Aashi International Limited

1/30/2023

Business Plan

Edible Oil Processing Plant

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Executive Summary

Background

AASHI INTERNATIONAL LIMITED is a private Company Limited established with the main objective being to carry on business in Tanzania of manufacturing preserving, reigning, packing, prepare, manipulate, treat, market import, export, improve, produce, process, prepare, buy sell, deal in and carry on the manufacturing and trading in edible oils.

The company was incorporated in Tanzania in December 2022, with company number 159283695 and is co-owned by Mr Kamlesh Kumar Sethi and his wife Mrs Asha Sethi. It's incorporation was motivated solely by the passion to be part of the agricultural revolution and growth in Tanzania. Driven by its motto "bridging the gap", Aashi places itself as a liaison between farmers & suppliers, buyers & farmers but also farmers and the government.

The company intends to invest in an oil extraction and processing plant with the aim of taking advantage of the supply gap for edible oils produce across the world.

The company has an experienced management team with direct knowledge of the industry, extensive research experience, and unique administrative skills. The management consists of both owners who are both of Indian origin with bespoke entrepreneurial skills and business management expertise.

New Opportunity

A feasibility study conducted has affirmed that the demand for edible oils both locally and worldwide remains high with a huge gap between demand and supply. Tanzania has a significant production of edible oils and even bigger consumption hence the demand for edible oils is always significant. Currently most edible oils are produced in informal small processing plants with very little exported.

The firm has been established for setting up an automatic oil extraction manufacturing unit in Tanzania which will serve mostly the local market and later then export market. The plant will have a production capacity of 32MT per day of finished product, with potential to double this by year 3 as more shifts will be taken .The company has already secured the plant & machinery required for the production process and is looking to set up the plant in a warehouse located at Gerezani, in Dar es salaam.

The technology of the plant shall be modern and capable of delivering the desired quality of products with minimum process loss. The total project cost is estimated at $1,000,000

The raw materials, being mostly sunflower, groundnuts, avocado and shea nuts are easily available in the local market as well as from surrounding countries like Uganda, Zambia and Malawi. The seed of these regions is known in the world for its high protein content, which makes it suitable, and in demand for traders throughout the world. The parameters and certifications demanded by the buyers can be easily fulfilled with this quality of available raw materials.

Business Model

The company intends to employ local individuals and to provide extensive training about the production process. The plant manufacturer has agreed to second one of their technicians to us for a period of 6 months to assist with the, training and take part in installation and commissioning of the plant.

We have already identified a list of potential customers and communities that are willing to purchase the processed product from us. Such loyal customers will help to expand the company's business area by word-of-mouth. The prospective location of the plant, being in Dar es salaam strategically places the business in an area which is close to the port for logistics purposes and also will ensure that production costs are maintained as a minimum giving our products a competitive advantage.

Oil processing in the country still remains very low with a select few players being able to take up the process. The major constraint for local companies is the ability to access funding to buy equipment and hence Aashi has also taken the initiative to enter into the market and expand the oil production capacity for Tanzania.

Funding

Aashi International Limited has set aside funding of at least $1,200,000 to implement the project. With time, it is expected that capacity will increase as sources of raw materials are developed both locally and across the region.

The total project cost will cover the cost of importing & installing the plant plus other start up costs. The entire project will be self funded to avoid high borrowing costs.

1. Company Summary

1.1 Quick Facts

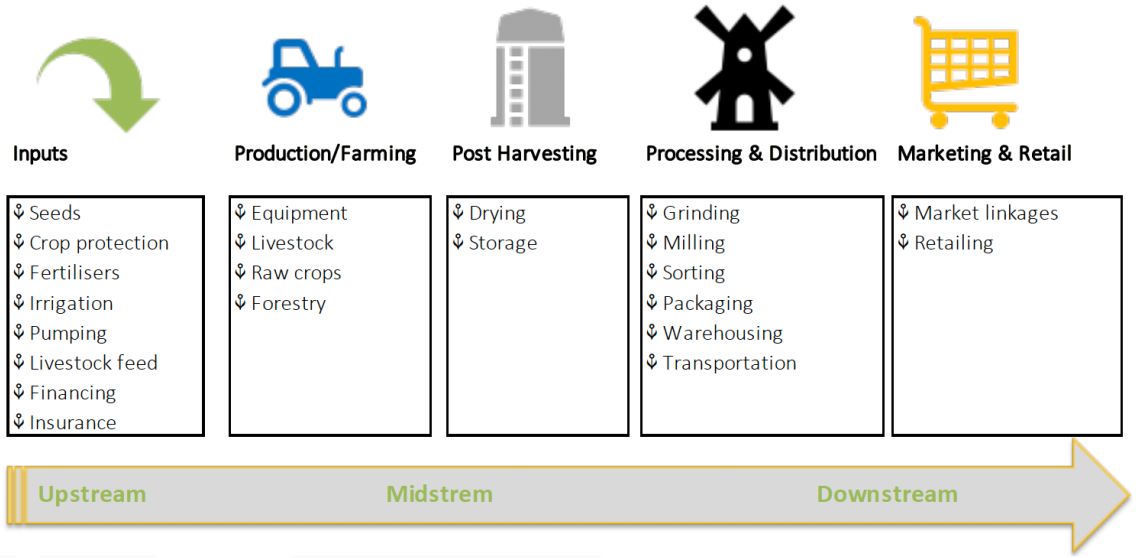
Established	**2022**
Registration No.	159283695
TIN No.	159283695
VRN No.	N/A
Ownership	Kamlesh Kumar Sethi – 50%
	Asha Sethi – 50%
Products	Sunflower oil
	Groundnut oil
	Shea nut oil
	Avocado oil
Locations	Dar- es salaam Oysterbay - HQ
	Dar es salaam Gerezani – Production Plant

1.2 Mission

To become the most trusted partner for the agriculture value added services industry, by providing excellent products and services that exceeds our customers expectations.

In the long term, the company intends to expand its business to the rest of the East African countries, with the ability to add value on the downstream of the agriculture value chain covering mostly processing, packaging and market linkages.

Agricultural Value Chain



Therefore, the company's strategy is to create a limited geographical niche for itself, where there will be no potential competitors. Ara Exim Limited aims to offer high-quality products at prices which are competitive in comparison to other premium-quality suppliers globally.

1.2 Vision

To become the most valuable and respectable Agri Business in Africa by Bridging the Gap and accelerate the growth of local farmers in East Africa.

1.3 Keys to Success

Aashi's keys to success will include:

1. A high level of quality in its product line.
2. Maintaining and growing its referral networks to generate new and repeat sales.
3. Significant investments in research and development of machinery with the aim to focus on providing precisely required specifications at low cost
4. Improving efficiencies of operations and to reduce operating costs.

