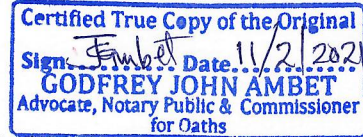


COTTON GINNING FACILITY PROJECT

1.0 EXECUTIVE SUMMARY.

1.1 INTRODUCTION.



BIOSUSTAIN TANZANIA LIMITED is a local company (PLLC) base in Singida Region and having its Industrial Area on Plot "DD" Unyankhae area at Singida Township, where the Ginnery and the Oil Mill complex is situated.

It is the mission of the company to invest in ginning and oil mill production industries in Tanzania and then in the neighboring countries in the East and Southern Africa to meet the growing demand of cotton fiber and it's by products, especially the organic lint and cotton seeds.

1.2 THE PROJECT

BIOSUSTAIN TANZANIA LIMITED HAS CONSTRUCTED A Ginnery and Oil Mill FACTORY AT Unyankhae area in Singida Township Singida Region. Construction of some buildings, Ware houses, fencing walls and Installation of ginnery machinery for phase one has been completed. Construction and installation of machineries is expected to be completed by early in year 2021 sometimes in July.

Production is expected to commence by August, 2021.

1.3 THE COMPANY / PROJECT SPONSORS.

BIOSUSTAIN TANZANIA LIMITED is a private limited liability company registered and incorporated on 3rd day of January 2006 under the laws of Tanzania Company Act, 2002 having certificate of incorporation No. 55089.

The current share capital of the company is Tzs. 10,000,000,000/- divided into 100,000 ordinary share of Tanzania shillings one hundred thousand (100,000/-) each, with power for the Company to increase, with or without any preferences.

The current shareholders of the Company are as given below:

NAME	NATIONALITY	NUMBER OF SHARES	%
Dr. Riyaz Haider	German	12,049	75%
Mr. Sajjad Ghulam Haider	Tanzanian	4,017	25%
		16,066	100%

1.4 The Directors of Company are:

Dr. Riyaz Haider

Mr. Sajjad Ghulam Haider

1.5 THE MARKET.

The market for high quality organic cotton and sunflower seed for production of organic lint and seeds for production of edible oil and their by products for animal feeds have potential markets and are in high demand all over the world.

1.6 MANAGEMENT AND ORGANIZATION.

The company is being managed by a Board of Directors who have acquired long experience in business management. The managing Director of the Company has had international exposure in project management and marketing of their products. The company will recruit professional managers to man production, quality control, marketing human resources and finance personnel as to ensure the company becomes profitable.

1.7 CAPITAL INVESTMENT COSTS.

The total investment cost works out at USD 1,206,650 to meet construction works, procurement of plant and machinery, equipment, furniture and the startup working capital for procurement of raw materials and initial operating costs.

PROJECT COST AND FINANCING:

The total project cost is estimated to USD 1,206,650 of which USD 773.255 million will be in foreign currency and USD 433.395 million will be in Tanzania currency.

The detailed costs are as summarized bellows:

(USD)

PARTICULARS	EXPANSION		TOTAL EXPENSION
	LOCAL	FOREIGN	
Land	-	-	-
Building and Civil work	108,000	72,000	180,000
Plant and machinery	150,300	350,700	501,000
Furniture and Fittings	24,000	16,000	40,000
Motor Vehicles	8,000	12,000	20,000
CCTV/ Computers	6,000	14,000	20,000
TOTAL CAPITAL COSTS	296,300	464,700	761,000
Pre- Operation Expenses	14,815	23,235	38,050
Initial Working Capital	122,280	285,320	407,600
SUB TOTAL	137,095	308,555	445,650
TOTAL PROJECT COSTS	433,395	773,255	1,206,650

1.8 PROJECT FINANCING.

It is planned to finance the capital investment for the new Ginnery by sponsors and Bank overdraft / short term loans as follows:

SOURCE	LOCAL	FOREIGN	TOTAL
Equity Contribution / Self-Generated Funds	1,206,650	-	1,206,650
Short Term Loan	-	-	-
TOTAL FINANCING	1,206,650	-	1,206,650

1.9 EXPECTED MARKET DEMAND.

The management of Biosustain Tanzania Limited expects that the operation following increased economic activities in the country. Currently there are increased activities in agricultural cultivation of export crops such as cotton, Oil seeds, coffee, cashew nuts, tea and others including setting up of Export processing zones which will stimulate demand for quality Agricultural materials.

Dar es salaam is the Country's Commercial Center and hub port for the neighboring landlocked countries thus attracting a relative number of investors in textile manufacturing and edible oil manufacturing. Change in life styles following increase in disposable income under the impact of globalization will lead to increasing demand for organic lint and edible oil from organic seeds.

The management of Biosustain will embark in aggressive marketing strategies through appointed Professional Manager to promote the business through both electronic and printing media and use of leaflets with offering of quality materials of value for money to attract business patronage. Discounts for bulk buyer will also be offered. The Company will also appoint carefully selected distributors with proven financial abilities.

Exports of organic lint and organic seed to Europe, India and China will increase tremendously when the ginnery becomes operational.

1.10 DEVELOPMENT VALUES.

The project has a number of development values to the country:

- (a) The project will facilitate the processing of primary crops into semi and finished goods such as lint refined cooking oil and cotton seed cake and sunflower cake for animal feeds.
- (b) The project will directly contribute towards increased production of seed cotton, sunflower in Singida and the neighboring regions by providing a ready market, hence providing extra employment and improving farmers income.

- (c) The project will generate foreign exchange from export of cotton lint, refined vegetable oil, cotton cake, sunflower cake as animal feed processing materials.
- (d) The company will provide permanent employment to over 120 people, 30,000 - 50,000 small farmers and several others associated to the industry.

(e) CONCLUSION AND RECOMMENDATION

The project as analyzed in this report is both economically and technically viable. The project is export oriented and will greatly contribute towards the economic development of Singida and the neighboring regions in particular and the Nation as a whole.

A fast implementation of the project as diversification of the company is therefore highly recommended especially at this moment when the government industrialization policy is being implemented and within the process of implementing its economic and social adjustment program.

1.11 IMPLEMENTATION SCHEDULE

According to the various quotations and offers for supply of plant and machinery, construction of factory buildings, warehouses and plant installation it is estimated that implementation period will take 7 months as analyzed below:

s/No.	ACTIVITIES	NUMBER OF MONTH	IMPLEMENTATION PERIOD
1.	Completion of feasibility study.	1	January , 2021.
2.	Fund mobilization and TIC approvals.	1	January, 2021.
3.	Signing of contracts with suppliers of Equipment and contractors.	1	January, 2021.
4.	Placement of orders for Equipment and Machinery.	1	January, 2021.
5.	Construction of civil works and Electrical Installation.	5	February / June, 2021.
6.	Installation of machinery and Equipment.	1	July, 2021.
7.	Commissioning, Training and Trial production.	1	July, 2021.
8.	Commercial Production	-	August, 2021.

