

**BUSINESS PLAN FOR ILUNGU  
AGRIBUSINESS COMPANY LIMITED  
AGRICULTURE AND ANIMAL HUSBANDRY PROJECT.  
PHASE I, II, III, IV & V  
AT MANYONI SINGIDA REGION**

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## **1.0 EXECUTIVE SUMMARY**

Directors cum shareholders of this young but dynamic company after successfully conducting phase one of their project at their farm, they have now resolved to expand their project by establishing other two money centres namely:

- To establish state of the art industry in order to add value to their farm products (cashew nuts).
- To establish a well monitored animal husbandry project together with a light industry in order to add value to their farm products and lastly.
- To establish a well supervised horticulture farm ready for the unlimited market in Dodoma, Dar es Salaam and other areas of United Republic of Tanzania.

In order to do all this professionally, they approached our firm so that we prepare key legal and administrative documents ofcourse all this need to be guided by laws and policies of United Republic of Tanzania. This is a business plan addressing key issues of cost and revenue of the entire project which according to tentative plans will be implemented in phases one, two, three and four.

## **2.0 BACKGROUND INFORMATION**

### **2.0.1 LEGAL STRUCTURE**

The project time and again has been operating within the ambit of law to prove these basic facts in their custody the project have the following key legal and administrative documents.

- Memorandum and Articles of Association
- Certificate of Incorporation
- Tax Identification Number (TIN)
- Land Documents
- Documents from Financial Institutions
- Board Resolution which authorize the directors cum shareholders to borrow from the bank and register the entire project to Tanzania investment centre among others.

### **2.0.2 PROJECT CONCEPT**

As narrated in brief in the executive summary, the directors cum shareholders they want to achieve in doing the following:

- To expand and modernize farming programmes at their farm at Manyoni District.

- To establish an industry in order to add value to their farm products.
- To establish state of the art animal husbandry, project and lastly.
- To establish horticulture project.

### **2.0.3 PROJECT OWNERSHIP**

\* The company is family venture, details of all this can be referred to the annexed memorandum and articles of association which form part of this study.

### **3.0 THE INVESTMENT (THE PROJECT)**

\* The project will be implemented in phases this is so because there are other factors which time and again can or will in future affect the market share, competitive atmosphere, national economy together with related inflations rate e.t.c thus, it has been projected that total investment cost will be to the tune of Tanzanian Shillings 1,000,000,000/= out of all this 60% is expected to be sources from financial institutions preferably Tanzania Agricultural Development Bank and the rest 40% will be directors equity contribution – Details of all this are debated under financials from appendices 1 – 10.

### **4.0 JUSTIFICATION OF THE PROJECT (WHY THIS PROJECT)**

#### **4.0.1 TRADE POLICY**

Trade policy was introduced by the Government of United Republic of Tanzania in order to facilitate legal and profitable businesses in Tanzania. The directors cum shareholders are aware of all this and that they have resolved to operate in conformity to the said policy – This basic fact justify the project to be implemented as planned.

#### **4.0.2 AGRICULTURE POLICY**

Agriculture policy as it has been to other policies has targeted farmers specifically local or foreign investors, this policy time and again will make sure that farmers have got access to fertilizer, seeds and pesticides. Thus due to the fact that the policy is here to assist the would be investors in agriculture related projects, this basic fact justify that this project will be profitable and sustainable to the advantage of not only investors but also National Economy.

#### **4.0.3 ANIMAL HUSBANDRY POLICY**

In phase three the directors cum shareholders have resolved to have state of the art animal husbandry project – due to proper and professional guidelines in this policy we expect the project in phase three to prove to be profitable and also sustainable, this basic fact justify the project to be implemented as planned.

#### **4.0.4 INDUSTRIAL POLICY**

Both the industry policy which has been planned for agricultural products and that of animal husbandry time and again the project will be guided by this policy, the directors cum shareholders are aware of all this. This basic fact justify the project to be implemented as planned.

#### **4.0.5 INVESTMENT POLICY OF OCTOBER 1979 AND ITS ACT OF 2022**

The policy has put in place a lot of incentive in order to encourage local and foreign investors to trade professionally, profitably but within the ambit of law all this is to the advantage of project implementation programme – This basic fact justify the project to be encouraged so that it is implemented as planned. The act on the other hand allows the investors to access a lot of exemptions connected to capital deemed capital goods.

#### **4.0.6 ENVIRONMENT POLICY**

The directors cum shareholders of this project have read the environment policy together with its Act. During implementation of phase III & IV of this project definitely the project will abide and comply to both the Environment Policy and its related Act to prove this basic fact the same have been narrated in details in the companies strategic plan.

#### **4.0.7 ROLE OF PRIVATE SECTOR IN TANZANIA**

Private sector in Tanzanian is termed as an engine of growth this is because of its role socially and economically this being the case it goes without saying therefore that the project now and in future it will prove to have positive social and economic impact not only to directors but also to the National Economy.

#### **4.0.8 ROLE OF PRIVATE SECTOR IN MANYONI DISTRICT**

People surrounding this project will be employed, temporally or permanently, the farmers will get a ready market in this respect, all in all forward and backward linkage of this project will have a direct social and economic impact to both directors/shareholders and to the nation.

#### **4.0.10 ROLE OF PRIVATE SECTOR TO SINGIDA REGION**

As stated under para 4.0.9 role of private sector and specifically role of this project to residents of Manyoni District, and residents surrounding the farm will definitely prove a lot of social and economic issues.

#### **4.0.11 AGRICULTURE SECTOR TO THE NATIONAL ECONOMY**

Data and statistics annexed together with this business plan prove that agriculture has very positive role to the National Economy.

### **5.0 MARKET ANALYSIS**

#### **5.0.1 SWOT ANALYSIS**

Any professional business needs to have a well researched market analysis – A detailed market analysis of this project has revealed the following basic facts:-

#### **5.0.2 STRENGTH**

Business policies of United Republic of Tanzania political tolerance, peace and tranquility, national economy inflation rates are among strength connected to this project.

#### **5.0.3 WEAKNESS**

The only weakness connected to this project is lack of enough working capital to implement this project to diffuse this the directors cum directors have resolved to seek financial support from Tanzania Agriculture Development Bank this approach will diffuse any threat connected to project implementation programme.

