

IFFA SEED COMPANY (T) LIMITED

**BUSINESS PLAN
FOR
PRODUCTION OF IMPROVED MAIZE SEED**

1.0 INTRODUCTION

IFFA SEED COMPANY (T) LIMITED is well positioned to own one of the leading commercial improved maize seeds production in Tanzania, which is why the company is planning to have the best hands and farm machinery to run the farm with.

IFFA SEED COMPANY (T) LIMITED is planning to have in place processes and strategies that will help the company employ best practices when it comes to commercial-approved maize seed production as required by the regulating bodies in Tanzania.

IFFA SEED COMPANY (T) LIMITED is a registered company with Certificate of Incorporation No.59190 issued on 8th February 2007, the company plans to establish a commercial farm that will be located at **Farm No. 1679, 1661, 1660, and 1664 Mangae, Mvumero district, Morogoro region**. The board of directors has done detailed market research and feasibility studies and was able to secure a well-situated and suitable farmland to start our commercial maize farming.

The commercial maize farm is a standard farm hence will be involved in commercial maize cultivation, maize seed production, and packaging. IFFA SEED COMPANY (T) LIMITED will be involved in both organic and improved maize seed production.

The board of directors has put plans in place that will help us launch a standard and world-class improved maize seed production IFFA SEED COMPANY (T) LIMITED will produce and package maize seed and ensure that they flood the market both in Tanzania and in other countries of the world.

The board of directors wants to compete with the best in the industry, which is why aside from the fact that we have secured the required farmland and most of the farming equipment and machines, we have also hired some key employees who

are currently undergoing training to fit into the ideal picture of the 21st century commercial maize farm workforce that we want to build.

IFFA SEED COMPANY (T) LIMITED is in the commercial maize farming business because it wants to leverage the vast opportunities available in the improved maize seed commercial farming industry to contribute high-quality maize seed in Tanzania availability of our quota in growing the Tanzania economy, in national food production, raw materials production for industries, to export agriculture produce from Tanzania to other countries and over and above to make profit

IFFA SEED COMPANY (T) LIMITED is well positioned to become one of the leading improved maize seeds in Tanzania, which is why we have been able to source the best hands and farm machinery to run the farm with.

The board of directors has put processes and strategies in place that will help us employ best practices when it comes to commercial maize farming as required by the regulating bodies in Tanzania.

The project's revenue will be realized from the selling of maize seed to farmers. It is projected that about 3400kg of maize to be produced per acre and the board of directors plans to have 2000 acres of farmland with an average of 6,800,00 kg of maize seed.

2.0 LEGAL STATUS

IFFA SEED COMPANY (T) LIMITED bears the certificate of Incorporation No.59190 issued on 8th February 2007 by BRELA; **IFFA SEED COMPANY (T) LIMITED** will be dealing with the production of improved maize seed, packaging, and distribution The shareholders of **IFFA SEED COMPANY (T) LIMITED** are all international business practitioners with diverse professional and business backgrounds. The company is owned by 3 partners, namely:-

| Name and Address of Shareholders | % of shares taken | Nationality |
|--|-------------------|-------------|
| Mohamoud Ahmed Mohamed Email:mmohamoud640@gmail.com Mob:+255766924783 P.O. Box 398-ARUSHA | 70 | Tanzania |
| Mustafa Ahmed Mohamed P.O. Box 398-ARUSHA | 15 | Tanzania |
| Ahmed Hassan Duale P.O. Box 13429-ARUSHA | 15 | Tanzania |

Before starting IFFA SEED COMPANY (T) LIMITED, The board of directors worked with some of the leading commercial farms and food processing plants out of Tanzania

2.1 PROJECT VALUE

The project values are projected to be as itemized below:

IFFA SEED COMPANY (T) LIMITED COST STRUCTURE US\$

| Particular | Amount |
|-----------------------|------------------|
| Land and Buildings | 1,500,000 |
| Machinery & Equipment | 2,800,000 |
| Motor Vehicles | 500,000 |
| Furniture & Fixtures | 6,000 |
| Pre exp | 4,000 |
| Others | 10,000 |
| Working Capital | 700,000 |
| TOTAL | 5,520,000 |

2.3 LOCATION.

IFFA SEED COMPANY (T) LIMITED's projects proposed to be at **Farm No. 1679, 1661, 1660, and 1664 Mangae, Mvumero district, Morogoro region**

2.4 THE COMPANY MISSION AND VISION STATEMENT

Our vision is to become one of the leading improved maize seed production companies in Tanzania.

