



SHREE SONAL EARTH LIMITED

Business Plan

QUARRY EXTRACTION AND PROCESSING OPERATIONS IN NJOMBE



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EXECUTIVE SUMMARY

Shree Sonal Earth Limited is a newly established company headquartered in Dar-es-Salaam, Tanzania, with an extraction and processing site located in Njombe region. The company specializes in the extraction and processing of raw rocks into premium-grade pebbles, tailored for diverse construction needs. Shree Sonal Earth Limited offers three pebble sizes: Grade A (small), Grade B (medium), and Grade C (large), catering to needs in concrete reinforcement, landscaping, and decorative finishes. Positioned strategically in a region experiencing rapid urbanization and infrastructure growth, the company is well-equipped to meet the rising demand for high-quality construction materials.

To ensure efficiency, precision, and sustainability, the company has invested in advanced machinery and adheres to stringent quality standards, minimizing waste and enhancing production consistency. The management team comprises seasoned professionals with expertise from India and Africa, bringing operational excellence and market knowledge to the business.

Shree Sonal Earth Limited will create approximately 20 local jobs as operations scales, contributing to community development. Initial operational costs include machine maintenance, fuel expenses, and competitive salaries to ensure high productivity. With a planned capital investment of USD 500,000, the company is set to scale production and meet ambitious growth targets.

Key financial projections highlight a robust growth trajectory. Revenue will increase from 716.8 million in 2025 to 2.75 billion in 2029, with profit before tax reaching 1.98 billion by 2029. Cash flow remains positive, driven by effective liquidity management, while total assets grow to 3.84 billion. The balance sheet reflects strong financial stability with rising retained earnings and balanced liabilities.

Shree Sonal Earth Limited's marketing strategy emphasizes direct sales, government contracts, partnerships with hardware suppliers, and a digital presence to strengthen brand recognition. Competitive advantages include modern technology, superior product quality, and scalable operations, positioning the company as a trusted supplier in the Njombe construction market and beyond.

With a clear vision, robust financial planning, and a commitment to sustainable practices, Shree Sonal Earth Limited is poised to become a market leader, driving regional economic growth and delivering lasting value to stakeholders.

THE BUSINESS AND ITS OPERATION

Shree Sonal Earth Limited operates from Njombe, a region characterized by ongoing construction activities driven by urbanization and infrastructure projects. The company focuses on extracting raw rocks(quarry), which are processed into three categories of pebbles: small-sized (Grade A), medium-sized (Grade B), and large-sized (Grade C). These pebbles are tailored for various construction purposes, including concrete reinforcement, landscaping, and decorative finishes, offering versatility to meet diverse client needs.

The company has invested in advanced machinery to ensure precision and efficiency in its production processes. The machinery is designed to produce consistent and high-quality grades, minimizing waste and reducing environmental impact. By adhering to stringent quality standards, Shree Sonal Earth Limited ensures that its products meet the expectations of its clients, fostering trust and long-term business relationships. Additionally, the company has invested in management expertise, leveraging extensive experience gained from operating in India and a strong understanding of business practices in Africa. This combination of technological advancement and seasoned management experience enhances the company's ability to deliver superior products and reliable service across its markets.

Although Shree Sonal Earth Limited is a newly established business with no employees currently, the company has plans to create employment opportunities by hiring approximately 20 staff members as operations scale up. The management team comprises five experienced foreign professionals with a proven track record in the industry, whose expertise will guide the company's growth and operational excellence. This strategic blend of modern technology, experienced leadership, and a future workforce positions Shree Sonal Earth Limited for long-term success and positive contributions to the local economy.

Operational expenditures primarily include

- ❖ **Machine Maintenance:** Regular upkeep of crushing and grading equipment to minimize downtime and ensure consistent output.
- ❖ **Fuel Costs:** Essential for powering machinery and transporting finished goods to various market destinations.
- ❖ **Salaries:** Competitive compensation for employees to ensure motivation, retention, and high performance.

These well-managed operational systems ensure the smooth running of the company, allowing it to meet production targets effectively.

MARKET AND COMPETITOR ANALYSIS

The construction industry in Njombe is experiencing significant growth due to increasing urbanization and infrastructure development. This surge has created a high demand for processed construction materials, particularly pebbles, which are a critical component in various construction projects. The demand spans from local residential projects to larger infrastructure developments, making this market highly lucrative.

