

## SME CREDIT APPLICATION SUMMARY

06/02/2022

Transaction ID:237028

### COMPANY INFORMATION

1. Company Name:	Geeta Plastic Products Nigeria Limited
2. Type of Company:	Limited Liability Company
3. Nature of Business/Current Products:	Rigid Packaging , PVC and Bopp labels
4. Company Registration Number	RC 496869
5. Date of Incorporation:	2003-10-15
6. Date Business Commenced:	2003-10-15
7. Company TIN	01547799-0001
8. Authorized Share Capital:	1.25E8
9. Paid Up Capital	1.25E8
10. Number of Direct Employees (Current)	409
11. Number of Direct Employees (Proposed)	475
12. Number of Indirect Employees (Current)	122
13. Number of Indirect Employees (Proposed)	152
14. Factory Address:	Plot 9, Block E, Badejo Kalesanwo Street, Matori Industrial Estate, Mushin Lagos
Town:	Mushin
State:	Lagos
Local Government:	Mushin
15. Office Address:	
Town:	
State:	
Local Government:	

### CONTACT INFORMATION

16. Chief Promoter Information	
Name:	Tony Shamdas Sajnani
Address:	100, Tiamiyu Savage St. Challet 8, Victoria Island Lagos
Email:	tony.sajnani@gmail.com
BVN:	22269481882
Position in Company:	Managing Director
17. Main Contact	

Name:	
Address:	
Email:	
BVN:	
Position in Company:	

RELATIONSHIP WITH OTHER BANKS	
18. Bank Account	
Name of Bank:	Guaranty Trust Bank
Account Type:	Current Account
19. Bank Account	
Name of Bank:	Zenith Bank
Account Type:	Current Account

CREDIT FACILITY REQUEST	
20. Customer Number:	0000018929
21. Number of previous loans applications:	
22. Number of previous loans granted:	
23. Loan Class:	Long Term Loan
24. Loan Purpose:	Plant and Machinery/Working Capital
25. Requested Loan Amount:	999,999,997.50
26. Currency:	NGN
27. Equity	
Equity Contribution:	
Equity Description:	

APPROVED CREDIT TERMS	
28. Products	BOI Fund
29. Source of Funds	BOI Fund
30. Industrial Sector	Domestic and Industrial Plastic & Rubber
31. Assets	
Total Assets	
Interest Rate (%)	10.0
Tenor (in months)	84
Moratorium (Months)	12 months
Instalment Payment	10327605.18

32. Working Capital	
Total Working Capital	
Interest Rate (%)	12.0
Tenor (Months)	36
Moratorium (Months)	12 months
Instalment Payment	10683851.03
33. Total Loan Amount	

COLLATERAL	
Collateral Type	Bank Guarantee
Bank Guarantee	
Guaranteeing Bank	Skye Bank
Legal Mortgage	
Asset Location	
Asset Description	
Forced Sales Value	
Open Market Value	
Valuation Company	
Valuation Date	
Guarantor	
Name of Guarantor	
Address	
Net Worth	
Cash Deposit	
Deposited Amount	" \b "NGN
Deposit Bank	
Deposit Account Number	

SHAREHOLDERS INFORMATION	
Name	Jagtiani Varkha Gulab
BVN	22526713327
Type	Shareholder
Name	Jagtiani Amit Gulab

BVN	22325861296
Type	Shareholder

EXISTING ASSETS	
Asset	Land and Buildings
Value	2,350,000,000.00
Asset	Items of office equipment, furniture and fittings
Value	11,030,000.00
Asset	Plant and Machinery
Value	4,284,278,171.00
Asset	Motor Vehicles
Value	75,500,000.00

ITEMS TO BE FINANCED	
Description	Injection Mould and Blow Moulds
Quantity	1.0
Unit Price	184,670,000.00
Supplier	+97167647272
Supplier's contact	P.O.Box 7073, Business Center, Al Shamookh building, UAQ Free Trade Zone, Umm Al Quwain, U.A.E
Type	
Description	Jenbacher Gas Engine
Quantity	1.0
Unit Price	255,775,572.80
Supplier	+97167647272
Supplier's contact	P.O.Box 7073, Business Center, Al Shamookh building, UAQ Free Trade Zone, Umm Al Quwain, U.A.E
Type	
Description	Nissei ASB Stretch Blow Moulding Machine
Quantity	1.0
Unit Price	62,540,000.00