1.4 Management & Staff

Aashi's management is comprised of experienced entrepreneurs and business professionals from the business, trade and marketing management industries. Our management team possesses a breadth of functional experience in sales & marketing as well as research expertise. The company will be actively managed by Kamlesh Sethi who also happens to be the founder of the business.

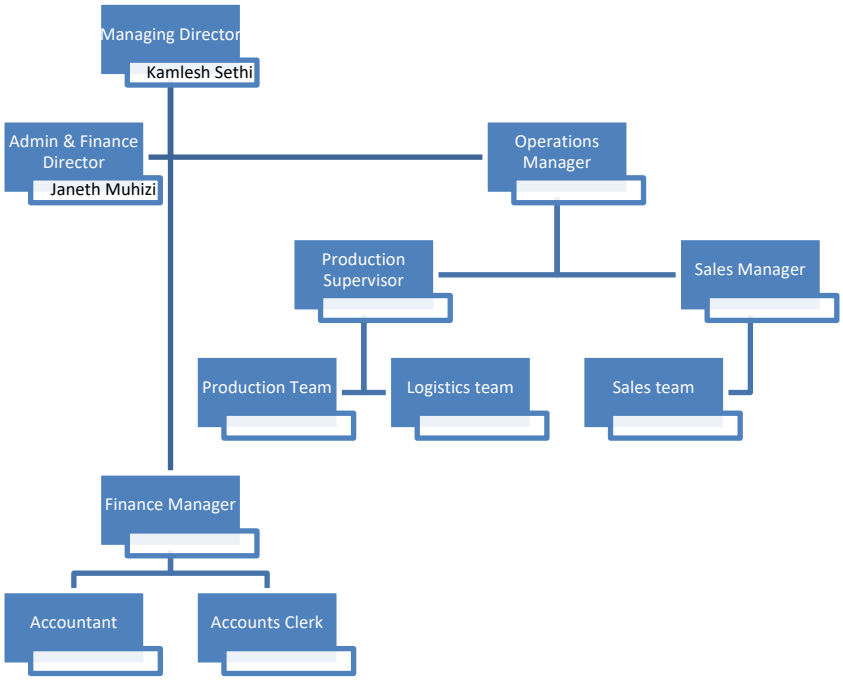
Kamlesh Sethi:
Founder and MD

A visionary multi-skilled leader with a passion to innovative business solutions. Technically experienced as his journey started from production background and moving on into commodities trading.
Over ten years' experience in commodities trading as he is also the founder of Aashi International PLC in India, a major player in the commodities trading business.

Janeth Muhizi (CPA)
Director Admin & Finance

A hard working, honest & resilient woman with vast administrative and finance experience acquired from previous work experience across various industries in Tanzania covering Logistics, Agriculture and Construction. She brings into the company invaluable experience with managing the finances of the business. She also has a top notch direct association withprimary producers in agricultural products from her previous work in the industry and has a passion for rural women empowerment through agricultural solutions.

The two are supported by a team of highly qualified and experienced staff in the areas of finance, sales, marketing, logistics and admin support as shown hereunder.



2. Product

2.1 Product Description

Edible oil is a fatty liquid that is physically extracted from several vegetables and also some animal tissues, the most appreciated being olive oil for both taste and health properties (Preedy and Watson, 2010), especially the extra-virgin category, mechanically extracted from olives at low temperature.

Edible oils consist of about 96% triacylglycerides, composed of different fatty acids. Some other compounds or groups of compounds, such as free fatty acids, phospholipids, phytosterols, tocopherols, other antioxidants or waxes, can also be found. Fatty acids, free or bound to glycerol are susceptible to oxidative processes resulting in a wide range of volatile and non-volatile degradation products.
Therefore one of the major challenges for the oil processing industry is to maintain the high quality of the product after processing until use by the consumer. However, the oxidative stability of edible oils not only depends on conditions during storage, but also the history of the raw material and the processing steps involved.
Oxidation processes play an important role in the deterioration of fats and oils with rancidity as the main effect. The most characteristic changes which become more and more obvious during the oxidation process are the development of an unpleasant taste and smell, but also changes in colour, viscosity, density and solubility take place. Further consequences include the loss of essential fatty acids, the degradation of vitamins and pro-vitamins, and the formation of odour-intensive compounds. These changes strongly influence the nutritional value and sensory quality of edible oils. The primary stage of the oxidation process produces hydroperoxides. As these hydroperoxides degrade, compounds are formed which are considered to have a certain toxicological potential in higher concentrations. The products of the oxidation process can react with other ingredients in complex composed foods, such as amino acids or proteins, resulting in changes of texture or colour. Therefore oxidation is very important in terms of the palatability, toxicity and nutritional value of edible oils.

2.2 Product variations

Aashi International plans to produce only 4 different types of edible oils to start with as follows:

2.2.1 Sunflower oil

Sunflower oil is the non-volatile oil pressed from the seeds of the sunflower (*Helianthus annuus*). Sunflower oil is commonly used in food as a frying oil, and in cosmetic formulations as an emollient.

Sunflower oil is primarily composed of linoleic acid, a polyunsaturated fat, and oleic acid, a monounsaturated fat. Through selective breeding and manufacturing processes, oils of differing proportions of the fatty acids are produced. The expressed oil has a neutral taste profile. The oil contains a large amount of vitamin E.

As of 2017, genome analysis and development of hybrid sunflowers to increase oil production are under development to meet greater consumer demand for sunflower oil and its commercial varieties.

In 2018, Ukraine and Russia together accounted for 53% of the world's production of sunflower oil.

Production

In 2018, world production of sunflower oil was 18 million tonnes, led by Ukraine and Russia as the leading producers accounting together for 53% of the world total.[8]

In 2022, there was a global shortage of sunflower oil due to the 2022 Russian invasion of Ukraine which has led to over 50% drop in the availability of sunflower oil. Due to the shortages many brands are reforming their recipes by switching to rapeseed oil to allow the production of their products to continue.

Extraction

Sunflower oil can be extracted using chemical solvents (e.g., hexane), or expeller pressing (i.e., squeezed directly from sunflower seeds by crushing them). "Cold-pressing" (or expeller pressing) sunflower seeds under low-temperature conditions is a method that does not use chemical solvents to derive sunflower seed oil.

Refining sunflower oil through solvent extraction, de-gumming, neutralization, and bleaching can make it more stable and suitable for high-temperature cooking, but doing so will also remove some of the oil's nutrients, flavor, color (resulting in a pale-yellow), free fatty acids, phospholipids, polyphenols, and phytosterols. Also, some of the polyunsaturated fatty acids will be converted into trans fat due to the high temperatures involved in the process. Unrefined sunflower oil is less heat-stable (and therefore well-suited to dishes that are raw, or cooked at low temperatures), but it will retain more of its original nutrient content, flavor, and color (light-amber).

