



# **MERU BOARDS LIMITED**



**BUSINESS PLAN  
FOR  
MANUFACTURING OF GYPSUM BOARDS  
2025-2034**

**Prepared by;**

**MG EMPIRE CONSULTANCY LIMITED**

**Mobile: 0754271750**

**Email: [info@investment.co.tz](mailto:info@investment.co.tz); [faraja.mgwabati@gmail.com](mailto:faraja.mgwabati@gmail.com)**

**JULY, 2025**

## CORPORATE INFORMATION

**Date of Incorporation:** 18<sup>th</sup> September, 2024

### Company Registration

**Number:** 178082558

TIN: 178-082-558

**Project Activity:** Processing of Gypsum and other minerals for the manufacture of gypsum bodies.

### Shareholders:

Name	Address	Number of shares
1. MAC GROUP LIMITED	P.O.BOX 2552, DAR ES SALAAM	1,000
2. HANS GROUP LIMITED	P.O.BOX 631, ARUSHA	1,000

### Registered Office & Address:

Region Dar Es Salaam, District Kinondoni, Msasani Peninsula,  
Postal code 14111, Plot number 439, Kinondoni, Dar es Salaam.

**Project Location:** Plot number 17, Sakila, Meru District, Arusha region.

### Contact:

Email: operations@mactz.com, Mob no/Tel no: 255222600000,  
P.O. Box 2552, Dar es salaam.

## Table of Contents

CORPORATE INFORMATION .....	I
LIST OF ABBREVIATIONS .....	III
1.0 EXECUTIVE SUMMARY .....	4
1.1 COMPANY VISION, MISSION, AND CORE VALUES .....	4
1.2 PROJECT OBJECTIVES .....	5
1.3 PROJECT COMPONENTS AND COSTS .....	5
1.4 IMPLEMENTATION PLAN .....	6
1.5. PROJECT BENEFITS .....	7
2.0 PROJECT DESCRIPTION .....	8
2.1 KEY SUCCESS FACTORS .....	8
2.2 OUR STAFF .....	8
2.3 MACHINERY AND EQUIPMENT .....	9
3.0 BUSINESS ENVIRONMENT AND SECTOR ANALYSIS .....	11
3.1 BUSINESS ENVIRONMENT .....	11
4.0 MARKETING PLAN .....	12
4.1 MARKETING STRATEGIES .....	12
4.1.1 SWOT ANALYSIS .....	12
4.2 REVENUE COLLECTION .....	14
5.0 OPERATIONAL/MANUFACTURING AND MANAGEMENT PLAN .....	15
5.1 OPERATIONAL PLAN .....	15
5.2 MANUFACTURING PROCESS .....	15
5.3 THE ORGANIZATION STRUCTURE .....	16
5.3 MANAGEMENT .....	17
6.0 PROJECT MONITORING AND EVALUATION .....	18
7.0 RISK ASSESSMENT AND KEY ASSUMPTIONS .....	19
8.0 FINANCIAL PLAN .....	20
8.1 SOURCES OF FUNDS .....	20
8.2 FINANCIAL ASSUMPTIONS .....	20
8.3 PROJECTED FINANCIAL SSTATEMENTS .....	21
9.0 ECONOMIC ASPECTS .....	28
9.1 NATIONAL ECONOMIC AND SOCIAL BENEFITS .....	28
10.0 CONCLUSION .....	28

## LIST OF ABBREVIATIONS

AfCFTA	-	African Continental Free Trade Area
CEO	-	Chief Executive Officer
CIF	-	Cost Insurance and Freight
EAC	-	East African Community
SADC	-	Southern African Development Community
SWOT/SWOC-		Strengths, Weaknesses, Opportunities and Threats/Challenges
TIN	-	Taxpayer Identification Number
US\$	-	United Stated Dollar

## 1.0 EXECUTIVE SUMMARY

Gypsum is among the most demanded products globally for building and construction purposes. Gypsum panel products are used throughout commercial, multi-family, and residential structures across the globe. Homes, offices, hospitals, schools, libraries, stores, and gymnasiums, to name a few examples, rely on gypsum panel products for smooth interior walls that are readily installed, easily decorated, and quickly repaired. Even more importantly, gypsum panels provide the passive fire resistance that today's building codes require.

Meru Boards Limited is a Company based at Sakila Village near Kikatiti, Arumeru District in Arusha Region along the Arusha – Moshi Highway, 35 km from Arusha City. The Company intends to produce Gypsum Boards, which are in big demand locally and in the Regional EAC markets. These are used for putting up ceilings and partitions in houses. With the population increasing and demand for housing increasing also at a rapid rate, the demand for Gypsum Boards is also increasing. Tanzania is endowed with the natural resource of Gypsum at Makanya in Same district, Kilimanjaro region. We have a competitive advantage in the production of Gypsum powder and Boards locally for both the domestic and export markets.

The company is owned and managed by experienced persons in the extractive sector. The project is expected to be financed both through owners' equity and external financing through bank loans, where the total project requirement amounts to **US\$ 8,749,634 (United States Dollar Eight Million seven hundred forty-nine thousand six hundred thirty-four only)** and is projected to employ 60 locals and 5 foreigners, making a total of 65 direct employees.

### 1.1 Company Vision, Mission, and Core Values

**Our Vision:** Our vision is to emerge as the best practitioner in the production, processing, and distribution of gypsum and other building materials for the local and foreign markets.

**Our Mission:** Our mission is to provide value addition to locally manufactured building materials, mainly gypsum boards, by embarking on gypsum extraction, processing, and manufacturing of gypsum boards through modern facilities and a clean environment for the production of high-quality products.

**Our Belief:** Is that success depends entirely on our exceptional teamwork approach, while constantly striving to leave our clients with an everlasting positive customer experience.

