

**UPDATED BUSINESS PLAN FOR  
A MEDIUM SCALE QUARRY PROJECT LOCATED AT KIONGOZI  
VILLAGE, MAISAKA WARD, BABATI TOWN COUNCIL, MANYARA  
REGION.**

**CLIENT**

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**30 MAY 2024**

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## **1.0. INTRODUCTION**

**Rift valley industries limited** is the private company limited by shares among 3 family members Laxmika Jenti Patel, Pooja Jenti Patel, Jalpa Jenti Patel Tanzanian. The company is under directorship and secretary of the company is LAXMIKA JENTI PATEL who is the largest shareholder.

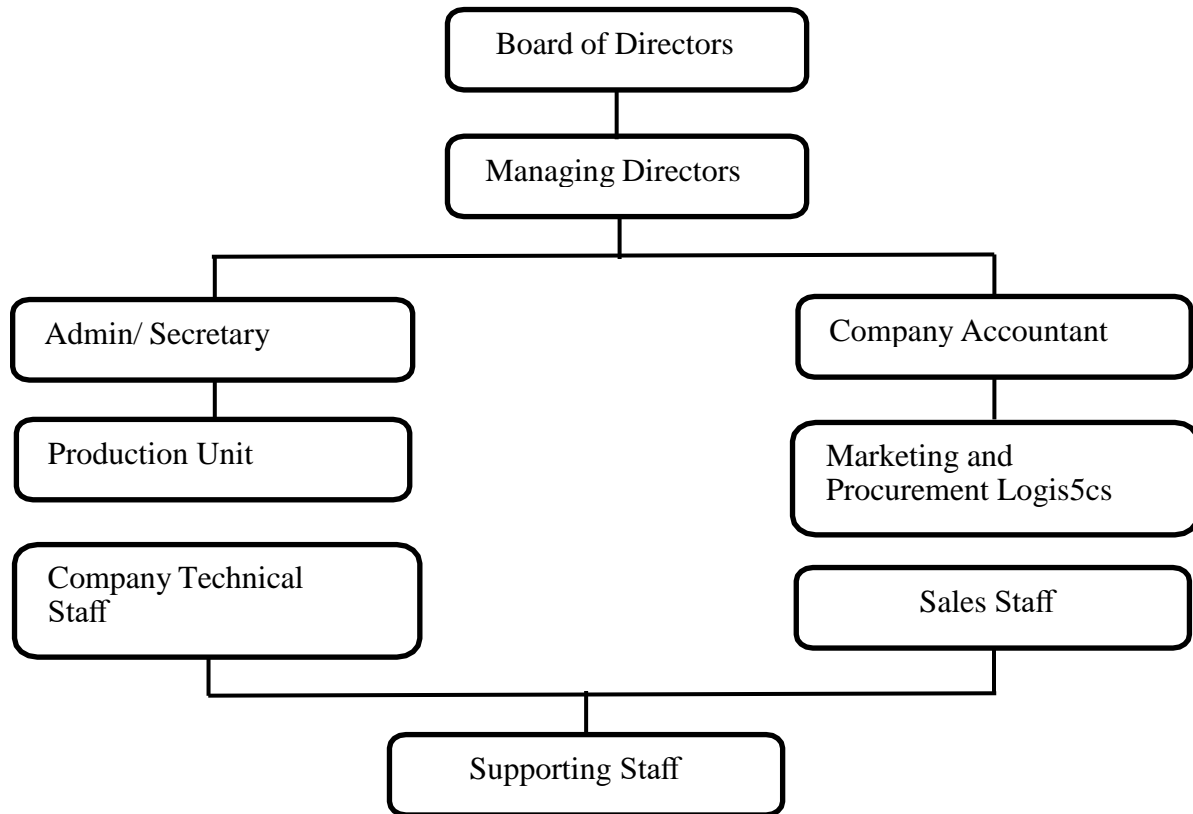
Rift valley industries limited registered on 17/05/2016 with registration number 127266, and acquired TIN under TRA on 09/September 2016 with TIN number 131-368-720.

The main company aim was to operate on food industries by engaging on manufacturing of grain mill products as main activity, but due to business diversification and operation capital maintenance and sustainability, the company decided to engage also in construction industries by involving partnership with experienced construction and building materials manufacturer companies in the country M/S ARUSHA AGGREGATES LIMITED OF ARUSHA, the company was incorporated since 3rd January 1992 with incorporation No.20327. (TIN No) 100-169-568. The company registered under civil contractors under number C3/0065/12/08 and building contractors' class 5 (B5/0143/2002). The company also engages in Quarry projects to produce rock aggregates with its primary site located at King'ori – Arusha Region.

## **2.0. LOCATION OF THE PROJECT AND LAND SIZE.**

The project will be located at Kiongozi Village, Maisaka Ward, and Babati Town Council in Manyara Region. The land acquired size is 64 Acres which will be demarcated for quarrying, crushers plant, precast plant and block making factory.

### 3.0. ORGANISATION STRUCTURE



### 4.0. RATIONALE OF THE PROJECT,

The rationale is to install a crushing and a precast plant in order to supply quality aggregate to Manyara, Singida, and Dodoma and nearby region as required. The company engages in Quarry projects to produce rock aggregate and in turn manufacturing blocks, paving blocks, precast and quarry products.

#### 4.1. National Industrial Development Plan to 2025.

Tanzania plan is to develop industrial sector according to national industrial strategic plan to 2025, which aimed to increase employment to the local community, government income generation through taxes and technology importation.