Uses

- **In food preparation**

Refined sunflower oil is used for low-to-extremely-high-temperature cooking. As a frying oil, it behaves as a typical vegetable triglyceride. Unrefined sunflower oil is a traditional salad dressing in Eastern European cuisines. Sunflower oil is also an ingredient in sunflower butter.

- **Seed meal**

Extraction of sunflower oil leaves behind the crushed seeds, typically referred to as seed meal, which is rich in protein and dietary fiber and used as an animal feed, fertilizer or fuel.

- **Supplements**

Sunflower oil dietary supplements have been marketed for treatment of eczema, but research has shown it is not medically effective.

- **As fuel**

Sunflower oil can be used to run diesel engines when mixed with diesel in the tank. Due to the high levels of unsaturated fats, there is higher viscosity in cold temperatures.

- **Cosmetics industry**

PEG-10 sunflower glycerides, a pale yellow liquid with a "slightly fatty" odor, are the polyethylene glycol derivative of the mono- and diglycerides derived from sunflower seed oil with an average of 10 moles of ethylene oxide. PEG-10 sunflower glycerides are commonly used in cosmetic formulations.

- **Horticulture**

In the European Union, and United Kingdom (since Brexit), sunflower oil is sprayed onto tomato crops as a fungicide to control powdery mildew from *Oidium neolycopersici*. For this use it is classified as a 'Basic Substance' that can be used on both organic and conventional farms.

2.2.2 Avocado oil

Avocado oil is an edible oil extracted from the pulp of avocados. It is used as an edible oil both raw and for cooking, where it is noted for its high smoke point. It is also used for lubrication and in cosmetics.

Avocado oil has an unusually high smoke point: 250 °C (482 °F) for unrefined oiland 271 °C (520 °F) for refined. The exact smoke point depends heavily on the quality of refinement and the way the oil is stored.

Uses

Avocado oil functions well as a carrier oil for other flavors. It is high in monounsaturated fats and vitamin E, and also enhances the absorption of carotenoids and other nutrients.
Following drying of the avocado flesh to remove as much water as possible (the flesh is about 65% water), oil for cosmetics is usually extracted with solvents at elevated temperatures. After extraction, it is usually refined, bleached, and deodorized, resulting in an odorless yellow oil. Edible cold-pressed avocado oil is generally unrefined, like extra virgin olive oil, so it retains the flavor and color characteristics of the fruit flesh.

Avocado oil is one of few edible oils not derived from seeds; it is pressed from the fleshy pulp surrounding the avocado pit. Unrefined avocado oil from the 'Hass' cultivar has a characteristic flavor, is high in monounsaturated fatty acids, and has a high smoke point (≥250 °C or 482 °F), making it a good oil for frying. 'Hass' cold-pressed avocado oil is a brilliant **emerald, green** when extracted; the color is attributed to high levels of chlorophylls and carotenoids; it has been described as having an avocado flavor, with grassy and butter/mushroom-like flavors. Other varieties may produce oils of slightly different flavor profile; 'Fuerte' has been described as having more mushroom and less avocado flavor.

Avocado oil has a similar monounsaturated fat profile to olive oil. Avocado oil is naturally low acidic, helping to increase smoke point. Unrefined avocado oil can be safely heated to 480 °F (249 °C). Both unrefined and refined avocado oil can safely be used for almost any high-heat cooking, including baking, stir-frying, deep-frying, searing, barbecuing, roasting, and sauteing. Like all oils, the more refined, the higher the smoke point. Each 30 mL of avocado oil contains 3.6 mg of Vitamin E and 146.1 mg of beta-sitosterol.

2.2.3 Peanut oil

Peanut oil is the oil from the seed (peanut) of the peanut plant . Peanut oil is used in cooking and is also used to make medicine. It is also commonly referred to as groundnut oil or arachis oil. The oil usually has a mild or neutral flavor but, if made with roasted peanuts, has a stronger peanut flavor and aroma. It is often used in American, Chinese, Indian, African and Southeast Asian cuisine, both for general cooking, and in the case of roasted oil, for added flavor.

Peanut oil has a high smoke point relative to many other cooking oils, so it is commonly used for frying foods.Peanut oil is high in monounsaturated "good" fat and low in saturated "bad" fat. This is believed to help prevent heart disease and lower cholesterol. Peanut oil might help to reduce fatty build up in bloodvessels.

People use peanut oil for high levels of cholesterol or other fats in the blood, heart disease, joint pain, dry skin, and many other conditions, but there is no good scientific evidence to support these uses.

Uses

- **Food preparation** - Unrefined peanut oil is used as a flavorant for dishes akin to sesame oil. Refined peanut oil is commonly used for frying volume batches of foods like French fries and has a smoke point of 450 °F/232 °C.

- **Biodiesel -** At the 1900 Paris Exhibition, the Otto Company, at the request of the French Government, demonstrated that peanut oil could be used as a source of fuel for the diesel engine; this was one of the earliest demonstrations of biodiesel technology.

- **Cosmetics** - Peanut oil, as with other vegetable oils, can be used to make soap by the process of saponification. Peanut oil is safe for use as a massage oil.

2.3 Edible oil production & utilisation in Tanzania

Despite strong growth in sunflower seed production, the level of edible oil processing in Tanzania is low compared to prevailing demand (est. at 300,000 – 400,000 tons a year). Much of the demand gap is currently met by imported edible oil (60% across all edible oils, 55-70% for sunflower oil) (Salisali, 2017). The Government of Tanzania wants to reduce Tanzania's dependence on imported edible oil by boosting domestic oil seed production and downstream oil processing capacity.

In 2016 the government implemented a 10% tariff on imports of CPO as one mechanism to support this objective, but stakeholder views on the merits of the tariff policy are mixed.

Overall, there is a huge potential for producing edible oilseeds in Tanzania. This includes high demand of vegetable oil, large suitable land, availability of market/demand, presence of water bodies, favorable policies and regulations, availability of power in the rural areas through the Rural Electrification Program through the Rural Electrification Authority (REA) program, and possibility of a wide range of products that can be produced in these oilseeds value chain.

Various studies have indicated that the performance of this subsector does not mirror the underlying opportunities. Production is characterized by small area of cultivation and low yield. For example, on average, sunflower cultivation is on small-scale, with an average farmer cultivating 4.0 acres only, producing 0.6 tons of sunflower seeds per acre. This level is far below productivity of 2.0 - 3.0 Tons of sunflower seed per acre. Similar low productivity levels have been reported for oil palm in Kigoma and Mbeya, whereby under current farming conditions one Dura plant yields 7-8 litres of palm oil/year; and, a plant of Tenera yields 28 litres/year.

