

# **YUNDE BULDING MATERIAL COMPANY LIMITED**



## **BUSINESS PLAN**

**FOR TIC REGISTRATION OF BUILDING MATERIAL - QUARRY AND  
CONCRETE PREMIX PROJECT**

## **A. EXECUTIVE SUMMARY**

**YUNDE BUILDING MATERIAL COMPANY LIMITED** is a company owned by foreign investors. It was registered under the laws of the United Republic of Tanzania with effect from May 16<sup>th</sup>, 2024. Its authorized share capital is **TShs. 5,600,000,000** divided into **56,000 ordinary shares** of **TShs. 100,000** each. The company is headquartered in Dodoma.

The company plans to invest in a stone quarrying project. This is a 5 year project which will be located in the Dodoma region of Tanzania. The expected value of the investment is **USD 4,000,000**. Of the investment capital **USD 3,633,000** is fixed capital while **USD 367,000** is working capital. At full capacity (during year 5) the project is expected to be producing granites amounting to 300,000 M.T. per year.

The project is expected to add value to Tanzania's economy by directly employing a total of **35 locals** and **5 foreigners**, and generate approximately **800 indirect jobs**. In addition, it will contribute to community development via CSR, pay taxes to the government, and grant business to local SMEs.

Upon thorough analysis of the business idea the Investors have decided to invest in the quarrying project and this plan is meant to be submitted to Tanzania Investment Centre for registration of the project. The aim is to enjoy the incentives given by TIC.

## B KEY SUMMARIES

S/N	ITEMS	DETAILS			
1	Company Name	YUNDE BULDING MATERIAL COMPANY LIMITED			
2	COI No.	179111527			
3	Company Reg. Date	26TH October, 2024			
4	Company Location	TPDC, Mikocheni ,Kinondoni, Dar es salaam			
5	TIN/VRN No.	<b>TIN</b>		<b>VRN</b>	
		174668043		N/A	
6	Company Shareholding	<b>Shareholder</b>	<b>Nationality</b>	<b>Shares Taken</b>	<b>% Share</b>
	a.	YAO ZHIHONG	China	34160	61%
	b.	ZHOU BO	China	560	0.01%
	<b>TOTAL</b>			<b>56,000</b>	<b>100%</b>
7	Project Location	Kasomwe, Geitaa			
8	Project Business	Building Materials - Stone Quarrying			
9	JOBS	<b>LOCAL</b>		<b>FOREIGN</b>	
		<b>(M)</b>	<b>(F)</b>	<b>(M)</b>	<b>(F)</b>
		<b>27</b>	<b>8</b>	<b>5</b>	<b>0</b>
	<b>TOTAL JOBS (L &amp; FOREIGN)</b>				<b>40</b>
10	Project Capacity (MTp.a.)				<b>300,000</b>
11	<b>Project Funding</b>				
	<i>Local Equity</i>				-
	<i>Local Loan</i>				-
	<i>Foreign Equity</i>				1,000,000
	<i>Foreign Loan</i>				-3,000,000
	<b>Total Funding</b>				<b>4,000,000</b>
12	<b>Financing of Items</b>				
	<i>Fixed Capital</i>				3,633,000
	<i>Working Capital</i>				367,000
	<b>Total Financing</b>				<b>4,000,000</b>

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## 1.0 COMPANY INTRODUCTION

### 1.1 Company Background

**YUNDE BUILDING MATERIAL COMPANY LIMITED** is a company registered under the laws of the United Republic of Tanzania. It was issued with Certificate of Incorporation (COI) No. 179111527 of October 26<sup>th</sup>, 2024. For tax purposes the company has been issued with TIN No. 179111527. The offices of the company are located in Dar es salaam, Kinondoni, Mikocheni, TPDC street.

### 1.2 Vision

To become Tanzania's Leading Company in Building Materials

### 1.3 Mission

To provide best quality building materials and buildings within Tanzania.

### 1.4 Shareholding

**YUNDE BUILDING MATERIAL COMPANY LIMITED** is a Foreign Company. It has got only foreign shareholders. Its authorized share capital is Shillings FIVE BILLION, SIX HUNDRED MILLION (**5,600,000,000/=**), divided into Ten Thousand (**56,000**) Ordinary Shares of Tanzania Shillings Five Thousand (100,000/=) each. The authorized share capital is equivalent to about **USD 2,240,600**. As shown in **Table 1** below.