**Core Values:** Through our dedicated, competent, professional, and motivated organization, modernized and experienced personnel, we are committed to the following principles:

- We ensure total, continual customer satisfaction and optimum returns.
- We are committed to listening and responding to the needs of the community we serve.
- We are by international standards and a system that is uncompromised in quality, achieved by individuals and as a team.
- To inspire and connect with our community to put their best selves forward every day.

## **1.2 Project Objectives**

The main objective of our project is to increase our operational capability of gypsum boards and other building materials, and buy products that can be used to manufacture other products, such as fertilizers. The project intends to invest heavily in the extractive sector in which we operate by providing best practices for the production of high-quality gypsum boards that will be mined and processed by the company. The project shall also support various community development aspects, including supporting education and health care.

Specifically, the project aims to achieve the following objectives;

- To ensure the availability and reliability of high-quality gypsum boards and other related products.
- To utilize the available local material to meet the growing demand in the country.
- To employ at least 60 local people to improve the livelihood to the community and join hands with the government's efforts in job creation.
- To improve the linkages among producers, suppliers, and consumers of various products across the country.
- Stimulate the production of gypsum in various places of the country by utilizing the available land for gypsum extraction.

## **1.3 Project components and costs**

The project is expected to commence its activities in March 2026 after all the preliminary arrangements and permits are obtained. The project office and some office equipment have already been prepared. The project shall be implemented in two phases. Phase one shall include preliminary stages such as site preparations, construction, office installation and procurement, and installation of machinery and equipment for gypsum production. Phase two

shall include activities for project expansion, such as the construction of more production facilities, new equipment purchases, and the installation of a new plant. The activities in phase two shall commence in January 2026 through the rest of the project.

**Table 1.1: Project Requirements (Cost in US\$)**

Descriptions	Quantity	Value per unit (USD)	Total value (USD)
<b>Land and Buildings:</b>			
Land	16 acres	12,000	194,000
Buildings	Lampsum		1,593,000
Site Preparations	Lampsum		32,634
<b>Sub-total Land &amp; Buildings</b>			<b>1,849,634</b>
<b>Plant:</b>			
Machinery & Equipment	Full set		3,700,000
<b>Sub-total Plant</b>			<b>3,700,000</b>
Motor vehicles	3	60,000	180,000
Furniture & Fixtures	Lampsum		20,000
Working Capital	Lampsum		3,000,000
<b>Sub TOTAL</b>			<b>3,200,000</b>
<b>TOTAL</b>			<b>8,749,634</b>

The project requirement amounts to **US\$8,749,634 (United States Dollar Eight Million seven hundred forty-nine thousand six hundred thirty-four only)**, which covers the cost of land, buildings, plant and equipment, and working capital required at the commencement of the project.

#### 1.4 Implementation Plan

The envisaged project is expected to be implemented from July 2025, beginning with preliminary activities including site preparations, construction, and acquiring relevant permits and other requirements of the project. The production is expected to start in the first quarter of the year 2026. The implementation programme is well described in Table 1.2

**Table 1.2: Implementation Schedule**

No.	DESCRIPTION	PHASE I			PHASE II
		July-Dec, 2025	Jan-March 2026	Apr-Dec,2026	Jan 2027-Dec. 2034
1	Permits acquisition, Site preparations and mobilization of resources.				
2	Purchase of machineries, equipment				
3	Building Construction and Installation of the Plant				
4	Procurement of materials, Recruitments of Staff, engagements				
5	Commencement of Production				
6	Project Expansion, setting up the New Extraction Plant				

Upon completion of site preparations, construction, and installation of the Plant, machinery and equipment, and other facilities, the process of hiring and engaging qualified personnel shall follow. The project shall pay attention to expertise in the sector. Then, the production of cotton lint through ginning shall start. The project shall conduct a periodical assessment of its machinery and equipment and replace obsolete ones through disposal and procurement of new equipment. Project monitoring and evaluation shall be maintained throughout the duration of five years.

### 1.5. Project Benefits

The Implementation of this project will have economic and social benefits to the community and the country at large notably:

- The project will help the community access the best, safest yet affordable gypsum products in the country;
- The project will support industrialization campaign by setting up a gypsum processing plant and promote the sector in the country.

- The project will increase employment opportunities to the community;
- The project will increase social services to the community;
- The project will increase tax revenue to the government.

## 2.0 PROJECT DESCRIPTION

The project intends to utilise the prevailing opportunity due to the availability of ample land that can be used for the extraction of gypsum. The project will also help to fill the gap in the gypsum boards in the country.

The project shall be operated through the following model.

- Establishment of the Gypsum processing plant for the production of gypsum boards that will be sold locally and exported to various countries;
- The company will bring experts from best best-performing countries to train Tanzanians to understand how gypsum boards are manufactured to meet international standards.
- The project envisages having exchange programmes with counterparts in other countries for locals and those abroad for learning and sharing experiences.

### 2.1 Key Success Factors

Provision of high-quality products to meet the local and foreign markets' demands is our core competency. The project is designed to have modern, decent, well-managed facilities with immaculately humanitarian services during service delivery. We will ensure we have enough materials and equipment that are operated by highly professional people, who are ready to produce high-quality products to nearly any requirement.

### 2.2 Our Staff

**Meru Boards Limited** is well placed to implement its policy of "safety-first," which guarantees safe handling and delivery of our clients' requirements. The project shall maintain its policy to hire staff who have years of experience in the extraction sectors. The hired staff shall comprise both Tanzanians and foreigners, creating opportunities for hundreds of jobs, providing fair pay in an excellent work environment. We will conduct periodical orientations and team-building seminars so that our staff continues to be on the same page and properly trained to meet our objectives.

### 2.3 Machinery and Equipment

The project will ensure that appropriate machinery and equipment are installed and modern technology is in place for gypsum manufacturing.





## 3.0 BUSINESS ENVIRONMENT AND SECTOR ANALYSIS

### 3.1 Business environment

Businesses may be affected by factors beyond the owner's control, and these need to be taken into account before making any investment decision. The company has considered many opportunities and challenges that may arise from the expected changes. Thus, analysis of business environment key factors is paramount to this plan in order to determine external factors and how they are likely to affect the project.