As for avocados, there is no single company in Tanzania which processes avocados to produce edible oils. This is an opportunity for investment in the country.

While the role of farmers in the sunflower value chain is only confined at production level and selling sunflower seeds, processing is characterized by small and medium scale processors and is only limited to sunflower oil and animal cake. It has been reported that the low performance in this subsector is driven by a few constraints. These include; poor farming practices, inadequate extension services, poor access to finance, depressed farm gate prices of sunflower products, inadequate processing facilities, threat from imported edible oil and inadequate technology.

3. Market Analysis

3.1 Market Segmentation

Deficit in food supply, edible oil in particular is a common occurrence in Tanzania. The deficit in edible oil from the domestic supply is mainly due to use of poor production technology, that include use of unimproved seed coupled with dependent on rain fed agriculture leads to low productivity.

However, the high rates of population growth and industrialization increase demand for edible oil both for home consumption and industrial use. Despite Tanzania having comparative advantage in the production of edible oil particularly from sunflower still this opportunity has not fully exploited. Currently, Tanzania, is revitalizing its edible oil sub-sector in order to reduce its dependency on imported edible oil.

The sunflower sub-sector in Tanzania is deemed as key to industrialization, thus a potential contributor to economic growth and development, especially for smallholder farmers and small-to medium-size processors. The current speed of adjustment in production of sunflower edible oil is low per year that indicate that it will take many years for Tanzania to be self-sufficient.

3.2 Key Market Trends

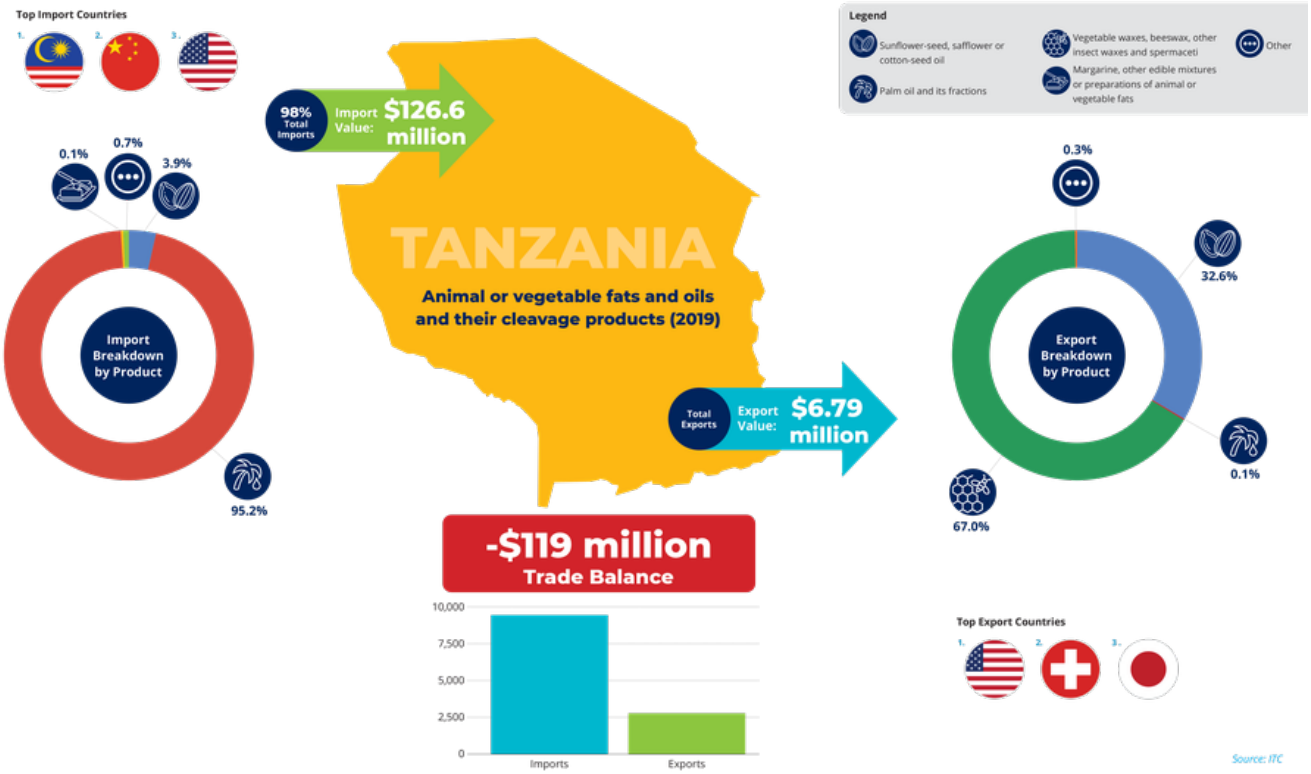
Edible oil is currently one of the products that are in a huge shortage with prices rapidly climbing causing some households to stop buying it because they cannot afford it.
The trend has been the case for over a year, even before the start of the Russia-Ukraine war that began in February, this year.
The price of a 20-litre container of edible oil shot from around Sh55,000 around June 2021 to about Sh130,000 in May, 2022.Only recently has the prices been easing to around Sh94,000 per 20-litre container.
However, the government has been strategising with the view to increasing local production of sunflower and palm oil seeds so as to reduce dependence on importation and end price fluctuations.The goal is to produce at least a million tonnes of sunflower.

3.3 Market size

Data provided by Tanzania Sunflower Processors Association (Tasupa) shows Tanzania is a net importer of 395,000 tonnes of palm oil from Malaysia.Furthermore, Tasupa says that Russia and Ukraine are world largest sunflower producers at 25 and 22 percent respectively.
However, the ongoing Russia-Ukraine war has adversely affected the supply of cooking oil from the two nations to most countries causing hiking of prices.

Tanzania produces 205,000 tonnes of cooking oil a year through oil seeds against a demand of 570,000 tonnes
The deficit is imported from Malaysia, India, Singapore and Indonesia at a cost of $204.7 million per year.

Shortage of edible oil has pushed retail prices from $1.3 to $2.8 per litre.
The Ministry of Agriculture has in the 2021/2022 budget increased the allocation for extension services to $5 million to strengthen agricultural production with a focus on oil seeds crops.
The major crops for edible oil production in Tanzania are sunflower, palm oil, groundnuts, sesame, soya beans and cotton.
The Sunflower Oil Processors Association said it is facing a shortage of 1.4 million tonnes to effectively meet the gap for edible oil in Tanzania. Chairman Ringo Iringo said the current production capacity of smallholder farmers is only 352,908 tonnes against the actual demand of 1.72 million tonnes per year by processing industries.



