

UNOPLAST (T) LIMITED

Business Plan & Financial Projections



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1. Introduction

M/s Unoplast (T) Limited, a private liability company registered in Tanzania on 17th November 1965 vide company registration number 3727. The company has required skills and ability in producing high quality mattresses and in this related would like to establish manufacturing unit in Arusha at farm no. 2462, Loovilukuny village, Arumeru district. The estimated project is USD 700,000.

In this regard, we have compiled our application to avail Certificate of Incentive. The issuance of Certificate of Incentive is will help us to proceed with our implantation schedule whereby, the first three years will be towards mobilization, establishment and construction and we schedule to start the commercial operation from the fourth year onwards. Hence, our implementation period is first three years starting from the year 2025.

We append below brief about the Project:

Particulars	Details
Name	M/S UNOPLAST (T) LIMITED
Location	farm no. 2462, Loovilukuny village, Arumeru district, Arusha
Project Cost	USD 7,00,000
Type of Project	manufacturing of mattress and bedding products
Directors	Mr. Ruchit Samir Patel – British Mr. Daves Ashokkumar Dave – Indian

The implementation of above project in Tanzania will generate additional direct and indirect employment opportunities in the region and contributes towards the overall development and growth. The Project will certainly contribute in payment of direct as well indirect taxes to the Government and contribute towards the economy growth of the country.

The implementation of the project will be completed in first three years and expect to start commercial operation from the fourth year onwards. We have prepared financial projections and submit together with our application for your kind perusal.

2. Promoters

The Promoters of the company are Mr. Ruchit Samir Patel, holding British nationality and Mr. Davesh Ashokkumar Dave, holding Indian nationality. Both the promoters are having experience in running the business in Tanzania and are committed for implementation of the manufacturing unit in Arusha. The experienced gathered by the promoters over the years is helpful and is one of the guiding forces for setting up a manufacturing unit in Arusha.

Mr. Davesh Ashokkumar Dave brings his expertise in the areas of administration, liaising with authorities, logistics arrangements, setting up distribution channel and explore market in Tanzania. Whereas, Mr. Ruchit Samir Patel is having vast experience in finance and is helpful in arranging required funds for the project. Further, his knowledge on identifying required machineries for the project is an added advantage for the entity and he will be liaising with the suppliers for finalizing the importations. Both the promoters actively involved in setting up the proposed project.

3. Shareholding structure

Following is the shareholding structure of the company.

Name of Shareholder	Percentage of Shareholding
Banco Foundation	0.40%
Trinity Business Inc	95.88%
Mr. Davesh Ashokkumar Dave	3.72%
TOTAL	100.00%

4. About the Project

The project is about setting up a manufacturing unit in Arusha, Tanzania. The manufacturing units brings many advantages and benefits both directly and indirectly in the region.

- **Promoters:** The promoters are having business experience in Tanzania and the promoters are committed and willing to execute the project in the country.
- **Fund:** The required Finance for the project can be availed without any major hurdle as the requirement of the fund will be managed from the internal source of fund which will reduce the cost of interest. The possibility of loan fund will be explored in case of any requirement and if commercially viable.
- **Area:** the area of the project will be covering 2,864 square meter of land farm no. 2462, Loovilukuny village, Arumeru district, Arusha, Tanzania.
- **Technical strength:** The technically competent and skilled manpower shall be appointed for the business operation. This is to ensure to have better quality product for the consumer.
- **The technology:** The technology considered for implementation of this project is tried and tested and has less challenges. The technology is known to the world and available for implementation for the proposed business.
- **Employment generation:** The project shall generate both direct and indirect employment in the region. The direct employment includes 37 semi-skilled and 13 skilled employment.
- **Consumer:** the consumer in Tanzania will receive additional option to select after implementation of this project.
- **Price:** The price of the product shall be competitive so as to reach out to the market and consumer appropriately.
- **Government Tax:** The business operation shall generate tax for the Government in the form of Direct Tax and Indirect Tax.

