

FAJU 45 COMPANY LIMITED

BUSINESS PLAN FOR ESTABLISHMENT OF FACTORY FOR PRODUCTION OF WALL PUTTY AND GYPSUM POWDER PROPOSED TO BE UNDERTAKEN IN INGORORA DISTRICT ARUSHA REGION, TANZANIA

23rd August 2025

1.0 EXECUTIVE SUMMARY

FAJU 45 COMPANY LIMITED, a company incorporated in Tanzania is on the mission to establish a project for production of wall putty and gypsum powder proposed to be undertaken in Ingorora district Arusha region, Tanzania. The project is expecting to produce wall putty and gypsum as building materials and expecting to selling within and in future selling outside the country. The project will utilize the total investment is 1,886,000,000 TZS that will cater for procurement of plant, machinery and the working capital. The project has been revealed to be viable since cash accumulation in 4th year is 2,622,447,667 TZS which is more than the initial investment by 736,447,667 TZS. The project payback Period is exactly at the 4th year. Therefore, the project has a relatively short time Payback period. The project will be managed by the Management of FAJU 45 COMPANY LIMITED who will be reporting directly to the shareholders and board of directors. Detailed information about the project is depicted in this main document.

1.1 COMPANY DESCRIPTION

FAJU 45 COMPANY LIMITED is a private foreign company limited by shares and registered in Tanzania under the companies act with certificate of incorporation number 140709921 issued on 3rd January 2020. Also, Also FAJU 45 COMPANY LIMITED is registered with Tanzania Revenue Authority (TRA) with Tax Identification Number 140-709-921 issued on 3rd January 2020.

1.1.1 Company activities or services

The company is also registered to undertake the following activities: -

- I. To carry on business as a general commercial company
- II. To produce building materials and engage in construction activities
- III. To carry on trade or business whatsoever
- IV. To carry on business of cultural tourism in both urban and rural areas
- V. showcasing the traditions of indigenous cultural communities, their values and lifestyle.
- VI. To carry on business as safari contractors, organizers and operators in Aboriginal historical and cultural sites.
- VII. To carry on business of lodge, hotels, restaurants, café, tented camps, roadhouse, motel, safaris or holiday-camp keepers, mountain climbing and safari contractors.
- VIII. To carry on businesses of proprietors, lessees, licensees, tenants and managers and providers of places of entertainment, amusement or recreation of all sorts
- IX. including (without limitation) theatres, cinemas, bingo halls, leisure or sports centre

1.1 VISION

FAJU 45 COMPANY LIMITED vision is to become the best service provider to its customers in Eastern and Central Africa.

1.2 MISSION

FAJU 45 COMPANY LIMITED is to best company in Eastern and Central Africa through best service provision to its customers.

1.3 CORE VALUES

The core values of the company are:-

- ❖ Traceability
- ❖ Sustainability
- ❖ Transparency
- ❖ Commitment
- ❖ Respect
- ❖ Community Support