*Economically*, Tanzania is now experiencing economic growth, whereby the purchasing power of people is increasing and people's interactions are increasing as trade grows in the East African Region, SADC, and AfCFTA. This has led for a lot of business opportunities in the regions. The burning issue currently is the rate of inflation and the continuous fall in domestic currency which would lead to increased cost of operations as the price of materials is rising.

*Politically*, Tanzania has enjoyed political stability since it gained its independence in 1961, which has allowed for a degree of continuity and coherence in the organisation of both the state and the private sector. The country retains a strong national unit with an engaged civil society and private sector. The government of Tanzania is in support of investments through a number of policies and strategies that aim at making the business environment more conducive.

*Social-Cultural*: The social aspect focuses on the forces within the society. Family, friends, colleagues, neighbours, and the media are social factors. These factors can affect our attitudes, opinions and interests. So, it can impact sales of products and revenues earned. There is no doubt that society is continually changing. The tastes and preferences are a great example of this change in Tanzanian culture. Most of Tanzanians are currently willing to pay a premium price for a product that satisfies their expectations. Demographically, the country is increasing in population, where currently the country is estimated to have over 63 million people. The increase in population necessitates increase in demand of goods and services.

*Technological factors*: Technological factors are one of the various external environment factors that affect businesses greatly and are also an integral component of the **environmental analysis**. Our project considers technology as an integral part and an

important tool for improving operations and functions. In the present scenario, utmost dependence on equipment, technological factors can have more effect on business operations and success globally than ever before. Furthermore, the development of technology has also introduced digital marketing strategies through which companies are able to sell their products and services. Even the research and development (R&D) divisions in most companies have changed their ways of functioning, and more advanced techniques in the development of products and services have been introduced only through technological advancements. We will ensure we keep up the pace of technology to suit the needs of our customers.

## 4.0 MARKETING PLAN

There is a growing population in the country, where current statistics show that the population trend grows by 3% annually, with a current population of 63 million in 2025.<sup>1</sup> Dar es Salaam, being the largest commercial city, has been one of the fastest-growing cities in terms of population, with more than 6 million people. The pace of regional integration within the EAC and SADC blocs, with the recent ratification of AfCFTA, paves the way for more trade in the region. Our motive is to cater to this need, especially through providing high-quality gypsum products and related products that will be sold locally and at international markets.

### 4.1 Marketing Strategies

#### 4.1.1 SWOT Analysis

The SWOT analysis is conducted to assess our internal strengths and weaknesses that we need to improve. We have also analyzed external factors that may provide opportunities or pose threats to our project. Finally, we have indicated how we can best utilize the available opportunities and mitigate potential threats, and overcome our weaknesses.

**Table 4.1: SWOT Analysis**

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> <li>• Ability of the project implementers to solicit required funds for the project.</li> <li>• Modern equipment and facilities and safe environment for production of</li> </ul>	<ul style="list-style-type: none"> <li>• Sourcing of required resources including finances may cause delay in starting operations on time.</li> </ul>

<sup>1</sup> Estimates from National Bureau of Statistics, 2022: Population and Housing Census

<ul style="list-style-type: none"> <li>high-quality gypsum boards from local resources.</li> <li>• Excellence in service from highly skilled management and staff.</li> <li>• Affordable prices will give options for customers to prefer our products.</li> </ul>	<ul style="list-style-type: none"> <li>• No appropriate data on the current and projected market demand.</li> </ul>
<b>OPPORTUNITIES</b>	<b>THREATS/CHALLENGES</b>
<ul style="list-style-type: none"> <li>• Growing demand of gypsum boards and related products due to increase in population and regional integration.</li> <li>• Government commitment to support industries.</li> <li>• Economic growth and rising in purchasing power of individuals provides opportunities for the project.</li> </ul>	<ul style="list-style-type: none"> <li>• High expectations of customers and changing customer preferences.</li> <li>• Ensuring punctuality, safety, health and hygiene of our products.</li> <li>• Stiff competition in the sector.</li> </ul>

From the SWOT analysis, we have been able to identify our strengths, weaknesses, opportunities, and threats. The project will capitalize on the key strengths to provide the best services to customers. The available opportunities create a room for business expansion, and the company sees that this prevailing opportunity cannot be left in vain. The project shall make use of the marketing mix in making sure that a high-quality product is maintained in the market, our services reach high-demand locations (places), a reasonable price is charged to our clients, and appropriate promotional tools are employed to increase awareness of our products and services.

**Product:** The modern equipment and facilities shall be an added advantage to compete in the market through determination to provide high-quality products and services. A sufficient budget shall be allocated for repair and maintenance to ensure that all machinery and equipment, and facilities remain in good condition at all times so as to maintain products of high quality. The brand name “Golden Cotton” shall be used to sell the company's products throughout the project.

**Pricing:** The objectives of price strategy depend on a number of factors such as business, economic, and marketing objectives. Price setting can be based on cost or market-based. With demand and completions orientation concepts, a fair price will be set that customers are willing to pay, at the same time covering operational costs with some profit margin. In this regard, price setting shall be based on demand, competition, but also the cost of operation.

**Place:** The project shall invest in modern and sophisticated technology and facilities, and a conducive environment. The project has arranged to start operations by looking at the most convenient market segment.

**Promotion:** Branding and Media advertisements, both digital and print media, shall be widely employed by the project. We will engage in positive promotion of the project through developing appropriate marketing strategies. The project will make advertisements for the available services via a number of media such as local newspapers, leaflets, TV, radio, social media, and the Internet. Different procedures of promotion will be applied, such as providing price discounts to regular customers.

#### 4.2 Revenue collection

Revenue collections will be done on a cash basis and through bank transfers. Where there is a written agreement, the company will also provide services on a credit basis to institutional customers. For the first year of the project, the average revenue is estimated to be TZS 25,644,779,780 (USD 9,498,067) from sales of 2,160 tons of gypsum boards per year (around 1.76 million Boards per year, equivalent to 39,600 metric tons). The description of revenue projections is shown in the Table below.