3.4 Target Market Segment Strategy

The main target market for our products shall be the local market. The strategy to be used will be to stay close to our customers. This will result in building of trust and forging of good relations with our customers. The company already knows the customers' needs and wants, therefore, as part of its marketing mix has decided to invest in the production of oils that have the most predicted demand and via marketing and promotion will try to promote these products.

The company expects that by implementing a correct marketing mix, we will increase our share in the identified market segments by offering the same value-added product and support benefits that its customers demand.

Our choice of target markets is based on comprehensive experience within the markets and also commodities trading business coupled with an in-depth understanding of the customers' needs for more than 10 years.

We will take a unique approach to satisfy our customers needs and wants and also simultaneously to answer all their questions and to air their fears about the quality of our products. The company identified that only efficient quality control will ensure repeat business with customers.

The company cannot be successful by just waiting for the customer to come for ordering. Instead, we must focus on the specific market segments whose needs match more to our products. Focusing on targeted segments is the key to company's future.

We intend to change the paradigm of being a product- and price-focused sales organization, to that of becoming a customer- and market-focused organization, aiming in sharing responsibility for customer satisfaction. We will accomplish this paradigm shift through the implementation of a balanced and continuous market research for agriculture needs and technology demands.

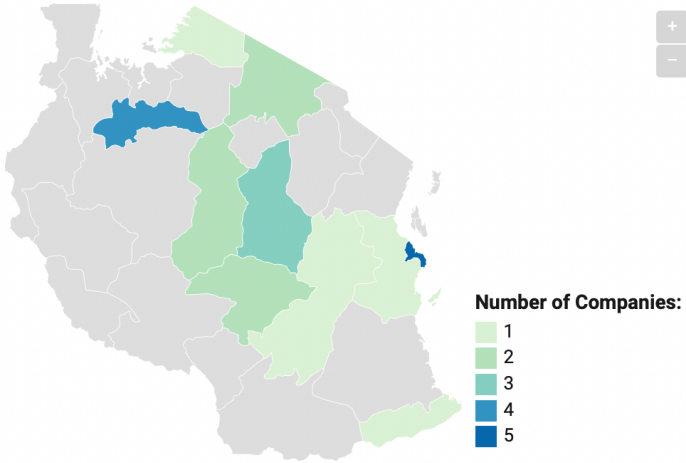
Planning and implementing specific strategies for the identified segments will be an ongoing process, and we will will consult with marketing specialists, and our suppliers, to further refine these efforts as we develop an effective marketing plan.

3.4 Competition

Some large scale and numerous small and medium scale processors operate mainly in Dar es Salaam, Morogoro and Shinyanga with limited presence elsewhere in the country.

Out of approximately 22 leading companies in Tanzania's edible oil sector, the majority of the leading companies are involved in sunflower seed growing and processing, reflecting the overall sector structure. Nearly 70% of the companies produce sunflower seed oil, four of which also produce edible oils from other sources such as baobab, soyabean, sesame seed, cotton seed and palm oil.

Location of Companies by Region



3.5 Competitive Edge

Our competitive edge is our positioning as a strategic ally with our customers, who are clients more than customers. By providing products based on long-standing relationships with satisfied clients, we simultaneously build defenses against competition. The longer the relationship stands, the more we help our clients understand what we offer them and why they should stay with Aashi.

4. Marketing Strategy

The overall marketing plan for Aashi Internationa Limited's products is based on the following fundamentals:

- The segment of the market(s) planned to reach.
- Distribution channels planned to be used to reach market segments: Direct marketing, mailings,exhibitions etc.
- Share of the market expected to capture over a fixed period of time.

We will implement a strategy that treats customers as a family. This means our marketing resources will be centered on advertising both sales promotions (events & workshops) and personal sales (customer service, friendly atmosphere).

4.1 Market Responsibilities

Aashi International Limited is committed to an extensive promotional campaign. This will be done aggressively and on a broad scale. To accomplish initial sales goals, the company will require an extremely effective promotional campaign to accomplish two primary objectives:

1. Attract quality sales personnel that have a desire to be successful.
2. Attract customers that will constantly look to Aashi International for their needs.

In addition, the company plans to advertise in social media, local magazines as well as attend all the local and global exhibitions relevant to the industry, like Saba Saba and Biofach.

5. Sales Strategy

- We will be offering quality products that will be introduced to the market through targeted advertising and direct sales. The direct sales force will consist of both directors with coordination of their seasoned sales associate offices in India. Mr. Kamlesh will manage the direct sales through personal sales calls and direct visits to customer. This market is a long term, repetitive business where relationships are a key component to success.
- We will promote the company and its ability to supply quality products at affordable prices. We will make marketable Aashi and keep the reputation as the reliable supplier it aims to be.
- In future, we hope to offer leased mechanization services to small holder farmers who cannot afford outright purchase of farm implements.
- Aashi will also provide other services such as training and education to farmers regarding good farming practices to produce high quality yield.
- We will also connect the farmers through a mobile platform for easy management of the supplies and manage product quality.
- Provide alert services and information through the mobile platform during planting and harvest season.

6. Pricing & Payment options

The company will offer competitive prices, which are subject to review when necessary. Knowledge of market and competitor prices gives to the company the advantage of pricing in-line with competitors. Ara Exim's suppliers have and will continue to supply products that enable the company to meet the customers' price ranges.

Our pricing strategy will be based on competitive Blue Book values (large client wholesale and individual small client prices) plus premium packaged brands with additional consumer needs offered per market requirements and global competitiveness. We will have a full packaged pricing model to carter for all target market segments. We will not exceed or be near uncompetitive prices offered by middlemen, and will attempt to offer our product at reduced prices plus a fair profit margin than existing suppliers

Aashi will maintain a commercial letter of credit payment policy only for business customers with a net 30-day limit. Most of our's customer will be expected to deal with their own financial sources. However, the company plans to offer flexible payment options for the customers by making special arrangements with financial institutions to give credit them credit if they cannot afford to pay cash upfront.

7 Personnel Plan

Aashi's management is highly experienced and qualified. It's key management team includes Mr.Kamlesh Sethi and Ms. Janeth Muhizi. Jointly, they are responsible for business management, contract negotiations ,sourcing, arranging financing as needed, marketing, sales and quality control. The two are supported by a team of production, sales, logistics, finance and admin support staff.

Designation	Quantity
Sales executives	2
Customer support	1
Technicians	2
Production Manager	1
Finance support staff	3
Logistics team	2
Admin support	2
Production support team	6

Specialised functions like human resources and marketing will be outsourced to professional companies in order to keep operational costs at a minimum.

