

MADABA WOOD PROCESSING TANZANIA LIMITED

Plot No. 1, Block B, Njombe Industrial Area Ltd., YAKOBI, NJOMBE, TANZANIA

BACKGROUND

Madaba Wood Processing Tanzania Limited (MWPTL) was established in February 2019, Promoted by Dr. Rajeev Singh with an objective of converting wood waste into value added products.

PROJECTS

Engineered wood and panel board Manufacturing Plant.

In NJOMBE Region, more than 80,000 hectare plantation are managed in small lots vary from 2 to 20 hectare plots by small growers. Plantation are reaching maturity age but the small grower are forced to sell the standing stakes to middle man and are getting little value. As the out grower don't have harvesting and processing facility, they have no other choice other than the middle man, who are offering very less price to them. The middle man are engaging harvesting crew and mobile saw machines at site and producing sawn timber and selling the same at site. The recovery is low and leaving the waste litter at site which is creating fire threat during dry season.

In and around Njombe Region lot of wood waste is generated by existing saw mill and processing units. The total wood waste generated is more than 600,000 MT annually. Lack of proper wood waste processing unit, it create environmental problem and fire risk.

It is required to set up engineering wood and panel board processing unit to process the available forestry material efficiently and add value to basic material. The objective is to give fair price to small plantation growers.

The proposed engineered wood processing unit will use the available wood waste material.

Engineered Plywood

All small diameter logs, un-pruned logs which are not suitable for make timber will converted into core and after removing knots, will convert into compressed block and further slice it with slicer to make defects free face veneer to make plywood.

Plywood manufactured from engineered face veneer is free from dead knot and have premium look and fetching premium price while cost of production is less.

Finger jointed solid wood board

Njombe District have surplus of short length and less diameter pine logs, leftover of eucalyptus logs, wattle logs and offcuts which can't be used for timber and used as firewood or left in fields, which were serve as fuel for forest fire during dry season.

Finger joint board is **a kind of board made by joining long strips of wood together**. The pieces are between 2 and 5cm wide and the staves can be as long as the board itself called full stave board, or about 20/30 cm long and joined end-to-end with finger joints until they reach the desired length.

The greatest advantage of this kind of board is that we can make large solid wood panels, impossible to achieve with a single log. Besides, since they're made with small planks of wood, they allow for greater dimensional stability. When making them, the grain is alternated to reduce torsion in the resulting panel.

All small size timber, which is not saleable, can be converted into solid board. Solid board can fetch much higher price in domestic and international market..

Hollow Particle Board

Wood waste, saw dust and wood particles have no value and left in forest after saw timber and it is expensive for small and medium saw mills to dispose the wood waste. We will collect all wood waste and will convert it into hollow particle board, which will fetch good price in market.

The total investment will be USD 1,000,000.00.

Time required to install the production line – Nine months.

Employment – This project will generate 100 new skilled and semi-skilled direct employment and 100 indirect employment.

Final Product – total 30 cubic meter per day

1. Engineered Plywood (Capacity 10 CBM per day)
2. Hollow Particle board (Capacity 5 CBM per day)
3. Engineered compressed wood (Capacity 5 CBM per day)
4. Finger jointed solid board (Capacity 10 CBM per day)

Potential Market – 40% domestic and 60% export to East African countries, UAE and Asia.

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Projected Balance Sheet

(All amounts in Tnz shs' m)

	Actual 2021	Estimated					Projected				
		2022	2023	2024	2025	2026	2027	2028	2029	2030	
Non Current Assets	685	2434	1945	5459	4345	3258	2444				
Current Assets	179	228	259	730	1053	2043	3060				
Total Assets	864	2662	2204	6189	5397	5301	5504				
Shareholder's Equity	167	243	620	1417	2414	3761	5371				
Current Liabilities	479	976	1021	1892	1351	1220	133				
Non-Current Liabilities	218	1443	563	2880	1633	320	0				
Total Liabilities	697	2419	1584	4772	2984	1540	133				
Total Shareholder's Equity and Liabilities	864	2662	2204	6189	5397	5301	5504				

