

JS ELECTROMECH LTD
BUSINESS PROPOSAL FOR ESTABLISHMENT OF
TRANSFORMER AND CONDUCTOR
MANUFACTURING FACTORIES

TABLE OF CONTENTS	PAGE
1.0 COMPANY INFORMATION	3
2.0 EXECUTIVE SUMMARY.....	4
3.0 THE COMPANY OWNERSHIP STRUCTURE	6
3.1. Share Capital of the Company.....	6
3.2 Composition of the Board of Directors.....	6
4.0 MANAGEMENT TEAM	7
5.0 PRODUCTS AND SERVICES.....	9
6.0 MARKETING AND DISTRIBUTION NETWORK.....	11
7.0 COMPETITION LANDSCAPE	12
8.0 LEGAL AND REGULATORY ENVIRONMENT.....	13
9.0 RISKS.....	14
Operational Risks.....	14
Financial Risks.....	14
Market Risks	14
Regulatory Risks	15
10.0 INVESTMENT COST	16
11.0 PROJECTED REVENUE.....	17
12.0 PROJECTED DIRECT OPERATION COST	18
13.0 PROJECTED ADMINISTRATIVE EXPENSES	19
14.0 FINANCE COST – BANK EXPENSES	21
15.0 PROJECTED FINANCIAL STATEMENTS	22
16.0 PROJECT VIABILITY ANALYSIS	25
17.0 PROJECT SWOT ANALYSIS	26
18.0 ANNEXURE.....	27

1.0 COMPANY INFORMATION

JS ElectroMec Limited

Reg No. 69776

TIN: 107-856-889

VRN: 40-004072-I

HQ Office: Plot no. 298, Mbezi Industrial area (Africana)

Dar Es Salaam, Tanzania.

P.O.Box 66752, Dar es salaam, Tanzania

Registered office: Plot no.61, Block 46, Mwenge area, Dar es salaam, Tanzania

2.0 EXECUTIVE SUMMARY

Company

JS Electromec Limited, established in 2009 and headquartered in Dar es Salaam, is a leading manufacturer and supplier of electrical products and systems serving industrial, commercial, and government markets across Tanzania and East Africa. As an authorized partner of ABB, Siemens, and Schneider Electric, we deliver high-quality solutions that meet international standards.

Overview

Market Opportunity

According to TANESCO's July 2024 generation report, Tanzania's National Grid has an installed capacity of 2,645.32 MW, sourced from:

- Hydropower:** 1,306.27 MW (50.08%)
- Natural Gas:** 1,198.82 MW (45.96%)
- Diesel & heavy fuel oil (HFO):** 92.37 MW (3.54%)
- Biomass:** 10.50 MW (0.42%)

Off-grid plants contribute an additional **32.82 MW**. Electricity demand reached **1,683.57 MW** in July 2024, up from **1,482.80 MW** in August 2023, reflecting an annual growth rate of **10-15%** (MoE, 2024).

Tanzania's transmission network spans **7,745.38 km**, with voltage levels ranging from **66 kV to 400 kV**, while the distribution network covers **176,750.88 km**, serving nearly **5 million customers**. National electrification stands at **79.5%**, with urban access at **99.6%** and rural access at **69.8%**.

Strategic Expansion

To meet the rising electricity demand and support national electrification goals, JS Electromec plans to establish a state-of-the-art manufacturing facility for:

- Oil-immersed transformers** (50 kVA to 1 MVA)
- Conductors and cables** (ABC and ACSR types)

This initiative leverages our technical expertise, strong market presence, and strategic partnerships to address supply gaps in Tanzania's energy sector and position JS Electromec as a key contributor to the country's power infrastructure development.

Investment & Financing

The investment cost for the envisaged establishment shall be financed by shareholders and bank loans.

- **Total Project Cost:** TZS 15.6 Billions
- **Owner Contribution:** USD 3.1 Billions (20%)
- **Bank Loan Requested:** TZS 12.5 Billions (80%)

- **Use of Funds:** Factory construction, machinery, and working capital.
- **Collateral:** Factory assets, Debentures and Directors' guarantees.

Financial Highlights

- Projected Revenue (Year 1): TZS 30 billion, growing to TZS 60 billion by Year 5.
- Net Profit Margin: 8~10%
- Payback Period: 4 years
- Internal Rate of Return: 27%

Market

Advantage

Government initiatives (REA rural electrification, TANESCO grid expansion) and rising industrial and commercial demand create a robust market for transformers and cables. Our competitive edge lies in local manufacturing, compliance with TBS and international standards, and strategic partnerships with potential customers.

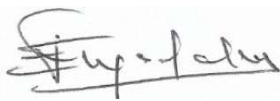
Risk Management Strategy

The following risk management strategies shall be deployed

- **Operational Risks:** Preventive maintenance schedules, ISO-certified quality control, and staff training programs.
- **Financial Risks:** Strong budgeting and cost-control systems
- **Market Risks:** Continuous market research, product diversification, and competitive pricing strategies.
- **Regulatory Risks:** Dedicated compliance team, regular audits, and adherence to NEMC, OSHA, and TBS standards.
- **Insurance:** Comprehensive coverage for assets, machinery, and business interruption

Conclusion

This project is financially viable, strategically aligned with national priorities, and backed by experienced management. We seek your support to finance this expansion and contribute to Tanzania's energy infrastructure development.



Eng. John Ngandaku (MD)
JS Electromec Limited

Vision

To become East Africa's leading provider of electro-mechanical solutions and services.

Mission

To uphold the highest standards of leadership, product quality, customer service, and technological competence.

Core Values

- **Integrity** – We act with honesty and commitment at every stage.
- **Excellence** – We keep our promises and strive for the best.
- **Teamwork** – Collaboration under strong leadership drives success.
- **Customer Focus** – We anticipate, listen, and respond to customer needs.

3.0 THE COMPANY OWNERSHIP STRUCTURE

Currently the company is owned by 3 shareholders. The shareholding structure is as shown below.

Name	No. of Shares	% of Ownership	Managerial position	Nationality/ Incorporation
John Michael Ngandaku	75,500	44.5	Managing Director	Tanzanian
Athanas Michael Ngandaku	9,438	5.5	Director	Tanzanian
JC Holdings Limited	84,938	50.0	N/A	Tanzanian

3.1. Share Capital of the Company

Authorized Share Capital is Tshs 849,380,000 which is divided into 169,876 shares of Tshs 5,000 each. Issued and fully paid-up share capital is Tshs 849,380,000.

3.2 Composition of the Board of Directors

The Board of Directors has a role to control and monitor management and take reasonable steps to ensure best practice, governance and compliance. The Board also has a strategic and advisory role, which includes taking steps to ensure proper corporate performance and value creation. The Board takes overall responsibility for the Company, including responsibility for identifying key risk areas, considering and monitoring investment decisions, considering significant financial matters, and reviewing the performance of management business plans and budgets. The Board is also responsible for ensuring that a comprehensive system of internal control, policies and procedures is operative, and for compliance with sound corporate governance principles.

The Board meets quarterly. The Board delegates the day-to-day management of the business to the Managing Director assisted by Senior Management who are invited to attend board meetings and facilitates the effective control of all the Company's operational activities, acting as a medium of communication and coordination between all the various business units.

The company's board of directors is set to comprise of 9 members from various professionals with extensive experience in their area of specialization. The Company is committed to the principles of effective corporate governance. The directors also recognize the importance of integrity, transparency and accountability.

The Board has three sub-committees to ensure a high standard of corporate governance throughout the Company. These are audit & risk committee, finance & Investment committee, Human resources & remuneration committee.

The following are the members of the board of directors of JS Electromec Limited.

s/n	Name*	Position	Nationality
1	John Michael Ngandaku	MD/Chairman	Tanzanian
2	Athanas Michael Ngandaku	Director	Tanzanian
3	Thomas Justine Uiso	Director	Tanzanian
5	Joseph Justine Uiso	Director	Tanzanian
6	John John Lingopola	Company Secretary	Tanzanian

* Other member will be appointed in due course.