**Table 4.1: Description of Revenue Projections**

S/N	Revenue Source	Qty/MT per month	Amount per month (USD)	Amount per year (USD)
1	Wallboard (regular gypsum board)	1,500	359,775	4,317,303
2	Drywall (Moisture resistant)	900	215,865	2,590,382
3	Plasterboard	900	215,865	2,590,382
	<b>Total</b>	<b>3,300</b>	<b>791,506</b>	<b>9,498,067</b>

Different types of gypsum boards shall be manufactured to meet the needs of different market segments. Different types of gypsum board come in a variety of shapes and sizes. This makes them suitable for most construction jobs. Knowing what type of gypsum board to use is important for contractors as it can reduce the cost of a building, but also improve its quality. Gypsum board can also be called drywall, plasterboard, or wallboard.

## **5.0 OPERATIONAL/MANUFACTURING AND MANAGEMENT PLAN**

### **5.1 Operational Plan**

The operation is subject to government regulations and requires acquiring relevant permits and licenses before the commencement of the business. All necessary licensing and permits shall be obtained before the commencement of the project.

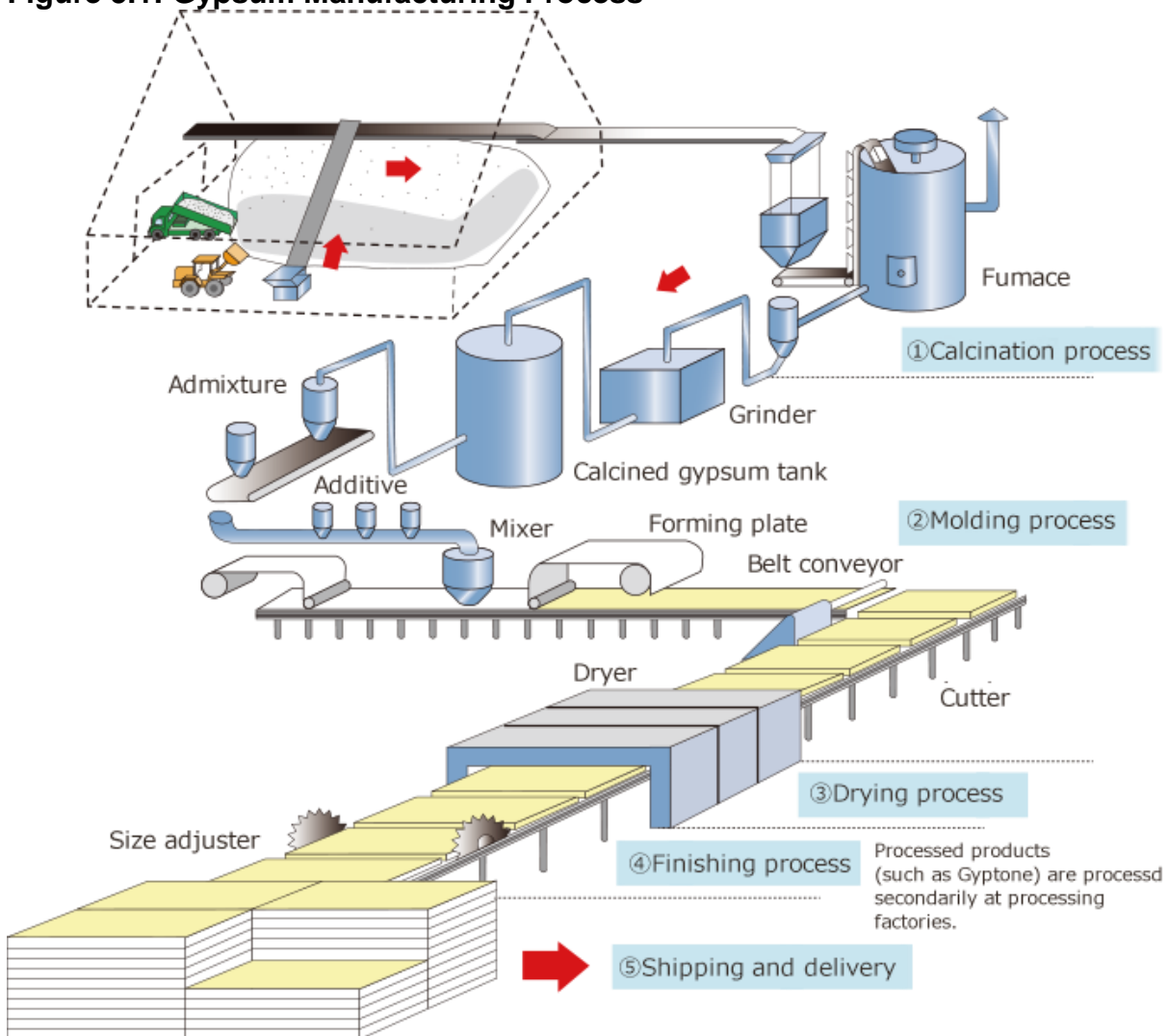
### **5.2 Manufacturing Process**

National and international standards govern the manufacture of gypsum board and set strict criteria for strength, water resistance, and other characteristics. To produce gypsum board, crushed natural gypsum or synthetic gypsum is heated or calcined to dehydrate the feedstock. Next, the calcined gypsum is mixed with water and additives to form a slurry, which is fed between continuous layers of recycled paper on a long board machine.

As the board moves down a conveyor line, the calcium sulfate recrystallizes or rehydrates, reverting to its original rock state. The paper becomes chemically and mechanically bonded to the core. The board is then cut to length and conveyed through dryers to remove any free moisture.

End tapes are applied that identify the manufacturer, facility, production line, date, and time of manufacture, as well as the country of origin are applied per GA-1000 *Identification of Gypsum Board*. Ready for installation, the panels are stored and distributed on risers of uniform height to ensure the gypsum panel products are supported evenly.