**Table 1: Shareholding Structure**

S/N	Names	Nationality	Shares Taken	% Stake
1	YAO ZHIHONG	China	34160	61%
2	ZHOU BO	China	560	0.01%
	<b>TOTALS</b>		<b>56,000</b>	<b>100%</b>

## **2.0 MARKET ANALYSIS**

This section highlights on the market aspects of our stone quarrying business. It views the market trends, and the industry. It also analyses the company itself and the environment where **YUNDE Building Material Company Limited** will be operating.

### ***2.1 Target Market***

Yunde Building Material Company Limited targets the Tanzanian market in terms of raw materials supplies, and consumer market. Regarding supply of equipment for the project, the company looks forward to source them from China. With the ever growing number of construction projects and building ones the demand for granites has been shooting up in Tanzania.

### ***2.2 The Industry***

Stone quarrying is one of the significant industries in Tanzania, and many quarries are scattered throughout the country. As it is well known, Tanzania is rich in natural resources, including dolomite, granite, limestone, and other types of stone. The country has a large number of quarries, with the majority located in the regions of Dar es Salaam, Dodoma, Mbeya Morogoro but still there is demand for them in lake zone. The stone quarrying industry is a significant contributor to the country's economy, providing employment opportunities, generating revenue and supplying construction projects with granite.

The following types of stone are commonly quarried in Tanzania:

1. Granite: This is one of the most popular types of stone quarried in Tanzania, used for construction and decorative purposes.
2. Limestone: This type of stone is widely used in construction, particularly in the production of cement and concrete.
3. Dolomite: Dolomite is a type of sedimentary rock that is often used as a dimension stone for building construction.
4. Basalt: Basalt is a type of igneous rock that is commonly used as a building material.

Quarrying methods include the following:

1. Open-pit quarrying: This involves extracting stone from an open pit using heavy machinery and explosives. We will use this method.
2. Underground quarrying: This involves extracting stone from underground tunnels and shafts.
3. Dimension stone quarrying: This involves extracting stone blocks or slabs for use in building construction.

The stone quarrying industry is a significant contributor to Tanzania's economy, providing employment opportunities, materials for construction, and generating revenue. While there are challenges facing the industry, there are also opportunities for growth and development. With careful planning the project will surely thrive and contribute to the country's economic development.

### **2.3 SWOC Analysis**

This sub-section covers the analysis of the overall quarrying business in the country. The analysis focuses on project's internal *strengths* and *weaknesses* as well as environmental *opportunities*, *challenges* and *threats* as detailed in **Table 2** below. It covers the analysis of the overall quarrying in the country, and tries to position the project in the broad spectrum within the Tanzanian and regional economies.

**Table 2: SWOCT Analysis**

<b>INTERNAL STRENGTHS</b>	<b>INTERNAL WEAKNESSES</b>
<ol style="list-style-type: none"> <li>1. Increasing demand for construction materials: The country's infrastructure development projects are expected to drive demand for construction materials, including stone.</li> <li>2. Government initiatives: The government has launched initiatives to promote the</li> </ol>	<ol style="list-style-type: none"> <li>1. The project is not diversified enough in the quarrying business as it focuses only on granite.</li> <li>2. The company is new in Tanzania. However, it will employ qualified and experienced specialists.</li> </ol>

<p>mining industry, including the establishment of a new mining regulatory body.</p> <ol style="list-style-type: none"> <li>3. Investment opportunities: There are opportunities for investment in the industry, particularly in the areas of quarry expansion and modernization.</li> <li>4. Export opportunities: Tanzania has a significant trade deficit, and there are opportunities for exporting stone products to other countries.</li> <li>5. The project is assured of liquidity as shareholders have enough capital to finance the project by 100%</li> </ol>	
<p><b>ENVIRONMENTAL OPPORTUNITIES</b></p>	<p><b>ENVIRONMENTAL CHALLENGES</b></p>
<ol style="list-style-type: none"> <li>1. There is a growing demand for granites in Tanzania and in the neighboring countries.</li> <li>2. Tanzania is rich in minerals including granite stones thus providing a huge supply of raw materials. The country is geologically endowed enough.</li> <li>3. Integration of African nations provides access to bigger markets</li> <li>4. Tanzania provides incentives for manufacturing projects</li> <li>5. Tanzania has a very good business environment</li> <li>6. Tanzania has a very good infrastructure</li> </ol>	<ol style="list-style-type: none"> <li>1. Environmental concerns: Quarrying activities can have negative environmental impacts, such as dust pollution and soil erosion.</li> <li>2. Limited infrastructure: Many quarries are located in remote areas, making it difficult to transport equipment and materials.</li> <li>3. Competition: The industry is highly competitive, with many quarries operating in the same region.</li> <li>4. Lack of regulation: The industry is not well regulated, which can lead to environmental and safety issues.</li> </ol>

for transportation.	
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From the SWOC analysis conducted of the company and of the operating environment the promoters are confident that the project will be a success by leveraging on appropriate market strategies.

