1,010,394,000	1,222,576,740	1,479,317,855	1,789,974,605
<b>Total</b>	<b>2,073,548,000</b>	<b>3,233,546,400</b>	<b>3,718,549,800</b>	<b>4,295,701,847</b>	<b>4,983,868,653</b>

## Expat & Local Staff Costs Projections

	Expat	\$/Month	Tota TZS/Month	Tota TZS/Year	NSSF 10%	WCF 1%	SDL 1%	TOTAL
Plant Supervision	1	3,000	8,100,000	97,200,000	9,720,000	972,000	972,000	108,864,000
Mechanical and Civil Supervision	1	3,000	8,100,000	97,200,000	9,720,000	972,000	972,000	108,864,000
Admin	1	2,500	6,750,000	81,000,000	8,100,000	810,000	810,000	90,720,000
<b>Expat staff (Total)</b>	<b>3</b>		<b>22,950,000</b>	<b>275,400,000</b>	<b>27,540,000</b>	<b>2,754,000</b>	<b>2,754,000</b>	<b>308,448,000</b>
	Local	TZS/Month	Tota TZS					
Plant supervision 2nd man	2	3,000,000	6,000,000	72,000,000	7,200,000	720,000	720,000	80,640,000
Mechanical and Civil Supervision	2	3,000,000	6,000,000	72,000,000	7,200,000	720,000	720,000	80,640,000
Admin/ Sales/ Billing	4	2,500,000	10,000,000	120,000,000	12,000,000	1,200,000	1,200,000	134,400,000
Store Keeper and Inventory	2	1,500,000	3,000,000	36,000,000	3,600,000	360,000	360,000	40,320,000
Handling incharge	2	1,500,000	3,000,000	36,000,000	3,600,000	360,000	360,000	40,320,000
Beaming and Weaving	2	1,500,000	3,000,000	36,000,000	3,600,000	360,000	360,000	40,320,000
Cutting/Finishing/Loading	3	1,500,000	4,500,000	54,000,000	5,400,000	540,000	540,000	60,480,000
<b>Local staff (Total)</b>	<b>17</b>		<b>35,500,000</b>	<b>426,000,000</b>	<b>42,600,000</b>	<b>4,260,000</b>	<b>4,260,000</b>	<b>477,120,000</b>
<b>Total (Expat + Local staff)</b>	<b>20</b>		<b>58,450,000</b>	<b>701,400,000</b>	<b>70,140,000</b>	<b>7,014,000</b>	<b>7,014,000</b>	<b>785,568,000</b>
			<b>TZS/Year</b>					
Medical insurance	20		1,000,000	20,000,000				20,000,000
<b>Total Skilled Staff</b>								<b>805,568,000</b>
Unskilled staff costs (various positions)	52	500,000	26,000,000	312,000,000	31,200,000	3,120,000	3,120,000	349,440,000
<b>Grand Total</b>								<b>1,155,008,000</b>
<b>*Exchange rate TZS/USD</b>				2700				

## Machines Costs

	Our target is to install 48 looms of S4 style for weaving unit set up in Tanzania.							
						Tax	80.5	
			No of Unit	Rs	118%	USD /FOB	Total/FOB	
1)	Beaming machine from Gujrat:		1	1,800,000	2124000	26,385	26,385	
2)	s4 looms		24	450,000	531000	6,596	158,311	
3)	3 HP motor x 24		0	70,000	82600	1,026	0	
4)	Compressor		1	500,000	590000	7,329	7,329	
5)	Electric panel		6	50,000	59000	733	4,398	
6)	Hydraulic Beam Lift		2	500,000	590000	7,329	14,658	
7)	Tolley - manual		2	50,000	59000	733	1,466	
*	Calendar process		1					
8)	Cutting Machine		0	450,000	531000	6,596	0	
9)	Printing Machine		1	200,000	236000	2,932	2,932	
10)	Stitching Machine		10	50,000	59000	733	7,329	
11)	Side tables		20	20,000	23600	293	5,863	
12)	1 hp motor x 7		10	30,000	35400	440	4,398	
13)	Dumping		1	300,000	354000	4,398	4,398	
*	flat baling press		0	1,800,000	2124000	26,385	0	
*	heavy duty baling press		0	4,500,000	5310000	65,963	0	
						Total	237,466	
13)	Other supporting active like cutting knife, electrical lines etc at 10% of total FOB Cost					110%	<b>261,212</b>	
14)	Trucking loading post bales press bales weight at 300 plus kgs will be done manually							
*	fork lift electronic for handling can be installed later		1				18,000	
15)	Freight cost and FOB Cost of containers is separate lets say 15%					115%	<b>300,394</b>	
at 907 / 2 lbs bags we will be able to make about 8000 bags a day at 24 hours working								




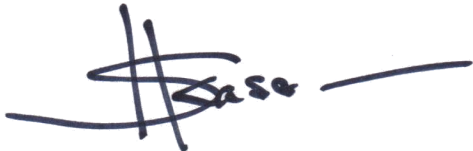
second stage								
1)	can add more s4 looms upto 48 looms						158,311	
2)	3 HP motor x 24						0	
3)	Electric panel						4,398	
4)	Stitching Machine						7,329	
5)	Side table						5,863	
6)	1 hp motor x 7						4,398	
						Total	<b>180,298</b>	
7)	Other supporting active like cutting knife, electrical lines etc at 10% of total FOB Cost					110%	<b>198,328</b>	
8)	Trucking loading post bales press bales weight at 300 plus kgs will be done manually					115%	<b>228,077</b>	