#### **4.2. The National Investment Promotion Policy, 1996**

The National Investment Promotion Policy seeks to promote the growth of local and international investments by strategically utilizing the scarce natural, social and capital resources to accomplish it. The policy stresses the need for modernization of equipment and technological upgrading of the process so as to enable optimal use of available sources, improved efficiency operation, improvement in the quality of products, Services and co-products, etc. Other objective is maximum promotion of infrastructures orientation to facilitate business and exchange of goods and services to enhance the development of a dynamic and competitive economy. Therefore, the Rift valley industries Limited will cater for both local and international markets and the institution activities are in line with the provisions of this policy by invest in the area.

#### **5.0. MARKETING PLAN AND SITUATION ANALYSIS,**

##### **5.1. MARKET PLAN,**

Rift valley industries limited will focus to serve the Region at whole and the neighboring Regions (Dodoma and Singida). The company has done the marketing and situation analysis and observe that there is a huge demand and opportunities, that this business investment will serve the purpose of supplying building material in the region for the new constructed bus terminal, and the expansion of Babati town Council and nearby villages, small towns like Magugu, Mdori, Katesh, Hanang and moreover all commercial and residential buildings; highways, airports, bridges, sidewalks, factories and power generation facilities; water storage, filtration, and delivery systems; and wastewater collection and treatment systems, which by the development of Babati all these facilities will be among the requirements within upcoming 20 years.

##### **5.2. SITUATION ANALYSIS.**

This idea came into mind after observing construction challenges in Babati town, Manyara region and its neighbors like Singida and Dodoma on difficult availability and high demand of construction materials especially aggregates.

Since it is impossible to construct a city and other infrastructures without using natural aggregate sand, gravel, and crushed stone, the amount of these essential construction materials required to be used each year is abundant. Aggregate is used to build and maintain urban, Suburban, and rural infrastructures.

**Table 1: Babati Demand and Supply Capacity and projection for sixteen (16) years to 2035**

YEARS	PRODUCTS	DEMAND (TONS)	SUPPLY CAPACITY (TONS)	COVERAGE DEFICIT	DEMAND VALUE (TSHS)	SUPPLY VALUE (TSHS)	DEFICIT VALUE (TSHS)
2020	AGGREGATES	93600	50400	43200	2,808,000,000	1,512,000,000	1,296,000,000
2021	AGGREGATES	115200	57600	57600	3,456,000,000	1,728,000,000	1,728,000,000
2022	AGGREGATES	172800	64800	108000	5,184,000,000	1,944,000,000	3,240,000,000
2023	AGGREGATES	198600	174300	24300	5,958,000,000	5,229,000,000	729,000,000
2024	AGGREGATES	248700	217000	31700	7,461,000,000	6,510,000,000	951,000,000
2025	AGGREGATES	375000	375000	0	11,250,000,000	11,250,000,000	0
2026	AGGREGATES	475000	468000	7000	14,250,000,000	14,040,000,000	200,000,000
2027	AGGREGATES	475000	487000	+12000	14,250,000,000	14,610,000,000	360,000,000
2028	AGGREGATES	495000	487000	8000	14,850,000,000	14,610,000,000	240,000,000
2029	AGGREGATES	512000	499200	12800	15,360,000,000	14,976,000,000	384,000,000
2030	AGGREGATES	555600	503000	52500	16,668,000,000	15,090,000,000	1,578,000,000
2031	AGGREGATES	598000	511000	87000	17,040,000,000	15,330,000,000	1,710,000,000
2032	AGGREGATES	632000	545000	87000	18,960,000,000	16,350,000,000	2,610,000,000
2033	AGGREGATES	652000	570000	82000	19,560,000,000	17,100,000,000	2,460,000,000
2034	AGGREGATES	683000	630000	53000	20,490,000,000	18,900,000,000	1,590,000,000
2035	AGGREGATES	699500	645000	54500	20,985,000,000	19,350,000,000	1,635,000,000

### **5.3. TARGETED MARKET**

Apart from serving the Region, the company also realized that there will be much business opportunity in Singida and Dodoma Region where a lot of facilities required like government buildings, United States Agencies buildings, Hospitals, Non and Government Staff apartments, Hospitals, Hotels and without forgetting the huge project like Dodoma Stadium and International Airport, which they will all need feeding of aggregates for implementations.

There upcoming new project like; Government Housing scheme to be developed at BABATI town, Sport Arena (Stadium proposed to be built in Manayara Region possibly Babati Town.

Large water scheme, irrigation project in Mbulu Dc,

Additional of tarmac road to connect districts and regions, as well as districts roads in Babati and sub-urban

### **5.4. MARKET SHARING.**

Since our company will be among the giant in Manyara region for aggregates supply according to the investment planned, but it cannot hinder other competitors and suppliers to cover their market in the same regions.

Our company target is for large projects especially government projects like roads, schools, hospitals; bus stands terminals, markets and government buildings.

We will be covering those Markets and still empowering other small suppliers by outsourcing in a whole sale discount packages to the local small suppliers.

### **5.5. MARKET COMPETITIVE ANALYSIS**

- Outstanding customer service,
- high-quality and modernized equipment (long-term investment tangible assets),
- easy access to facilities and good location,
- speed of service delivery,
- honesty,
- Differentiated services and environmental protection are among the critical success factors services industry.

- Rift valley industries Ltd will compete well in our market by offering outstanding customer service involving quality products through the use of high-quality equipment at the best location along Arusha-Babati-Dodoma road. All those will be accompanied by high speed but perfect services to meet our client's expectations, use of specifically trained staff in customer services, who are honesty and caring.