**2.4 PESTEL Analysis**

This sub-section analyzes the business environment of Tanzania in the *political, economic, socio-economic, technological, environmental and legal* aspects. The scanning elucidates on the viability of the project in the country. Through our analysis we have been convinced that Tanzania is the place to invest in stone quarrying as detailed in **Table 3**.

**Table 3: PESTEL Analysis**

<b>ASPECT OF ANALYSIS</b>	<b>ANALYTICAL DESCRIPTION</b>
Political	Tanzania is politically stable and predictable, conditions that are favorable for any project.
Economic	Tanzania is growing and so do construction undertakings. Following the the growth of municipals like Geita and the neighboring areas around lake zone. This has created demand for granites
Social	Tanzania is socially stable, with people of varied background globally.
Technological	The country has developed in terms of energy, ICT and overall production and marketing technology. Communication is available for the larger part of the country and especially for our targeted location around lake zone
Environmental	Environmental regulations in Tanzania are very strict especially for projects like this one. However, it is not different from other countries. As such, basing on abundance of raw materials the company will abide by NEMC guidance
Legal	Tanzania is much more predictable when it comes to state-enterprise disputes. The country accepts suitable settlement of investment disputes. The new investment act is a good sign of this. As such the project is safe

	in the country
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**2.5 Target Market**

The company eyes the Tanzanian market in terms of both consumers, and raw materials supplies. In terms of supply of equipment, however, the company will import all the equipment from China.

### **3.0 THE PRODUCT**

This is a project for quarrying to manufacture granite for construction purposes. The product will be produced in Geita but will be distributed all over the country.

#### ***3.1 Pricing***

The product will be priced, traditionally, basing on tonnage. Considering the fact of price sensitivity among consumers the company will work to develop competitive prices as part of the strategy to enhance product sales, revenue, and the ultimate profitability.

#### ***3.3 Targeted Outposts***

Yunde Building Material Company Limited will locate its business in Kasamwe area, within the district of Geita. This will be the initial and leading post for manufacturing and selling of granite quarried by the project. We expect to have our agents in the metropolitans of the neighboring regions to ensure that we secure markets with time.

### **4.0 MARKETING AND SALES STRATEGY**

Marketing strategies are essential plans of action that businesses use to promote their products, reach their target audience, and achieve their business objectives. This section focuses on entry, retention and expansionary strategies for the quarrying project of ours in Tanzania.

The company, although new in the Tanzanian and regional EAC market, looks forward to use business specialists and seasoned quarrying specialists in securing a niche in the markets. As part of our marketing strategy, we will engage strategies that will enhance our entry, persistence (stay) and expansion.

#### ***4.1 Entry Strategy***

This strategy to penetrate the market is a plan outlining how we will enter the new market. It involves identifying opportunities, assessing risks, conducting market research, and developing a strategy to successfully establish a presence and compete in the target market. Here are our adopted market entry strategies:

- i) **Strategic Alignment:** with the growing of lake-zone economy came the need for more construction work which has called for more granite. We have decided to erect our plan in Geita district.
- ii) **Greenfield Investment:** the shareholders all being both foreigners have resorted to building a new facility from the ground up in the Tanzania – the initial market. This is the facility for quarrying, storage and packing of the product. The project is a promise and the promoters have organized significant investment financing and have dedicated time to establish it.
- iii) **Expansion:** in the long run the company will be supplying granite to the neighboring regions, distant regions and beyond the borders of Tanzania. Also, the company will add a construction/ real estate project in its investment portfolio.
- iv) **Strategic Alliances:** the company will form alliances with local companies, suppliers, distributors, and industry associations to access new markets, share resources, and collaborate on marketing, distribution, and R&D.
- v) **E-commerce and Online Marketplaces:** The company will use online platforms i.e. e-commerce platforms, marketplaces, and digital channels to penetrate both local and foreign markets.