### **Tentative Production Cost & Return 24 Looms Yarn to Bag**

<b>24hrs Shift</b>						
No. of Looms	Kgs per loom	Weaving in 24 hrs Kgs	Weight/ bag	No of bags	Monthly	
<b>24</b>	270	6480	907	7144	189,327	26.5 working days in the month
					189,000	Rounded
<b>12hrs Shift</b>						
No. of Looms	Kgs per loom	Weaving in 12 hrs Kgs	Weight/ bag	No of bags	Monthly	
<b>24</b>	270	3240	907	3572	94,664	26.5 working days in the month
Monthly Production						
<b>189,000</b>	if unit runs 24 hours for 1 months we can nearly make 9 containers x 20 feet for 907/ 2lbs bags					
Yearly Production						
<b>2,268,000</b>	if unit runs 24 hours for 12 months we can nearly make 9 containers x 20 feet for 907/ 2lbs bags					
We have taken production minimum in initial stage but when local workers will be skilled 5-7 % production will be hiked						

<b>Import duty if we import a bag to TZ</b>			<b>Say 1 Bag Price USD 1</b>				
	Cost per bags	1	CNF+DUTY	1.35			
<b>Evaluation of Import vs Local Manufacturing</b>							
						Other Expenses unforeseen Exp.	Net Contribution per bag
	Cost of Yarn	CNF+duty	Manufacturing cost	Approx	Diff. per unit		
in USD	0.8	0.88	1.232	1.25	0.1	0.03	0.07
						Contribution @	
						189,000	13,230
						12 Months	
						2,268,000	158,760
			<b>Investment in 24 looms</b>			<b>USD</b>	<b>158,760</b>
<b>Excess revenue p.a. through local manufacturing</b>							

# 17. Legal & Regulatory Registration Documents

	TANZANIA	C.1  BUSINESS REGISTRATIONS AND LICENSING AGENCY
<b>Certificate of Incorporation of a Company</b>		
Section 15		
<b>No: 167495958</b>		
I HEREBY CERTIFY THAT		
<b>BAJUTA H.R JUTE INDUSTRIES LIMITED</b>		
is this day incorporated under the Companies Act, 2002 and that the Company is Limited.		
<b>GIVEN</b> under my hand at Dar es Salaam this 4 <sup>th</sup> day of <b>AUGUST TWO THOUSAND AND TWENTY THREE.</b>		
		
	<i>PRINC ASST. REGISTRAR OF COMPANIES</i>	



**THE UNITED REPUBLIC OF TANZANIA**

**BUSINESS LICENCE**

**B.L. No: 20000060991**

*The Business Licensing Act No. 25 of 1972 (R.E. 2002)*

1. Issuing Office: **BUSINESS REGISTRATIONS AND LICENSING AGENCY**
2. Tax Identification No: **167-495-958**
3. License Issued to: **BAJUTA H.R JUTE INDUSTRIES LIMITED** for the Business of:  
**Manufacturing of Packaging Materials**
4. Business Location  
Region: **Pwani**  
District: **Kibaha Town Council**  
Ward: **Mkuza**  
Street:
5. Principal / Branch: **Principal**
6. Amount of fee paid: **TZS 600000** Receipt No: **5109165** on: **20/01/2024**
7. New/ Renewal of Licence No: ..... Dated: .....
8. Date of Issue: **23/01/2024** Expiring Date: **23/01/2025**



*This digital copy does not require a signature authority*

NOTE - This licence must be kept in a conspicuous position at the place of business. Any change in the particulars originally registered must be notified to the Licence Issuer.

CTIN:

1251369



## TANZANIA REVENUE AUTHORITY

### CERTIFICATE OF REGISTRATION FOR TAXPAYER IDENTIFICATION NUMBER (TIN)

(ISSUED UNDER SECTION 23 OF THE TAX ADMINISTRATION ACT 2015)

### THIS IS TO CERTIFY THAT

BAJUTA H.R. JETE INDUSTRIES LIMITED

HAS BEEN REGISTERED WITH THE TANZANIA REVENUE AUTHORITY  
AND ASSIGNED THE TAXPAYER IDENTIFICATION NUMBER

167-495-958

WITH EFFECT FROM: 04 AUGUST 2023

TRA LOCATION: KINONDONI

TAX OFFICE: KIMARA

PHYSICAL LOCATION: PLOT No. 43 BLOCK No. T

STREET / AREA: SEGERA ST



ALFRED T. MREGI  
COMMISSIONER FOR DOMESTIC REVENUE

NOTE: THE REQUIREMENTS UNDER WHICH THIS CERTIFICATE IS ISSUED ARE STATED OVERLEAF

**The Companies Act  
(Cap. 212)**

**A Private Company Limited by Shares**

**Memorandum and Articles of Association**

**of**

**Bajuta H.R Jute Industries Limited**

**DRAWN BY:**

Emmanuel Saghan,  
23, Barack Obama Drive  
Sea View-Upanga  
PO Box 20787  
Dar es Salaam