2.0 SPONSORS AND PROMOTERS.

2.1 BIOSUSTAIN TANZANIA LIMITED

BioSustain Tanzania Limited was established and incorporated in Tanzania as a Limited liability company on 3rd January, 2006 under the company ordinance (cap 212) and issued with a certificate of Incorporation No. 55089. Among its main objectives is to carry on the business of export of organic cotton and rotational crops.

The current status of the company is as given below:

SHAREHOLDERS

NAME	%	No. OF SHARES	TZS	USD
Dr. Riyaz Haider	75	12,049	1,204,900,000	519,353
Mr. Sajjad Ghulam Haider	25	4,017	401,700,000	173,147
TOTAL	100	16,066	1,606,600,000	692,500

The original authorized share capital of the company was increased from 1,000 ordinary shares of TZS 100,000/= each to 100,000 ordinary shares of TZS.100, 000/= each. This increased the authorized share capital from TZS. 100,000,000/= to TZS. 10,000,000,000/= (Ten billion) or (USD 4,310,345).

2.2 COMPANY PROFILE

2.2.1 BioSustain is registered and incorporated as a limited liability company in Tanzania. It is owned and operated by two shareholders/Directors; Dr. Riyaz Haider, Mr. Sajjad Haider

2.2.2 PROJECT COST.

The company net book value as at 31st December, 2019 (Audited) was TZS. 4,661,986,822 (USD 2,009,477) at written down value.

The breakdown is as follows;

PARTICULARS	AT COST TZS.000	NET BOOK TZS 000 VALUE.	NET BOOK VALUE USD.
Land	2,129,000	2,129,000	917,672
Buildings and civil works.	1,587,080	1,536,407	662,244
Plant and machinery.	932,173	815,652	351,574
Motor vehicles/motorcycle/Bicycles.	174,490	130,868	56,408
Furniture and fittings.	11,587	10,139	4,371
Office Equipment.	45,625	37,263	16,062
TOTAL.	4,879,956	4,661,987	2,009,477

2.2.3 THE ORGNIZATION AND ADRESSES.

A. Owners/Directors 1) Dr. Riyaz Haider.

2) Mr. Sajjad Haider.

B. Physical Address: 570 Rashid Kawawa Road,

Kinondoni,

P.O.Box 15101,

Dar es salaam,

Tanzania.

And: Plot No. 179 Block "DD"

Unyankhae Are,

Singida Town,

P.o.Box 979,

Singida,

Tanzania.

C. Contact Person: Dr. Riyaz Haider

Managing Director

Mobile 00255- 0784 883 786

0715 883 786

0773 883 786

haider@biosustain.de

www.biosustain.de

D. Legal Status 1) Limited Liability company.

E. Bankers: National Microfinance Bank Plc.

Head Office Branch.

Dar es Salaam.

2) Exim Bank (Tanzania) Limited.

Clock Tower Branch.

Dar es Salaam.

2.2.4 DESCRIPTION.

3.1 Geographical Location.

Singida is a landlocked region in the middle of Tanzania Mainland. It lies between longitudes 33 27 and 35 26' east of Green which, latitudes 3 52 and 7 34 south of Equator.

It is bordered by Shinyanga and Simiyu region in the north. Arusha, Manyara and Dodoma regions to the east, Iringa and Mbeya to the south and Tabora region in the west.

2.2.5 Surface Are.

The total surface area of Singida region is 49,438 Sq kilometers. This is shared between 49,342.5 Square kilometers of land and 95.5 square kilometers of water bodies, while Manyoni District has the largest share of land area at 58% Singida Rural District owns 52.4% of the region's water area.

Given Tanzania main land area of 881,289 Square Kilometers, Singida regions 49,438 square kilometers represent 5.6% of mainland area.

2.2.6 WEATHER

Singida Region has two seasons in a year. The dry season which starts from May-November and rain season which starts from November to April. The rainfall is between 500 - 800mm and the weather varies from 15c in July to 30c in October.

3.4 Population by sex for Singida and 7 Neighboring Regions.

Region	POPULATION			HOUSEHOLD	
	Male	Female	Total	Number	Average size
Singida	677,995	692,642	1,370,637	-	5.3
Shinyanga	750,841	783,967	1,534,808	-	5.9
Arusha	821,282	873,028	1,694,310	-	4.5
Manyara	717,085	708,046	1,425,131	-	5.2
Dodoma	1,014,974	1,068,614	2,083,588	-	4.6
Iringa	452,052	489,186	941,238	-	4.2
Mbeya	1,297,738	1,409,672	2,707,410	-	4.3
Tabora	1,129,730	1,161,893	2,291,623	-	6.0
TOTAL	6,861,697	7,187,048	14,048,745		

Source: Economic survey 2016 and 2012 population and housing census.

2.2.7 SOURCE OF INCOME.

The major source of income for Singida and the seven neighboring regions is from Agriculture produce forestry and livestock. Export products are Cotton lint, sesame seed, Yellow gram, sunflower, honey, beeswax and livestock. Food crop are maize, sorghum, cow peas, assorted beans, rice and vegetables.

Par capita size of land owned by small farmer is 4 hectors.

Sensitization of small holder farmers to adopt new technology which can increase yield and income is the key role for the development in these regions. Production of oil seeds, other commercial crops in Tanzania is as given below:

Table No. I COMMERCIAL CROPS PRODUCTION IN TANZANIA

Zao	2012	2013	2014	2015	2016	2017	2018	Change (%)
Cotton	225,938	357,130	246,767	203,312	149,455	132,934	222,039	67.0
Coffee	126,624	86,359	100,000	87,737	60,691	48,329	45,245	-6.4
Tea	262,880	296,697	294,421	304,007	293,075	26,975	34,010	26.1
Partharam	32,810	33,700	33,000	35,750	32,629	2,150	2,400	11.6
Tobacco	5,700	6,100	7,090	6,050	2,011	58,639	50,522	-13.8
Cashew nut	33,219	71,200	47,301	41,674	60,921	265,238	313,826	18.3
Sisal	25,690	34,875	37,571	39,204	42,314	36,533	40,635	11.2
Sugar	160,000	127,947	123,449	197,933	155,416	330,843	303,752	-8.2
Total	872,861	1,014,008	889,599	796,512	796,512	901,641	967,184	7.3

Table No.2 PRODUCTION OF OIL SEEDS CROPS IN TANZANIA

YEAR	2012	2013	2014	2015	2016	2017	2018	Change (%)
Sunflower	1,125,000	2,625,000	2,755,000	2,878,500	2,995,500	3,112,500	768,188	-75.3
Grand nuts	810,000	1,425,000	1,635,735	1,835,933	2,025,595	2,215,257	643,485	-71.0
Sesame	456,000	1,050,000	1,113,892	1,174,589	1,232,092	1,291,724	133,704	-89.6
Palm oil	24,880	40,500	41,000	41,475	41,925	42,277	40,500	-4.2
Soya	5,620	5,830	6,025	6,030	6,035	6,135	21,321	247.5
Total	2,421,500	5,146,330	5,551,652	5,936,527	6,301,147	6,667,893	1,607,198	-75.9

Source: Ministry of Agriculture and Life stock.