4.0 MANAGEMENT TEAM

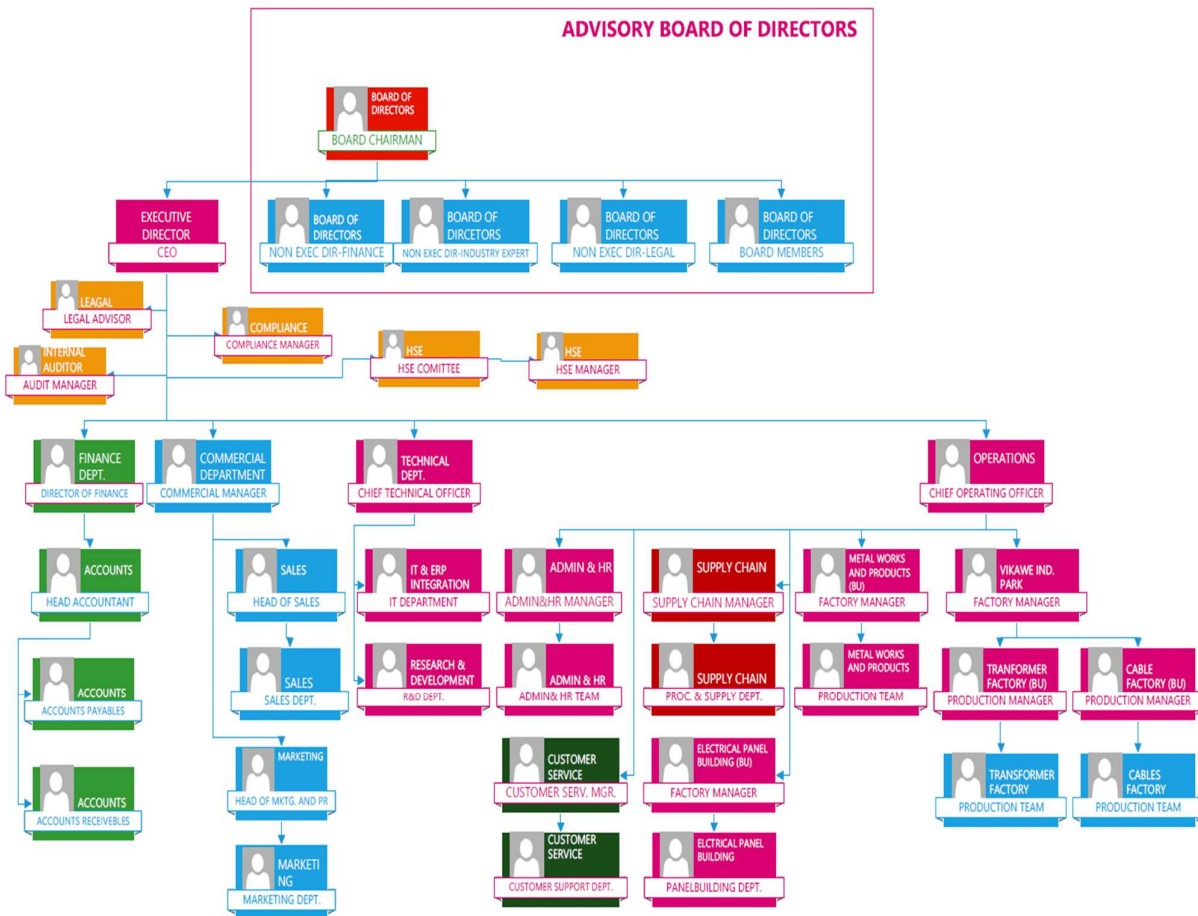
Management is entrusted to execute day-to-day operation of the company to ensure that objectives are met and create shareholders' value.

The following forms the Senior Management Team:

- Managing Director
- Chief Operating Officer
- Director of Finance

- Commercial Manager
- Chief Technical Officer
- Human Resources & Administration Manager
- Risk & Compliance Manager
- Supply Chain Manager
- Customer Service Manager
- Factory Manager- Electrical panel building factory
- Factory Manager-Metal works & Products factory
- Factory Manager-Vikawe Industrial park-Transformer & Conductor factories)
- Quality Assurance Manager
- Health and Safety Manager

ORGANISATION CHART



5.0 PRODUCTS AND SERVICES

The company will manufacture and sell its own branded Transformers of 11/0.4KV (50KVA - 1,000KV) and 33/0.4KV (50KVA -1,000KVA) to various contractors, Utility Company (TANESCO) and other private users such as private owned Industries and Mining companies. In addition, there will be a separate unit for manufacturing of ABC and ACSR conductors of various sizes. These products will be locally designed and manufactured to suit the Tanzanian environment while meeting TANESCO specifications and quality standards set by the Tanzania Bureau of Standards (TBS).

Demand

According to the Impact of Access to Sustainable Energy Survey (IASES-2021/22) about 46 percent of households are connected to electricity in Mainland Tanzania. The percentage of households connected to electricity has increased from 32.8 percent in 2016/17 to 45.8 in 2021/22. The percentage of households connected to electricity is

higher in urban areas than in rural areas. Almost nine out of ten households in Dar es Salaam (87 percent) and seven out of ten in other urban areas (70 percent) are connected to electricity. In contrast, about four in ten households (36 percent) are connected to electricity in rural areas. Still there is large number of households not connected to electricity. This means they still depend on unclear power for cooking and other domestic activities.

The Rural Energy Agency (REA), is an autonomous body under the Ministry of Energy of the United Republic of Tanzania. It was established under the Rural Energy Act No. 8 of 2005 whose function among other things is to Promote, stimulate, facilitate and improve access to modern energy services (electricity, clean cooking, etc.) in rural areas, in order to stimulate rural economic and social development. REA has been executing various projects, which involves construction of electricity distribution lines, installation of transformers and connection of electricity to households particularly in rural areas.

Until January 2022, a total of 716,847 people have been supplied with power at a cost of over TZS 2.66 trillion since REA's establishment in 2007 (According to Africa Information and Business Directory). REA plans to give electricity access to 75 percent of rural Tanzania by 2025 and achieve a fully coverage come 2030. This can be achieved by launching more construction projects to unelectrified areas. TANESCO which is the main utility company in Tanzania is responsible for ongoing connection of electricity to new households and repair of existing infrastructure.

In this regards, JS Electromec Limited foresee a huge demand in electric conductors and transformers.

Manufacturing Capacity

The production capacity of the established factory when run at full capacity shall be 50-70 oil-immersed distribution transformers 11/0.4KV & 33/0.4KV (50KVA - 1,000KVA) in a month and 1,000 km of ABC/ACSR conductors in a month.

The factory facility will have three standby generators of 350 KVA which will be used for Transformer manufacturing unit, 500KVA for conductors manufacturing unit and 50KVA for shared facilities. This is to ensure minimum production disruption when there is a power cut. Enough Storage space will be available for manufactured goods while awaiting collection by customers.

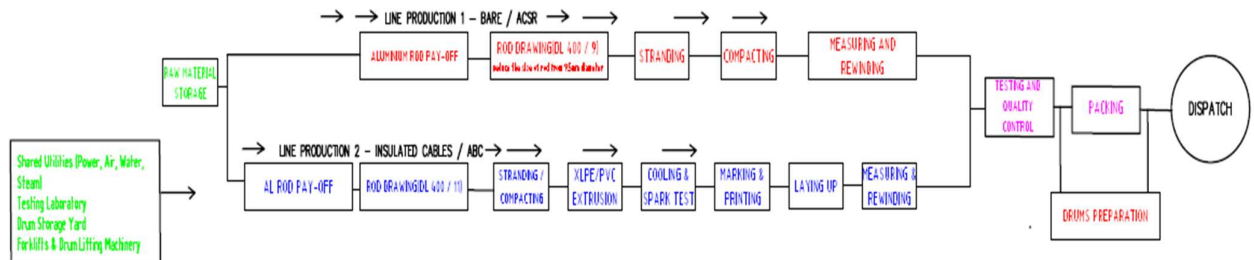
The production area is enclosed with block fence and 24 hours surveillance cameras and security guards to ensure maximum security all the time.

Process work Flow

The below chart depict a summary of production flow.

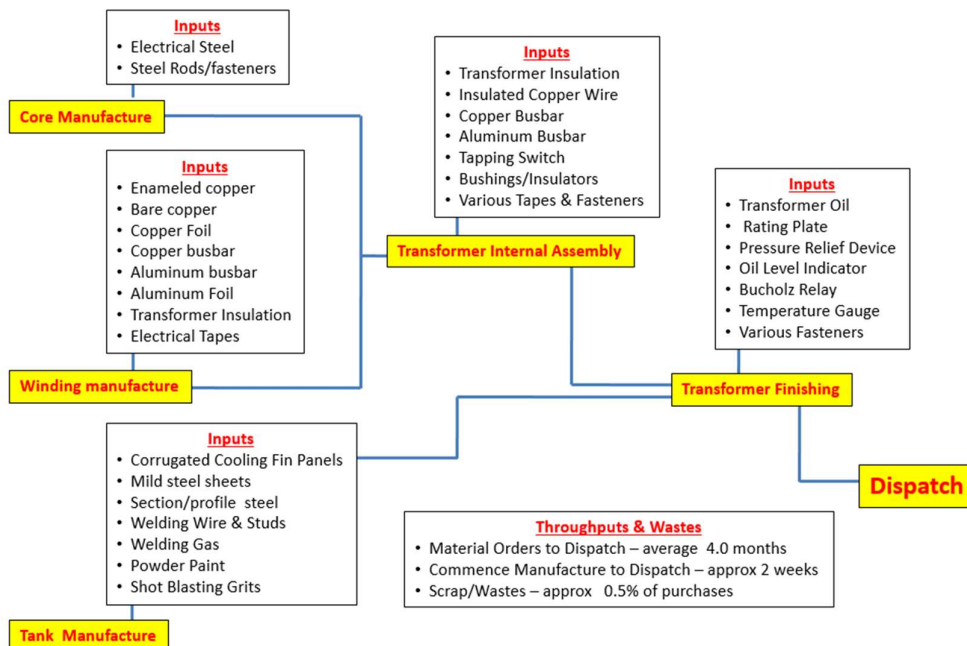
Conductors:

The process workflow for the production of conductors is as shown below.