**Market competitors** - No serious competitors observed since their production are small comparing to market demand, there main three (3) companies includes Rocktronic ltd, Ms MBISE, Ms Polepole, these three aggregates companies covers only about 45% of the market demand, and small area only Babati and small neighboring suburban centers like Mdori, Magugu, Dareda etc. Our company production capacity focused on intensive market including nearby and far region like Dodoma and Singida.

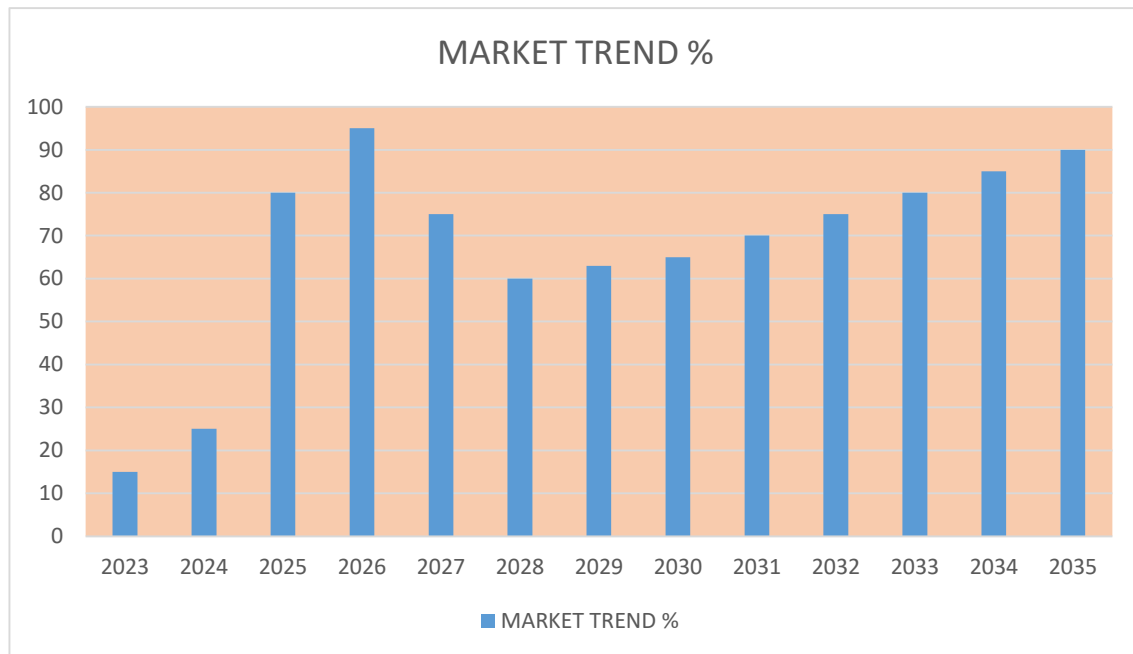
## **5.6. MARKET TREND**

The high demand of aggregate is becoming increasingly competitive. The increasing competition is becoming apparent through:

- Increased number of investors who definitely will require construction of their apartments, gowdowns, etc.
- Increase in Industries
- Increase the need of infrastructures (bridges, airport, railways, roads)
- Increase the number of Gas stations.
- Proposed government housing schemes,
- Proposed Football Arena (Stadium)

Despite of the above situation, the aggregate seen as a profitable industry, provided that owners can differentiate their firms, create a loyal customer base, and develop methods to attract new customers.

**Graph 1 shows market trend over 13 years.**



## **6.0. PRICING PLAN (SELLS)**

Price setting is a critical decision in ensuring the Company achieves its objectives. Price setting is aimed to achieve the following objectives

- ✓ Maximum profit
- ✓ Sustain competition
- ✓ Sustain market in a large magnitude.
- ✓ Sustain production.

The Lift valley industries limited will ensure it set up prices of its products to cover its costs in order to continue staying in the business and serving community as well.

## **6.1. SALES MODEL**

Mode of sales will be through cash, contract, agreements and based discount will be done to the percentage of suppliers from 25%, 50 % 75% and 100 %, and this will be done according to the selling targeted ceiling for a specific period of time and specific order bulkiness.

## **7.0. KEYS TO SUCCESS,**

The Key Success Factors for Rift valleys industries limited partnered with Arusha Aggregate Ltd includes;-

- Speed of service delivery whereby using its modern technology and hard workers, the customer will get the services within the short time,
- Differentiated services (Free Delivery to certain order level and distance) – we will do this after few years of operation whereby our esteemed customers enjoy our services by additional benefits or bonus for free transport,
- Strategic location, the business is not far from the main road Arusha –Babati-Dodoma Roads where the products can be easy transported to Babati and the neighboring Regions (Dodoma, Singida).
- Experience – Rift Valley Industries affiliated with Arusha aggregates limited which has more than 10 years’ experience on aggregates business.
- Quality materials- as per our geological survey report, rock deposit of Kiongozi village is among the best rock for aggregates, and has enough deposits which can last for many years – More than 50 years.
- Availability of capital and willingness of the financial institutions (Bank) to fund the project from the construction stage to operation with minimum payback rate and long-term payment contract to 15 years.

## **8.0. PROJECT IMPLEMENTATION PLAN BY PHASES**

### **8.0 INVESTMENT COST ANALYSIS,**

The company expecting to invest about 3 Millions USD, which 40% will be sourced from other company operations income and 60% loan from financial institutions. Local banks are willing 100% to support the project investment due to its value, sustainability and market assurance, which guarantee smooth payback period over 10 to 15 years of agreement.

