

THE ZONAL MANAGER,
TANZANIA AGRICULTURAL DEVELOPMENT BANK , MBEYA BRANCH.

PROJECT: ESTABLISHMENT OF POLY BAGS
MANUFACTURING FACTORY

SPONSOR: JND POLYBAGS COMPANY LIMITED
P.O. BOX 190,
IRINGA.

- * APPLICATION FOR A TERM LOAN.
- * CASH FLOW PROJECTION STATEMENT.
- * AUDITED ACCOUNTS
- * BUSINESS PLAN.

MOSES AB & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
IN PUBLIC PRACTICE,
P.O. BOX 2412
MOBILE 0754-010057,
Email: mosesabc@yahoo.co.uk
MBEYA.

JND POLYBAGS COMPANY LIMITED,
P.O. BOX 190,
IRINGA.
10TH FEBRUARY, 2021.

THE ZONAL MANAGER,
TADB,
MBEYA BRANCH,
P.O. BOX 2581,
MBEYA.

Dear Sir,
Subject:

**APPLICATION FOR A TERM LOAN OF TSHS 8.2 BILLION FOR CONSTRUCTION OF
A POLY BAGS MANUFACTURING FACTORY**

The above heading refers.

With honour and pleasure, we wish to submit to you this letter applying for a term loan of Tshs. 8,241,289,721 million payable in thirty six months. Out of this amount being requested Tshs.7,082,289,721 will cater for factory land and buildings, (factory machinery) importation and installation purchase of office motor vehicles, office machines and furniture ..Tshs.1,159,000,000 will be used to cater for operating expenses.

The company intends to setup the factory on Tosamaganga Industrial area, Iringa . The industrial area in endowed with transport accessibility, reliable Tanesco electricity supply as well as water

Poly bags are traditional bags in packaging industry due to their wide variety of usage. They are affordable, flexible, and high strength. They are commonly used for packing fertilizer, grains, barley, flour, salt, sugar, seeds, animal feeds, seeds and other fine materials.

The high demand of poly bags has prompted us to request for a term loan of Tshs.8.2 million. In order to set up a poly bag manufacturing factory.

SECURITY OF THE LOAN

Factory to be set up on Plot # 179, Kibwabwa Industrial area in Iringa, will stand as collateral over the loan.

Enclosed herewith please find the following documents for your perusal:-

- Cash flow projection statement
- Audited Accounts
- Business plan
- Trading Licence
- Tax Clearance Certificate
- Tin Certificate
- Certificate of incorporation of a company
- Memorandum and Articles of Association
- BOQ copy
- Machinery Proforma Invoice
- Resolution to borrow

It is my sincere hope that you will give this letter your utmost consideration

Yours faithfully,

.....
JIMSON DAUD KISIGO
MANAGING DIRECTOR

JIMSON DAUD KISIGO,
P.O. BOX 190,
IRINGA.

AUDITED ACCOUNTS AS AT 31ST DECEMBER, 2020.

*MOSES AB & COMPANY,
CERTIFIED PUBLIC ACCOUNTANTS
IN PUBLIC PRACTICE,
P.O. BOX 2412,
MOBILE 0754-010057,
EMAIL: mosesabc@yahoo.co.uk
MBEYA.*

MOSES AB & COMPANY.

CERTIFIED PUBLIC ACCOUNTANTS IN PUBLIC PRACTICE,
P.O. BOX 2412, MOB. 0754-010057, MBEYA.

JIMSON DAUD KISIGO,
P.O. BOX 190,
IRINGA.

OPINION

We have audited the accompanying financial statements of JIMSON DAUD KISIGO which comprise the statement of financial position as at 31st December, 2020 and the statement of Profit/Loss and other comprehensive income and changes in equity for the period then ended and a summary of significant accounting policies and other explanatory information.

In our opinion .the accompanying financial statements present fairly, in all material aspect of the financial position of the JIMSON DAUD KISIGO as at 31st December, 2020 and of its Financial performance for the year then ended in accordance with International Financial Reporting Standards (IFRSs)

BASIS FOR OPINION

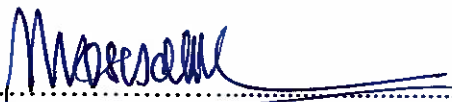
We conducted our audit in accordance with International Standard s on Auditing ISA's. The standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examination of tests, based on evidence supporting the amounts and disclosures in the financial statements. We comply with laws, regulations and ethical code of conduct. We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our opinion.

MANAGEMENT RESPONSIBILITIES

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free whether due to from material misstatement fraud or error.

AUDITORS RESPONSIBILITIES

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion



.....
CPA MOSES AB MWAKATAGE, FCPA 046
MANAGING PARTNER.

10th February, 2021



JIMSON DAUD KISIGO, P.O. BOX 190, IRINGA
STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2020.

	<u>NOTE</u>	<u>DEC. 2020</u> TSHS	<u>DEC. 2019</u> TSHS
FIXED ASSETS	2	381,743,342.00	391,788,350.00
<u>CURRENT ASSETS</u>			
CASH/BANK	3	75,539,273.00	45,539,273.00
DEBTORS	4	31,318,000.00	15,854,600.00
GOODS IN TRANSIT		42,877,900.00	25,691,000.00
STOCKS	5	126,292,333.00	76,049,410.00
TOTAL CURRENT ASSETS		<u>276,027,506.00</u>	<u>163,134,283.00</u>
<u>LESS: CURRENT LIABILITIES</u>			
LOAN NMB		-	112,954,000.00
LOAN NBC		123,223,754.00	
ACCRUALS	6	750,000.00	600,000.00
TOTAL CURRENT LIABILITIES		<u>123,973,754.00</u>	<u>113,554,000.00</u>
NET CURRENT ASSETS		<u>152,053,752.00</u>	<u>49,580,283.00</u>
TOTAL ASSETS		<u><u>533,797,094.00</u></u>	<u><u>441,368,633.00</u></u>
FINANCED BY:			
<u>CAPITAL ACCOUNT</u>			
BALANCE B/F		441,368,633.00	369,079,482.00
ADD: NET PROFIT AFTER TAX		110,974,361.00	89,274,551.00
LESS: DRAWINGS		(18,545,900.00)	(16,985,400.00)
TOTAL EQUITY		<u><u>533,797,094.00</u></u>	<u><u>441,368,633.00</u></u>

NB: NOTE # 1 TO 8 FORM PART OF THE ACCOUNTS

To the best of my knowledge and belief, I certify that the above statement of financial statement present fairly the Assets and Liabilities as at that date.

.....
JIMSON DAUDI KISIGO

JIMSON DAUD KISIGO, P.O. BOX 190, IRINGA
STATEMENT OF COMPREHENSIVE INCOME AS AT 31ST DECEMBER, 2020.

	<u>NOTE</u>	<u>DEC. 2020</u> <u>TSHS</u>	<u>DEC. 2019</u> <u>TSHS</u>
SALES		962,390,180.00	814,605,235.00
LESS: COST OF SALES	7	<u>(729,949,843.00)</u>	<u>(595,909,250.00)</u>
GROSS PROFIT		232,440,337.00	218,695,985.00
OTHER INCOME	8	<u>6,000,000.00</u>	<u>6,000,000.00</u>
TOTAL GROSS PROFIT		238,440,337.00	224,695,985.00
<u>LESS: OPERATING EXPENSES</u>			
TRANSPORT		41,254,880.00	40,777,050.00
LABOUR		11,475,820.00	10,196,000.00
TRAVELLING		4,658,400.00	4,260,800.00
ELECTRICITY		1,025,456.00	972,700.00
COMMUNICATION		388,561.00	324,100.00
SALARIES		45,000,000.00	45,000,000.00
STAFF WELFARE		2,456,510.00	2,340,000.00
SECURITY		1,200,000.00	1,188,000.00
LOAN INTEREST		1,254,450.00	10,445,860.00
MV. RUNNING EXPENSES		4,326,541.00	4,125,460.00
OTHER EXPENSES		3,021,450.00	2,987,960.00
DEPRECIATION		<u>10,045,008.00</u>	<u>11,811,479.00</u>
TOTAL EXPENSES		126,107,076.00	134,429,409.00
NET PROFIT		<u>112,333,261.00</u>	<u>90,266,576.00</u>
LESS: TAXES		<u>(1,358,900.00)</u>	<u>(992,025.00)</u>
NET PROFIT AFTER TAX		<u>110,974,361.00</u>	<u>89,274,551.00</u>

.....
JIMSON DAUDI KISIGO

JIMSON DAUD KISIGO, P.O. BOX 190, IRINGA

NOTES TO THE ACCOUNTS

ACCOUNTING POLICIES

1. DEPRECIATION

NOTE # 1

Depreciation is charged on fixed Assets using the reducing balance method to eventually write off these Assets over their expected useful lives.

The following rates have been adopted:-

Furniture & Fittings	12%
Motor vehicle	25%
Machines	15%

STOCKS

Stocks are valued at cost plus transport and handling costs.