2.3 BIOSUSTAIN TANZANIA LIMITED COMPANY PROFILE

2.3.1 Biosustain status profile

1.1 BIOSUSTAIN STATUS

Biosustain Tanzania Limited was established incorporated in Tanzania as a Limited liability company on 3rd January, 2006 under the company Ordinance (cap 212) and issue with a certificate of Incorporation No. 55089 dated 3rd January, 2006. Among its main objectives is to carry on the business of Export of organic cotton and rotational crops.

2.3.0 OWNERSHIP

2.3.1 OWNERSHIP AND PROJECT LOCATION

Biosustain is a registered limited liability company in Tanzania owned and operated by two shareholders / directors. Dr. Riyaz Haider , Mr. Sajjad Haider Mr. Sajjad Haider 25% and Dr. Riyaz Haider with 75%.

Both are seasoned businessman with long and wide experience in general business management in export businesses as well as logistics management.

2.3.2 COMPANY ASSETS VALUE

The company Net Book Value as at 31st December, 2019, was USD 2,009,477 at written down value.

2.3.3 THE ORGANIZATION ADDRESSES

Shareholders: 1.) Dr. Riyaz Haider
2.) Mr. Sajjad Haider

CEO and Directors 4.) Dr. Riyaz Haider
Mr. Sajjad Haider

Physical Address: Rashidi Kwawawa Rd 570
Kinondoni
P.O.Box 15101
Dar es Salaam

Telephone: Landline: +255-22-2762077
Fax: +255-22-2762078
Singida: +255-26-2503170
Fax: +255-26-2502838

5.) Dr. Riyaz HAIDER
CEO
Mobile +0255 (0) – 0784-883-786
0773-883-786

haider@biosustain.de
www.biosustain.de

Legal Status 1.) Limited Liability Company

Bankers Exim Bank (T) Ltd

Clock Tower Branch,
Dar es Salaam

2.) The National Microfinance Bank,
Head Office Branch
Dar es Salaam

2.4 Sustainable cotton production in Singida, Tabora, Shinyanga and Simiyu Regions

Biosustain Tanzania Limited is **promoting sustainable Cotton Production** which aims to support the production of organic cotton in Singida and sustainable cotton (CMIA/BCI) as cotton made in Africa in Simiyu Regions and Eastern zone. The new initiative to revive cotton in an area that has a good potential with an innovative sustainable approach is the key subject for the company. Biosustain Tanzania Limited (BST) has registered 24,254 organic farmers under contract in Singida, Simiyu Regions and willing to increase in the same Regions approximately to 28,000 farmers families.

Biosustain (T) Ltd promotes sustainable agricultural systems with high impact on poverty reduction and it ensure viable income generating activities for rural households by creating reliable market channel for the sustainable cotton.

The implementation from the company involves the following:

- Farmers groups established and operational up to AMCOS.
- Strengthening of Extension services.
- Training of farmers on good agronomic practices.
- Marketing at farmer level through partnership is established and strengthened.
- Quality management of the products and several certification (Organic, CMIA/BCI, and GOTS)
- Food security through rotational crops.
- Farmers business school
- Climate Resilient in the production and Agribusiness.
- Botanicals production and application methods

The farmers receive seed and input s from Biosustain (T) Ltd on credit basis. Trainings and extension service in agriculture is rendered to farmers by Biosustain for free. Upon harvesting, farmer will collect seed cotton at buying units. BST buys the seed cotton, organizes transport to the company ginning facility in Singida Municipal and market the sustainable cotton lint to overseas markets in Europe and Asia.

2.5 GINNERY IN SINGIDA REGION

BioSustain Tanzania Limited purchased the old ginnery at Singida Township since 2010. The rehabilitation of the ginnery with new system was completed in November 2011. The Ginnery can now produce up to 40MT of lint or 200 bales in 24 Hrs. The ginnery comprises 28 jumbo double roller gins, two pre- cleaners and a new press of the brand JADHAO.

The Ginnery has employed all discipline required from filter electricians and stock keepers to operate shifts. The Ginnery employs 13 permanent people and seasonal casual employee ranging from 200 people and over depending on the volume of seed cotton procurement.

Biosustain is working on the combined standards of organic cotton and cotton made in Africa standards onwards since year 2016.

New investment for a Ginnery setup to increase capacity from 28 gins to 42 with full automation setup beginning of 2021. This measure will enable the company to increase the production and quality but also to reduce the risks of a long position, high interest payment and reduce the ginning activities from 7 to 4 months.



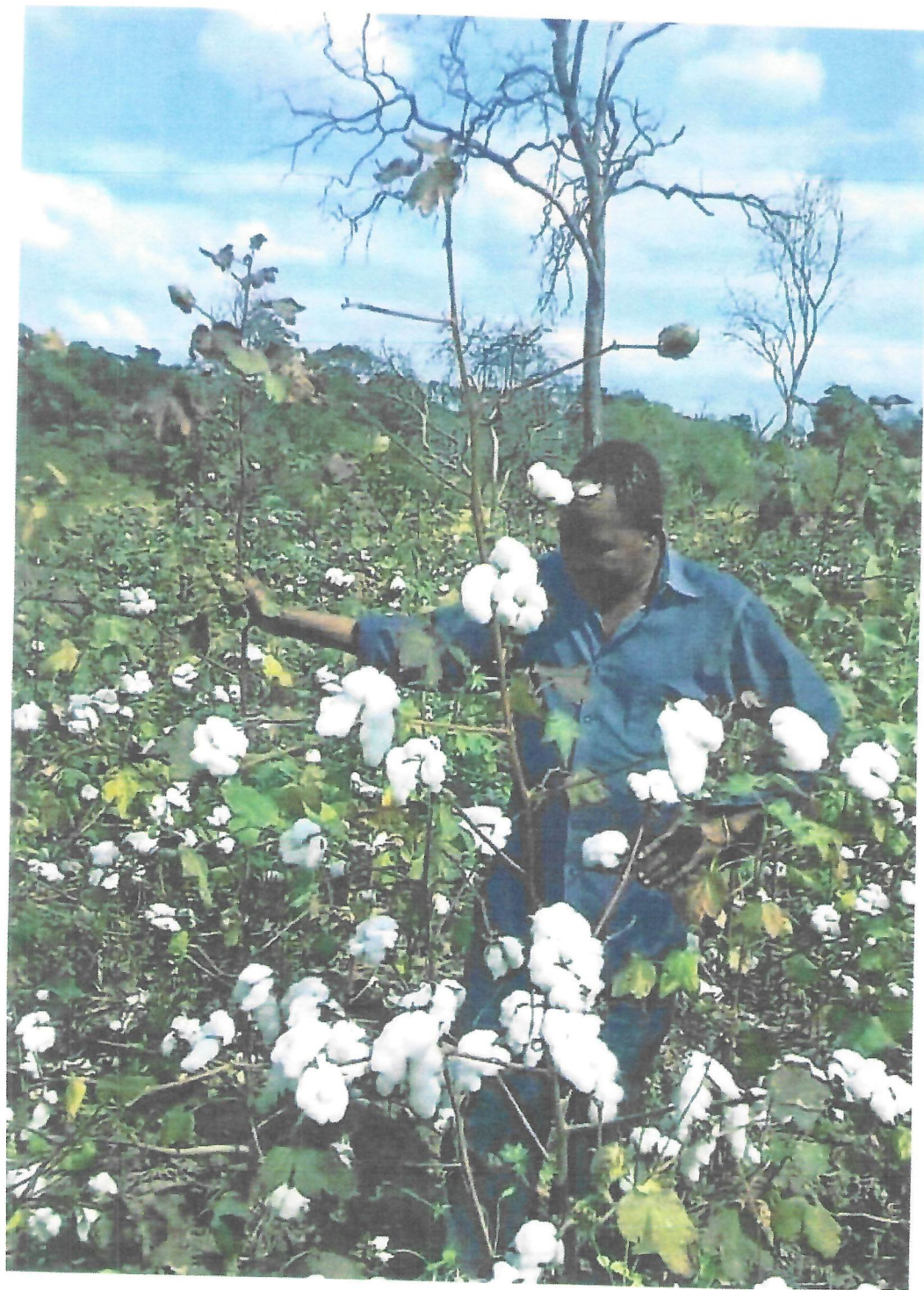
Organic farmers at the farmers Nanenane day



