BUSINESS PLAN
FOR
AFRICO BOMBA
LIMITED

CONTENTS

1. THE COMPANY

Incorporation

AFRICO BOMBA LIMITED of P. O. Box 7517, Dar es Salaam, incorporated as a Limited Liability Company on March 23, 2023 under the certificate of incorporation number 164565378 issued by BRELA Tanzania. The registered office of the company is situated at Plot No. 121, Kipawa, Dar es Salaam.

Share Capital

The authorized share capital of the company is TZS 100,000,000/= being 1,000 shares of TZS 100,000/= each. The 60% share capital (600 shares) is fully issued and paid up, which is held by Mr. HUZEIFA MURTAZA DAWOODBHAI (50%) and Mr. MOHAMED ABITALIB SARKAR (50%). If required, the authorized and/or issued capital of the company will be increased further to an appropriate level to enable promoters undertake the envisaged project.

The Business

The Company has been incorporated with the object of Manufacturing Conduit Pipes and PVC Pipes, for local sale and export.

The company has rented one godown, totaling 500 square meters on plot No. 121, Kipawa street, Dar es Salaam. The built up area also includes offices, rest rooms and other requisite facilities for workers. The godown is located as part of an industrial estate housing other godowns used for manufacturing facilities.

The abovementioned industrial space has been rented at a cost of TZS 1,833,333 per month excluding VAT, from the landlord M/s Alpha Products Limited.

The company has obtained the Tax Identification Number 164-565-378 and VAT registration has been applied for. Copies of these are attached herewith this report in Annexure “B”.

The company’s Accountant is AQMS Services, P.O. Box 4, Dar es Salaam and the bankers are CRDB Bank.

2. THE PROMOTERS

The company has been promoted by its Directors and shareholders, Mr. HUZEIFA MURTAZA DAWOODBHAI and Mr. MOHAMED ABITALIB SARKAR. Both the Directors are experienced businessman and they have more than 10 years of Hardware Business experience.

To undertake the proposed investment further capital will be injected by way of Loan in addition to the current capital of the company. The details of these are seen in the financing plan under Annexure “A”.

3. THE MANAGEMENT

The company will be managed and run by its Board of Directors which consists of the following:

1) Mr. HUZEIFA MURTAZA DAWOODBHAI
2) Mr. MOHAMED ABITALIB SARKAR.

As elaborated above the two Directors will be fully involved in running and managing the project.

The Board of Directors will be assisted by a General Manager and an Operations Manager. This team of top managers will be assisted by 2 technical persons and 1 Accountant. This team will be fully responsible for all aspects of management of the day to day operations and support activities of the company.

The level of staffing will be increased over two to three years based on the requirements of the project and availability of suitable manpower in Dar es Salaam.

4. THE PROJECT

4.1 PROJECT CONCEPT

The company intends to set up a plant for the process and manufacture Conduit pipes and PVC pipes at its leased premises in Dar es Salaam. At full capacity, the plant will use 480 metric tons of local and imported products of various specifications to produce various types and sizes of PVC pipes and Conduit pipes for local market and to expand it to export to neighboring countries in near future.

In any developing country, as economic transformation is set in motion, the yardsticks for the level of development or industrialization are set by the per capita usage of various primary goods like energy, steel, textiles, petrochemicals, etc. and their proportions in the GNP of the country.

As the country moves towards industrialization from a primarily agrarian economy, to a more urbanized cum industrial one, the construction industry requires of all kinds of pipes. While several of the resources used in producing various other industrial and consumer products cannot be replenished, the use of different type of pipes will be increased as construction industry is booming.

4.2 BUILDINGS AND PHYSICAL INFRASTRUCTURE

The company has rented a 500 square meter industrial space in prime industrial area of Tanzania. It is part of an estate housing several other manufacturers. The property is accessible by an all-weather tarmac road from city centre as also from Mandela Road, Morogoro Road and other main roads of the city. In addition to the present one godown the company might increase the area if required in future.