Oil-immersed Transformers:

The process workflow for the production of oil-immersed Transformers is as shown below.



6.0 MARKETING AND DISTRIBUTION NETWORK

Marketing of goods refers to all activities and strategies businesses use to promote and sell their products to consumers. The goal is to create awareness, attract customers, and

encourage them to buy. Marketing of products will be done by considering the targeted customer base which is mainly contractors, Utility companies (TANESCO), Rural Energy Agency, Factories and other body corporates.

6.1 Traditional Marketing.

This will include the use of publication on Newsletter, magazine, Outdoor posters and billboards. Participation in different sectorial exhibitions and trade fair to meet potential customers and demonstrate our capacity, quality of our products and availability of discount for large orders.

6.2 Digital Marketing.

This will include the use of social media platforms such as Instagram and Twitter (X), make use of social medial influencer to sponsor our products. Email marketing will also be done. That is sending advert emails to potential customers.

The company webpage will be optimized with search engine optimizer to give it higher visibility in search results on Google to attract organic traffic.

7.0 COMPETITION LANDSCAPE

Tanzania's manufacturing sector contributes roughly 7-8% of Gross Domestic Product and is considered a key growth pillar under national strategies like Tanzania Development Vision 2025 and Industrialization Agenda. The sector is dominated by small- and medium-scale industries. It is essential to job creation, value addition and national development through taxes collection.

Looking ahead the manufacturing sector is expected to grow steadily amid the Government efforts in improving availability of reliable power supply, improvement of transport infrastructure and improving business environment. It is expected that these efforts will provide conducive entrance for new players.

In Tanzania, there are various manufacturers of conductors and transformers. Below is the list of some of the prominent manufactures.

S/N	SUPPLIER	OFFICE/FACTORY LOCATION	PRODUCTS
1	Multi Cable Limited	India Street, Dar es Salaam. Tel +255 788 755 461 / +255 711 398 233	Conductors
2	Everwell Cable & Engineering Co. Ltd	P.O.Box 63149, Dar es Salaam (factory in Mkuranga). Tel +255 715 305 198 / +255 768 886 886	Conductors
3	Raddy Fiber Manufacturing (T) Ltd	Mwanambaya, Mkuranga district, Tel +255 739 100 109.	Conductors
4	Tanga Cable Industry Ltd	P.O.Box 1727 Tanga, Tel +255 654 478 185	Conductors
5	Kilimanjaro Cables (T) Ltd	161/1 Kurasini, Kilwa Rd, Dar es Salaam.	Conductors
6	Tanzania Daesung Cable Co Ltd	P.O.Box 508, Dar es Salaam. Tel 022 286-2834 / 022 286-6274	
7	East African Cables (Tanzania) Ltd	Dar es Salaam, Tanzania	Conductors
8	Tanelec Limited	Themi Industrial Area, P.O. Box 7156, Arusha, Tanzania	Transformers and Conductors
9	Elsewedy Electric	Kigamboni, Dar es Salaam, Tanzania	Transformers
10	Europe Inc Industries Limited	Mikocheni, Dar es Salaam	Transformers and Conductors

While it was possible to establish the actual market share of each company, a high level market intelligence found that it takes a considerable time for a manufacturer to fulfill orders from electric constructors and even to TANESCO. This gives a clear indication of low capacity and/ or possible existence of huge demand.

8.0 LEGAL AND REGULATORY ENVIRONMENT

The legal and regulatory environment in Tanzania consists of the laws, institutions, policies, and regulatory bodies that guide how individuals, businesses, and government

operations function. It includes constitutional law, commercial law, labour law, investment regulations, taxation, environmental rules, and sector-specific regulations.

JS Electromec will continue to observe and comply with all laws, regulations, policies and various directive issued by governing Authorities. The company will ensure that it obtains all required licences and registration such as those from National Environmental Management Council (NEMC), Occupational Safety and Health Authority (OSHA) , Tanzania Bureau of Standards (TBS), Government Chemist Laboratory Authority (GCLA), and Municipal Council to ensure that it is fully authorized and licensed to manufacture and sell the intended products.

9.0 RISKS

Manufacturing industries face a wide range of risks that can affect production, profits, safety, and long-term sustainability. These risks can be grouped into operational, financial, market, and regulatory risk.

Operational Risks

Operation risk comes from day-to-day production activities, this include Machine breakdowns, Poor quality of raw materials; Labour shortages or strikes, Accidents in factories, Supply chain disruptions. In order to mitifate these such risk the company will ensure that thers is regular preventive maintenance of machinery, Quality control systems (ISO standards), Training and upskilling of workers, Implementing strict occupational health & safety (OHS) practices and creating emergency response plans

Financial Risks

Financial risks are the risks related to money, capital, and financial management. These can come from high production costs, low liquidity, fluctuating interest rates, losses due to bad debts, currency exchange rate instability.

In order to mitigate such risks by having strong budgeting and cost-control systems, seeking long-term financing with stable rates - if credit needed; maintaining liquidity reserves through having in liquid assets, applying hedging strategies to mitigate foreign exchange volatility, and having proper credit policy for our good customers.

Market Risks

These risks originate from changes in customer demand or competition. Such risk include declining of market demand, strong competition from other suppliers/imported products, price undercut.

The company will position itself to ensure such risks have minimum impact to the company. Research unit will work to ensure market and trend analysis is done to detect

any possible changes in the market demand and advise on appropriate actions. Product diversification and innovation/after sell services, improving of product quality, offering competitive prices/discount will be among measures that can be used to mitigate market risks.

Regulatory Risks

These risks arise from non-compliance with laws and regulations. Examples include environmental regulation violations, breach of Labour laws, Tax compliance issues.

The company will have a Risk management unit that will ensure compliance to all laws and regulations. Regular legal compliance audits will be done, Staff will be trained on laws & regulations and any update of the same. In addition, there will be a legal unit which will oversee all legal affairs of the company. The safety officer will ensure there is a proper waste management & pollution controls.

10.0 INVESTMENT COST

The Total investment cost is expected to be TZS 15.625 Billion. Out of which TZS 3.113 Billion will be owners' contribution while the remaining 12.5billion will be financed from Bank Loan.

Financing Arrangement

The company has already paid about TZS 500million to Machine suppliers as advance payment to start assembling of the required machines for establishment of cable and transformer factories.

It is expected that TZS 12.5 billion will be sourced from Mwanga Hakika Bank as Term loan at an interest rate of 15% payable over 5 years period. The company through internal sources and where necessary, bank overdraft will finance large part of the working capital. The breakdown of the cost items and financing arrangement is as shown in the table below.