Supplier	+97167647272
Supplier's contact	P.O.Box 7073, Business Center, Al Shamookh building, UAQ Free Trade Zone, Umm Al Quwain, U.A.E
Type	
Description	Milacron Magna 110T Injection Moulding Machine
Quantity	1.0
Unit Price	27,612,000.00
Supplier	+97167647272
Supplier's contact	P.O.Box 7073, Business Center, Al Shamookh building, UAQ Free Trade Zone, Umm Al Quwain, U.A.E
Type	
Description	Yuiu Blow Moulding Machine
Quantity	5.0
Unit Price	33,630,000.00
Supplier	+97167647272
Supplier's contact	P.O.Box 7073, Business Center, Al Shamookh building, UAQ Free Trade Zone, Umm Al Quwain, U.A.E
Type	
Description	Lianxin Injection Blow Moulding Machine
Quantity	2.0
Unit Price	22,420,000.00
Supplier	+97167647272
Supplier's contact	P.O.Box 7073, Business Center, Al Shamookh building, UAQ Free Trade Zone, Umm Al Quwain, U.A.E
Type	
LOAN FEES	
Appraisal Fee (NGN)	9999999.98
Commitment Fee (NGN)	9999999.98
Legal Fee (NGN)	3752250
Asset insurance (NGN)	0
Credit Life Insurance (NGN)	0
Monitoring fees (NGN)	

## WORKING CAPITAL

Item	Propylene Copolymer
Quantity	1
Price	22,772,424.70
Item	High Density Polyethylene
Quantity	247
Price	233,640,000.00

BUSINESS MODEL	
Value Proposition	A variety of packaging and good quality packaging will attract good b2b customers, who rely on them and will be encouraged to develop more finished products for the consumers. thereby giving a boost to manufacturing in the country.
Target Market/Customer	Small, Medium and Large Scale customers such as Emzor pharmaceuticals, Reckitt Benckiser, Dana, Dallas Cosmetics, May & Baker, Cway etc
Business Relevant Experience	They have a team of experienced management and engineers with over 20 years experience in the field of packaging.
Social Impact - Employment Generated	Direct- 475 Indirect - 152

RISKS & MITIGANTS	
Market/Demand Risks	Market Demand Low patronage will result in drastic fall of income it is mitigated by A pro-active customer care service will be put in place. The business will be in touch with the targeted customers. An aggressive marketing strategy will be put in place.
Supply Risks	The business is exposed to the risk of being supplied with poor quality raw materials and machines it is mitigated by the Business making sure the machines and raw materials supplied are of good quality and in excellent condition. The machines are of top quality and are not expected to breakdown frequently.
Production Risks	The Company is faced with the risk of fire taking out its equipment and factory site there by hindering its ability to meet its customers' demand this is mitigated by The Company insuring its equipment and factory to mitigate this risk. The company will maintain high operating standards in running and managing operations
Foreign Exchange Risks	The Business also faces the risk of increase in costs of raw materials as a result of change in exchange rate this is mitigated by importing in bulk.
Major Competition	Impco Packaging, Ethylene Products, Sacvin Nigeria Ltd, Trisa etc

