M/S ROXICO INDUSTRIAL COMPANY LIMITED

BUSINESS PLAN

Prepared by:
The ROXICO INDUSTRIAL COMPANY LIMITED,
P.O.BOX 30122,
KIBAHA, PWANI.

EXECUTIVE SUMMARY

M/S ROXICO INDUSTRIAL COMPANY LIMITED P.O.Box 30122, Kibaha ,Pwani this is a private Company Registered and incorporated in Tanzania under the Companies Ordinance Act, 2002 with Certificate of Incorporation of a Company number **181226137** given at Dar es Salaam **15th day of January, 2025**. The Shareholders of the Company have been attracted by favorable environment business in Tanzania in response of Tanzania's **open policy on trade and liberalization and also industrialization**

1. OWNERSHIP THE M/S DOLIN COMPANY LIMITED

Name	Nationality	SHARES
YE JINRONG P.O.BOX 30122, KIBAHA PWANI.	CHINESE	90
ZHANG LIQING P.O.BOX 30122 KIBAHA, PWANI.	CHINESE	10

2. THE PROJECT OBJECTIVE

The Project Objective is for, manufacturing **of house holding goods.**

The Project has been promoted by the following reasons:-

- Availability enough space of land and Industries to satisfy the growing demand which is an opportunity to the company.
- The Inability of the existing industries to satisfy the growing demand which is an opportunity to the **MS/ ROXICO INDUSTRIAL COMPANY LIMITED** to penetrate in the East and Central African countries.
- As a consequence of an attractive environment for investors in Tanzania there has been steady growth of Chinese and other investors who come to invest.

3. PROJECT BACKGROUND

This study covers the initial establishment a project for manufacturing of manufacturing household goods. The **site** is be established at **ZEGERENI INDUSTRIAL AREA**, covering the area of 30,235 SQM, **KIBAHA District, PWANI Region, the area has a** favorable environment and availability of both local and external materials.

The Head office for administration will be at **VISIGA ward, Plot No.241, Block A, PWANI Region.**

the Power will be Electricity taped form National high grid tension (TANESCO) passing near the project site, 350KW units will be used per day and there will be a standby generator

for emergency in case there will be power breakdown. Water will be obtained from a borehole will drilled by the company. 1,000 M^3 of water will be used per day, temporary staffs will be employed, working in 2 shifts per day.

4. LOCATION AND SITE

The project is to be located at **VISIGA, KIBAHA** District, **PWANI** Region, between $39^0$12'00" to $39^0$13'30" to $07^0$06'05" West, 50Km West of Dar es Salaam city center, along Kibaha to Dar es Salaam tarmac road. The project will be established in an appropriate location. The location will be accessible and fully provided with the necessary utilities i.e. Water and Electricity.

5. ENVIRONMENTAL REQUIREMENTS

According to Environment Management Act (EMA) (2004) and the Environment Impact Assessment and Audit Regulation (EIA) (2005) sections 17(ii), before the establishment of project for building Factory or Industry and the associated infrastructures, EIA is **mandatory**. Thus the project was undergone EIA study and produce EIA statement (EIA and Audit Regulation (2005) section 14).

The application for environment authorization was logged to NEMC on January 2016 and it was decided that the development needs a full EIA.

The main objectives for conducting the Environmental Impact Assessment is to ensure that Environment considerations are addressed and incorporated into the development decisions making process and to anticipate and avoid hence minimize the adverse significant environmental and social effects and enhance positive impacts of the development.
The EIA study was conducted in accordance with the approved scoping report and Terms of Reference (TOR) approved by NEMC as well as in accordance to EIA and Audit Regulations (2005) section 15.The EIA is attached here.

6. CONSTRUCTION PHASE

This phase will involve mobilization of construction materials, staff and equipment to the site including Purchase of Personal Protective Equipment. It will be followed by the construction of a fence wall using cement blocks, drilling of a bore well, constructions of the factory construction of sewerage systems, installation of electricity, machines and equipment and construction of storm water system. Construction wastes will include rubles, package materials, top soils, unused paints and tins. Rubles and top soils will be used for filling the area. Those materials which will not be used will be collected and transported to dumping site. Liquid waste including sewage will be regenerated; they will be stored in cesspits and soak pits.