COST ITEM	EQUITY	LOAN	TOTAL, TZS
	20%	80%	
Permits and Licenses	21,170,000	-	21,170,000
Construction (Land and Buildings)	1,219,820,000	-	1,219,820,000
Machineries and Equipment	500,000,879	8,272,883,322	8,772,884,201
Commissioning & Training	-	551,633,150	551,633,150
Initial Raw materials	1,372,011,402	3,687,481,250	5,059,492,652
	3,113,002,282	12,511,997,722	15,625,000,003
Loan Amount, TZS		12,500,000,000	
Interest rate		15%	
Arrangement Fee		0.5%	
Period of Loan (Months)		60	

11.0 PROJECTED REVENUE

Despite the presence of existing companies who supply similar products, that is cables and transformer. Based on the company's marketing strategy and existing business partnership with various contractors who undertake construction projects with REA and TANESCO, we expect the revenue will be substantial to enable the company sail smoothly through the envisaged business. The projected revenue figures are as indicated below:

REVENUES (In mil. TZS)	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sept-26	Oct-26	Nov-26	Dec-26	TOTAL
Transformers	-	-	-	-	-	-	-	780.00	600.00	540.00	720.00	900.00	3,540.00
Cables	-	-	-	-	-	-	-	3,040.00	3,120.00	3,600.00	5,440.00	3,600.00	18,800.00
Other revenue	500.00	550.00	450.00	650.00	480.00	400.00	400.00	782.00	772.00	814.00	1,016.00	850.00	7,664.00
	500.00	550.00	450.00	650.00	480.00	400.00	400.00	4,602.00	4,492.00	4,954.00	7,176.00	5,350.00	30,004.00

REVENUES (In mil. TZS)	Jan-27	Feb-27	Mar-27	Apr-27	May-27	Jun-27	Jul-27	Aug-27	Sept-27	Oct-27	Nov-27	Dec-27	TOTAL
Transformers	690.00	780.00	720.00	900.00	600.00	780.00	750.00	690.00	942.00	741.00	780.00	900.00	9,273.00
Cables	4,480.00	4,320.00	4,480.00	3,600.00	3,040.00	4,480.00	3,600.00	3,040.00	4,480.00	3,600.00	3,040.00	3,840.00	46,000.00
Other revenue	517.00	510.00	520.00	450.00	364.00	526.00	435.00	373.00	542.20	434.10	382.00	474.00	5,527.30
	5,687.00	5,610.00	5,720.00	4,950.00	4,004.00	5,786.00	4,785.00	4,103.00	5,964.20	4,775.10	4,202.00	5,214.00	60,800.30

REVENUES (In mil. TZS)	Jan-28	Feb-28	Mar-28	Apr-28	May-28	Jun-28	Jul-28	Aug-28	Sept-28	Oct-28	Nov-28	Dec-28	TOTAL
Transformers	747.50	845.00	780.00	975.00	650.00	845.00	812.50	747.50	1,020.50	802.75	845.00	975.00	10,045.75
Cables	4,760.00	4,590.00	4,760.00	3,825.00	3,230.00	4,760.00	3,825.00	3,230.00	4,760.00	3,825.00	3,230.00	4,080.00	48,875.00
Other revenue	550.75	543.50	554.00	480.00	388.00	560.50	463.75	397.75	578.05	462.78	407.50	505.50	5,892.08
	6,058.25	5,978.50	6,094.00	5,280.00	4,268.00	6,165.50	5,101.25	4,375.25	6,358.55	5,090.53	4,482.50	5,560.50	64,812.83

REVENUES (In mil. TZS)	Jan-29	Feb-29	Mar-29	Apr-29	May-29	Jun-29	Jul-29	Aug-29	Sept-29	Oct-29	Nov-29	Dec-29	TOTAL
Transformers	805.00	910.00	840.00	1,050.00	700.00	910.00	875.00	805.00	1,099.00	864.50	910.00	1,050.00	10,818.50
Cables	4,816.00	4,644.00	4,816.00	3,870.00	3,268.00	4,816.00	3,870.00	3,268.00	4,816.00	3,870.00	3,268.00	4,128.00	49,450.00
Other revenue	562.10	555.40	565.60	492.00	396.80	572.60	474.50	407.30	591.50	473.45	417.80	517.80	6,026.85
	6,183.10	6,109.40	6,221.60	5,412.00	4,364.80	6,298.60	5,219.50	4,480.30	6,506.50	5,207.95	4,595.80	5,695.80	66,295.35

REVENUES (In mil. TZS)	Jan-30	Feb-30	Mar-30	Apr-30	May-30	Jun-30	Jul-30	Aug-30	Sept-30	Oct-30	Nov-30	Dec-30	TOTAL
Transformers	828.00	936.00	864.00	1,080.00	720.00	936.00	900.00	828.00	1,130.40	889.20	936.00	1,080.00	11,127.60
Cables	4,844.00	4,671.00	4,844.00	3,892.50	3,287.00	4,844.00	3,892.50	3,287.00	4,844.00	3,892.50	3,287.00	4,152.00	49,737.50
Other revenue	567.20	560.70	570.80	497.25	400.70	578.00	479.25	411.50	597.44	478.17	422.30	523.20	6,086.51
	6,239.20	6,167.70	6,278.80	5,469.75	4,407.70	6,358.00	5,271.75	4,526.50	6,571.84	5,259.87	4,645.30	5,755.20	66,951.61

REVENUES (In mil. TZS)	Jan-31	Feb-31	Mar-31	Apr-31	May-31	Jun-31	Jul-31	Aug-31	Sept-31	Oct-31	Nov-31	Dec-31	TOTAL
Transformers	851.00	962.00	888.00	1,110.00	740.00	962.00	925.00	851.00	1,161.80	913.90	962.00	1,110.00	11,436.70
Cables	4,872.00	4,698.00	4,872.00	3,915.00	3,306.00	4,872.00	3,915.00	3,306.00	4,872.00	3,915.00	3,306.00	4,176.00	50,025.00
Other revenue	572.30	566.00	576.00	502.50	404.60	583.40	484.00	415.70	603.38	482.89	426.80	528.60	6,146.17
	6,295.30	6,226.00	6,336.00	5,527.50	4,450.60	6,417.40	5,324.00	4,572.70	6,637.18	5,311.79	4,694.80	5,814.60	67,607.87

12.0 PROJECTED DIRECT OPERATION COST

Direct cost comprises of costs that are directly attributable to the sales revenue. The projected direct costs are as shown in the table below.

DIRECT COST (In mil. TZS)	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sept-26	Oct-26	Nov-26	Dec-26	TOTAL
Materials	440	440	440	440	440	280	280	3,221	3,144	3,468	5,023	3,745	21,362
Transportation cost	30	33	27	39	29	24	24	276	270	297	431	321	1,800
Wages	5	5	4	6	4	4	4	41	40	45	65	48	270
Factory equipment repair and maintenance	5	6	5	7	5	4	4	46	45	50	72	54	300
Damaged/obsolete inventories	3	3	3	4	3	2	2	28	27	30	43	32	180
Packaging expenses	3	3	2	3	2	2	2	23	22	25	36	27	150
	485	490	481	499	483	316	316	3,636	3,549	3,914	5,669	4,227	24,062

DIRECT COST (In mil. TZS)	Jan-27	Feb-27	Mar-27	Apr-27	May-27	Jun-27	Jul-27	Aug-27	Sept-27	Oct-27	Nov-27	Dec-27	TOTAL
Materials	3,981	3,927	4,004	3,465	2,803	4,050	3,350	2,872	4,175	3,343	2,941	3,650	42,560
Transportation cost	341	337	343	297	240	347	287	246	358	287	252	313	3,648
Wages	51	50	51	45	36	52	43	37	54	43	38	47	547
Factory equipment repair and maintenance	57	56	57	50	40	58	48	41	60	48	42	52	608
Damaged/obsolete inventories	34	34	34	30	24	35	29	25	36	29	25	31	365
Packaging expenses	28	28	29	25	20	29	24	21	30	24	21	26	304
	4,493	4,432	4,519	3,911	3,163	4,571	3,780	3,241	4,712	3,772	3,320	4,119	48,032

DIRECT COST (In mil. TZS)	Jan-28	Feb-28	Mar-28	Apr-28	May-28	Jun-28	Jul-28	Aug-28	Sept-28	Oct-28	Nov-28	Dec-28	TOTAL
Materials	4,241	4,185	4,266	3,696	2,988	4,316	3,571	3,063	4,451	3,563	3,138	3,892	45,369
Transportation cost	363	359	366	317	256	370	306	263	382	305	269	334	3,889
Wages	55	54	55	48	38	55	46	39	57	46	40	50	583
Factory equipment repair and maintenance	61	60	61	53	43	62	51	44	64	51	45	56	648
Damaged/obsolete inventories	36	36	37	32	26	37	31	26	38	31	27	33	389
Packaging expenses	30	30	30	26	21	31	26	22	32	25	22	28	324
	4,786	4,723	4,814	4,171	3,372	4,871	4,030	3,456	5,023	4,022	3,541	4,393	51,202

DIRECT COST (In mil. TZS)	Jan-29	Feb-29	Mar-29	Apr-29	May-29	Jun-29	Jul-29	Aug-29	Sept-29	Oct-29	Nov-29	Dec-29	TOTAL
Materials	4,328	4,277	4,355	3,788	3,055	4,409	3,654	3,136	4,555	3,646	3,217	3,987	46,407
Transportation cost	371	367	373	325	262	378	313	269	390	312	276	342	3,978
Wages	56	55	56	49	39	57	47	40	59	47	41	51	597
Factory equipment repair and maintenance	62	61	62	54	44	63	52	45	65	52	46	57	663
Damaged/obsolete inventories	37	37	37	32	26	38	31	27	39	31	28	34	398
Packaging expenses	31	31	31	27	22	31	26	22	33	26	23	28	331
	4,885	4,826	4,915	4,275	3,448	4,976	4,123	3,539	5,140	4,114	3,631	4,500	52,373

