

6. PROJECT SUMMARY

6.1. Project Statement

- TO UPGRADE / ENHANCE THE HDPE uPVC PIPE PRODUCTION FACILITY SITUATED IN CHANG'OMBE INDUSTRIAL AREA.

6.2. Investment financing

6.2.1. Investment breakdown and financing plan

- Investments of USD 5,976,694/- have already been made since the organization's existence.
- It is our plan to work for 50 % financing from Standard chartered bank Tanzania for the upgrading project (as per break down below), and would be applying for the term loan. In the case the loan is not approved we shall be financing the upgradation project via equity financing.
- Find below current plan for expenses and financing for the aforementioned project.

ESTIMATED COST OF EQUIPMENT REQUIRED TO UPGRADE / ENHANCE THE PRODUCTION FACILITY:

Sno	Item Description	Qty	Approx Cost -USD		
			FOB	Freight	Total CFR
1	HDPE Production Line 25mm to 110mm	1 SET	280,000	5,500	285,500
2	HDPE Line Production 110mm to 400mm	1 SET	555,000	6,500	561,500
3	Chiller 499KW	1 SET	45,650	4,350	50,000
4	LF Printer for Product Printing	4 Pcs	24,800	3,100	27,900
5	Automatic Coiler Big	2 Set	120,000	7,000	127,000
6	Automatic Coiler Small	2 Set	163,200	5,000	168,200
7	PE Grinder	1 SET	114,000	3,500	117,500
8	Air Compressor	1 SET	20,000	2,500	22,500
9	UPS 600 KVA	1 SET	135,000	6,000	141,000
10	UPVC Production Line	1 SET	752,450	17400	769,850
11	UPVC PULVARIZER	1 SET	131,765	5,100	136,865
					2,407,815
	Financed by:				
	Local Bank Loan(Standard Chartered Tanzania)	31.2%	USD		750,550
	Local Equity	68.8%	USD		1,657,265

6.3. Investor Details

- Equity financing will be carried out by Simba Pipe Industries Ltd holding company and shareholder i.e DSL International Ltd and Gulabchand Punamchand Shah.
- Bank Financing will be performed by Standard Chartered Bank, Tanzania.

6.4. Expected employment Generation

- As in our profile, currently we are running our plant with over 15 highly skilled and over 80 unskilled workers.
- As a subset of this project we expect to hire at least 2 engineers and 10 semi-skilled workforce. In addition we also expect that we would hire at least 20 additional unskilled workers.

6.5. Implementation Period

- The above investment is planned to be made over the next 2 years, i.e. spread across 2020 to 2022.
- Individual investments will be made as and when deemed appropriate by the board and management of Simba Pipe Industries Ltd.

7. FINANCIALS

7.1. Statement of Affairs:

	Actuals	Projections(in TSH millions)				
	2019	2020	2021	2022	2023	2024
Assets:						
Fixed Assets	5,095	6,015	7,855	8,545	8,545	8,545
Current Assets						
Inventory	5,919	3,906	3,930	4,150	3,948	3,850
Trade & Other Receivables	8,838	9,615	9,948	9,465	9,912	9,755
Cash & Cash Equivalent	63	105	110	95	95	95
	14,820	13,626	13,988	13,710	13,955	13,700
Total Assets	19,915	19,641	21,843	22,255	22,500	22,245
Equity & Liabilities:						
Share Capital	560	560	560	560	560	560
Retained Earnings	4,578	5,797	6,893	8,236	9,705	11,392
	5,138	6,357	7,453	8,796	10,265	11,952
Term Loan (From Bank)	0	330	786	667	203	0
Current Liabilities						
Trade & Other Payables	3,608	3,245	3,124	3,752	1,802	2,265
Other Financial Liabilities	5,542	3,579	1,350	1,260	1,260	1,260
Contract liabilities	1,369	856	790	659	640	690
Bank Overdrafts	4,258	5,274	8,340	7,121	8,330	6,078
	14,777	12,954	13,604	12,792	12,032	10,293
Total Equity & Liability	19,915	19,641	21,843	22,255	22,500	22,245