7. STAKEHOLDER INVOLVEMENT

Villagers are aware of the project because they were informed during land acquirement. They requested the Investor to make sure that residents get **first priorities** whenever there are

employment opportunities and salaries should be paid in accordance to employment acts. They also requested the investor to help the area on social service including building one classroom, water well and must have good relations with the surrounding communities.

District management team informed the developer to pay high attention to Workers safety and health by providing the personal protective equipment (PPE) while at work place. Solid wastes should be collected and transported to the public dumping place. The Liquid waste should be directed to the septic tanks which should be emptied frequently.

The project should not produce noise because noise has Psychological as well as physical effects. Vibrations should be at the minimal. The smoke should be directed to the air by the help if a tall chimney. Oil and grease should be kept at a safe place.

8. ENVIRONMENT AND SOCIAL IMPACT DURING CONSTRUCTION

1. Project proponent will acquire land from locals for the proposed project. Loss of land to natives might lead to land shortages but also creation of money.
2. Vegetation will be cleared, soils will be loosened leading to soil erosion likelihood, but alternative land conservation methods shall be applied
3. Solid wastes generated from package materials and debris from construction materials.
4. Liquid waste from sewage pose health problems if not managed properly.

a) Description of the Proposal

The project proposed to undertake activities including Construction and Operation.

b) Construction Phase

This phase will involve mobilization of materials, Staff and equipment to the site including Purchase of Personal Protective Equipment. It will be followed by:

- Securing a building permit from the District Council
- Clearing grass, site leveling and trenching of a foundation
- Drilling of a bore well
- Construction of a fence wall using cement blocks
- Construction of the factory
- Construction of sewerage systems
- Installation of electricity, machines and other equipment
- Construction of storm water, surface spillages drainage channels and trenches

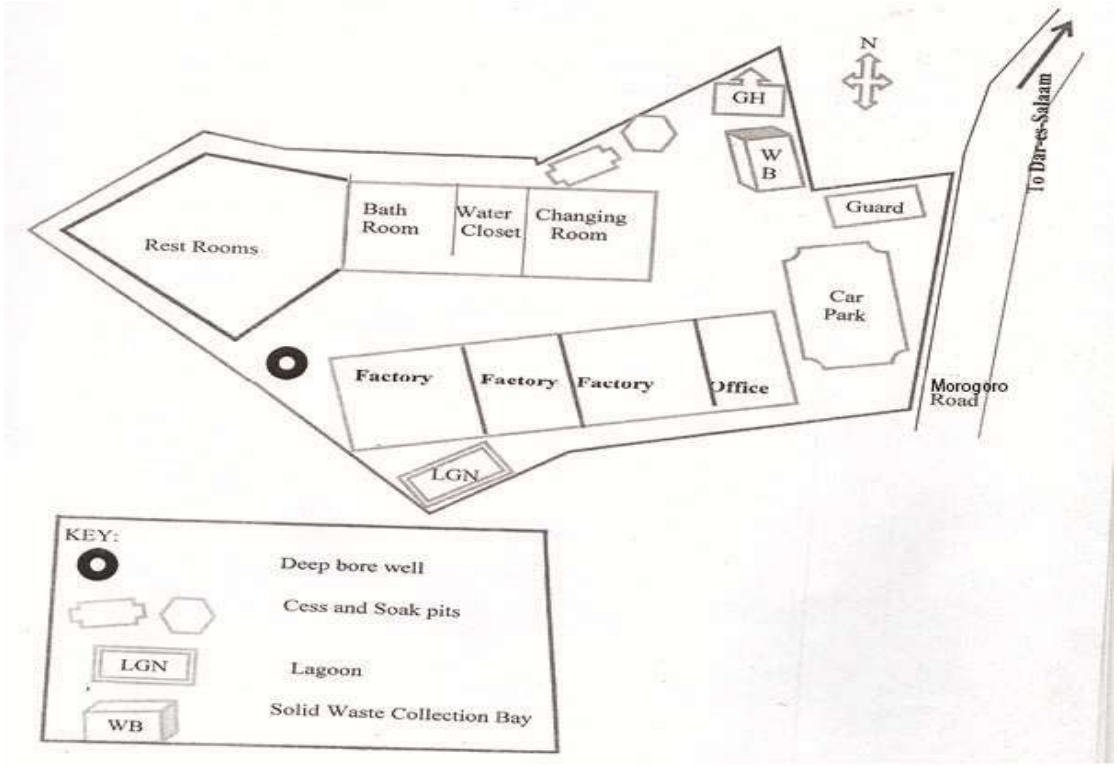
Construction will respect the site plan fig. 4 the Construction Materials such as sand, cement, timber, aggregates and decorating materials will be secured locally. The quantities of materials will be specified in bill of quantities (BOQ) during tendering process.