4.3 FINANCIAL PLAN:

The total cost of the assets to be employed in the project will be Tanzania Shillings 936,760,000 made up as follows:

Item Name	**Cost (in USD)**	**Cost (in TZS)**
Plant and Machinery – Pullorizer, Crusher, Extruder, Twin Screw, Cooling water tank, Laser printer and Cutter (4 Nos)	175,000	423,500,000
Construction	17,000	41,140,000
Motor Vehicle Canter (3 Ton)	19,000	45,980,000
Furnitures	2,000	4,840,000
Lease Rental for 1 year	9,090	22,000,000
Raw Materials (for 3 months)	165,000	399,300,000
TOTAL	**387,090**	**936,760,000**

In addition to the assets listed above, the company will require working capital to the tune of Tanzania Shillings 30,000,000/=. Initially only One machine will be purchased and 3 additional machines will be added in future for expansion. Motor vehicle will also be acquired in the year 2 or 3 as per requirement. The promoters intend to finance the project by way of equity and term loans. The promoters also intend to inject more capital if required to expand further.

The tables in Annexure “A” give detailed breakdown of various aspects of revenues and expenses and the basis of their inclusion in the respective tables. Further analyses are given in the subsequent chapter “6” of this report under Financial Aspects.

4.4 PLANT AND MACHINERY

The plant and machinery will be imported from People's Republic of China. One set of machine includes Pullorizer, Crusher, Extruder, Twin Screwer, cooling water tank, Laser printer and Cutter. Present cost of one set of plant is expected to USD 38,000/=.

The total cost of these machines and equipment are expected at TZS 423,500,000/= over the next three years. Initially the company intends to import one set of machine only.

4.5 RAW MATERIALS

The primary raw materials for this project is PVC granules which will be imported from People’s Republic of China, Korea or South Africa.

The requirements of other raw materials are calcium carbonate, stabilizer, steric acid and wax. The management of this project knows exactly what quality of raw materials requires for manufacturing of best quality of pipes and where it available. It is extremely necessary to bring about maximum possible economies or savings in the use of raw materials.

The current prices of these raw materials to be used by this project range from USD 1,400/= per ton to USD 1,600/= per ton depending on which type of PVC granules is used. Roughly, at this price of raw material, each ton of finished product translates to USD

2,000/= to USD 2,300/= per ton of finished products. This again depends of specifications of the pipes.

4.6 PRODUCTION PROCESS

The advanced technology has made the manufacturing process of pipes very simple. Extrusion is a common manufacturing process used in plastic manufacturing. In this process, a material is melted and then forced through a die to create a continuous shape with a fixed cross-section. The process is used to create a wide range of pipes. Step 1 is to create mixture of PVC granules using Pullorizer and crusher. The feeding of raw material and melting and heating in multiple extruder zones. Extruding through a die to shape into a pipe. Cooling of the shaped pipe and last step cutting of PVC pipes to the desired length.

Waste materials disposals

There are no environment degrading residues or effluents generated during or after the production process. As such the project has no negative factors leading to environment degradation nor does it require any treatment plant. On the other hand, all the wastage of the reusable raw materials is sold to and used up by other similar factories and recycled again.

The project is intended to commence production by June 2023 soon after the installation of the machines and equipment which are planned to be procured as detailed previously.

4.7 HUMAN RESOURCES

The company will require services of management staff, support staff and skilled and unskilled workers at the plant. The company intends to hire the following management personnel to start the project:

General Manager	1
Operations Manager	1
Machine Operator	2
Accountant	1
Marketing Personal	1
Driver	1
Helpers	10
Other workers	3

Of the above 20 persons, the company will need to recruit expatriate personnel for the positions of General Manager and Machine Operators.

In addition, the company will also need to hire four security personnel to assist with safety and security of the assets of the company. This function of security will be sub-contracted to an independent company.

5. THE MARKET

The market for pipes is increasing every year. The global PVC pipes market size reached 23.8 Million Tons in 2022. Looking forward, experts expects the market to reach 31.1 Million Tons by 2028, exhibiting a growth rate of 4.31% during 2023-2028.