DIRECT COST (In mil. TZS)	Jan-30	Feb-30	Mar-30	Apr-30	May-30	Jun-30	Jul-30	Aug-30	Sept-30	Oct-30	Nov-30	Dec-30	TOTAL
Materials	4,367	4,317	4,395	3,829	3,085	4,451	3,690	3,169	4,600	3,682	3,252	4,029	46,866
Transportation cost	374	370	377	328	264	381	316	272	394	316	279	345	4,017
Wages	56	56	57	49	40	57	47	41	59	47	42	52	603
Factory equipment repair and maintenance	62	62	63	55	44	64	53	45	66	53	46	58	670
Damaged/obsolete inventories	37	37	38	33	26	38	32	27	39	32	28	35	402
Packaging expenses	31	31	31	27	22	32	26	23	33	26	23	29	335
	4,929	4,872	4,960	4,321	3,482	5,023	4,165	3,576	5,192	4,155	3,670	4,547	52,892

DIRECT COST (In mil. TZS)	Jan-31	Feb-31	Mar-31	Apr-31	May-31	Jun-31	Jul-31	Aug-31	Sept-31	Oct-31	Nov-31	Dec-31	TOTAL
Materials	4,407	4,358	4,435	3,869	3,115	4,492	3,727	3,201	4,646	3,718	3,286	4,070	47,326
Transportation cost	378	374	380	332	267	385	319	274	398	319	282	349	4,056
Wages	57	56	57	50	40	58	48	41	60	48	42	52	608
Factory equipment repair and maintenance	63	62	63	55	45	64	53	46	66	53	47	58	676
Damaged/obsolete inventories	38	37	38	33	27	39	32	27	40	32	28	35	406
Packaging expenses	31	31	32	28	22	32	27	23	33	27	23	29	338
	4,973	4,919	5,005	4,367	3,516	5,070	4,206	3,612	5,243	4,196	3,709	4,594	53,410

13.0 PROJECTED ADMINISTRATIVE EXPENSES

Administrative costs comprise of business costs, which are not directly attributable to sales revenue. This include some cost are not affected by production volume. The projected Administrative expenses are indicated in the Tables below.

Administrative Expenses	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sept-26	Oct-26	Nov-26	Dec-26	TOTAL
(In mil. TZS)													
Employment cost (Salaries/nssf/wcf, SDL)	37.0	37.0	37.0	44.4	44.4	10.0	10.0	115.1	112.3	123.9	179.4	133.8	884.2
Compliance,license, registration fees, subscription fee	3.0	3.0	3.0	3.3	4.5	0.5	0.5	5.5	5.4	5.9	8.6	6.4	49.6
Legal and professional fees	0.9	0.9	0.9	0.9	0.9	0.1	0.1	1.3	1.3	1.4	2.0	1.5	12.2
marketing expenses	0.4	0.4	0.4	0.6	0.9	1.1	1.1	12.9	12.6	13.9	20.1	15.0	79.3
Insurance charges	0.5	0.5	0.5	0.5	0.5	0.5	0.5	5.5	5.4	5.9	8.6	6.4	35.3
Office consumables (Kitchen, laundry, canteen, Newspapers)	0.1	0.1	0.2	0.5	0.8	0.2	0.2	2.3	2.2	2.5	3.6	2.7	15.4
Rent expenses	33.0	33.0	33.0	33.0	33.0	33.0	33.0	33.0	33.0	33.0	33.0	33.0	396.0
Utilities - water/electricity/waste collection	1.6	1.6	1.8	2.0	2.0	0.7	0.7	8.3	8.1	8.9	12.9	9.6	58.3
Medical expenses	1.1	1.1	1.2	1.4	1.8	0.5	0.5	5.5	5.4	5.9	8.6	6.4	39.4
Audit fees	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	18.0
Board meeting expenses			13.5			13.5			13.5				54.0
Training expenses	1.5	1.5	1.5	1.5	2.0	0.3	0.3	3.7	3.6	4.0	5.7	4.3	29.9
Repair and maintenance (other Machines, equipment)	0.5	0.5	0.8	1.0	1.2	0.5	0.5	5.5	5.4	5.9	8.6	6.4	36.8
Telephone, postage and internet	2.0	2.0	2.0	2.0	2.0	0.2	0.2	2.3	2.2	2.5	3.6	2.7	23.7
Printing and stationery	0.5	0.5	0.8	1.2	1.8	0.3	0.3	3.7	3.6	4.0	5.7	4.3	26.7
Security expenses	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	24.0
Motor vehicle running expense - fuel,service, repairs	1.2	1.2	1.2	2.5	3.0	0.5	0.5	5.5	5.4	5.9	8.6	6.4	41.9
	86.8	86.8	101.3	98.3	102.3	65.4	51.9	213.6	222.9	227.1	312.6	255.9	1,824.8
Depreciation	11.80	11.80	11.80	11.80	11.80	91.38	91.38	91.38	91.38	91.38	91.38	91.38	698.7
Total	98.60	98.60	113.10	110.05	114.10	156.78	143.28	304.97	314.24	318.51	404.02	347.25	2,523.49

Administrative Expenses	Jan-27	Feb-27	Mar-27	Apr-27	May-27	Jun-27	Jul-27	Aug-27	Sept-27	Oct-27	Nov-27	Dec-27	TOTAL
(In mil. TZS)													
Employment cost (Salaries/nssf/wcf, SDL)	142.2	140.3	143.0	123.8	100.1	144.7	119.6	102.6	149.1	119.4	105.1	130.4	1,520.0
Compliance,license, registration fees, subscription fee	6.8	6.7	6.9	5.9	4.8	6.9	5.7	4.9	7.2	5.7	5.0	6.3	73.0
Legal and professional fees	1.6	1.6	1.6	1.4	1.1	1.6	1.3	1.1	1.7	1.3	1.2	1.5	17.0
marketing expenses	15.9	15.7	16.0	13.9	11.2	16.2	13.4	11.5	16.7	13.4	11.8	14.6	170.2
Insurance charges	6.8	6.7	6.9	5.9	4.8	6.9	5.7	4.9	7.2	5.7	5.0	6.3	73.0
Office consumables (Kitchen, laundry, canteen, Newspapers)	2.8	2.8	2.9	2.5	2.0	2.9	2.4	2.1	3.0	2.4	2.1	2.6	30.4
Rent expenses	33.0	33.0	33.0	33.0	33.0	33.0	33.0	33.0	33.0	33.0	33.0	33.0	396.0
Utilities - water/electricity/waste collection	10.2	10.1	10.3	8.9	7.2	10.4	8.6	7.4	10.7	8.6	7.6	9.4	109.4
Medical expenses	6.8	6.7	6.9	5.9	4.8	6.9	5.7	4.9	7.2	5.7	5.0	6.3	73.0
Audit fees	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	18.0
Board meeting expenses			13.5			13.5			13.5				54.0
Training expenses	4.5	4.5	4.6	4.0	3.2	4.6	3.8	3.3	4.8	3.8	3.4	4.2	48.6
Repair and maintenance (other Machines, equipment)	6.8	6.7	6.9	5.9	4.8	6.9	5.7	4.9	7.2	5.7	5.0	6.3	73.0
Telephone, postage and internet	2.8	2.8	2.9	2.5	2.0	2.9	2.4	2.1	3.0	2.4	2.1	2.6	30.4
Printing and stationery	4.5	4.5	4.6	4.0	3.2	4.6	3.8	3.3	4.8	3.8	3.4	4.2	48.6
Security expenses	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	24.0
Motor vehicle running expense - fuel,service, repairs	6.8	6.7	6.9	5.9	4.8	6.9	5.7	4.9	7.2	5.7	5.0	6.3	73.0
	255.3	252.4	270.1	227.0	190.6	272.6	220.6	194.4	279.5	220.2	198.2	250.6	2,831.6
Depreciation	91.38	91.38	91.38	91.38	91.38	79.96	79.96	79.96	79.96	79.96	79.96	79.96	1,016.6
Total	346.72	343.76	361.49	318.36	281.96	352.61	300.59	274.34	359.46	300.21	278.15	330.60	3,848.2