- **Storm water system**

Will be paved with concrete so as to avoid soil erosion. Storm water and rainy water collected from the buildings will be discharged into the channel directed to the existing road side drains.

- **The Rinse water Lagoon**

  The Lagoon will be I meter deep, 3 meters wide and 4 meters long. The sides will be paved with concrete to prevent soil erosion and weeds from growing in them. The bottom will not be paved. The rinse water will be collected in the lagoon to cool, leach and evaporate.



- **The Bore well**

  The bore will be drilled 150M deep. According to the hydrological research, plenty of water is available between 50 to 130M deep. The water is reliable, safe and fit for industrial and domestic use.

- **Building and fencing wall**

  The fence and factory walls will be built of cement blocks. The building purling and rafters will be made from iron bars. Roofing will be done using corrugated iron sheets. Fans are going to be fixed on the top of the factory roof such that there

will be free exchange of external and internal air in the factory, the main aim being provision of adequate ventilation in the factory.

- **Construction wastes**

  Construction wastes will include rubles, package materials, top soils, unused paints and tins. Rubles and top soils will be used for filling the site. Those materials which will not be used will be collected and transported to dumping site. Liquid waste including sewage will be generated; they will be stored in cesspits and soak pits.

Table 7: Total costs for the project

Item	Year 1	Year 2	Year 3	Year 4
Operating Costs	1,534,700,000	1,691,775,000	1,832,730,500	2,010,590,900
Investment Costs	1,940,000,000	0	0	0
Total Costs	**3,474,700,000**	**1,691,775,000**	**1,832,730,500**	**2,010,590,900**

Table 8: Project Profit

Item	Year 1	Year 2	Year 3	Year 4
Revenues	2,160,000,000	2,600,000,000	2,900,000,000	3,100,000,000
Costs	3,474,700,000	1,691,775,000	1,832,730,500	2,010,590,900
Gross Profit	**-1,314,700,000**	**908,225,000**	**1,067,000,000**	**1,086,409,000**

The payback period is year 2. In year 1 there is loss seen. Profit start to be seen in year 2.

9. PROJECT LAYOUR

The proposed project Plant lay out is the one appropriate for the functional areas, however among the key functional areas of the facility will include the following:-

- Storage space for processing inputs
- Office space
- Manufacturing hall
- Storage of proposed products
- Social amenities space
- Ordinary stores
- Parking areas

10. MANPOWER

Estimate manpower according to the proposed organization set up has been **estimated at 200 Tanzanians and 14 foreign experts**. This again has been derived taking into account the types of activities that are intended to be undertaken.

MANAGEMENT SUMMARY

The **ROXICO INDUSTRIAL COMPANY LIMITED** will start with **125 qualified** and experienced employees. An increase to **200 employees** will likely to be needed in three to five months.

ORGANIZATIONAL STRUCTURE

The **ROXICO INDUSTRIAL COMPANY LIMITED shall** have:

- A Lawyer who is going to handle legal matters and written agreements.

