

**BUSINESS PLAN FOR THE
IMPLEMENTATION PROGRAMME**

OF

**M/S
COOL PACKAGING LIMITED**

IN

**ESTABLISHING AND OPERATING A PROJECT FOR
MANUFACTURING OF HIGH QUALITY PAPER
BAGS, CORRUGATED CARTONS AND BOXES FOR
PACKAGING**

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M/S COOL PACKAGING LIMITED
ESTABLISHING AND OPERATING A PROJECT FOR
MANUFACTURING OF HIGH QUALITY PAPER BAGS,
CORRUGATED CARTONS AND BOXES FOR
PACKAGING MATERIALS

1. INVESTMENT PROPOSAL

The Feasibility study has been prepared by **M/S COOL PACKAGING LIMITED** for the company's implementation programme in establishing and operating a project for Manufacturing of High Quality Paper bags, corrugated cartons and Boxes for packaging materials at Lemara, Twiga Street-Njiro Road plot 32. Arusha.

The Business Proposal has also been prepared to give an analysis of the financial, human, technical and other resources required for the proposed project by setting up facilities for Manufacturing of high quality paper bags, corrugated cartons and Boxes for packaging materials in Lemara/Arusha and also assess its economic viability and commercial viability in order to allocate funds for the Production line, Plant & Machinery, Equipment, Moulds and allied facilities, Generator, transformer, Forklift, utility vehicles, Prefab buildings, steel structure and allied facilities etc

The certificate of incentives will enable the project to qualify for duty exemption on Production line, Plant & Machinery, Equipment, Moulds and allied facilities, Generator, transformer, Forklift, utility vehicles, Prefab buildings, steel structure and related facilities and enjoy services under one stop shop at Tanzania investment Centre such as approvals, licenses and permits such as resident / work permits, Business License, protection of investment, arbitration and transfer of foreign currency etc

2. COMPANY'S BACKGROUND

M/S COOL PACKAGING LIMITED is a private owned company incorporated in Tanzania by Registrar of Companies under company's ordinance on 13th day of February 2024 with Certificate of Incorporation No: 172187471

M/S COOL PACKAGING LIMITED was incorporated with major objectives of Manufacturing of High Quality Packaging material and currently is now importing plant, machinery, equipment, building materials, utility vehicles, generators, transformer and other related facilities. Meanwhile the company is establishing paper bags, Box, corrugated Carton Packaging Materials Project by installing plant & Machinery for packaging activities.

The company determines to produce high quality packaging materials to the market. Goodwill, promptness and reliability are the business strategies for the Project.

In addition to that the Packaging materials brought to the market will correspond with the clients' demand especially in this competitive market. The quality of paper bags, Box, corrugated Cartons - Packaging Materials will be made by the Company will make the Intended Project to dominate the local and external East African Market.

There is high demand for high quality packaging materials to the local and foreign market. It is on the basis of the above reasons the management resolved to set up the facility for manufacturing of high quality paper bags, corrugated cartons and boxes to meet the clients demand and make the project economically viable

In the establishment programme; The proposed Project will import Production line, Plant & Machinery, Equipment, Moulds and allied facilities, Generator, transformer, Forklift,

utility vehicles, Prefab buildings, steel structure and allied facilities etc.

Hence the establishment programme of three years in setting up facilities for intended project is estimated to be USD 1,500,000. The estimated capital investment cost of USD 1,500,000 will be on Packaging Production Plant & Machinery, Equipment and Allied facilities etc.

3. TARGETED MARKET

There is very big market potential for the Packaging materials produced by the Company. Therefore By this reasons the Shareholders of the Company resolved to establish packaging materials Project for the Company's clients. The Packaging materials Project will produce the best quality paper bags, corrugated cartons and boxes which will be targeted to ready local and east African markets. The Intended Project is aiming at Producing and supplying packaging materials

M/S COOL PACKANGING LIMITED ready clients are:

1. Majo traders copany limited(Nzengo Gin)
2. TripplemarEnterprises (T) Limited (Cheeter Africa Dry Gin)
3. Bonchim Company Limited (Damon Gin)
4. Naxoni Investment Co. Limited (Nivas Vodka)
5. Merelo Company Limited (Topo Extra Smart Gin)
6. Oasis Young Plants Limited(separator)
7. Aledollars Company Limited (Dallas Gin)
8. Plant Biodefenders Limited
9. Shumabora Company Limited(Kommando Gin)
10. Adico Limited
11. Saore Company Limited(Organic Fertilizers)
12. Sahara Beverages Limited(Sahara Vodka)
13. Sera Super Drink Co. Limited (Laker Gin)
14. Mwanza Solvents(Lax Vodka)
15. Jomas Supper Brand Co. Limited(Tembo Vodka)
16. Ogpro Company Limited (separator)

17. Makha Beverage Co. Limited(Lite Vodka)

18. Sunflag (Clothes Packaging)

19. Etc

The recent market survey undertaken by the company has realized that there is high demand for quality packaging materials such as paper bags, corrugated cartons and boxes.

Considering the growing industrialization due to the government call and economic activities has caused the rise demand for packaging materials in the Country.

High quality Packaging materials Plant/ Machinery, technology, efficiency and goodwill are the factors which will make the intended project to be economically and financial viable. There are quite number of local manufacturers and importers of Packaging materials which can compete with the company's Packaging materials. The Company will in the market due to High quality products and having new technology with sophisticated Production line.

The company also intends to increase production of packaging materials by installing new production line to fulfill the demand of the local clients and export.

4. THE COMPANY'S OBJECTIVES

M/S COOL PACKANGING LIMITED is a project for manufacturing of high quality Packaging materials such as paper bags, corrugated cartons and boxes in Lemara, Twiga Street - Njiro Road - Arusha decided to install New / Sophisticated Production Line & Machinery to produce quality packaging materials as per clients demand.

The mission of the intended Packaging materials project is basically aimed at Production and marketing/ promotion of the packaging materials which is important for packaging of goods for our esteemed clients local and external markets. The new

Production line will make the proposed project operate smoothly and increase the capacity/ volume of products. The Proposed Project will make quality packaging materials so as to achieve the following objectives.

- To foster the growth of Packaging Materials industry in Tanzania.
- To reduce dependence on imported packaging materials by installing packaging materials production line in Arusha.
- To promote Industries, Business, clean & quality packaging for local and export etc
- To promote growth and expansion of private sector.
- The Company will create more employments.
- Skill development (human resources development) through on job training and use of new Plant & Machinery and new technology application.
- Income generation, alleviation of poverty and improve their social welfare employees.
- The Company contributes to the government revenue through taxes and other levies like Corporate taxes, PAYE etc

5. PLAN/PROSPECTS

- High performance of production of packaging materials by installing new packaging materials production line.

- To increase production and supply to clients hence resulting addition earnings in prevailing local market.
- To increase the volume/ capacity of Packaging materials production and Supply to the local & foreign Market.

6. SHAREHOLDERS (PROMOTERS)

M/S COOL PACKANGING LIMITED is a project for Manufacturing of Paper bags, corrugated cartons and boxes for packaging purposes. The following are the shareholders/promoters of COOL PACKANGING LIMITED and their shareholder's position are:-

No	Name of Shareholders	Nationality	Percent %
1.	Thobias Martin Lyewe	Tanzanian	51%
2.	Mohan Krishna Mandadi	Indian	45%
3.	Emil Nelson Andrea	Tanzanian	4%
	TOTAL		100%

Therefore, the authorized capital of the company is Tshs. 10,000,000 divided into 100 ordinary shares of Tshs. 100,000/= each. The Company shall have power to increase its capital and to divide the shares in its capital for the time being into several classes of stock or shares and to attach thereto respectively such preferential, deferred or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company.

7. LOCATION

The company's Business Premise is located at Plot No:32, Lemara, Twiga street, Njiro Road. Arusha. Postal Address P. O. Box 15543 Arusha.