**Figure 5.1: Gypsum Manufacturing Process**



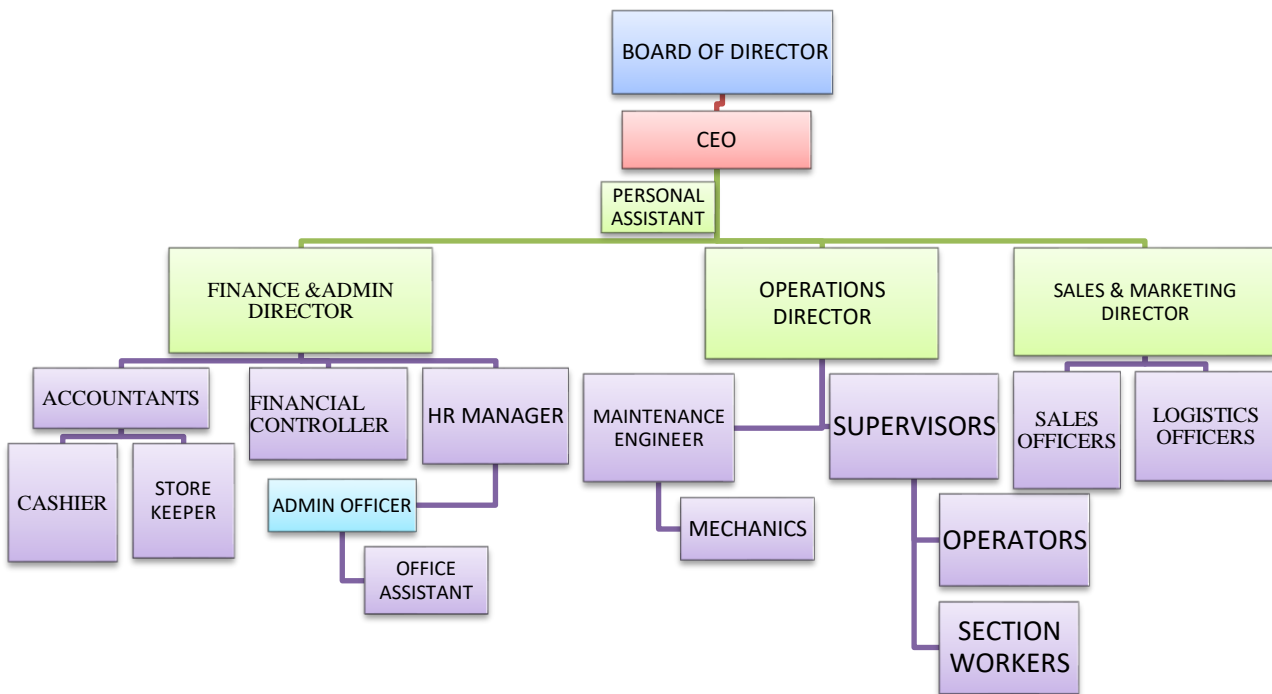
### 5.3 The Organization Structure

The project shall maintain the hierarchical mode of organization structure. The organization structure comprises of the Project Implementation Team led by the CEO and other supporting staff.

The Organization structure comprises three main departments, which shall report to the CEO: Finance and Admin Department, which shall include the Finance and Administrative Director, Accountants, Cashiers, revenue collectors, and storekeepers; HR Officers, Administrative Officers, and Office Assistants, as well as watchmen/security guards and drivers. The

Marketing and Sales Department shall include the Director of Sales and Marketing, Marketing Manager, Sales Officers, and Logistics Officers. The Operations Department shall include the Director of Operations, Technical and Maintenance Manager, Mechanics, Machine Operators, Drivers, and section workers. Figure 5.1 describes the organization structure and the reporting lines for each category.

**Figure 5.2 Organization Chart**



### 5.3 Management

The Chief Executive Officer shall be responsible for the day-to-day running of the project and report to the Board of Directors. The Director of Operations shall be responsible for the day-to-day operational activities of the project, including sourcing of materials, managing the personnel under him, repair and maintenance, and controlling the timetable for trucks. **The** Finance and Administrative Director shall be responsible for all financial and administrative issues. Accounting and Administrative officers shall be responsible for all financial and administrative issues, respectively. The financial controller shall ensure monitoring resource allocation, especially funds, and making sure that the fund is used in a desired manner.

## 6.0 PROJECT MONITORING AND EVALUATION

The project will be monitored and evaluated on a regular basis to track progress and identify any potential problems. The monitoring process will collect data on key indicators, such as the number of trucks added, the number of trucks per route, and the reduction in service delivery time and costs. The evaluation process will collect data on the benefits of the project, such as improvement in transport services, the creation of jobs, and the improvement of economic activities of the Company.

The monitoring and evaluation plan will be tailored to the specific needs of the project. However, the following general principles will be followed:

- i) **Relevance:** The monitoring and evaluation plan will be relevant to the objectives of the project.
- ii) **Accuracy:** The monitoring and evaluation plan will be accurate and reliable.
- iii) **Timeliness:** The monitoring and evaluation plan will be timely and up-to-date.
- iv) **Transparency:** The monitoring and evaluation plan will be transparent and accessible to stakeholders.

## 7.0 RISK ASSESSMENT AND KEY ASSUMPTIONS

The project has the potential to significantly improve the efficiency of transport services in Dar es Salaam and hence promote an increase in economic activities and the incomes of people. However, there are also a number of risks associated with the project. Some of the key risks may include:

- i) Competition:** There is stiff competition in the sector, especially from imported products. The majority of competitors have already covered a huge share of the market, and the company intends to capitalize on a niche in which the company can best serve others. The project shall utilize the existing gaps in the local market and exploit export potential to various markets.
- ii) Price changes:** Due to inflation, the price of materials is expected to rise up particularly fuel and spare parts. In order to cater for this price increase, the project shall review the project planning, timelines, and make price adjustments from time to time.
- iii) Accidents:** Factories are prone to accidents. One of the major causes of these accidents is the overworking of employees without being given enough time to rest. We intend to employ qualified staff and use modern technology to ensure that labour gets enough rest. The company also intends to secure the machinery and equipment through a comprehensive insurance cover in case of any accident, theft, or any other disaster.