Part of Biosustain Team on training in Singida Township



A new farmer in Ikungi District with company's consultant Christine Paniere



Post harvest measures



2.10 FARMER TRAINING AND MOBILIZATION

The company has established a training unit for mobilization and training of company contract farmers in organic cotton farming. Currently the unit has one pick-up. With the intended expansion of operations to cover Tabora, Shinyanga and Simiyu Regions to be converted into organic cotton growing area, the company needs about three pick-ups, but to start with one pick-up is a must, therefore one unit pick up is included in the business plan for consideration and approval by Tanzania Investment Center.

3.0 MARKETING ASPECT

3.1 *Introduction*

The basic concern of most business activity is to manage the available resources to improve living standard and limit the effects of scarcity. The way in which the various needs of the community for goods and services are made known to the producers of these goods and services is by the use of market.

The essential elements in a market therefore centre on the behavior of buyers or consumers, sellers or producers and the ways in which these interact. Consumers and producers are constantly seeking way in which resources, goods and services can be used for their most highly valued purposes. The ability of producers and consumers to achieve this optimal outcome is constrained principally by the structure, conduct and performance of the markets. Thus the characteristics of markets are critical factors in the achievement of efficiency in any form of economic activity.

However; in real world, there are many frictions and imperfections which can act against the smooth working of the price system such as government interference with the normal operation of supply and demand. On the other hands, activities which help the market to work more effectively are; provision of market information, grading and standardization of products, financing, and risk bearing through insurance.

For successful business, it is important to locate exactly where and what situation for the production is exchanged. It is to find which market found in the line of the products cotton lint, cotton seeds and edible oil and other related products produced. Customer satisfaction, product focused, mission and market research are considered crucial. Therefore, business survival is dependent on the firm's ability to match its own resources to the opportunities in the market place in the most profitable way.

3.2 Market Overview

Businesses may be affected by factors beyond owner's control, and these need to be taken into account before making any plan. It is important to consider what opportunities and threats may arise out of the changes expected from the past analysis (physical, economical, social, cultural and technological factors) to determine outside factors that will affect the marketing plans.

3.3 Marketing Techniques

There are a number of techniques that may be used to determine a marketing strategy which involves segmentation, research and data collection to gain understanding of a particular market segment.

The demand and supply of cotton lint, cotton seeds and edible oil worldwide, varies according to place and time, specifically, there is no any entity regulating market and marketing of cotton lint seeds and edible oil in the country. Observation shows that, there is high demand toward

off season in particular for the products compared to harvesting time. The trend indicates that demand is higher than during the off season.

The potential markets for products produced from this project are both for export and local market consumption

3.4 The Instruments for Marketing

It is important for any business venture to fulfill the concepts of marketing mix. This inform the client on the strategic and tact activities regarding products, place, promotion, people, and price which are adjusted to specific target market segment in order to achieve the formulated market objectives.

3.5 Product

Quality, taste, texture, shelf life, quantity, packing, size and appearance are crucial for product marketing. It is important to produce good quality products and in large quantities to supply and exploit the available markets. It is important to fulfill the expectation by customers targeted in identified market segments. The strategy here will be to adjust product to target a selected market segments. For processed agricultural crops, there are a number of market segments that the client can serve from his business.

3.6 Place

Distribution channels, distributor requirements, who where, and when to distribute the products is important. However, there are no organized markets in terms of price that have been regulated by any regulating entity. Buyers come to buy at the owner's location however, it is advised that, the client is encouraged to store the products especially lint and edible oil in clean and hygienic places.

It is important that products are available to customers at the right time, place and quantity at a convenience manner. Efficiency stock management during distribution expert is important and selected point of sales can be identified basing on the market needs. However, selected markets are available externally and locally.

3.7 Promotion

This is all about communication about the products, composition, influencing buyer through advertisement, free samples, and or contact with customers. For success, it is suggested that, after the second year of project implementation, intensive product promotion will be done in hand with market research and development. Market research is discussed below. Both promotion and market research will influence product sales and obtain a larger market share. However, based on the value chain analysis and supply, still there is a big gap between demand and supply and therefore, no intensive marketing will be done.

Promotion will aim at increasing sales, new customers, compete more effective, and increase market shares.

3.8 Price

The objective of price strategy depends on a number of factors such as business economic and marketing objectives. Price setting can be based on cost or market base. With demand and competition oriented concepts, a fair price can be set which customers are willing and the promoter obtain reasonable net margin.

3.9 People

A business cannot operate effectively without good personnel. Different requirements need to be considered basing on the size of the business and level of operation. It is important to determine skills and experience of staff required, training that may be needed and how to recruit new or replacement of staff and their roles. Priority areas of training may include production techniques, marketing skills, etc.

3.10 Market Segmentation

Segmenting the market allows the various groups with common needs to be identified for more effective and efficient marketing operations. The segments can be categorized according to location, demographic, and or behaviouristic. However, the project will serve any market segments available in central zone and that can position the products to a competitive level in the perception of the customer.

These market segments contribute to a large extent of most of the available reliable market for manufactured and processed agricultural crops. Another market segment is rural markets which comprise a small portion of the market share for manufactured and processed agriculture products. Rural area market should be developed and well stocked during harvest seasons as farmers will be having cash from sale of their crops. This will also save as an incentive for more production of sunflower, and cotton, which are raw material for industrial processing into various products for both expert and local market.