#### ***4.2 Retention Strategy***

Our market retention strategy focuses on retaining existing customers, building loyalty, and maximizing customer lifetime value. It involves tactics and initiatives to keep customers engaged, satisfied, and coming back for repeated purchases. Some key components of our market retention strategy include Customer Relationship Management (CRM), Customer Segmentation (basing on engagement frequency, order value, loyalty status, preferences, and behavior), Loyalty Programs (including creation and implementation of loyalty programs rewarding customers for repeated purchases (engagements), referrals, engagement, and loyalty), Personalization, Customer Service Excellence, Feedback and Surveys, Retargeting and Remarketing, Customer Education and Engagement, Customer Satisfaction Metrics, and Customer Experience Enhancement.

Through these strategies the company will build long-term relationships with existing customers, increase customer loyalty, induce repeated product purchases (engagements), minimize customer churn and maximize customer lifetime value. As a result our business will grow sustainably and profitability will be assured.

**4.3 Expansionary Strategy**

The market expansion strategy for this project seeks to enhance business growth by tapping into new markets starting from the neighboring regions to Geita in order to increase revenue and reach a broader audience. The strategy embraces market research, identification of target markets, the development of a marketing plan, service adaptation, distribution channels, pricing strategy, market entry approach, building partnerships, regulatory compliance, and M&E

**5.0 ORGANIZATION AND MANAGEMENT**

**5.1 Organizational Structure**

Yunde Building Material Company Limited’s team is tiered into directors, management team, supervisors, support staff and operators as well as drivers as detailed under *appendix 3*.

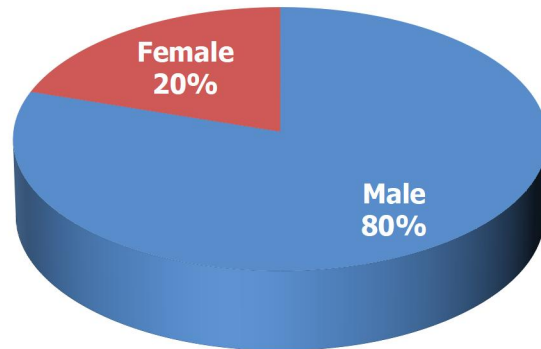
**5.2 Project Manning**

This project expects to directly employ a total of 40 people 35 of whom are locals as shown in **table 4** below. The gender and nationality distributions of jobs are shown in the **figures 1 (a) and (b)** as well.

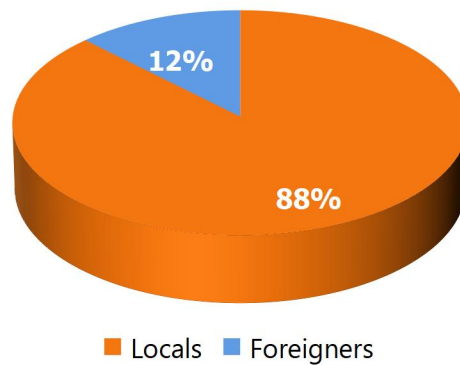
**Table: 4: Planned Direct Jobs**

<b>GENDER</b>	<b>LOCALS</b>	<b>FOREIGNERS</b>	<b>TOTALS</b>
M	27	5	32
F	8	0	8
<b>TOTALS</b>	<b>35</b>	<b>5</b>	<b>40</b>

**Figure 1(a) Gender Distribution of Jobs**



**Figure 1(b) Jobs by Nationality**



## **6.0 OPERATIONS PLAN**

### ***6.1 Project Location***

This project is located within Geita region of Tanzania. The operational area of the project is in Kasamwe, village within Geita district. This location provides easy access to the raw materials, and to the markets via roads and the Standard Gauge Railway.

**6.2 Key Suppliers**

YUNDE BUILDING MATERIAL CO. LIMITED Building Material Company Limited expects to source its supplies from Tanzania, except for those which cannot be sourced from within the economy. Supplies of machineries are expected to be sourced from outside the country, from China to be exact. The local supplies will be sourced via local SMEs.

**6.3 Key Business Connections**

Locally the company expects to use local dealers in getting orders from customers. The consumers can be private or public institutions.

**6.4 Project Assets**

The company expects to invest a total of **USD 4,000,000** in this project. Injection of the capital will be in the form of various items as summarized in **table 5** below. A detailed list of items will be shared via the proposed list for exemptions.

