



FINANCING NEED

FINANCING NEED FOR 10KLPD ETHANOL & BOTTLING PROJECT.

Purandare Industries (T) Ltd., is setting up 250 TCD expandable to 350 TCD sugar plant at DABALO village in Chamwino district for which Canara bank (T) Ltd., and Bank of India (T) Ltd., have sanctioned US\$2.00 million TERM LOAN. The project will be commissioned by November-2023.

Molasses is by product of sugar and we will be producing it. Since there is a huge market for ETHANOL in Tanzania, we wish to set up ETHANOL making plant and machinery and Bottling plant also. If we buy separate Ethanol plant, it will cost more than US\$3.00 million but if we order it will Sugar factory itself, it will go around US\$2.00 million. The cost of bottling plant is US\$0.5 million and cost of construction will be around US\$0.5 Million. So if we go ahead with it at this stage, the cost we save will be US\$1.00 million.

FIXED INVESTMENT NEEDED :

No	DETAIL	VALUE IN USD
A.	Cost of Plant and Machinery	2,000,000.00
B	Cost of Bottling Plant	500,000.00
C.	Civil work and Local expenses	500,000.00
	TOTAL	3,000,000.00

DEBT AND EQUITY STRUCTURE :

DEBT	75%	US\$ 2,250,000.00
EQUITY	25%	US\$ 750,000.00
TOTAL	100%	US\$3,000,000.00

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FINANCIAL NEED IN TSHILINGS = Tzs.5,175,000,000.00

The Economics will be as below :

- Production Capacity 2,000 cartons of 200 ml.bottle, 24 bottles in a carton.
- 300 days in a year.
- 48,000 bottles per day and 14,400,000 bottles per year.
- Production cost per bottle is Tzs.2,000 and sales price is Tzs.2,200
- Sales Value Tzs.31,680,000,000.00
- Production Cost Tzs.28,800,000,000.00
- Net Profit Tzs.2,880,000,000.00
- 1st Year production 1500 cartons, Second Year 1750 Cartons & from 3rd year 2000 cartons.

. PROFIT/LOSS ANALYSIS FOR FACTORY :

Item	1 st year	2 nd year	3rd	4th	5 th year
Bottles	10,800,000	12,600,000	14,400,000	14,400,000	14,400,000
Amount in Tzs.	23,760,000,000	27,720,000,000	31,680,000,000	31,680,000,000	31,680,000,000
Gross Income	23,760,000,000	27,720,000,000	31,680,000,000	31,680,000,000	31,680,000,000
LESS - Total Expenses	21,600,000,000	25,200,000,000	28,800,000,000	28,800,000,000	28,800,000,000
GROSS PROFIT	2,160,000,000	2,520,000,000	2,880,000,000	2,880,000,000	2,880,000,000
Repayment Interest @10%	1,035,000,000 517,500,000	1,035,000,000 414,000,000	1,035,000,000 310,500,000	1,035,000,000 207,000,000	1,035,000,000 103,500,000
NET PROFIT	607,500,000	1,071,000,000	1,534,500,000	1,638,000,000	1,741,500,000

WE CAN PAY 10% INTEREST IF TANZANIA SHILLING LOAN IS AVAILED.

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