FIXED ASSETS

Fixed Assets are stated at market value.

FIXED ASSETS					NOTE # 2
	31.12. 2018		31.12. 2019		31.12. 2019
ASSETS	COST	ADD.	TOTAL	DEPREC.	NBV
LAND & BUILDINGS					
PLT# 71 BLK A-KITWIRU IRINGA	172,331,884	-	172,331,884	-	172,331,884
GODOWN	80,530,153	71,702,686	152,232,839	-	152,232,839
POLYBAGS PRINTING MACHINES	77,575,410	-	77,575,410	11,636,315	65,939,095
FURNITURE & FITTINGS	1,459,696	-	1,459,696	175,164	1,284,532
TOTAL	331,897,143	71,702,686	403,599,829	11,811,479	391,788,350

FIXED ASSETS					NOTE # 2
	31.12. 2019		31.12. 2020		31.12. 2020
ASSETS	COST	ADD.	TOTAL	DEPREC.	NBV
LAND & BUILDINGS					
PLT# 71 BLK A-KITWIRU IRINGA	172,331,884	-	172,331,884	-	172,331,884
GODOWN	152,232,839	-	152,232,839	-	152,232,839
POLYBAGS PRINTING MACHINES	65,939,095	-	65,939,095	9,890,864	56,048,231
FURNITURE & FITTINGS	1,284,532	-	1,284,532	154,144	1,130,388
TOTAL	391,788,350	-	391,788,350	10,045,008	381,743,342

CASH & BANK

CASH IN HAND
CASH AT BANK -

	DEC. 2020	DEC. 2019
	<u>NOTE # 3</u>	<u>NOTE # 3</u>
	75,412,740	41,823,823
	126,533	3,715,450
	<u>75,539,273</u>	<u>45,539,273</u>

TRADE DEBTORS AGE WISE AS AT 31ST DECEMBER, 2020

PARTICULARS					NOTE # 4
	30 DAYS	60 DAYS	90 DAYS		TOTAL
HAMZA SUPER SEMBE	3,271,800	-	-	-	3,271,800
KINYERO SEMBE	5,124,000	-	-	-	5,124,000
ALMUJIBUM SUPER SEMBE	7,896,000	-	-	-	7,896,000
LUKUM SUPER SEMBE	6,987,000	3,542,000	-	-	10,529,000
YOHANA SUPER SEMBER	4,497,200	-	-	-	4,497,200
TOTAL	27,776,000	3,542,000	-	-	31,318,000

TRADE DEBTORS AGE WISE AS AT 31ST DECEMBER, 2019

NOTE # 4

PARTICULARS	30 DAYS	60 DAYS	90 DAYS	TOTAL
HAMZA SUPER SEMBE	4,000,000	-	-	4,000,000
ALMUJIBUM SUPER SEMBE	3,450,000	-	-	3,450,000
LUKUM SUPER SEMBE	3,000,000	-	-	3,000,000
YOHANA SUPER SEMBER	4,050,000	1,354,600	-	5,404,600
TOTAL	14,500,000	1,354,600	-	15,854,600

STOCKS

DEC. 2020

DEC. 2019

GRAIN BAGSNOTE # 5NOTE # 5

PRINTING INK & OTHER PRINTING MATERIALS

22,167,583

18,524,660

PACKING BAGS 5KG

28,398,900

25,415,660

PACKING BAGS 10KG

18,689,000

9,787,000

PACKING BAGS 25KG

22,747,000

9,588,000

PACKING BAGS 50KG

34,289,850

12,734,090

TOTAL

126,292,333

76,049,410

ACCRUALS

DEC. 2020

DEC. 2019

ACCOUNTANCY FEES

NOTE # 6NOTE # 6

750,000

600,000

COST OF SALES

DEC. 2020

DEC. 2019

PURCHASES

NOTE # 7NOTE # 7

780,192,766

616,755,562

ADD: OPENING STOCK

76,049,410

55,203,098

LESS: CLOSING STOCK

(126,292,333)

(76,049,410)

729,949,843

595,909,250

OTHER INCOME

DEC. 2020

DEC. 2019

MR JIMSON DAUDI KISIGO'S

NOTE # 8NOTE # 8

-Directors remuneration from Kisigo Tea Co.Ltd

6,000,000

6,000,000

JIMSON DAUD KISIGO, P.O. BOX 190, IRINGA

CASH FLOW FROM OPERATION AS AT 31ST DECEMBER, 2020.

	<u>DEC. 2020</u> <u>TSHS.</u>	<u>DEC. 2019</u> <u>TSHS.</u>
NET PROFIT (LOSS) BEFORE TAX	112,333,261.00	90,266,576.00
Adjustment for-:		
Depreciation	10,045,008.00	11,811,479.00
Sale of Assets - Gain	-	-
Operating profits before changes In working capital	122,378,269.00	102,078,055.00
<u>CHANGES IN WORKING CAPITAL</u>		
Increase / decrease in stocks	(50,242,923.00)	(20,846,312.00)
Increase / decrease in Trade debtors	(15,463,400.00)	2,845,400.00
Increase / decrease in Accrual	150,000.00	100,000.00
Increase / decrease in Creditors	-	-
Increase / decrease in Goods in transit	(17,186,900.00)	(10,226,200.00)
Increase / decrease in	-	-
NET CHANGES	(82,743,223.00)	(28,127,112.00)
Cash generated from operations	39,635,046.00	73,950,943.00
Less Interest paid	-	-
Dividends/drawings paid	(18,545,900.00)	(16,985,400.00)
Income Tax paid	(1,358,900.00)	(992,025.00)
	(19,904,800.00)	(17,977,425.00)
Cash flow before extra ordinary items	19,730,246.00	55,973,518.00
Extra ordinary Items	-	-
NET CASH FLOW FROM ACTIVITIES A	19,730,246.00	55,973,518.00
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
Purchases of Assets	-	(71,702,686.00)
Proceeds from sale of Assets	-	-
Net cash used in investing activities B	-	(71,702,686.00)
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
Proceeds from Issue of shares	-	-
Proceeds from Issue of debenture	-	-
Redemption of preference share	-	-
Cash paid of amount borrowed O/D	-	-
Cash paid of amount borrowed T/L	-	-
Proceeds from short term borrowing	10,269,754.00	25,628,991.00
Proceeds from long term borrowing	-	-
Net cash used in financing Activities C	10,269,754.00	25,628,991.00
Net increase/ Decrease in Cash and Cash Equivalent , A+B+C	30,000,000.00	9,899,823.00
Cash & Cash Equivalent at the beginning of the year	45,539,273.00	35,639,450.00
Cash & Cash Equivalent at the end of the year	75,539,273.00	45,539,273.00

JIMSON DAUD KISIGO,
P.O. BOX 190,
IRINGA.

AUDITED ACCOUNTS AS AT 31ST DECEMBER, 2019.

*MOSES AB & COMPANY,
CERTIFIED PUBLIC ACCOUNTANTS
IN PUBLIC PRACTICE,
P.O. BOX 2412,
MOBILE 0754-010057,
EMAIL: mosesabc@yahoo.co.uk
MBEYA.*

MOSES AB & COMPANY.

CERTIFIED PUBLIC ACCOUNTANTS IN PUBLIC PRACTICE,
P.O. BOX 2412, MOB. 0754-010057, MBEYA.

JIMSON DAUD KISIGO,
P.O. BOX 190,
IRINGA.

OPINION

We have audited the accompanying financial statements of JIMSON DAUD KISIGO which comprise the statement of financial position as at 31st December, 2019 and the statement of Profit/Loss and other comprehensive income and changes in equity for the period then ended and a summary of significant accounting policies and other explanatory information.

In our opinion .the accompanying financial statements present fairly, in all material aspect of the financial position of the JIMSON DAUD KISIGO as at 31st December, 2019 and of its Financial performance for the year then ended in accordance with International Financial Reporting Standards (IFRSs)

BASIS FOR OPINION

We conducted our audit in accordance with International Standard s on Auditing ISA's. The standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examination of tests, based on evidence supporting the amounts and disclosures in the financial statements. We comply with laws, regulations and ethical code of conduct. We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our opinion.

MANAGEMENT RESPONSIBILITIES

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free whether due to from material misstatement fraud or error.

AUDITORS RESPONSIBILITIES

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion



.....
CPA MOSES AB-MWAKATAGE, FCPA 046
MANAGING PARTNER.

10th February, 2021



JIMSON DAUD KISIGO, P.O. BOX 190, IRINGA
STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2019.

