

BUSINESS PLAN

RITAJ INVESTMENT LIMITED

MKURANGA, KIPARANG'ANDA AREA

NEAR MO FACTORY, KIPARAI.

YASSIR ABDALLAH ISSA.

SAEED AHMAD RAFIQ

JANUARY 23, 2024.

Executive Summary:

Mr.Saeed Ahmed Rafiq and his Son Muhammad Ally Ahmed have been involved with the Fiber,Plastic,Leather and Cotton activities for several years ago. They open their first Industry in Pakistan known as H.S International Located at 36 Sector A Industrial State, Multan.They have enough experience in Manufacturing Activities of Converting Fiber Plastic Materials into Finished Goods like Wool,Carbon,Plastics and Polymer Fiber.

Mr.Yassir Abdallah Issa have been involved in Business of Carpets and Bedsheet for not less than 10 years back Individually and Also have opened his own Limited Company known as Ritaj Home Décor Limited last 6 years back Located at Kariakoo, Uhuru and Muheza Street, Plot no.37 Block A, He has a lot of experience of Business of Home Décor in General Such as Carpets,Wall Paper Sticker,Bedsheets,Duverts,Pillows and Curtains.

The distribution of Finished products for the first year will based especially within the country in order to capture all Local Markets resulting from our quality products produced and consumed within the country, after have been Accepted to the Local Markets we will consider to distribute to the nearest abroad countries like Zambia,Malawi,Kenya,Uganda,Rwanda and Burundi.

The financial analysis show that the company will have both a positive cash flow and profit in the first year. The expected return on Equity for the first year will be not less than 10%.

Table of Contents:

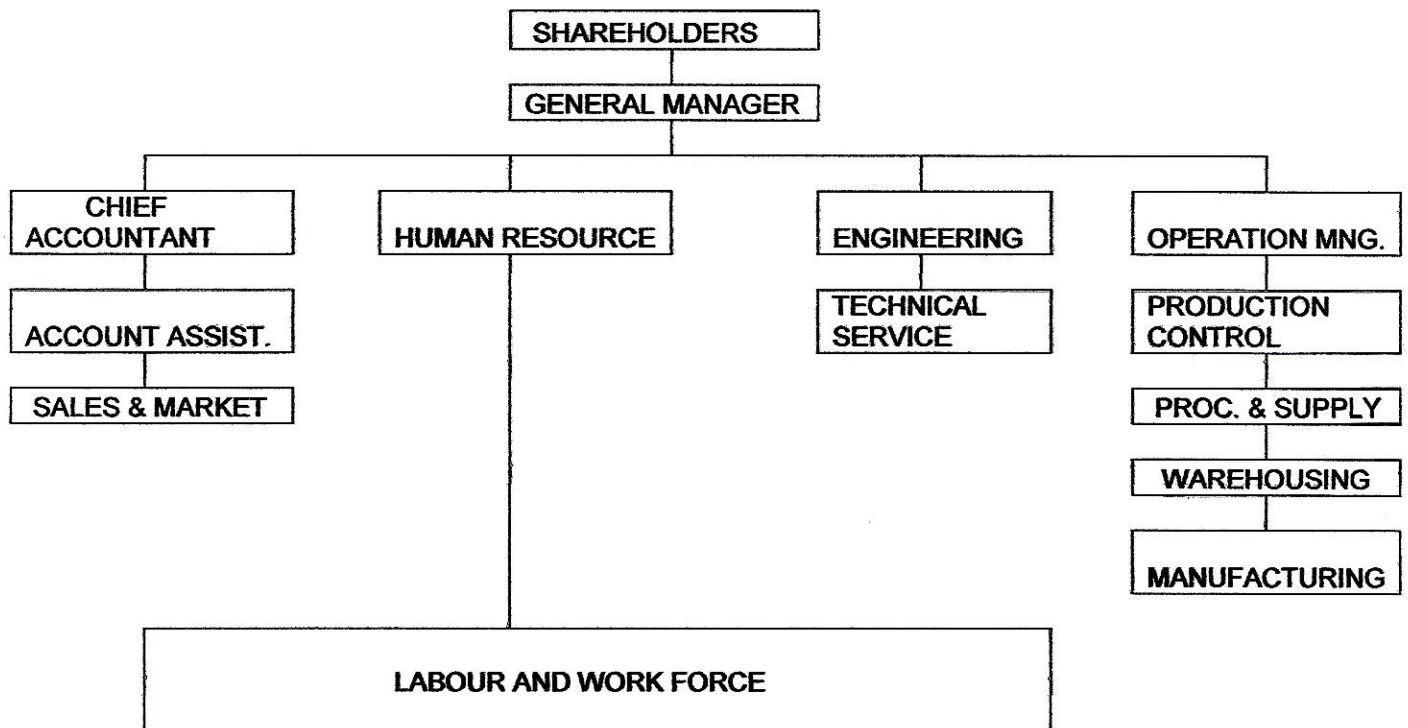
	Page No.
Executive Summary.....	2
Background and History.....	3
Organization Structure.....	3
Description of Products.....	4
Description of Markets.....	4
Competition.....	5
Marketing Strategies.....	5
Manufacturing Plan and Targeting.....	6
Financial Statements and Flow Cash Projections:	
- Statement of Comprehensive Income.....	7
- Statement of Financial Position.....	8
- Statement of Cash Flow Analysis.....	9
- Financial Ratios Analysis.....	10
- Cash Flow Projections (5 years Later).....	11
Contingency Plans.....	12
Appendices.....	13