5. Product

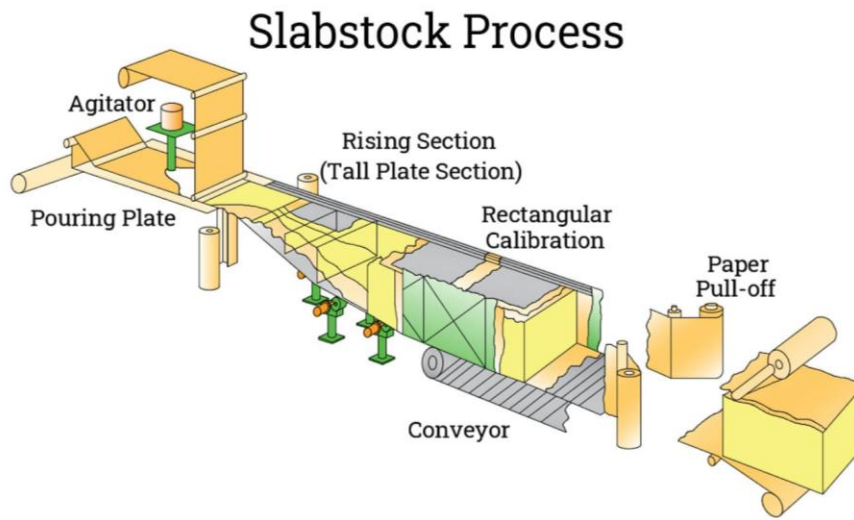
A mattress is a large pad for supporting the reclining body, used as or on a bed. Mattresses may consist of a quilted or similarly fastened case, usually of heavy cloth, that contains hair, straw, cotton, foam rubber, etc.; a framework of metal springs; or they may be inflatable. Mattresses are usually placed on top of a bed base which may be solid, as in the case of a platform bed, or elastic, e.g. with an upholstered wood and wire box spring or a slatted foundation. Foam mattresses rely on air trapped within aerated substances (rather than springs) to offer support and bounce. Foam mattresses generally consist of three broad types: polyurethane foam, memory foam, and foam latex.

Raw material: Major raw materials required are Relax Foam, Memory Foam, Quilt Fabric, Thread, Cotton Fabric Roll etc.

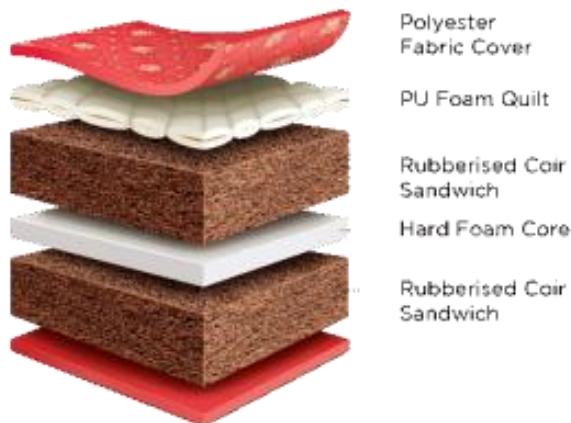
Manufacturing Process: Following steps are required to manufacture Form Mattress:

- Procurement of raw material from vendor.
- Cutting of foam as per Dimensions and demand of the mattress.
- After Cutting of foam memory foam layer is pasted on the relax foam with the help of gum.
- Fabrication of Quilt on the on the foam sheets and cutting of quilt fabric according to the size of mattress.
- Stitching of mattress quilt from front, side and base fabric piece with the help of stitching machine.
- Final checking of mattress and packaging of goods.

Slabstock foams are used when cushioning and insulating qualities combined with low weight are important. Processors who want to be competitive and conform to market requirements must be able to offer their customers high-quality products with a wide range of specific properties.



A coir and foam mattress is another name for a coir mattress. A coir mattress typically has a sheet of coir or rubberized coir on the bottom and a layer of polyurethane foam on top. It's impossible to sleep solely on coir. To make it soft, a sheet of polyurethane foam is attached to the end.



Rubberized coir mattresses have all the right advantages. More than anything, the natural fiber with which they are made can contribute to your overall health and well-being. With a rubberized coir mattress, one can be confident that no undesired moisture or contaminants of dust are collected during the night beneath your body.

Rubber-coated coir mattresses won't cause bedbugs and dust mites that can induce allergic reactions and even skin disorders such as eczema. This is a leading mattress choice for people who are understanding the need for a healthy and natural comfort of sleep.

Method of Production

Sulfur, accelerators, vitamins, zinc oxide, dispersing agent, water, and other ingredients are combined and ground for 48 hours in a Ball mill. Latex is pumped into a mixing system, where it is mixed with caustic potash solution, stabilizer, antioxidant emulsion, and other ingredients. The diluted solvent from the ball mill is slowly dumped into this solution and thoroughly mixed together. A watering agent is also added to this mixture.