	<u>NOTE</u>	<u>DEC. 2019</u> <u>TSHS</u>	<u>DEC. 2018</u> <u>TSHS</u>
FIXED ASSETS	2	391,788,350.00	331,897,143.00
 <u>CURRENT ASSETS</u>			
CASH/BANK	3	45,539,273.00	35,639,450.00
DEBTORS	4	15,854,600.00	18,700,000.00
GOODS IN TRANSIT		25,691,000.00	15,464,800.00
STOCKS	5	76,049,410.00	55,203,098.00
TOTAL CURRENT ASSETS		<u>163,134,283.00</u>	<u>125,007,348.00</u>
 <u>LESS: CURRENT LIABILITIES</u>			
LOAN NMB		112,954,000.00	87,325,009.00
LOAN NBC			
ACCRUALS	6	600,000.00	500,000.00
TOTAL CURRENT LIABILITIES		<u>113,554,000.00</u>	<u>87,825,009.00</u>
 NET CURRENT ASSETS		<u>49,580,283.00</u>	<u>37,182,339.00</u>
TOTAL ASSETS		<u><u>441,368,633.00</u></u>	<u><u>369,079,482.00</u></u>
 FINANCED BY:			
<u>CAPITAL ACCOUNT</u>			
BALANCE B/F		369,079,482.00	328,285,812.00
ADD: NET PROFIT AFTER TAX		89,274,551.00	56,363,210.00
LESS: DRAWINGS		<u>(16,985,400.00)</u>	<u>(15,569,540.00)</u>
TOTAL EQUITY		<u><u>441,368,633.00</u></u>	<u><u>369,079,482.00</u></u>

NB: NOTE # 1 TO 8 FORM PART OF THE ACCOUNTS

To the best of my knowledge and belief, I certify that the above statement of financial statement present fairly the Assets and Liabilities as at that date.

.....
JIMSON DAUDI KISIGO

JIMSON DAUD KISIGO, P.O. BOX 190, IRINGA
STATEMENT OF COMPREHENSIVE INCOME AS AT 31ST DECEMBER, 2019.

	<u>NOTE</u>	<u>DEC. 2019</u> <u>TSHS</u>	<u>DEC. 2018</u> <u>TSHS</u>
SALES		814,605,235.00	707,252,890.00
LESS: COST OF SALES	7	<u>(595,909,250.00)</u>	<u>(526,762,611.00)</u>
GROSS PROFIT		218,695,985.00	180,490,279.00
OTHER INCOME	8	<u>6,000,000.00</u>	<u>6,000,000.00</u>
TOTAL GROSS PROFIT		224,695,985.00	186,490,279.00
 <u>LESS: OPERATING EXPENSES</u>			
TRANSPORT		40,777,050.00	39,124,950.00
LABOUR		10,196,000.00	9,122,600.00
TRAVELLING		4,260,800.00	3,455,650.00
ELECTRICITY		972,700.00	886,541.00
COMMUNICATION		324,100.00	288,940.00
SALARIES		45,000,000.00	45,000,000.00
STAFF WELFARE		2,340,000.00	1,989,650.00
SECURITY		1,188,000.00	960,000.00
LOAN INTEREST		10,445,860.00	8,012,660.00
MV. RUNNING EXPENSES		4,125,460.00	4,021,540.00
OTHER EXPENSES		2,987,960.00	2,678,690.00
DEPRECIATION		<u>11,811,479.00</u>	<u>13,888,828.00</u>
 TOTAL EXPENSES		 134,429,409.00	 129,430,049.00
NET PROFIT		<u>90,266,576.00</u>	<u>57,060,230.00</u>
LESS: TAXES		<u>(992,025.00)</u>	<u>(697,020.00)</u>
NET PROFIT AFTER TAX		<u>89,274,551.00</u>	<u>56,363,210.00</u>

.....
JIMSON DAUDI KISIGO

JIMSON DAUD KISIGO, P.O. BOX 190, IRINGA

NOTES TO THE ACCOUNTS

ACCOUNTING POLICIES

1. DEPRECIATION

NOTE # 1

Depreciation is charged on fixed Assets using the reducing balance method to eventually write off these Assets over their expected useful lives.

The following rates have been adopted:-

Furniture & Fittings	12%
Motor vehicle	25%
Machines	15%

STOCKS

Stocks are valued at cost plus transport and handling costs.

FIXED ASSETS

Fixed Assets are stated at market value.

FIXED ASSETS

NOTE # 2

ASSETS	31.12. 2018		31.12. 2019		31.12. 2019
	COST	ADD.	TOTAL	DEPREC.	NBV
LAND & BUILDINGS					
PLT# 71 BLK A-KITWIRU IRINGA	172,331,884	-	172,331,884	-	172,331,884
GODOWN	80,530,153	71,702,686	152,232,839	-	152,232,839
POLYBAGS PRINTING MACHINES	77,575,410	-	77,575,410	11,636,315	65,939,095
FURNITURE & FITTINGS	1,459,696	-	1,459,696	175,164	1,284,532
TOTAL	331,897,143	71,702,686	403,599,829	11,811,479	391,788,350

CASH & BANK

CASH IN HAND
CASH AT BANK -

	DEC. 2019	DEC. 2018
	NOTE # 3	NOTE # 3
CASH IN HAND	41,823,823	31,514,050
CASH AT BANK -	3,715,450	4,125,400
	45,539,273	35,639,450

TRADE DEBTORS AGE WISE AS AT 31ST DECEMBER, 2019

NOTE # 4

PARTICULARS	30 DAYS	60 DAYS	90 DAYS		TOTAL
HAMZA SUPER SEMBE	4,000,000	-	-		4,000,000
ALMUJIBUM SUPER SEMBE	3,450,000	-	-		3,450,000
LUKUM SUPER SEMBE	3,000,000	-			3,000,000
YOHANA SUPER SEMBER	4,050,000	1,354,600			5,404,600
TOTAL	14,500,000	1,354,600	-		15,854,600

TRADE DEBTORS AGE WISE AS AT 31ST DECEMBER, 2018

NOTE # 4

PARTICULARS	30 DAYS	60 DAYS	90 DAYS		TOTAL
HAMZA SUPER SEMBE	6,980,000	-	-	-	6,980,000
LUKUM SUPER SEMBE	5,720,000	-	-	-	5,720,000
YOHANA SUPER SEMBER	6,000,000	-	-	-	6,000,000
TOTAL	18,700,000	-	-	-	18,700,000

STOCKS**GRAIN BAGS**

PRINTING INK & OTHER PRINTING MATERIALS

PACKING BAGS 5KG

PACKING BAGS 10KG

PACKING BAGS 25KG

PACKING BAGS 50KG

TOTAL

DEC. 2019

NOTE # 5

DEC. 2018

NOTE # 5

18,524,660

13,540,000

25,415,660

10,685,000

9,787,000

9,245,000

9,588,000

7,938,478

12,734,090

13,794,620

76,049,41055,203,098**ACCRUALS**

ACCOUNTANCY FEES

DEC. 2019

NOTE # 6

DEC. 2018

NOTE # 6

600,000

500,000

COST OF SALES

PURCHASES

ADD: OPENING STOCK

LESS: CLOSING STOCK

DEC. 2019

NOTE # 7

DEC. 2018

NOTE # 7

616,755,562

548,845,239

55,203,098

33,120,470

(76,049,410)(55,203,098)595,909,250526,762,611**OTHER INCOME**

MR JIMSON DAUDI KISIGO'S

-Directors remuneration from Kisigo Tea Co.Ltd

DEC. 2019

NOTE # 8

DEC. 2018

NOTE # 8

6,000,000

6,000,000

JND POLYBAGS COMPANY LIMITED
P.O. BOX 907,
IRINGA.

INVESTMENT BUSINESS PLAN FOR ESTABLISHING OF A
POLY BAGS MANUFACTURING FACTORY .

FEBRUARY, 2021.

*MOSES AB & COMPANY,
CERTIFIED PUBLIC ACCOUNTANTS
IN PUBLIC PRACTICE,
P.O. BOX 2412,
MOBILE 0754-010057,
EMAIL: mosesabc@yahoo.co.uk
MBEYA.*

1.0 BACKGROUND

JND POLY BAGS COMPANY LIMITED is a newly established private owned limited liability company incorporated on 7th December, 2020 under the Companies Act ,2002 and was issued with a certificate of incorporation No. 146233783. The company operates under Tax payer Identification Number (TIN)146-233-783 and Trading licence No. B3060398. The head office is located at Iringa town.

The company is owned by two shareholders who serve as board of directors and they are Mr Jimson Daud Kisigo with 60 shares and Mrs Neema Shauri Gumbo with 40 shares. The company's authorised share capital is Tshs.500,000,000 divided into 100 ordinary shares of Tshs.5,000,000 each. The company was registered among other things to carry on the business of manufacturing poly bags.

Mr Jimson Daudi Kisigo is a businessman operating a workshop at Kitwiru, in Iringa municipality. His business focused on packaging activities. He is mainly selling empty packing poly bags, where he prints on the bags wordings and other graphical writings to the specifications of the clients etc He has been in business for 13 years. He has been doing this business with the assistance of Neema Shauri Gumbo

The newly created company is intending to set up a manufacturing factory which will be basically be engaged in the production of poly bags on a large scale with production capacity of 2.8 million poly bags month. The company intends to setup the factory on Tosamaganga Industrial, Iringa . The industrial area is endowed with transport accessibility, reliable Tanesco electricity supply as well as water.