The market for pipes for local market – industrial and commercials use - is one of the fastest growing ones of all sectors in Tanzania. There are a total of 10 producers of PVC pipes manufacturers in Tanzania. Of these only five producers produce quality products in terms of use of quality raw materials and use of efficient technologies.

The market for these products, those to be manufactured by the company, is local and exports to neighboring countries. The market for the company's products will be the customers based in all urban centers as well as the rural populations in various parts of the country.

The national policies on expansion of exports are expected to see increasing growth at a very high rate during the forthcoming ten years.

6. FINANCIAL ASPECTS

6.1 BASIC ASSUMPTIONS:

The following basic assumptions form the basis of the study:

The total investments are TZS 1,780,800,000/= which include Land and Building, Equipment, Motor Vehicles, and other tools will be required over a period of 4 years. These do not include loans and overdraft facilities, shown on financial projections.

It should be noted that all capital costs have been taken at landed costs excluding Customs duties and Value Added Taxes (V.A.T.). Thus the promoters believe the exemption of customs duties and deferment of VAT will be an important requisite for the project to be implemented.

Gross revenues arising from sale of sea foods is conservatively estimated as follows: Year 2023 at 50% of capacity, 2024 at 70% of the capacity, 2025 at 90% of capacity, 2026 at 100% of capacity and 2027 at 100% of the total capacity of the storage facility. The expansion of capacity will be facilitated by additions and improvements and these will show in increased revenue from 2028 onwards.

Taxation is assumed to be constant i.e. at 30% of net business incomes. However even if the system of taxation and the rate were to change to be in line with EAC member states' tax regimes, there will not be any significant changes to cash outflows. This is because the Corporation Tax rates are highly unlikely to exceed 30% as any increase will deter new foreign direct investment and there are several other known avenues to broaden the tax base and raise revenues in all the three member states of the East African Community. Other Local and central Government taxes, levies, etc. are presumed to remain unchanged.

For the purpose of this study the figures are quoted in Tanzania Shillings and the rate of exchange against the US $ is presumed at TZS 2,420/=

6.2 FINANCIAL ANALYSIS

The project is expected to pay back in a period of just less than five years. This is extremely positive for an industrial investment project which is commonly expected to pay back over ten years.

The Cash Flow analysis of the project shows a net surplus of TZS 186,181,212/= at the end of the year 2027 or after five years. The Cash Flow analysis and projected financial statements are inclusive of revenues and payments of loans. However, it should be noted that fluctuations in exchange rates and other factors of production as well as tariffs on imported finished products can result in reduced surpluses by end of the same period.

An analysis of the discounted cash flows at a high rate of 12% also reveals an NPV of TZS 124,004,359/= at the same point in time and when the rate is taken at 24% the NPV is positive at TZS 80,996,083/=. The DCF rate used is quite high when compared to the rate of inflation in Tanzania or in other countries with US $ denominated or pegged economies.

The total earnings per share over five years amounts to TZS 324,671/= which is more than 3 times of the nominal value of each share.

The Financial analysis clearly show the financial benefits in terms of direct and indirect taxes, NSSF contributions, local government taxes like city service levies and property taxes, employment opportunities to Tanzanian nationals and other benefits to ancillary trade and services in the local economy.

Please refer to the ANNEXURE A for the detailed financial projections of the venture.