IFFA SEED COMPANY (T) LIMITED is a locally improved maize seed production for both the domestic and the international markets.

IFFA SEED COMPANY (T) LIMITED wants our well-packaged maize to flood every nook and cranny of Tanzania and other countries.

2.5 BANKERS

The company is currently maintaining bank accounts with the following banks

- NMB
- CRDB Bank Plc

2.6 AUDITED REPORTS

IFFA SEED COMPANY (T) LIMITED has been maintaining good financial reports which are audited by a reputable auditing firm

2.7 LOAN SECURITY

IFFA SEED COMPANY (T) LIMITED currently negotiating with a bank regarding loan security to be agreed upon soon before signing the loan agreement the company plans to apply for a loan of US\$ 2,000,000

2.8 LOAN AMOUNT AND REPAYMENT PERIOD

IFFA SEED COMPANY (T) LIMITED is currently negotiating a loan for US\$2 000,000 to be repaid within the period is 5 projected

2.9 BANK INTEREST CHARGE

The bank interest charge of 8 % has been negotiated

2.10 THE BUSINESS PROPOSAL OBJECTIVE

IFFA SEED COMPANY (T) LIMITED is planning to be registered with the Tanzania Investment Centre where the business plan is required as an attachment to qualify for a Certificate of Incentives.

2.11 PROPOSED FARM EQUIPMENT

These are some of the equipment that we would need to fully launch our commercial maize farm,

- Tractor
- Soil cultivator
- Plough
- Harrow (e.g. Spike harrow, Drag harrow, Disk harrow)
- Stone / Rock / Debris removal implement (e.g. Destoner, Rock windrower / rock rake, Stone picker/picker)
- Broadcast seeder (alternatively: broadcast spreader, fertilizer spreader or Air seeder)
- Planter
- Plastic mulch layer
- Transplanter
- Sprinkler system irrigation

- Mower
- Sickle
- Wheel Barrow
- Trucks
- Prefabricate houses
- Flour milling machines
- Double cabin pick-up
- Packaging machines etc.

1.13 ANNUAL PRODUCTION CAPACITY

- One acre produces 3400kg of maize
- 2000 acres to be cultivated annually
- Production cost is 75% of total revenue
- Average selling price of one kg of maize seed is US\$ 1.2

2.0 ECONOMIC ASPECTS

2.1 CONTRIBUTION TO PROMOTER

It is projected that the investment will generate an accumulated net income of **US\$ 2,033,980** in the fifth year.

2.2 EMPLOYMENT CREATION

The business will provide permanent employment opportunities to 60 laborers. The indirect employment creation is estimated to be 300 people

2.3 GOVERNMENT REVENUE

The government will receive additional revenue in the form of VAT and income tax.

3.0 OUR PRODUCTS AND SERVICES

IFFA SEED COMPANY (T) LIMITED is committed to producing improved maize seeds for both domestic and foreign markets. IFFA SEED COMPANY (T) LIMITED will also ensure that we operate a standard maize storage (silo) packaging plant as part of our complimentary business.

IFFA SEED COMPANY (T) LIMITED is in this line of business to make profits, and we will ensure that we do all that is allowed by the law of Tanzania to achieve our business goals and objectives. These are the areas we will concentrate on in our commercial maize farms. If the need arises we will cultivate related crops; Cultivation of a variety of maize of organic Standard Food Processing Plant

3.1 OUR COMPETITIVE ADVANTAGE

The truth is that it is easier to find entrepreneurs flocking toward an industry that is known to generate consistent income which is why there are more commercial farmers in Tanzania and of course in most parts of the world. Entrepreneurs are encouraged by the government to embrace commercial farming. This is so because part of the success of any nation is its ability to cultivate its food and also export food to other nations of the world.

IFFA SEED COMPANY (T) LIMITED is fully aware that there is competition when it comes to selling commercial farm produce including maize all over the globe, which is why we decided to carry out thorough research to know how to take advantage of the available market in Tanzania and in other parts of the world.

