



THE BUSINESS PLAN

Production and Supply of **Dolomite Powder** and **Wall Putty**

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1. EXECUTIVE SUMMARY

IJK GROUP is a Tanzanian-based industrial manufacturing company that aims to revolutionize the construction materials sector through the production of high-quality **Dolomite Powder** and **Wallputty**. The company will establish a modern factory in **Mdaula Ubena word, Chalinze District, Cost Region**, while the **Head Office** will be located at **PSSSF Millennium Tower, Dar es Salaam**.

This strategic setup allows the company to efficiently manage operations, logistics, and customer engagement both domestically and internationally. The total investment cost is approximately **USD 1,500,000** the investment will be utilized in factory constructions, planted machinery, tools and equipment's, distribution tracks and vans and Working capital.

The project's implementation is expected to be in September 2025 and operation starts by April 2026; its operations will mark a significant milestone in Tanzania's industrial and construction sector. IJK GROUP will start with **32 direct employees**, scaling up to **100 employees** at full operational capacity. This initiative not only promotes industrialization but also enhances employment and stimulate regional trade within East and Central Africa.

The company's initial products Dolomite Powder and Wallput are designed to meet the growing demand for reliable, affordable, and high-quality construction materials. Dolomite Powder serve as a key raw material in, glass, fertilizer, cement and steel production and wall finishing materials like emulsion paints and wall putty. Wall putty will offer a superior wall-finishing solution for residential and commercial projects. Both products will be distributed across **Tanzania, Kenya, Rwanda, Burundi, Congo, Malawi, and Zambia**, creating a strong export potential.

With a vision to provide **competitive, affordable, and reliable** products, IJK GROUP seeks to position itself as a trusted brand that contributes to Tanzania's economic growth, job creation, and import substitution agenda.

2. OUR MISSION AND VISION

Our Mission

IJK Group mission is simple "beuty is affordable", means offering **quality, durable yet affordable** construction finisher materials.

IJK GROUP's mission goes beyond production, **it seeks to empower the local construction sector by offering durable and cost-efficient materials that enhance the quality of infrastructure across the country**. The company is dedicated to sustainability, innovation, and customer satisfaction through continuous improvement in product performance and operational efficiency. By utilizing locally available raw materials and employing advanced technology, IJK GROUP will contribute to import substitution and the creation of a self-reliant industrial economy.

Our Vision

To become the most thoughtful and customer-centered choice whenever clients are thinking or planning to purchase products similar to ours. We aim to understand our customers' needs deeply, provide them with high-quality and reliable solutions, and ensure that every interaction reflects care, integrity, and value.

IJK GROUP envisions a future where Tanzanian-made construction materials are recognized regionally and internationally for their superior quality and reliability. The company aspires to build a trusted brand that symbolizes excellence, integrity, and innovation. Our long-term vision is to expand operations across the region, establishing a network of distribution centers and strategic export partnerships that strengthen Tanzania's position as an industrial hub for construction materials.

We also aim to uphold corporate responsibility by promoting environmentally friendly production methods, supporting community development, and creating decent employment opportunities that align with the country's Vision 2050 for sustainable industrial growth.

3. COMPANY SYNOPSIS

IJK GROUP is an upcoming Tanzanian manufacturing company specializing in the production of **Dolomite Powder and Wall putty** using high-grade dolostone available in proximity. The company will employ modern, efficient, and eco-friendly production technologies to ensure consistent quality and compliance with international standards.

The **Head Office** will be located at **Millennium Tower II** in Dar es Salaam, while the factory will be established in **Mdaula-Ubena, Chalinze District, Pwani Region**. This strategic setup provides logistical advantages, ensuring easy access to raw materials, suppliers, and major transportation routes.

IJK GROUP is designed to serve **both local and international markets**, particularly across **East and Central Africa**, supplying reliable and affordable construction materials that meet the growing demand within the regional and export markets.

4. PRODUCTS AND PRODUCTION DESCRIPTION

Dolomite Powder

Dolomite Powder is a finely ground mineral product derived from dolostone rock. It is an essential raw material used in multiple industries including construction, glass manufacturing, steel production, and agriculture. In the construction sector, Dolomite Powder strengthens cement mixtures, enhances durability, and improves finishing quality in concrete works.