9. Financial Plan

The following sections shows in detail that Aashi International will be profitable and will easily recoup its investment within a year.

9.1 Important Assumptions

The key underlying assumptions of our financial plan shown in the following general assumption table are:

1. We assume access to the funding necessary to invest in the project, and to provide adequate initial capitalization for a wider range of operational activities.
2. We will manage to get duty & vat exemptions for the importation of our equipment through registering the project with TIC
3. It is assumed that the company will get space within the commercial hub of Tanzania in order to benefit from close proximity to market.
4. We assume realistic to minimum sales, against highest expenses.
5. We assume that production of raw materials locally and across the region will grow steadily to reach its potential and hence increase supply of raw material gradually.
6. The effects of covid 19 and other pandemic shall pose minimum disruption to our and our suppliers' operations.
7. Steady economic growth globally.

Other key business assumptions are:

ASSUMPTIONS					
	YEAR 1	**YEAR 2**	**YEAR 3**	**YEAR 4**	**YEAR 5**
Current Interest Rate (USD)	6-8.00%	6-8.00%	6-8.00%	6-8.00%	6-8.00%
Long-term Interest Rate (USD)	6.00%	6.00%	6.00%	6.00%	6.00%
Tax Rate Income	30.00%	30.00%	30.00%	30.00%	30.00%
VAT Rate	18.00%	18.00%	18.00%	18.00%	18.00%
Duty	0.00%	0.00%	0.00%	0.00%	0.00%

9.2 Investment cost

List of machinery

Sr. No.	Item Name	Manufacturer/Brand Name	Model	Use	Capacity	Units	Qty	Rate (USD)	Amount (USD)
1	Elevator	Local	2021	Material transfer processing from different machines	4 MT/Hrs	Nos	6	$ 1,829.27	$ 10,975.62
2	Flower Westrup Pre Cleaner (Made of steel with sieve boat of laminated wood. With inlet feed roll, pre-aspiration, final aspiration & waste outlet on the right hand side. Sieveboat with 1 Short scalping screen layer (1 Screen), 1 long Grading screen layer (2 Screens each) 1 Sand screen layer (2 Screens parts). All screens with Rubber ball cleaning. Total Screen area: 7.00)	Flower Westrup	2020	Grain cleaning and sizing	4 MT/Hrs	Nos	1	$ 42,682.93	$ 42,682.93
3	Additional 7 Screen	Local	2020	Accessories of Flower Westrup Pre Cleaner	4 MT/Hrs	Nos	7	$ 65.00	$ 455.00
4	Motors	Crompton	2020	For All Kind of Machine	2 HP	Nos	10	$ 239.50	$ 2,395.00
5	Motors	Havells	2020	For All Kind of Machine	60 HP	Nos	5	$ 3,963.41	$ 19,817.05
6	Motors	Crompton	2020	For All Kind of Machine	20 HP	Nos	1	$ 1,219.50	$ 1,219.50
7	Motors	Crompton	2020	For All Kind of Machine	3HP	Nos	3	$ 247.96	$ 743.88
8	Magnetic Destoner-HIGH INTENCITY RARE EARTH SINGLE ROLLER TYPE MAGNETIC SEPRATOR WITH PANEL, With 1 HP Motor	regal magnetics	2020	For stone and metal removal purpose from raw material	4 MT/Hrs	Nos	1	$ 10,975.61	$ 10,975.61
9	Conveyer with complet set of screw and belt	Local	2020	material transfer processing from different machines	100 MT/Hrs	Ft	250	$ 36.59	$ 9,147.50
10	Expeller size 48" x 8" with double housing system Self Lubricated heavy gear box fitted with six helical cut High carbon gears, Shafts of EN.8 material, With Hard Chrome Worms ,Electric Temper Cage Bar complete with Kettle with driving pulley & totally oil bath system.	Goyam India	2020	For oil seeds crushing	1 MT/ Hrs each	Nos	2	$ 21,951.22	$ 43,902.44
11	Expeller size 48" x 8" with double housing system Self Lubricated heavy gear box fitted with six helical cut High carbon gears, Shafts of EN.8 material, With Hard Chrome Worms ,Electric Temper Cage Bar complete with Kettle with driving pulley & totally oil bath system.	Guruteg Engineering	2020	For oil seeds crushing	1 MT/ Hrs each	Nos	3	$ 21,951.22	$ 65,853.66
12	Worm Set (Accessories of Expeller)	Local	2022	Accessories of Expeller		Nos	50	$ 97.56	$ 4,878.00
13	Belt (Accessories of Expeller)	Local	2022	Accessories of Expeller		Nos	30	$ 30.49	$ 914.70
14	Belt Guard	Local	2022	Accessories of Expeller		Nos	5	$ 60.00	$ 300.00
15	Small Tunky With Net (Accessories of Expeller)	Local	2022	Accessories of Expeller		Nos	10	$ 100.00	$ 1,000.00
16	Kettle 8' long steam jacket complete with stand, gear & shafts (2 Long + 3 Round)	Shreeram Engineering	2022	for water steam mixing in raw material before crushing		Nos	5	$ 2,228.00	$ 11,140.00
17	Fabrication Material-Tin Plate, Angles & Guddars	Local	2022	for finished good storage		MT	5	$ 800.00	$ 4,000.00
18	Pipe Lines, 4"	Local	2022	for filtered oil storage and transport		Ft	250	$ 3.66	$ 915.00
19	Stem Line with valve & cuppling	Local	2021	For Flow & Pressure Control	20 Ft Each	Nos	15	$ 1.83	$ 549.00
20	Filter press-24"*24",24 plates complete with oil box ,pet cocks,gears, Fillter cloth with tray & pump & accessories	Shreeram Engineering		For oil filteration purpose		Nos	2	$ 10,975.61	$ 21,951.22
21	Hammer mill	Local	2021	For pulvarizing meal	5 MT/Hrs	Nos	1	$ 6,097.56	$ 6,097.56
22	Electric panel	Raj Electricals	2021	For all kind machine start and stop process	500 HP	Nos	3	$ 16,678.87	$ 50,036.61
23	Electrical Wires	Local	2021	For Electric Installation	500 HP				$ 6,097.56
24	Flexible conveyer with motors, with rubber pipe & motor	Local	2021	Material transfer processing from different locations	5 MT/Hrs	Nos	2	$ 2,000.30	$ 4,000.60
25	Husk fire baby vertical Boiler Cap. 500 kg complete with Pressure gauge, safety valve, water leveling set, feed pump assembly & fire bars & chimney	Local	2021	for raw materal cooking before crushing	5 MT/Hrs	Nos	1	$ 4,268.29	$ 4,268.29
26	Moisture machine	Innovatiq Instruments	2021	For examin moisture content in raw material	100 Gm each Tank	Nos	1	$ 101.95	$ 101.95
27	Mini weighing scale	Unitech	2021	For raw material sample testing	60 KG Each	Nos	2	$ 60.98	$ 121.95
28	Nut bolt, HSN Code	Local	2022	For fabrication		Nos	50	$ 24.39	$ 1,219.51
29	Weighing scale	E.G.Tech	2021	For packed material packing measurement	300 Kg	Nos	1	$ 292.69	$ 292.69
30	Weighing scale	Unitech	2021	For packed material packing measurement	300 Kg	Nos	1	$ 292.69	$ 292.69
31	Hand Cutter Grinder	Bosh	2022	For fabrication	For Cutting	Nos	1	$ 60.98	$ 60.98
32	Welding roads	Manglam	2021	For fabrication	For use in Welding machine	Pkts	50	$ 12.20	$ 609.76
33	Welding machine	Perfect	2022	For fabrication	For Welding	Nos	1	$ 304.88	$ 304.88
34	Bag sealer	Revo	2022	for material packing	100 Bags/Per Hrs Each	Nos	3	$ 146.34	$ 439.02
35	Stoner		2021	For Stone remover	5 MT/Hrs	Nos	1	$ 1,000.00	$ 1,000.00
36	Gravity Seperator		2021	processing of grains, corn, fine seeds, pulses, oilseeds, cotton seeds and wherever the contamination needs to be separated	5 MT/Hrs	Nos	1	$ 12,000.00	$ 12,000.00
37	Presto Pack Oil packing machine	Presto	2021	Packing	4 MT/Hrs	Nos	1	$ 9,756.10	$ 9,756.10
	water chiller with SS tank, Auto digital cooling controlled/heavy duty (For Pouch Packing Machine)	Ashirwad	2021	For Pouch Packing Machine		Nos	1	$ 550.00	$ 550.00
38	Bottle packing machine	Quantative Filling	2021	Packing	1 MT/Hrs	Nos	1	$ 5,317.07	$ 5,317.07
39	Fitting Asseccories-Various		2021	For Fitting & Fixture					$ 6,024.00
40	Gas Cutter Nozel		2021	For Cutting		Nos	1	$ 120.00	$ 120.00
						TOTAL			$ 362,527.32