The management has done our homework and we have been able to highlight some factors that will give us a competitive advantage in the marketplace; some of the factors are effective and reliable maize farming processes that can help us sell our produce at competitive prices, good network, and excellent relationship

management. Another competitive advantage that we are bringing to the industry is the fact that we have designed our business in such a way that we will operate an all-around standard commercial maize farm that will also include a maize processing plant. With this, we will be able to take advantage of all the available opportunities within the industry.

Lastly, our employees will be well taken care of, and their welfare package will be among the best within our category (start-ups commercial maize farms) in the industry meaning that they will be more than willing to build the business with us, help deliver our set goals and achieve all our aims and objectives.

4.0 OUR BUSINESS STRUCTURE

IFFA SEED COMPANY (T) LIMITED Maize Farms is a commercial maize farm that intends to start small in Mvumero, Morogoro region, but hopes to grow big to compete favorably with leading commercial maize farms in the commercial farming industry both in Tanzania and on the global stage.

IFFA SEED COMPANY (T) LIMITED is aware of the importance of building a solid business structure that can support the picture of the kind of world-class business we want to own. For this reason, we are committed to only hiring the best hands in and around Dar es Salaam.

At IFFA SEED COMPANY (T) LIMITED, we will ensure that we hire people who are qualified, hardworking, dedicated, customer-centric, and ready to work to help the company build a prosperous business that will benefit all the stakeholders (the owners, workforce, and customers).

5.0 SWOT ANALYSIS

IFFA SEED COMPANY (T) LIMITED does not intend to launch out with trial and error hence the need to conduct a proper SWOT analysis.

The management knows that if we get it right from the onset, we will have succeeded in creating the foundation that will help us build a standard maize farm that will favorably compete with leading commercial maize farms in Tanzania and in other parts of the world.

The management is quite aware that there are several large, medium, and small-scale maize farms all over Tanzania, and even in the same place where we intend to locate ours, which is why we are following the due process of establishing a business.

We know that if a proper SWOT analysis is conducted for our business, we will be able to position our business to maximize our strength, leverage the opportunities that will be available to us, mitigate our risks, and be equipped to confront our threats.

IFFA SEED COMPANY (T) employed the services of an expert HR and Business Analyst with bias in the commercial farming industry to help us conduct a thorough SWOT analysis and to help us create a Business model that will help us achieve our business goals and objectives.

Here is a summary of the result of the SWOT analysis that was conducted on behalf of IFFA SEED COMPANY (T) LIMITED;

Strength:

Our strength as a commercial maize farm is in the fact that we have healthy relationships with loads of major players (agriculture merchants who deal in maize) in the commercial farms industry; both suppliers and buyers within and outside of Tanzania.

We have some of the latest commercial farming machines, tools, and maize processing equipment that will help us cultivate maize in commercial quantities

with less stress. Aside from our relationship (network) and equipment, we can confidently boast that we have some of the most experienced hands in Tanzania on our payroll.

Weakness:

Our weakness could be that we are a new commercial maize farm in Tanzania, and perhaps the fact that we decided to diversify our business activities could count against us initially. We are aware of this and from our projection; we will overcome this weakness with time and turn it into a major advantage for the business.

Opportunities:

The opportunities that are available to us cannot be quantified; we know that there are loads of individuals who consume organic and in different forms both in Tanzania and other parts of the world.

We will ensure that we maximize the opportunities available to commercial maize farmers. Due to their rising popularity, the demand for maize is anticipated to keep growing as renewable energy targets rise each year.

Threat:

Some of the threats and challenges that we are likely going to face when we start our commercial maize farm are a global economic downturn that can impact negatively household spending, bad weather cum natural disasters (draughts, epidemics), unfavorable government policies and the arrival of a competitor (a commercial farm that cultivates same crop – maize) within the same location.

There is hardly anything you can do as regards these threats and challenges other than to be optimistic that things will continue to work for your good.