1.4 COMPANY OWNERSHIP AND BOARD OF DIRECTORS

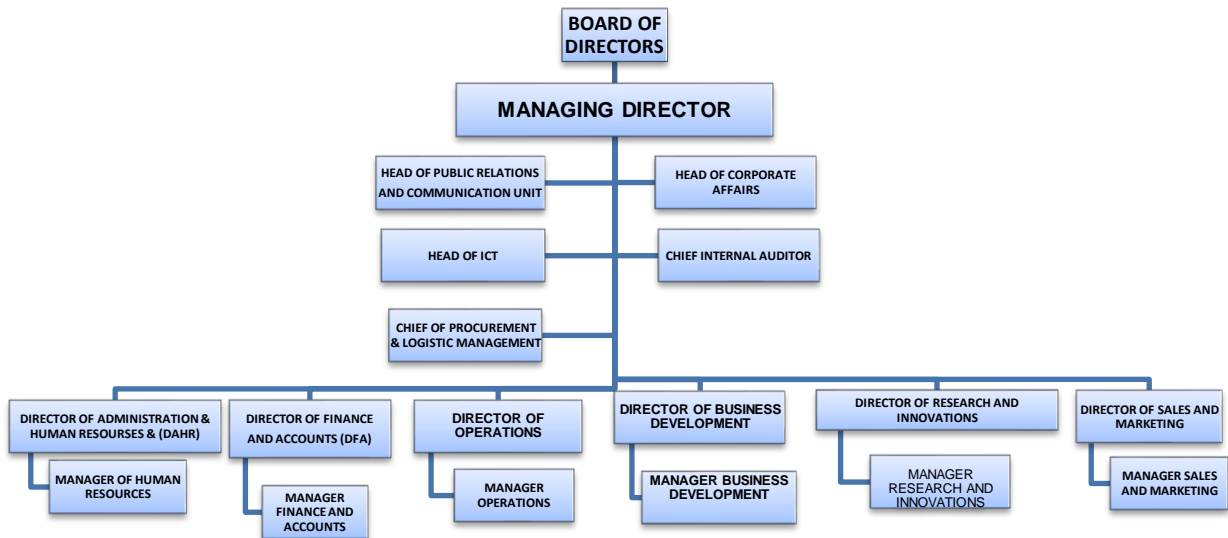
FAJU 45 COMPANY LIMITED is owned by three shareholders with experience in business, the share capital of the company is Tanzania shillings 50,000,000/= which are 50,000 Ordinary shares of 1,000 TZS each divided as follows: -

S/N	Share Holders	% of Share	Nationality
1.	SWEDI FARAJI MSANGI	60	TANZANIAN
2.	FARAJI SUED MSANGI	20	TANZANIAN
3.	SAFINA SIMON MSANGI	20	TANZANIAN

1.5.1 ORGANIZATION'S AND MANAGEMENT

The company is being run by the Management and the Board of Directors. Below Organization structure depicts the management and governance of the company.

1.5.1.2 Organization Structure of the company



1.5 THE PROJECT

FAJU 45 COMPANY LIMITED is planning to establish a project named “establishment and operation of factory for production of wall putty and gypsum powder proposed to be undertaken in Ingorora District Arusha region, Tanzania”. This project is expecting to utilize the total investment of 1,886,000,000 TZS which include the working capital of 810,000,000 TZS

1.6.1 Project location

The project will be located at Ingorora District Arusha region, Tanzania which is approximately 15km from Arusha city Centre.

1.6.2 Products to be produced

The products to be produced by this project is production of wall putty and gypsum to be used as building materials for local consumption and regional consumption.

1.6.3 Source of raw materials

The raw materials for production of wall putty and gypsum as building materials will be obtained from internal market and within the boundaries of Tanzania since the country is full of natural resources and mineral resources.

1.6.4 Technology to be utilized

This project will utilize a high-tech technology plant and machinery for mineral processing to produce gypsum and wall putty as final products.

1.6.5 Overview of Agricultural sector in Tanzania

Tanzania's manufacturing sector is a growing contributor to the economy, with strong focus on light industries like food processing, textiles, and beverages, and expanding into areas such as construction materials, cement, and pharmaceuticals. While the government prioritizes industrial development, the sector faces challenges including limited financing, technological gaps, policy inconsistencies, and dependence on imported intermediate goods. Initiatives like the creation of industrial parks and efforts to improve the business environment aim to boost foreign investment and transform Tanzania into a semi-industrialized nation.

The manufacturing sector is the most significant component of Tanzania's industrial landscape, with its output steadily increasing and contributing significantly to GDP.

The sector's core activities involve the production of consumer goods such as food, beverages, textiles, and plastics, as well as construction materials like cement. There is a growing trend towards expansion in heavy manufacturing, including steel, pharmaceuticals, and motor vehicle assembly.

Textiles and apparel represent a major export sector, contributing to employment and foreign exchange earnings.

Government Priorities & Goals. The government's key policy objective is to transform the economy from agriculture-based to industry-based, moving away from reliance on raw material exports. The goal is to grow the manufacturing sector to become a semi-industrialized country by 2025, according to government aims.

Development plans involve establishing industrial parks, special economic zones, and promoting agro-industries, as well as developing the sugar industry and increasing domestic edible oil production. There is significant potential for value addition in mineral processing, agro-industries, turning raw agricultural, livestock, forestry, and fisheries products into higher-value manufactured goods.