Total funds requirements

Particulars	Amount		Source	Amount %
Leasehold property	$	30,000.00	Capital	100%
Plant & Machinery	$	400,000.00	Capital	100%
Furniture & Fittings	$	58,000.00	Capital	100%
Licences & permits	$	5,000.00	Capital	100%
Preliminary expenses	$	5,000.00	Capital	100%
Insurance	$	2,000.00	Capital	100%
Working Capital	$	500,000.00	Capital	100%
TOTAL	**$**	**1,000,000.00**	**TOTAL**	**100%**

The entire funding requirement will be financed through owner's equity.

9.3 Sales forecast

Plant capacity		
Processing capacity (single shift	40	Mt/Day
Working days in a year	300	Days
Annual production	12,000	Mt
Annual Output Capacity:		
88% Sunflower oil	10,560	Mt
10% Avocado oil	1,000	Mt
2% Peanut oil	240	Mt

However, considering that raw materials production is still growing in Tanzania, it is expected that during the first 5 years of operation we will not be able to achieve maximum capacity as detailed below:

Annual production	% of capacity
Year 1	60%
Year 2	70%
Year 3	80%
Year 4	90%
Year 5	100%

The entire produce will be sold and hence the production quantities also represent the expected sales quantities. The selling price has been based on current prevailing rates and any changes thereof will be directly affected by the price of raw materials and hence the relationship is linear. The current prices for the products are as follows:

Product	Price
Sunflower oil	$3.60/litre
Avocado oil	$28/litre
Peanut oil	$2.40/litre

Hence sales projections for the next five years are indicated below:

Annual sales values	Sunflower oil	Avocado oil	Peanut oil	Total Sales
Year 1	$ 2,280,960.00	$ 1,680,000.00	$ 34,560.00	$ 3,995,520.00
Year 2	$ 2,661,120.00	$ 1,960,000.00	$ 40,320.00	$ 4,661,440.00
Year 3	$ 3,041,280.00	$ 288,000.00	$ 46,080.00	$ 3,375,360.00
Year 4	$ 3,421,440.00	$ 2,520,000.00	$ 51,840.00	$ 5,993,280.00
Year 5	$ 3,801,600.00	$ 2,800,000.00	$ 57,600.00	$ 6,659,200.00

9.4 Raw materials

The cost of raw materials has been taken at the rates prevailing in the market presently.The raw material required for proposed products sunflower seeds, peanut and avocado seeds. On average our cost of sales are expected to be 80% of sales.

9.5 Staff costs

Staff costs are estimated as per below chart:

Designation	Quantity	Monthly Rate	Annual Cost
Managing Director	1	$ 3,000.00	$ 36,000.00
Finance & Admin Director	1	$ 2,000.00	$ 24,000.00
Sales executives	2	$ 700.00	$ 16,800.00
Customer support	1	$ 600.00	$ 7,200.00
Technicians	2	$ 500.00	$ 12,000.00
Production Manager	1	$ 1,500.00	$ 18,000.00
Finance support staff	3	$ 800.00	$ 28,800.00
Logistics team	2	$ 700.00	$ 16,800.00
Admin support	2	$ 600.00	$ 14,400.00
Production support team	6	$ 400.00	$ 28,800.00
Total			**$ 202,800.00**

9.6 Consumables & other costs

The company shall require packing material, stores and other consumables. The price of packing material used for in edible oils is taken $1.30/MT.

The company shall require other stores consumables miscellaneous general stores items which are easily available in local market through the distributor/ consignee of the leading manufactures / local traders.

The provision for repair and maintenance of machinery has been taken at $25,000 in first year and gradually increasing as the machinery wear and tear increases.