6.0 MANAGEMENT, HUMAN RESOURCES & WELFARE

6.1 MANAGEMENT AND AVAILABILITY OF LABOUR

The investment is both labor intensive and mechanized therefore needs more commitment from the promoter particularly during the farming, procurement of raw materials and transportation, loading, and off-loading activity. The promoter will be the overseer of all operations assisted by supervisors employed in the company. The promoter has long experience in this business and therefore has sufficient skills to run the business and to be assisted with not less than **300** employees

6.2 TRAINING AND TECHNICAL ADVICE

The training and technical advice whenever needed can be obtained from various resource centers such as qualified personnel available in Dar es Salaam city. The management team is advised to create a proactive training schedule to go together with the needs of the company.

6.3 GENDER CONSIDERATIONS

The promoter is aware of the gender equality issue in the investment though there is no gender action plan but during recruitment, the promoter has to recruit both female and male employees.

6.4 HIV & AIDS

The promoter now is not giving proper education to his workers about HIV/AIDS other than trying to warn his workers about the problem. However, he will seek collaboration with the organizations participating in the control of HIV/AIDS so that he can provide the right information on this disease to his workers as well as the surrounding community in general.

6.5 SUSTAINABILITY AND EXPANSION STRATEGY

The future of a business lies in the number of loyal customers that they have, the capacity and competence of the employees, their investment strategy, and the business structure. If all of these factors are missing from a business (company), then it won't be too long before the business closes shop.

One of our major goals in starting IFFA SEED COMPANY (T) LIMITED is to build a business that will survive off its cash flow without injecting finance from external sources once the business is officially running.

We know that one of the ways of gaining approval and winning customers over is to sell our farm produce (organic maize and even processed and packaged maize) a little bit cheaper than what is obtainable in the market and we are well prepared to survive on lower profit margin for a while.

IFFA SEED COMPANY (T) LIMITED will make sure that the right foundation, structures, and processes are put in place to ensure that our staff welfare is well taken of. Our organization's corporate culture is designed to drive our business to greater heights and training and re – re-training of our workforce is at the top burner of our business strategy.

Profit-sharing arrangement will be made available to all our management staff and it will be based on their performance for five years or more as determined by the management of the organization. We know that if that is put in place, we will be able to successfully hire and retain the best hands we can get in the industry and they will be more committed to helping us build the business of our dreams.

7.0 MARKETING ASPECTS

7.1 TARGET MARKET

The target market for products will be in, Dar es Salaam, Morogoro, Dodoma, Cast DR Congo, Kenya, Burundi, South Sudan, and Rwanda where there is a big market, especially for maize seeds.

7.2 SALES STRATEGY

The promoter plans to establish a market around the country and neighboring countries by establishing sales and distribution centers to enable him to increase sales volume.

We are quite aware that the reason why some commercial maize farms hardly make good profit is their inability to sell off their maize when due. Maize ripens within a short time after harvest and if they are not sold or processed, it will get so hard that it won't be good for direct consumption. Given that, we decided to set up a standard maize processing plant to help us

- Introduce our business by sending introductory letters alongside our brochure to stakeholders in the agriculture industry, grocery stores, maize merchants, hotels, and production companies that rely on the supply of maize as raw materials and maize processing plants et al.
- Advertise our business in agriculture and food-related magazines and websites
- List our commercial maize farm on Yellow Pages ads
- Attend related agriculture and food expos, seminars, and business fairs et al
- Leverage the internet to promote our business
- Engage in direct marketing
- Encourage the use of Word of mouth marketing (referrals)

7.3 PUBLICITY AND ADVERTISING STRATEGY

Any business that wants to grow beyond its street or the city they are operating from must be ready and willing to utilize every available means (both conventional and non – non-conventional means) to advertise and promote the business.

We intend to grow our business which is why we have perfected plans to build our brand via every available means. Below are the platforms we will leverage to boost our commercial maize farm brand and to promote and advertise our business;

- Place adverts on both print (newspapers and magazines) and electronic media platforms
- Sponsor relevant community-based events/programs
- Leverage the internet and social media platforms like; Instagram, Facebook, Twitter, YouTube, Google + et al to promote our business
- Install our billboards in strategic locations all around main cities
- Engage in roadshows from time to time in targeted neighborhoods
- Distribute our fliers and handbills in target areas
- Contact hotels, restaurants, grocery stores, production companies that rely on the supply of maize, agriculture produce merchants, and residents in our target areas by calling them up and informing them of IFFA SEED COMPANY (T) LIMITED. and the farm produce we sell
- List our commercial maize farms in local directories/yellow pages
- Advertise our commercial maize farms on our official website and employ strategies that will help us pull traffic to the site.
- Ensure that all our staff members wear our branded shirts and all our vehicles and trucks are well branded with our company logo et al.