#### OTHER CUSTOMER AND CREDIT INFORMATION

Brief on Customer	<p>Geeta Plastic Products Nigeria Limited was incorporated on the 15th of October 2003 with factory located at Plot 9, E, Badeko Kalesanwo Street, Mushin Lagos. The company produces superior quality plastics, alongside providing customers with assistance and expertise on innovative designs, moulds and labelling. The directors have over 30years of knowledge about Nigerian market and provide consultancy whenever needed by leveraging on their skills and expertise. The company manufactures rigid plastic packaging that caters to various cosmetic, pharmaceutical, oil, food, water, and beverage industries. These products include jars, cosmetic containers, caps and closures, jerry cans, bottles, PET preforms, PET containers, oil containers and pharmaceutical containers. The products can be customized to suit specific requirements.</p> <p>Apart from the manufacturing division, Geeta Plastic can print and supply labels and sleeves for packaging. The company supplies BOPP and PVC labels that can be designed to taste by the in-house design team.</p> <p>The purpose of the loan is for expansion of existing capacity by adding more machinery and raw materials required to introduce more packaging products. The demand for packaging products and services is very high. The finished goods producers depend solely on packaging companies for packaging of their products. They intend to start exporting to other countries in the West African Region with the expansion program.</p>
Name of Partners	Envision FZC Limited , Varkha Impex Ltd, Shivilla Polymers Limited, Regatta Limited etc
Industry Review	<p>The Nigerian Packaging Industry is expected to grow at a CAGR of approximately 8% during the forecast period (2021 - 2026). The Packaging Industry in Nigeria is attracting investments due to the increasing investments in several end-user industries, such as Food Processing Industry, or Cosmetics, and Household Care, amongst others."Also, the growing e-commerce industry, owing to the increase in the youth population, increasing consumer spending, and increasing technology penetration is expected to generate the demand for packaging solutions in the country.</p> <p>"The Nigerian Packaging Industry attracts investments as it provides several growth prospects to the companies in the packaging industry to provide economical and sustainable packaging solutions across sectors in the country. For instance, Jaro Industries, a subsidiary of Deekay Group, was recently opened in Nigeria to foster carton production, It invested a total of USD 12 million into carton manufacturing to enhance packaging business in the country.</p> <p>"Plastic packaging is considered as one of the most prominently used packaging solution in the country owing to the several benefits it provides, such as rigidity, aesthetic value while maintaining the hygiene of the product stored. Many brand owners are employing recycled plastic packaging to reduce the environmental impact of packaging. Bioplastics are a popular choice for various brand owners.</p> <p>"The increasing production of plastic in the country is expected to provide several growth opportunities for the plastic packaging solution providers in the country. For instance, according to euromap.org, the production volume of plastic in Nigeria reached around 411,000 tons in 2015 and is expected to reach approximately 513,000 tons of plastic by 2020. Also, the consumption of plastic in Nigeria increased from approximately one million tons in 2015, to 1.5 million tons of plastic by 2020.</p> <p>"Moreover, several government regulations regarding the standardization of the recycling process of plastic are expected to regulate the usage of plastic to a large extent. For instance, in October 2019, the Standards Organisation of Nigeria (SON) and stakeholders in the food industry, introduced a standard regarding the recycling of plastic, which would further improve production processes of plastics, ensure safety and the quality of products, leading to an increase of its use, which in turn provides opportunities for employment rather than expending the resources on the importation of plastics.</p>