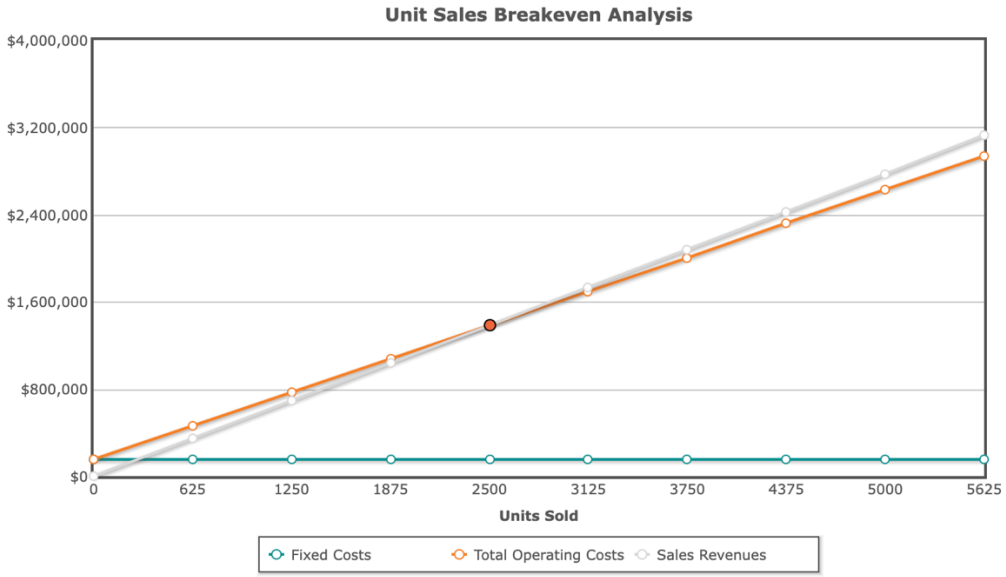
Insurance premium has been taken at 3% on the cost of fixed assets and stocks.

Administrative expenditure includes office establishment expenses, traveling, postage, telephone, stationery etc., which has been considered to increase every year @ 5% every year.

Sales expenses including brokerage, advertising & promotion, commission etc. have been taken @ 1 % of sale of finished goods.

9.7 Break-even Analysis

Our Break-even Analysis is shown in the following table and chart.



Aashi International will have to sell at least 2,500MT to break even. Which is easily attainable within the first year as anticipated sales volumes in the first year are 6,200. However, this is highly dependent on fixed costs being maintained at a minimum.

9.8 Projected Profit and Loss

The following table shows the projected Profit and Loss statement for the next five years. Our largest operating expenses will be payroll-related, to cover necessary staff.

Depreciation reflects the declining value of our long-term assets.

The business is expected to generate gross margins of at least 18%.

The projected profit & loss is shown below:

Column1	Year 1	Year 2	Year 3	Year 4	Year 5
Sales	**$ 3,995,520.00**	**$ 4,661,440.00**	**$ 3,375,360.00**	**$ 5,993,280.00**	**$ 6,659,200.00**
Cost of sales					
Raw Materials	$ 3,196,416.00	$ 3,729,152.00	$ 2,700,288.00	$ 4,794,624.00	$ 5,327,360.00
Consumables	7,603.83	10,138.44	12,673.05	15,207.66	17,742.27
Factory overheads	$ 48,716.37	$ 64,955.16	$ 81,193.95	$ 97,432.74	$ 113,671.53
	$ 3,252,736.20	**$ 3,804,245.60**	**$ 2,794,155.00**	**$ 4,907,264.40**	**$ 5,458,773.80**
GP Margin	**19%**	**18%**	**17%**	**18%**	**18%**

Staff expenses	$ 202,800.00	$ 212,940.00	$ 223,587.00	$ 234,766.35	$ 246,504.67
Insurance	$ 2,000.00	$ 2,000.00	$ 2,000.00	$ 2,000.00	$ 2,000.00
Admin overheads	$ 16,238.79	$ 21,651.72	$ 27,064.65	$ 32,477.58	$ 37,890.51
	$ 221,038.79	$ 236,591.72	$ 252,651.65	$ 269,243.93	$ 286,395.18
OP%	**13%**	**13%**	**10%**	**14%**	**14%**
Depreciation	$ 60,000.00	$ 60,000.00	$ 60,000.00	$ 60,000.00	$ 60,000.00
Net Profit	$ 461,745.01	$ 560,602.68	$ 268,553.35	$ 756,771.67	$ 854,031.02
Tax @ 30%	$ 138,523.50	$ 168,180.80	$ 80,566.01	$ 227,031.50	$ 256,209.31
Cumulative Profits	**$ 323,221.51**	**$ 715,643.38**	**$ 903,630.73**	**$ 1,433,370.90**	**$ 2,031,192.61**

9.9 Projected Balance Sheet

Estimated balance sheets for the first five years are as below:

Column1	Year 1	Year 2	Year 3	Year 4	Year 5
Fixed Assets	$ 408,000.00	$ 358,000.000	$ 308,000.000	$ 258,000.000	$ 208,000.000
Recievables & cash reserves	$ 415,221.51	$ 857,643.38	$ 1,095,630.73	$ 1,675,370.90	$ 2,323,192.61
Total Assets	**$ 823,221.51**	**$ 1,215,643.38**	**$ 1,403,630.73**	**$ 1,933,370.90**	**$ 2,531,192.61**
Capital	$ 500,000.00	$ 500,000.00	$ 500,000.00	$ 500,000.00	$ 500,000.00
Accumulated Profits	$ 323,221.51	$ 715,643.38	$ 903,630.73	$ 1,433,370.90	$ 2,031,192.61
Total Capital & Reserves	**$ 823,221.51**	**$ 1,215,643.38**	**$ 1,403,630.73**	**$ 1,933,370.90**	**$ 2,531,192.61**

10. Strategy & Implementation Plan

Aashi International Limited will differentiate itself from other producers of soy meal by offering custom products depending on customer demands. The company plans on building long-term relationships with clients and not just selling them products and make them understand the value of the relationship. The company plans to rapidly develop marketing alliances with agriculture consulting offices. The market strategy is to capitalize on our customer base and contacts by offering the best products at affordable prices.

The company's goal this and the following years is to exhibit its products in the international trade fairs & exhibitions like Saba Sabawhich will allow for expanding the product service area.

The project is expected to be implemented within 4 months for a fully-fledged operation.

11. Project Milestones

The accompanying table lists important program milestones achieved so far. The milestone schedule indicates our emphasis on planning for implementation.

Activity	**Status**	**% Completion**
Company registration	Completed.	100%
Land Acquisition	Not necessarily required but the company plans to eventually own its premises	0%
Building	Already took on a lease for a warehouse in Gerezani	100%
Purchase & installation of machinery	Already concluded. Machinery is expected to arrive in Dar es salaam within 2 months	80%
TIC application	In progress	20%
Hire of staff	In progress. HR consultants have been engaged to acquire the required talent	40%
Supply arrangements	Suppliers have been identified who have committed to providing the required raw materials	90%

The milestone table shows planning & implementation milestones. Our business plan includes complete provisions for plan-vs.-actual analysis, and we will hold follow-up meetings every month to discuss the variance and course corrections, and a final plan review on every 2 weeks.