MANAGEMENT TEAM

a) **Directors**: shall have overall responsibility for the implementation of the company's policy. In particular, they are responsible for ensuring the policy is widely communicated and that its effectiveness is monitored.

b) **Senior Manager**: are wholly accountable to the directors for the implementation and monitoring of the policy within the area of their specified responsibility.

c) **Administration Manager/ safety officer**: is a nominated manager responsible for coordinating effective safety and health policies and controls across the company.

d) Accountant, project manager, drivers, technicians, translators and other employment

The company is organized into four main functional areas,

- Sales and marketing
- Finance and administration
- Logistic.
- Interpretation department
  - ❖ Managers/ supervisors
  - ❖ Directors
  - ❖ Environment programmed officer

The personnel plan

The personnel plan indicates employees for each department as follows:-

- Administration 2
- Marketing 2
- Sales/ broker 4
- Accounts 10
- Drivers 6
- Technicians 3
- Engineer 4
- Chinese, English, Swahili & Translators 1
- Senior Manager 1
- Administration Manager/ safety officer 1
    - Quality assurance 2
    - Expatriates (foreign employees) 14
    - A nurse (red cross expert) 1
    - Local inexperienced employees 50
    - Others mechanic 4
    - Non skilled employees 39

11. IMPLEMENTATION SCHEDULE

It is estimated that the implementation period takes about **3 YEARS** to completion once the decision for implementation has been reached.

12. INVESTMENT STRUCTURE

The Total Initial Investment in fixed assets and working capital is estimated at **1,050,000 USD**. The breakdown of which is as follows:-

TABLE 12.1 INVESTMENT STRUCTURE

ITEM	**USD**
FIXED ASSETS	
Land and Civil works	511,550
Machinery and equipment	463,000
Operational expenses	75,450
GRAND TOTAL	**1,050,000**

13. FINANCING PATTERN

The Total Initial Investment of **1,050,000.USD** shall be financed as follows:-

TABLE 13.2 FINANCING PATTERN BREAKDOWNS

SOURCE	**USD**
FIXED ASSETS	
Equity (40%)	20,620
Long-term loan (60%)	490,930
Sub Total	**511,550**
WORKING CAPITAL	
Bank overdraft (75%)	403,830
Equity (25%)	134,620
Sub Total	**538,450**
GRAND TOTAL	**1,050,000**

14. OPERATIONAL COSTS

The structure if operating costs at full capacity is as given bellow. This level refers to the initial year in subsequently year they are expected to increase at the rate of 2%-5% per annum.

	Year 1	**Year 2**	**Year 3**	**Year 4**
Building Materials	700,000,000	770,000,000	847,000,000	931,700,000
Salaries and Wages	250,000,000	275,000,000	302,500,000	332,000,000
Electricity	84,000,000	94,000,000	100,000,000	111,000,000
Maintenance and Repairs	50,000,000	65,000,000	81,500,000	99,650,000
Advertisement	90,000,000	99,000,000	100,000,000	102,000,000
Royalties	135,000,000	148,500,000	163,350,000	179,680,000
Environmental Costs	65,000,000	65,000,000	65,000,000	65,000,000
Administrative Costs (3%)	44,700,000	49,275,000	53,000,000	58,000,000
Total	**1,418,700,000**	**1,565,775,000**	**1,712,730,500**	**1,899,590,900**

15. FINANCIAL INDICATORS

The financial indicator shows that the project is viable as hereafter confirmed here below:-

16. BREAK-EVEN ANALYSIS 3rd YEAR

The Break Even Analysis on the 2nd year of operation shows that Break Even Sales and Break Even Capacity of 30%

17. INTERNAL RATE OF RETURN (IRR) AFTER TAX

The Projects Internal Rate of Return after Tax is 30% well above the lending rate of 10% and 12% assumed for the long term loan and the bank overdraft.

18. PAY BACK PERIOD

This gives an estimated period from start of operation of the time when initial fixed investment is recovered through profits after tax and depreciation charges. The Payback Period for this undertaking estimated at around 4 years and 5 months.

19. ECONOMIC ADVANTAGES

On the basis of the above account the analysis has overwhelmingly proved that the Project is financial sound and techno-economically viable.