7. ECONOMIC & SOCIAL BENEFITS

The following benefits will accrue to the nation from the implementation of this project covering the existing and new investments:

- Addition in local manufacturers of quality pipes in Tanzania particularly Dar es Salaam.
- Employment of at least 20 to 30 direct employments. Total estimated gross emoluments for direct employees of TZS 129,000,000/= or more plus benefits in the first year and rising thereafter each year to reach 697 million by 2027.
- Additional employment opportunities in enterprises which will benefit in terms of new businesses opportunities to service this new project.
- Direct Taxes to T.R.A. – TZS 134 million or more over the next five years by way of corporation taxes at the current rate of 30% of net taxable incomes.
- Additional direct taxes will also accrue from employment taxes of employees and withholding taxes on dividends paid to shareholders.
- Skills and development levies to T.R.A. amounting to TZS 37,515,600/= over five years.
- Value Added Taxes to T.R.A. – TZS 416,707,200/= over the next five years based on the current VAT rate of 18% of the value of the sales (i.e. total output taxes less total input taxes on Raw materials) payable to TRA
- Total NSSF contributions amounting to TZS 93,789,000/= over the same period, being contributions by the company and the employees.

- Total payments of TZS 23,310,000/= by way of City Service Levies to local government.
- Additional revenue generation for other companies, both private and public, in respect of investments during the construction of additional facilities and improvements and on the recurrent expenditure on goods and services thereafter.

8. S W O T ANANLYSIS

STRENGTHS:

Investments in new plant, efficiency, customer base, proven experience, own facilities, grasp over mechanical engineering, ability solve technical problems and evolve engineering solutions in house, innovations in better use of machines, willingness to undertake orders from smaller customers employing flexible solutions, creditworthy with capital goods and raw materials suppliers and bankers.

WEAKNESSES:

Presence of bigger players, distance of certain regional markets in Dar es Salaam, costs of transportation of raw materials to Dar es Salaam due to current infrastructural and shipping problems and competitive pressures hampering profitability.

OPPORTUNITIES:

Importance of Dar es Salaam as a major source of supplies to the market, lower costs, nearer to export markets of Kenya, Uganda, Rwanda, Burundi and DRC, ample space for expansion.

THREATS:

Downturn in the economy, nationally and internationally, failure of any equipment or machinery, evasion of tariffs by unscrupulous exporters. Same applies if there are recurrences of epidemics similar to Covid between 2020 and 2022.

9. CONCLUSIONS:

The project which the promoters intend to undertake is based on very sound fundamentals. The financial analysis which forms part of this report shows that the project is totally viable and warrants financial facilities from bankers.

The revenue projections are based on the market survey and requirement as per local market during past years to existing customers and hence these are likely revenue streams which the company will realize.

Similarly, all the projections of expenses and outgoings are also based on certainty which in turn is based on historical figures of the preceding years and scientific estimates for the future years.

The Net Present Values (NPV) of the project based on discounted cash flow rates of 12% and 24%, which are much more than the current inflation rate as well as current savings rate, gives positive cash flows.

The payback period for the project is just under five years.

Finally, the promoters do not perceive any negative factors that may lead to reduced demand for the products of the company and thus reduced revenues from the project.

On the other hand, the revenues from this investment are highly likely to go up within the next 12 to 18 months, exceeding the rate of growth projected in this report.

As such the promoters strongly believe that this is a very safe, secure and profitable investment for the company and fully justified under the present state of the economy of the country.

ANNEXURE "A"

