

**BUSINESS PLAN  
TO  
FOR WATER BUSINESS THAT PROVIDES  
SAFE DRINKING WATER**

**PREPARED FOR:**

MURUWA DRINKS COMPANY LIMITED  
P. O. Box 514  
MBEYA

**MURUWA DRINKS COMPANY LIMITED**

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## **BUSINESS PLAN**

### **TANZANIA WATER PROJECT**

#### **1.0 PROJECT OBJECTIVES:**

- 1.1 The objective of the project is to develop a water business that provides a safe drinking water product. The drinking water will be distributed as a packaged and affordable product to the people of Tanzania and as a novel export product to the rest of the world. The water will be positioned in the local East and Southern Africa market as a safe and clean drinking water packaged in portable containers. The drinking water export product will be positioned in the world market as a unique **“Product of Tanzania”**.
- 1.2 The project will produce through acceptable treatment process high quality bottled drinking water for Tanzania, neighbouring countries and for export to rest of the world. In order to produce the water, the Company will acquire water treatment plant and bottling equipment and construct appropriate factory facility. The project also intends in collaboration with other stakeholders to take necessary measures in order to sustain the water source. The Company will build a factory for processing water and filling of bottles.

### **1.3 Capital Investment**

The Capital Investment opportunity for Mr WUMING LI and Mr.WUHUA LI planned Tanzania corporation is as follows:

A “Phased Approach” is planned that includes an initial research/testing phase (PHASE I); a process development phase (PHASE II); and a final world distribution phase (PHASE III). The following are current estimates for the investment.

- Phase I: Site research, testing, and analysis: \$ 3,500.00
  - Phase II: Site procurement, plant and process development: \$242,000.00
- Estimated Total Investment in Tanzania for Phase I and II: \$245,500.00

Phase III: Marketing and distribution: to be determined

## **2.0 TECHNICAL ASPECTS**

### **2.1 Location**

The project will be located at Mbeya Region where the water will be tapped through deep drilling and transmitted to holding tanks at factory site.

## **2.4 Plant and Machinery:**

These will consist of:

- One unit water treatment/processing equipment
- One unit deep water source pipe
- One unit bottle washer.
- One unit filling and sealing machine

The total cost is estimated at US \$ 215,000.

## **2.5 Furniture and Office Equipment**

These will be acquired at a cost of US \$ 36,000

## **2.6 Motor Vehicles**

The company plans to acquire one lorry at an estimated cost of US \$ 72,000.

## **2.7 Pre-operational Costs:**

They consist of the cost of TIC application forms and Certificate of Incentives fee, professional fees, documentation and legal charges, and will include site research, testing, and analysis

The total cost is equivalent to US \$ 41,000

## **2.8 Producing Process:**

### **a) Safe Drinking Water:**

water is secured from a deep area of Lake Rukwa Basin where there is no marine life and the water is basically free of microbial organisms and its physical and chemical properties meet WHO guidelines for drinking water and is processed through a state-of-the-art water processing facility utilizing proven water purifying systems (hyro-7 purification system). The water will only be treated to conform to the bacteriological standard using micro filter, activated carbon filter, and ultra violet rays. The treated water enters pure water storage tank the automatic bottle filler and sealer. The sealed water bottles are packed ready for market.

### **b) Bottle Production**

A recyclable 5 gal (about 20 litre) preform will be purchased, blown and used for local distribution. Bottles will be washed, filled, and capped with an

automatic water-bottling machine at the plant. Smaller PET type bottles are also produced at the volumes of 500ml, 600ml, 1L, 1.5L, 16L and 18.9L.

### **2.9 Environmental Consideration:**

Water treatment and bottling process are environmental friendly. The same company in collaboration with other stakeholders will take necessary measure to sustain the water sources and improve the environment.