8. COMPANY'S IMPLEMENTATION SCHEDULE

8.1 OCTOBER - 2024

- Preparing feasibility study for establishing and operating a project for Manufacturing of High Quality Paper bags, corrugated cartons and boxes for packaging of goods in Arusha.
- Registration of Packaging project with Tanzania Investment Centre i.e. Application for the Certificate of incentives.
- Getting Certificate of Incentives

8.2 NOVEMBER - 2024

- Application for exemption on Capital/ Deemed Capital Goods such as Plant, Machinery, Equipment and related facilities.
- Importing Plant & Machinery, Equipment, Prefab Buildings, Steel Structure, generator, Forklift, Utility Vehicles etc.
- Clearing the Plant & Machinery, Equipment, Prefab Buildings, Steel Structure, generator, Forklift, Utility Vehicles from customs control.

8.3 DECEMBER - 2024

- Recruiting workers and other administration staffs.
- Fully commencement of Packaging materials Production such as Paper bags, corrugated cartons and boxes .

9. CAPITAL INVESTMENT COST

Land/Building	USD \$	200,000
Plant/Machinery	USD \$	1,000,000
Vehicles	USD \$	100,000
Furniture and Fittings	USD \$	-
Pre-expenses	USD \$	100,000
Working Capital	USD \$	<u>100,000</u>
TOTAL CAPITAL	USD \$	<u>1,500,000</u>

The proposed programme for Packaging materials Project is to be implemented within 3 years. The company's promoters (shareholders) have resolved to register the intended Project with Tanzania Investment Centre (TIC) and securing the certificate of incentives.

10. FINANCIAL PLAN (SOURCE OF FUNDS)

M/S COOL PACKANGING LIMITED has firmed up finances for the implementation programme by its own fund :-

Own fund (equity)	USD \$	1,500,000
Local loan	USD \$	<u>-</u>
TOTAL	USD \$	1,500,000

11. PACKAGING MATERIALS MANUFACTURING FACILITIES

- Production line,
 - Plant & Machinery, Equipment, Moulds and allied facilities,
 - Generator, transformer , Forklift
- etc

12. SUBMISSION

M/S COOL PACKANGING LIMITED wishes to submit its investment proposal and application to Tanzania Investment

Centre (TIC) for registration and award of certificate of incentives for the commencement of Manufacturing of High Quality Paper bags, corrugated cartons and boxes for packaging of goods.

The Packaging materials Project will soon commence after the Company is registered by Tanzania Investment Centre and being issued with the Certificate of incentives. Thereafter the Company will import Production line, Plant & Machinery, Equipment, Moulds and allied facilities, Generator, transformer, Forklift etc

The Project will qualify for tax exemption on Capital/Deemed Capital Goods which are Production line, Plant & Machinery, Equipment, Moulds and allied facilities, Generator, transformer, Forklift, utility vehicles, Prefab buildings, steel structure etc

13. ECONOMIC GROWTH

Positive economic growth which had been registered in Tanzania, have attracted more investments such as Industries, Agriculture, Mining, transportation and business in Tanzania. The packaging materials Project is very important especially in providing other projects quality packaging of their need. That's why shareholders of M/S COOL PACKAGING LIMITED resolved to set up packaging materials Project. Besides Industrialization is the Call of the Government.

14. SWOT ANALYSIS

- M/S COOL PACKAGING LIMITED has incorporated the SWOT Analysis And Identified the Strengths, Weakness, Opportunities and Threats.

15. COMPETITION/MARKET

Despite having a number of manufacturers and importers of packaging materials in Tanzania. The supply is not enough compared to the level of demand and quality.

However, the intended Packaging materials project will supply quality packaging materials suitable to the need of clients. M/S COOL PACKANGING LIMITED intends to win the local and export market due to efficiency and quality products. The project ensures high quality, technology, best products, promptness and goodwill.

16. ADVERTISEMENT

Advertisement, which forms part of the marketing strategy, will be embarked upon in the newspapers, street banners and later on in the televisions in a manner benefiting the promotional role of any company or private institutions.

17. BUSINESS STRATEGY

In order to meet the high productivity the management of the company will develop and implement additional strategies which will run our project smoothly

Technology, Plants from the Best Brand
Advertisement/promotion,
Employing qualified and experienced staffs,
On job training,
Business Discipline.