1. PROJECTED CASH FLOW 2023 TO 2027

	PROJECTED CASH FLOWS FOR THE PERIOD 2023 TO 2027				
	2023	**2024**	**2025**	**2026**	**2027**
INFLOWS:					
EQUITY FUNDS	60,000,000	40,000,000	-	-	-
LOAN FROM HQH	120,000,000	-	-	-	-
LOAN FROM DIRECTORS	-	55,000,000	135,000,000	-	-
SALES REVENUES	925,000,000	1,295,000,000	1,665,000,000	1,850,000,000	2,035,000,000
OTHER INFLOWS	-	-	-	-	-
TOTAL INFLOWS:	1,105,000,000	1,390,000,000	1,800,000,000	1,850,000,000	2,035,000,000
OUTFLOWS:					
PLANT,MACINERY,EQUIPMENT	91,960,000	101,156,000	230,384,000	-	-
COST OF RAW MATERIALS	649,400,000	909,160,000	1,168,920,000	1,298,800,000	1,428,680,000
FURNITURES AND FIXTURES	4,840,000	-	-	-	-
OTHER ASSETS	41,140,000	-	-	-	-
MOTOR VEHICLES	-	45,980,000	-	-	-
LOAN REPAYMENTS	-	60,000,000	60,000,000	90,000,000	100,000,000
Sub Total:	787,340,000	1,116,296,000	1,459,304,000	1,388,800,000	1,528,680,000
Add: Expenses:					
ACCOUNTANCY FEES	5,000,000	6,000,000	7,500,000	7,500,000	7,500,000
ADVERTSING & MARKETTING	1,156,250	1,618,750	2,081,250	2,312,500	2,543,750
BANK CHARGES	800,000	800,000	800,000	1,000,000	1,000,000
CITY SERVICE LEVIES	2,775,000	3,885,000	4,995,000	5,550,000	6,105,000
CONSULTANCY FEES	1,000,000	1,250,000	1,500,000	1,500,000	1,500,000
DIRECTORS' REMUNERATION	48,000,000	48,000,000	48,000,000	48,000,000	48,000,000
GENERAL EXPENSES	10,200,000	6,800,000	3,500,000	4,500,000	4,500,000
INSURANCES	5,750,000	5,750,000	6,325,000	6,325,000	6,325,000
LEGAL & PROFFESSIONAL. FEES	2,000,000	2,300,000	2,645,000	2,909,500	2,909,500
MAINTENANCE	2,000,000	2,300,000	2,645,000	2,909,500	2,909,500
MOTOR VEHICLE RUNNING EXPENSES	4,000,000	4,600,000	5,290,000	5,819,000	5,819,000
NSSF & SDL COSTS	24,780,000	24,780,000	26,586,000	26,586,000	28,572,600
POSTAGE & COURRIER	1,000,000	1,150,000	1,322,500	1,454,750	1,454,750
PROPERTY RENT	22,000,000	26,400,000	31,680,000	38,016,000	45,619,200
PRINTING & STATIONERIES	1,387,500	1,942,500	2,497,500	2,775,000	3,052,500
STAFF SALARIES	129,000,000	129,000,000	141,900,000	141,900,000	156,090,000
TELEPHONES, FAX & INTERNET	500,000	575,000	661,250	727,375	727,375
TRANSPORT FOR DELIVERIES	6,000,000	6,900,000	7,935,000	8,728,500	8,728,500
UTILITIES	16,000,000	16,000,000	17,600,000	17,600,000	19,360,000
WELFARE & MEDICAL	1,600,000	2,000,000	2,500,000	2,500,000	3,500,000
TOTAL EXPENSES:	284,948,750	292,051,250	317,963,500	328,613,125	356,216,675
TOTAL OUTFLOWS:	1,072,288,750	1,408,347,250	1,777,267,500	1,717,413,125	1,884,896,675
ADD: TAXATION	0	10,044,956	22,527,715	43,521,440	57,511,377
TOTAL OUTFLOWS AFTER TAXES	1,072,288,750	1,418,392,206	1,799,795,215	1,760,934,565	1,942,408,052
NET CASH FLOWS	32,711,250	-28,392,206	204,785	89,065,435	92,591,948
BALANCE B/F	0	32,711,250	4,319,044	4,523,829	93,589,264
TOTAL CASH FLOWS C/F	32,711,250	4,319,044	4,523,829	93,589,264	186,181,212

2. SCHEDULES OF REPAYMENT OF LOAN

	SCHEDULE OF REPAYMENT OF LOAN				Fig. in TZS
	2023	2024	2025	2026	2027
LOANS PAYABLE	120,000,000	120,000,000	115,000,000	190,000,000	100,000,000
ADDITIONAL	0	55,000,000	135,000,000	0	0
PAYMENT OF LOAN	0	-60,000,000	-60,000,000	-90,000,000	-100,000,000
BALANCE DUE & PAYABLE	120,000,000	115,000,000	190,000,000	100,000,000	0