1.6.6 Expected Market

The project is expected to produce wall putty and gypsum to be used as building materials within the local market. Therefore, in this case the project is focusing on the local market and in future will be focusing on both east Africa market and international market.

1.6.7 Marketing and sales strategy

The company will use Diversification strategy to ensure that it penetrates the market and acquire a fair share of the market share for the product. In this case the company will utilize mixed methods to reach the market thus will use the 7Ps of the marketing strategy which are product, price, place, promotion, people, process and physical evidence. Therefore, the company will ensure that it develops a unique and quality product, set a good price for attracting buyers, will locate a place for business, will promote the product through various means, will be people centered reflecting people's needs and peoples feedback, will use a step-by-step process to meet the market but also will have a physical office for customers to come and buy products. It should be noted that Promotion of the company product will be the priority tool for expanding the market base and ensure more customers for the product produced therefore different medias will be used for promotion including TVs, newspapers and social medias therefore the company will set aside a good budget for promotional activities and media coverage for enhancing visibility and consumers awareness of the product produced by the company. Also, the company will utilize B2B marketing method to create awareness of the product it produces and also will utilize international exhibitions and targeted promotion to the international market in order to make sure that it

secures good market for its produce and also ensure securing good price for the products sold by the company.

1.6.8 Project Land size

The project is expected to be in Ingorora District Arusha region, Tanzania which is approximately 15km from Arusha city Centre.

1.6.9 Project risks

Project risks may include changing of government policies, fluctuation of USD prices to TZS, changes of tax rates, labor turnover.

1.6.10 Strategy to overcome risks

Compliance and flexibility with the changing government policies, strengthening internal revenue and pricing mechanism in accordance to the market conditions, hiring good internal Auditor and Taxi consultants and enhancing labor retention policies or the company.

1.6.11 Environmental aspects considerations

Before commencing the project, the company will make sure that it follows all procedures and guidelines for environmental protection from NEMC before establishing the project and if Environmental Impact Assessment (EIA) is needed the project will undergo that assessment for certification before commencing the project.

1.7 PROJECT ESTIMATED REVENUE

The company has estimated that the projected revenue to be 300,000,000 TZS per month.

1.8 PROJECT OPERATING COST

The company has estimated that the project operating cost to be 80% of the total monthly revenue income expected to be generated per month. Therefore, the operating cost estimated is 240,000,000 TZS per month.

1.9 PROJECT FINANCING

The company has estimated that the project will be financed by the shareholders equity and loan therefore amounting to **1,886,000,000 TZS** as total investment capital.

1.10 PROJECT INVESTMENT COST

The project has budgeted to cost the followings:

INVESTMENT COSTS AND ASSETS COSTS			
	ITEM	TZS	USD
1	Land/Building	400,000,000	156,250
2	Plant/Machines	350,000,000	136,719
3	Vehicles	300,000,000	117,188
4	Furniture & Fittings	26,000,000	10,156
5	Stock		
	Sub Total	1,076,000,000	420,313
5	Pre-expenses		
6	Working Capital	810,000,000	316,406
7	Other costs		
	Sub Total	810,000,000	316,406
	TOTAL INVESTMENT COST	1,886,000,000	736,719
	SOURCE OF CAPITAL FOR INVESTMENT/BUSINESS		

		TZS	USD
1	EQUITY	1,386,000,000	541,406
2	LOAN	500,000,000	195,313
	TOTAL INVESTMENT	1,886,000,000	736,719
	TOTAL ASSETS	1,076,000,000	420,313

Exchange rate was made at 2560TZS per 1 USD

2.0 PROJECT MANAGEMENT SCHEDULE

The project will be is headed by the Management of **FAJU 45 COMPANY LIMITED** who will be reporting to the three company shareholders and the Board of Directors. The expected project employment schedule are as follows: -

Employees Distribution Summary

Employment	Foreign	Local	Total
Women	0	20	20
Men	0	46	46
TOTAL	0	66	66

3.0 OVERVIEW OF TANZANIA BUSINESS ENVIRONMENT

In the African continent, TANZANIA is among the top ten investment destinations in Africa, thanks to reforms and a conducive investment environment set by the government.

The Rand Merchant Bank (RMB) ranked the country tenth in business and investment attractiveness, in the Where to Invest in Africa report released recently.