Production Process	<p>The first step in most plastic fabrication procedures is compounding, the mixing together of various raw materials in proportions according to a specific recipe. Most often the plastic resins are supplied to the fabricator as cylindrical pellets (several millimetres in diameter and length) or as flakes and powders. Other forms include viscous liquids, solutions, and suspensions</p> <p>The process of forming plastics into various shapes typically involves the steps of melting, shaping, and solidifying. As an example, polyethylene pellets can be heated above <math>T_m</math>, placed in a mold under pressure, and cooled to below <math>T_m</math> in order to make the final product dimensionally stable. Thermoplastics in general are solidified by cooling below <math>T_g</math> or <math>T_m</math>. Thermosets are solidified by heating in order to carry out the chemical reactions necessary for network formation</p> <p>In extrusion, a melted polymer is forced through an orifice with a particular cross section (the die), and a continuous shape is formed with a constant cross section similar to that of the orifice. Although thermosets can be extruded and cross-linked by heating the extrudate, thermoplastics that are extruded and solidified by cooling are much more common. Among the products that can be produced by extrusion are film, sheet, tubing, pipes, insulation, and home siding. In each case the profile is determined by the die geometry, and solidification is by cooling.</p> <p>In blow extrusion, the tube is expanded before being cooled by being made to flow around a massive air bubble. Air is prevented from escaping from the bubble by collapsing the film on the other side of the bubble. For some applications, laminated structures may be made by extruding more than one material at the same time through the same die or through multiple dies. Multilayer films are useful since the outer layers may contribute strength and moisture resistance while an inner layer may control oxygen permeability an important factor in food packaging. The layered films may be formed through blow extrusion, or extrudates from three machines may be pressed together in a die block to form a three-layer flat sheet that is subsequently cooled by contact with a chilled roll.</p> <p>Polymers are chemical compounds whose molecules are very large, often resembling long chains made up of a seemingly endless series of interconnected links. The size of the molecules, together with their physical state and the structures that they adopt, are the principal causes of the unique properties associated with plastics including the ability to be molded and shaped.</p> <p>In many plastic products, the polymer is only one constituent. In order to arrive at a set of properties appropriate to the product, the polymer is almost always combined with other ingredients, or additives, which are mixed in during processing and fabrication. Among these additives are plasticizers, colorants, reinforcements, and stabilizers</p> <p>Foams also called expanded plastics, possess inherent features that make them suitable for certain applications. For instance, the thermal conductivity of a foam is lower than that of the solid polymer. Also, a foamed polymer is more rigid than the solid polymer for any given weight of the material. Finally, compressive stresses usually cause foams to collapse while absorbing much energy, an obvious advantage in protective packaging. Properties such as these can be tailored to fit various applications by the choice of polymer and by the manner of foam formation or fabrication. The largest markets for foamed plastics are in home insulation (polystyrene, polyurethane, phenol formaldehyde) and in packaging, including various disposable food and drink containers.</p> <p>Some plastics can be joined by welding, in the same manner as metals PVC and polyethylene tanks and ductwork being prime examples. More commonly, surfaces are joined by being brought into contact with one another and heated by conduction or by dielectric heating. Heat sealing of bags made from tubes of blow-extruded polyolefins such as polyethylene and polypropylene usually requires contact with a hot sealing bar. PVC has a high enough dielectric loss that heat can be generated throughout the material by exposure to a high-frequency, high-voltage electric field.</p>
--------------------	--



Condition Precedent to Disbursement	<p>a. Your company shall submit a Board Resolution authorizing the borrowing and designating officers to accept the offer for and on behalf of the company.</p> <p>b. Your company shall submit a Letter of Acceptance, accepting the offer unconditionally.</p> <p>c. Disbursement of the loan shall be conditional upon the submission of Bank Guarantee from Polaris Bank. or any Commercial Bank acceptable to BOI.</p> <p>d. The terms of the Bank Guarantee shall be acceptable to BOI.</p> <p>e. The company shall increase its paid up share capital to at least 10% of the loan amount and its authorized share capital to at least 25% of the loan amount</p> <p>f. Your company shall pay all other charges, costs and expenses related to the perfection of the Loan Agreement as Legal fees before disbursement of the loan.</p> <p>g. All relevant legal documentation related to the loan shall be duly perfected. h. Your company shall provide a written undertaking for the monthly payment of interest during the moratorium period.</p> <p>i. Your company shall submit a Letter of Attestation from its Solicitor, stating that the terms and conditions of the loans as contained in the Letter of Offer, Standard Terms and the relevant loan Agreements and the Bank Guarantee have been explained to the accredited representatives of your company and that they understood the contents of same.</p> <p>j. Your company shall provide evidence satisfactory to Bank of Industry Limited that its annual return is filed annually in accordance with section 370 of the Companies and Allied Matters Act, 2004.</p> <p>k. The company shall submit a written undertaking to pay any shortfall required in the working capital as well as any cost overrun or exchange rate differential in excess of the approved loan amount. l. Your company shall provide evidence satisfactory to BOI that it has appointed a Company Secretary and that notice of such appointment has been duly filed at the Corporate Affairs Commission in accordance with section 293 (1) of the Companies and Allied Matters Act, 2004</p>
-------------------------------------	--