3. STAFF SALARIES AND STATUTORY COSTS

		STAFF SALARIES			
	2023	2024	2025	2026	2027
Executive Managers - 2 persons	36,000,000	36,000,000	39,600,000	39,600,000	43,560,000
Accountant	12,000,000	12,000,000	13,200,000	13,200,000	14,520,000
Machine Operator	24,000,000	24,000,000	26,400,000	26,400,000	29,040,000
Marketing Personell + Driver	18,000,000	18,000,000	19,800,000	19,800,000	21,780,000
Helpers + Others x 13	39,000,000	39,000,000	42,900,000	42,900,000	47,190,000
TOTALS:	129,000,000	129,000,000	141,900,000	141,900,000	156,090,000
	STAFF RELATED STATUTORY COSTS				
DIRECTORS' REMUNERATION	48,000,000	48,000,000	48,000,000	48,000,000	48,000,000
STAFF SALARIES	129,000,000	129,000,000	141,900,000	141,900,000	156,090,000
TOTALS:	177,000,000	177,000,000	189,900,000	189,900,000	204,090,000
EMPLOYER'S N.S.S.F CONTR. COSTS	17,700,000	17,700,000	18,990,000	18,990,000	20,409,000
SKILLS & DEVELOPMENT LEVIES	7,080,000	7,080,000	7,596,000	7,596,000	8,163,600
TOTAL COSTS	24,780,000	24,780,000	26,586,000	26,586,000	28,572,600

4. SCHEDULES OF DEPRECIATION AND CAPITAL DEDUCTIONS

		SCHEDULE OF DEPRECIATION ON ASSETS				
	BUILDINGS	PLANT & MACHINE	MOTOR VEHICLES	FURNITURE & FIX.	OTHERS	Total Depreciation
F.Y. 2023	0	91,960,000	0	4,840,000	41,140,000	
DEPRECIATE	0	-18,392,000	0	-968,000	-8,228,000	-27,588,000
F.Y. 2024						
BAL. VALUE	0	73,568,000	0	3,872,000	32,912,000	
ADDITION	0	101,156,000	45,980,000	-	0	
DEPRECIATE	0	-14,713,600	0	-774,400	-6,582,400	-22,070,400
F.Y. 2025						
BAL. VALUE	0	160,010,400	45,980,000	3,097,600	26,329,600	
ADDITION	0	230,384,000	-	-	0	
		390,394,400	45,980,000	3,097,600	26,329,600	
DEPRECIATE	0	-78,078,880	-9,196,000	-619,520	-5,265,920	-93,160,320
F.Y. 2026						
BAL. VALUE	0	312,315,520	36,784,000	2,478,080	21,063,680	
DEPRECIATE	0	-62,463,104	-7,356,800	-495,616	-4,212,736	-74,528,256
F.Y. 2027						
BAL. VALUE	0	249,852,416	29,427,200	1,982,464	16,850,944	
DEPRECIATE	0	-49,970,483	-5,885,440	-396,493	-3,370,189	-59,622,605
BAL. VALUE	0	199,881,933	23,541,760	1,585,971	13,480,755	