7.3 PRICING

The main products from the promoters' business are maize seeds. The products will be sold at prevailing market prices; however, this business plan used the abovementioned prices.

If you want to get the right pricing for your farm produce, then you should ensure that you choose a good location for your commercial farm, choose a good breed/seed that will guarantee bountiful harvest, cut the cost of running your farm to the barest minimum and of course try as much as possible to attract buyers to your farm as against taking your farm produce to the market to source for buyers; with this, you would have successfully eliminated the cost of transporting your harvest to the market and other logistics.

We are quite aware that one of the easiest means of penetrating the market and acquiring loads of customers for all our maize is to sell them at competitive prices hence we will do all we can to ensure that the prices of our maize are going to be what other commercial maize farmers would look towards beating.

One thing is certain, the nature of commercial farming makes it possible for farmers to place prices for their farm produce based on their discretion without following the benchmark in the industry. The truth is that it is one of the means of avoiding running into a loss. The earlier you sell off your harvested maize, the better for your business.

7.4 DISTRIBUTION

The promoter has its outlet and identifies potential markets in nearby regions and neighboring countries, however, customers will purchase products at his premises.

8.0 CORPORATE SOCIAL RESPONSIBILITY (CSR)

8.1 GENDER CONSIDERATIONS

The nature of the work favors all gender and therefore both women and men are employed. However, when needed for specific works that require a specific gender, such gender will be of the choice.

8.2 OCCUPATIONAL HEALTH AND SAFETY

Most of the small and medium entities businesses are not aware of the Occupational Safety and Health Authority (OSHA). However, the promoter has promised to follow up and abide by the law which enforces any company or organization with more than two employees must abide by OSHA regulations.

8.3 COMMUNITY DEVELOPMENT ASPECTS

The promoter is one of the people who contribute a lot to society in terms of participation in community development works. The promoter is also trying to give back part of his profit by helping the students who lack or have inadequate school fees and those who lack uniforms in the areas where he lives and works.

7.4 ANTI-CORRUPTION

According to the promoter, he does not entertain corrupt behavior and activities. The promoter seems to walk the talk as he has all the documents required and follows all the procedures in all activities. This gives us a picture that the promoter is playing a fair game in the business as well as out of the business. However, the issue of corruption is very difficult to address as both parties involved would like to cover it.

7.5 LABOUR RIGHTS

In our analysis, we did not see any violation of labor rights like child employment or working beyond the normal hours without payments

8.0 ENVIRONMENTAL ASPECTS

Negative environmental impacts from farming, milling processing, and mitigating measures have been listed in the Table below.

Table: Summary of Environmental Impact and Mitigation Measures

| Area of Impact | Type of Impact | Mitigation Measures |
|----------------|---|---|
| Environment | <ol style="list-style-type: none">1. Environment pollution due to maize farming, dumping of maize waste from processing areas, and also during de-hulling.2. Noise pollution due to machines' operation. | <ol style="list-style-type: none">1. Big part of the maize will be sieved and sorted in a machine which will separate stone and dust. This operation will be conducted outdoors and has little impact on neither humans nor the natural Environment.2. Hygiene will be adhered to by the promoter by making use of municipal waste collection system and look for waste opportunities.3. Sale of maize bran as Animal feed.4. Workers handling raw material inside buildings wear dust masks |

9.0 RISK, RECOMMENDATIONS AND CONCLUSIONS

9.1 RISKS

The big risk is sometimes rainfall is not reliable and this has an impact on the quality and quantity of maize which brings about lower yield. This kind of risk will be reduced by introducing a back irrigation scheme using a borehole. The second biggest risk is price fluctuation either because of an increase in price or decrease of price due to the demand and supply, and competition for food, the season can cause problems in maize flour selling prices to increase or drop. The mitigation strategy of the promoter is to stock maize and process it when the price is good