IJK Group is expecting to have two categories of high-quality Dolomite powder based on its finess.

- i. **Mesh 200-400**, this product is specifically used as a raw material for wall putty, emulsion paint, steel manufacturing, rubber industry etc. IJK will have a top-notch technology where by it will employ a Raymond mill grinding machine **MTW 145G model European Type Raymond Mill**, the machine will have the capacity of producing 15 tons per hour making an annual estimate of 43,000 tons.
- ii. **SCM800S model Super fine Mill**, for 25- 2500 mesh product, the machine will have the capacity of producing 8 tones per hour making an estimate of 12,000 tons.

Wallput:

Wallput is a high-quality, white cement-based finishing material used before painting to smoothen and protect wall surfaces. It improves the texture of plastered walls, providing a clean, crack-free, and moisture-resistant surface suitable for both interior and exterior applications.

IJK GROUP will manufacture Wallput **using Dolomite Powder made from its powder machine blended with white cement and other ingredient**, the company will employ the high technology mixing and packaging machine which can produce up to 30,000 wall putty tones per year. The Wallput production process will involve controlled mixing, quality testing, and fine packaging to ensure uniformity and customer satisfaction. This product will cater to real estate developers, contractors, and hardware distributors who seek durable and aesthetic wall finishes at affordable prices.

Product Advantages:

- I. **Locally Sourced:** Both products are made using Tanzanian raw materials, reducing dependency on imports and promoting local industry.
- II. **High Quality:** Manufactured using advanced, eco-friendly technology to meet international quality standards.
- III. **Cost Efficiency:** Competitive pricing ensures accessibility for both small and large construction projects.

- IV. **Durability & Reliability:** Products designed to withstand regional environmental conditions while maintaining consistent performance.
- V. **Market Versatility:** Suitable for domestic infrastructure, real estate projects, and export to regional markets across East and Central Africa.
- VI. **Sustainability:** The company prioritizes waste reduction and energy efficiency throughout the production process, supporting green manufacturing initiatives.

5. COMPANY GOALS AND OBJECTIVES

GOALS

I. **Launch full operations by early 2026.**

The company aims to complete construction, equipment installation, and operational readiness by the first quarter of 2026. This includes setting up a modern processing plant in Mdaula, Chalinze – Pwani, to ensure efficient production of wall putty materials and dolomite products for both local and regional markets.

II. **Become Regional industrial thoughtful competitor.**

the company aims to establish itself as a leading and considerate industrial player within the region by offering innovative, high-quality, and customer-focused products. This goal emphasizes not only market expansion but also building a reputation for reliability, ethical business practices, and sustainability. By understanding the evolving needs of industries and clients, the company will position itself as a trusted partner that combines advanced technology, efficiency, and social responsibility to gain a competitive edge across regional markets.

III. **Expand exports to at least five regional countries by 2027.**

After stabilizing local operations, the company plans to penetrate regional markets such as Kenya, Uganda, Rwanda, Burundi, and Zambia. Export expansion will be supported by strategic partnerships, compliance with regional standards, and a focus on sustainable production to meet international market demands.

OBJECTIVES

I. **Build 55,000 tons/year production capacity.**

The company will establish a plant capable of producing 200 tons of finished wall putty and processed dolomite per day. This capacity will meet projected market demand while maintaining flexibility for future scaling as the business grows.

II. **Maintain strict quality control and sustainability standards.**

Production will adhere to internationally recognized quality and environmental management systems. Emphasis will be placed on sourcing raw materials responsibly, minimizing waste, reducing emissions, and ensuring consistent product performance to meet customer expectations and regulatory requirements.

III. **To use to the maximum local employees at any vacant.**

The company aims to directly **employ over 100 people**, ranging from plant operators, quality controllers, and technicians to administrative and marketing staff. In addition, the project is expected to generate indirect employment through logistics, supply chains, and local service providers, **contributing to economic development in the Chalinze area.**

6. ORGANIZATIONA STRUCTURE

Organizational Positions and Responsibilities

S/N	Position	No Of Staff	Key Responsibilities
1.	Business Manager	1	Provides overall leadership, strategic direction, and coordination of all company activities.
2.	Production Manager	1	Supervises manufacturing operations, ensures production targets and quality standards are met.
3.	Mechanical Engineers	2	Handle machinery maintenance, repair, and process optimization for continuous improvement
4.	Machine Operators	6	Operate crushers, grinders, mixers, and oversee the packaging process under supervision
5.	Quality Control Officer	1	Conducts product testing, ensures quality compliance, and manages production documentation.
6.	Procurement Officer	1	Manages raw material sourcing, inventory control, and supplier relations.