## **3.0 INSTITUTIONAL AND LEGAL ASPECTS**

### **3.1 Project Implementation Management**

Project Implementation Management

Project implementation management is being coordinated by the main promoter and interim Chief Executive Officer Mr. Mohamed Ali assisted by Mr. Sebastian. Appointment of architects, civil engineers, and building contractor will be made in the course of time.

### **3.2 Shares and Shareholding**

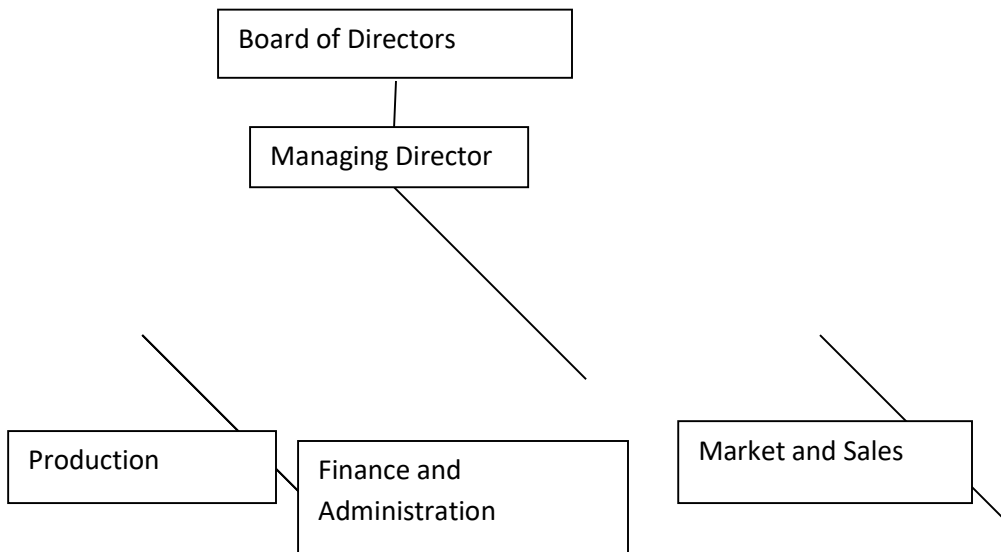
Tanzania Limited is a private limited liability company registered and incorporated in Tanzania on the 05<sup>th</sup> May 2025. Copy of the Certificate of Incorporated No. 184644703 is attached for reference. The authorised share capital of the company is TZS 100,000,000 divided into 1000 shares of TZS 100,000 each.

### **3.3 Board of Directors**

The Board of Directors is the highest policy making body of the Company. The first Board of Directors consists of two directors.

### 3.5 Organisation Chart

#### ORGANISATION STRUCTURE.



### 3.0 MARKET ASPECTS

#### 4.1 The Product

The main product of the company is processing and sale of clean safe drinking water. It is anticipated that the export product will be profitable as it will be positioned and sold as a novel product of Tanzania in a similar manner to Tanzanite. It is known that unique products do very well in the international market when they are positioned as one-of-a-kind product that offer the purchase something that is seen as unique, special, and out of the ordinary. Water products, in particular, follow this same trend with many unique water products being shipped all over the world as customers ask for them.

#### 4.2 The Market:

The company's local market base will be the general public in Tanzania Regions. Possible exports to East and Southern Africa cities will also be made. The company has plan to export the water in bulky containers packaging and sale overseas.

#### 4.3 Existing Producers for the Local Market are:

	<b>Name of Producer</b>	<b>Installed Capacity/hr</b>	<b>Installed Capacity/year</b>
1	Uhai	15,000	36,000,000
2	Sayona	12,000	28,800,000
3	Masafi	10,000	24,000,000
4	Dasani	2,000	4,800,000
5	Penguin	1,500	3,600,000
6	Cool Blue	2,000	4,800,000
11	Siha Beverages	3,000	7,200,000
12	Maji Africa	3,000	7,200,000
13	Kilimanjaro Waters	3,000	7,200,000
14	Kilimanjaro Natural Products (proposed)	3,000	7,200,000
	<b>TOTAL</b>	<b>54,500</b>	<b>130,800,000</b>

#### 4.4 Capacity

The company's production capacity is 12m<sup>3</sup> per hour i.e. 96,000 per 8 hour shift per day. Loss on through put is assumed to be 0% i.e. 96,000 litres will be available for sale per day.