Market Opportunity

Njombe's expanding residential and commercial infrastructure has led to a robust demand for high-quality processed materials. Shree Sonal Earth Limited is strategically positioned to cater to this demand by offering reliable and consistent products. The region's growth trajectory is expected to continue, further increasing the need for processed pebbles. Additionally, the company plans to explore regional markets to widen its customer base and secure additional revenue streams.

Njombe, a newly established region in 2012, is experiencing rapid development as it builds its foundational infrastructure. This status as a newer region has resulted in a significant surge in construction activities, creating a substantial market for processed materials. Shree Sonal Earth Limited aims to capitalize on this unique growth opportunity by providing high-quality, sustainable solutions to meet the region's evolving construction needs, reinforcing its position as a trusted partner in the industry.

Competitive Landscape

While competitors exist within the region, many rely on outdated technology and lack the capacity to meet large-scale demand. Shree Sonal Earth Limited's modern production techniques and a commitment to quality give it a competitive edge. By investing in advanced machinery and maintaining rigorous quality controls, the company ensures superior products that set it apart from competitors.

Furthermore, the business owners plan to invest approximately USD 500,000 in the company. This substantial investment will strengthen the company's operational capacity, enabling it to scale production efficiently, adopt cutting-edge technologies, and enhance its infrastructure. This strategic financial commitment positions Shree Sonal Earth Limited as a formidable market player with the resources to meet growing demand, outperform competitors, and drive sustainable business growth.

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Business Plan

Target Market

The primary customers include:

- ❖ The government projects including buildings, roads, health centers, and schools.
- ❖ Construction companies undertaking large-scale projects.
- ❖ Hardware suppliers distributing construction materials.
- ❖ Individual contractors working on residential or small commercial projects.

By establishing long-term relationships with these clients, the company aims to secure a steady revenue stream. Strategic partnerships with construction firms and local distributors will further bolster market penetration and brand recognition.

Production targets and strategic benefits

Shree Sonal Earth Limited has set ambitious yet achievable production targets to meet market demands:

- ❖ **Year 1:** 5,000 tons
- ❖ **Year 2:** 7,000 tons
- ❖ **Year 3:** 9,000 tons
- ❖ **Year 4:** 11,000 tons
- ❖ **Year 5:** 13,000 tons

To achieve these targets, the company plans to leverage technical support and invest in process optimization. By doing so, it aims to reduce waste, improve product quality, and enhance overall efficiency. These measures will not only meet customer expectations but also reduce operational costs, thereby increasing profitability.

Strategic Benefits

Economic Impact: Creation of employment opportunities for local workers, contributing to community development and improving livelihoods.

Market Growth: Contribution to infrastructure development in Njombe and neighboring regions, driving economic growth and supporting local industries.

Sustainability: Adoption of environmentally friendly practices in resource extraction and waste management, ensuring compliance with regulatory standards and enhancing the company's reputation.

MARKETING AND SALES STRATEGY

The Shree Sonal Earth Limited marketing strategy focuses on building a strong brand presence and fostering relationships with key stakeholders in the construction industry. The company's efforts aim to establish itself as a reliable and preferred supplier of high-quality processed pebbles.

Value Proposition

The company offers high-quality processed pebbles tailored to meet diverse construction needs. By ensuring consistent product availability and superior customer service, Shree Sonal Earth Limited aims to position itself as the preferred supplier in the region. Its focus on quality, efficiency, and customer satisfaction distinguishes it from other competitors.

Sales Channels

- ❖ Government Institutions for various construction projects including infrastructures, health centers, and hospitals.
- ❖ Direct sales to construction companies and contractors, ensuring timely delivery and consistent supply.
- ❖ Partnerships with hardware suppliers for distribution, expanding market reach and visibility.

Marketing Activities

Local Outreach: Engaging with construction firms, attending trade fairs, and participating in industry events to showcase the company's capabilities.

Digital Presence: Creating a professional website and utilizing social media platforms to promote products and engage with potential clients.

Community Engagement: Supporting local initiatives, such as infrastructure development programs, to build goodwill and strengthen brand loyalty.

MANAGEMENT AND PERSONNEL PLAN

Shree Sonal Earth Limited's management structure is designed to ensure efficient operations and strategic growth. The company is led by experienced professionals with a strong background in the quarry and construction sectors.

Management Team

- ❖ **Managing Director:** Responsible for overall strategy, decision-making, and ensuring alignment with company goals.
- ❖ **Operations Manager:** Oversees production processes, ensures machine efficiency, and manages logistics.
- ❖ **Finance Manager:** Manages budgets, expenditures, financial planning, and compliance with regulatory requirements.