3.11 Marketing Strategy

This is a planned application of a particular marketing mix to a market segment where decisions are made regarding the appropriate price, product, place and promotion for the market segment that is to be the focus of activities.

Marketing strategy is necessary to gain a competitive advantage achieved through developing particular strengths or specialty products that are not in direct competition with the bulk of other similar products produced. The aim is to achieve market share dominance, technical leadership, reputation for innovation, superior quality, and or to be the most reliable supplier at an acceptable price. To gain strategic advantage is important to identify the key factor for

success in the industry, specify the area of superiority in the organization and development of strength initiatives in order to exploit any likely advantages.

3.12 Market Place Analysis

The basic will involve analysis of the market place in terms of market size, growth trends, consumer behavior, competitors' position, strengths weakness and industry structure (main producers, distribution channels, mode of selling and products).

3.13 Environmental Analysis

These will involve looking at a dynamic of a number of variables to understand how will a change of the variables affects the others. These variables include economy, political climate, industrial relations, trade organizations, cultural/social environment, technology etc.

3.14 Resource Analysis

An assessment of an organization's resource base to include raw material supply, production capacity and flexibility, season effects, labour supply and skill, cost structures, technical strength, management capabilities and marketing strength.

SALARIES AND WAGES:

ANNEXURE I

(USD)

	DESIGNATION	NO.	PER MONTH	PER ANNUAL
1	ADMINISTRATION	1	5,000	60,000
	Managing Director	1	4,000	48,000
	Director of Finance	1	4,000	48,000
	Director of Procurement	1	4,000	48,000
	Director of Human Resources	1	3,000	36,000
	Director of Marketing and Promotion	1	3,000	36,000
	SUB TOTAL	5	23,000	276,000
2	PRODUCTION			
	Production Manager	1	2,500	30,000
	Production Engineer	1	2,500	30,000
	Electricians	4	2,000	24,000
	Mechanics	4	2,000	24,000
	Production Supervisor	4	1,200	14,400
	Binns Attendants	4	800	9,600
	Press Attendants	4	800	9,600
	Attendants	4	800	9,600
	Production Attendants	25	3,750	45,000
	Cleaners (General)	18	1,944	23,328
	SUBTOTAL	69	18,294	219,528
GRAND TOTAL	74	41,294	495,528	

OPERATION EXPENSES

(USD)

COST CENTRE		PER MONTH	PER ANNUAL
Medical and staff Welfare		948	11,376
SDL Contribution		57	684
NSSF Contribution		95	1,140
Printing and Stationeries		300	3,600
Telephone, Postage and Email		118	1,416
Commission on Sales of Dusted Seed		160	1,920
Repair and Maintenance – Motor vehicles		2,836	34,032
Repair and Maintenance – Building and Machinery		2,550	30,600
Godown and Office Rent		600	7,200
Motor Vehicle Running costs		4,849	58,188
Donation and Subscriptions		240	2,880
Promotion and Entertainments Expenses		802	9,624
Inspection, Coordination and Legal Fees		802	9,624
Audit Fees		134	1,608
Travelling Expenses		2,672	32,064
Miscellaneous Office Expenses		1,069	12,828
Consultancy Fees		1,069	12,828
Insurance charges		355	4,260
Land Rent and Site Rate		286	3,432
TOTAL		19,942	239,304
TOTAL OPERATING EXPENSES			734,832
TERM LOANS (RESTRUCTURES)	PRINCIPAL	REPAYMENT	INTEREST
Interest 6%			
Repayment 2years			
1)	600,000		
2)	600,000	300,000	36,000
3)	300,000	300,000	18,000
4)			

BIOSUSTAIN TANZANIA LIMITED

SUMMARY ANALYSIS OF ESTMATED CAPITAL REQUIREMENT OF USD 1,088,600.

PLANT AND MACHINERY

Bajaji 36 Ginns	USD 326,000
2 Tractor tractors –loading	USD 60,000
Tractors- feeding	USD 60,000
Transformer/Electrical Panel	<u>USD 55,000</u>
	<u>USD 501,000</u>

BUILDING & CIVIL WORKS

Buildings	USD 180,000
	<u>USD 180,000</u>

GINNERY MATERIAL STOCKS

Spare parts	USD 140,000
Quiclinks	USD 87,600
Bailing Materials	USD 120,000
Seed Cotton Bags	<u>USD 60,000</u>
	<u>USD 407,600</u>

ESTIMATED PROJECT CAPITAL COST

The estimated Project cost is as Summarized below:

CAPITAL COST CENTRE	LOCAL COST	FOREIGN COST	TOTAL COST
Land	-	-	-
Building and Civil Works	108,000	72,000	180,000
Plant and Machinery	150,300	350,700	501,000
Office Equipment	6,000	14,000	20,000
Motor Vehicles	8,000	12,000	20,000
Furniture and Fittings	24,000	16,000	40,000
TOTAL CAPITAL COST	296,300	464,700	761,000
Pre-operational Expenses	14,815	23,235	38,050
Working Capital	407,600	-	407,600
SUB TOTAL	422,415	23,235	445,650
TOTAL PROJECT COST	718,715	487,935	1,206,650

PROJECT FINANCING PLAN

(TZS.000)

SOURCE	LOCAL	FOREIGN	TOTAL
Self-Generated Funds:	1,206,650	-	1,206,650
Short Term Loan (Paul Reinhart AG)	-	-	-
TOTAL FINANCING	1,206,650	-	1,206,650

DEPRECIATION SCHEDULE.

(USD)

PARTICULAR				DEPRECIATION	NET BOOK
	LOCAL	FOREIGN	TOTAL COST		VALUE
Land	-	-	-	-	917,672.00
Building & Civil Works	108,000.00	72,000.00	180,000.00	7,200.00	676,044.00
Plant & machinery	150,300.00	350,700.00	501,000.00	62,625.00	438,375.00
Motor Vehicle	8,000.00	12,000.00	20,000.00	5,000.00	15,000.00
Furniture & Fittings	24,000.00	16,000.00	40,000.00	50,000.00	350,000.00
Computer / printers	6,000.00	14,000.00	20,000.00	25,000.00	175,000.00
OIL MILL	-	-	-	-	-
Const of godown & store	-	-	-	-	-
Const of back office	-	-	-	-	-
TOTAL CAPITAL COST	296,300.00	464,700.00	761,000.00	82,325.00	638,675.00
Pre-operational Expenses	14,815.00	23,235.00	38,050.00	7,610.00	30,440.00
TOTAL PROJECT COSTS	311,115.00	487,935.00	799,050.00	89,935.00	709,115.00

SCHEDULE OF FINANCIAL EXPENSES

	TZS	USD
OVER DRAFT INTEREST	73,903,766 ÷ 2,320	31,855
BANK CHARGES	40,153,226 ÷ 2,320	17,307
BANK LOAN PROCESSING	59,819,812 ÷ 2,320	25,784
CROP FINANCE	592,865,235 ÷ 2,320	<u>255,545</u>
		<u>330,491</u>
SAY		<u>330,490</u>