#### **5.0.4 OPPORTUNITIES**

Cashewnuts have a ready market worldwide from Far East, Europe, locally and in the East African region – The availability of cargo plane of ATCL is an added advantage. What the Government have done to liberalize economy definitely will have boosted key opportunities connected to this project. All this is to the advantage of not only directors and shareholders but also to the National Economy.

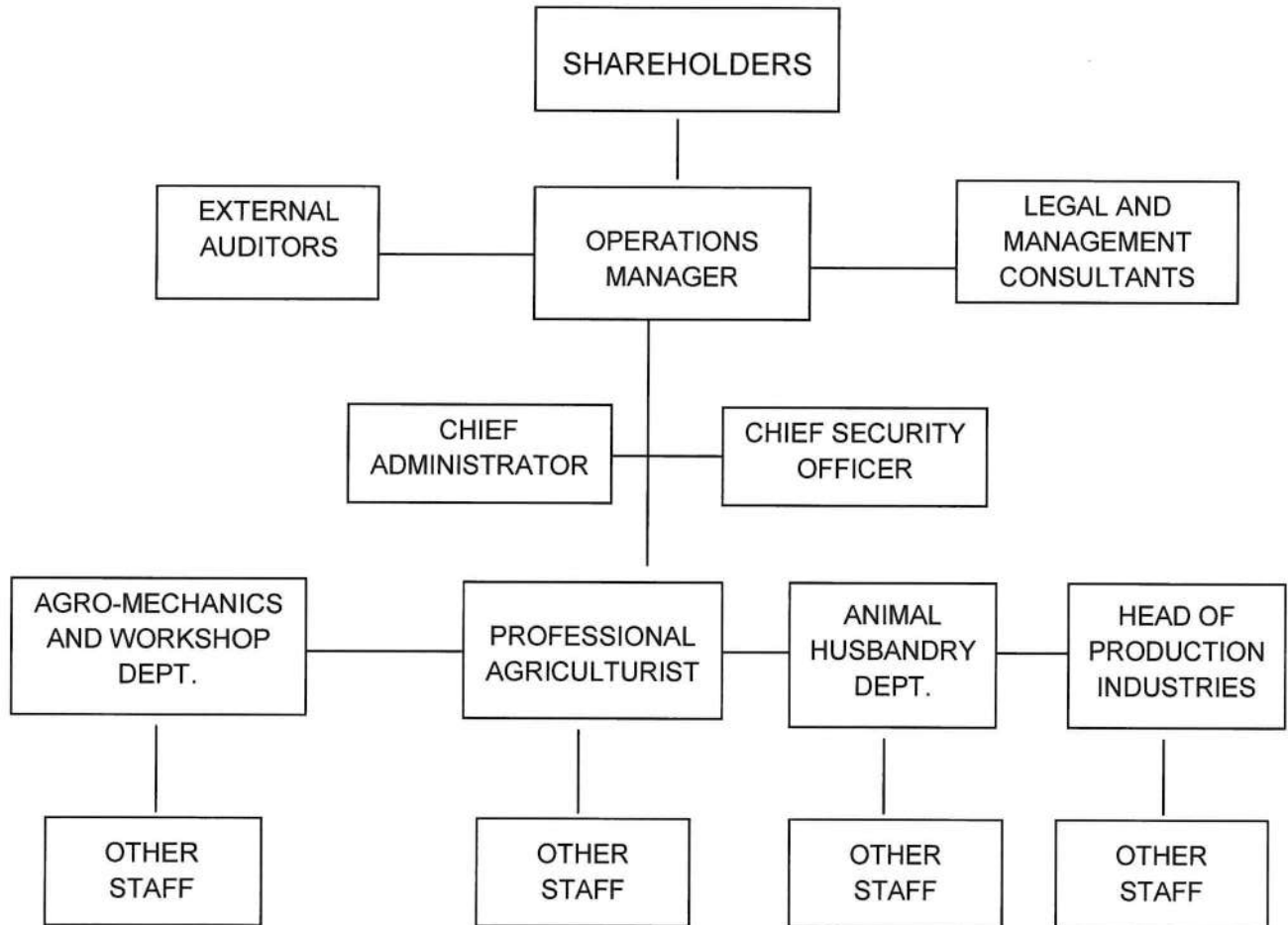
#### **5.0.5 THREATS**

Though we encourage foreigners to come to our beloved country and invest if this sector will be wholly operated by foreigners the country will lose a lot of foreign exchange because these investors will take advantage of Investment Act and its policy to repatriate forex back home this have got negative impact to the Nation.

## 6.0 MANAGEMENT STRUCTURE

Guided as we are by the company strategic plan the entire project will be guided using the administrative structure as per Exhibit I in this business plan.

### EXHIBIT 1



**NB:** In order to make sure that line of authority is adhered to, a well written management manual and that of accounting will be among guiding documents.

## 7.0 PROJECTED CASH AND REVENUE PROJECTIONS

Total project cost and revenue projections are computed as per Appendix 1 & II in this business plan.

## **7.0.1 THE INVESTMENT**

### **7.0.3-7.0.5 PROJECTED PROFIT & LOSS STATEMENT (FARM & ANIMAL HUSBANDRY AND INDUSTRY)**

Projected profit and loss of the entire project is as per Appendix 4 which is self explanatory the same have proved that the project will make profits as the result it will be sustainable.

## **8.0 RISKS FACTORS AND MITIGATING FACTORS**

### **8.0.1 FINANCIAL RISKS**

Financial risks connected to this project include that of fluctuation of a shilling, inflation and economic turbulences, the directors will diffuse this risks by abiding and complying to monetary policy statement of Bank of Tanzania 2024/2025.

### **8.0.2 BUSINESS RISKS**

Competitive atmosphere and a negative market share are among key business risks. Quality control will diffuse this risks.

### **8.0.3 ECONOMIC RISKS**

Global or national economic turbulences will definitely affect smooth operations of this business, a detailed analysis of both global and national Economy using professionals will diffuse these risks to the advantage of sustainability of this project.

## **9.0 SOCIAL SERVICES EXPECTED**

Transfer of technology, creation of employment is among key notable social issues connected to this project.