7.	Accountant	1	Oversees financial records, budgeting, and reporting for management decisions
8.	Sales and Marketing Officer	3	Promote products, manage customer relations, and coordinate marketing strategies.
9.	Administrative Assistants	2	Handle HR functions, filing, correspondence, and general office operations.
10.	Security	3	Ensure facility safety, equipment maintenance, and site cleanliness.
11.	Maintenance officer		
12.	Drivers		
13.			

This structure ensures smooth communication flow, clarity of roles, and efficiency in operational execution, aligning with the company’s mission for growth and regional competitiveness.

7. SWOT ANALYSIS

The SWOT Analysis presents an overview of IJK Group’s internal and external business environment, highlighting the company’s competitive advantages, operational challenges, growth prospects, and potential risks within the construction materials sector.

Category	Factor	Description
Strengths	Locally sourced raw materials	The company benefits from abundant local deposits of dolomite and related minerals in the Pwani region, reducing import dependency, minimizing logistics costs, and ensuring a steady supply of raw materials.
	Affordable and reliable products	By producing locally and controlling production costs, the company can offer competitively priced, high-quality wall putty materials suitable for a range of construction projects, increasing market accessibility and trust.
	Strategic factory location	The plant’s location in Mdaula, Chalinze provides easy access to major highways connecting Dar es Salaam, Morogoro, and the rest of Tanzania, enabling efficient distribution and market penetration both locally and regionally.

Category	Factor	Description
		The raw materials are available in nearby location.
Weaknesses	New brand in the market	As a new entrant, the company lacks established brand recognition and customer loyalty, requiring aggressive marketing and promotional efforts to build market presence and trust.
	High startup capital	The initial investment required for machinery, plant construction, and working capital is substantial, which may strain early cash flow and financial sustainability before revenue stabilizes.
Opportunities	Growing construction industry	Tanzania's expanding real estate and infrastructure sectors continue to create high demand for finishing materials like wall putty and dolomite, offering a strong and growing domestic market base.
	Government support for industrialization	The government's ongoing policies promoting local manufacturing and value addition—especially within the building materials sector—create opportunities for tax incentives, grants, and favorable industrial policies.
Threats	Entry of foreign competitors	The local market may face competition from imported brands with established distribution networks and marketing resources, potentially affecting market share and pricing strategies.

8. INVESTMENT COST AND SOURCES OF FINANCE

COMPONENT	CATEGORY	QTY	COST
LAND AND BUILDING	LAND AND BUILDING	1	221,093.27
TRUCKS	MACHINE & EQUIPMENTS	5	204,081.63
FORK LIFT	MACHINE & EQUIPMENTS	2	48,979.59

COMPONENT	CATEGORY	QTY	COST
MARKETING VAN	MACHINE & EQUIPMENTS	2	81,632.65
WHEEL LOADER	MACHINE & EQUIPMENTS	1	61,224.49
WALL PUTTY MIXING	MACHINE & EQUIPMENTS	1	250,000.00
PACKAGING MACHINE	PLANT & MACHINERY	1	50,000.00
MACHINE (POWDER SETS) MESH 325-2500	PLANT & MACHINERY	1	78,700.00
MACHINE (POWDER SETS) MESH 0-325	PLANT & MACHINERY	1	305,540.82
WORKING CAPITAL	WORKING CAPITAL	1	204,081.63
TOTAL			1,505,334.08

Source of Finance: Equity and Bank Loan.

9. SOURCES OF SUPPLY OF INPUTS

The primary raw material for the company's production process is **dolostone**, which serves as the base input for manufacturing wall putty and related dolomite products. There is available raw material nearby where we will strive to have a strategic partnership with a dolomite supply which are found nearby our factory based in Lugoba Chalinze district and Mkuyuni, Morogoro. In which will meet the raw material quality and price. This proximity ensures a consistent and cost-effective supply chain, minimizing delays and reducing transportation expenses.