#### 4.5 Pricing and Marketing Entry

Company prices are assumed to be as follows  
1 litre = US \$ 1

#### **4.6 Target Market**

The company will target restaurants, bars, groceries, super markets, hotels and institutions such as hospitals, universities and colleges as well as the military.

#### **4.7 Competition**

In the local market the main competitors will be Kilimanjaro Waters, Kitulo, Dew drop, and Rungwe Waters.

#### **4.8 Promotion**

Occasional advertising through print and electronic media will be made in the local and foreign press. It is anticipated that profitability will allow expansion of the facilities to meet demand, thereby allowing us to hire more people, and ultimately provide more clean water facilities for the people of Tanzania.

### **5.0 FINANCIAL ANALYSES**

The overall cost to move this project to market is estimated to be about \$700,000.00 invested over a period of about 2 years. Mr. WUMING LI will provide initial funding for this startup business. A Tanzanian company has been incorporated in a timely manner to manage and operate the production facilities, hire local labor, manage local distribution, facilitate exportation of product, secure permits, and pay applicable Tanzania taxes and fees.

#### **5.1 Operating assumptions**

- It has been assumed that the project will commence operation August 2020
- The project is wholly equity financed.

#### **5.2 Financial and Investment Assumptions**

- No loans

- Capital cost estimates are based on current costs of water processing plant and associated equipment CIF Dar es Salaam.
- No replacement of fixed assets.
- Depreciation is as follows:
  - (ii) Land & Buildings 2% straight line basis
  - (iii) Pre-operational expenses: 50% straight-line basis – TABLE V

### **5.3 Working Capital – TABLE IV**

The assumptions regarding the estimated project working requirements are given and based on the following:

- Inventory                                      2 weeks' sales
- Accounts Receivable                      2 months
- Accounts Payable                          1 month of total cost

Based on the above assumptions, the optimum working capital is estimated US \$ 56,200 in the 1<sup>st</sup> year of operation.

### **5.4 Liquidity projection - TABLE IX**

The project reflects positive cash flow right from the first year of operation. Net cash flows rise from USD \$ 33,780 in the first year to US\$ 4,240,040 in the 5<sup>th</sup> year.

### **5.5 Projected Profitability – TABLE VII**

(i) The project income statements reflect positive margins from the first year of operation of operation. Net profit after tax will rise from US \$ 7,070 in the first year to US \$ 1,706,670 in the 5<sup>th</sup> year. The same accumulates to US \$ 4,001,900 for the five year period.

(ii) Internal Rate of Return – Appendix X

The projected yield of return of 57% (after discounting), which is well above the current borrowing rate in Tanzania. But remember that the project is 100% equity financed.

### **5.6 After Tax Payback Period – Appendix XI**

After the tax payback period is 2 years and 8 months. Whereas investment cost is US \$ 751,720 the same will be recouped in the 3<sup>rd</sup> year of operation when accumulated cash flows amount to US \$ 764,295.

## 6.0 ENVIRONMENTAL IMPACT SUMMARY

There is no environmental impact resulting from the purification process. The water is simply processed through a filtration system. The amount of water processed from the lake will be negligible and will have no impact on the massive amount of water contained in the lake (currently the lake contains about 19,000 cubic kilometres of water). The amount taken will also be much less than the replenishment water coming into the lake via the many river drainages. No marine life, fish, molluscs, or any other important fisheries will be affected as the water intake source will be very deep and well beyond all living organisms. Testing will assure that the water is taken from an area well away from fisheries or any other important take areas used by local people.