SUMMARY OF LOAN AND OVERDRAFT INTEREST

YEAR	2021	2022	2023	2024	2025
1.Restructured loan	36,000	18,000	-	-	-
2.Short Term loan (P. Reinhart)	-	-	-	-	-
3.Bank Charges	17,307	17,307	17,307	17,307	17,307
4.Bank Overdraft	31,855	31,855	31,855	31,855	31,855
5.Bank Loan Processing	25,784	25,784	25,784	25,784	25,784
6.Crop Financing	<u>330,490</u>	<u>330,490</u>	<u>330,490</u>	<u>330,490</u>	<u>330,490</u>
	<u>441,436</u>	<u>423,436</u>	<u>405,436</u>	<u>405,436</u>	<u>405,436</u>

9.0 CONSOLIDATED PROJECTED FINANCIAL ANALYSIS

9.1 Project Profit And Loss Statements

The projected profit and loss statements are presented as appendix IV to this report. The various assumptions underling the projected performances have been discussed bave. On the basis of there assumptions, the project is expected to make profit right from the first year of operations. A pre-tax profit of USD 1,234,712 will be realized in the first year rising to USD 2,400,965 in the third year and USD 3,270,994 in the sixth year and on wards.

9.2 Projected Cash Flows

The projected cash flow of the project is presented as appendix V, in the first Year the project will generate a surplus of USD 281,302 and rising to a surplus of USD 1,617,961 in the second year. The cumulative surplus will maintain an upward trend increasing to a total cumulative of USD 13,098,308 by the end of year eight of the project life.

This is an indication that the project is viable, financially sound and therefore it can repay the loan facility, interest and meet all other obligations within the schedules agreed upon.

9.3 Projected Balance Sheets

Appendix VI summarizes the projected balance sheets over the eight-year period. From the balance sheet it will be observed that throughout the period the current liabilities will be adequately covered by current asset while the Investor's net worth will grow from USD 2,720,948 in the first year to USD 13,752,147 by the year eight of the operations.

9.4 DISCOUNTED CASHFLOW (IRR)

The calculations of the Internal Rate of Returns (IRR) shows an after Tax IRR of way above 50% which is above the current borrowing Interest rates. Therefore it is considered to be acceptable to both Investors and the Financiers.

9.5 THE PAYBACK PERIOD

The payback period of the Initial Investment of USD 2,807,350 is about 11/4 year as calculated in Appendix X.

9.6 BREAKEVEN ANALYSIS

The Breakeven point is as worked out in Appendix IX. The project will breakeven at 51.9% in the first year. The breakeven point will drop to 39% in the fourth year and onwards. This confirms that the project is commercially viable.

10.0 ECONOMIC EVALUATION

10.1 Value ADDED

The project annual contribution to the Gross Domestic Product (GDP) as measured by the value added method is about USD 1,730,240 in the first year rising to USD 2,355,995 in the second year as worked out below:

	YEAR 1	YEAR 2
Annual Salaries and Wages	495,528	495,528
Profit Before Tax	1,234,712	1,860,467
Total Added Value (9.68%) and 10.62%	1,730,240	2,355,995
ANNUAL TOTAL INCOME	17,878,729	22,185,008
VALUE ADDED %	9.68%	10.62%

10.2 EMPLOYMENT EFFECTS

The project is expected to generate 74 permanent new jobs and about 30,000 and 50,000 in the associated industries.

11.0 CONCLUSION AND RECOMMENDATIONS.

11.1 Conclusion

The proposed expansion project is not only timely but essential for exploiting the abundant seed cotton and oil seeds for processing into lint and oil and it's by products for making animal fees. Also, it will provide ready market for the farmers and stimulate employment in both the rural and the urban Ares.

11.2

The project will generate direct permanent employment to about 74 people and further 30,000 – 50,000 people in rural areas as well as an unquantified number in the urban and rural area in the associated industries.

11.3

The project will contribute to the Treasury in the form of corporate Tax and VAT. Corporate tax will be USD 662,746 in the first year, rising USD 1,280,348 by the fifth on wards.

10.4 Recommendation

Since the project is technically feasible Financially and economically viable a fast Implementation of the venture is highly recommended in order to provide market for the expanded organic cotton growing area of Tabora, Shinyanga and Simiyu. Also, the increased acreage in Singida Region.

Hence it is recommended to the Financial Institution, Tanzania Investment Centre and the Government to consider the proposal favorably as submitted considering that the analysis is positive and it can repay all its obligations including Loans and capital, Interest and the Government statutory requirements. Also it will buy all organic seed cotton grown by contract and other farmers.

Prepare by
Biosustain Tanzania Limited
P.O.Box 15101
Dar Es Salaam

BIOSUSTAIN TANZANIA LIMITED

APPENDIX 1

		PROJECT PROFIT AND LOSS STATEMENTS –COTTON OPERATIONS							(USD)	
YEAR		2021	2022	2023	2024	2025	2026	2027	2028	
INCOME:										
Procurement. seed cotton (M.Ton)		18,000	23,000	28,000	33,000	38,000	38,000	38,000	38,000	
GOT –lint		38%	38%	38%	38%	38%	38%	38%	38%	
GOT-Cotton Seeds		58%	58%	58%	58%	58%	58%	58%	58%	
GOT-Waste		4%	4%	4%	4%	4%	4%	4%	4%	
Lint Output (M.ton)		6,840	8,740	10,640	12,540	14,440	14,440	14,440	14,440	
Cotton Seeds Output (M.ton)		10,440	13,340	16,240	19,140	22,040	22,040	22,040	22,040	
Lint Selling price -(USD)		1,676	1,676	1,676	1,676	1,676	1,676	1,676	1,676	
Cotton Seeds Selling Price (USD)		151	151	151	151	151	151	151	151	
Sales Income –Lint (USD)		11,463,840	14,648,240	17,832,640	21,017,040	24,201,440	24,201,440	24,201,440	24,201,440	
Sales Income-Cotton Seeds (USD)		1,576,440	2,014,340	2,452,240	2,890,140	3,328,040	3,328,040	3,328,040	3,328,040	
TOTAL SALES INCOME		13,040,280	16,662,580	20,284,880	23,907,180	27,529,480	27,529,480	27,529,480	27,529,480	
COST OF SALES										
Seed Cotton Purchase (USD 517.24 per M. ton)		9,310,320	11,896,520	14,482,720	17,068,920	19,655,120	19,655,120	19,655,120	19,655,120	
Transport (USD 23.71 per M.ton)		426,780	545,330	663,880	782,430	900,980	900,980	900,980	900,980	
District & TCB cess (USD 64.65 per M.ton)		1,1603,700	1,486,950	1,810,200	2,133,450	2,456,700	2,456,700	2,456,700	2,456,700	
Labour Charges (USD 2.21 per M.ton)		39,780	50,830	61,880	72,930	83,980	83,980	83,980	83,980	
Parking material (USD 8.81, per M.ton lint)		158,580	202,630	246,680	290,730	334,780	334,780	334,780	334,780	
Electricity (USD 14.79 per M. ton)		266,220	340,170	414,120	488,070	562,020	562,020	562,020	562,020	
Loading / Offloading (USD 2.67 per M.ton)		48,060	61,410	74,760	88,110	101,460	101,460	101,460	101,460	
TOTAL COST OF SALES		11,413,440	14,583,840	17,754,240	20,924,640	24,095,040	24,095,040	24,095,040	24,095,040	
GROSS PROFIT		1,626,840	2,078,740	2,530,640	2,982,540	3,434,440	3,434,440	3,434,440	3,434,440	
Operation Expenses		734,832	734,832	734,832	734,832	734,832	734,832	734,832	734,832	
Depreciation		89,935	89,935	89,935	89,935	89,935	89,935	89,935	89,935	
Loan and Overdraft Interest		441,436	423,436	405,436	405,436	405,436	405,436	405,436	405,436	
TOTAL EXPENSES		1,266,203	1,248,203	1,230,203	1,230,203	1,230,203	1,222,593	1,222,593	1,222,593	
PROFIT BEFORE TAX		360,637	830,537	1,300,437	1,752,337	2,204,237	2,211,847	2,211,847	2,211,847	
TAXATION AT 30%		108,191	249,161	390,131	525,701	661,271	663,554	663,554	663,554	
PROFIT AFTER TAX		252,446	581,376	910,306	1,226,636	1,542,966	1,548,293	1,548,293	1,548,293	
PROFIT BROUGHT FORWARD		-	252,446	833,822	1,744,128	2,970,764	4,513,730	6,062,023	7,610,316	
PROFIT APPROPRIATION		252,446	833,822	1,744,128	2,970,764	4,513,730	6,062,023	7,610,316	9,158,609	
PRIFIT CARRIED FORWARD		252,446	833,822	1,744,128	2,970,764	4,513,730	6,062,023	7,610,316	9,158,609	