Background and History:

Mr. Saeed Ahmed Rafiq and Mr. Yassir Abdallah Issa both they have been involved in Business activities for several years ago within and outside the country and they have been categorized into different specialized skills that is manufacturing activities and sales and marketing by join this two giant businesses men they can able to import fiber materials from Pakistan and they can able to process into finished goods as well to find the markets for sale and distribution within and outside the country boundary.

Organization Structure:

The following is organization structure of Ritaj Investment Limited from Shareholder Level up to Labour/Work force Level.



Description of Products:

Plastic fibers are plastic that have been spun into fibers or filaments and used to make fabrics items like strings,ropes and cables even optical fibers. Some of the most recognizable plastic fibers are polyester, nylon, rayon, acrylic and spandex, although there are many more.

Fiber-reinforced polymers (FRPs) are a type of composite plastics made of a matrix or binding agent reinforced by a fiber material. The FRP process thus entails two steps;

- Making the fibrous materials.
- Bonding the materials with a polymer plastic.

The difference between plastics and fibers is how they are made. The Plastic is made by melting particles together while Fiber is made by weaving materials together like cotton thread. Plastic is non-porous and Fiber is porous.

Description of Plastic Recycling:

Plastic recycling means to turn or convert mixed plastic waste into new products like bottles, bags and packaging. This process has several benefits for business, It reduce the amount of waste stored on site as well as cost of disposal waste products. The objectives of recycling plastic is to prevent the waste of potentially useful materials and reduce the consumption of fresh raw materials,thereby reducing energy usage,air pollution and water pollution.Recycling is a key component of modern waste reduction and is the third component of the“Reduce,Reuse and Recycle” Hierarchy.

If recycled plastics are used to produce goods that would otherwise have been made from new polymer, this will directly reduce oil usage and emissions of greenhouse gasses associated with the production of the virgin polymer.

Market Product Competition:

Due to fact that this process of recycling plastics already used by many large industries before we have considered a lot of market competition at the sector of collecting waste plastics due to fact that our business located outside the town and the availability of this material to be scarce at that place, But we shall consider to employ many part time casual labor who will going to find the plastic all over the place of Mkuranga District Because we have already prepared for this we consider we shall win this competition of collecting plastics.