Furthermore the project has potential towards the earning of the **foreign currency.** It is hereby recommended that the Project be implemented; the envisaged undertaking will be Viable and Profitable if it is implemented early. However, there will be several social economic benefits that will apprehend in the course of operating this undertaking. These will include the following:-

- Expanded employment creation
- Expanded tax base
- Expanded capacity to earn foreign currency
  Transfer of knowledge

Company strategies

The Proprietors plan is to adapt management and incremental growth strategy in maintaining and expanding the business as set out below:-

- To provide the best customer services by staying loyal and faithfully to the customers.
- To ensure there is a compliance with country regulatory and statutory laws ensuring timely payment of tax obligations.
- To maintain and continue to grow the business by Managing costs whilst increasing the number of clients.
- To generate sufficient profit becoming financially sustainable.
- To offer high quality and reliable product our customers.

20. CONCLUSION

The project as shown in this study is valuable undertaking to both investors and country of Tanzania at large. A part from rigid assumption and pessimistic revenue projections contained in the study, the project has shown that it is capable of creating employment, generating foreign exchange, expanding the local and central Government tax base.

This project is in the line with the Government objectives of encouraging the private sector to contribute towards economic development of this country.

In addition it has positive impact in the development of the region as it generate number of benefits on the National economy such as reliable income, employment and various tenders of goods and service demanded by the project, workforce and their families.

In order to ensure prompt implementation of the project and achieving the anticipated impact number of the factor have to be taken into the account this will include the levels of the proposed investment in this project man power needs, machinery/ equipment, anticipated significant roles in the above mentioned sectors and in the overall status of the national economy and the proposed project area.

In the context of the immense useful potential of this project the management of the ROXICO **INDUSTRIAL COMPANY LIMITED** anticipated that all interested parties in the region/ and the Government of Tanzania will give their full support so as to ensure timely implementation of the project and apprehension of successfully operation.

The Environmental Impact Assessment study was carried out prior establishment of the plastic shoes manufacturing and building.
The main aim of doing EIA was to ensure that Environmental consideration are addressed and incorporated into the development decisions making process.

The study revealed few adverse impacts including noise, Health and Safety, Oil, Solid and Liquid wastes. The Risks associated with this project includes Fire hazards from electrical misfields and other sources, accidents, repeated power breakdown and theft. All impacts were seen to be of short term and slight significant because they could be manageable to the required standards.

Potential position impacts to be accrued from the project will include improvement of economic status through wages, salaries, doing business near the project and contribution to social economic services. The impacts are of Long term and of high significant and can be enhanced.

Cost and Benefit analysis revealed that the project will start to return profit in the second year, thus the project is viable.

The study proposed several Environmental and Social Mitigation and enhancement measure. The proponent shall have to implement them.

Because the project is economically as well as environmental viable, it is therefore concluded that Plastic Shoes project could be implemented.

21. MARKETS AND MARKETING ASPECTS

In this chapter an attempt is made to estimate the demand for **PVC home utensils, steel and other non- ferrous metals, utensils.** in the local and external market. The ultimate goal is to establish the current demand – supply gap and projections for the future.

22. ASSUMPTION

In order **to** estimate the Demand and Supply for **the mentioned above PRODUCTS** within and outside the country, the following assumptions have been made:-

- **ROXICO INDUSTRIAL COMPANY LIMITED** is going to be one of big investor in this sector.
- Increasing in the demand of **PRODUCTS** for investors **will** create money for factories.

23. DEMANDS FOR MODERN WARE HOUSES

There is demand for **our products** due to the growing number of industries in East Africa (EA) and in the SADC Countries, following the various policies which were introduced for the purpose of improving living standard of their people and encourage more investors through reduction of some cost in the process of establishing Industries which reduces the price due to competition in the market.

24. Project CAPACITY

After implementation the project will have 3 factories.

25. The project is used by five investors with huge machines**.**

26. CIVIL WORKS AND BUILDINGS

The Proposed facility shall be located in appropriate Industrial mineral Location at **Zegereni industrial area, Misugusugu Ward,** covering the area. **Plot no.240 , Block A, Kibaha District, Pwani Region.**

27. DESIGN CONCEPT

The ultimate factory building has a well conducive and properly designed with enough space to cover all functional spaces such as processing hall, offices, raw materials storage, product storage and other social amenities space requirement. It is envisaged that on final completion the factory will have a Total built up area of 18,020, **square meter** or more.

- **A PARKING SPACE FOR THE FACTORY BUILDING**
  The Plant area will have ample parking space adequate to accommodate several vehicles at any given time.