APPENDIX II

PROJECTED PROFIT AND LOSS STATEMENTS (OIL MILL OPERATION)

(USD)

YEAR	2018	2019	2020	2021	2022	2023	2024	2025
Sales Revenue	4,838,449	5,522,428	5,907,883	6,362,654	6,362,654	6,362,654	6,362,654	6,362,654
Less: Manufacturing cost	3,532,381	3,998,682	4,278,601	4,739,342	4,739,342	4,739,342	4,739,342	4,739,342
GROSS PROFIT	1,306,068	1,523,746	1,629,282	1,623,312	1,623,312	1,623,312	1,623,312	1,623,312
Packaging Costs	315,871	361,279	386,964	411,462	411,462	411,462	411,462	411,462
Indirect Cost	116,122	132,537	14,790	152,703	152,703	152,703	152,703	152,703
TOTAL	431,993	493,816	528,754	564,165	564,165	564,165	564,165	564,165

PROJECTED CASH FLOW STATEMENTS

APPENDIX III

	(USD)								
YEAR	0	1	2	3	4	5	6	7	8
INFLOW									
CAPITAL IN FLOW									
Self-Generated Funds	1,206,650								
Short Term Loan	-								
OPERATING INFLOW									
Profit Before Tax	-	360,637	830,537	1,300,437	2,204,237	2,211,847	2,211,847	2,211,847	2,211,847
Depreciation	-	89,935	89,935	89,935	89,935	89,935	89,935	89,935	89,935
TOTAL IN FLOW	1,206,650	450,572	920,472	1,390,372	1,842,272	2,294,172	2,294,172	2,294,172	2,294,172
OUT FLOWS									
CAPITAL OUT FLOWS									
Investments	799,050								
Re-Investment	-								
Loan Repayment	-	500,000	500,000	-	-	-	-	-	-
Taxation	-	-	108,191	249,161	390,131	525,701	661,271	663,554	663,554
Change in working Capital		543,345	150,929	150,929	150,929	150,930	-	-	-
TOTAL OUTFLOWS	799,050	1,043,345	759,120	400,900	541,060	676,631	661,271	663,554	663,554
NET CASH FLOW	-	(592,773)	161,352	990,282	1,301,212	1,617,541	1,632,901	1,630,618	1,630,618
OPEN BALANCE	-	407,600	(185,173)	(23,821)	966,461	2,267,673	3,885,214	5,518,115	7,148,733
CLOSING BALANCE	407,600	(185,173)	(23,821)	966,461	2,267,673	3,885,214	5,518,115	7,148,733	8,779,351

CONSOLIDATED PROFIT AND LOSS STATEMENT

APPENDIX IV

(USD)

YEAR	1	2	3	4	5	6	7	8
Cotton Lint	11,463,840	14,648,240	17,832,640	21,017,040	24,201,440	24,201,440	24,201,440	24,201,440
Cotton Seed	1,576,440	2,014,340	2,452,240	2,890,140	3,328,040	3,328,040	3,280,040	3,328,040
Oil Mill Income	4,838,449	5,522,428	5,907,883	6,362,654	6,362,652	6,362,654	6,362,654	6,364,654
TOTAL INCOME	17,878,729	22,185,008	26,192,763	30,269,834	33,892,134	33,892,134	33,892,134	33,892,134
Less: Cost of Sales								
Seed Cotton transport	11,413,440	14,583,840	17,754,240	20,924,640	24,095,040	24,095,040	24,095,040	24,095,040
Ginning and Packing	3,532,381	3,998,682	4,278,601	4,739,342	4,739,342	4,739,342	4,739,342	4,739,342
Oil Milling operation	14,945,821	18,582,522	22,032,841	25,663,982	28,834,382	28,834,382	28,834,382	28,834,382
TOTAL COST OF SALES								
GROSS PROFIT	2,932,908	3,602,486	4,159,922	4,605,852	5,057,752	5,057,752	5,057,752	5,057,752
OPERATION, CAPITAL AND FINANCIAL COSTS								
Operating Expenses	1,166,825	1,228,648	1,263,586	1,298,997	1,298,997	1,298,997	1,298,997	1,298,997
Depreciation	89,935	89,935	89,935	89,935	89,935	82,325	82,325	82,325
Term Loan and overdraft								
Interest	441,436	423,436	405,436	405,436	405,436	405,436	405,436	405,436
TOTAL OPERATING, CAPITAL AND FINANCIAL COSTS	1,698,196	1,742,019	1,758,957	1,794,368	1,794,368	1,786,758	1,786,758	1,786,758
PROFIT BEFORE TAX	1,234,712	1,860,467	2,400,965	2,811,484	3,263,384	3,270,994	3,270,994	3,270,994
TAX PAYABLE AT 30%	370,414	558,140	720,289	843,445	979,015	981,298	981,298	981,298
PROFIT AFTER TAX	864,298	1,302,327	1,680,676	1,96,039	2,284,369	2,289,696	2,289,696	2,289,696
PROFIT BROUGHT FORWARD	-	864,298	2,166,625	3,847,301	5,815,340	7,486,384	9,172,755	10,859,126
PROFIT FOR APPROPRIATION	864,298	2,166,625	3,847,301	5,815,340	8,099,709	9,776,080	11,462,451	13,148,822
APPROPRIATION ACCOUNT								
DIVIDEDS -Rate	-	-	-	-	50%	50%	50%	50%
-Amount	-	-	-	-	603,325	603,325	603,325	603,325
ACCUMULATED RETAINED PROFITS	864,298	2,166,625	3,847,301	5,815,340	7,486,384	9,172,755	10,859,126	12,545,497
TOTAL APPROPRIATION AMOUNT	864,298	2,166,625	3,847,301	5,815,340	8,099,709	9,776,080	11,462,451	13,148,822