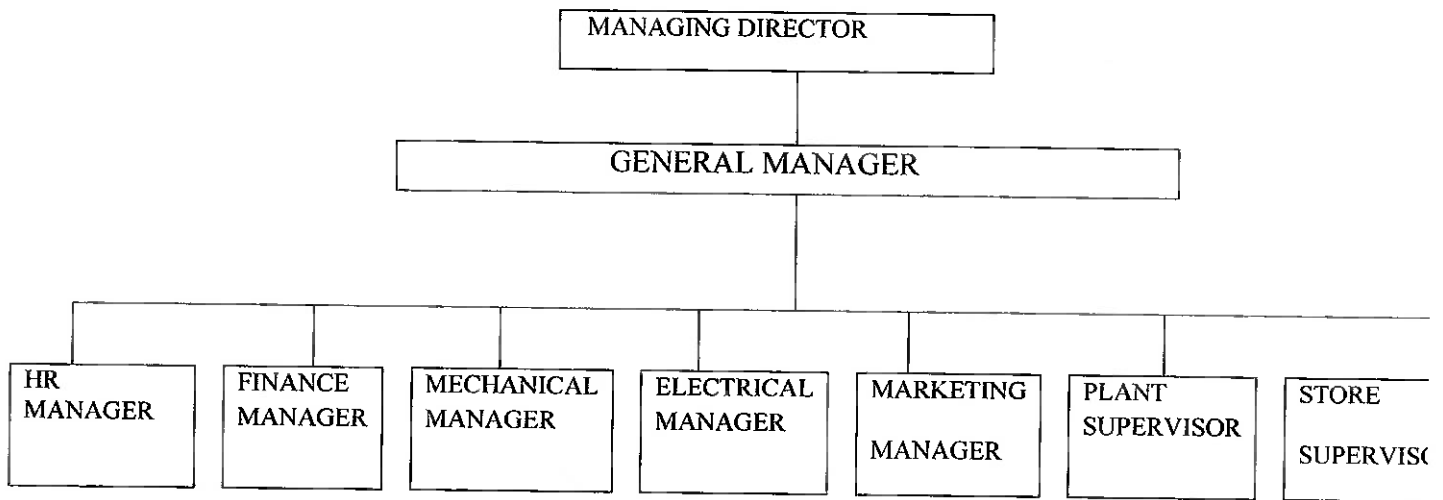
Poly bags are traditional bags in packaging industry due to their wide variety of usage. They are affordable, flexible, and high strength. They are commonly used for packing fertilizer, grains, barley, flour, salt, sugar, seeds, animal feeds, seeds and other fine materials.

1.1 PURPOSE OF THE LOAN

In order to fulfil the company's intentions of producing poly bags, the company is required to build the factory, install poly bags producing machinery hence the need for funding arises. The company wishes to apply for a term loan of Tshs.8.2 billion from Tanzania Agricultural Development Bank, Mbeya Branch which will be utilised to fund start-up costs which will include building a factory and facilities to house the machineries. The funding will be used for inventory purposes and operational expenses. TADB bank funding will greatly reduce the financial start up burdens and provide for a much quicker path to profitability.

2.0 MANAGEMENT AND MANAGEMENT INFORMATION SYSTEMS

i. Organisation chart of Key Personnel of the factory



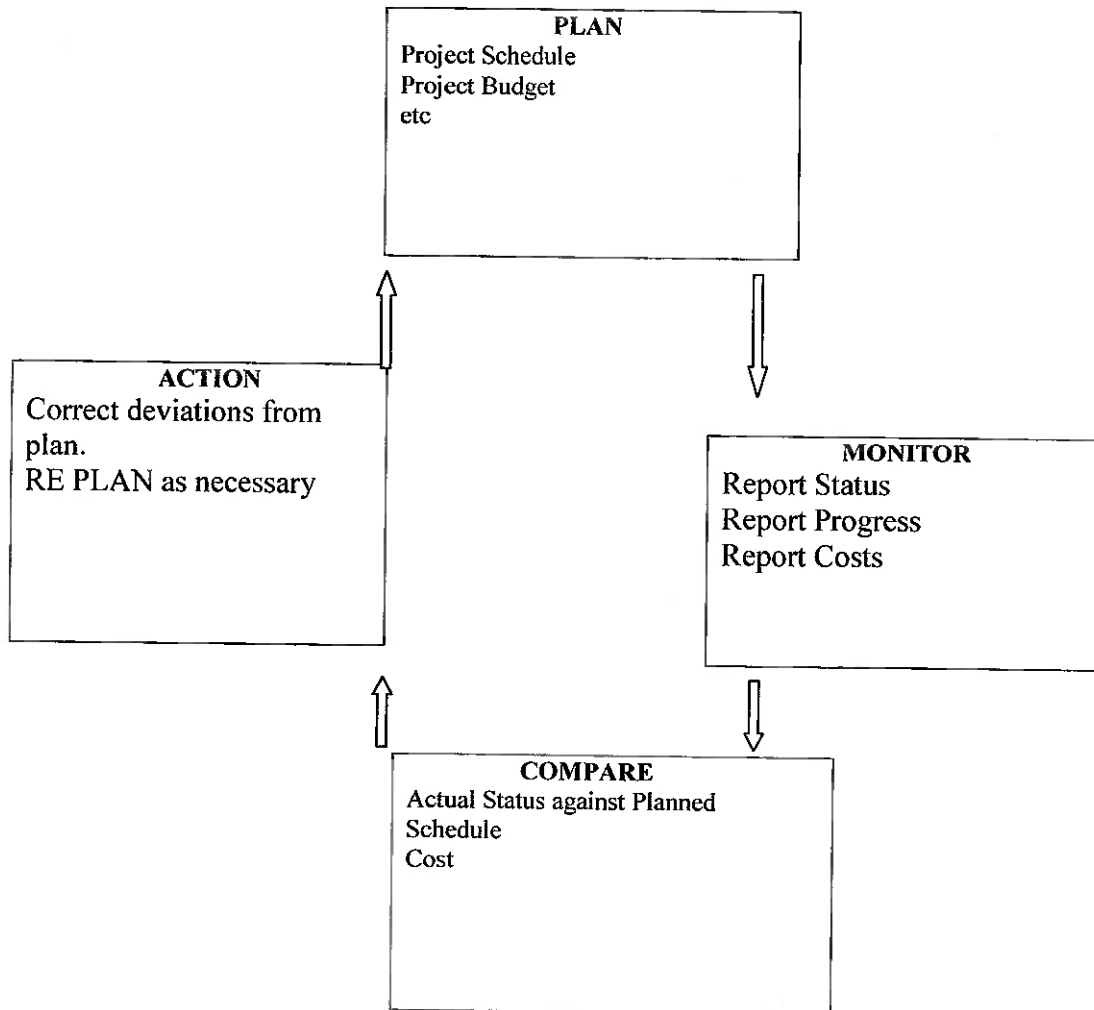
JND Poly Bags Company Limited is a registered company ,hence operates according to company laws. The management of JND Poly Bags Company Limited is led by the board of directors which comprises two directors.The company has appointed Mr Jimson Daud Kisigo to be the managing director.

- Mr.Nittur Manjunathaiah Venkataramu (Prakash) who is a Mechanical Engineer with more that 37years experience in plant maintenance and production of manufacturing unit.He has practical experience in all areas relating to mechanical maintenance, installation and plant start-up activities.
Mr Nittur Manjunathaiah Venkataramu (Prakash) will be the General Manager.
- Shivaji Galli,Karambal who is a Mechanical Engineer with more that 14years experience in the field of mechanical maintenance, production and new development in PP woven sack plant.
Mr Shivaji Galli Karambal will be the Plant Supervisor.
- Mr James Amiri who is has supervisory and managerial experience in sales and marketing for over 5years
Mr James Amiri will be the Marketing Manager

Curricula vitae of above mentioned supervisors and managers have been attached.

- ii. Planning, controlling, monitoring & systems, existing and those to be put in place

The following project control cycle plan will be adopted



The major reason as to why the project monitoring and controlling will be adopted is to ensure that the project is on time on budget and or highlight any deviation from the plan with regard to schedules, cost etc

Monitoring will detect and react appropriately to deviations and changes to the plan and monitoring will be carried out regularly on monthly basis and various analytical methods will be used which will include "Earned Value Analysis, Calculating Critical Ratios, Reports and Inspections etc).

3.0 TECHNICAL FEASIBILITY, MANPOWER, RAW MATERIAL RESOURCES AND ENVIRONMENT

- i. Brief description of production process
Poly bags are made from a ubiquitous polymer substance known as polyethylene. This begins with ethylene commonly extracted from natural gas, then treated to become polymer, forming long chains of hydrogen atoms. A blown film extrusion process is used to manufacture plastic that make poly bags.