**Table 5: Summary of Assets**

<b>INVESTMENT BREAKDOWN</b>	
<b>ITEM</b>	<b>AMOUNT IN USD</b>
Land & Buildings	112,000
Plant	2,000,000
Vehicles	1,400,000
Furniture & Fittings	40,000
Pre Expenses	56,,000
Others	25,000
Working Capital	367,000
<b>TOTAL</b>	<b>4,000,000</b>

**6.5 Project Roll-Out Plan**

This is a 5 years plan by design but can need more time in order to attain the desired goals. The roll-out plan will start in July 2024 as it is shown in **Figure2**

**Figure 2: Implementation Plan**

S/No.	ACTIVITY	TIMING															
		2024												2025	2026	2027	2028
		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC				
1	Planning and registrations																
2	Land Acquisition																
3	Plant Installment (Quarry)																
4	Commencement of Production																
5	Staff and Consultants engagements																
6	Planning for expansions																
7	Marketing Campaign																
8	Company Performance Assessment																

## 7.0 FINANCIAL PROJECTIONS

This section covers projections in terms of production and sales, profit and loss, and cash flow projections for the first five years of implementation of the project.

### 7.1 Production and Sales

This sub-section focuses on production and sales projections. Production is expected to grow gradually over the first five years of operation. Maximum level of production is expected to be attained during the fifth year and it will hit a 300,000 metric tons level as shown in **table 6 below**.

**Table 6: Production/ Tonnage Projections**

DETAILS	YEARS				
	Y1	Y2	Y3	Y4	Y5
Tonnage P.A.	200,000	220,000	250,000	280,000	300,000

Revenue from the transported tonnage of aggregates shows steady growth over the year, peaking at Year 5 as shown below. Key assumptions are that of the existing stock 60% will be sold, while 40% will be used for concrete premix and that inflation stands at 4% growth rate p.a.

**Table 7: Sales/ Revenue Projections**

DETAILS	YEARS				
	Y1	Y2	Y3	Y4	Y5
Tonnage P.A.	200,000	220,000	250,000	280,000	300,000
Sales Projections 60%	120,000	132,000	150,000	168,000	180,000
Price per MT	26	27.04	28.12	29.25	30.42
<b>TOTAL SALES</b>	<b>3,120,000</b>	<b>3,569,280</b>	<b>4,218,000</b>	<b>4,914,000</b>	<b>5,475,600</b>
Cost of Production (20%)	1,040,000	1,189,760	1,406,000	1,638,000	1,825,000
<b>GROSS PROFIT</b>	<b>2,080,000</b>	<b>2,379,520</b>	<b>2,812,000</b>	<b>3,276,000</b>	<b>3,650,600</b>

Revenue from concrete premix also show steady growth stating from the first year to the fifth and continuously;

DETAILS	YEARS				
	Y1	Y2	Y3	Y4	Y5
Tonnage(premix) P.A.	80,000	88,000	100,000	112,000	120,000
Sales Projections 60%	80,000	88,000	100,000	112,000	120,000
Price per MT	120	124.80	129.79	134.98	140.38
<b>TOTAL SALES</b>	<b>9,600,000</b>	<b>10,984,400</b>	<b>12,979,000</b>	<b>15,117,980</b>	<b>16,845,600</b>
Cost of production	3,273,600	3,745,280	4,426,000	5,155,360	5,744,400
<b>GROSS PROFIT</b>	<b>6,326,400</b>	<b>7,239,120</b>	<b>8,553,000</b>	<b>9,962,620</b>	<b>11,101,200</b>

Combining the GROSS PROFIT on sale of aggregate plus the GROSS PROFIT of the sale of concrete premix we get the following results in the table below;

DETAILS	2025	2026	2027	2028	2029
GROSS PROFIT	8,406,400	9,618,640	11,365,000	13,238,620	14,751,800

Taking into consideration the following operating expenses;

Marketing Expenses	90,000.00	74,000.00	81,400.00	89,540.00	98,494.0
Bank Charges	6,000.00	6,240.00	6864.00	7,550.40	8,305.4
Communication	180,000.00	187,200.00	194,688.00.	202,475.52	210,574.54
Repair and Maintanance	1,480,000.00	1,552,000.00	1,626,880.0 0	1,704,755.2 0	1,785,745.4 1
Fuel and Lubricants	2,658,000.00	2,790,000.00	2,927,280.0 0	3,070,051.2 0	3,213,533.2 5
Insurance	143,000.00	148,720.00	163,592.00	179,951.20	197,946.30
Office Expenses	130,000.00	130,000.00	130,000.00	130,000.00	130,000.00
Permits and Licenses	89,700.00	60,000.00	60,000.00	16,000.00	88,600.00
Vehicle Expenses	153,000.00	159,120.00	165,484.80	172,104.20	178,988.40
Professionals Fees	44,000.00	10,000.00	20,000.00	10,000.00	20,000.00
Provision for Bad Debts	16,200.00	19,585.80	19,996.90	23,423.1	24,270.70
Miscellaneous Expenses	120,000.00	132,000.00	145,200.00	159,720.00	175,692.00
<b>TOTAL OPERATING EXPENSES</b>	<b>5,992,200.00</b>	<b>6,270,368 .00</b>	<b>6,559,662.7 2</b>	<b>6,860,529.2 3</b>	<b>7,173,430.4 0</b>