**LOAN APPLICATION AND PAYBACK SCHEDULE FROM LOCAL FINANCIAL INSTITUTIONS 60% (1,800,000 USD)  
(4,500,000,000 TSH). – REDUCTION RATE.**

**Duration : 60 Months , Rate : 22 %**

<b>Principal</b>	<b>Monthly Installment</b>	<b>Interest</b>	<b>Principle Installment</b>	<b>Outstanding</b>	<b>Month</b>	<b>Days</b>	<b>Month Of</b>
4,500,000,000.00	159,082,191.78	84,082,191.78	75,000,000.00	4,425,000,000.00	1	31	<b>1 / 60</b>
4,425,000,000.00	149,679,452.05	74,679,452.05	75,000,000.00	4,350,000,000.00	2	28	<b>2 / 60</b>
4,350,000,000.00	156,279,452.05	81,279,452.05	75,000,000.00	4,275,000,000.00	3	31	<b>3 / 60</b>
4,275,000,000.00	152,301,369.86	77,301,369.86	75,000,000.00	4,200,000,000.00	4	30	<b>4 / 60</b>
4,200,000,000.00	153,476,712.33	78,476,712.33	75,000,000.00	4,125,000,000.00	5	31	<b>5 / 60</b>
4,125,000,000.00	149,589,041.10	74,589,041.10	75,000,000.00	4,050,000,000.00	6	30	<b>6 / 60</b>
4,050,000,000.00	150,673,972.60	75,673,972.60	75,000,000.00	3,975,000,000.00	7	31	<b>7 / 60</b>
3,975,000,000.00	149,272,602.74	74,272,602.74	75,000,000.00	3,900,000,000.00	8	31	<b>8 / 60</b>
3,900,000,000.00	145,520,547.95	70,520,547.95	75,000,000.00	3,825,000,000.00	9	30	<b>9 / 60</b>
3,825,000,000.00	146,469,863.01	71,469,863.01	75,000,000.00	3,750,000,000.00	10	31	<b>10 / 60</b>
3,750,000,000.00	142,808,219.18	67,808,219.18	75,000,000.00	3,675,000,000.00	11	30	<b>11 / 60</b>
3,675,000,000.00	143,667,123.29	68,667,123.29	75,000,000.00	3,600,000,000.00	12	31	<b>12 / 60</b>
3,600,000,000.00	142,265,753.42	67,265,753.42	75,000,000.00	3,525,000,000.00	1	31	<b>13 / 60</b>
3,525,000,000.00	134,490,410.96	59,490,410.96	75,000,000.00	3,450,000,000.00	2	28	<b>14 / 60</b>
3,450,000,000.00	139,463,013.70	64,463,013.70	75,000,000.00	3,375,000,000.00	3	31	<b>15 / 60</b>
3,375,000,000.00	136,027,397.26	61,027,397.26	75,000,000.00	3,300,000,000.00	4	30	<b>16 / 60</b>
3,300,000,000.00	136,660,273.97	61,660,273.97	75,000,000.00	3,225,000,000.00	5	31	<b>17 / 60</b>
3,225,000,000.00	133,315,068.49	58,315,068.49	75,000,000.00	3,150,000,000.00	6	30	<b>18 / 60</b>
3,150,000,000.00	133,857,534.25	58,857,534.25	75,000,000.00	3,075,000,000.00	7	31	<b>19 / 60</b>
3,075,000,000.00	132,456,164.38	57,456,164.38	75,000,000.00	3,000,000,000.00	8	31	<b>20 / 60</b>
3,000,000,000.00	129,246,575.34	54,246,575.34	75,000,000.00	2,925,000,000.00	9	30	<b>21 / 60</b>
2,925,000,000.00	129,653,424.66	54,653,424.66	75,000,000.00	2,850,000,000.00	10	31	<b>22 / 60</b>
2,850,000,000.00	126,534,246.58	51,534,246.58	75,000,000.00	2,775,000,000.00	11	30	<b>23 / 60</b>
2,775,000,000.00	126,850,684.93	51,850,684.93	75,000,000.00	2,700,000,000.00	12	31	<b>24 / 60</b>
2,700,000,000.00	125,449,315.07	50,449,315.07	75,000,000.00	2,625,000,000.00	1	31	<b>25 / 60</b>
2,625,000,000.00	119,301,369.86	44,301,369.86	75,000,000.00	2,550,000,000.00	2	28	<b>26 / 60</b>
2,550,000,000.00	122,646,575.34	47,646,575.34	75,000,000.00	2,475,000,000.00	3	31	<b>27 / 60</b>
2,475,000,000.00	119,753,424.66	44,753,424.66	75,000,000.00	2,400,000,000.00	4	30	<b>28 / 60</b>
2,400,000,000.00	119,843,835.62	44,843,835.62	75,000,000.00	2,325,000,000.00	5	31	<b>29 / 60</b>
2,325,000,000.00	117,041,095.89	42,041,095.89	75,000,000.00	2,250,000,000.00	6	30	<b>30 / 60</b>
2,250,000,000.00	117,041,095.89	42,041,095.89	75,000,000.00	2,175,000,000.00	7	31	<b>31 / 60</b>
2,175,000,000.00	115,639,726.03	40,639,726.03	75,000,000.00	2,100,000,000.00	8	31	<b>32 / 60</b>

