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PROJECT №1451
CALCIUM CARBONATE PRODUCTION (EXPANSION OF ACTIVITIES)

REQUIRED AMOUNT OF INVESTMENTS:
$2 800 000

ANNUAL NET PROFIT:
$3 150 000

RETURN ON INVESTMENT CAPITAL:
79%

FOUNDER'S INVESTMENT:
$5 500 000

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Description: The founder plans to modernize the line for the production of industrial chalk (calcium carbonate). The founder's existing business has been on the market for 6 years, $5.5 million has been invested in the plant and it is located on 2 hectares of land in the Andijan region. In addition, there is a 10-hectare quarry where raw materials are extracted. The production license is valid until 2047. **A loan was received for a total amount of $1.5 million for 10 years with an annual interest of 9%. Over 3 years, $405,000 has been paid, less than $1.5 million remains to be paid.**

80% of manufactured products are exported to Russia, Kazakhstan, Tajikistan, Turkmenistan, Kyrgyzstan and Belarus. The products are made from mined purest limestone rocks of Naiman origin; market research showed that this product was not produced not only in Uzbekistan, but throughout Central Asia. For example, more than 10,000 tons of this product were imported annually into Uzbekistan alone. The quality of calcium carbonate is assessed by the percentage of whiteness, for example, the main competitor countries of Turkey and China have 98% whiteness, at a cost of $700/ton, and 94% whiteness, at a cost of $150/ton, respectively. The founder's products are distinguished by their quality - 96% whiteness, cost - $200/ton, which allows them to fill the empty niche of high-quality and affordable industrial chalk.

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Calcium carbonate is used as a raw material in more than 18 industries: Rubber, Pulp and paper, Paint and varnish, Glass production, Cable, Perfumery and Cosmetics, Artificial leather production, Plastic processing, Linoleum, PVC and other products, Tire production, Toothpaste production , Washing powders and various types of Glues, Medical, Pharmaceutical and Food industries, Cattle and poultry feed, in the production of basic Construction materials.

The raw material for the products, limestone, is 100% located on the plant's own territory, it is considered the highest quality raw material for the production of OCC and ranks 1st among the CIS countries. According to the laboratory conclusion of Chinese specialists, the highest quality of the products was established. In the future, it is expected that some unidentified products may be produced using calcium carbonate as a raw material.

Required amount of investments: $2 800 000

NAME	AMOUNT, $
Modernization of the industrial chalk production line	1 000 000
Repaying the loan balance	1 500 000
Working capital	300 000
Total	**2 800 000**

Founder's investment: $5 500 000

NAME	AMOUNT, $
Buildings and constructions	1 500 000
Chalk production line	2 400 000
Working capital	1 600 000
Total	**5 500 000**

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Income data for a year:

NAME	QUANTITY, PCS	PRICE, $	AMOUNT, $
Sale of chalk 1*(Calcium carbonate)	15 000	200	3 000 000
Sale of chalk 2* (Hydrophobic calcium carbonate)	10 000	260	2 600 000
Total			**5 600 000**

Expenses data for a year:

NAME	QUANTITY, TN	PRICE PER TN, $	AMOUNT, $
Coal	8 100	59,091	478 637
Limestone	30 000	1,36	40 800
Components	5 400	14	75 600
Packaging bags	1 000 000	0,34	340 000
Utilities, etc. - -			150 354
Stearic acid	200	65,12	13 024
Other operating expenses			1 351 585
Total			**2 450 000**

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- Annual profit: **$5 600 000**
- Annual expenses: **$2 450 000**
- Annual net profit: $5 600 000– $2 450 000 = **$3 150 000**
- Return on investment capital:

$$\textbf{ROI} = \frac{\text{Net profit}}{\text{Investment amount}} \times \text{Investor's share} \times 100\% = \textbf{79\%}$$

DISTRIBUTION OF SHARES:

Investor - **70%** and Founder - **30%** – until the full return on investment.

Investor - **40%** and Founder - **60%** – after the full return on investment.