## 7.2 Profit and Loss

This is a viable project ceteris paribus. Retained earnings are assured from the starting of the project, implying that the project will breakeven during the first year of operation as shown in **Table 8: Projected Profit & Loss**

	Notes	2025	2026	2027	2028	2029
		USD	USD	USD	USD	USD
<b>Revenue</b>	<b>4</b>	12,720,000	14,553,680	17,197,000	20,031,980	22,321,200
<b>Cost of good sold</b>		(4,415,200)	(7,034,720)	(5,949,616)	(6,926,499)	(7,711,167)
		<b>8,304,800</b>	<b>7,518,960</b>	<b>11,247,384</b>	<b>13,105,481</b>	<b>14,610,033</b>
<b>Expenses</b>						
<b>Operating expenses</b>	<b>5</b>	(9,302,200)	(10,779,060)	(12,124,414)	(13,486,634)	(14,530,566)
<b>Depreciation</b>	<b>6</b>	(245,600)	(245,600)	(245,600)	(245,600)	(245,600)
<b>Operating Loss</b>		<b>(9,547,800)</b>	<b>(11,024,660)</b>	<b>-12,370,014</b>	<b>-13,732,234</b>	<b>-14,776,166</b>
<b>Finance Costs</b>		(684,000)	(684,000)	(684,000)	(684,000)	(684,000)
<b>Loss before tax</b>		<b>(1,927,000)</b>	<b>(4,189,700)</b>	<b>(4,906,630)</b>	<b>(7310,753)</b>	<b>(8,501,330)</b>
<b>Taxation</b>		578,100	1,256,910	1,541,989	1,932,260	2,550,400
<b>Profit after tax</b>		<b>(1,348,900)</b>	<b>(2,932,790)</b>	<b>(3,264,641)</b>	<b>(5,374,593)</b>	<b>(5,950,930)</b>

### 7.3 Cash Flow

**Table 9: Projected Cash Flow**

	2025	2026	2027	2028	2029
	USD	USD	USD	USD	USD
<b>CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>					
Loss before taxation	(1,927,000)	(4,189,700)	(1,806,630)	(1,310,753)	(850,133)
<b>Add: Non-cash items</b>					
Depreciation	245,600	245,600	245,600	245,600	245,600
<b>Change In Working Capital</b>					
Increase in trade and other receivables	(5,088,000)	(733,472)	(1,057,328)	(1,133,992)	(915,688)
Increase in trade and other payables	1,080,000	129,600	292,400.00	312,400.00	201,600.00
	<b>(5,689,400)</b>	<b>(4,547,972)</b>	<b>(2,325,958)</b>	<b>(1,886,745)</b>	<b>(1,318,621)</b>
<b>Tax</b>					
		578,100	1,256,910	541,989	393,226
<b>Net cash outflow from operating activities</b>	<b>-</b> <b>5,689,400.00</b>	<b>(3,969,872)</b>	<b>(1,069,048)</b>	<b>(1,344,756)</b>	<b>(925,395)</b>
<b>INVESTING ACTIVITIES</b>					
Purchase of fixed assets	(2,240,000)	-	-	-	-
<b>Net cash used in investing activities</b>	<b>(2,240,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FINANCING ACTIVITIES</b>					
capital injection	2,240,000	-	-	-	-
<b>Net cash inflow from financing activities</b>	<b>2,240,000.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net movement in cash and equivalents</b>	<b>(5,689,400)</b>	<b>(3,969,872)</b>	<b>(1,069,048)</b>	<b>(1,344,756)</b>	<b>(925,395)</b>
<b>Cash balance at the beginning of the year</b>	<b>-</b>	<b>(5,689,400)</b>	<b>(9,659,272)</b>	<b>(10,728,320)</b>	<b>(12,073,076)</b>
<b>Cash and cash equivalent at the end of the year</b>	<b>(5,689,400)</b>	<b>(9,659,272)</b>	<b>(10,728,320)</b>	<b>(12,073,076)</b>	<b>(12,998,471)</b>
	2,515,280	1,518,338	1,519,105	1,885,643	1,801,500