In addition to dolostone, other essential inputs such as **packaging materials, chemical additives, and labelling components** will be **sourced locally within Tanzania**. The company intends to collaborate with trusted local manufacturers and distributors to ensure timely availability, quality consistency, and cost control.

Sourcing inputs locally not only supports the Tanzanian economy but also aligns with the government's industrialization agenda by promoting the use of locally available resources and encouraging domestic business linkages. The strategy will also provide flexibility in procurement,

reduce import dependency, and allow the company to respond quickly to market and production demands.

10. MARKETING PLAN

TARGET MARKET

Local Market: The company will primarily focus on the **Tanzanian construction sector**, targeting **hardware stores, construction firms, contractors, and real estate developers**. These clients represent consistent and large-volume consumers of wall putty and dolomite materials for both residential and commercial projects. The company will build strong relationships with local distributors to ensure continuous product availability and reliable after-sales support.

Regional Market: Beyond domestic operations, the company plans to expand its market reach into **Kenya, Rwanda, Burundi, Malawi, and Zambia**. These regional markets have growing construction industries driven by urbanization and infrastructure development. By exporting to these countries, the company aims to strengthen its regional brand presence and increase foreign revenue earnings.

MARKETING STRATEGIES

I. **Competitive Pricing and High-Quality Standards.**

The company will adopt a value-based pricing strategy to provide **affordable yet superior-quality** wall putty and dolomite products. By maintaining high production standards, the company will build a reputation for reliability and performance, creating customer loyalty and market differentiation.

II. **Distribution Channels.**

A diversified distribution network will be established to reach multiple market segments efficiently:

- a. **Direct Sales:** Supplying products directly to large construction companies and real estate developers.
- b. **Agents and Retailers:** Partnering with regional hardware stores and agents to distribute products across urban and rural areas.
- c. **Export Partnerships:** Working with logistics and trade partners to facilitate cross-border exports to neighbouring countries.

III. **Promotion and Branding.**

The company will invest in strategic marketing and brand visibility initiatives, including:

- a. **Participation in construction expos and trade fairs** to showcase product performance and build brand credibility.
- b. **Digital marketing campaigns** through social media, company websites, and online construction forums to reach wider audiences cost-effectively.
- c. **B2B partnerships and corporate engagements** with contractors, architects, and developers to create long-term business relationships and bulk supply contracts.
- d. **Brand visibility through signage and product demonstrations** at key building material centres to attract walk-in customers and small-scale builders.
- e. **Customer education programs** such as site demonstrations and training sessions for painters and applicators to promote correct product usage and build loyalty.

IV. **Customer Relationship and After-Sales Support.**

The company will maintain an active customer service unit to handle feedback, technical support, and delivery coordination. This approach aims to **strengthen trust**, ensure repeat business, and generate positive word-of-mouth recommendations.

V. **Corporate Social Responsibility (CSR) and Local Engagement.**

By supporting community projects, sponsoring local construction events, and sourcing labor locally, the company will enhance its **corporate image** and **local acceptance**, positioning itself as a socially responsible and community-driven enterprise.

11. OPERATIONS PLAN

The company's production process will be centered at its main plant in **Mdaula, Chalinze – Pwani Region**, strategically located to access both raw material sources from **Mkuyuni, Morogoro**, and key distribution routes leading to Dar es Salaam and other regional markets.

The **production process** will involve several key stages, ensuring high-quality output and operational efficiency. These stages include:

I. **Crushing:**

Raw dolostone delivered from the quarry will first undergo crushing using modern jaw and impact crushers to break down large stones into smaller, manageable fragments suitable for grinding.

II. **Grinding:**

The crushed dolostone will then be transferred to grinding mills, where it will be finely processed into powder form. The grinding process will ensure consistent particle size, which is crucial for achieving a smooth wall putty finish.

III. **Blending and Mixing:**

The fine dolomite powder will be blended with carefully measured additives and binders to produce wall putty material that meets both local and regional quality standards. Automated mixers will be used to maintain product consistency and reduce wastage.