Coconut fibers are cut into long springs and twisted. After that, it's steam boiled and dried into curls. The curls are rearranged and placed in a spraying machine as fiber yarns.



6. Implementation Schedule

Sr. No.	Particulars	Done	Year -1				Year -2				Year -3				Y-4
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
1	Company Registration														
2	TIN														
3	Business License														
4	Bank Account														
5	Office														
6	Acquisition of Site and survey														
7	Appointment of Contractor and Architect														
8	Building permit														
9	Site mobilization														
10	Leveling														
11	Order for Plants														
12	Foundation														
13	Construction														
14	Fixing the Plants														
15	Test run														
16	Commercial Operation														

The above proposed schedule shows that, the commercial operation expected to commence during first quart of year 4. The project will be implemented by the professionals and hence, the promoters are optimistic to complete the project as per above schedule.

7. Cost of Project

The cost of the project includes all the capital expenses that are required for setting up the unit which is mainly include Plant and Machineries, Furniture and Fixtures, Development of Land and Building and initial working capital requirement.

The overall cost of the project is summarized as under: -

Particulars	Amount in USD
Plant and Machineries	300,000
Furniture and Fixtures	50,000
Vehicles	50,000
Land and Building Development	200,000
Pre-operative exp	20,000
Working capital	80,000
Total	700,000

8. Means of Finance

The requirement of the fund for the Project shall be arranged from the internal source of the company.

9. SWOT Analysis

SWOT analysis is a strategic planning and strategic management technique used to help a organization identify Strengths, Weaknesses, Opportunities, and Threats related to business competition or project planning.

The SWOT analysis is appended below: -

STRENGTH

- Promoters are having experience of doing business in Tanzania.
- The project will have new and latest technology and machinery to be set up for production. This will give better quality product.
- Setting up manufacturing unit in Arusah provide strategic advantage of connectivity with local market in Arusah and nearby region.

 **WEAKNESS**

- Implementation time is estimated as three years.
- The entity has to establish and generate customer base in the region and has to compete with the existing supplier terms.
- It requires to create awareness in the market and among the customers in nearby region.

 **OPPERTUNITIS**

- The promoters are optimistic that Arusah market has enough potential to explore more and identify the requirement and increase the market.
- The entity has opportunity to offer better terms for payments and better quality of product than the one already exists in the market so as to acquire majority shares in the market.

 **THREATS**

- Competition with existing entities in the country.
- Competition with the importation of the similar products in the country.
- Any adverse change in statutory regulations or Government policy.
- Any adverse change in duties or taxes and fees.

10. Financial Projections

We append below project Income Statement, projected Balance Sheet and projected Cash flow showing following financial highlights.

- The initial three years have been considered towards implementation of the project.
- The overall annual revenue is expected to reach from USD 2.6 million to USD 2.9 million.
- The Profit Before Tax is expected to be USD 21,473 in the first year of operation and projected to reach to USD 29,666.
- The GP Ratio and PBT ratio shows positive trend over the years.

Particulars	Year -4	Year -5	Year -6	Year -7	Year -8	Year -9	Year -10
GP Ratio	19%	17%	18%	18%	18%	18%	19%
PBT	0.80%	0.41%	0.51%	0.64%	0.76%	0.89%	1.01%