### **9.0.1 ECONOMIC IMPACT OF THE PROJECT**

Taxes, statutory returns, levies from fuel, electricity and water will prove very positive economic impact not only to the directors but also to Manyoni District, Singida Region and indeed to the National.

## **10.0 PROFESSIONAL OPINION**

The project is legal profitable sustainable and that it will prove to have forward and backward linkage.

### **10.01 CONCLUSION**

We recommend the project to be registered with TIC and we so declare.

## FINANCIAL FIGURES

**TOTAL PROJECT COST**

**ILUNGU AGRIBUSINESS COMPANY LTD**

**PROJECT COST**

| <b>S/No</b> | <b>Item</b>                        | <b>Qty</b> | <b>Unit Cost</b>          | <b>Total cost</b>       |
|-------------|------------------------------------|------------|---------------------------|-------------------------|
| <b>1</b>    | <b>Buildings</b>                   |            |                           |                         |
|             | (a) Land (acres)                   | 120        | 3,250,000.00              | 390,000,000.00          |
|             | (b) Warehouse & Offices            | 1          | 244,000,000.00            | 242,300,000.00          |
|             |                                    |            | <b>Sub-total</b>          | <b>632,300,000.00</b>   |
| <b>2</b>    | <b>Vehicles</b>                    |            |                           |                         |
|             | a) Lorry (7tons)                   | 1          | 125,000,000.00            | 125,000,000.00          |
|             | a) D/Cabin Pickup                  | 1          | 50,000,000.00             | 50,000,000.00           |
|             | c) Motor Cycle                     | 1          | 3,500,000.00              | 3,500,000.00            |
|             |                                    |            | <b>Sub-total</b>          | <b>178,500,000.00</b>   |
| <b>3</b>    | <b>Machinery</b>                   | 1          | 155,000,000.00            | <b>155,000,000.00</b>   |
| <b>5</b>    | <b>Computers &amp; eletr eqpmt</b> | 1          | 4,200,000.00              | <b>4,200,000.00</b>     |
| <b>6</b>    | <b>Working Capital</b>             |            |                           | <b>30,000,000.00</b>    |
|             |                                    |            | <b>Total Project Cost</b> | <b>1,000,000,000.00</b> |
|             |                                    |            | <b>Financed by:</b>       |                         |
|             |                                    |            | Loan (60%)                | 600,000,000.00          |
|             |                                    |            | Equity (40%)              | 400,000,000.00          |
|             |                                    |            | <b>Total</b>              | <b>1,000,000,000.00</b> |

**PRODUCTION SCHEDULE**

## ILUNGU AGRIBUSINESS COMPANY LIMITED

### PRODUCTION SCHEDULE

**Table A: Farm Production**

|                             | 2028      | 2029      | 2030      | 2031       | 2032       |
|-----------------------------|-----------|-----------|-----------|------------|------------|
| Total Acreage               | 120       | 120       | 120       | 120        | 120        |
| Number of trees per acre    | 30        | 30        | 30        | 30         | 30         |
| Total number of trees       | 3,600.00  | 3,600.00  | 3,600.00  | 3,600.00   | 3,600.00   |
| Average yield per tree (kg) | 24        | 25        | 27        | 28         | 30         |
| Total production (kg)       | 86,400.00 | 90,000.00 | 97,200.00 | 100,800.00 | 108,000.00 |

**Table B: Production of cashew kernels**

|                               |           |           |           |            |            |
|-------------------------------|-----------|-----------|-----------|------------|------------|
| Raw cashew nuts (kg)          | 86,400.00 | 90,000.00 | 97,200.00 | 100,800.00 | 108,000.00 |
| Yield cashew kernel/kg (%)    | 25        | 25        | 25        | 25         | 25         |
| Cashew Kernels (kg)           | 21,600.00 | 22,500.00 | 24,300.00 | 25,200.00  | 27,000.00  |
| Shells (75%)                  | 64,800.00 | 67,500.00 | 72,900.00 | 75,600.00  | 81,000.00  |
| Commissioning processing (kg) | 12,960.00 | 13,500.00 | 14,580.00 | 15,120.00  | 16,200.00  |

**SALES ANALYSIS**

**ILUNGU AGRIBUSINESS COMPANY LIMITED**

**SALES**

|                            | 2028                  | 2029                  | 2030                  | 2031                  | 2032                  |
|----------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Cashew Kernels (kg)        | 21,600.00             | 22,500.00             | 24,300.00             | 25,200.00             | 27,000.00             |
| Exports (80%)              | 17,280.00             | 18,000.00             | 19,440.00             | 20,160.00             | 21,600.00             |
| Price/kg (USD)             | 7.5                   | 7.8                   | 8                     | 8.2                   | 8.2                   |
| Sales in USD               | 129,600.00            | 140,400.00            | 155,520.00            | 165,312.00            | 177,120.00            |
| Exchange rate              | 2,800.00              | 2,800.00              | 2,800.00              | 2,800.00              | 2,800.00              |
| <b>Export sales (TZS)</b>  | <b>362,880,000.00</b> | <b>393,120,000.00</b> | <b>435,456,000.00</b> | <b>462,873,600.00</b> | <b>495,936,000.00</b> |
| Local sales (20%)          | 4,320.00              | 4,500.00              | 4,860.00              | 5,040.00              | 5,400.00              |
| Price/kg TZS               | 12,000.00             | 12,500.00             | 13,000.00             | 13,500.00             | 14,000.00             |
| <b>Local sales in TZS</b>  | <b>51,840,000.00</b>  | <b>56,250,000.00</b>  | <b>63,180,000.00</b>  | <b>68,040,000.00</b>  | <b>75,600,000.00</b>  |
| Shells (kg)                | 64,800.00             | 67,500.00             | 72,900.00             | 75,600.00             | 81,000.00             |
| Price/kg (TZS)             | 250                   | 250                   | 270                   | 280                   | 285                   |
| <b>Shell sales</b>         | <b>16,200,000.00</b>  | <b>16,875,000.00</b>  | <b>19,683,000.00</b>  | <b>21,168,000.00</b>  | <b>23,085,000.00</b>  |
| Commission processing (kg) | 12,960.00             | 13,500.00             | 14,580.00             | 15,120.00             | 16,200.00             |
| Commissioning fee/kg       | 1,200.00              | 1,200.00              | 1,300.00              | 1,350.00              | 1400                  |
| <b>Income</b>              | <b>15,552,000.00</b>  | <b>16,200,000.00</b>  | <b>18,954,000.00</b>  | <b>20,412,000.00</b>  | <b>22,680,000.00</b>  |
| <b>Total Sales</b>         | <b>446,472,000.00</b> | <b>482,445,000.00</b> | <b>537,273,000.00</b> | <b>572,493,600.00</b> | <b>617,301,000.00</b> |