## 7.0 EMPLOYMENT POTENTIAL

This plan is to employ Tanzania citizens in management, production, and distribution as follows:

Processing site	2	Managers
	15	Production, security, and shipping
	4	Quality and testing
Dar es Salaam	2	Corporate Managers and Export facilitators (USA & TZ)
Local Distributors	25	Independent Distributors
<b>Total for initial Production</b>	<b>48</b>	

Employment estimates are based on start-up requirements to propel the product through two years of local and international distribution. Expected growth rates will add employment opportunities, of course.

## **8.0 CONCLUSION AND RECOMMENDATION**

- a. Analysis of viability of the proposed investment in water processing indicates that the project is financially viable and economically attractive. From a national point of view, the timely completion of the plant will lead to the following economic benefits:
- The Company will contribute towards the supply of clean safe water to Tanzanians and the rest of the world.
  - The export of water will increase foreign exchange earning capacity
  - The Company will provide direct employment to over 40 Tanzanian in the field of water processing.
  - The government will earn substantial revenue from the water export in form of levies and taxes.

### **b. RECOMMENDATION**

that the project is viable and meets necessary requirements of Tanzania Investment Act, 1997 in respect of matters precedent to the registration of the business enterprise under the Act.

It is recommended to TIC to approve the project and assist the investor to be granted with the necessart tax exemptions on acquisition of capital goods. The analyse are sound, economically attractive and socially acceptable.

## FINANCIAL STATEMENTS

### INVESTMENT BREAKDOWN

<b>PARTICULAR</b>				<b>AMOUNTS USD</b>	
Land and Buildings				220,000	
Plant & Machines				215,000	
Motor Vehicles				72,000	
Furniture & Fixtures				36,000	
Pre Expenses				41,000	
Working Capital				170,000	
<b>TOTAL</b>				<b>754,000</b>	

### FIXED ASSETS SCHEDULE

NAME OF ASSETS	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Land and Buildings	220,000	209,000	198,000	187,000	176,000
Plant & Machines	215,000	172,000	129,000	86,000	43,000
Motor Vehicle	72,000	57,000	42,000	27,000	12,000
Furniture & Fixtures	36,000	31,500	40,000	35,000	30,000
<b>Total</b>	<b>543,000</b>	<b>469,500</b>	<b>409,000</b>	<b>335,000</b>	<b>261,000</b>
Depreciation	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Land and Buildings	11,000	11,000	11,000	11,000	11,000
Plant & Machines	43,000	43,000	43,000	43,000	43,000
Motor Vehicles	15,000	15,000	15,000	15,000	15,000
Furniture & Fixtures	4,500	4,500	4,500	4,500	4,500
<b>ANNUAL DEPRECIATION</b>	<b>73,500</b>	<b>73,500</b>	<b>73,500</b>	<b>73,500</b>	<b>73,500</b>
<b>CLOSING FIXED ASSETS</b>	<b>469,500</b>	<b>396,000</b>	<b>335,500</b>	<b>261,500</b>	<b>187,500</b>

### OTHER OPERATING COST

Other Operations Cost	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Motor Vehicle running expens	24,000	24,400	24,800	25,200	25,600
Salaries and Wages	41,000	45,100	49,610	54,571	60,028

Administrative Overhead Costs			25,000	27,500	30,250	33,275	36,603
Utility Costs			20,000	22,000	24,200	26,620	29,282
Interest on Loan			56,000	61,600	67,760	74,536	81,990
Communication Exepnses			4,000	4,400	4,840	5,324	5,856
<b>Total Costs</b>			<b>170,000</b>	<b>185,000</b>	<b>201,460</b>	<b>219,526</b>	<b>239,359</b>