00,000,000.00	112,972,602.74	37,972,602.74	75,000,000.00	2,025,000,000.00	9	30	<b>33 / 60</b>
25,000,000.00	112,836,986.30	37,836,986.30	75,000,000.00	1,950,000,000.00	10	31	<b>34 / 60</b>
50,000,000.00	110,260,273.97	35,260,273.97	75,000,000.00	1,875,000,000.00	11	30	<b>35 / 60</b>
75,000,000.00	110,034,246.58	35,034,246.58	75,000,000.00	1,800,000,000.00	12	31	<b>36 / 60</b>
100,000,000.00	108,632,876.71	33,632,876.71	75,000,000.00	1,725,000,000.00	1	31	<b>37 / 60</b>
125,000,000.00	104,112,328.77	29,112,328.77	75,000,000.00	1,650,000,000.00	2	28	<b>38 / 60</b>
150,000,000.00	105,830,136.99	30,830,136.99	75,000,000.00	1,575,000,000.00	3	31	<b>39 / 60</b>
175,000,000.00	103,479,452.05	28,479,452.05	75,000,000.00	1,500,000,000.00	4	30	<b>40 / 60</b>
200,000,000.00	103,027,397.26	28,027,397.26	75,000,000.00	1,425,000,000.00	5	31	<b>41 / 60</b>
225,000,000.00	100,767,123.29	25,767,123.29	75,000,000.00	1,350,000,000.00	6	30	<b>42 / 60</b>
250,000,000.00	100,224,657.53	25,224,657.53	75,000,000.00	1,275,000,000.00	7	31	<b>43 / 60</b>
275,000,000.00	98,823,287.67	23,823,287.67	75,000,000.00	1,200,000,000.00	8	31	<b>44 / 60</b>
300,000,000.00	96,698,630.14	21,698,630.14	75,000,000.00	1,125,000,000.00	9	30	<b>45 / 60</b>
325,000,000.00	96,020,547.95	21,020,547.95	75,000,000.00	1,050,000,000.00	10	31	<b>46 / 60</b>
350,000,000.00	93,986,301.37	18,986,301.37	75,000,000.00	975,000,000.00	11	30	<b>47 / 60</b>
375,000,000.00	93,217,808.22	18,217,808.22	75,000,000.00	900,000,000.00	12	31	<b>48 / 60</b>
400,000,000.00	91,816,438.36	16,816,438.36	75,000,000.00	825,000,000.00	1	31	<b>49 / 60</b>
425,000,000.00	88,923,287.67	13,923,287.67	75,000,000.00	750,000,000.00	2	28	<b>50 / 60</b>
450,000,000.00	89,013,698.63	14,013,698.63	75,000,000.00	675,000,000.00	3	31	<b>51 / 60</b>
475,000,000.00	87,205,479.45	12,205,479.45	75,000,000.00	600,000,000.00	4	30	<b>52 / 60</b>
500,000,000.00	86,210,958.90	11,210,958.90	75,000,000.00	525,000,000.00	5	31	<b>53 / 60</b>
525,000,000.00	84,493,150.68	9,493,150.68	75,000,000.00	450,000,000.00	6	30	<b>54 / 60</b>
550,000,000.00	83,408,219.18	8,408,219.18	75,000,000.00	375,000,000.00	7	31	<b>55 / 60</b>
575,000,000.00	82,006,849.32	7,006,849.32	75,000,000.00	300,000,000.00	8	31	<b>56 / 60</b>
600,000,000.00	80,424,657.53	5,424,657.53	75,000,000.00	225,000,000.00	9	30	<b>57 / 60</b>
625,000,000.00	79,204,109.59	4,204,109.59	75,000,000.00	150,000,000.00	10	31	<b>58 / 60</b>
150,000,000.00	77,712,328.77	2,712,328.77	75,000,000.00	75,000,000.00	11	30	<b>59 / 60</b>
75,000,000.00	76,401,369.86	1,401,369.86	75,000,000.00	0.00	12	31	<b>60 / 60</b>

#### 8.4 PHASE 1: LAND ACQUISITION (2018)

Rift valley industries limited acquired land for aggregates in Kiongozi village, Kiongozi ward Babati town council Manyara region, about 64 acres bought from different 24 peoples.

- Land acquiring followed all procedures under village and district guidelines and rules by calling village meeting and having village minutes,
- Compensation to the families affected by acquiring process of that land by conducting valuation exercise and financial compensation, reallocation and construction of new up-standards (Modern houses).
- Paying 10 % sells agreement value to the village,
- Paying sells agreement value service levy 0.3 % to TRA.

**TABLE 2: LAND ACQUISITION FINANCIAL DIRECT COST SUMMARY**

S/N	PARTICULARS	BENEFICIARIES	YEARS	COST (Tshs)
1	Land searching	Kiongozi village	2015-2018	10,000,000
2	Land purchasing	Kiongozi villagers	2018-2019	67,900,000
3	Village meeting & minutes costs	Kiongozi	2019	2,000,000
4	Valuation exercise and compensation cost	Kiongozi villagers	2019	45,000,000
5	Land surveying and occupancy process cost,	Rift valley	2019	5,000,000
6	10% village sells agreement cost	Kiongozi village	2019-2020	6,790,000
7	0.3 % sells agreement TRA cost.	TRA	2019-2020	203,700
8	Land clearing and boundaries demarcation cost	Rift valley	2019	7,000,000
	<b>Total</b>		<b>2015-2020</b>	<b>143,893,700</b>

After the whole land acquisition procedures, company will enter into business partnership agreement with Arusha aggregates limited to operate on quarry extraction of the area, and having clear contract on operation capital and profit sharing.