IV. **Quality Testing and Control:**

Each production batch will undergo laboratory analysis to test parameters such as fineness, binding strength, setting time, and moisture resistance. This ensures all products meet the company's internal quality benchmarks as well as customer expectations. Continuous monitoring and quality assurance will be key to building trust and maintaining brand reputation.

V. **Packaging and Storage:**

The final wall putty product will be packed in branded, moisture-proof bags to preserve quality during storage and transportation. A well-organized storage facility will be maintained on-site, ensuring easy access for dispatch and minimizing handling losses.

VI. **Distribution and Logistics:**

Products will be transported to clients and distributors using company-owned or contracted delivery trucks. The factory's location along major transport routes will facilitate efficient delivery to both domestic and export markets.

Operational Capacity and Shift Plan

- I. **Initial Phase (2026–2027):** Production will begin with a **single 8-hour shift per day**, focusing on stabilizing operations, fine-tuning production processes, and meeting initial market demand.

The plant will target a production rate of approximately **200 tons per day** at full single-shift capacity.

- II. **Expansion Phase (by 2028):** As market demand increases, operations will expand to **two 8-hour shifts per day**, effectively doubling output capacity. This phase will also include gradual

automation improvements, workforce expansion, and additional storage facilities to support higher production volumes.

Human Resource and Safety Considerations

The operations team will include skilled technicians, machine operators, engineers, quality control officers, and logistics personnel. Continuous staff training will be conducted to ensure adherence to safety procedures, efficient equipment handling, and environmental protection standards. The company will maintain strict **Occupational Health and Safety (OHS)** measures and comply with **National Environmental Management Council (NEMC)** guidelines for sustainable industrial operations.

12. IMPLEMENTATION SCHEDULE

Activity	Duration	Period	Description
Design & Registration	6 months	Q3–Q4 2025	This stage involves developing detailed factory designs, engineering layouts, environmental assessments, and securing all necessary business and regulatory registrations from relevant authorities (BRELA, NEMC, OSHA, etc.).
Construction	6 months	Q3–Q4 2025	Construction of the main production plant, storage facilities, administration offices, and utility connections (electricity, water, and access roads). Quality control and safety compliance will be closely monitored.
Equipment Installation	3 months	Q1 2026	Installation and testing of crushers, grinding mills, mixers, packaging machines, and laboratory equipment. Technical experts and engineers will ensure all machinery is calibrated for optimal performance.
Recruitment & Training	2 months	Q1 2026	Hiring of key operational staff including plant operators, technicians, quality officers, and administrative personnel. Comprehensive training will be provided on safety, machine operation, and quality control.

Activity	Duration	Period	Description
Test Production	1 month	Q1 2026	A pilot production run will be conducted to test plant efficiency, product quality, and packaging systems. Adjustments will be made based on results to ensure readiness for full-scale production.
Full Operations	—	Q1 2026	Commencement of full commercial production and distribution of wall putty and dolomite products to local and regional markets. Continuous monitoring and quality assurance will guide stable operations.

13. CAPACITY OF THE PROJECT

The proposed plant in **Mdaula, Chalinze – Pwani Region** is designed to operate as a **medium-scale industrial facility** specializing in the production of **dolomite powder** and **wall putty materials**. The project will utilize modern processing technology to ensure consistent product quality, high efficiency, and compliance with national and regional construction standards.

At full operational capacity, the plant will produce a **total of 100 tons per day**, equivalent to approximately **55,000 tons per year**, based on 300 working days. The production breakdown is as follows:

- **Dolomite Powder:** 25,000 tons per year
- **Wall Putty:** 30,000 tons per year

Production Utilization Plan

During the **initial operational phase (2026–2027)**, the plant is expected to operate at around **70% capacity utilization**, as production systems are stabilized and market presence is built within Tanzania. By **2028**, with the introduction of a second production shift and increasing regional demand, the plant will reach **full production capacity 250 tons per day**.

The facility layout has been designed with **scalability in mind**, allowing for future capacity expansion or the introduction of additional product lines without major infrastructural changes. This flexibility will enable the company to respond effectively to market growth and export opportunities.