Despite the likelihood of these risks, the project's potential to make a significant contribution to economic development is inevitable. If the project is successful, it could help to improve the development of the sector and ensure the availability of high-quality products in the country and ultimately boost economic growth.

## 8.0 FINANCIAL PLAN

### 8.1 Sources of Funds

The project financing is expected to be through both owners' equity and debt financing through both internal and external sources of financing. The amount of revenue shall be allocated to the parties as per the profit calculations of the project. The project financing shall be in the following mode;

**Table 8:1 Project Financing**

S/N	Type of Financing	Source	Amount (\$)
1	Equity	Local	1,850,000
2	Loan	Local	6,899,634
<b>TOTAL</b>			<b>8,749,634</b>

### 8.2 Financial Assumptions

Several assumptions were made and considered in the preparation of this financial plan and projection. The assumptions are based on professional judgment, economic trends, and the current financial market environment. These are as noted below;

- (i) The focus market shall be both the domestic market and foreign markets, including EAC, SADC, ACFTA, and beyond the African Continent.
- (ii) Investment shall be progressively made throughout the project.
- (iii) The annual sales are projected to grow by 10% per annum, while operating expenses will rise at the rate of 5%. The revenue is expected to double in year 3 after having installed the additional plant.
- (iv) Depreciation will be charged on the straight-line method to allocate the cost of each value over its estimated useful life. The rates to be used for vehicles and equipment are as follows;
  - (a) Buildings 5%
  - (b) Furniture & Fittings 10%
  - (c) Equipment 10%
  - (d) Motor vehicles 20%

The financial assumptions will also include issues on credit sales, payments of interest rates, taxes and other levies. From the beginning, we recognize that payment terms and hence collection days are critical, but not a factor we can influence easily. At least we are planning

on the problem and dealing with it. Interest rates, tax rates, and personnel burden are based on conservative assumptions. Some of the more important underlying assumptions are:

- We assume a strong economy, without a major recession.
- We assume, of course, that there are no unforeseen changes in economic policy to make our service immediately obsolete or unwanted.
- We assume an inflation rate of 5% yearly.
- Maintenance costs 5% of Property, Plant and Equipment
- Corporate tax is 30% of Net Income

### **8.3 Projected Financial Sstatements**

The projected financial statements indicate that the company will be able to generate substantial amounts of profits as detailed below.

**Table 8.2: Projected Income Statements**

Description	2026 (TZS)	2027 (TZS)	2028 (TZS)	2029 (TZS)	2030 (TZS)	2031 (TZS)	2032 (TZS)	2033 (TZS)	2034 (TZS)
<b>Sales</b>	<b>25,644,779,780</b>	<b>32,059,253,630</b>	<b>36,842,819,164</b>	<b>39,871,720,091</b>	<b>43,074,042,635</b>	<b>43,935,523,488</b>	<b>44,374,878,723</b>	<b>44,818,627,510</b>	<b>45,266,813,785</b>
Less: Cost of sales	18,678,396,239	23,498,659,148	27,234,548,978	29,948,346,836	32,592,916,780	33,244,775,116	33577222867	33912995095	34252125046
<b>Gross Profit Margin</b>	<b>6,966,383,541</b>	<b>8,560,594,482</b>	<b>9,608,270,186</b>	<b>9,923,373,255</b>	<b>10,481,125,855</b>	<b>10,690,748,372</b>	<b>10,797,655,856</b>	<b>10,905,632,415</b>	<b>11,014,688,739</b>
<b>Gross Profit Margin %</b>	<b>27%</b>	<b>27%</b>	<b>26%</b>	<b>25%</b>	<b>24%</b>	<b>24%</b>	<b>24%</b>	<b>24%</b>	<b>24%</b>
<b>Total SG&amp;A</b>	<b>3,105,568,053</b>	<b>3,260,846,455</b>	<b>3,326,063,384</b>	<b>3,392,584,652</b>	<b>3,460,436,345</b>	<b>3,529,645,072</b>	<b>3,564,941,523</b>	<b>3,600,590,938</b>	<b>3,636,596,847</b>
<b>EBITDA</b>	<b>3,860,815,488</b>	<b>5,299,748,027</b>	<b>6,282,206,801</b>	<b>6,530,788,603</b>	<b>7,020,689,510</b>	<b>7,161,103,300</b>	<b>7,232,714,333</b>	<b>7,305,041,477</b>	<b>7,378,091,892</b>
Less:									
Depreciation	1,451,645,560	1,451,645,560	1,451,645,560	1,451,645,560	1,451,645,560	1,451,645,560	1,451,645,560	1,451,645,560	1,451,645,560
<b>FINANCE COST</b>									
Interest on team loan	567,044,271	1,134,088,542	1,134,088,542	1,134,088,542	1,134,088,542	567,044,271	572,714,714	578,441,861	584,226,279
Interest OD facility	678,968,235	207,050,594	102,141,963	80,000,000	80,000,000	-	-	-	-
<b>Total Finance Cost</b>	<b>1,246,012,506</b>	<b>1,341,139,135</b>	<b>1,236,230,504</b>	<b>1,214,088,542</b>	<b>1,214,088,542</b>	<b>567,044,271</b>	<b>572,714,714</b>	<b>578,441,861</b>	<b>584,226,279</b>
<b>Net Operating Profit before Tax</b>	<b>1,163,157,423</b>	<b>2,506,963,331</b>	<b>3,594,330,737</b>	<b>3,865,054,502</b>	<b>4,354,955,409</b>	<b>5,142,413,470</b>	<b>5,208,354,060</b>	<b>5,274,954,056</b>	<b>5,342,220,052</b>
% Net Operating Profit before Tax	<b>4.5%</b>	<b>7.8%</b>	<b>9.8%</b>	<b>9.7%</b>	<b>10.1%</b>	<b>11.7%</b>	<b>11.8%</b>	<b>11.9%</b>	<b>12.1%</b>
<b>Corporate Tax @30%</b>	<b>(668,303,053)</b>	<b>(814,204,177)</b>	<b>(1,108,941,810)</b>	<b>(1,183,516,350)</b>	<b>(1,330,486,623)</b>	<b>(1,542,724,041)</b>	<b>(1,558,151,281)</b>	<b>(1,573,732,794)</b>	<b>(1,589,470,122)</b>
<b>Net Operating Profit after tax</b>	<b>494,854,370</b>	<b>1,692,759,154</b>	<b>2,485,388,927</b>	<b>2,681,538,151</b>	<b>3,024,468,786</b>	<b>3,599,689,429</b>	<b>3,635,686,323</b>	<b>3,672,043,186</b>	<b>3,708,763,618</b>
<b>% Net Operating Profit after tax</b>	<b>1.9%</b>	<b>5.3%</b>	<b>6.7%</b>	<b>6.7%</b>	<b>7.0%</b>	<b>8.2%</b>	<b>8.2%</b>	<b>8.2%</b>	<b>8.2%</b>