#### 8.4 PHASE II: SITE PREPARATION AND MOBILIZATION

Company will order and mobilize different machines and equipment's ready for site set-up and construction of auxiliary facilities at the site.

Among the construction to be organized will be containers stores, office block, security house and office, labours camp especially site Manager.

Among the machines and equipment's to be organized are:

**TABLE 3: SHOWS SITE PREPARATION AND MOBILIZATION FIGURES**

SN	ASSET	MODEL & CAPACITY	QTY	COST (Tsh)	YEAR
<b>A</b>	<b>Preliminary Service provision</b>				
1	Casual Labour, (Site preparation)	Male 30 Female 5	35	Monthly <b>5,250,000</b>	<b>2019-2021</b>
2	Road clearing and paving	Gravel standards	1.km	4,800,000	
3	Electricity connection	Poles and transformer	-	16,000,000	
4	Drilling water borehole	Borehole & pump	120m	20,000,000	
		<b>SUB-TOTAL</b>		<b>46,050,000</b>	
<b>B</b>	<b>Tools and equipment's</b>				
1	Motor vehicles		3	3,500,000,000	<b>2020-2021</b>
2	Truck		4		
3	Bulldozer		3		
4	Caterpillars		4		
5	Crusher		1		
6	Generator		2		
<b>C</b>	<b>Building structure's and facilities</b>				

1	Office building,furnitures & fixtures,	Staff amenities	-	170,000,000	<b>2022</b>
		<b>SUB-TOTAL</b>		<b>3,670,000,000</b>	
	<b>TOTAL</b>	<b>TOTAL COST</b>		<b>3,716,050,000</b>	<b>2022</b>

#### 8.4 PHASE III: OPERATION AND PRODUCTION PHASE

The project was expecting to start its operations by 2019 after fulfillment of all legal and mandatory requirements as required by country law.

BUT: due to unavoidable investment circumstances happens between villagers, District council and us as investors concerning operation contracts and Land ownership clarifications, it has taken up to August 2023 to start operation yet in below 40% as some of the machines and contract agreement issues not clearly sorted out.

#### 9.0 PRODUCTION AND PROFIT MARGIN

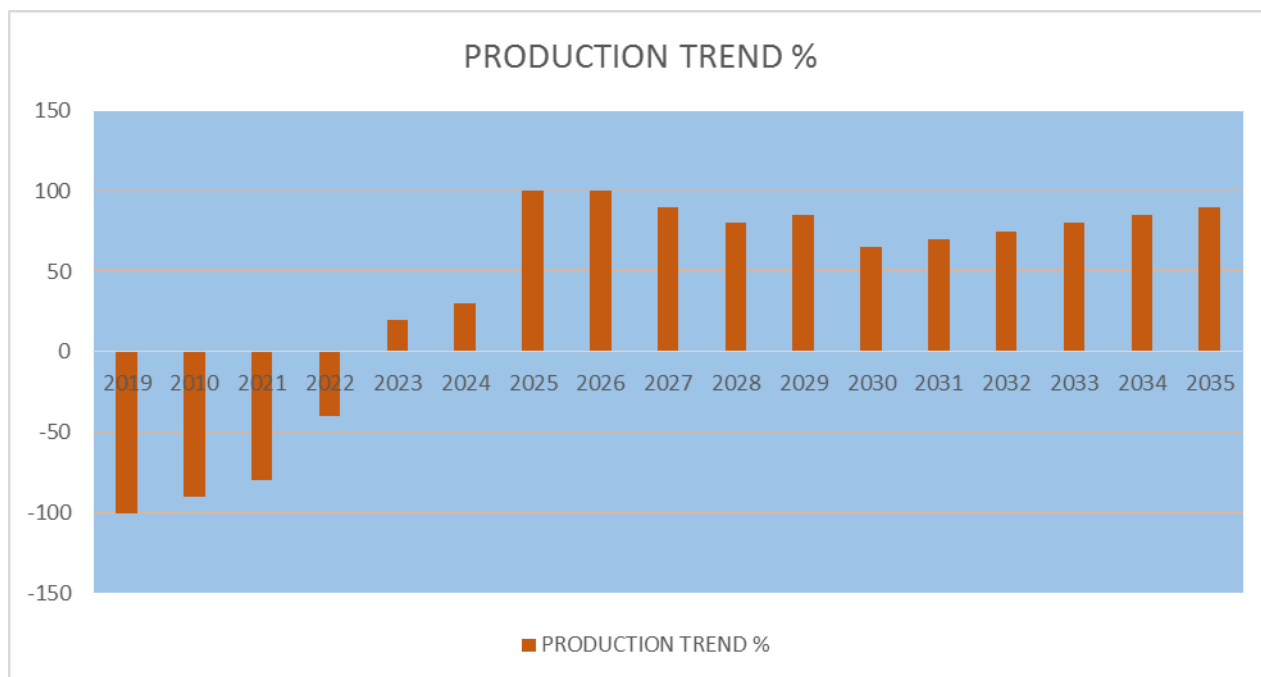
**TABLE 10: GROSS PROFIT MARGIN**

N/s	Raw Materials  (300 Tons per Month)	Buying price per Ton per USD.(Raw materials)	Selling price per products per ton per USD.	Month production capacity in Tons.	Selling per Month USD	Gross Profit margin per Month. USD.	Gross Profit margin Per Annum USD.
1	Blocks	750	1100	100	110,000	35,000	420,000
2	Paving blocks	750	2000	2	4000	2500	30,000
3	Precast	750	2000	2	4000	2500	30,000
4	Quarries	750	2000	20	40,000	25,000	300,000
	<b>TOTAL</b>			<b>126 tones</b>	<b>163,000</b>	<b>65,300</b>	<b>816,000</b>