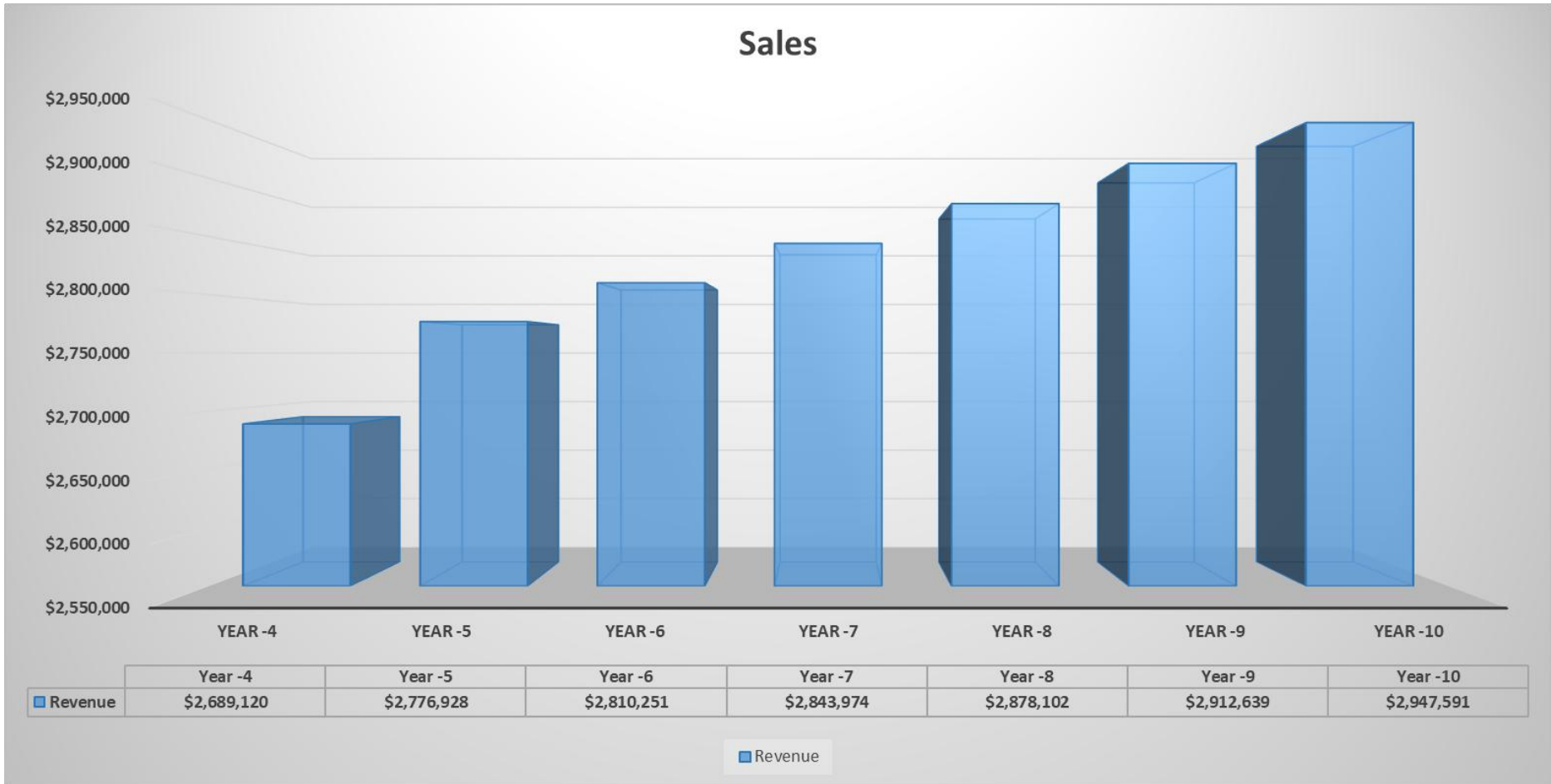
- The expected current ratio will be 1.61 in the year 4 and expected to reach as 4.25 in the year 10.