**PROFIT AND LOSS ACCOUNT**

## ILUNGU AGRIBUSINESS COMPANY LTD

### Profit and Loss Account

|                                 | 2028                  | 2029                  | 2030                  | 2031                  | 2032                  |
|---------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Sales Revenue</b>            |                       |                       |                       |                       |                       |
| <b>Total sales</b>              | 446,472,000.00        | 482,445,000.00        | 537,273,000.00        | 572,493,600.00        | 617,301,000.00        |
| <b>Cost of sales</b>            |                       |                       |                       |                       |                       |
| <b>Total Cost of Sales</b>      | 223,236,000.00        | 241,222,500.00        | 268,636,500.00        | 286,246,800.00        | 308,650,500.00        |
| <b>Gross Margin</b>             | 223,236,000.00        | 241,222,500.00        | 268,636,500.00        | 286,246,800.00        | 308,650,500.00        |
| <b>Operating expenses</b>       |                       |                       |                       |                       |                       |
| Salaries & wages                | 15,950,000.00         | 15,950,000.00         | 16,189,250.00         | 16,040,250.00         | 16,414,250.00         |
| Motor Vehicle running           | 4,375,000.00          | 4,460,000.00          | 4,557,120.00          | 4,694,150.00          | 2,752,630.00          |
| Plant repair & maintenance      | 3,400,000.00          | 3,570,000.00          | 3,748,500.00          | 3,935,925.00          | 4,132,721.25          |
| Insurance                       | 4,464,720.00          | 9,648,900.00          | 10,745,460.00         | 11,449,872.00         | 12,346,020.00         |
| Electricity & water             | 2,495,740.00          | 2,631,400.00          | 2,940,930.00          | 2,980,140.00          | 3,240,675.00          |
| <b>Total Operating Expenses</b> | <b>30,685,460.00</b>  | <b>36,260,300.00</b>  | <b>35,240,330.00</b>  | <b>39,100,337.00</b>  | <b>38,886,296.25</b>  |
| <b>Profit before tax</b>        | <b>192,550,540.00</b> | <b>204,962,200.00</b> | <b>233,396,170.00</b> | <b>247,146,463.00</b> | <b>269,764,203.75</b> |
| Tax (30%)                       | 57,765,162.00         | 61,488,660.00         | 70,018,851.00         | 74,143,938.90         | 80,929,261.13         |
| <b>Profit after tax</b>         | <b>134,785,378.00</b> | <b>143,473,540.00</b> | <b>163,377,319.00</b> | <b>173,002,524.10</b> | <b>188,834,942.63</b> |

#### Notes

Inflationary pressures on costs and revenues have largely been ignored. Constant prices are assumed to prevail throughout the projected ten year period. This is based on the fact that any cost incurred during any given period will be offset by a proportional price increase to maintain the same profit margin that can guarantee a good return on investment.

**PROJECTED CASHFLOW**

**ILUNGU AGRIBUSINESS COMPANY LIMITED**

**CASH FLOW STATEMENT**

|                            | 2028                  | 2029                  | 2030                  | 2031                  | 2032                    |
|----------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-------------------------|
| <b>Cash inflow</b>         |                       |                       |                       |                       |                         |
| Opening balance            | -                     | 124,480,280.00        | 259,183,305.00        | 414,591,595.00        | 583,687,698.00          |
| Sales revenue              | 446,472,000.00        | 482,445,000.00        | 537,273,000.00        | 572,493,600.00        | 617,301,000.00          |
| <b>Total Inflow</b>        | <b>446,472,000.00</b> | <b>606,925,280.00</b> | <b>796,456,305.00</b> | <b>987,085,195.00</b> | <b>1,200,988,698.00</b> |
| <b>Cash Outflow</b>        |                       |                       |                       |                       |                         |
| Cost of Sales              | 267,883,200.00        | 289,467,000.00        | 322,363,800.00        | 343,496,160.00        | 370,380,600.00          |
| Salaries & wages           | 15,950,000.00         | 15,950,000.00         | 16,189,250.00         | 16,040,250.00         | 16,414,250.00           |
| Interest                   | 23,423,060.00         | 22,014,675.00         | 21,319,650.00         | 20,801,000.00         | 20,441,615.00           |
| Motor Vehicle running      | 4,375,000.00          | 4,460,000.00          | 4,557,120.00          | 4,694,150.00          | 2,752,630.00            |
| Plant repair & maintenance | 3,400,000.00          | 3,570,000.00          | 3,748,500.00          | 3,935,925.00          | 4,132,721.25            |
| Insurance                  | 4,464,720.00          | 9,648,900.00          | 10,745,460.00         | 11,449,872.00         | 12,346,020.00           |
| Electricity & water        | 2,495,740.00          | 2,631,400.00          | 2,940,930.00          | 2,980,140.00          | 3,240,675.00            |
| <b>Total Outflows</b>      | <b>321,991,720.00</b> | <b>347,741,975.00</b> | <b>381,864,710.00</b> | <b>403,397,497.00</b> | <b>429,708,511.25</b>   |
| <b>Closing balance</b>     | <b>124,480,280.00</b> | <b>259,183,305.00</b> | <b>414,591,595.00</b> | <b>583,687,698.00</b> | <b>771,280,186.75</b>   |

**Assumptions**

1. Revenues indicated are based on the year they were incurred, irrespective of whether they have been wholly or partially realized.
2. Expenses incurred are based on the year they were incurred, irrespective of whether they have been fully paid or not.