Personnel Plan

The Shree Sonal Earth Limited Personnel Plan will consist of : -

Local Staff (20): Skilled workers handling daily operations, ensuring smooth production and logistics.

Foreign Experts (5): Technical specialists providing expertise, training, and process optimization.

Continuous training programs are in place to enhance the skills of the workforce, ensuring high levels of productivity and safety. The company is committed to employee development, offering opportunities for career growth and fostering a collaborative work environment.

FINANCIAL PROJECTIONS

Revenue Projections

Revenue will be generated from the sale of processed pebbles, with prices determined by market demand and production costs. Anticipated revenue growth aligns with the production targets for the first two years. Projections indicate steady increases in revenue as the company expands its market presence and production capacity.

Expenditure Forecast

Shree Sonal Earth Limited's Key expenses includes:

- ❖ Maintenance of machinery, ensuring minimal downtime and consistent output.
- ❖ Salaries and wages, reflecting competitive compensation to retain skilled employees.
- ❖ Fuel and logistics costs, essential for operations and distribution

Profitability Timeline

The company aims to achieve profitability by the end of the first year of operations, with incremental growth in subsequent years driven by increased production and market penetration. Financial stability will be bolstered through prudent expense management and strategic reinvestments.

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Projected Cash Flow

The cash flow projection outlines cash inflows and outflows from December 25 to 29. Major **receipts** include a capital injection of 1.225 billion and sales revenue from GRADE A, B, and C products. **Payments** cover motor vehicle purchases, machinery, salaries, repairs, tax payments, and director remuneration. The **balance carried forward** grows steadily from 939.6 million to over 3.8 billion, demonstrating increasing liquidity and effective cash management critical for business growth and sustainability.

DESCRIPTION	Dec-25	Dec-26	Dec-27	Dec-28	Dec-29
a. Opening balance	-	939,618,725	1,021,201,921	1,586,644,328	2,377,672,471
b. RECEIPTS					
Capital Injected	1,225,000,000	-	-	-	-
GRADE A (small Size)	300,060,000	420,084,000	588,117,600	823,364,640	1,152,710,496
GRADE B (medium Size)	250,050,000	350,070,000	490,098,000	686,137,200	960,592,080
GRADE C (Large Size pebbles)	166,700,000	233,380,000	326,732,000	457,424,800	640,394,720
Total	1,941,810,000	1,943,152,725	2,426,149,521	3,553,570,968	5,131,369,767
c. PAYMENTS					
Purchases of motorvehicles	200,000,000	140,000,000	-	140,000,000	-
Plant and Machinery	300,000,000	96,000,000	-	-	-
Computer and Equipment	12,000,000	-	5,000,000	-	-
furnitures and Fittings	8,000,000	5,000,000	-	5,000,000	-
Licence and permits	20,000,000	22,000,000	24,200,000	26,620,000	29,282,000
Fuel Cost	41,600,000	45,760,000	50,336,000	55,369,600	60,906,560
Repairs & Maintainance	44,087,500	48,496,250	53,345,875	58,680,463	64,548,509
Salaries and benefits for staff	183,816,000	202,197,600	222,417,360	244,659,096	251,573,375
Security	15,534,480	17,087,928	18,796,721	20,676,393	22,744,032
Legal, accounting, statutory complia	12,000,000	13,200,000	14,520,000	15,972,000	17,569,200
Insurance	4,160,000	4,576,000	5,033,600	5,536,960	6,090,656
Meals	9,607,265	10,567,992	11,624,791	12,787,270	14,065,997
Utilities (electricity, water)	19,418,100	21,359,910	23,495,901	25,845,491	28,430,040
Airtime & Internet	1,345,620	1,480,182	1,628,200	1,791,020	1,970,122
Motor vehicle Insurance	10,000,000	11,000,000	12,100,000	13,310,000	14,641,000
Office and Store Rent	36,000,000	39,600,000	43,560,000	47,916,000	52,707,600
Tax payments	44,622,311	99,624,942	205,046,746	348,494,204	595,306,262
Directors remuneration	40,000,000	44,000,000	48,400,000	53,240,000	58,564,000
Dividend	-	100,000,000	100,000,000	100,000,000	100,000,000
Total	1,002,191,276	921,950,803	839,505,193	1,175,898,497	1,318,399,352
d. Balance carried forward	939,618,725	1,021,201,921	1,586,644,328	2,377,672,471	3,812,970,415

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Projected Income Statement

The income statement projection shows revenue growing from 716.8 million in 2025 to 2.75 billion by 2029. Direct costs and administrative expenses rise alongside, with operating expenses increasing steadily. Profit before tax climbs from 148.7 million to 1.98 billion, and profit after tax grows from 104.1 million to 1.39 billion, indicating strong financial performance and profitability over the years.