Other Terms and Conditions	<p>a. Your company shall submit a written undertaking to bear any shortfall in loan amount required to establish Letters of Credit in respect of plant and machinery or any cost overrun/ exchange rate differential.</p> <p>b. Your company shall provide evidence satisfactory to Bank of Industry Limited that its annual return is filed annually in accordance with section 370 of the Companies and Allied Matters Act, 2004.</p> <p>c. Your company shall provide quarterly Management and Financial Results and other information as may be required by BOI from time to time.</p> <p>d. Your company shall increase its share capital by 25% of the total loan amount during the tenor of the loan.</p> <p>e. Throughout the duration of the loan, your company shall be a member of any of the Organized Private Sector such as the Manufacturers Association of Nigeria (MAN), Nigerian Association of Chambers of Commerce, Industry, Mines and Agriculture (NACCIMA), etc.</p> <p>f. Your company shall submit to the Bank its annual account within 60 days of the end of each financial year; and quarterly management accounts within 30 days of the end of each quarter.</p> <p>g. Your company shall not relocate the BOI financed items from the approved location without the prior consent of BOI.</p> <p>h. All loans from associated companies and Directors loans shall be subordinated to BOI's loan.</p> <p>i. Upon any default by your company in the repayment of the principal sum or interest when due all the existing indebtedness to BOI shall forthwith become due and payable on demand.</p> <p>j. Please note that any money paid in respect of this facility goes into meeting the interest payment first and that payment of principal can only be made after interest element has been fully met.</p> <p>k. Funds shall be disbursed against an invoice for the items to be purchased subject to the submission of either a Performance Bond/Guarantee issued by a commercial bank acceptable to BOI.</p> <p>l. In the event of default in the repayment of the facility or interest arising thereon or in compliance with the terms, conditions and covenants contained therein, BOI reserves the right to call in the facility and demand immediate payment of all outstanding on the facility.</p> <p>m. No Legal action or suit shall be instituted howsoever, instigated and/or sustained by your company against BOI jointly or severally without first giving BOI a ninety (90) day prior written pre-action notice of the company's intention to so proceed against BOI, such notice to be served at BOI's registered address.</p> <p>n. Your company shall indemnify BOI against any loss that might be incurred by BOI as a result of any irregularity or incompleteness in the information contained in any document(s) submitted to BOI.</p> <p>o. If the facility is not liquidated at maturity or on the due date, your company shall pay a default/penalty fee of 2.5% flat per month on any outstanding until the facility is repaid in addition to any other charge and interest as may be demanded by BOI.</p> <p>p. The charges created in favour of BOI are all enforceable and your company shall not take any steps to restrain, restrict or delay BOI from taking steps to realize the security in the event of default.</p> <p>q. BOI's ability to accommodate this facility within its legal lending limits is subject to the availability of funds and to regulations as may be imposed by regulatory authorities</p>
Financing Plan	To finance purchase of equipment required for business expansion
Working Capital Plan	To finance purchase of raw materials required for business expansion

APPROVAL COMMENTS	
Comments	Perform legal search : Legal Search attached
Comments	Perform credit search : NO REPORT FOUND ON AMIT

Comments	Perform Politically exposed persons search : The report is attached.
Comments	State Manager Validate Application : Ok to process
Comments	Regional Head Validate : OKAY
Comments	Credit analyst : What is the justification for the new items of equipment? What happens to the existing machine/moulds? Why 7years tenor for an existing business? Attach other PFIs for the term loan and the working capital. What exchange was considered?Can we see the pictures of the business premises? Is Adegbayi Dare & Co an accredited auditor of the Bank? Please make use of BOIs accredited auditor, The Chief Promoter is 74years old, what succession plan is in place?Provide breakdown of the stock figures and age analysis of the receivables. Who are the companys creditors? Provide details to include name of financier, loan amount, outstanding balance, tenor and security pledged.What constitutes other income of N3.1m? What are their competitive strategies?
Comments	State Manager Validate Application : Ok to process
Comments	Regional Head Validate : OKAY
Comments	Credit analyst : Okay for further processing
Comments	SME Credit Group Head : Okay for EMC Approval
Comments	DH : Recommended for EMC approval considerations
Comments	CRO : Ok
Comments	ED : ENDORSED AS RECOMMENDED

PROJECT MANAGEMENT TEAM	
State Office	State Office, Lagos
Regional Office	Regional Office, Lagos
Directorate	SME
Project Officer	Saadatu Raji
State Officer	Uchechukwu Nwachukwu
Regional Manager	Kagara Ahmed