BIOSUSTAIN TANZANIA LIMITED
CONSOLIDATED CASH FLOW STATEMENT

APPENDIX V

(USD)

YEAR	0	1	2	3	4	5	6	7	8
INFLOW									
CAPITAL IN FLOW									
Share Holders Equity Contribution	1,206,650								
Term Loan	-								
OPERATING INFLOW									
Profit Before Tax	-	1,234,712	1,860,467	2,400,965	2,811,484	3,263,384	3,270,994	3,270,994	3,270,994
Depreciation		89,935	89,935	89,935	89,935	89,935	82,325	82,325	82,325
TOTAL IN FLOW	1,206,650	1,324,647	1,950,402	2,490,900	2,901,419	3,353,319	3,353,319	3,353,319	3,353,319
OUT FLOWS									
Investments	799,050								
Re-Investments	-								
Loan Repayments	-	500,000	500,000	-	-	-	-	-	-
Taxation	-	-	370,414	558,140	720,289	843,445	979,015	981,298	981,298
Dividends	-	-	-	-	-	-	603,325	603,325	603,325
Change in working Capital	-	543,345	150,929	150,929	150,929	150,929	-	-	-
TOTAL OUTFLOWS	799,050	1,043,345	1,021,343	709,069	871,218	994,375	1,582,340	1,584,623	1,584,623
NET CASH FLOW	407,600	281,302	929,059	1,782,831	2,030,201	2,358,944	1,770,979	1,768,696	1,768,696
OPEN BALANCE	-	407,600	688,902	1,617,961	3,400,792	5,430,993	7,789,937	9,560,916	11,329,612
CLOSING BALANCE	407,600	688,902	1,617,961	3,400,792	5,430,993	7,789,937	9,560,916	11,329,612	13,098,308

BIOSUSTAIN TANZANIA LIMITED
CONSOLIDATED BALANCE SHEET STATEMENTS

APPENDIX VI

	(USD)							
YEAR	1	2	3	4	5	6	7	8
FIXED ASSETS								
Gross Fixed Assets	799,050	799,050	799,050	799,050	799,050	799,050	799,050	799,050
Less: Accumulated Depreciation	89,935	179,870	269,805	359,740	449,675	532,000	614,325	696,650
NET FIXED ASSETS	709,115	619,180	529,245	439,310	349,375	267,050	184,725	102,400
CURRENT ASSETS								
Trade Stocks	1,879,565	2,182,623	2,662,665	3,030,283	3,030,283	3,030,283	3,030,283	3,030,283
Trade Debtors / Receivables	578,900	726,971	875,042	875,042	875,042	875,042	875,042	875,042
Cash and Bank Balances	688,902	1,617,961	3,400,792	5,430	7,789,937	9,560,916	11,329,612	13,098,308
TOTAL CURRENT ASSETS	3,147,367	4,527,555	6,938,499	9,336,318	11,695,262	13,466,241	15,234,937	17,003,633
CURRENT LIABILITIES								
Trade Creditors and Deposits	915,120	1,215,320	1,331,449	1,910,193	1,759,263	1,769,263	1,769,263	1,769,263
Taxation Payable	340,141	558,140	720,289	843,445	979,015	981,298	981,298	981,298
Dividends Payable	-	-	-	-	603,325	603,325	603,325	603,325
TOTAL CURRENT LIABILITIES	1,285,534	1,773,460	2,413,793	2,753,638	3,341,603	3,353,886	3,353,886	3,353,886
NET CURRENT ASSETS (LIABILITIES)	1,861,833	2,754,095	4,524,706	6,582,680	8,353,659	10,112,355	11,881,051	13,649,747
TOTAL NET ASSETS (LIABILITIES)	2,570,948	3,373,275	5,053,951	7,021,990	8,703,034	10,379,405	12,065,776	13,752,147
FINANCED BY								
Share Capital	1,206,650	1,206,650	1,206,650	1,206,650	1,206,650	1,206,650	1,206,650	1,206,650
Accumulate Retained Profits (LOSSES)	864,298	2,166,625	3,847,301	5,815,340	7,496,384	9,172,755	10,859,126	12,545,497
INVESTORS NETWORTH	2,070,948	3,373,275	5,053,951	7,021,990	8,703,034	10,379,405	12,065,776	13,752,147
Terms Loan	500,000	-	-	-	-	-	-	-
TOTAL FINANCING	2,570,948	3,373,275	5,053,951	7,021,990	8,703,034	10,379,405	12,065,776	13,752,147

BIOSUSTAIN TANZANIA LIMITED
PROJECTED CONSOLIDATED RATIO ANALYSIS

(USD)

APPENDIX IX

YEAR	FIXED COST	VARIABLE COSTS	TOTAL COSTS	FIXED COSTS	VARIABLE COSTS	TOTAL COSTS
Cost of Sales		14,945,821	14,945,821		25,663,982	25,663,982
Operating costs	1,166,825	-	1,166,825	1,298,997		1,298,997
Financial charges	441,436	-	441,436	405,436		405,436
Capital charges	89,935	-	89,935	89,935		89,935
TOTAL COSTS	1,698,196	14,945,821	16,644,017	1,794,368	25,663,982	27,458,350
A. Sales Revenue			17,878,729			30,269,834
B. Variable costs			14,945,821			25,663,982
C. Contribution margin A& B			2,932,908			4,604,852
D. Fixed costs			1,698,196			1,794,368
E. Contribution margin ratio C/A			0.164			0.152
F. Beakeven sales D/E			10,354,854			11,805,053
CAPACITY AT BREAKEVEN POINT F/A x 100						
			51.9%			39.%

Certified True Copy of the Original
Sign: *Gambel* Date: 11/2/2021
GODFREY JOHN AMBET
PROFITABLE TAX ADMINISTRATOR
for Dar es Salaam

APPENDIX X

YEAR	TOTAL COSTS	DEPRECIATION	TOTAL	CUMMULATIVE
0	1,206,650	-	1,206,650	(1,206,650)
1		89,935	954,233	(252,417)
2		89,935	1,392,262	1,139,845
3		89,935		
4		89,935		
5				
6				
7				
8				

THE PAY BACK PERIOD IS ABOUT 1 1/4 YEAR