**TABLE 11: SELLS PROJECTION**

<b>N/S</b>	<b>YEAR(S)</b>	<b>PRODUCTION CAPACITY PER MONTH (TONES).</b>	<b>PROJECTION SELLING CAPACITY MONTH (USD.)</b>	<b>PROJECTION SELLING CAPACITY YEAR (USD).</b>	<b>PERCENTAGE % INCREASE ANNUALLY</b>
1	2023	76	108,000	1,296,000	1.0 %
2	2024	95	134,000	1,608,000	8 %
3	2025	117	166,257	1,995,084	6.8 %
4	2026	132	187,572	2,250,864	6.8 %
5	2027	150	213,150	2,557,800	6.8 %
6	2028	162	226,200	2,714,400	6.8%
7	2029	173	234,450	2,813,400	6.8%
8	2030	178	248,670	2,984,040	6.8%
9	2031	186	264,000	3,164,000	6.8%
10	2032	192	273,930	3,287,160	6.8%
11	2033	201	298,320	3,579,840	6.8%
12	2034	233	303,210	3,638,520	6.8.%
13	2035	250	345,000	4,140,000	6.8%
					<b>89.4 % TOTAL 13 YEARS</b>

**Graph 2: Production column,**



**TABLE 12: GENERAL CASH FLOW PROJECTION FOR THE PERIOD OF 16 YRS (USD)**

YEAR	TOTAL CASH INFLOWS	TOTAL CASH OUTFLOW	NET CASHFLOWS
2019-2020	NIL	143,893,700	143,893,700
2020- 2021	NIL	46,050,000	46,050,000
2021 -2022	NIL	3,670,000,000	3,670,000,000
2022 – 2023	765,720	358,313	507,407
2023 -2024	7,245,720	6,496,044	749,676
2024-2025	7,545,866	3,745,866	3,800,000
2025- 2026	7,846,012	4,046,012	3,800,000
2026-2027	8,146,158	4,246,158	3,900,000
2027-2028	8,446,304	5,346,304	3,100,000
2028-2029	8,746,448	5,636,448	3,110,000
2029-2030	9,046,592	5,926,592	3,120,000
2030-2031	9,346,736	6,216,736	3,130,000
2031-2032	9,646,880	6,506,880	3,140,000
2032-2033	9,947,024	6,797,024	3,150,000
2033-2034	10,247,168	7,097,168	3,150,000
2034-2035	10,547,312	7,387,312	3,160,000
<b>16 YEARS</b>	<b>107,523,940</b>	<b>36,959,750,557</b>	<b>3,897,760,783</b>

## 10.0 FINANCIAL ANALYSIS – MANDATORY EXPENDITURES

**TABLE 13: YEARLY OVERHEADS EXPENDITURE**

ITEM	QUANTITY	PRICE (Tsh)
Water Bills	-	5,000,000
Electricity (Units)	-	180,000,000
Fuel	100,000LTR	250,000,000
Business license		500,000
Corporate Tax		3,501,108.3
VAT		210,066,498
Pay As You earn (PAYE)		17,000,000
Mining Tax		2,000,000
Land Rent charges		12,000,000
Compliance permits	Osha,fire,NEMC,TBS –weigh,	10,000,000
Salaries	12months – 300 workers	504,000,000
Insurance	PREMIUM	12,000,000
Corporate social responsibilities (CSR)	Babati District	150,000,000
Other expenses	Rampsum	10,000,000
<b>TOTAL ANNUAL EXPENDITURE</b>		<b>1,366,067,606.3</b>

## 11.0 BENEFITS OF THE PROPOSED PROJECT

Besides making use of the land which has been underutilized for many years, the project has various benefits to the community and the government as well, these include;

- Economic benefits due to creation of employment and generation of income to the community.
- Benefits to the government through corporate taxes and levies
- Natural resources utilization and value added to the resources of this nature.

- Business diversification and investment opportunity to local citizens who are eager to utilize their own country's resources by following the national laws and regulations.
- Increase economic well-being of the investor with sustainability of the environment through concurrent mining.

## 12.0 TABLE 14: BENEFITS OF THE PROJECT

These are mandatory expenses which have to be taken care during operations of the project. These costs are payable to the government organs and services providers either annually or monthly.

DIRECT BENEFITS				INDIRECT BENEFITS		
S/N	Particulars	Beneficiaries	Down effect	Particular	Beneficiaries	Down effects
1	Salaries	300 peoples of Babati	Babati community	Trickle-down Employment	Food vendors, Bodaboda,	Individual income
2	Village income tax	Village revenue	Kiongozi village	Schools, health centers, road networks.	community	Improvement of life
3	Taxes	TRA/BABATI	National income distribution	Schools, health center,road,water services	community	Life improvement
4	Purchasing power	<ul style="list-style-type: none"> <li>• Cement</li> <li>• Bars</li> <li>• Oils</li> <li>• stationeries</li> <li>• Spare parts</li> <li>• PPEs,</li> <li>• Sand</li> <li>• Paints</li> <li>• Diesel</li> </ul>	Babati entrepreneurs and community	<ul style="list-style-type: none"> <li>• Transportation,</li> <li>• Individual shops and general suppliers,</li> <li>• Services handlers</li> </ul>	Community	Individual income