In other words:

It involves superheating and pressurizing raw LDPE, HDPE, or LLDPE plastic pellets to create a consistent molten liquid. Once the liquid is created, the resin is forced into a circular die. Then the hot resin is blown outward or upward to create a thin, long balloon of very pliable plastic film

- ii. The new factory with new machinery will be accompanied by special technical complexities and need for know-how and special skills
The company will, however, hire/employ qualified and experienced management team comprising
- Mr. Nittur Manjunathaiah Venkataramu (Prakash) who is a Mechanical Engineer with more than 37 years experience in plant maintenance and production of manufacturing unit. He has practical experience in all areas relating to mechanical maintenance, installation and plant start-up activities.
 - Shivaji Galli, Karambal who is a Mechanical Engineer with more than 14 years experience in the field of mechanical maintenance, production and new development in PP woven sack plant.
 - Mr. James Amiri who has supervisory and managerial experience in sales and marketing for over 5 years

Skilled manpower with regard to running of machines will be available and will be managed by Mr. Nittur Manjunathaiah Venkataramu (Prakash) and Mr. Shivaji Galli Karambal who will in turn deliver on job training to unskilled manpower. Cheap unskilled man power is readily available.

- iii. Supplier of equipment will be Lohia Corp limited, India. Lohia Corp Limited is a public company incorporated on October 5th October 1981. It is classified as a non government company and it is involved in the manufacture of special purpose machinery which include Poly bags making machines.
- iv. It is acknowledged that infrastructure development is one of the major determinants of economic growth which can affect poverty and inequality in developing countries.

Direct investment in infrastructure; stimulate production activities by acting as direct input in the production process and complementing the other inputs of the production process. Availability of infrastructure facilities reduces transaction costs and trade costs and improves competitiveness.

The place where the factory will be located is endowed with near by roads, schools, telecommunications net work, electrical power lines, water supply, hospitals etc and the factory will benefit from advantages infrastructure.

v. Breakdown of projected operating costs by major categories of expenditures
"000"

PURCHASES	YEAR1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
	T SHS	TSHS	TSHS	TSHS	TSHS
Raw materials					
<i>PP materials</i>	6,004,802	6,725,378	7,532,424	8,436,315	9,448,673
<i>Calcium</i>	315,900	353,808	396,265	443,817	497,075
<i>Master Batch</i>	168,480	188,697	211,341	236,702	265,106
<i>Stitching thread</i>	18,638	20,875	23,380	26,186	29,328
	6,507,820	7,288,759	8,163,410	9,143,020	10,240,182
ADMINISTRATION					
	YEAR1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
	TSHS	TSHS	TSHS	TSHS	TSHS
Office Expenses:					
<i>Electricity</i>	624,000	698,880	782,746	876,675	981,876
<i>Repairs & maintenance</i>	325,145	364,162	407,861	456,805	511,622
<i>Communication</i>	21,547	24,132	27,028	30,272	33,904
<i>Stationery</i>	104,564	117,111	131,165	146,905	164,533
<i>Other Expenses</i>	25,488	28,547	31,972	35,809	40,106
Sub total	1,100,744	1,232,833	1,380,773	1,546,466	1,732,041
Salaries	900,000	1,008,000	1,128,960	1,264,435	1,416,167
Staff Welfare	44,589	49,940	55,932	62,644	70,162
Travelling	35,898	40,206	45,031	50,435	56,487
Sub total	980,487	1,098,144	1,229,923	1,377,514	1,542,816
TOTAL	2,081,231	2,330,979	2,610,696	2,923,980	3,274,857
SELLING & DISTRIBUTION					
	YEAR1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
	TSHS	TSHS	TSHS	TSHS	TSHS
<i>Casual Labour</i>	128,455	143,858	161,121	180,456	202,111
<i>Motor V. Fuel Expenses</i>	372,303	416,979	467,017	523,059	585,826
<i>Motor V. Maintenance</i>	62,660	70,179	78,600	88,033	98,596
<i>Damages/Spoilage</i>	8,515	9,536	10,681	11,962	13,398
<i>Packing Materials</i>	3,786	4,240	4,749	5,319	5,957
TOTAL	575,708	644,793	722,168	808,829	905,888
FINANCIAL CHARGES					
	YEAR1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
	TSHS	TSHS	TSHS	TSHS	TSHS
<i>Bank Charges</i>	23,655	26,494	29,672	33,233	37,221
<i>Loan Interest</i>	1,409,261	1,578,372	1,767,780	1,979,910	2,217,499
TOTAL	1,432,916	1,604,865	1,797,449	2,013,143	2,254,720

vi. There are several reliable sources of good quality raw materials. Raw materials will be largely imported from Kenya and India

vii. There are no import restrictions on the importation of poly bags raw materials

viii. The company intends to setup the factory Tosamaganga Industrial area, Iringa . The industrial area in endowed with transport accessibility, reliable Tanesco electricity supply as well as water.

Iringa town where the factory will be located is more or less at the centre in terms of supply to the neighbouring regions of Dodoma, Morogoro, Mbeya, Njombe, Rukwa etc. The factory will be the only one in the southern highlands to be engaged in the production of poly bags.

The factory is located in the area with cheap unskilled labour. part of the unskilled manpower will undergo on job training

ix. Poly bags are environment friendly bags and are 100% recyclable

4.0 INVESTMENT REQUIREMENTS, PROJECT FINANCING AND EXPECTED RETURN

- i. Estimate of total project cost, broken down into land, construction, installed equipment, furniture and fittings, motor vehicles and working capital indicating any foreign exchange components

A) Estimates of Project Equipment/Machinery

SN	DESCRIPTION	QTY	RATE (USD)	AMOUNT (USD)
1	Tape Extrusion Line, Model Lorex E90B.1000	1	278205	278205
2	Tape winders Model LFW200 CM	216	553	119448
3	Circular loom, Model Leno4	2	17000	34000
4	Circular loom, Model Nova6- 576	13	15819	205647
5	Circular loom, Model Nova6- 720	15	16499	247485
6	Bag conversion Machine, Model BCS 850/45	1	38380	38380
7	Bag conversion Machine, Model BCS 1250/45	1	45560	45560
8	Air compressor for tapeline, Model GA37- FF10	1	30600	30600
9	Air compressor for tapeline, Model GX5- FF10TM	2	7200	14400
10	Chiller for tapeline Model WICO117L	1	39525	39525
11	Cheese tubes MS	40000	0.98	39200
12	Hydraulic bale press	1	19300	19300

13	Lab instrument set	1	7200	7200
14	Sewing machines	15	1880	28200
15	Weigh balance	1	1200	1200
16	Hand pallet trucks	5	1000	5000
17	Flexographic printing machine,	1	59800	59800
18	Blown film Extrusion machine	1	184290	184290
19	Bottom seal and cutting machine	1	26000	26000
20	Recycling machine	1	156138	156138
21	Set of LT Electric Panels	1	170000	170000
22	Set of cables, with lugs and glands	1	150000	150000
23	Machines	1	46000	46000
24	Earthing set Erection & Commissioning charges	1	52500	52500
TOTAL PRICE : FOB ANY PORT IN INDIA				1,998,078
Add- Sea freight				36000
TOTAL PRICE : CFR DAR ES SALAAM SEA PORT, TANZANIA				2,034,078
Currency in Tanzanian shillings with the exchange Tshs.2,319				<i>Tshs.4,717,026,882</i>

ADD: VALUE ADDED TAX = Tshs.4,717,026,882 x 18/100	=	Tshs. 849,064,839
ADD: CLEARING AGENCY FEES = Tshs.300,000 x 12 40' containers	=	Tshs. 3,600,000
ADD: TRANSPORT & HANDLING CHARGES = 12 40' containers x Tshs 2.0 million per trip	=	Tshs. 24,000,000
PROVISION FOR PORT CHARGES	=	Tshs. 5,000,000
TOTAL PLANT & MACHINERY		<i>Tshs. 5,598,691,721</i>

B) LAND & BUILDINGS

Land located on plot number 179, Kibwabwa Industrial area with an estimated land value of	=	Tshs. 100,000,000
Buildings as per BOQ	=	<u>Tshs. 948,598,000</u>
		<i>Tshs.1,048,598,000</i>

C) ANCILLARY VEHICLES

2 Scania Trucks (Horse & Trailer)	=	Tshs. 200,000,000
3 Office Cars	=	<u>Tshs. 200,000,000</u>
		<i>Tshs. 400,000,000</i>

D) OFFICE EQUIPMENT

Office furniture & fittings

= Tshs. 19,000,000

E) OFFICE FURNITURE & FITTINGS

Office equipment

= Tshs. 16,000,000

E) WORKING CAPITAL

USD 500,000 x Tshs.2,319

= Tshs. 1,159,000,000

(i) The proposed project costs as follows:

Estimated Project Costs (TZS)				
Item	Existing	Proposed/Additional		Total
		Foreign	Local	
Land & Buildings			1,048,598,000	1,048,598,000
Plant and Machinery			5,598,691,721	5,598,691,721
Ancillary Vehicles			400,000,000	400,000,000
Office Equipment			19,000,000	35,000,000
Office furn. & fittings			16,000,000	16,000,000
Total Fixed Assets			7,082,289,721	7,082,289,721
Working Capital			1,159,000,000	1,159,000,000
Total Project Cost			8,241,289,721	8,241,289,721

Financing plan:

Financing Plan (TZS or USD or EUR)					
Item	Existing	New Funding		Total	
		Foreign	Local		
Promoter's Equity					
Land					
Other bank loan					
Other bank O/D					
TIB loan			8,241,289,721	8,241,289,721	
TIB O/D					
Total Finance			8,241,289,721	8,241,289,721	

ii. PROJECTED FINANCIAL STATEMENTS

TABLE 1 – CAPITAL INVESTMENT COSTS & FINANCING PLAN

TABLE 2 – LOAN REPAYMENT SCHEDULE

TABLE 3 – DEPRECIATION ON ASSETS

TABLE 4 – PROJECTED REVENUE BUDGET

TABLE 5 – PROJECTED EXPENDITURE STATEMENT

TABLE 5 – PROJECTED EXPENDITURE STATEMENT

TABLE 6 – PROJECTED INCOME & EXPENDITURE STATEMENT

TABLE 7 – PROJECTED CASHFLOW

TABLE 8 – PROJECTED BALANCE SHEET

TABLE 1 CAPITAL INVESTMENT COSTS & FINANCING PLAN.

PARTICULARS	EXPECTED COSTS	EQUITY CONTRIBUTION	BANK LOAN	TOTAL INVESTMENT
Loan			7,082,289,721	-
Working Capital loan			1,159,000,000	
Buildings	948,598,000	-	-	948,598,000
Land	100,000,000	-	-	100,000,000
Plant & Machinery	5,598,691,721	-	-	5,598,691,721
Office Equipment	19,000,000	-	-	19,000,000
Office furniture & Fittings	16,000,000	-	-	16,000,000
Motor Vehicles	400,000,000	-	-	400,000,000
	7,082,289,721	-	8,241,289,721	7,082,289,721

TABLE 2 A LOAN REPAYMENT SCHEDULE TSHS. '000'

YEAR	LOAN BALANCE	PRINCIPAL INSTALMENT	INTEREST 19.0%	TOTAL INSTALMENT
1	8,241,290	1,648,258	1,409,261	3,057,519
2	6,593,032	1,648,258	1,096,092	2,744,350
3	4,944,774	1,648,258	782,923	2,431,181
4	3,296,516	1,648,258	469,754	2,118,012
5	1,648,258	1,648,258	156,585	1,804,843
TOTAL		8,241,290	3,914,613	12,155,903

3A. BUILDINGS

Year	COST	DEPRECIATION 2%	COMMULATIVE DEPREC.
1	948,598	18,972	18,972
2		18,972	37,944
3		18,972	56,916
4		18,972	75,888
5		18,972	94,860

3B. PLANT & MACHINERY

Year	COST	DEPRECIATION 15.0%	COMMULATIVE DEPREC.
1	5,598,692	839,804	839,804
2		839,804	1,679,608
3		839,804	2,519,412
4		839,804	3,359,216
5		839,804	4,199,020

3E. OFFICE EQUIPMENT

Year	COST	DEPRECIATION 15.0%	COMMULATIVE DEPREC.
1	19,000	2,850	2,850
2		2,850	5,700
3		2,850	8,550
4		2,850	11,400
5		2,850	14,250

3D. OFFICE FURNITURE & FITTINGS

Year	COST	DEPRECIATION 12.0%	COMMULATIVE DEPREC.
1	16,000	1,920	1,920
2		1,920	3,840
3		1,920	5,760
4		1,920	7,680
5		1,920	9,600

3E MOTOR VEHICLES

Year	COST	DEPRECIATION 25.0%	COMMULATIVE DEPREC.
1	400,000	100,000	100,000
2		100,000	200,000
3		100,000	300,000
4		100,000	400,000
5		100,000	500,000

3.7 SUMMARY OF DEPRECIATION

YEAR

1	963,546
2	963,546
3	963,546
4	963,546
5	963,546

TABLE: 4 PROJECTED REVENUE BUDGET (TSHS. 000)

PARTICULARS	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Sales	16,800,000	19,824,000	23,392,320	27,602,938	32,571,466
	16,800,000	19,824,000	23,392,320	27,602,938	32,571,466

I. Sales:

Sales will increase by 18%

Projected production per month will be 2.8 million bags per month

Unit price on average will be Tshs.500.0

Year 1 Sales : Tshs. 500.00 x 2.8 million bags = 1,400,000,000 x 12 months = 16,800,000,000

TABLE: 5 PROJECTED EXPENDITURE STATEMENT (TSHS. 000)

PARTICULARS	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
PURCHASES (RAW MATERIAL	6,507,820	7,288,758	8,163,409	9,143,019	10,240,181
ADMINISTRATION	2,081,231	2,330,979	2,610,696	2,923,980	3,274,857
SELLING & DISTRIBUTION	575,708	644,793	722,168	808,828	905,888
FINANCIAL CHARGES	1,432,916	1,122,586	812,596	502,987	193,806
	10,597,675	11,387,116	12,308,870	13,378,814	14,614,732

NB:

Expenses will increase by 12% from year 1 to year 5

PURCHASES

Raw Materials

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
PP Materials	6,004,802,000	6,725,378,240	7,532,423,629	8,436,314,464	9,448,672,200
Calcium	315,900,000	353,808,000	396,264,960	443,816,755	497,074,766
Master Batch	168,480,000	188,697,600	211,341,312	236,702,269	265,106,542
Stiching thread	18,638,000	20,874,560	23,379,507	26,185,048	29,327,254
TOTAL	6,507,820,000	7,288,758,400	8,163,409,408	9,143,018,537	10,240,180,761

ADMINISTRATION

OFFICE EXPENSES:

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Electricity	624,000,000	698,880,000	782,745,600	876,675,072	981,876,081
Repairs & Maintenance	325,145,000	364,162,400	407,861,888	456,805,315	511,621,952
Communications	21,546,650	24,132,248	27,028,118	30,271,492	33,904,071
Stationery	104,564,000	117,111,680	131,165,082	146,904,891	164,533,478
Other Expenses	25,488,000	28,546,560	31,972,147	35,808,805	40,105,861
<i>Sub Total</i>	1,100,743,650	1,232,832,888	1,380,772,835	1,546,465,575	1,732,041,444

SALARIES

STAFF WELFARE

TRAVELLING

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
SALARIES	900,000,000	1,008,000,000	1,128,960,000	1,264,435,200	1,416,167,424
STAFF WELFARE	44,589,000	49,939,680	55,932,442	62,644,335	70,161,655
TRAVELLING	35,898,440	40,206,253	45,031,003	50,434,724	56,486,890
<i>Sub Total</i>	980,487,440	1,098,145,933	1,229,923,445	1,377,514,258	1,542,815,969

TOTAL **2,081,231,090** **2,330,978,821** **2,610,696,279** **2,923,979,833** **3,274,857,413**

SELLING & DISTRIBUTIONS

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
CASUAL LABOURERS	128,445,000	143,858,400	161,121,408	180,455,977	202,110,694
MOTOR V. FUEL EXPENSES	372,302,876	416,979,221	467,016,728	523,058,735	585,825,783
MOTOR V. MAINTENANCE	62,659,800	70,178,976	78,600,453	88,032,507	98,596,408
DAMAGES / SPOILAGE	8,514,500	9,536,240	10,680,589	11,962,259	13,397,731
PACKING MATERIALS	3,786,000	4,240,320	4,749,158	5,319,057	5,957,344
TOTAL	575,708,176	644,793,157	722,168,336	808,828,536	905,887,961

FINANCIAL CHARGES

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
BANK CHARGES	23,654,550.00	26,493,096	29,672,268	33,232,940	37,220,892
LOAN INTEREST	1,409,261,000.00	1,096,092,000	782,923,000	469,754,000	156,585,000
TOTAL	1,432,915,550	1,122,585,096	812,595,268	502,986,940	193,805,892

GRAND TOTAL **10,597,674,816** **11,387,115,474** **12,308,869,291** **13,378,813,846** **14,614,732,027**

TABLE: 6 PROJECTED INCOME & EXPENDITURE STATEMENT (TSHS. 000)

PARTICULARS	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Income	16,800,000	19,824,000	23,392,320	27,602,938	32,571,466
Less Expenditure:					
Total operating expenses	10,597,675	11,387,116	12,308,870	13,378,814	14,614,732
Depreciation	963,546	963,546	963,546	963,546	963,546
Total Expenses	11,561,221	12,350,662	13,272,416	14,342,360	15,578,278
Net Profit	5,238,779	7,473,338	10,119,904	13,260,578	16,993,189
Less Tax -	1,571,634	2,242,001	3,035,971	3,978,173	5,097,957
Net Profit	3,667,145	5,231,337	7,083,933	9,282,405	11,895,232