Administrative Expenses	Jan-28	Feb-28	Mar-28	Apr-28	May-28	Jun-28	Jul-28	Aug-28	Sept-28	Oct-28	Nov-28	Dec-28	TOTAL
(In mil. TZS)													
Employment cost (Salaries/nssf/wcf, SDL)	151.5	149.5	152.4	132.0	106.7	154.1	127.5	109.4	159.0	127.3	112.1	139.0	1,620.3
Compliance,license, registration fees, subscription fee	7.3	7.2	7.3	6.3	5.1	7.4	6.1	5.3	7.6	6.1	5.4	6.7	77.8
Legal and professional fees	1.7	1.7	1.7	1.5	1.2	1.7	1.4	1.2	1.8	1.4	1.3	1.6	18.1
marketing expenses	17.0	16.7	17.1	14.8	12.0	17.3	14.3	12.3	17.8	14.3	12.6	15.6	181.5
Insurance charges	7.3	7.2	7.3	6.3	5.1	7.4	6.1	5.3	7.6	6.1	5.4	6.7	77.8
Office consumables (Kitchen, laundry, canteen, Newspapers)	3.0	3.0	3.0	2.6	2.1	3.1	2.6	2.2	3.2	2.5	2.2	2.8	32.4
Rent expenses	33.0	33.0	33.0	33.0	33.0	33.0	33.0	33.0	33.0	33.0	33.0	33.0	396.0
Utilities - water/electricity/waste collection	10.9	10.8	11.0	9.5	7.7	11.1	9.2	7.9	11.4	9.2	8.1	10.0	116.7
Medical expenses	7.3	7.2	7.3	6.3	5.1	7.4	6.1	5.3	7.6	6.1	5.4	6.7	77.8
Audit fees	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	18.0
Board meeting expenses			13.5			13.5			13.5				54.0
Training expenses	4.8	4.8	4.9	4.2	3.4	4.9	4.1	3.5	5.1	4.1	3.6	4.4	51.9
Repair and maintenance (other Machines, equipment)	7.3	7.2	7.3	6.3	5.1	7.4	6.1	5.3	7.6	6.1	5.4	6.7	77.8
Telephone, postage and internet	3.0	3.0	3.0	2.6	2.1	3.1	2.6	2.2	3.2	2.5	2.2	2.8	32.4
Printing and stationery	4.8	4.8	4.9	4.2	3.4	4.9	4.1	3.5	5.1	4.1	3.6	4.4	51.9
Security expenses	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	25.8
Motor vehicle running expense - fuel,service, repairs	7.3	7.2	7.3	6.3	5.1	7.4	6.1	5.3	7.6	6.1	5.4	6.7	77.8
	269.8	266.7	284.6	239.8	200.9	287.4	232.9	205.0	294.8	232.5	209.1	264.1	2,987.8
Depreciation	79.96	79.96	79.96	79.96	79.96	69.97	69.97	69.97	69.97	69.97	69.97	69.97	889.6
Total	349.73	346.66	364.61	319.79	280.84	357.36	302.91	274.98	364.79	302.50	279.10	334.08	3,877.4

Administrative Expenses	Jan-29	Feb-29	Mar-29	Apr-29	May-29	Jun-29	Jul-29	Aug-29	Sept-29	Oct-29	Nov-29	Dec-29	TOTAL
(In mil. TZS)													
Employment cost (Salaries/nssf/wcf, SDL)	154.6	152.7	155.5	135.3	109.1	157.5	130.5	112.0	162.7	130.2	114.9	142.4	1,657.4
Compliance,license, registration fees, subscription fee	7.4	7.3	7.5	6.5	5.2	7.6	6.3	5.4	7.8	6.2	5.5	6.8	79.6
Legal and professional fees	1.7	1.7	1.7	1.5	1.2	1.8	1.5	1.3	1.8	1.5	1.3	1.6	18.6
marketing expenses	17.3	17.1	17.4	15.2	12.2	17.6	14.6	12.5	18.2	14.6	12.9	15.9	185.6
Insurance charges	7.4	7.3	7.5	6.5	5.2	7.6	6.3	5.4	7.8	6.2	5.5	6.8	79.6
Office consumables (Kitchen, laundry, canteen, Newspapers)	3.1	3.1	3.1	2.7	2.2	3.1	2.6	2.2	3.3	2.6	2.3	2.8	33.1
Rent expenses	33.0	33.0	33.0	33.0	33.0	33.0	33.0	33.0	33.0	33.0	33.0	33.0	396.0
Utilities - water/electricity/waste collection	11.1	11.0	11.2	9.7	7.9	11.3	9.4	8.1	11.7	9.4	8.3	10.3	119.3
Medical expenses	7.4	7.3	7.5	6.5	5.2	7.6	6.3	5.4	7.8	6.2	5.5	6.8	79.6
Audit fees	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	18.0
Board meeting expenses			13.5			13.5			13.5				54.0
Training expenses	4.9	4.9	5.0	4.3	3.5	5.0	4.2	3.6	5.2	4.2	3.7	4.6	53.0
Repair and maintenance (other Machines, equipment)	7.4	7.3	7.5	6.5	5.2	7.6	6.3	5.4	7.8	6.2	5.5	6.8	79.6
Telephone, postage and internet	3.1	3.1	3.1	2.7	2.2	3.1	2.6	2.2	3.3	2.6	2.3	2.8	33.1
Printing and stationery	4.9	4.9	5.0	4.3	3.5	5.0	4.2	3.6	5.2	4.2	3.7	4.6	53.0
Security expenses	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	25.8
Motor vehicle running expense - fuel,service, repairs	7.4	7.3	7.5	6.5	5.2	7.6	6.3	5.4	7.8	6.2	5.5	6.8	79.6
	274.6	271.7	289.6	244.9	204.6	292.5	237.5	209.1	300.5	237.1	213.5	269.3	3,044.8
Depreciation	69.97	69.97	69.97	69.97	69.97	61.22	61.22	61.22	61.22	61.22	61.22	61.22	778.4
Total	344.54	341.71	359.52	314.87	274.57	353.74	298.72	270.27	361.74	298.27	274.72	330.54	3,823.22

Administrative Expenses	Jan-30	Feb-30	Mar-30	Apr-30	May-30	Jun-30	Jul-30	Aug-30	Sept-30	Oct-30	Nov-30	Dec-30	TOTAL
(In mil. TZS)													
Employment cost (Salaries/nssf/wcf, SDL)	156.0	154.2	157.0	136.7	110.2	159.0	131.8	113.2	164.3	131.5	116.1	143.9	1,673.8
Compliance,license, registration fees, subscription fee	7.5	7.4	7.5	6.6	5.3	7.6	6.3	5.4	7.9	6.3	5.6	6.9	80.3
Legal and professional fees	1.7	1.7	1.8	1.5	1.2	1.8	1.5	1.3	1.8	1.5	1.3	1.6	18.7
marketing expenses	17.5	17.3	17.6	15.3	12.3	17.8	14.8	12.7	18.4	14.7	13.0	16.1	187.5
Insurance charges	7.5	7.4	7.5	6.6	5.3	7.6	6.3	5.4	7.9	6.3	5.6	6.9	80.3
Office consumables (Kitchen, laundry, canteen, Newspapers)	3.1	3.1	3.1	2.7	2.2	3.2	2.6	2.3	3.3	2.6	2.3	2.9	33.5
Rent expenses	33.0	33.0	33.0	33.0	33.0	33.0	33.0	33.0	33.0	33.0	33.0	33.0	396.0
Utilities - water/electricity/waste collection	11.2	11.1	11.3	9.8	7.9	11.4	9.5	8.1	11.8	9.5	8.4	10.4	120.5
Medical expenses	7.5	7.4	7.5	6.6	5.3	7.6	6.3	5.4	7.9	6.3	5.6	6.9	80.3
Audit fees	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	18.0
Board meeting expenses			13.5			13.5			13.5				54.0
Training expenses	5.0	4.9	5.0	4.4	3.5	5.1	4.2	3.6	5.3	4.2	3.7	4.6	53.6
Repair and maintenance (other Machines, equipment)	7.5	7.4	7.5	6.6	5.3	7.6	6.3	5.4	7.9	6.3	5.6	6.9	80.3
Telephone, postage and internet	3.1	3.1	3.1	2.7	2.2	3.2	2.6	2.3	3.3	2.6	2.3	2.9	33.5
Printing and stationery	5.0	4.9	5.0	4.4	3.5	5.1	4.2	3.6	5.3	4.2	3.7	4.6	53.6
Security expenses	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	25.9
Motor vehicle running expense - fuel,service, repairs	7.5	7.4	7.5	6.6	5.3	7.6	6.3	5.4	7.9	6.3	5.6	6.9	80.3
	276.7	274.0	291.8	247.1	206.3	294.8	239.5	210.8	303.0	239.1	215.4	271.6	3,070.2
Depreciation	61.22	61.22	61.22	61.22	61.22	73.46	73.46	73.46	73.46	73.46	73.46	73.46	820.4
Total	337.96	335.21	352.99	308.36	267.49	368.28	312.98	284.30	376.51	312.52	288.88	345.08	3,890.57