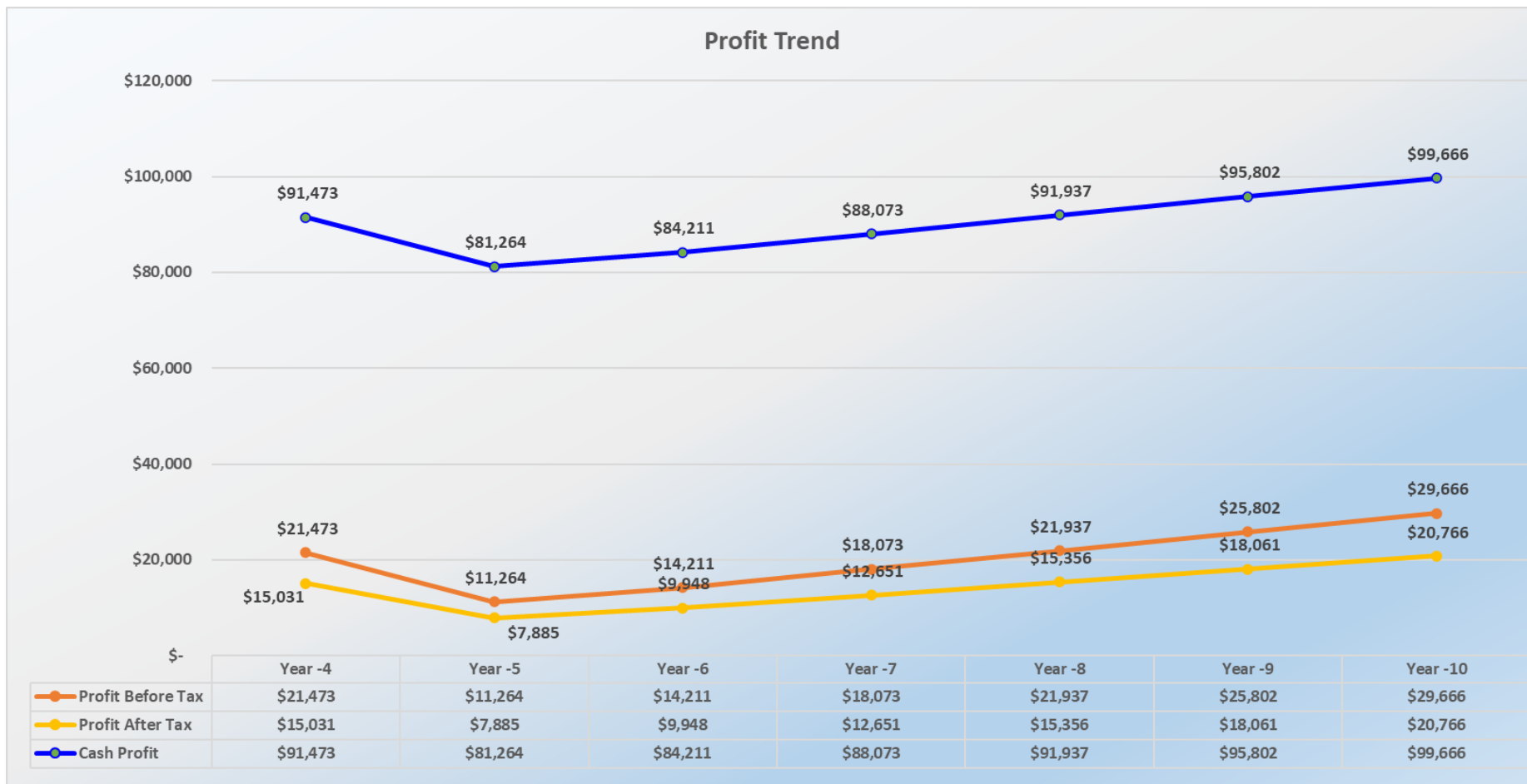
Particulars	Year -4	Year -5	Year -6	Year -7	Year -8	Year -9	Year -10
Current Ration	1.61	2.03	2.47	2.91	3.35	3.80	4.25

- The corporate tax has been considered as 30% on profit.
- City Service Levy has been considered as 0.3% on turnover.