- **SOURCE OF WATER.**
  The source of Water for the **Site** will be from the **BOREHOLE (WELL**) underground water system, from THE MINISTRY OF WATER, WAMI/ RUVU BASIN, WATER GROUND MOROGORO. The design of the Water Supply will be based on the Ministry of Water Design Manual. Material specification for pipes and fittings will be according to the relevant standards.

- **STORM WATER DRAINAGE**
  Road storm water drainage will be dealt separately during design of the parking space where by all the drainage structures will be considered.
  Storm water runoff will be collected from the building by means of spouts and full boras through down pipes and will be discharged into the open channel and deposited into road side drains.

  Also the some method/ channels will be used to dispose storm water run – off from car park and other facilities to the road side drains.

- **SEWARAGE SYSTEM**
  Waste and foul water is collected from the building by means of UPV PVC pipes of different sizes e.g. 75mm and 150mm to the sewer lines.

28. MAN POWER REQUIREMENTS AND ORGANIZATION

The success of the venture of this kind depends on the competence of the personnel recruited by the management; it is assumed that relevant personnel with requisite skills shall be available within the country. There will be a need of the recruiting expatriates in some key positions.

The overall in charge, responsible of the day to day operations will be the project manager who in turn is answerable to the board of directors.

29. MAN POWER REQUIREMENTS

Based on the proposed organization structure the Project will initially employ a Total of **200** people where by **10** will be experts and all **210** the remaining will be Tanzanians. However, it is anticipated that by the time the project attains maturity the envisaged employees will employ **310** people.

30. RECRUITMENT AND TRAINING

All staff will be recruited at least one month before the Plant operations are commenced.

31. TRAINING

The management of the Plant would strive to employ competent and qualified personnel in the Production line. To reduce costs few senior staff will be trained at the selected locally

available institutions. All other supporting staff will be trained on the job. However it is expected that most of them will have some basic knowledge and experience in manufacturing business.

32. IMPLELENTATION SCHEDURE

Both local and external factors have been taken into account when drawing out the proposed schedule of implementation. PROJECT such as finalization of civil works, acquisition of machinery and equipment, recruitment of qualified personnel and other factors have been put into consideration.

33. PRELIMINARY FORMALITIES

On the finalization of the study duration of about 2 weeks will be needed for executive of the Preliminary formalities of the Project.

- **Plot Development Undertaking**
  These will comprise of activities such as Plot clearing, carrying out construction of drainage channels, even though the houses for workers has already constructed. They will take 4 months to be complete.

- **Construction of the Buildings**
  This undertaking will require a period of 8-18 months to completion.

- **Trial Runs**
  Upon completion of the installation of machinery and equipment then will follow trial runs of the unit. This will take about 4 weeks.

- **Commercial Production**
  On completion of the trial runs then will follow commercial production.

34. ASSUMPTIONS

- The project construction time is assumed to be **two year**.
- The economic life of the project is 150 years.
- The currency exchange rate of Tshs**. 2,600/=** to be one **US$** has been adopted.
- Re-investment in vehicles shall be done after every four.

35. OWNER'S EQUITY

The owners shall finance 25% of the cost of working capital and 40% of the fixed assets costs.

36. BREAKDOWN ON THE OPERATING EXPENSES

The main cost items will include raw materials, salaries and wages, vehicles running expenses, electricity, water, Insurance, maintenance of machinery and equipment/ furniture and fittings and administrative overheads.

- **Depreciation**

  Depreciation rates have been calculated as follows:-

Building and Civil works	5% Straight Line
Vehicle	25% Straight Line
Pre-operational Expenses	20% Straight Line
Equipment	12.5% Diminishing Value

  Total depreciation charges in year one is Tshs. 50,125 decreasing steadily to Tshs. 15,459 in year 10

- **Tax**

  Corporation tax is charges at 30% on profits before tax.

37. FINANCIAL AND ECONOMIC ANALYSIS

The prices of inputs and outputs are assumed to remain constant over the life of the project i.e. 10 years. However, in case of changes in the costs of inputs, to maintain the desired profit margin, the prices of the outputs will be accordingly adjusted.