7.2. Income Statement

	Actuals	Projections				
	2019	2020	2021	2022	2023	2024
Revenue	17,894	24,725	26,657	28,773	31,073	33,557
Cost of Sales	13,142	18,159	19,578	21,132	22,821	24,645
Gross Profit	4,752	6,566	7,079	7,641	8,252	8,912
Other Income	33	37	40	44	49	54
Operating Exps.	4,636	4,203	4,532	4,891	5,282	5,705
Operating Profit	149	2,400	2,588	2,794	3,018	3,261
Finance Cost	573	658	1022	876	920	850
Profit before taxation	-424	1,742	1,566	1,918	2,098	2,411
Tax	120	522	470	575	630	723
Net Profit	-544	1,219	1,096	1,343	1,469	1,687

SIMBA PIPE INDUSTRIES LTD

ANNEX 01

ESTIMATED COST OF EQUIPMENT REQUIRED TO UPGRADE / ENHANCE THE PRODUCTION FACILITY:

Sno	Item Description	Qty	Approx Cost -USD		
			FOB	Freight	Total CFR
1	HDPE Production Line 25mm to 110mm	1 SET	280,000	5,500	285,500
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3	Chiller 499KW	1 SET	45,650	4,350	50,000
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8	Air Compressor	1 SET	20,000	2,500	22,500
9	UPS 600 KVA	1 SET	135,000	6,000	141,000
					1,501,100
	Financed by:				
	Local Bank Loan	50%	USD		750,550
	Local Equity	50%	USD		750,550

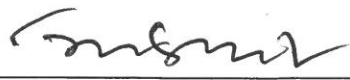
DATED : 11/10/2021

ADDITIONAL EQUIPMENT TO ANNEX 01

Sno	Item Description	Qty	Approx Cost -USD		
			FOB	Freight	Total CFR
1	UPVC PRODUCTION LINE 110MM TO 450MM	1 SET	752,450	17,400	769,850
2	UPVC PULVARIZER	1 SET	131,765	5,100	136,865
					906,715
	Financed by:				
	Local Equity	100%	USD		906,715

Total Investment				\$ 2,407,815.00
Total Financing Breakdown				
Local Bank Loan				\$ 750,550.00
Local Equity				\$ 1,657,265.00



SIGNATURE : 
NAME : JAYESH G SHAH
DESIGNATION : DIRECTOR
ENTITY : SIMBA PIPE INDUSTRIES LTD

MODERN ASSIGNMENT PROJECTS

Street No. 3040
 P.O. Box 1138, Postal Code 130, Muscat, Oman
 Phone: +96895251151

PROFORMA INVOICE

Date 21-Aug-21
 Expiration Date 20-Sep-21
 Proforma Invoice # MPA/DPI/01

CUSTOMER
 Simba Pipe Industries Ltd
 Simba Pipe Industries Ltd
 P. O Box 46259, Dar es Salaam
Tanzania
 Tel : +255 22 2864555

SHIP TO
 Simba Pipe Industries Ltd
 Simba Pipe Industries Ltd
 P. O Box 46259, Dar es Salaam
Tanzania
 Tel : +255 22 2864555

SHIPPING DETAILS
 Freight Type SEA
 Est Ship Date TBA
 Est Gross Weight
 Est Cubic Weight
 Total Packages

S. No	PARTICULARS	Qty	Unit Price (USD)	Value (USD)
	HIGH-SPEED PLASTIC PULVARIZER			
1	PVC PULVARIZER	1	130,000.00	130,000.00
2	EXTRA BLADES	1	1,000.00	1,000.00
3	40MESH SCREEN FOR POWDER HOLE	1	765.00	765.00
				131,765.00
	Sea Freight Cost			5,100.00
			Total Value	136,865.0
	Advance Payment required with Order			136,865.0
	USD One Hundred Thirty Six Thousand Eight Hundred Sixty Five Only			

For Modern Assignment Projects

Authorised Signatory



Our Bank details :

Bank Muscat AHLI Bank S.A.O.G, 116 Mina Al Fahal, Banch code : XXX
 Postal Code 545, PC 116, Mina Al Fahal, Sultanate of Oman
 Account No. 5101-085829-002
 Swiftcode: AUBOOMRUXXX
 Corresponding bank: Swift code:

TERMS OF SALE AND OTHER COMMENTS

Payments Terms: 100% as down payment by TT

ADDITIONAL DETAILS

Country of Origin China
 Port of Embarkation Any Port in China
 Port of Discharge Dar es Salaam



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