Efficiency and Quality Assurance

The production process will employ **automated crushing, grinding, blending, and packaging systems**, ensuring optimal resource use and minimal material loss. A dedicated **Quality Control Unit**

will oversee all stages of production to maintain consistent standards of fineness, texture, binding strength, and durability.

In addition, the company will adopt a **preventive maintenance schedule** and continuous staff training programs to maintain operational reliability, reduce downtime, and maximize productivity throughout the year.

Five-Year Capacity Expansion Outlook

Looking forward, the company plans to **increase total production capacity to 150-500 tons per day within five years** (by 2031), driven by:

- I. **Market Expansion:** Higher demand from domestic and regional construction sectors, including new export markets in East and Southern Africa.
- II. **Product Diversification:** Introduction of related construction materials such as specialized wall putty variants, plastering compounds, and value-added dolomite products.
- III. **Technological Upgrades:** Investment in additional machinery, automation, and energy-efficient processing lines to increase output without compromising quality.
- IV. **Operational Excellence:** Streamlined processes, staff development, and optimized logistics to support higher throughput.

This phased expansion strategy positions the company for **sustained growth, increased market share, and higher profitability**, while maintaining operational flexibility and adherence to quality standards.

14. FINANCIAL PROJECTION AND SALES FORECAST

The financial projection provides an overview of the company's expected revenue performance, operating costs, and net profitability for the first four years of operation (2026–2029). These projections are based on anticipated market demand, production capacity, pricing strategy, and cost structures.

The estimates assume steady market growth, gradual capacity expansion, and continuous improvement in operational efficiency as the company scales production and distribution.

IJK GROUP LTD					
INCOME AND CASH FLOW PROJECTION					
OCT 2026 -DEC 2030					
	2026	2027	2028	2029	TOTAL
SALES/TURNOVERS	29,895,050,847	31,389,803,390	32,959,293,559	34,607,258,237	128,851,406,034
DIRECT COSTS:					
RAW MATERIAL COSTS	12,580,205,888.97	13,209,216,183.41	13,869,676,992.58	14,563,160,842.21	54,222,259,907
Packing Material	859,200,000	902,160,000.00	947,268,000.00	994,631,400.00	3,703,259,400
Electricity	266,602,041	279,932,142.86	293,928,750.00	308,625,187.50	1,149,088,121
Factory Overhead Costs	298,102,041	313,007,142.86	328,657,500.00	345,090,375.00	1,284,857,059
Carriage Costs	337,132,653	353,989,285.71	371,688,750.00	390,273,187.50	1,453,083,876
			-		
MACHINE REPAIRS & MAINTENANCE	179,810,204	179,810,204	181,608,306	145,286,645	686,515,359
	14,521,052,828	15,238,114,959	15,992,828,299	16,747,067,637	62,499,063,722
GROSS PROFIT	15,373,998,020	16,151,688,431	16,966,465,261	17,860,190,600	66,352,342,311
OPERATING EXPENSES:					
Salary & Wages	264,000,000	316,800,000	380,160,000	456,192,000	1,417,152,000
NSSFCompany Contributions	26,400,000	31,680,000	38,016,000	45,619,200	141,715,200
Skills & Development Levy	11,880,000	14,256,000	17,107,200	20,528,640	63,771,840
Telephone, Fax , Internet and Postage	18,000,000	21,600,000	2,000,000	2,000,000	43,600,000
Printing and Stationery	5,000,000	7,500,000	6,750,000	6,075,000	25,325,000
	-	-	-	-	-
Security charges	-	-	-	-	-
Staff Welfare	39,600,000	47,520,000	57,024,000	68,428,800	212,572,800
Audit fees	10,000,000	10,000,000	10,000,000	10,000,000	40,000,000
Directors Fees	240,000,000	240,000,000	26,666,667	26,666,667	533,333,333
Business Travelling and accommodations	100,000,000	100,000,000	120,000,000	11,111,111	331,111,111
Depreciation allowance	622,486,719	560,238,047	504,214,242	453,792,818	2,140,731,825
	1,337,366,719	1,349,594,047	1,161,938,109	1,100,414,236	4,949,313,110
Finance Charges					
Bank Charges	5,000,000	625,000	625,000	625,000	6,875,000
Bank Loan interest	135,584,041	12,422,456	11,861,320	11,290,831	171,158,648
	140,584,041	13,047,456	12,486,320	11,915,831	178,033,648
PROFIT BEFORE TAX	13,896,047,260	14,789,046,928	15,792,040,832	16,747,860,533	61,224,995,554
ADD BACK DEPRECIATION	761,622,806	560,238,047	504,214,242	453,792,818	2,140,731,825
CASH FROM OPERATION	14,657,670,066	15,349,284,975	16,296,255,074	17,201,653,351	63,365,727,379
TAXATION	(4,168,814,178)	(4,436,714,079)	(4,737,612,250)	(5,024,358,160)	(18,367,498,666)
PURCHASE OF PLANT & MACHINERY AND EQUIPMENTS	(3,378,131,122)				(3,378,131,122)
FINANCING ACTIVITIES					
BANK LOAN	2,721,834,643	-			2,721,834,643
REPAYMENT	(3,444,898,697)			-	(3,444,898,697)
NET CASH	6,387,660,712	10,912,570,897	11,558,642,825	12,177,295,191	40,897,033,537
OPENING CASH	-	6,387,660,712	17,300,231,609	28,858,874,433	-
CLOSING CASH	6,387,660,712	17,300,231,609	28,858,874,433	41,036,169,624	41,036,169,624