**LOAN REPAYMENT  
SCHEDULE**

**ILUNGU AGRIBUSINESS COMPANY LTD LTD**

**LOAN REPAYMENT SCHEDULE**

|                                      | 2028           | 2029           | 2030           | 2031           | 2032           |
|--------------------------------------|----------------|----------------|----------------|----------------|----------------|
| <b>Principal</b>                     |                |                |                |                |                |
| Amount due as on Jan 1               | 600,000,000.00 | 480,000,000.00 | 360,000,000.00 | 240,000,000.00 | 120,000,000.00 |
| Loan received during the year        | -              | -              | -              | -              | -              |
| Payment during the year in TZS       | 120,000,000.00 | 120,000,000.00 | 120,000,000.00 | 120,000,000.00 | 120,000,000.00 |
| Balance as on Dec 31 in TZS          | 480,000,000.00 | 360,000,000.00 | 240,000,000.00 | 120,000,000.00 | -              |
| <b>Interest</b>                      |                |                |                |                |                |
| Balance at beginning of year         | 108,000,000.00 | 84,576,940.00  | 62,562,265.00  | 41,242,615.00  | 20,441,615.00  |
| Payment made during the year (TZS)   | 23,423,060.00  | 22,014,675.00  | 21,319,650.00  | 20,801,000.00  | 20,441,615.00  |
| Balance as on Dec 31 (TZS)           | 84,576,940.00  | 62,562,265.00  | 41,242,615.00  | 20,441,615.00  | -              |
| Total payments during the year (TZS) | 143,423,060.00 | 142,014,675.00 | 141,319,650.00 | 140,801,000.00 | 140,441,615.00 |

**NOTES**

- a) A medium term loan of TZS 600,000,000 shall be sought from TADB at interest of 9% p.a
- b) Principal loan shall be repaid in 10 equal instalments within 5 years effective January 2028
- c) Principal shall be paid bi-annually whereas interest shall be paid quarterly
- d) Total interest paid shall be Tsh 108,000,000
- e) Both principal and interest shall be fully paid at end of 2032.

**LOAN AMORTIZATION  
SCHEDULE**

**ILUNGU AGRIBUSINESS COMPANY LTD**  
**LOAN AMORTIZATION SCHEDULE**

|                  |                  |
|------------------|------------------|
| Amount borrowed  | 600,000,000.00   |
| Periods (months) | 60               |
| Rate (9%)        | 0.0075           |
| Payments         | TSh12,455,013.14 |

| Months                | Beginning      | Amount                | Interest             | Principal             | Ending Balance |
|-----------------------|----------------|-----------------------|----------------------|-----------------------|----------------|
| 1                     | 600,000,000.00 | 12,455,013.14         | 4,500,000.00         | 7,955,013.14          | 592,044,986.86 |
| 2                     | 592,044,986.86 | 12,455,013.14         | 4,440,337.40         | 8,014,675.74          | 584,030,311.12 |
| 3                     | 584,030,311.12 | 12,455,013.14         | 4,380,227.33         | 8,074,785.81          | 575,955,525.31 |
| 4                     | 575,955,525.31 | 12,455,013.14         | 4,319,666.44         | 8,135,346.70          | 567,820,178.61 |
| 5                     | 567,820,178.61 | 12,455,013.14         | 4,258,651.34         | 8,196,361.80          | 559,623,816.81 |
| 6                     | 559,623,816.81 | 12,455,013.14         | 4,197,178.63         | 8,257,834.51          | 551,365,982.30 |
| 7                     | 551,365,982.30 | 12,455,013.14         | 4,135,244.87         | 8,319,768.27          | 543,046,214.03 |
| 8                     | 543,365,982.30 | 12,455,013.14         | 4,075,244.87         | 8,379,768.27          | 534,986,214.03 |
| 9                     | 534,986,214.03 | 12,455,013.14         | 4,012,396.61         | 8,442,616.53          | 526,543,597.50 |
| 10                    | 526,543,597.50 | 12,455,013.14         | 3,949,076.98         | 8,505,936.16          | 518,037,661.34 |
| 11                    | 518,037,661.34 | 12,455,013.14         | 3,885,282.46         | 8,569,730.68          | 509,467,930.66 |
| 12                    | 509,467,930.66 | 12,455,013.14         | 3,821,009.48         | 8,634,003.66          | 500,833,927.00 |
| <b>Total 1st year</b> |                | <b>149,460,157.68</b> | <b>49,974,316.40</b> | <b>117,071,397.00</b> |                |
| 13                    | 500,833,927.00 | 12,455,013.14         | 3,756,254.45         | 8,698,758.69          | 492,135,168.31 |
| 14                    | 492,135,168.31 | 12,455,013.14         | 3,691,013.76         | 8,763,999.38          | 483,371,168.93 |
| 15                    | 483,371,168.93 | 12,455,013.14         | 3,625,283.77         | 8,829,729.37          | 474,541,439.56 |
| 16                    | 474,541,439.56 | 12,455,013.14         | 3,559,060.80         | 8,895,952.34          | 465,645,487.22 |
| 17                    | 465,645,487.22 | 12,455,013.14         | 3,492,341.15         | 8,962,671.99          | 456,682,815.23 |
| 18                    | 456,682,815.23 | 12,455,013.14         | 3,425,121.11         | 9,029,892.03          | 447,652,923.20 |
| 19                    | 447,652,815.23 | 12,455,013.14         | 3,357,396.11         | 9,097,617.03          | 438,555,198.20 |
| 20                    | 438,555,198.20 | 12,455,013.14         | 3,289,163.99         | 9,165,849.15          | 429,389,349.05 |
| 21                    | 429,389,349.05 | 12,455,013.14         | 3,220,420.12         | 9,234,593.02          | 420,154,756.03 |
| 22                    | 420,154,756.03 | 12,455,013.14         | 3,151,160.67         | 9,303,852.47          | 410,850,903.56 |
| 23                    | 410,850,903.56 | 12,455,013.14         | 3,081,381.78         | 9,373,631.36          | 401,477,272.20 |
| 24                    | 401,477,272.20 | 12,455,013.14         | 3,011,079.54         | 9,443,933.60          | 392,033,338.60 |
| <b>Total 2nd year</b> |                | <b>149,460,157.68</b> | <b>40,659,677.25</b> | <b>129,047,982.00</b> |                |
| 25                    | 393,033,338.60 | 12,455,013.14         | 2,947,750.04         | 9,507,263.10          | 383,526,075.50 |
| 26                    | 383,526,075.50 | 12,455,013.14         | 2,876,445.57         | 9,578,567.57          | 373,947,507.93 |
| 27                    | 373,947,507.93 | 12,455,013.14         | 2,804,606.31         | 9,650,406.83          | 364,297,101.10 |
| 28                    | 364,297,101.10 | 12,455,013.14         | 2,732,228.26         | 9,722,784.88          | 354,574,316.22 |
| 29                    | 354,574,316.22 | 12,455,013.14         | 2,659,307.37         | 9,795,705.77          | 344,778,610.45 |
| 30                    | 344,778,610.45 | 12,455,013.14         | 2,585,839.58         | 9,869,173.56          | 334,909,436.89 |
| 31                    | 334,909,436.89 | 12,455,013.14         | 2,511,820.78         | 9,943,192.36          | 324,966,244.53 |
| 32                    | 324,966,244.53 | 12,455,013.14         | 2,437,246.83         | 10,017,766.31         | 314,948,478.22 |
| 33                    | 314,948,478.22 | 12,455,013.14         | 2,362,113.59         | 10,092,899.55         | 304,855,578.67 |
| 34                    | 304,855,578.67 | 12,455,013.14         | 2,286,416.84         | 10,168,596.30         | 294,686,982.37 |
| 35                    | 294,686,982.37 | 12,455,013.14         | 2,210,152.37         | 10,244,860.77         | 284,442,121.60 |
| 36                    | 284,442,121.60 | 12,455,013.14         | 2,133,315.91         | 10,321,697.23         | 274,120,424.37 |
| <b>Total 3rd year</b> |                | <b>149,460,157.68</b> | <b>30,547,243.44</b> | <b>142,282,791.00</b> |                |