9.2 CONCLUSION

The financial and technical analysis shows that the promoter investment is viable and profitable. It is therefore recommended the project to be registered with TIC

IFFA SEED COMPANY (T) LIMITED PROJECTED LOAN REPAYMENT

| Year | principle | Loan Interest (8%) | Total Amount Paid | Loan Balance |
|-------------|------------------|---------------------------|--------------------------|---------------------|
| 1 | 400,000 | 160,000.00 | 560,000.00 | 2,000,000.00 |
| 2 | 400,000 | 128,000.00 | 528,000.00 | 1,600,000.00 |
| 3 | 400,000 | 96,000.00 | 496,000.00 | 1,200,000.00 |
| 4 | 400,000 | 64,000.00 | 464,000.00 | 800,000.00 |
| 5 | 400,000 | 32,000.00 | 432,000.00 | 400,000.00 |

IFFA SEED COMPANY (T) LIMITED PROJECTED INCOME & EXPENDITURE STATEMENT (US\$)

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|--|------------------|------------------|------------------|------------------|-----------|------------|------------|------------|
| Revenue | 8,160,000 | 8,568,000 | 8,996,400 | 9,446,220 | 9,918,531 | 10,414,458 | 10,935,180 | 11,481,939 |
| Total cost | 6,120,000 | 6,426,000 | 6,747,300 | 7,084,665 | 7,438,898 | 7,810,843 | 8,201,385 | 8,611,455 |
| Profit before Depreciation & Interest | 2,040,000 | 2,142,000 | 2,249,100 | 2,361,555 | 2,479,633 | 2,603,614 | 2,733,795 | 2,870,485 |
| Interest | 160,000 | 128,000 | 96,000 | 64,000 | 32,000 | 33,600 | 35,280 | 37,044 |
| Depreciation | 108,600 | 108,600 | 108,600 | 108,600 | 108,600 | 108,600 | 108,600 | 108,600 |
| Gross Profit | 1,771,400 | 1,905,400 | 2,044,500 | 2,188,955 | 2,298,403 | 2,413,323 | 2,533,989 | 2,660,688 |
| Tax (30%) | 531,420 | 571,620 | 613,350 | 656,687 | 689,521 | 723,997 | 760,197 | 798,207 |
| Profit After Tax | 1,239,980 | 1,333,780 | 1,431,150 | 1,532,269 | 1,608,882 | 1,689,326 | 1,773,792 | 1,862,482 |
| Accumulated Profit | 1,239,980 | 2,573,760 | 4,004,910 | 5,537,179 | 5,814,037 | 6,104,739 | 6,409,976 | 6,730,475 |

| | | | | | | | | |
|---------------|------|------|------|------|------|------|------|------|
| Profit margin | 0.20 | 0.21 | 0.21 | 0.22 | 0.22 | 0.22 | 0.22 | 0.22 |
|---------------|------|------|------|------|------|------|------|------|

IFFA SEED COMPANY (T) LIMITED PROJECTED CASH FLOW PROJECTIONS

| SOURCES: | | 1 | 2 | 3 | 4 | 5 | 6 | | |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Profit before interest and depreciation | - | 2,040,000 | 2,142,000 | 2,249,100 | 2,361,555 | 2,479,633 | 2603614.388 | 2733795.107 | 2870484.862 |
| Equity | 3,000,000 | | | | | | | | |
| Loan | 2,000,000 | | | | | | | | |
| Total Sources | 5,000,000 | 2,040,000 | 2,142,000 | 2,249,100 | 2,361,555 | 2,479,633 | 2,603,614 | 2,733,795 | 2,870,485 |
| Applications: | | | | | | | | | |
| Capital expenditure | 4,806,000 | - | - | - | - | - | | | |
| working Capital &Others | 194,000 | | | | | | | | |
| Cash | - | 1,508,580 | 1,570,380 | 1,635,750 | 1,704,868 | 1,790,112 | 1,879,617 | 1,973,598 | 2,870,485 |
| Tax | - | 531,420 | 571,620 | 613,350 | 656,687 | 689,521 | 723,997 | 760,197 | 798,207 |
| Sub total | 5,000,000 | 2,040,000 | 2,142,000 | 2,249,100 | 2,361,555 | 2,479,633 | 2,603,614 | 2,733,795 | 2,479,633 |
| Total applications | 5,000,000 | 2,040,000 | 2,142,000 | 2,249,100 | 2,361,555 | 2,479,633 | 2,603,614 | 2,733,795 | 2,479,633 |
| Accumulated cash | | 1,508,580 | 3,078,960 | 4,714,710 | 6,419,578 | 8,209,690 | 10,089,307 | 12,062,905 | 9,072,207 |