Output Marketing Strategies:

We believe of our Quality Outputs produced resulted from fiber and plastics materials mixed from the Expert Employee from Abroad we believe we shall capture the market of Pillows within the country soon as our products arrived at the local markets, because we have already prepared we shall Import New Modern Machines for Recycling, Processing and Packaging our products in good and attracting looking to our customers.

We shall advertise our products and we shall make sure that our products become known to the public in rapid because we believe we have active men for marketing research, advertising and sales promotion in Dar Es Salaam and Tanzania as well.

We shall make sure that our customers get there needs soon as they demand because we shall be with Vans not less Than 5 Motor Vehicles for supplying our products in Dar Es Salaam and become the fastest company to deliver our products to our customer's day to day of our working time.

We shall put a fair price for our products in order to make our customers to get profits for the business shared with them within the Dar Es Salaam and Other Tanzania Regions.

Manufacturing Plan and Targeting:

Our plan in Production is to Produce not less than 1200Tones in a year that is 100Tones in a month and 20 to 30Tones in a week, this production will cause to meet our minimum requirements and going concern of our business for a certain period of time.

This plan will be possible because we shall employ foreigner's expert in manufacturing process of plastics that will help to produce maximum amount of quality output products at favorable operation cost, this it will help the business to use its own resources at a low cost without making environment even air pollution during the production process.

After meet the production plan of producing not less than 1200Tones of Outputs, the following is a Target of Output Sales proceeds. See the following calculation of minimum target and maximum target of output sales proceeds.

i) **Minimum Output Sales Proceeds:**

$$\begin{aligned}\text{Sales Proceeds} &= \text{Production Units} \times \text{Selling price per Unit.} \\ &= 1,200\text{Tones} \times 1,000,000\text{Tzs per Ton.} \\ &= 1,200,000,000\text{Tzs.}\end{aligned}$$

Equivalent to: 470,600Usd (At exchange rate of 1\$ to 2,550Tzs).

ii) **Maximum Output Sales Proceeds:**

$$\begin{aligned}\text{Sales Proceeds} &= \text{Production Units} \times \text{Selling price per Unit.} \\ &= 1,500\text{Tones} \times 1,000,000\text{Tzs per Ton.} \\ &= 1,500,000,000\text{Tzs.}\end{aligned}$$

Equivalent to: 588,200Usd (At exchange rate of 1\$ to 2,550Tzs).

Even by minimum output production target the business still will enjoy the profit at the short run production function.

Financial Statements and Flow of Cash Projections:

The following pages showing the first year Financial records for Income, Business Financial Position, Cash Flow as well as estimated financial ratio.

RITAJ INVESTMENT LIMITED

STATEMENT OF COMPREHENSIVE INCOME

31.12.2024

For the year ended 31st December 2024.

TSH

Sales Proceeds		1,200,000,000
Less: Cost of goods Sold		
Opening Stock	0	
Add: Purchases	875,550,000	
Cost of goods available for sales	875,550,000	
Less: Closing Stock	123,450,000	752,100,000
GROSS PROFIT		447,900,000
<u>LESS: OPERATING EXPENSE:</u>		
Salaries and Wages	129,600,000	
Staff Food Allowance	21,500,000	
Transportation/Carriage Out Wards	38,250,000	
Communication Services (Phones & Internet)	1,550,000	
Electricity, Water & Waste Bills	100,850,000	
Business Licence and City Service Levy	2,575,000	
Auditors Fee	1,500,000	
Skills and Development Levy (SDL)	5,184,000	
National Social Security Fund (NSSF)	7,200,000	
Workers Compensation Fund (WCF)	576,000	
Machine Repairs & Maintanance	12,575,000	
Financial and Bank Charges	9,455,500	
Fire Extinguisher Expense	1,250,000	
Other Operating Expense	655,500	
Total Operating Expense		332,721,000
Net Profit before Depreciation		115,179,000
Less: Depreciation Expense		27,050,000
Net Profit before Tax		88,129,000
Less: Tax Paid		17,625,800
Net Profit After Tax		70,503,200

RITAJ INVESTMENT LIMITED**STATEMENT OF FINANCIAL POSITION****31.12.2024**

For the year ended 31st December 2024.