### PROJECT BALANCE SHEET

	<b>YEAR 1</b>	<b>YEAR 2</b>	<b>YEAR 3</b>	<b>YEAR 4</b>	<b>YEAR 5</b>
Fixed Assets	543,000	469,500	409,000	335,000	261,000
Long term Assets					
Depreciation	73,500	73,500	73,500	73,500	73,500
<b>Total long term assets</b>	<b>469,500</b>	<b>396,000</b>	<b>335,500</b>	<b>261,500</b>	<b>187,500</b>
Current Assets					
Cash	406,100	684,700	979,050	1,292,735	1,625,723
Account Receivable	105,000	110,250	216,535	421,763	527,628
Inventory	214,710	376,383	438,469	402,292	467,493
<b>Total Current Assets</b>	<b>211,000</b>	<b>211,000</b>	<b>211,000</b>	<b>211,000</b>	<b>211,000</b>
<b>Total Assets</b>	<b>680,500</b>	<b>607,000</b>	<b>546,500</b>	<b>472,500</b>	<b>398,500</b>
<b>Curent Liabilities</b>					
Accounts Payable	84,000	88,200	92,610	97,241	102,103
Other Current Liabilit	70,000	73,500	77,175	81,034	85,085
<b>Subtotal Current Liabi</b>	<b>154,000</b>	<b>1,616,700</b>	<b>169,785</b>	<b>178,274</b>	<b>187,188</b>
<b>Long term Liabilities</b>					
Long term Liabilitie	1,820,000	1,820,000	1,820,000	1,820,000	1,820,000
<b>Total Liabiities</b>	<b>469,500</b>	<b>396,000</b>	<b>335,500</b>	<b>261,500</b>	<b>187,500</b>
<b>Net Assets</b>	<b>820,810</b>	<b>877,633</b>	<b>951,268</b>	<b>1,044,516</b>	<b>1,157,656</b>
<b>Captil and Reserves</b>					
Owners Contribution	780,000	780,000	780,000	780,000	780,000
<b>Retained Earning</b>	<b>40,810</b>	<b>97,633</b>	<b>171,268</b>	<b>264,516</b>	<b>377,656</b>
<b>Total Capital</b>	<b>680,500</b>	<b>607,000</b>	<b>546,500</b>	<b>472,500</b>	<b>398,500</b>



### PROJECTED INCOME STATEMENT

		<b>YEA R 1</b>	<b>YEA R 2</b>	<b>YEA R 3</b>	<b>YEAR 4</b>	<b>YEAR 5</b>
Sales Revenue		630,00 0	756,00 0	907,20 0	1,088,64 0	1,306,36 8
Cost of Sales		126,00 0	126,00 0	126,00 0	126,000	126,000
<b>Gross Profit</b>		<b>504,00 0</b>	<b>630,00 0</b>	<b>781,20 0</b>	<b>962,640</b>	<b>1,180,36 8</b>
<b>Operating Expenses</b>						
Administrative Overhead						
Costs		105,00 0	106,05 0	107,11 1	108,182	109,263
Motor Vehicle running Expenses		5000	5,050	5,101	5,152	5,203
Salaries and Wages		8,000	8,080	8,161	8,242	8,325
Depreciation		78,000	78,780	79,568	80,363	81,167
Marketing Costs		81,000	81,810	82,628	83,454	84,289
Utility Costs		6,500	6,565	6,631	6,697	6,764
Insurance		10,500	10,605	10,711	10,818	10,926
Interest on Loan		10,000	10,100	10,201	10,303	10,406
Communication		12,200	12,322	12,445	12,570	12,695
		1,750	1,768	1,785	1,803	1,821
<b>Total Expenses</b>		<b>207,95 0</b>	<b>210,03 0</b>	<b>212,13 0</b>	<b>214,251</b>	<b>216,394</b>
<b>Profit before Tax</b>		<b>296,05 0</b>	<b>419,97 1</b>	<b>569,07 0</b>	<b>748,389</b>	<b>963,974</b>
Tax (30%)		88,815	125,99 1	170,72 1	224,517	318,112
<b>Profit After Tax</b>		<b>207,23 5</b>	<b>293,97 9</b>	<b>398,34 9</b>	<b>523,872</b>	<b>645,863</b>