IFFA SEED COMPANY (T) LIMITED PROJECTED BANCE SHHE US\$

| Fixed Assets | - | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|-------------------------------|------------------|------------------|------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Opening balance | - | 4,806,000 | 4,697,400 | 4,588,800 | 4,480,200 | 4,371,600 | 4,263,000 | 4,154,400 | 4,045,800 |
| Total Long-term Assets | - | 4,806,000 | 4,697,400 | 4,588,800 | 4,480,200 | 4,371,600 | 4,263,000 | 4,154,400 | 4,045,800 |
| Less depreciation | - | 108,600 | 108,600 | 108,600 | 108,600 | 108,600 | 108,600 | 108,600 | 108,600 |
| Closing balance | - | 4,697,400 | 4,588,800 | 4,480,200 | 4,371,600 | 4,263,000 | 4,154,400 | 4,045,800 | 3,937,200 |
| Working capital | 194,000 | 194,000 | 194,000 | 194,000 | 194,000 | 194,000 | 194,000 | 194,000 | 194,000 |
| Accumulated cash | - | 1,508,580 | 3,078,960 | 4,714,710 | 6,419,578 | 8,209,690 | 10,089,307 | 12,062,905 | 9,072,207 |
| Total assets | 194,000 | 6,399,980 | 7,861,760 | 9,388,910 | 10,985,178 | 12,666,690 | 14,437,707 | 16,302,705 | 13,203,407 |
| Financed by | | | | | | | | | 680,000 |
| Equity | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 |
| ted profit | - | 1,239,980 | 2,573,760 | 4,004,910 | 5,537,179 | 5,814,037 | 6,104,739 | 6,409,976 | 6,730,475 |
| Total equity | 3,000,000 | 4,239,980 | 5,573,760 | 7,004,910 | 8,537,179 | 8,814,037 | 9,104,739 | 9,409,976 | 9,730,475 |
| Long term loan | 200,000 | 1,600,000 | 1,200,000 | 800,000 | 400,000 | - | 0 | 0 | - |
| Total debts | 200,000 | 1,600,000 | 1,200,000 | 800,000 | 400,000 | - | 0 | 0 | - |
| Total equity and debts | 3,200,000 | 5,839,980 | 6,773,760 | 7,804,910 | 8,937,179 | 8,814,037 | 9,104,739 | 9,409,976 | 9,730,475 |

IFFA SEED COMPANY (T) LIMITED PROJECTED LONG TERM LOAN REPAYMENT

| Year | principle | Loan Interest (8%) | Total Amount Paid | Loan Balance |
|-------------|------------------|---------------------------|--------------------------|---------------------|
| 1 | 400,000 | 160,000.00 | 560,000.00 | 2,000,000.00 |
| 2 | 400,000 | 128,000.00 | 528,000.00 | 1,600,000.00 |
| 3 | 400,000 | 96,000.00 | 496,000.00 | 1,200,000.00 |
| 4 | 400,000 | 64,000.00 | 464,000.00 | 800,000.00 |
| 5 | 400,000 | 32,000.00 | 432,000.00 | 400,000.00 |

IFFA SEED COMPANY (T) LIMITED PAYBACK PERIOD

| Year | Profit After Tax | Depreciation | Total Cash Flow | Accumulated Cash Flow |
|-------------|-------------------------|---------------------|------------------------|------------------------------|
| 1 | 1,239,980 | 108,600 | 1,348,580 | 1,348,580 |
| 2 | 2,573,760 | 108,600 | 2,682,360 | 4,030,940 |
| 3 | 4,004,910 | 108,600 | 4,113,510 | 8,144,450 |
| 4 | 5,537,179 | 108,600 | 5,645,779 | 13,790,229 |
| 5 | 5,814,037 | 108,600 | 5,922,637 | 19,712,866 |