TSH

NON CURRENT ASSETS.	
Plant and Machines	229,500,000
Motor Vehicles	114,750,000
Furniture's & Equipment	13,950,000
	358,200,000
CURRENT ASSETS.	
Stock in Trade	123,450,000
Trade Debtors	30,102,150
Cash and Cash Equivalent	907,876,850
	1,061,429,000
CURRENT LIABILITIES.	
Trade Creditors	177,500,000
Add: Tax Liability	7,625,800
	185,125,800
Working Capital	876,303,200
CAPITAL EMPLOYED (NET ASSETS)	1,234,503,200
FINANCED BY.	
Capital and Reserves	
Share Capital	1,200,000,000
Add: Net Profit	70,503,200
	1,270,503,200
Less: Drawings.	36,000,000
	1,234,503,200
CAPITAL,RESERVES AND LOANS	1,234,503,200

RITAJ INVESTMENT LIMITED**STATEMENT OF CASH FLOW**

31.12.2024

For the year ended 31st December 2024.

TSH

CASH FLOW FROM OPERATING ACTIVITIES:	
Net profit before taxation	88,129,000
Add: Depreciation	27,050,000
Operating profit before working capital items changes.	115,179,000
Changes in Working Capital Items.	
Increase/(Decrease) in Creditors	0
(Increase)/Decrease in Debtors	0
Change in Working Capital	0
Cash flow from Operations	115,179,000
Tax paid	10,000,000
Net Cash Generated from Operating Activities	105,179,000
CASH FLOW FROM INVESTING ACTIVITIES:	
(Additional) / Disposal of Non Current Assets	-398,000,000
Net cash generated from Investing Activities	-398,000,000
CASH FLOW FROM FINANCING ACTIVITIES:	
Capital Financed	1,200,000,000
Net cash generated from Financing Activities	1,200,000,000
Net Increase/(Decrease) in Cash and Cash Equivalent	907,179,000
Add: Cash and Cash Equivalent at the beginning	697,850
Cash and Cash Equivalent at the End of the Period	907,876,850

RITAJ INVESTMENT LIMITED

FINANCIAL RATIO ANALYSIS.

For the year ended 31st December 2024.

I.PROFITABILITY RATIO:

MARGIN RATIO =	$\frac{\text{GROSS PROFIT}}{\text{SALES}}$	$\frac{447,900,000}{1,200,000,000}$	37.33%
RET. ON CAP.EMPLOYED	$\frac{\text{PRIOR PROFIT}}{\text{CAPITAL EMPLOYED}}$	$\frac{115,179,000}{1,234,503,200}$	9.33%
RETURN ON EQUITY =	$\frac{\text{PROFIT BEFORE CHARGES}}{\text{TOTAL OWNERS EQUITY}}$	$\frac{115,179,000}{1,270,503,200}$	9.07%

II.LIQUIDITY RATIO:

CURRENT RATIO =	$\frac{\text{CURRENT ASSET}}{\text{CURRENT LIABILITIES}}$	$\frac{1,061,429,000}{185,125,800}$	5.73
QUICK RATIO =	$\frac{\text{CURRENT ASSETS - STOCK}}{\text{CURRENT LIABILITIES}}$	$\frac{937,979,000}{185,125,800}$	5.07

III.EFFICIENCY RATIO:

ASSET TURNOVER =	$\frac{\text{SALES}}{\text{CAPITAL EMPLOYED}}$	$\frac{1,200,000,000}{1,234,503,200}$	0.97
STOCK TURNOVER =	$\frac{\text{COST OF GOODS SOLD}}{\text{AVERAGE STOCK}}$	$\frac{752,100,000}{61,725,000}$	12.18

IV.GEARING RATIO:

DEBT TO EQUITY RATIO =	$\frac{\text{TOTAL LIABILITIES}}{\text{TOTAL OWNERS EQUITY}}$	$\frac{185,125,800}{1,234,503,200}$	0.15
------------------------	---	-------------------------------------	-------------

CASH FLOW PROJECTIONS:

A cash projection means a forecast of the business income/receipts and expenditures/payments predicted over a period of time to the business. The following is the prediction of cash flow for the next three years.