Financial Analysis

- I. **Revenue Growth:** Revenue is projected to grow consistently at an average rate of approximately **5% per annum**, reflecting a stable increase in market demand and production efficiency. This growth is supported by the company's strategy to strengthen its distribution network, enhance product quality, and expand into new regional markets. Total projected sales for the period 2026–2029 amount to **TZS 128.85 billion**, showing a healthy and sustainable upward trend.
- II. **Operating Costs:** Operating and direct costs including raw materials, labor, utilities, carriage, and factory overheads account for approximately 49% of total sales revenue. The company demonstrates strong cost management practices, with gradual improvement in cost efficiency over time. From 2028 onwards, economies of scale and optimized resource utilization are expected to further reduce the cost to revenue ratio. Machine maintenance and energy costs are anticipated to remain stable under a preventive maintenance program.
- III. **Profitability:** Gross profit margins remain strong at an average of **51.5%**, while net profit margins range between **46% and 48%** throughout the projection period. Profit before tax increases steadily from **TZS 13.9 billion in 2026** to **TZS 16.7 billion in 2029**, underscoring the company's robust operational performance and efficient overhead control. The strong profitability profile demonstrates the company's capacity to generate significant returns from its operations while maintaining competitive pricing.
- IV. **Investment Return:** Cash flow from operations remains positive each year, totaling approximately TZS 63.6 billion over the projection period. Despite moderate taxation and periodic investments in machinery, the company's liquidity position strengthens annually culminating in a projected closing cash balance of TZS 41.03 billion by 2030. This indicates excellent cash management and the ability to finance future expansion without overreliance on external borrowing.
- V. **Investment Return:** Based on cumulative profitability and strong operational cash flows, the company is expected to recover its initial capital investment within four years of full operation. With consistent annual profit growth, IJK Group Ltd is positioned for long-term financial sustainability and potential reinvestment into new production lines or export-driven growth initiatives.

Key Financial Assumptions

- I. Production begins at optimal capacity in **2026** and scales progressively through improved efficiency and machinery upgrades.
- II. The **average selling price** of products remains stable, adjusted annually for inflation and market competition.
- III. Approximately **8–10% of annual revenue** is allocated to machine repairs, maintenance, and facility improvements.
- IV. Strategic **cost control measures** including bulk procurement and local sourcing ensure stable gross margins despite market fluctuations.
- V. No significant supply chain disruptions or macroeconomic shocks are anticipated during the projection period.
- VI. Taxation and finance charges remain within manageable levels, ensuring healthy post-tax profitability and positive net cash flow.

15. CONCLUSION

IJK GROUP represents a new era of industrial growth in Tanzania’s construction sector. With an investment of USD 1 million, the company aims to establish a competitive, sustainable, and export-driven factory that provides affordable and high-quality materials. By empowering local employment and leveraging regional trade, IJK GROUP will play a key role in promoting Tanzania’s vision for industrial and economic advancement.

16. CONTACT INFORMATION

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