		<ul style="list-style-type: none"> <li>• Meals</li> <li>• Drinks</li> </ul>					
5	Supply power	<ul style="list-style-type: none"> <li>• Blocks</li> <li>• Aggregates</li> <li>• CRR</li> <li>• CRS</li> <li>• Hardcore materials</li> <li>• Precast materials – Culverts</li> </ul>	Babati community including health centers, schools, TARURA, Tanroads, community.		Construction materials easy availability	<ul style="list-style-type: none"> <li>• Individual community,</li> <li>• Institution,</li> <li>• Private institutions,</li> </ul>	Urbanization and rapid growth of the city, building structures and facilities.
6	Service charges and levy	TANESCO Water bills - BAWASA Weigh OSHA NEMC FIRE Babati DC	Government agents		Service charges	Government agents	Tanzania community

### 13.0 SWOT ANALYSIS

<b>STRENGTH</b>	<b>WEAKNESS</b>	<b>THREATS</b>	<b>OPPORTUNITY</b>
<p>The key strengths inherent in the Company include the following:</p> <ul style="list-style-type: none"> <li>• The use of modern technology and differentiated services.</li> <li>• The best location we are located at.</li> <li>• The commitment in terms of the amount of Investor towards the cost of business operations.</li> <li>• The good leadership and communication skills of the entrepreneurs as</li> </ul>	<p>The weaknesses inherent in the Company include the following:</p> <p>Availing to higher quality observations only.</p>	<p>The key driving forces in the external environment which are likely to have a negative influence on the operations of the business include the following:</p> <ul style="list-style-type: none"> <li>• The competition from other competitors in the market</li> <li>• The potential for possible claims/penalties as a result of none compliance in terms of the Employment and Labor Relations Act, the Occupational Health and</li> </ul>	<p>The key driving forces responsible for the increase in the demand for aggregate include the following:</p> <ul style="list-style-type: none"> <li>• Increased number buildings</li> <li>• The increase of infrastructures, roads, stadium, airport)</li> <li>• The existence of untapped markets.</li> </ul>

<p>revealed in the operations of other businesses.</p> <ul style="list-style-type: none"> <li>• The knowledge and qualifications of the employees regarding customer care and technological know how</li> <li>• Shared values that demonstrate a strong business culture</li> </ul>		<p>Safety Act, Income Tax Act, Environmental Management Act.</p> <p>However the business will ensure that it complies with the laws of the Republic by all means.</p> <ul style="list-style-type: none"> <li>• The heavy demand from the community for employment</li> </ul>	
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## **14.0 INVESTMENT CHALLENGES**

There was a challenge by the time the company decided to invest. This made a delaying of investment because there were some houses with the project site. The land evaluation process has to be done to compensate those people within the project area. The cash were paid and houses built to compensate those people within the project area (143,893,700/=) The delay of getting permit from the local government authority with a lot of bureaucracy for example, Mining permit. The lack of electricity in the village and even after request for Tanesco electricity it was of low voltage (KVA 300) of which the company machineries requires (KV 500). The lack of accessible road from the main road to the project site, then compensation has to be done to farm owners for the company to get the accessible road.

The investment cost of USD 3 million was injected in the business. But unfortunately to date the operation has not started despite the plant and other infrastructures are in place since the year 2019. In business aspect this we term it as loss to the investor, villages

## **15.0 CURRENT SITUATION ANALYSIS**

Despite to the whole legally process to acquire the land, to date no any permit has provided for the company to operate in the village due to conflict between the investor (company) and village leaders which has debated for almost two years now since the year 2019. The Investors collide in the same site (villages), making to date a long debate to respective village leaders, investor and District authorities.

Apart from a conflict between the investors and village leaders, the other problem the Investor facing is the requirement to build the mobile concrete costing around Tsh. 500 Millions for investment duration of seven years contract between the investor and Babati District Council. By looking to the seven years contract between the investor and Babati District Council the Investor forecasting that the project will not breakeven as far as by experience the mobilization and other procedures took almost two years

The investor in Kiongozi village has so far built the office and staff apartments, installation of generator and national grid electricity ready for huge aggregates crushing operation, mobilizing the plants (machinery),

Due to delaying of this project, despite the loss to the Investor, also the Regional, District and Village is losing too, for the village levy, the electric bills, the Water bill, The OSHA compliance charges, corporate tax, no employment, service levy.

The suppliers are losing for not supplying the hardware items, the food, the diesel, the petrol, the oil etc

Apart from the loss to the Government, the two Villages (Chem chem & Kiongozi), and around villages are disadvantaged for Corporate Social Responsibilities (CSP) as the Investor promised to supply water and electric to the village. The village is disadvantaged for constructed and renovated of rural and feeder roads. Due to this conflict the two Villages and other around them to date more 300 employments is hanging making the Villages and District economy stagnant.

Due to the delay of the project the Kiongozi village and the surrounding village are losing the Corporate Social Responsibilities from the Investor and these including the electricity supply, the water supply, the maintenance of the rural roads, the construction of classrooms, support to the health centers and village meetings

Despite for the all above obstacles and loss that we encountered as a company we still have spirit to continue investing at Kiongozi Village for Investment capital (USD 3millions). We are asking the Government to consider us to be one of investor to the Village for the village economic development, the district and Regional as a whole, as we have already mobilized machineries to the site, built the office and staff apartment, installing the Tanesco electrify and Generators, making compensation to villagers by paying cash and building some few houses as part of compensation to some villagers farms

## 16.0 APPENDIXES



TIN number justifying the Company is paying the Government Tax



Office building and Mobilized Machineries



Installed Company generator and TANESCO electricity



Installed Generator for backup electricity during the shortage of TANESCO power