#### 7.4 Projected Change in equity:

	Share	Accumulated	Total
	Capital	Loss	equity
	USD	USD	USD
At 1 January 2025	2,240,000	-	2,240,000
Loss for the year	-	(1,348,900)	(1,348,900)
At 31 December 2025	<b>2,240,000</b>	<b>(1,348,900)</b>	<b>891,100</b>
At 1 January 2026	2,240,000	(1,348,900)	891,100
Loss for the year	-	(2,932,790)	(2,932,790)
At 31 December 2026	<b>2,240,000</b>	<b>(4,281,690)</b>	<b>(2,041,690)</b>
At 1 January 2027	2,240,000	(4,281,690)	(2,041,690)
Loss for the year	-	- 1,264,641.00	- 1,264,641.00
At 31 December 2027	<b>2,240,000</b>	<b>(5,546,331)</b>	<b>(3,306,331)</b>
At 1 January 2028	2,240,000	(5,546,331)	(3,306,331)
Loss for the year	-	- 917,527.24	- 917,527.24
At 31 December 2028	<b>2,240,000</b>	<b>(6,463,858)</b>	<b>(4,223,858)</b>
At 1 January 2029	2,240,000	(6,463,858)	(4,223,858)
Loss for the year	-	- 595,093.13	- 595,093.13
At 31 December 2029	<b>2,240,000</b>	<b>(7,058,951)</b>	<b>(4,818,951)</b>

## 8.0 PROJECT FINANCIALS

### 8.1 Funding Sources

This is a **USD 2,000,000** project. Its source of funding is equity only. The equity is foreign. The details are given in **table 11** below.

**Table 11: Project Funding**

CATEGORIES	AMOUNT (USD)	%
<b>EQUITY</b>		
<i>Local Equity</i>	-	-
<i>Foreign Equity</i>	1,000,000	25.00
<b>Total Equity</b>	1,000,000	25.00
<b>LOAN</b>		
<i>Local Loan</i>	-	-
<i>Foreign Loan</i>	3,000,000	75.00 -
<b>Total Loan</b>	-	-
<b>TOTAL FINANCING</b>	4,000,000	100.00

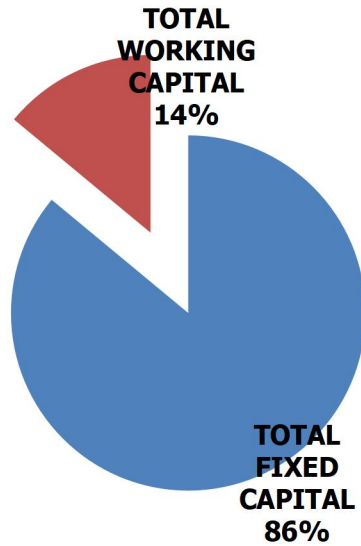
### 8.2 Financing of Items

The **USD 4,000,000** planned investment will finance the project in terms of fixed assets to the tune of **USD 3,633,000** and Working capital of **USD 367,000** as shown under **table 12** and **Figure 4** below.

**Table 12: Financing items**

INVESTMENT BREAKDOWN	
ITEM	AMOUNT IN USD
Land & Buildings	112,000
Plant	2,000,000
Vehicles	1,400,000
Furniture & Fittings	40,000
Pre Expenses	56,000
Others	25,000
Working Capital	367,000
<b>TOTALS</b>	<b>4,000,000</b>
<b>TOTAL FIXED CAPITAL</b>	<b>3,633,000</b>
<b>TOTAL WORKING CAPITAL</b>	<b>367,000</b>

**Figure 4: Summarized Financing of Items**



### **8.3 Investment Plan**

The planned investment capital will be injected into the project over the years as implementation goes on. By the end of the 5<sup>th</sup> year all the capital will be injected and the project is expected to be operating at its full capacity. **Table 13** below gives the details

**Table 13: Capital Injection Plan**

ITEM	INVESTMENT PLAN					TOTAL INVESTMENT
	Y1	Y2	Y3	Y4	Y5	
Land & Buildings	112,000					112,000
Plant	2,000,000					2,000,000
Vehicles	1,200,000	200,000				1,400,000
Furniture & Fittings	17,000					40,000
Pre Expenses	23,000					56,000
Others	12,000					25,000
Working Capital	280,000					367,000
<b>TOTALS</b>	<b>3,800,000</b>	<b>200,000</b>				<b>4,000,000</b>

## **9.0 PROJECT JUSTIFICATION**

This section covers the justification for the project. It covers the fiscal, socio-economic, and financial rationale. This coverage provides apologetics for green-lighting of the project for both fiscal and non-fiscal incentives from the government side.