38. INCOME

The project's income in the first year is estimated to average in Tshs. 49,634,000 rising to 74,635,586 in years 5 onwards.

39. EXPENDITURE

The expenditure items are as indicated in the operating costs. They include all costs items plus depreciation and financial charges. These are listed in Appendices 8: A:

40. PROJECTED INCOME STATEMENT FOR THE YEARS 2025 TO 2029

The following is the management's projections of financial performance (income statement) for the year 2025 to 2029 with the effect of loan facilities. Revenues are expected to be growing by 20% throughout the years. Operating expenses is projected to increase by an average of 12% per year until the end 2029. Basing on the above projections, here is the year's projected income statement of the business.

Description	**2029**	**2028**	**2027**	**2026**	**2025**
	TZS '000'	**TZS '000'**	**TZS '000'**	**TZS '000'**	**TZS '000'**
Revenues	3,932,161	3,510,858	3,134,695	1,091,948	-
Direct expenses	2,300,314	2,053,852	1,833,796	638,790	-
Gross Profit	**1,631,847**	**1,457,006**	**1,300,898**	**453,158**	**-**
Expenses:					
Administrative Expenses	221,212	210,678	200,645	191,091	-
Marketing and Promotion	314,573	280,869	250,776	87,356	-
Staff Costs	51,517	49,064	46,727	44,502	-

Audit Fee					
interest on Term Loan	101,489	108,660	115,151	121,028	-
Interest on Overdraft	50,234	83,723	139,539	232,565	-
Depreciation	160,331	204,905	264,337	343,579	445,555
Total Expenses	**899,355**	**937,898**	**1,017,175**	**1,020,121**	**445,555**
Profit before taxation	**732,491**	**519,108**	**283,723**	**(566,962)**	**(445,555)**
Income tax	219,747	155,732	85,117	-	-
Profit for the year	**512,744**	**363,376**	**198,606**	**(566,962)**	**(445,555)**

41. PROJECTED FINANCIAL POSITION STATEMENT AS AT END OF YEAR 2025 TO 2029

Most of the balance sheets items will keep on increasing as the business continue to operate on its normal operating cycle. At the moment the only noncurrent assets owned by the business is furniture and fittings and Motor Vehicles Only. Here is the business's projected Statement of Financial Position as at the end of year 2025 to 2029

Description	**2029**	**2028**	**2027**	**2026**	**2025**
	TZS '000'	**TZS '000'**	**TZS '000'**	**TZS '000'**	**TZS '000'**
ASSETS					
Non-current assets:					
Property, plant and equipment	705,474	865,805	1,070,710	1,335,047	1,678,625
Total Non-Current assets	**705,474**	**865,805**	**1,070,710**	**1,335,047**	**1,678,625**
Current assets:					
Stock	805,110	718,848	641,829	223,576	-
Debtors and other receivables	983,040	877,714	783,674	272,987	-
Cash at Bank & Hand	269,458	192,378	447,698	1,979.220	146,170
Total Current Assets	**2,057,608**	**1,788,941**	**1,873,201**	**2,475,783**	**146,170**
TOTAL ASSETS	**2,763,082**	**2,654,746**	**2,943,911**	**3,810,830**	**1,824,795**
EQUITY & LIABILITIES					
Current liabilities					
Trade payables	260,444	217,037	180,864	150,720	125,600
Bank Overdraft	558,155	930,258	1,550,430	2,584,050	-
	818,599	**1,147,295**	**1,731,294**	**2,734,770**	**125,600**
Non-Current liabilities					
Term Loan	972,624	1,048,337	1,116,878	1,178,927	1,235,100
	972,624	**1,048,337**	**1,116,878**	**1,178,927**	**1,235,100**
Equity					
Shareholder Contributions	909,650	909,650	909,650	909,650	909,650
Retained earnings	62,208	(450,536)	(813,911)	(1,012,517)	(445,555)

	971,858	459,114	95,739	(102,867)	464,095
TOTAL EQUITY AND LIABILITIES	**2,763,082**	**2,654,746**	**2,943,911**	**3,810,830**	**1,824,795**