CASH FLOW PROJECTION FROM 2024 UPTO 2027					
PARTICULARS/DETAILS	2024	2025	2026	2027	TOTAL
Total Business Revenues	1,200,000,000	1,350,000,000	1,500,000,000	1,500,000,000	5,550,000,000
Less: Cost of goods sold.	752,100,000	880,500,000	925,125,000	980,500,000	3,538,225,000
Business Assets Purchased	0	0	12,500,000	0	12,500,000
Salaries and Wages	129,600,000	129,600,000	135,500,000	135,500,000	530,200,000
Staff Food Allowance	21,500,000	21,500,000	24,250,000	24,250,000	91,500,000
Transportation/Carriage Out Wards	38,250,000	38,250,000	42,125,000	42,125,000	160,750,000
Comm. Services (Phones & Internet)	1,550,000	1,550,000	1,610,000	1,610,000	6,320,000
Electricity, Water & Waste Bills	100,850,000	105,500,000	108,250,000	110,125,000	424,725,000
Business Licence & City Service Levy	2,575,000	2,592,500	2,675,000	2,731,500	10,574,000
Auditors Fee	1,500,000	1,500,000	2,000,000	2,000,000	7,000,000
Skills and Development Levy (SDL)	5,184,000	5,184,000	5,420,000	5,420,000	21,208,000
National Social Security Fund (NSSF)	7,200,000	7,200,000	7,790,000	7,790,000	29,980,000
Workers Compensation Fund (WCF)	576,000	576,000	623,200	623,200	2,398,400
Machine Repairs & Maintenance	12,575,000	14,123,500	13,055,000	15,375,500	55,129,000
Financial and Bank Charges	9,455,500	10,012,450	10,729,650	11,174,400	41,372,000
Fire Extinguisher Expense	1,250,000	1,250,000	1,250,000	1,250,000	5,000,000
Other Operating Expense	655,500	715,000	783,500	729,000	2,883,000
Total Operating Expense	1,084,821,000	1,220,053,450	1,293,686,350	1,341,203,600	4,939,764,400
Balance of Cash Flow	115,179,000	129,946,550	206,313,650	158,796,400	610,235,600

Contingency Plans:

While careful planning was involved in setting the strategic goals for unforeseen period of time, it may be that these goals may not be met. They must have decided to set a zone of acceptability for meeting sales and financial objectives. For both Sales and Financial objectives, a 10% negative deviation from expected sales and projected returns on assets will be accepted. However, If sales objectives and returns on investments are less than 80% of projections, certain actions must be taken in order to overcome the negative impact of going concern of the business. These actions include:

1.For unacceptable sales levels during the first year:

In case the first six months of the project (production) sales target fall below the requirements the business needs to combat this problem by doubling marketing and sales promotions during the weekends, peak office hours even holidays in order to boost sales targets.

2.For unacceptable business liquidity:

In the events that the business lacks liquidity, you will be required to examine all accounts receivable procedure to ensure that payment periods are just and that payments are being received in a timely manner. Also cash flow projections will be reviewed to determine if Unforeseen cash providing layouts/expense are undermining the financial health of the business.

3.For unacceptable return on equity:

If returns on Assets and owners' equity fall below acceptable levels, you will be required to examine and compare cost per unit of goods produced/manufactured and marketing with the sales prices. If margin are too thin, a price increase for product sold in order to raise sales amounts so as to meet the obligations of the business efficiently.

APPENDIX

This is where a section or table of subsidiary matter at the end of document or report of something. It include a list of such activities published as an appendix to the report. Appendix would start if there was one, Appropriate material for appendixes include owners, processing flowchart, a management hierarchy diagram as well as copies of all certificates relating to the business.