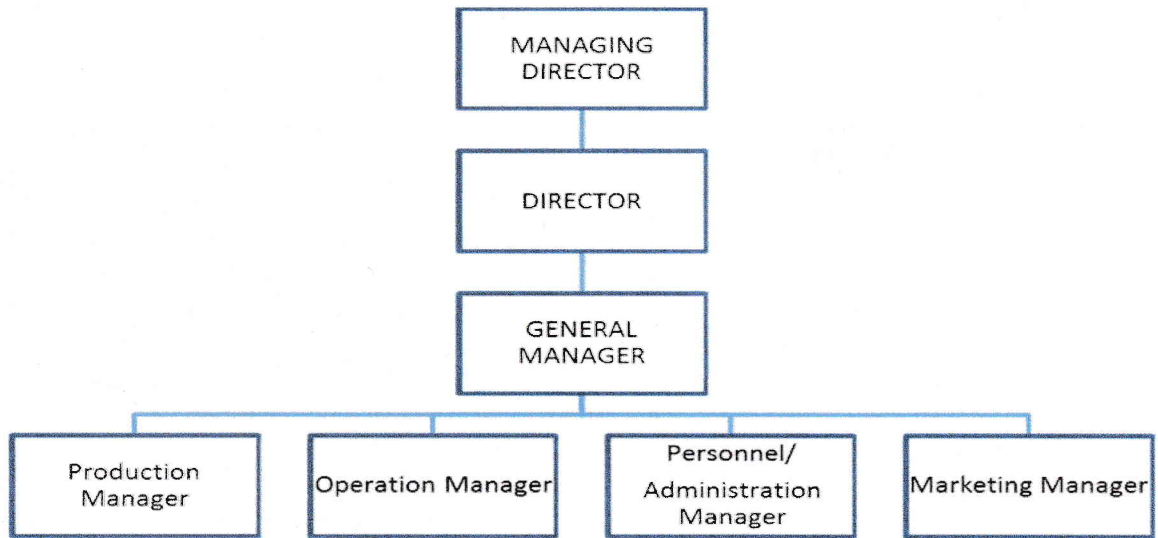
18. ENVIRONMENTAL ISSUE

The Manufacturing of High Quality Paper bags, corrugated cartons and Boxes for packaging materials and the whole practice is environmental friendly and will not cause any harm to people.

19. PROJECT MANAGEMENT

The overall management of the company is vested in the Board of Directors. Mr. Thobias Martin Lyewe is the Managing Director of the Company; he is well versed in Industries operations. The other Directors are Mohan Krishna Mandadi, Emil Nelson Andrea and Prince Smith Mwaila.

THE COMPANY'S ORGANIZATION CHART



20. MANPOWER AND TRANSFER OF TECHNOLOGY

This project being packaging materials manufacturing by installing Production line - Plant & Machinery in its establishment programme will usher in the technology (Transfer of knowledge/technology) by using new packaging Plant and Technology. The advantages to the country are quite significant, and will get the advantage of value addition due to such incoming technology.

Furthermore the country can reduce its dependence on importation of packaging materials from other countries in

addition to that those imported packaging materials were not of good quality.

The establishment of Packaging materials project will be successful by installing Production line and will cause more people to be employed and about 45 local people (Technicians) and 5 expatriates. These local people will increase their income, improve their social welfare and pay taxes; it is poverty alleviation programme to them.

Local employees will get on training and in a long run will improve the technical competence in the field of Packaging materials production by Plant & Machinery.

21. CONCLUSION AND RECOMMENDATION

The financial evaluation of Packaging materials Project done so far indicates that this project will be profitable both economically and financially viable venture. There are many other benefits direct and indirect of this project.

The management being experienced businessmen possesses ample managerial capabilities in various business disciplines. Based on the above factors, it is recommended that the company should be granted the certificate of incentives for the implementation of the Packaging materials Project by installing Production line, Plant & Machinery, equipment so that the project will import and enjoy tax exemption on Capital/Deemed Goods and increase its production capacity.