TABLE: 7 PROJECTED CASH FLOW (TSHS. 000)

PARTICULARS	TABLE	YEAR 0	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
A. CASH IN FLOWS:							
INCOME							
Loan	1	8,241,290	-	-	-	-	-
Sales & Hotel Income	4	-	16,800,000	19,824,000	23,392,320	27,602,938	32,571,466
			16,800,000	19,824,000	23,392,320	27,602,938	32,571,466
B. CASH OUT FLOW:							
Operating expenses	5	-	10,597,675	11,387,116	12,308,870	13,378,814	14,614,732
Principal loan + Interest	2 A..	-	3,057,519	2,744,350	2,431,181	2,118,012	1,804,843
Taxes	6	-	1,571,634	2,242,001	3,035,971	3,978,173	5,097,957
Total out flow			15,226,827	16,373,467	17,776,022	19,474,998	21,517,531
Net flows			1,573,173	3,450,533	5,616,298	8,127,939	11,053,936
Opening cash			1,559,000	3,132,173	6,582,706	12,199,004	20,326,943
Closing cash			3,132,173	6,582,706	12,199,004	20,326,943	31,380,879

TABLE: 8 PROJECTED BALANCE SHEET (TSHS. 000)

PARTICULARS	TABLE	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
ASSETS						
CASH & BANK	7	3,132,173	6,582,706	12,199,004	20,326,943	31,380,879
FIXED ASSETS:						
Less: Deprec.						
Buildings	3A	929,626	910,654	891,682	872,710	853,738
Plant & Machinery	3B	4,758,888	3,919,084	3,079,280	2,239,476	1,399,672
Land		100,000	100,000	100,000	100,000	100,000
Office equipment	3C	16,150	13,300	10,450	7,600	4,750
Office furn. & fittings	3D	14,080	12,160	10,240	8,320	6,400
Motor Vehicles	3E	300,000	200,000	100,000	-	(100,000)
Total Fixed Assets		6,118,744	5,155,198	4,191,652	3,228,106	2,264,560
Total Assets		9,250,917	11,737,904	16,390,656	23,555,049	33,645,439
LIABILITIES						
New Term Loan	2	9,098,384	6,354,035	3,922,854	1,804,843	-
OWNERS EQUITY						
Accumulated funds		(3,514,613)	152,533	5,383,869	12,467,802	21,750,207
Retained earnings	6	3,667,145	5,231,337	7,083,933	9,282,405	11,895,232
Total Owners Equity		152,533	5,383,869	12,467,802	21,750,207	33,645,439
Liabilities & Equity		9,250,917	11,737,904	16,390,656	23,555,049	33,645,439

FINANCIAL ARRANGEMENTS

JND Company Limited is looking for a term loan of Tshs.8.2 billion for setting up a poly bags manufacturing factory. The loan will cover construction costs, importation of poly bags making machines as well as operating expenses.

PROJECTED NET PROFIT

The projected net profits will be handsome throughout the period of the loan

Net profit will increase year after year as follows

Year 1 – Tshs . 3,667,145,000

Year 2 – Tshs. 5,231,337,000

Year 3 – Tshs. 7,083,933,000

Year 4 – Tshs. 9,282,405,000

Year 5 – Tshs. 11,895,232,000

See Table 6

PROJECTED CASHFLOW

The projected cash flow analysis indicates that the business will have enough funds to service the loan and meet other flow obligations.

Closing cash at the end of year 5 will be Tshs.31, 380,879,000

See Table 7

RETURN ON INVESTMENT

Return On Investment = ROI = Net Profit/Total Assets

YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
40%	45%	43%	39%	35%

Payback Period = A + B/C

Where :

A is a period with A negative cumulative cash flow

B is the absolute value (i.e. value without sign) of the cumulative cash flow at the end of period A and

C is the total cash inflow during the period following A

PERIOD	CASHFLOW	CUMMULATIVE
YEAR 0	(8,241,290)	(8,241,290)
YEAR 1	3,132,173	(5,109,117)
YEAR 2	6,582,706	1,473,588
YEAR 3	12,199,004	13,672,593
YEAR 4	20,326,943	33,999,536
YEAR 5	31,380,879	65,380,415

Payback Period = 1 + 0.8
1.8 years

5.0 MARKET AND SALES

- i. The largest market is southern highlands zone comprising of Mbeya ,Iringa region,Songwe,Rukwa and Njombe regions.Others located outside the southern highlands zone include Dodoma,Mtwara regions .

The main intention of the company is cover all regions in Tanazania and later cross the boundaries of Tanazania.

- ii. Projected production volume will be 2.8 million bags per month and the annual production will be Tshs.33.6 million
The unit price on average will be Tshs.500.0 and the sales objective is to sell 100% of the annual production turnover.

Required quantity will be 60 to 70 million bags per month and pp bags production capacity in the country has approximately 38 to 40 million per month.

Now Tanzania agriculture is increasing every year by 2 to 3 million bags per month.This is the only packing material for any crop, cement industry, sugar industry, fertilizer packing,all types of cloth packing all types of plastic material packing as well as fruits packing.

Still people are importing bags from China,India,Kenya and other countries

- iii. Potential users of the poly bags include millers, farmers, manufacturers .The Company will be selling on wholesale basis to poly bags wholesalers and at times use agents.
- iv. Future competition is not very stiff because poly bags have been in the market for very long

- i. Critical factors that determine market potential

The quantity demanded (qD) is a function of five **factors**—price, buyer income, the price of related goods, consumer tastes, and any consumer expectations of future supply and price. As these **factors** change, so too does the quantity demanded.

The factors mentioned above will to large degree determine market potential and can be influenced by five areas of the external environment.

- The Political and Regulatory Environment.
- The Economic Environment. ...
- The Competitive Environment. ...
- The Technological Environment. ...
- The Social and Cultural Environment.
- Consumer Behaviour

6.0 INDUSTRY DYNAMICS: COMPETITION

i. *Competitive Advantage*

Location

As the only poly bags factory in Southern highlands it will be able to facilitate frequent deliveries assuring constant availability. Being located at Iringa it will serve transport costs for poly bags business community

Product Quality

Currently there is no effective quality control enforcement on poly bags production and for that reason large poly bags manufacturing companies do occasionally produce poor quality products due to negligence or simply as a result of processing a large volume of products

Competitive Strategies

The company's intention as a business is to become the leading poly bag producer and to be the preferred brand for its target markets. However in order for it to be able to compete favourably against its competitors, it will put in place several competitive strategies which will include the following:

- Knowing how effective publicity strategies are, it will engage the services of reputable Marketing Manager who will help the company draft effective publicity strategies that would allow the company stand out, increase awareness of the company's business and give it an edge it needs over its competitors.
- Building the right business structure will allow the company go an extra mile in hiring competent and capable hands to handle the various roles and responsibilities. The company's employees will not only be capable but will be highly experienced and will therefore ensure that the company is able to start from being unknown start- up to becoming one of the leading brands in the packaging industry in Tanzania.
- In order to keep employees dedicated and committed to company's cause, the company will ensure that not only its employees will be well trained and work in an environment that is easily accessible and conducive .The company will ensure that employee are well paid as well with their welfare packages better than what their counterparts in similar start – up such as this company across the industry are getting.

ii. List of the competitors

A to Z company Ltd- Arushsa

Azania Poly Bags Company Ltd – Dar es Saalam

Peter Teenager Liver – Tanga

Hillary Packaging Company Ltd- Bagamoyo

Said Salim Bakhresa & Company Ltd - Dar es Salaam

- iii. Market share of the applicant company, present and future
 Required quantity will be 60 to 70 million bags per month and poly bags production capacity in the country has approximately 38 to 40 million per month.
 JND Poly bags company limited will be producing 2.3 million poly bags per month and the annual production will be 33.6 million per year.

Now Tanzania agriculture is increasing every year by 2 to 3 million bags per month. This is the only packing material for any crop, cement industry, sugar industry, fertilizer packing, all types of cloth packing all types of plastic material packing as well as fruits packing.

Still people are importing bags from China, India, Kenya and other countries

- iv. List of major buyers.