| Months                | Beginning      | Amount                | Interest             | Principal             | Ending Balance |
|-----------------------|----------------|-----------------------|----------------------|-----------------------|----------------|
| 37                    | 274,120,424.37 | 12,455,013.14         | 2,055,903.18         | 10,399,109.96         | 263,721,314.41 |
| 38                    | 263,721,314.41 | 12,455,013.14         | 1,977,909.86         | 10,477,103.28         | 253,244,211.13 |
| 39                    | 253,244,211.13 | 12,455,013.14         | 1,899,331.58         | 10,555,681.56         | 242,688,529.57 |
| 40                    | 242,688,529.57 | 12,455,013.14         | 1,820,163.97         | 10,634,849.17         | 232,053,680.40 |
| 41                    | 232,053,680.40 | 12,455,013.14         | 1,740,402.60         | 10,714,610.54         | 221,339,069.86 |
| 42                    | 221,339,069.86 | 12,455,013.14         | 1,660,043.02         | 10,794,970.12         | 210,544,099.74 |
| 43                    | 210,544,099.74 | 12,455,013.14         | 1,579,080.75         | 10,875,932.39         | 199,668,167.35 |
| 44                    | 199,668,167.35 | 12,455,013.14         | 1,497,511.26         | 10,957,501.88         | 188,710,665.47 |
| 45                    | 188,710,665.47 | 12,455,013.14         | 1,415,329.99         | 11,039,683.15         | 177,670,982.32 |
| 46                    | 177,670,982.32 | 12,455,013.14         | 1,332,532.37         | 11,122,480.77         | 166,548,501.55 |
| 47                    | 166,548,501.55 | 12,455,013.14         | 1,249,113.76         | 11,205,899.38         | 155,342,602.17 |
| 48                    | 155,342,602.17 | 12,455,013.14         | 1,165,069.52         | 11,289,943.62         | 144,052,658.55 |
| <b>Total 4th year</b> |                | <b>149,460,157.68</b> | <b>19,392,391.86</b> | <b>150,494,818.00</b> |                |
| 49                    | 144,052,685.55 | 12,455,013.14         | 1,080,395.14         | 11,374,618.00         | 132,678,067.55 |
| 50                    | 132,678,067.55 | 12,455,013.14         | 995,085.51           | 11,459,927.63         | 121,218,139.92 |
| 51                    | 121,218,139.92 | 12,455,013.14         | 909,136.05           | 11,545,877.09         | 109,672,262.83 |
| 52                    | 109,672,262.83 | 12,455,013.14         | 822,541.97           | 11,632,471.17         | 98,039,791.66  |
| 53                    | 98,039,791.66  | 12,455,013.14         | 735,298.44           | 11,719,714.70         | 86,320,076.96  |
| 54                    | 86,320,076.96  | 12,455,013.14         | 647,400.58           | 11,807,612.56         | 74,512,464.40  |
| 55                    | 74,512,464.40  | 12,455,013.14         | 558,843.48           | 11,896,169.66         | 62,616,294.74  |
| 56                    | 62,616,294.74  | 12,455,013.14         | 469,622.21           | 11,985,390.93         | 50,630,903.81  |
| 57                    | 50,630,903.81  | 12,455,013.14         | 379,731.78           | 12,075,281.36         | 38,555,622.45  |
| 58                    | 38,555,622.45  | 12,455,013.14         | 289,167.17           | 12,165,845.97         | 26,389,776.48  |
| 59                    | 26,389,776.48  | 12,455,013.14         | 197,923.32           | 12,349,274.32         | 14,040,502.16  |
| 60                    | 14,098,508.67  | 12,455,013.14         | 105,738.82           | 12,349,274.32         | -              |
| <b>Total 5th year</b> |                | <b>149,460,157.68</b> | <b>7,190,884.46</b>  | <b>166,103,012.00</b> |                |