		TAXATION - SCHEDULE OF CAPITAL DEDUCTIONS				
YEAR		IT EQUIPMENT	MACHINES, M/V	FURN. & OTHERS		
		C 1 - I.E. 37.5 %	C 2 - I.E. 25 %	C 3 - I.E. 12.5 %	TOTALS	TOTAL FOR YEAR
2023	W.D.V.	-	-	-	-	
	ADDITIONS	10,000,000	91,960,000	35,980,000	137,940,000	
	Total	10,000,000	91,960,000	35,980,000	137,940,000	
	WEAR & TEAR	-3,750,000	-22,990,000	-4,497,500	-31,237,500	-31,237,500
2024	W.D.V.	6,250,000	68,970,000	31,482,500	106,702,500	
	ADDITIONS	-	147,136,000	-	147,136,000.00	
	Total	6,250,000	216,106,000	31,482,500	253,838,500	
	WEAR & TEAR	-2,343,750	-54,026,500	(3,935,313)	-60,305,563	-60,305,563
2025	W.D.V.	3,906,250	162,079,500	27,547,188	193,532,938	
	ADDITIONS	-	230,384,000	-	230,384,000	
	Total	3,906,250	392,463,500	27,547,188	423,916,938	
	WEAR & TEAR	(1,464,844)	(98,115,875)	(3,443,398)	-103,024,117	-103,024,117
2026	W.D.V.	2,441,406.25	294,347,625	24,103,789	320,892,820	
	ADDITIONS	-	-	-	-	
	Total	2,441,406.25	294,347,625	24,103,789	320,892,820	
	WEAR & TEAR	(915,527)	(73,586,906)	(3,012,974)	(77,515,407)	-77,515,407
2027	W. D. V.	1,525,879	220,760,719	21,090,815	243,377,413	
	ADDITIONS	-	-	-	-	
	Total	1,525,878.91	220,760,719	21,090,815	243,377,413	
	WEAR & TEAR	(572,205)	(55,190,180)	(2,636,352)	(58,398,736)	-58,398,736
		953,674.32	165,570,539	18,454,464	184,978,677	

5. PROJECTED MANUFACTURING, PROFIT & LOSS ACCOUNTS

	PROJECTED FINANCIAL STATEMENTS				TZS
	MANUFACTURING, PROFIT & LOSS ACCOUNTS				
	2023	**2024**	**2025**	**2026**	**2027**
SALES	925,000,000	1,295,000,000	1,665,000,000	1,850,000,000	2,035,000,000
Less: COST OF GOODS SOLD	-649,400,000	-909,160,000	-1,168,920,000	-1,298,800,000	-1,428,680,000
GROSS REVENUES	275,600,000	385,840,000	496,080,000	551,200,000	606,320,000
LESS: EXPENSES	-284,948,750	-292,051,250	-317,963,500	-328,613,125	-356,216,675
NET OPERATING REVENUES	-9,348,750	93,788,750	178,116,500	222,586,875	250,103,325
ADD: OTHER INCOME	0	0	0	0	0
LESS: DEPRECIATION	-27,588,000	-22,070,400	-93,160,320	-74,528,256	-59,622,605
NET PRE TAX PROFITS	-36,936,750	71,718,350	84,956,180	148,058,619	190,480,720
LESS: TAXATION (PER COMPUTATIONS)	-	- 10,044,956	- 22,527,715	- 43,521,440	- 57,511,377
TO PROFIT&LOSS APPROPRIATION A/C	**-36,936,750**	**61,673,394**	**62,428,465**	**104,537,179**	**132,969,344**

6. TAXATION – PROJECTED COMPUTATIONS OF TAX LIABILITIES

		TAXATION			
	COMPUTATION OF TAX LIABILITIES				
	(As per current Tax Laws)				
	2023	**2024**	**2025**	**2026**	**2027**
TOTAL NET INCOME (PER ACCOUNTS)	-36,936,750	71,718,350	84,956,180	148,058,619	190,480,720
ADD BACK: DEPRECIATION	27,588,000	22,070,400	93,160,320	74,528,256	59,622,605
TOTAL:	-9,348,750	93,788,750	178,116,500	222,586,875	250,103,325
LESS: CAPITAL DEDUCTIONS:					
WEAR & TEAR - Class 1 - IT EQUIP.	-3,750,000	-2,343,750	-1,464,844	-915,527	-572,205
WEAR & TEAR - Class 2	-22,990,000	-54,026,500	-98,115,875	-73,586,906	-55,190,180
WEAR & TEAR - Class 3	-4,497,500	-3,935,313	-3,443,398	-3,012,974	-2,636,352
TOTAL DEDUCTIONS:	-31,237,500	-60,305,563	-103,024,117	-77,515,407	-58,398,736
TAXABLE INCOME:	-40,586,250	33,483,188	75,092,383	145,071,468	191,704,589
CORPORATION TAX @ 30%	-	**10,044,956**	**22,527,715**	**43,521,440**	**57,511,377**