	NAME	CONTACTS DETAILS	LOCATION
1	Super Seki Investment	0768292044/0757409887	Iringa
2	Penguine Lime	0622274931	Mbeya-Songwe
3	Hamza Super Sembe	0785859595	Songea
4	Tenende Super Sembe	0754514579	Njombe
5	Raha Leo Super Sembe	0754640971	Makambako
6	Upendo Super Sembe	0752118057	Songea
7	Usungiro	0684191526	Iringa
8	Dc Super Sembe	0754769423	Iringa
9	Beckah Super Sembe	0784528856	Songea
10	Kimolo Super Rice	0754451597	Dodoma
11	A.G	0684996644/0764187833	Iringa
12	Kingare Super Sembe	0784411951	Dodoma
13	Mapanda Sembe	0755694020	Mafinga
14	Mwananchi	0758128084	Iringa
15	Malatu Super Rice	0782680494	Dodoma
16	Another One	0767331302	Iringa
17	R.K	0755519621	Iringa
18	F.K	0682338410	Iringa
19	I.C	0786891919	Ifakara
20	D.M.K	0766411993	Iringa
21	C.G	0784392788	Ifakara

22	Masoud	0767140714	Iringa
23	Halima Agro	0767999132	Sumbawanga
24	Mwangaza	0759323951	Iringa
25	Mligo Super Sembe	0753390451	Njombe
26	Mtazamo Investment	0787320099	Songea
27.	Duma Super Sembe	0714744276	Iringa
28	Mzalendo Sembe	0755762840	Makambako
29	Mwayaya Sembe	0766951926	Sumbawanga
30	Dulla Super Sembe	0767626234	Songea
31	Dangote Super Sembe	0752911098	Mbeya
32	Saboso Dona	0754469516	Iringa
33	London Super Sembe	0754625942	Sumbawanga
34	Amani Vijo	0759384237	Iringa
35	Chavda	0782039535	Dodoma
36	Al-Mujibu	0712408045	Songea
37	Mkulima Bora	0784420884	Njombe-Igwachanya
38	Kasuku Lime	0754570043	Ifunda
39	Dodoma Lime	0784276484	Dodoma
40	Kisigo Tea Company	0763010745	Iringa-Mufindi
41	M.M Sembe	0715569128	Songea
42	Mamba Lime	0755056689	Ifunda
43	Mapanda Rice	0755694020	Mafinga
44	Lukman	0716525425	Songea

v. List of major suppliers
NAME

1. *POLYPROPYLENE RAFFIA GRADE 3 TO 4.5 MFI*

SABIC

Adolf W. Mutisya
Sales Executive,
Regional Sales Kenya
SABIC Kenya Co. Pvt, Ltd
Nairobi,00800
Kenya.

Tel +254 20 2944 000

Fax:+254 20 2944 111

Email: mutisyaaw@sabic.com

Website: www.sabic.com

2. *POLYPROPLENE RAFFIA GRADE 3 TO 4.5 MFI*
Benoy Shah
NCT Middle East FZE(Kenya Liason Office)
P.O. Box 78443,
Nairobi,
Kenya.
Office mobile (+254) 729 406539),(+254) 731 373802
Wire less (+254 20) 8047682
3. *POLYPROPLENE RAFFIA GRADE 3 TO 4.5 MFI*
Sasol Base Chemical
56 Grosvenor Road
Bryaston 2021
Johannesburg,
Gauteng Province
South Africa
Tel: +27 11 7901273
4. *CALCIUM CARBONATE,WHITE MASTER BATCH,COLOR MASTER BATCHES*
Bajaj Polyblends Pvt Ltd
Plot No. N-19 & N-20, Additional Industrial Area
Patalganga Midc, Rasaysani-410 220
Panvel,Dist,Raigad,
India.
Sagar K
Cell: +919702226699
Email: sagar@bajajsupaerpack.com
5. *CALCIUM CARBONATE,WHITE MASTER BATCH,COLOR MASTER BATCHES*
Kandui Industries Private Limited
Plot No.112, Minerva Ind. Estate
Near Hercules Hoist, Mulund (West)
Mumbai- 400 080,
India.
Ankur Banka
+91 7738030008 (WhatsApp)
Email: ankur@kandui.in / www.additivemasterbatches.com
6. *POLYPROPLENE RAFFIA GRADE 3 TO 4.5MFI*
CALCIUM CARBONATE,WHITE MASTER BATCH,COLOR MASTER BATCHES

Abhishek Singh Sengar
Manager- Chemical

Tata Holdings (Tanzania) Ltd
Plot No.1& 2 Vinguguti /P.O. Box 40207/ Dar es Salaam/ Tanzania
Board + 255 22 286517/2258
Mob + 255 683 795 192

Email: abhishek.sengar@tatainternational.com
www.additivemasterbatches.com

- vi. Industry risks and how the proposal mitigates them

Market Risk

There is a risk of over production and may cause low prices. This company has reliable markets .The Company has and will established reliable customers mainly wholesale buyers. However, the situation is unlikely as demand exceeds supply.

Credit Risk

There is a risk that JND Poly Bags Company Limited will not honour its financial obligations including payment of interest and principal on time because of low product or lack of market. The mitigation of this risk is that, the principal shareholders have other businesses which include printing service of poly bags, shareholding in tea factory activities and may help in the repayment of the loan. .

7.0 GOVERNMENT /DONOR SUPPORT AND REGULATIONS:

- i. The Economic Reforms of Tanzania, which began in the earliest in 1986 have brought about the foundation of an economy that increasingly relies on private sector enterprises and market forces for growth and development. The wave of reforms has been both intensive and extensive covering all sectors of the economy.

Tanzania has enacted laws and regulations to suit the needs of investors and keep pace with the new dynamic business world. Conflicting laws and regulations have been rectified and made easier to interpret. This include Tanzania investment Act (1997),Investment Regulations (2002) ,to mention a few

- ii. Specific government incentives include the following:
- Reduced import tariff on capital items.0 % import duty on capital goods i.e factory machinery to be imported
 - Ease of obtaining trading licences, residence and work permits for the project's expatriate staff
 - .Automatic permits for employing an initial quota of 5 foreign nationals on the project holding certificates of incentives
 - Import duty drawback on raw materials
 - Deferment of VAT payment on capital goods as defined in the tarrif book and its relevant annexes deferred VAT to be shown on monthly return after which it will be extinguished unless it is discovered otherwise after audit
 - 30% Corporation tax and withholding tax on management 5%
- iii. Expected contribution of the project to economic development
- Tax Revenue
 - Employment creation raising living standards
 - Revenue for the company
 - Transfer of technology
 - Increase in productivity
 - Increased exports
 - etc

8.0 SECURITY AND RISK MITIGATION

- i. Risk mitigation within the context of the this project will cover a set of measures taken By the management of the company to reduce or eliminate risks associated with the project.

The company will identify threats, make plans and take measures.

- ii. Specific risk mitigation measures to be adopted will include the following:

- Fence Security system
- Installation of security camera
- Installation of fire alarm system and fire extinguishers
- Employ security guards
- Insure project assets
- etc

To mitigate cyber security risk and protect the company's data, the company will:

- Keep software up to date
- Install antivirus protection software
- Back up critical data
- etc

9.0 TIMETABLE ENVISAGED FOR PROJECT IMPLEMENTATION AND COMPLETION

- | | | |
|------|--|-----------------------|
| i. | Construction of project building will take | 3 months |
| ii. | Machine Installation /Erection and commissioning | 1 month |
| iii. | There after production will commerce | 4 th month |

10.0 ECONOMIC BENEFIT AND ENVIRONMENT

The businesses contribute to the social economic development of the country in way of creating employment opportunities and paying taxes.

The businesses pay taxes to the government which gets the capability of providing more social services and infrastructure: Schools, Hospitals & Roads etc.

The business will create employment opportunities to about 150 individuals and consequently increase household incomes.

By engaging itself in agricultural value addition project of producing and printing on empty bags for agro related products, the business facilitates trade and market access for agricultural produce.

Poly bags are environment friendly bags and are 100% recyclable and take a very short period to decay.

11.0 RECOMMENDATION

Through the analysed projected financial statements it is recommended that the company's project is viable and qualify to be given Tshs.8.2 billion as term loan to finance the costs of setting up a poly bags factory and cover operational expenses.

.....
JIMSON DAUD KISIGO
MANAGING DIRECTOR

Moses AB



RESOLUTION TO BORROW MEETING AS HELD ON 20th January, 2021.

VENUE: COMPANY OFFICE (JND POLYBAGS COMPANY LIMITED) – IRINGA

OPENING OF A MEETING

The Chairman who is Managing Director of the company invited his colleague to the meeting and the meeting was officially opened at 15.55 hours.

AGENDA 1

REQUEST FOR A TERM LOAN OF 8.2 BILLION

The Managing Director of newly formed company gave brief business expectations of the company and completed statutory requirements. He said the company has so far acquired a Certificate of incorporation, Memorandum and Articles of association, Tin Certificate,

He said that the company is intending to set up factory which will be engaged in the production of poly bags. Therefore, there was a need to ask for financial support to the tune of Tshs.8.2 billion which will be repaid in 5 years.

After a lengthy discussion, we both agreed to apply for a term loan of Tshs. 8.2 billion from Tanzania Agricultural Development Bank ,Mbeya branch .

The meeting ended at 17.30 hours.

.....
JIMSON DAUD KISIGO
Chairman/ Managing Director

.....
NEEMA SHAURI NGUMBO
Secretary/Director

This is the true extract of the board minutes as deliberated on 20th January, 2021

.....
JIMSON DAUD KISIGO
Chairman/ Managing Director

.....
NEEMA SHAURI NGUMBO
Secretary/Director