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Projected Income Statement										
Particulars	Year -1	Year -2	Year -3	Year -4	Year -5	Year -6	Year -7	Year -8	Year -9	Year -10
Income										
Revenue	\$ -	\$ -	\$ -	\$ 2,689,120	\$ 2,776,928	\$ 2,810,251	\$ 2,843,974	\$ 2,878,102	\$ 2,912,639	\$ 2,947,591
Cost of Production										
Opening Stock	\$ -	\$ -	\$ -	\$ -	\$ 44,590	\$ 45,910	\$ 46,323	\$ 46,740	\$ 47,160	\$ 47,585
Purchase	\$ -	\$ -	\$ -	\$ 2,229,500	\$ 2,295,475	\$ 2,316,134	\$ 2,336,979	\$ 2,358,012	\$ 2,379,234	\$ 2,400,648
Less: Closing Stock	\$ -	\$ -	\$ -	\$ (44,590)	\$ (45,910)	\$ (46,323)	\$ (46,740)	\$ (47,160)	\$ (47,585)	\$ (48,013)
Cost of Production	\$ -	\$ -	\$ -	\$ 2,184,910	\$ 2,294,156	\$ 2,315,721	\$ 2,336,563	\$ 2,357,592	\$ 2,378,810	\$ 2,400,219
Gross Profit	\$ -	\$ -	\$ -	\$ 504,210	\$ 482,773	\$ 494,530	\$ 507,412	\$ 520,510	\$ 533,829	\$ 547,371
Expenses										
Salary and related cost	\$ -	\$ -	\$ -	\$ 300,950	\$ 308,474	\$ 316,186	\$ 324,090	\$ 332,192	\$ 340,497	\$ 349,010
Electricity	\$ -	\$ -	\$ -	\$ 14,400	\$ 14,544	\$ 14,689	\$ 14,836	\$ 14,985	\$ 15,135	\$ 15,286
Transport	\$ -	\$ -	\$ -	\$ 24,000	\$ 24,480	\$ 24,970	\$ 25,469	\$ 25,978	\$ 26,498	\$ 27,028
Security	\$ -	\$ -	\$ -	\$ 10,200	\$ 10,302	\$ 10,405	\$ 10,509	\$ 10,614	\$ 10,720	\$ 10,828
Repairs and Maintenance	\$ -	\$ -	\$ -	\$ 18,000	\$ 18,135	\$ 18,271	\$ 18,408	\$ 18,546	\$ 18,685	\$ 18,825
Printing and Stationery	\$ -	\$ -	\$ -	\$ 3,250	\$ 3,299	\$ 3,348	\$ 3,398	\$ 3,449	\$ 3,501	\$ 3,554
Advertisement and Promotion	\$ -	\$ -	\$ -	\$ 2,500	\$ 2,550	\$ 2,601	\$ 2,653	\$ 2,706	\$ 2,760	\$ 2,815
Telecommunication / Internet	\$ -	\$ -	\$ -	\$ 2,400	\$ 2,424	\$ 2,448	\$ 2,473	\$ 2,497	\$ 2,522	\$ 2,548
Insurance	\$ -	\$ -	\$ -	\$ 6,970	\$ 6,970	\$ 6,970	\$ 6,970	\$ 6,970	\$ 6,970	\$ 6,970
License and Fees	\$ -	\$ -	\$ -	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000
City Service Levy	\$ -	\$ -	\$ -	\$ 8,067	\$ 8,331	\$ 8,431	\$ 8,532	\$ 8,634	\$ 8,738	\$ 8,843
Pre-operative				\$ 20,000						
Depreciation	\$ -	\$ -	\$ -	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000
Total Expenses	\$ -	\$ -	\$ -	\$ 482,737	\$ 471,508	\$ 480,319	\$ 489,339	\$ 498,573	\$ 508,027	\$ 517,706
Profit Before Tax	\$ -	\$ -	\$ -	\$ 21,473	\$ 11,264	\$ 14,211	\$ 18,073	\$ 21,937	\$ 25,802	\$ 29,666
Tax	\$ -	\$ -	\$ -	\$ 6,442	\$ 3,379	\$ 4,263	\$ 5,422	\$ 6,581	\$ 7,741	\$ 8,900
Profit After Tax	\$ -	\$ -	\$ -	\$ 15,031	\$ 7,885	\$ 9,948	\$ 12,651	\$ 15,356	\$ 18,061	\$ 20,766