**PROJECTED BALANCE SHEET**

**ILUNGU AGRIBUSINESS COMPANY LIMITED**  
**BALANCE SHEET**

|                                  | 2028                  | 2029                  | 2030                  | 2031                  | 2032                  |
|----------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Total Fixed Assets</b>        | 970,000,000.00        | 970,000,000.00        | 970,000,000.00        | 970,000,000.00        | 970,000,000.00        |
| Less: Accum depr                 | 263,799,100.00        | 331,321,042.00        | 446,106,055.00        | 546,820,265.00        | 583,719,280.00        |
| <b>Net Fixed Assets</b>          | <b>706,200,900.00</b> | <b>638,678,958.00</b> | <b>523,893,945.00</b> | <b>423,179,735.00</b> | <b>386,280,720.00</b> |
| <b>Current Assets</b>            |                       |                       |                       |                       |                       |
| Cash & bank balances             | 93,061,095.00         | 32,167,069.00         | 32,163,722.00         | 22,540,943.00         | 16,379,316.00         |
| Inventory                        | 80,738,005.00         | 89,153,973.00         | 83,942,333.00         | 74,279,322.00         | 15,879,090.00         |
| <b>Total current assets</b>      | <b>173,799,100.00</b> | <b>121,321,042.00</b> | <b>116,106,055.00</b> | <b>96,820,265.00</b>  | <b>32,258,406.00</b>  |
| <b>Total Assets</b>              | <b>880,000,000.00</b> | <b>760,000,000.00</b> | <b>640,000,000.00</b> | <b>520,000,000.00</b> | <b>418,539,126.00</b> |
| <b>Current liabilities</b>       |                       |                       |                       |                       |                       |
| Tax payable                      | 45,593,434.00         | 15,507,733.00         | 56,765,020.00         | 69,562,119.00         | 18,539,126.00         |
| Interest payable                 | 84,576,940.00         | 62,562,265.00         | 41,242,615.00         | 20,441,615.00         | -                     |
| <b>Total current liabilities</b> | <b>130,170,374.00</b> | <b>78,069,998.00</b>  | <b>98,007,635.00</b>  | <b>90,003,734.00</b>  | <b>18,539,126.00</b>  |
| Term Loan                        | 480,000,000.00        | 360,000,000.00        | 240,000,000.00        | 120,000,000.00        | -                     |
| <b>Total liabilities</b>         | <b>480,000,000.00</b> | <b>360,000,000.00</b> | <b>240,000,000.00</b> | <b>120,000,000.00</b> | <b>18,539,126.00</b>  |
| <b>Equity</b>                    |                       |                       |                       |                       |                       |
| Share capital                    | 400,000,000.00        | 400,000,000.00        | 400,000,000.00        | 400,000,000.00        | 400,000,000.00        |
| <b>Total equity &amp; liab</b>   | <b>880,000,000.00</b> | <b>760,000,000.00</b> | <b>640,000,000.00</b> | <b>520,000,000.00</b> | <b>418,539,126.00</b> |
| <b>Assumptions</b>               |                       |                       |                       |                       |                       |

1. Assets have been depreciated at following rates: Vehicles(25%), plant & equipment (12.5%), land and buildings (5%)
2. Inventory comprises of value rice into store at end of the year
3. Tax liability indicated is 25% of total tax due. It is assumed that 75% will have been paid during the year

**DEPRECIATION SCHEDULE**

**ILUNGU AGRIBUSINESS CO. LTD**  
**DEPRECIATION SCHEDULE**

| <b>Depreciation schedule</b> |                 |                  |  |                             |
|------------------------------|-----------------|------------------|--|-----------------------------|
| <b>2028</b>                  |                 |                  |  |                             |
|                              | <b>Vehicles</b> | <b>Equipment</b> | <b>Computers &amp; Electronic eqpt</b> | <b>Buildings</b>            |
| Depreciation rate (%)        | 25              | 12.5             | 37.5                                   | 5                           |
| <b>Cost</b>                  |                 |                  |  |                             |
| As on January 1, 2028        | 178,000,000.00  | 155,000,000.00   | 4,200,000.00                           | 632,300,000.00              |
| Additions during the year    | -               |                  | -                                      |                             |
| As at Dec 31, 2028           | 178,000,000.00  | 155,000,000.00   | 4,200,000.00                           | 632,300,000.00              |
| <b>Depreciation</b>          |                 |                  |  |                             |
| As on Jan 1, 2028            | -               | -                | -                                      | -                           |
| Depreciation during the year | 44,500,000.00   | 19,375,000.00    | 1,575,000.00                           | 31,615,000.00               |
| Accummulated depreciation    | 44,500,000.00   | 19,375,000.00    | 1,575,000.00                           | 31,615,000.00               |
| <b>Book value</b>            |                 |                  |  |                             |
| As on Dec 31, 2028           | 133,500,000.00  | 135,625,000.00   | 2,625,000.00                           | 600,685,000.00              |
| <b>2029</b>                  |                 |                  |  |                             |
|                              | <b>Vehicles</b> | <b>Equipment</b> | <b>Computers &amp; Electronic eqpt</b> | <b>Land &amp; Buildings</b> |
| Depreciation rate (%)        | 25              | 12.5             | 37.5                                   | 5                           |
| <b>Cost</b>                  |                 |                  |  |                             |
| As on Jan 1, 2029            | 178,000,000.00  | 155,000,000.00   | 4,200,000.00                           | 632,300,000.00              |
| Additions during the year    | -               |                  | -                                      |                             |
| As at Dec 31, 2029           | 178,000,000.00  | 155,000,000.00   | 4,200,000.00                           | 632,300,000.00              |
| <b>Depreciation</b>          |                 |                  |  |                             |
| As on Jan 1, 2029            | 44,500,000.00   | 19,375,000.00    | 1,575,000.00                           | 31,675,000.00               |
| Depreciation during the year | 33,375,000.00   | 16,953,125.00    | 984,375.00                             | 30,034,250.00               |
| Accummulated depreciation    | 77,875,000.00   | 36,328,125.00    | 2,559,375.00                           | 61,709,250.00               |
| <b>Book value</b>            |                 |                  |  |                             |
| As on Dec 31, 2029           | 100,125,000.00  | 118,671,875.00   | 1,640,625.00                           | 538,975,750.00              |
| As on Dec 21, 2028           | 133,500,000.00  | 135,625,000.00   | 2,625,000.00                           | 600,685,000.00              |
| <b>2030</b>                  |                 |                  |  |                             |
|                              | <b>Vehicles</b> | <b>Equipment</b> | <b>Computers &amp; Electronic eqpt</b> | <b>Land &amp; Buildings</b> |
| Depreciation rate (%)        | 25              | 12.5             | 37.5                                   | 5                           |
| <b>Cost</b>                  |                 |                  |  |                             |
| As on Jan 1, 2030            | 178,000,000.00  | 155,000,000.00   | 4,200,000.00                           | 632,300,000.00              |
| Additions during the year    | -               |                  | -                                      |                             |
| As at Dec 31, 2030           | 178,000,000.00  | 155,000,000.00   | 4,200,000.00                           | 632,300,000.00              |