**Table 8.3 Projected Balance Sheets**

Description	2026 (TZS)	2027 (TZS)	2028 (TZS)	2029 (TZS)	2030 (TZS)	2031 (TZS)	2032 (TZS)	2033 (TZS)	2034 (TZS)
<b>Non-current assets</b>									
Property, plant and equipment	18,526,280,000	18,526,280,000	18,526,280,000	18,526,280,000	18,526,280,000	18,526,280,000	18,526,280,000	18,526,280,000	18,526,280,000
Accumulated depreciation	-1,451,645,560	-2,903,291,120	-4,354,936,680	-5,806,582,240	-7,258,227,800	-8,709,873,360	-10,161,518,920	-	-
	<b>17,074,634,440</b>	<b>15,622,988,880</b>	<b>14,171,343,320</b>	<b>12,719,697,760</b>	<b>11,268,052,200</b>	<b>9,816,406,640</b>	<b>8,364,761,080</b>	<b>6,913,115,521</b>	<b>5,461,469,961</b>
<b>Current assets</b>									
Inventory - RM +Coal									
Inventory - FG	384,156,484	24,260,159	24,940,063	264,015,632	63,844,683	57,460,215	51,714,193	46,542,774	41,888,497
Trade and other receivables	3,413,058,439	1,156,235,377	614,046,986	699,163,138	713,146,401	641,831,761	577,648,585	519,883,727	467,895,354
Cash and bank balance	-2,578,911,312	1,147,212,788	3,590,755,762	5,364,747,751	7,992,049,784	11,086,083,882	16,243,344,962	21,429,969,986	26,647,021,814
<b>Total current assets</b>	<b>1,218,303,610</b>	<b>2,327,708,324</b>	<b>4,229,742,811</b>	<b>6,327,926,522</b>	<b>8,769,040,868</b>	<b>11,785,375,858</b>	<b>16,872,707,740</b>	<b>21,996,396,486</b>	<b>27,156,805,664</b>
<b>Total assets</b>	<b>18,292,938,050</b>	<b>17,950,697,204</b>	<b>18,401,086,131</b>	<b>19,047,624,283</b>	<b>20,037,093,069</b>	<b>21,601,782,498</b>	<b>25,237,468,821</b>	<b>28,909,512,007</b>	<b>32,618,275,625</b>
<b>EQUITY AND LIABILITIES</b>									
<b>Capital and reserves</b>									
Share capital	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000	250,000,000

Description	2026 (TZS)	2027 (TZS)	2028 (TZS)	2029 (TZS)	2030 (TZS)	2031 (TZS)	2032 (TZS)	2033 (TZS)	2034 (TZS)
Shareholders' Funds	5,600,000,000	5,600,000,000	5,600,000,000	5,600,000,000	5,600,000,000	5,600,000,000	5,600,000,000	5,600,000,000	5,600,000,000
Revaluation reserve	1,773,083,680	1,773,083,680	1,773,083,680	1,773,083,680	1,773,083,680	1,773,083,680	1,773,083,680	1,773,083,680	1,773,083,680
Accumulated Profit	494,854,370	2,187,613,524	4,673,002,451	7,354,540,603	10,379,009,389	13,978,698,818	17,614,385,141	21,286,428,327	24,995,191,945
<b>Total equity</b>	<b>8,117,938,050</b>	<b>9,810,697,204</b>	<b>12,296,086,131</b>	<b>14,977,624,283</b>	<b>18,002,093,069</b>	<b>21,601,782,498</b>	<b>25,237,468,821</b>	<b>28,909,512,007</b>	<b>32,618,275,625</b>
<b>Current liabilities</b>									
Trade and other payables	-	-	-	-	-	-	-	-	-
Borrowings - Term Loan	10,175,000,000	8,140,000,000	6,105,000,000	4,070,000,000	2,035,000,000	-	-	-	-
<b>Total current liabilities</b>	<b>10,175,000,000</b>	<b>8,140,000,000</b>	<b>6,105,000,000</b>	<b>4,070,000,000</b>	<b>2,035,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total equity and liabilities</b>	<b>18,292,938,050</b>	<b>17,950,697,204</b>	<b>18,401,086,131</b>	<b>19,047,624,283</b>	<b>20,037,093,069</b>	<b>21,601,782,498</b>	<b>25,237,468,821</b>	<b>28,909,512,007</b>	<b>32,618,275,625</b>