42. PROJECTED SHEET: FOR THE END OF THE YEAR 2025 TO 2029

ASSETS						
NON CURRENT	**NOTE**	**2025 "000"**	**2026 "000"**	**2027 "000"**	**2028 "000"**	**2029 "000"**
Property, plants and equipment		705,474	865,805	1,070,710	1,335,047	1,678,625
TOTAL NON CURRENT ASSETS		**705,474**	**865,805**	**1,070,710**	**1,335,047**	**1,678,625**
CURRENT ASSETS:						
Inventory		805,110	718,848	641,829	223,576	51,271
Debtors and Prepayments		983,040	897,714	783,674	272,987	46,175
Cash and Bank balance		269,458	192,378	447,698	1,979,220	48,724
TOTAL CURRENT ASSETS		**2,763,082**	**2,674,745**	**2,943,911**	**3,810,830**	**1,824,795**
EQUITY AND LIABILITIES:						
Current Liabilities:						
Trade Creditors and Accruals		260,444	217,037	180,864	150,720	100,600
Bank overdraft		558,155	930,258	1,550,430	2,584,050	25,000
Term Loan (non-current liabilities)		972,624	1,048,337	1,116,878	1,178,927	1,235,100
		1,791,223	**2,195,632**	**2,848,172**	**3,913,697**	**1,360,700**
FINANCED BY:						
Shareholder contributions		909,650	909,650	909,650	909,650	909,650
Retained earnings		62,208	(450,536)	(813,911)	(1,012,517)	(445,555)
		971,858	**459,114**	**95,739**	**(102,867)**	**464,095**
TOTAL EQUITY AND LIABILITY		**2,763,081**	**2,654,746**	**2,943,911**	**3,810,830**	**1,824,795**

43. FINANCIAL INDICATORS

Financial indicators showing the financial viability of the project are summarized below:

- **Internal Rate of Return (IRR) After Tax**
  This is estimated at 30% well above the lending rate of 10% and 12% for long term and bank overdraft respectively used for the study.

- **Payback Period**
  This has been computed and found to be 4 years 5 months.

- **Break-even Analysis: 3rd Year**
  The break-even analysis in the 2nd of operation shows breakeven sales at Tshs. 1,635,586 and breakeven capacity of 30%.

44. SENSITIVITY ANALYSIS

A sensitivity analysis has been carried out on the project's IRR responsiveness to changes in sales prices, operating costs, or initial investment. And the result of the sensitivity analysis has shown that the IR is more sensitive to changes in sales prices than changes in either operating costs or initial investment.

45. ECONOMIC BENEFITS OF THE PROJECTS

The economic benefits of the project to the KIBAHA District, Coast Region and Tanzania as whole are as follows:-

a) Contribution to 100 employees in the project.

b) Provision of income to People by increase the demand for services and goods with regard to welfare of the people and their families.

c) Poverty alleviation in the Coast Region and Tanzania as whole through direct income, medical and other social benefits that Management will provide.

d) Setting up this project in the Coast is the strategy of poverty alleviation, which emphasizes the creation of job opportunities.

e) Expanded tax base to the Treasury and local Government authorities and generation of substantial income to the Government. The Government earns considerable revenue from the manufacturing Industry in terms Tax collections.

f) Opportunity for increasing Foreign Exchange Earnings through export of some of the Plants products to the neighboring countries.

46. CONCLUSION

The investment and development of the Plant and factory are in line with the Government policies which places special emphasis on initiating/ setting up of various Industries in the Country. In addition, it will have a positive impact on the development of the Region, as it would generate a number of benefits and reliable income for the employees of the company and providers of the services and goods demanded by these workers/ their families.

This document has provided a full analysis on the financial, Techno-economic viability on the establishment/ operation of the processing Undertaking, along with the financing requirements/ parameters have been considered and it has been established that the proposed project is technically sound, financially viable and economically/ socially beneficial.

However, in order for this project to be implemented and the production targets to be achieved as planned, several factors have to be taken into account. This will include

consideration of the level of investments in this project, the roles of the Industries in the context of the overall National Economy.

The management anticipates that all interested parties in the Cost region and the Government of Tanzania at large will give their full support so as to ensure timely implementation of the project and apprehension of successful operation.