Administrative Expenses	Jan-31	Feb-31	Mar-31	Apr-31	May-31	Jun-31	Jul-31	Aug-31	Sept-31	Oct-31	Nov-31	Dec-31	TOTAL
(In mil. TZS)													
Employment cost (Salaries/nssf/wcf, SDL)	157.4	155.7	158.4	138.2	111.3	160.4	133.1	114.3	165.9	132.8	117.4	145.4	1,673.8
Compliance,license, registration fees, subscription fee	7.6	7.5	7.6	6.6	5.3	7.7	6.4	5.5	8.0	6.4	5.6	7.0	80.3
Legal and professional fees	1.8	1.7	1.8	1.5	1.2	1.8	1.5	1.3	1.9	1.5	1.3	1.6	18.7
marketing expenses	17.6	17.4	17.7	15.5	12.5	18.0	14.9	12.8	18.6	14.9	13.1	16.3	187.5
Insurance charges	7.6	7.5	7.6	6.6	5.3	7.7	6.4	5.5	8.0	6.4	5.6	7.0	80.3
Office consumables (Kitchen, laundry, canteen, Newspapers)	3.1	3.1	3.2	2.8	2.2	3.2	2.7	2.3	3.3	2.7	2.3	2.9	33.5
Rent expenses	33.0	33.0	33.0	33.0	33.0	33.0	33.0	33.0	33.0	33.0	33.0	33.0	396.0
Utilities - water/electricity/waste collection	11.3	11.2	11.4	9.9	8.0	11.6	9.6	8.2	11.9	9.6	8.5	10.5	120.5
Medical expenses	7.6	7.5	7.6	6.6	5.3	7.7	6.4	5.5	8.0	6.4	5.6	7.0	80.3
Audit fees	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	18.0
Board meeting expenses			13.5			13.5			13.5				54.0
Training expenses	5.0	5.0	5.1	4.4	3.6	5.1	4.3	3.7	5.3	4.2	3.8	4.7	53.6
Repair and maintenance (other Machines, equipment)	7.6	7.5	7.6	6.6	5.3	7.7	6.4	5.5	8.0	6.4	5.6	7.0	80.3
Telephone, postage and internet	3.1	3.1	3.2	2.8	2.2	3.2	2.7	2.3	3.3	2.7	2.3	2.9	33.5
Printing and stationery	5.0	5.0	5.1	4.4	3.6	5.1	4.3	3.7	5.3	4.2	3.8	4.7	53.6
Security expenses	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	25.9
Motor vehicle running expense - fuel,service, repairs	7.6	7.5	7.6	6.6	5.3	7.7	6.4	5.5	8.0	6.4	5.6	7.0	80.3
	278.9	276.2	294.0	249.4	207.9	297.1	241.5	212.6	305.6	241.1	217.3	273.9	3,070.2
Depreciation	73.46	73.46	73.46	73.46	73.46	64.28	64.28	64.28	64.28	64.28	64.28	64.28	820.4
Total	352.37	349.71	367.44	322.83	281.39	361.39	305.81	276.90	369.84	305.34	281.60	338.19	3,890.57

14.0 FINANCE COST

Finance cost consist of all expenses incurred in obtaining and servicing credit facility. In our case, we have also included normal bank transaction charges incurred by the company in business operations.

The below tables show the expected finance costs for the years 2026-2031.

FINANCE COST	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sept-26	Oct-26	Nov-26	Dec-26	TOTAL
(In mil. TZS)													
Interest on Term Loan							156.2	154.5	152.7	150.9	149.1	147.2	910.6
Interest on Bank OD	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	144.0
LC/GTEE/PIL fees	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	54.0
Credit facility application fee	15.6			15.6			15.6			15.6			62.5
Other bank charges	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	30.0
Total	34.63	19.00	19.00	34.63	19.00	19.00	190.87	173.49	171.70	185.52	168.06	166.21	1,201.09

FINANCE COST	Jan-27	Feb-27	Mar-27	Apr-27	May-27	Jun-27	Jul-27	Aug-27	Sept-27	Oct-27	Nov-27	Dec-27	TOTAL
(In mil. TZS)													
Interest on Term Loan	145.33	143.43	141.50	139.56	137.58	135.59	133.56	131.52	129.44	127.34	125.22	123.07	1,613.14
Interest on Bank OD	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0	168.00
LC/GTEE/PIL fees	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	66.00
Credit facility application fee	1.875			1.875			1.875			1.875			7.50
Other bank charges	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	36.00
Total	169.70	165.93	164.00	163.93	160.08	158.09	157.94	154.02	151.94	151.72	147.72	145.57	1,890.64

FINANCE COST	Jan-28	Feb-28	Mar-28	Apr-28	May-28	Jun-28	Jul-28	Aug-28	Sept-28	Oct-28	Nov-28	Dec-28	TOTAL
(In mil. TZS)													
Interest on Term Loan	120.89	118.68	116.45	114.19	111.90	109.58	107.23	104.85	102.45	100.01	97.54	95.05	1,298.81
Interest on Bank OD	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	144.00
LC/GTEE/PIL fees	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	66.00
Credit facility application fee	1.875			1.875			1.875			1.875			7.50
Other bank charges	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	42.00
Total	143.76	139.68	137.45	137.06	132.90	130.58	130.11	125.85	123.45	122.89	118.54	116.05	1,558.31

FINANCE COST	Jan-29	Feb-29	Mar-29	Apr-29	May-29	Jun-29	Jul-29	Aug-29	Sept-29	Oct-29	Nov-29	Dec-29	TOTAL
(In mil. TZS)													
Interest on Term Loan	92.52	89.96	87.36	84.74	82.08	79.39	76.66	73.91	71.11	68.28	65.42	62.52	933.95
Interest on Bank OD	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	144.00
LC/GTEE/PIL fees	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	48.00
Credit facility application fee	1.875			1.875			1.875			1.875			7.50
Other bank charges	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	36.00
Total	113.39	108.96	106.36	105.61	101.08	98.39	97.54	92.91	90.11	89.16	84.42	81.52	1,169.45

FINANCE COST	Jan-30	Feb-30	Mar-30	Apr-30	May-30	Jun-30	Jul-30	Aug-30	Sept-30	Oct-30	Nov-30	Dec-30	TOTAL
(In mil. TZS)													
Interest on Term Loan	59.58	56.61	53.60	50.56	47.47	44.35	41.18	37.98	34.74	31.46	28.13	24.77	510.43
Interest on Bank OD	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0	144.00
LC/GTEE/PIL fees	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	48.00
Credit facility application fee	1.875			1.875			1.875			1.875			7.50
Other bank charges	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	36.00
Total	80.46	75.61	72.60	71.43	66.47	63.35	62.06	56.98	53.74	52.33	47.13	43.77	745.93

FINANCE COST	Jan-31	Feb-31	Mar-31	Apr-31	May-31	Jun-31	Jul-31	Aug-31	Sept-31	Oct-31	Nov-31	Dec-31	TOTAL
(In mil. TZS)													
Interest on Term Loan	21.36	17.91	14.42	10.88	7.30	3.67	0	0	0	0	0	0	75.53
Interest on Bank OD	11.8	11.8	11.8	11.8	11.8	11.8	11.8	11.8	11.8	11.8	11.8	11.8	141.00
LC/GTEE/PIL fees	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	51.00
Credit facility application fee													-
Other bank charges	3.18	3.18	3.18	3.18	3.18	3.18	3.18	3.18	3.18	3.18	3.18	3.18	38.16
Total	40.54	37.09	33.60	30.06	26.48	22.85	19.18	19.18	19.18	19.18	19.18	19.18	305.69