Projected Balance Sheet										
Particulars	Year -1	Year - 2	Year -3	Year -4	Year -5	Year -6	Year -7	Year -8	Year -9	Year -10
SOURCE OF FUND										
Promoters Contribution										
Equity	\$ 700,000	\$ 700,000	\$ 700,000	\$ 700,000	\$ 700,000	\$ 700,000	\$ 700,000	\$ 700,000	\$ 700,000	\$ 700,000
Reserves	\$ -	\$ -	\$ -	\$ 15,031	\$ 22,916	\$ 32,864	\$ 45,515	\$ 60,871	\$ 78,932	\$ 99,698
Total	\$ 700,000	\$ 700,000	\$ 700,000	\$ 715,031	\$ 722,916	\$ 732,864	\$ 745,515	\$ 760,871	\$ 778,932	\$ 799,698
APPLICATION OF FUND										
Fixed Assets	\$ 680,000	\$ 680,000	\$ 680,000	\$ 610,000	\$ 540,000	\$ 470,000	\$ 400,000	\$ 330,000	\$ 260,000	\$ 190,000
Working Capital										
Current Assets										
Inventory	\$ -	\$ -	\$ -	\$ 44,590	\$ 45,910	\$ 46,323	\$ 46,740	\$ 47,160	\$ 47,585	\$ 48,013
Bank Balance	\$ -	\$ -	\$ -	\$ 165,285	\$ 244,509	\$ 325,236	\$ 408,682	\$ 494,848	\$ 583,736	\$ 675,344
Trade Receivables	\$ -	\$ -	\$ -	\$ 67,228	\$ 69,423	\$ 70,256	\$ 71,099	\$ 71,953	\$ 72,816	\$ 73,690
Preoperative exp	\$ 20,000	\$ 20,000	\$ 20,000							
Total Current Assets	\$ 20,000	\$ 20,000	\$ 20,000	\$ 277,103	\$ 359,842	\$ 441,815	\$ 526,521	\$ 613,961	\$ 704,136	\$ 797,047
Less: Current Liabilities										
Trade Payables	\$ -	\$ -	\$ -	\$ 139,344	\$ 143,467	\$ 144,758	\$ 146,061	\$ 147,376	\$ 148,702	\$ 150,040
Other payables	\$ -	\$ -	\$ -	\$ 32,728	\$ 33,459	\$ 34,193	\$ 34,945	\$ 35,714	\$ 36,502	\$ 37,309
Total Current Liabilities	\$ -	\$ -	\$ -	\$ 172,072	\$ 176,926	\$ 178,952	\$ 181,006	\$ 183,090	\$ 185,204	\$ 187,349
Net Working Capital	\$ 20,000	\$ 20,000	\$ 20,000	\$ 105,031	\$ 182,916	\$ 262,864	\$ 345,515	\$ 430,871	\$ 518,932	\$ 609,698
Total	\$ 700,000	\$ 700,000	\$ 700,000	\$ 715,031	\$ 722,916	\$ 732,864	\$ 745,515	\$ 760,871	\$ 778,932	\$ 799,698

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Projected Cash Flow								
Particulars	Year -1 - 3	Year -4	Year -5	Year -6	Year -7	Year -8	Year -9	Year -10
CASH INFLOW								
Equity	\$ 700,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Collection from Trade Receivables	\$ -	\$ 2,621,892	\$ 2,774,733	\$ 2,809,418	\$ 2,843,131	\$ 2,877,249	\$ 2,911,776	\$ 2,946,717
Total Inflow	\$ 700,000	\$ 2,621,892	\$ 2,774,733	\$ 2,809,418	\$ 2,843,131	\$ 2,877,249	\$ 2,911,776	\$ 2,946,717
CASH OUTFLOW								
Addition to Assets	\$ (680,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Payment to Trade Payables	\$ -	\$ (2,090,156)	\$ (2,291,352)	\$ (2,314,843)	\$ (2,335,677)	\$ (2,356,698)	\$ (2,377,908)	\$ (2,399,309)
Other payables	\$ -	\$ (360,009)	\$ (400,777)	\$ (409,585)	\$ (418,587)	\$ (427,804)	\$ (437,239)	\$ (446,899)
Tax Payment	\$ -	\$ (6,442)	\$ (3,379)	\$ (4,263)	\$ (5,422)	\$ (6,581)	\$ (7,741)	\$ (8,900)
Preoperative exp	\$ (20,000)							
Total Outflow	\$ (700,000)	\$ (2,456,607)	\$ (2,695,508)	\$ (2,728,691)	\$ (2,759,686)	\$ (2,791,082)	\$ (2,822,888)	\$ (2,855,108)
Net Inflow/Outflow	\$ -	\$ 165,285	\$ 79,225	\$ 80,727	\$ 83,445	\$ 86,166	\$ 88,888	\$ 91,609
Opening Balance	\$ -	\$ -	\$ 165,285	\$ 244,509	\$ 325,236	\$ 408,682	\$ 494,848	\$ 583,736
Closing Balance	\$ -	\$ 165,285	\$ 244,509	\$ 325,236	\$ 408,682	\$ 494,848	\$ 583,736	\$ 675,344

11. Conclusion

This Business Plan and financial projections shows that the proposed project of setting up manufacturing unit in Arusha is viable and shall generate direct and indirect employment opportunities in the region and also provides an additional option to the consumer in the market to buy the product.

Moreover, the experienced promoters behind this project ensure successful implementation and execution of the project.

The initial three years are towards site development and implementation of the project and commercial operation is expected to commence from the fourth year onwards.

The projected financials shows that project is viable financially and shall generate enough cash to serve related expenses of the project operation and capital expenditure incurred for the Project.