|                              |                |                |              |                |
|------------------------------|----------------|----------------|--------------|----------------|
| <b>Depreciation</b>          |                |                |              |                |
| As on Jan 1, 2030            | 77,875,000.00  | 36,328,125.00  | 2,559,375.00 | 61,709,250.00  |
| Depreciation during the year | 33,375,000.00  | 14,833,984.38  | 615,234.38   | 26,948,787.50  |
| Accumulated depreciation     | 111,250,000.00 | 51,162,109.38  | 3,174,609.38 | 88,658,037.50  |
| <b>Book value</b>            |                |                |              |                |
| As on Dec 31, 2030           | 66,750,000.00  | 103,837,890.63 | 1,025,390.63 | 543,641,962.50 |
| As on Dec 31, 2029           | 100,125,000.00 | 118,671,875.00 | 1,640,625.00 | 538,975,750.00 |

**2031**

|                              | Vehicles       | Equipment      | Computers & Electronic eqpmt | Land & Buildings |
|------------------------------|----------------|----------------|------------------------------|------------------|
| Depreciation rate (%)        | 25             | 12.5           | 37.5                         | 5                |
| <b>Cost</b>                  |                |                |                              |                  |
| As on Jan 1, 2031            | 178,000,000.00 | 155,000,000.00 | 4,200,000.00                 | 632,300,000.00   |
| Additions during the year    | -              | -              | -                            | -                |
| As at Dec 31, 2031           | 178,000,000.00 | 155,000,000.00 | 4,200,000.00                 | 632,300,000.00   |
| <b>Depreciation</b>          |                |                |                              |                  |
| As on Jan 1, 2031            | 111,250,000.00 | 51,162,109.00  | 3,174,609.00                 | 42,037,500.00    |
| Depreciation during the year | 16,687,500.00  | 12,979,736.33  | 384,521.48                   | 27,182,098.13    |
| Accumulated depreciation     | 127,937,500.00 | 64,141,845.33  | 3,559,130.48                 | 69,219,598.13    |
| <b>Book value</b>            |                |                |                              |                  |
| As on Dec 31, 2031           | 50,062,500.00  | 90,858,154.67  | 640,869.52                   | 563,080,401.88   |
| As on Dec 21, 2030           | 66,750,000.00  | 103,837,891.00 | 1,025,391.00                 | 543,641,963.00   |

**2032**

|                              | Vehicles       | Equipment      | Computers & Electronic eqpmt | Land & Buildings |
|------------------------------|----------------|----------------|------------------------------|------------------|
| Depreciation rate (%)        | 25             | 12.5           | 37.5                         | 5                |
| <b>Cost</b>                  |                |                |                              |                  |
| As on Jan 1, 2032            | 178,000,000.00 | 155,000,000.00 | 4,200,000.00                 | 632,300,000.00   |
| Additions during the year    | -              | -              | -                            | -                |
| As at Dec 31, 2032           | 178,000,000.00 | 155,000,000.00 | 4,200,000.00                 | 632,300,000.00   |
| <b>Depreciation</b>          |                |                |                              |                  |
| As on Jan 1, 2032            | 127,937,500.00 | 64,141,845.00  | 3,559,130.00                 | 69,219,598.00    |
| Depreciation during the year | 12,515,625.00  | 11,357,269.33  | 240,326.07                   | 28,154,020.09    |
| Accumulated depreciation     | 140,453,125.00 | 75,499,114.33  | 3,799,456.07                 | 97,373,618.09    |
| <b>Book value</b>            |                |                |                              |                  |
| As on Dec 31, 2032           | 37,546,875.00  | 79,500,885.67  | 400,543.93                   | 534,926,381.91   |
| As on Dec 31, 2031           | 50,062,500.00  | 90,858,155.00  | 640,870.00                   | 563,080,402.00   |

**BUSINESS RATIOS**

## ILUNGA AGRIBUSINESS COMPANY LIMITED

### BUSINESS RATIOS

| Ratio/Year                     | 2028        | 2029        | 2030        | 2031        | 2032        |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|
| 1. Debt Service Coverage Ratio | 1.342535433 | 1.443246622 | 1.651547892 | 1.755289117 | 1.920828123 |
| 2. Debt-Equity Ratio           | 1.2         | 0.9         | 0.6         | 0.3         | 0.046347815 |
| 3. Return on Equity Ratio      | 0.48137635  | 0.5124055   | 0.583490425 | 0.617866158 | 0.674410509 |
| 4. Current Ratio (Times)       | 1.335166326 | 1.554003396 | 1.184663368 | 1.075736091 | 1.740017625 |

#### Comments

- The DSCR is the ratio of net income available for servicing interest and principal loan obligations. A debt service ratio of 1 or above, as in this case, indicates that a company is generating sufficient cash to cover its annual loan obligations.
- The debt equity ratio is a financial ratio indicating the relative proportion of shareholders' equity and debt used to finance company's assets. The optimal D/E ratio varies by industry, but it should not be above a level of 2.0. In this case, the high ratio in first 2 years is explained by the fact that the business is predominantly financed by debt.
- The return on equity is a measure of the profitability of a business in relation to the equity. A high ROE, as in this case, suggests efficient utilization of investment financing to grow the business.
- The current ratio is a liquidity ratio that measures whether a firm has enough resources to meet its short-term obligations. A ratio above 1, as in this case, indicates the business is liquid enough to meet any financial obligations that fall due.

**INTERNAL RATE OF RETURN**

**ILUNGU AGRIBUSINESS COMPANY LIMITED**

**INTERNAL RATE OF RETURN**

| <b>Outflow</b> | <b>(1,000,000,000.00)</b> |
|----------------|---------------------------|
| 2028           | 192,550,540.00            |
| 2029           | 204,962,200.00            |
| 2030           | 233,396,170.00            |
| 2031           | 247,146,463.00            |
| 2032           | 269,764,204.00            |
| <b>IRR</b>     | <b>5%</b>                 |

**Notes:**

The figure 1,000,000,000 is the project cost. The figures corresponding to years 2028 -2032 is profit before tax.

The IRR of 5% is quite attractive