7. PROJECTED BALANCE SHEETS

		PROJECTED BALANCE SHEETS			
	2023	2024	2025	2026	2027
ASSETS:					
Fixed Assets:					
FIXED ASSETS (AT COST)	91,960,000	239,096,000	469,480,000	469,480,000	469,480,000
OTHER ASSETS (AT COST)	45,980,000	45,980,000	45,980,000	45,980,000	45,980,000
LESS: ACCUMULATED DEPRECIATION	-27,588,000	-49,658,400	-142,818,720	-217,346,976	-276,969,581
= BOOK VALUE OF ASSETS	110,352,000	235,417,600	372,641,280	298,113,024	238,490,419
Current Assets:					
VAT CREDITS RECOVERABLE	0	0	0	0	0
CASH & BANK BALANCES	32,711,250	4,319,044	4,523,829	93,589,264	186,181,212
TOTAL ASSETS	**143,063,250**	**239,736,644**	**377,165,109**	**391,702,288**	**424,671,631**
LIABILITIES:					
LOAN FROM HQH	120,000,000	115,000,000	190,000,000	100,000,000	0
LOAN FROM DIRECTORS	0	0	0	0	0
SHAREHOLDERS' FUNDS					
P & L Approp. A/C : B/F	0	-36,936,750	24,736,644	87,165,109	191,702,288
Additions for the year	-36,936,750	61,673,394	62,428,465	104,537,179	132,969,344
Total P & L Appr. A/C	-36,936,750	24,736,644	87,165,109	191,702,288	324,671,631
Equity / Paid up Capital					
10,000 shares @ TZS 50,000/=	60,000,000	100,000,000	100,000,000	100,000,000	100,000,000
TOTAL LIABILITIES	**143,063,250**	**239,736,644**	**377,165,109**	**391,702,288**	**424,671,631**

8. DISCOUNTED CASH FLOW ANALYSIS

		DISCOUNTED CASH FLOW ANANLYSIS			
YEAR	NET C/FLOWS		DCF @ 12%		DCF @ 24%
2023	32,711,250	1.00	32,711,250	1.00	32,711,250
2024	-28,392,206	0.88	-24,985,142	0.76	-21,578,077
2025	204,785	0.77	158,586	0.58	118,775
2026	89,065,435	0.68	60,564,496	0.44	39,188,791
2027	92,591,948	0.60	55,555,169	0.33	30,555,343
	186,181,212		124,004,359		80,996,083

9. EXPLANATORY NOTES TO PROJECTED CASH FLOWS & FINANCIAL STATEMENTS

CASH FLOW PROJECTIONS:

- Equity Funds refers to paid up share capital to be injected as per projections.
- Revenue Projections - show revenues from production for sale.

The following expenses are based on estimates:

Accountancy Fees, Advertising & Marketing (at 0.125% of Sales), Bank Charges, Consultancy Fees, General Expenses, Legal & Professional Fees, Maintenance, Postage & Courier, Printing & Stationeries, Telephones, Fax & Internet and Transport for deliveries, Utilities, Welfare & Medical. (These are all conservatively estimated on the higher side.)

The following expenses are based as follows:

- City Service Levies - are calculated at the rate of 0.3% of gross revenues.
- Insurances are taken at 1% to 1.25% of cost of assets + other risk factors.
- Property rents are as per contract with landlord at an incremental 20% every year.
- Motor Vehicles running expenses are based on historical experience and data.
- NSSF & SDL Costs - See the relevant Schedule.
- Staff Salaries - See the relevant Schedule.
- Taxation - See the relevant Schedule. Based on computation of taxable income.

FINANCIAL STATEMENTS:

Depreciation is taken as follows:

- 20 % on cost of machinery, equipment, motor vehicles, on straight line basis.
- 20 % on furniture, fittings, other assets on straight line basis.