15.0 PROJECTED FINANCIAL STATEMENTS

INCOME STATEMENT FOR THE PERIOD 2026-2031

INCOME STATEMENT	2026	2027	2028	2029	2030	2031
	(In mil. TZS)					
Revenue	30,004.00	60,800.30	64,812.83	66,295.35	66,951.61	67,607.87
Cost of sales	24,062.16	48,032.24	51,202.13	52,373.33	52,891.77	53,410.22
Gross Profit	5,941.84	12,768.06	13,610.69	13,922.02	14,059.84	14,197.65
Administrative Expenses						
Employment cost (Salaries/nssf/wcf, SDL)	884.15	1,520.01	1,620.32	1,657.38	1,673.79	1,690.20
Compliance expenses (License, registration fees, and subscription fee)	49.65	72.96	77.78	79.55	80.34	81.13
Legal and professional fees	12.16	17.02	18.15	18.56	18.75	18.93
Marketing expenses	79.35	170.24	181.48	185.63	187.46	189.30
Insurance charges	35.35	72.96	77.78	79.55	80.34	81.13
Office consumables (Kitchen, Cleaning, Canteen, Newspapers)	15.39	30.40	32.41	33.15	33.48	33.80
Rent expenses	396.00	396.00	396.00	396.00	396.00	396.00
Utilities - water/electricity/waste collection	58.27	109.44	116.66	119.33	120.51	121.69
Medical expenses	39.45	72.96	77.78	79.55	80.34	81.13
Audit fees	18.00	18.00	18.00	18.00	18.00	18.00
Board meeting expenses	54.00	54.00	54.00	54.00	54.00	54.00
Training expenses	29.90	48.64	51.85	53.04	53.56	54.09
Repair and maintenance (other Machines, equipment)	36.80	72.96	77.78	79.55	80.34	81.13
Telephone, postage and internet	23.69	30.40	32.41	33.15	33.48	33.80
Printing and stationery	26.70	48.64	51.85	53.04	53.56	54.09
Security expenses	24.00	24.00	25.80	25.80	25.92	25.98
Motor vehicle running expense - fuel,service, repairs	41.95	72.96	77.78	79.55	80.34	81.13
	1,824.80	2,831.60	2,987.80	3,044.85	3,070.22	3,095.53
Depreciation expense	698.69	1,016.65	889.57	778.37	820.35	817.29
	2,523.49	3,848.24	3,877.37	3,823.22	3,890.57	3,912.82
Finance costs						
Interest on Term Loan	910.59	1,613.14	1,298.81	933.95	510.43	510.43
Interest on Bank OD	144.00	168.00	144.00	144.00	144.00	144.00
LC/GTEE/PIL fees	54.00	66.00	66.00	48.00	48.00	48.00
Credit facility application fee	62.50	7.50	7.50	7.50	7.50	7.50
Other bank charges	30.00	36.00	42.00	36.00	36.00	36.00
	1,201.09	1,890.64	1,558.31	1,169.45	745.93	745.93
Profit before tax	2,217.25	7,029.18	8,175.02	8,929.36	9,423.34	9,538.90
Tax expense	665.18	2,108.75	2,452.51	2,678.81	2,827.00	2,861.67
Net Profit	1,552.08	4,920.43	5,722.51	6,250.55	6,596.34	6,677.23

PROJECTED BALANCE SHEET

STATEMENT OF FINANCIAL POSITION						
AS AT 31ST DEC-2026-2031						
(In Mil. TZS)	2026	2027	2028	2029	2030	2031
Non Current Assets						
Property, Plants and Equipment	12,895.81	11,879.16	10,989.59	13,211.22	12,390.87	11,573.58
Current Assets						
Inventories	3,408.83	4,090.60	5,317.78	2,260.16	7,971.87	4,718.23
Trade and other receivables	2,406.06	3,655.20	5,117.28	6,140.74	9,281.47	6,116.40
Cash and Cash equivalent	605.11	2,380.29	2,954.83	6,571.04	12,411.25	17,956.31
Taxation						
	6,420.00	10,126.08	13,389.89	14,971.93	29,664.60	28,790.93
Total Assets	19,315.82	22,005.25	24,379.48	28,183.15	42,055.47	40,364.51
Equity and Liabilities						
Share Capital	849.38	849.38	849.38	849.38	849.38	849.38
Advance to share capital	686.00	686.00	686.00	686.00	686.00	686.00
Retained Earnings	3,436.46	8,356.88	14,079.40	20,329.95	26,926.28	33,603.51
	4,971.84	9,892.26	15,614.78	21,865.33	28,461.66	35,138.89
Term Loan	11,776.52	9,845.31	7,603.65	5,001.63	1,981.32	- 0.00
Current Liabilities						
Bank Overdraft	-	-	-	-	-	-
Trade and Other Payables	2,567.46	2,267.68	1,161.06	1,316.20	11,612.48	5,225.62
	2,567.46	2,267.68	1,161.06	1,316.20	11,612.48	5,225.62
Total Equity and Liabilities	19,315.82	22,005.25	24,379.48	28,183.15	42,055.47	40,364.51

PROJECTED CASH FLOWS FOR THE PERIOD 2026-2031

CASH FLOW PROJECTIONS						
	2026	2027	2028	2029	2030	2031
(In Mil. TZS)						
Cash Revenue	24,003.20	48,640.24	51,850.26	53,036.28	53,561.29	54,086.30
Debtors Collection	2,700.36	5,472.03	5,833.15	5,966.58	6,025.64	6,084.71
Advance to Share Capital	686.00	686.00	-	-	-	-
Bank loan	12,500.00	-	-	-	-	-
Total Inflow	39,889.56	54,798.27	57,683.41	59,002.86	59,586.93	60,171.00
Purchases of materials	21,655.94	43,229.01	43,777.82	44,779.19	42,961.34	44,679.80
Admin expenses	1,824.80	2,831.60	2,987.80	3,044.85	3,070.22	3,070.22
Creditors Payment	273.72	849.48	896.34	913.45	921.07	921.07
Loan repayment	723.48	1,931.21	2,241.66	2,602.02	3,020.30	1,981.32
Interest expenses	1,054.59	1,781.14	1,442.81	1,077.95	654.43	654.43
Other finance expenses	146.50	109.50	115.50	91.50	91.50	91.50
Capital expenditure	12,500.00	-	3,000.00	-	-	-
Service Levy	90.01	182.40	194.44	198.89	200.85	202.82
Corporate tax	805.40	2,108.75	2,452.51	2,678.81	2,827.00	3,024.80
Total Outflow	39,074.45	53,023.09	57,108.87	55,386.65	53,746.72	54,625.95
Net Inflow	815.11	1,775.18	574.54	3,616.21	5,840.22	5,545.05
Opening Balance	- 210.00	605.11	2,380.29	2,954.83	6,571.04	12,411.25
Closing Balance	605.11	2,380.29	2,954.83	6,571.04	12,411.25	17,956.31

Key Assumptions

- The project cost estimated at TZS 15.6billion
- The bank will be able to provide loan by Jan 2026 for the amount TZS 12.5billion
- Interest rate on bank loan will 15% per year, on reducing balance
- Grace period will be 6 months (with possible request for extension)
- Arrangement fee shall be 0.5% payable quarterly
- Establishment will take between 6 to 8 months
- Material cost estimated at 65-70% of sales revenue
- Credit sales will be limited to 20% of annual sales
- Depreciation rate is 12.5% on plants, properties and equipment
- Initial sales per month will be 60 units for transformer and 800km for conductors using average sales price for various sizes of conductors and transformers.

16.0 PROJECT VIABILITY ANALYSIS

The project is not a new business in Tanzania. Several other companies have established factories for similar products and from our experience, they are doing well. The government of Tanzania fully support the establishment of factories as key move to drive the National economic development through creating of employment to youth and tax payment.

All necessary licenses and permits will be obtained to ensure that the projects takes off smoothly. JS Elctromec has earmarked experiences personnel work will work in the factory to ensure that the products meets the market expectation. Some of these key personnel have been in the construction sector in electric field for several years, thus have hands-on experience and skills on what is required in terms of quality and specifications. JS Electromec been a close business partner of Namis Corpoarte Limited and other electrical contractors, has readily available market for the cable and transformer products.

FINANCIAL VIABILITY

	2026	2027	2028	2029	2030	2031	Total
Adjusted Net Cash flow (excluding financing cash flows)	1,907.19	4,801.52	7,259.01	7,296.17	9,514.95	8,180.80	38,959.65
Present Value (r = 0.27)	1,500.83	2,973.44	3,537.50	2,798.05	2,871.48	1,942.83	15,624.14

- With the initial investment of TZS 15.6Billion means the payback period is 4 years.
- The internal rate of return (IRR) is 27%, which is above the cost of capital.

17.0 PROJECT SWOT ANALYSIS

Strengths

- Established reputation and partnerships with global brands (ABB, Siemens, Schneider).
- Experienced technical team and strong logistics capability.
- Existing infrastructure and financial stability.

Weaknesses

- High initial capital requirement for manufacturing setup.
- Limited prior experience in large-scale transformer and conductor production.

Opportunities

- Rapid growth in electricity demand (10-15% annually).
- Government electrification programs (REA, TANESCO).
- Import substitution potential for locally manufactured transformers and conductors.
- Established existing business relationship with electrical constructors

Threats

- Competition from established manufacturers and imports.
- Currency fluctuations affecting raw material costs.
- Regulatory changes or delays in project approvals.

18.0 ANNEXURE

Application Letter for Credit facility

Board Resolution for Borrowing

Copy of Certificate of Incorporation

Copy of Memorandum and Articles of Association

Copy of TIN

Copy of VRN

Directors CVs.

Copy of Title Deeds

Copy of Proforma invoices

Agreements with partners