**Table 8:4 Projected Cash Flows**

Description	2025 (TZS)	2026 (TZS)	2027(TZS)	2028 (TZS)	2029 (TZS)	2030 (TZS)	2031(TZS)	2032 (TZS)	2033 (TZS)	2034 (TZS)
<b>Cash Flows from Operating Activities</b>										
Profit for the year	(168,000,000)	1,163,157,423	2,506,963,331	3,594,330,737	3,865,054,502	4,354,955,409	5,142,413,470	5,193,837,604	5,245,775,980	5,298,233,740
Adjustments for:										
Depreciation	-	1,451,645,560	1,451,645,560	1,451,645,560	1,451,645,560	1,451,645,560	1,451,645,560	1,451,645,560	1,451,645,560	1,451,645,560
Operating Cash Flow before WC Changes	(168,000,000)	2,614,802,983	3,958,608,891	5,045,976,297	5,316,700,062	5,806,600,969	6,594,059,030	6,645,483,164	6,697,421,540	6,749,879,300
Changes in working capital:										
(Increase)/Decrease in Inventory - RM +Coal	-	-	-	-	-	-	-	-	-	-
(Increase)/Decrease in Inventory - FG	-	(384,156,484)	359,896,325	(679,905)	(239,075,569)	200,170,949	6,384,468	5,746,021	5,171,419	4,654,277
(Increase)/Decrease in Receivables	-	(3,413,058,439)	2,256,823,062	542,188,391	(85,116,152)	(13,983,263)	71,314,640	64,183,176	57,764,859	51,988,373
(Increase)/Decrease in vat account		(728,196,320)								
Cash flow generated/(used) in operating activities	(168,000,000)	(1,910,608,260)	6,575,328,278	5,587,484,783	4,992,508,340	5,992,788,655	6,671,758,138	6,715,412,362	6,760,357,818	6,806,521,950

Description	2025 (TZS)	2026 (TZS)	2027(TZS)	2028 (TZS)	2029 (TZS)	2030 (TZS)	2031(TZS)	2032 (TZS)	2033 (TZS)	2034 (TZS)
Income tax paid	-	(668,303,053)	(814,204,177)	(1,108,941,810)	(1,183,516,350)	(1,330,486,623)	(1,542,724,041)	(1,558,151,281)	(1,573,732,794)	(1,589,470,122)
<b>Net Cash from Operating Activities</b>	<b>(168,000,000)</b>	<b>(2,578,911,312)</b>	<b>5,761,124,101</b>	<b>4,478,542,973</b>	<b>3,808,991,989</b>	<b>4,662,302,032</b>	<b>5,129,034,097</b>	<b>5,157,261,081</b>	<b>5,186,625,024</b>	<b>5,217,051,828</b>
<b>Cash Flows from Investing Activities</b>										
Purchase of Property, Plant, Equipment - Takeover funding	(5,458,196,320)	-	-	-	-	-				
Purchase of Property, Plant, Equipment - New CAPEX	(10,175,000,000)									
Net Cash Used in Investing Activities	(15,633,196,320)	-	-	-	-	-	-	-	-	-
<b>Cash Flows from Financing Activities</b>										
Advance towards share capital	250,000,000	-	-	-	-	-				
Shareholders' Funds	5,600,000,000									
Proceeds from Borrowings - Term Loan 01 – Capex \$2.5m@2400	10,175,000,000	-	-	-	-	-				

Description	2025 (TZS)	2026 (TZS)	2027(TZS)	2028 (TZS)	2029 (TZS)	2030 (TZS)	2031(TZS)	2032 (TZS)	2033 (TZS)	2034 (TZS)
Repayment of Borrowings - Term Loan1 - Principle	-	-	(2,035,000,000)	(2,035,000,000)	(2,035,000,000)	(2,035,000,000)	(2,035,000,000)			
Net Cash from Financing Activities	16,025,000,000	-	(2,035,000,000)	(2,035,000,000)	(2,035,000,000)	(2,035,000,000)	(2,035,000,000)	-	-	-
Net Increase/(Decrease) in Cash	223,803,680	(2,578,911,312)	3,726,124,101	2,443,542,973	1,773,991,989	2,627,302,032	3,094,034,097	5,157,261,081	5,186,625,024	5,217,051,828
Cash and cash equivalent at the beginning of the year	-	-	(2,578,911,312)	1,147,212,788	3,590,755,762	5,364,747,751	7,992,049,784	11,086,083,881	16,243,344,961	21,429,969,985
<b>Cash and cash equivalent at end of the year</b>	<b>223,803,680</b>	<b>(2,578,911,312)</b>	<b>1,147,212,788</b>	<b>3,590,755,762</b>	<b>5,364,747,751</b>	<b>7,992,049,784</b>	<b>11,086,083,881</b>	<b>16,243,344,961</b>	<b>21,429,969,985</b>	<b>26,647,021,814</b>

## **9.0 ECONOMIC ASPECTS**

### **9.1 National economic and social Benefits**

The economic and social impact of establishing the proposed project in Tanzania is expected to be positive. This positive impact is expected to be direct and indirect as explained below:

#### **a) Direct economic impact**

Direct positive economic impact is expected to come from the following factors, namely,

- 1) Tax payments to the government increased,
- 2) Access to quality, reliable, and affordable products increased,
- 3) Employment opportunities generation; more than 65 direct jobs expected to be created.
- 4) Technology and skills are transferred from experts hired from different parts of the globe.

#### **b) Indirect economic impact**

The project is expected to operate as a responsible corporate citizen by fulfilling some of its corporate responsibilities, such as assisting some of the disadvantaged communities by way of donations, starting from the communities living near the project, and participation in economic development activities of the country.

## **10.0 CONCLUSION**

The fact that owners are willing to raise investment capital to finance the project it shows a strong commitment to making sure that the project is successfully implemented. The project lies in areas that are very rich in gypsum deposits and easily accessible with key infrastructure; hence, project activities will help to revamp the building and construction sector at large. Owners are willing to comply with all government requirements. The fact that there is a huge demand for gypsum products in the country despite the presence of several other players in the market makes this project a viable idea.