	Year 2025	Year 2026	Year 2027	Year 2028	Year 2029
1. Total Revenue	716,810,000	1,003,534,000	1,404,947,600	1,966,926,640	2,753,697,296
	716,810,000	1,003,534,000	1,404,947,600	1,966,926,640	2,753,697,296
2. Direct Costs					
Licence and permits	20,000,000	22,000,000	24,200,000	26,620,000	29,282,000
Fuel Cost	41,600,000	45,760,000	50,336,000	55,369,600	60,906,560
Repairs & Maintainance	44,087,500	48,496,250	53,345,875	58,680,463	64,548,509
Total Direct Costs	105,687,500	116,256,250	127,881,875	140,670,063	154,737,069
3. Administartive costs					
Salaries and benefits for staff	183,816,000	202,197,600	222,417,360	244,659,096	251,573,375
Security	15,534,480	17,087,928	18,796,721	20,676,393	22,744,032
Legal, accounting, statutory complianc	12,000,000	13,200,000	14,520,000	15,972,000	17,569,200
Insurance	4,160,000	4,576,000	5,033,600	5,536,960	6,090,656
Meals	9,607,265	10,567,992	11,624,791	12,787,270	14,065,997
Utilities (electricity, water)	19,418,100	21,359,910	23,495,901	25,845,491	28,430,040
Airtime & Internet	1,345,620	1,480,182	1,628,200	1,791,020	1,970,122
Motor vehicle Insurance	10,000,000	11,000,000	12,100,000	13,310,000	14,641,000
Office and Store Rent	36,000,000	39,600,000	43,560,000	47,916,000	52,707,600
Directors remuneration	40,000,000	44,000,000	48,400,000	53,240,000	58,564,000
Depreciation	130,500,000	190,125,000	192,000,000	222,875,000	146,250,000
Total Administrative Expenses	462,381,465	555,194,612	593,576,573	664,609,230	614,606,022
Total Operating Expenses	568,068,965	671,450,862	721,458,448	805,279,292	769,343,091
Profit Before Taxes	148,741,035	332,083,139	683,489,152	1,161,647,348	1,984,354,205
Tax charge	44,622,311	99,624,942	205,046,746	348,494,204	595,306,262
Profit/ (loss) after tax	104,118,725	232,458,197	478,442,407	813,153,143	1,389,047,944

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Projected Balance Sheet

The balance sheet projection shows a decline in fixed assets from 389.5 million in 2025 to 29.25 million in 2029. Current assets, primarily cash, grows significantly from 939.6 million to 3.81 billion over the same period. Total assets increase from 1.33 billion in 2025 to 3.84 billion by 2029. Equity remains stable with an owner's contribution of 1.225 billion, while retained earnings grow from 104.1 million to 2.62 billion, reflecting accumulating profitability and financial stability. Total equity and liabilities balance with total assets each year.

	Year	Year	Year	Year	Year
	2025	2026	2027	2028	2029
Non-current assets					
Property, Plant and Equipment	520,000,000	761,000,000	766,000,000	911,000,000	911,000,000
Accumulated Depreciation	130,500,000	320,625,000	512,625,000	735,500,000	881,750,000
Total Fixed Assets	389,500,000	440,375,000	253,375,000	175,500,000	29,250,000
Current Assets					
Cash	939,618,725	1,021,201,921	1,586,644,328	2,377,672,471	3,812,970,415
	939,618,725	1,021,201,921	1,586,644,328	2,377,672,471	3,812,970,415
Total Assets	1,329,118,725	1,461,576,921	1,840,019,328	2,553,172,471	3,842,220,415
EQUITY					
Owners Contribution	1,225,000,000	1,225,000,000	1,225,000,000	1,225,000,000	1,225,000,000
Retained earnings	104,118,725	236,576,921	615,019,328	1,328,172,471	2,617,220,415
	1,329,118,725	1,461,576,921	1,840,019,328	2,553,172,471	3,842,220,415
Total Equity & Liabilities	1,329,118,725	1,461,576,921	1,840,019,328	2,553,172,471	3,842,220,415


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