22. FINANCIAL AND ECONOMIC ANALYSIS

22.1 Projected Profit and Loss Account

The company envisages generating a profit of USD \$ 50,000 this operating year. The profit amount is expected to steadily rise to USD \$ 60,000 in year two, USD \$ 70,000 in year three and USD \$ 80,000 in year four. 5TH YEAR - 90,000

22.2 Projected cash flows

The projected cash flows for the next five years indicate that the company will have enough funds to service/repay the loan and interest payments. Hence the financial obligations will be met in a timely fashion.

22.3 Proposed Balance Sheet:

The projected balance sheet shows healthy financial situation. Short term liabilities are at all times covered by fixed assets. Also current liabilities are adequately covered by current assets.

23. SENSITIVITY ANALYSIS

To assess further the viability of the implementation project, sensitivity analysis has been worked out on the basis of several unfavorable conditions that might negatively affect the operations of **M/S COOL PACKANGING LIMITED**

23.1 Effect of cost increase on profitability (on the basis of year II **PACKAGING MATERIALS INCOME** in "....." USD \$)

Income	Costs	Increase	Profit before depreciation
420,000	360,000	%	60,000
420,000	378,000	5%	42,000
420,000	396,000	10%	24,000

23.2 Effect of **PACKAGING MATERIALS INCOME** decrease/drop on profitability (on the basis of year II costs in "....." USD \$)

Income	Income Decrease	Cost	Profit before depreciation
420,000	%	360,000	345,000

399,000	5%	360,000	39,000
378,000	10%	360,000	18,000

The viability/profitability of the company operations appears more sensitive to sale income/revenue than increase in the operating costs. This implies that the company should strive to maintain the existing market and undertake an aggressive marketing strategy to hire more clients and expand its market or clients base.

Appendix I

M/S COOL PACKANGING LIMITED

PROJECTED INCOME STATEMENT

(Fig. USD \$ '000')

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M/S COOL PACKAGING LIMITED

PROJECTED BALANCE SHEET

(Fig. in USD \$ '000')

No.	ITEM	YEAR 1	YEAR II	YEAR III	YEAR IV	YEAR V
	Source of funds					
1.	Shareholders' funds	100.0	150.0	200.0	250.0	350.0
3.	Associated Cos/ Directors	100.0	100.0	100.0	100.0	100.0
4.	Current Liabilities	200.0	250.0	300.0	350.0	400.0
		400.0	500.0	600.0	700.0	850.0
	Application of funds					
1.	Fixed Assets	300.0	300.0	300.0	300.0	500.0
2.	Current Assets	100.0	200.0	300.0	400.0	350.0
		400.0	500.0	600.0	700.0	850.0

Appendix II

M/S COOL PACKAGING LIMITED

PROJECTED CASHFLOW STATEMENT

(Fig. USD \$ '000')

Year	I	II	III	IV	V	TOTAL
Cash inflow						
Income from operation	50.0	60.0	70.0	80.0	90.0	350.0
	50.0	60.0	70.0	80.0	90.0	350.0
Cash outflow						
Wear & tear	10.0	12.0	14.0	16.0	18.0	70.0
Taxes	10.0	11.0	12.0	13.0	14.0	60.0
	20.0	23.0	26.0	29.0	32.0	130.0
Surplus cash generated	30.0	37.0	44.0	51.0	58.0	220.0

Appendix I

M/S COOL PACKAGING LIMITED

PROJECTED INCOME STATEMENT

(Fig. USD \$ '000')

Income	Years				
	I	II	III	IV	V
Sales Income	370.0	420.0	470.0	520.0	570.0
Total Income	370.0	420.0	470.0	520.0	570.0
Utilities	100.0	100.0	100.0	100.0	100.0
Salaries and wages	60.0	70.0	80.0	90.0	100.0
Transportation/fuel	70.0	80.0	90.0	100.0	110.0
Administrative					
Expenses	50.0	60.0	70.0	80.0	90.0
Other Expenses	40.0	50.0	60.0	70.0	80.0
Total Expenditure	320.0	360.0	400.0	440.0	480.0
Net Profit (pre tax and depreciation)	50.0	60.0	70.0	80.0	90.0