### ***9.1 Fiscal Rationale***

Fiscally this project will contribute to taxes to the government. This contribution is in the form of income tax and value added tax. As such the project will fill the government's coffer with money to the tune of **USD 20,942,740** as shown under ***appendix 1***. This amount includes Income Tax (**USD 7,859,400**) and VAT (**USD 13,083,340**). These amounts correspond to the business of the company but will create a multiplier along value chains. There will be more taxes down the chain.

### ***9.2 Socio-Economic Rationale***

Socio-economically this project has many benefits to the economy of Tanzania. It will directly employ a total of 40 peoples, where only 5 are foreigners. As of indirect employments, the project expects to generate 800 indirect jobs. Payment to the employees will create a trickle-down positive effect in the economy giving an impetus for growth and development among households.

Through its CSR policy the company expects to spend a total of about **USD 212,385.99** on the surrounding community over the first 5 years of operation. ***Appendix 1*** gives the details.

Following growth in the demand for building materials – including granites – as the government has shifted to Dodoma this project will supply the product which is a key input in construction and building. The same will apply with regions near Dodoma.

### ***9.3 Financial Rationale***

Monetarily this project will create flows that will nourish Tanzania's economy. The money spent on supplier SMEs, on wages and on other supplier firms will create taxes, revenues and other benefits along the various value chains supported by this quarrying project. To the

supplier firms, other things remaining the same, cash amounting to **USD 3,870,640.63** will flow to supplier SMEs and other entities like banks in the form of settlement for purchases.

#### ***9.4 Environmental Rationale***

This project expects to adhere to all environmental requirements to ensure safety of the environment and of the workers. All guidance by NEMC will be taken onboard in order to stay environmental friendly.

### **10.0 CONCLUSION**

This is a quarrying project. It will be located in Dodoma city. The project will create a total of 40 direct jobs, 35 jobs being for locals, and 800 indirect jobs to the locals. This implies job creation to Tanzanians as 87% of all direct employees, and 100% of all the indirect employees are Tanzanian.

Considering the rationale for this project, having analyzed the market and developed strategies for our market and the impending success in this project the promoters present the plan and the idea for consideration in the form of registration with the TIC and enjoyment of the incentives that will provide a soft landing for this project to the greater good of the economy. In the future the company expects to invest in building/ real estate sector. Support to this project will help the company develop the second project.

## D APPENDICES

### *Detailed Project Manning Plan*

S/N	Category	Local		Foreigners		TOTAL
		M	F	M	F	
A.	<b>Directors</b>					
1	Managing Director			1		1
2	Director			1		1
B.	<b>Management Team</b>					
1	Finance Manager		1			1
2	Logistics Manager	1				1
3	Technical Manager			1		1
C.	<b>Supervisors</b>					
1	Technical Supervisors	1		2		3
D.	<b>Drivers and Operators</b>					
1	Drivers	3				3
2	Plant Operators/ Workers	15	2			17
E.	<b>Support Staff</b>					
1	Cleaners	1	2			3
2	Mechanics	3	1			4
3	Security Guards	3	1			4
4	Accountant/ Cashier		1			1
	<b>TOTAL</b>	<b>27</b>	<b>8</b>	<b>5</b>	<b>0</b>	<b>40</b>

### PROJECT EQUIPMENT NEED

NUMBER	DETAIL	REQUIRED NUMBER	APPROXIMATE PRICE
1	CONCRETE PREMIXING PLANT	1	USD 250,000
2	STONE CRUSHER PLANT	1	USD 280,000
3	CONCRETE PRODUCTION MOBILE HYDRAULIC VEHICLES	12	USD 60,000
4	DUMPERS/TIPPERS	10	USD 40,000
5	WHEEL LOADER	1	USD 180,000
6	EXCAVATOR	1	USD 220,000
7	HARMERS	SETS	
8	PREFABRICATED STRUTURE	1 SET	
9	WEIGHBRIDGE	1 SET	USD 35,000