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**Projected Profit and Loss Account
Year March 2022 - December 2027**

(All amounts in Tnz shs' m)

Year	2021 Actual	2022 Estimated	Projected				
			2023 60%	2024 70%	2025 80%	2026 80%	2027 80%
Capacity Utilisation Turnover	923.18	1100	2946.13	4582.87	5237.57	5237.57	5237.57
Wood Processing Power generation	0.00	0.00	0.00	0.00	1741.86	2322.48	2322.48
Total Turnover	923.18	1100.00	2946.13	4582.87	6979.43	7560.05	7560.05
Cost of Sales	-501.41	-595	-1465.80	-2280.13	-2605.86	-2605.86	-2605.86
Wood Processing Power generation	0.00	0.00	0.00	0.00	-648.00	-864.00	-864.00
Total Cost of Sales	-501.41	-595	-1465.80	-2280.13	-3253.86	-3469.86	-3469.86
Gross Profit	421.77	505.00	1480.34	2302.75	3725.57	4090.19	4090.19
Operating Expenses (Overhead & Marketing Exp.)	-162.87	-185.5	-383.07	-595.89	-961.02	-961.02	-961.02
Other Income	120.00	120.00	120.00	120.00	120.00	120.00	120.00
Operating Profit	258.90	319.50	1217.26	1826.85	2884.55	3249.17	3249.17
Finance Income (Cost)	-42.59	-41	-189.21	-202.35	-345.99	-237.91	-135.50
Depreciation	-148.84	-171.28	-488.46	-486.34	-1114.46	-1086.14	-814.61
Profit before Tax	67.47	107.22	539.59	1138.16	1424.10	1925.12	2299.06
Tax	-21.37	-32.166	-161.88	-341.45	-427.23	-577.54	-689.72
Net Profit (Loss)	46.10	75.05	377.72	796.71	996.87	1347.59	1609.34

Statement of Change in Equity

	2021	2022	2023	2024	2025	2026	2027
Called up Share capital	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Loss / Profit b/f	21.37	67.47	142.52	520.24	1316.95	2313.82	3661.41
P & L A/c for the Year	46.10	75.05	377.72	796.71	996.87	1347.59	1609.34
Loss / Profit c/f	67.47	142.52	520.24	1316.95	2313.82	3661.41	5270.75
Shareholder's equity	167.47	242.52	620.24	1416.95	2413.82	3761.41	5370.75

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Projected Cash Flow statement

(All amounts in Tnz shs' m)

	Actual	Estimated			Projected		
	Year 2021	Year 2022	Year 2023	Year 2024	Year 2025	Year 2026	
Cash flows from operating activities							
Net profit /(loss) after Tax	47	76	378	797	997	1,348	
Adjustments for Non Cash Items							
Depreciation Project Items	149	171	488	486	1,114	1,086	
Operating Profit Before working Capital Changes	196	247	866	1,283	2,111	2,434	
Working capital changes							
Inventories	(11)	11	(20)	(10)	(10)	10	
Sundry debtors	54	15	(50)	50	10	10	
Sundry creditors	136	(100)	30	100	(30)	25	
Current liabilities and provisions	6						
Net cash flow from Operating activities (A)	381	173	826	1,423	2,081	2,479	
Cash flow from Investment and Financing Activities							
Purchase of fixed assets	(259)	(1,864)		(4,000)			
New Loan		1,864		4,000			
Increase/(Decrease) in capital creditors							
Net cash flow from Investment / Financing Activities (B)	(259)	-	-	-	-	-	
Cash out flow							
Interest and Principal (Loan)	(131)	(88)	(825)	(1,052)	(1,729)	(1,514)	
Net Increase / (decrease in cash and cash equivalent) (A+B)	(9)	85	1	371	353	965	
Cash and cash equivalent at begning of year	72	63	148	149	520	873	
Cash and cash equivalents at the end of the year	63	148	149	520	873	1,838	