4.0 SWOT ANALYSIS

STRENGTHS

Strengths of the business are –

- The shareholders have own equity and access to loan to expand and operate the project
- The company has sound, experienced and talented management for Business management
- Rapid growth of manufacturing sector in Tanzania
- Effective management
- Influence & Networking of Directors in the Business sector.
- Business location is at prominent place.
- Good roads, ports and air infrastructure in Tanzania for transporting within the country and exporting outside
- Confirmed business due to market availability to the local and regional market.

WEAKNESSES

Weakness of the business are –

- Stiff competition from international market
- Limited market share growth

OPPORTUNITIES

Opportunities of the business are –

- Availability of potential market with Tanzania, EAC and Africa in general and the Global international market.

THREATS

Threats of the business are –

- Complex Tax Structure
- Sectorial competition
- Changing business and investment laws
- Electricity power cut and power rationing
- Changes in fuel prices(fluctuations)
- Availability and changing prices of raw materials
- Fluctuation of USD vs TZS-currency devaluation.

5.0 FINANCIAL PROJECTIONS ASPECT OF THE PROJECT

(i) Projected Profit and Loss Statement

The attached table shows the projected income for the 10 years period. The position depicted is that the project earns profit throughout its life cycle. Accumulated after-tax profits grows from **422,846,667 TZS** in the 1st year to **9,491,027,325 TZS** in the 10th year.

(ii) Projected Cash Flows

The project's cash flows are shown in the attached table. They depict a good liquid position right from the first year. Cash accumulation builds up from **530,446,667 TZS** in the first year to **10,467,760,659 TZS** at the end of the 10th year of the project's operations

(iii) Projected Balance Sheet

The project's assets' cash flows are shown in attached table. Owners' equity grows from **1,808,846,667 TZS** in the first year to **10,877,027,325 TZS** at the end of the 10th year of the project's operations

(iv) Payback Period

Total investment is **1,886,000,000 TZS**, cash accumulation in 4th year is **2,622,447,667 TZS** which is more than the initial investment by **736,447,667 TZS**. The project payback Period is exactly at the 4th year. Therefore, the project has a relatively short time Payback period.

6.0 ECONOMIC ASPECTS OF THE PROJECTS

Besides the financial/monetary returns to the owners, there are other benefits to be derived for the whole country.

I. Employment Opportunities

Employment and poverty reduction are among the major concern of the Central and Local Government authorities. It is gratifying to note that the company will provide additional employment to 66 people. This is a significant contribution coming from this project.

II. Revenue to the Government

The Project is expected to pay a substantial annual amount in the form of corporation tax and other taxes.

III. Foreign Exchange Earning

Since the project aims at selling in Tanzania, and in future selling to EAC and the general world therefore the project will thus earn foreign currency for the United Republic of Tanzania.

7.0 CONCLUSION

After undergoing economic and financial evaluation of the project, it is of view that his project is viable, profitable and contributes to company revenue and to the government revenue by way of taxes, therefore it is recommended that the project should be given enough considerations for its establishment, take off, expansion and receiving incentives from Government through Certificate of Incentives from TISEZA.

8.0 LIST OF APPENDICES

Appendix 1: FORECASTED STATEMENT OF PROFIT& LOSS

FORECASTED STATEMENT OF PROFIT & LOSS IN TZS													
CURRENT YEAR TZS													
	cost/price per day	Sales per month	Monthly Income	Year 1	Year 2	Year 3	Year4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Revenue	10,000,000	30	300,000,000	3,600,000,000	4,140,000,000	4,761,000,000	5,475,150,000	6,296,422,500	7,240,885,875	8,327,018,756	9,576,071,570	11,012,482,305	12,664,354,650.91
Operating Cost(utility etc)	8,000,000	30	240,000,000	2,880,000,000	3,312,000,000	3,808,800,000	4,380,120,000	5,037,138,000	5,792,708,700	6,661,615,005	7,660,857,256	8,809,985,844	10,131,483,721
Gross profit before depreciation and interest			60,000,000	720,000,000	828,000,000	952,200,000	1,095,030,000	1,259,284,500	1,448,177,175	1,665,403,751	1,915,214,314	2,202,496,461	2,532,870,930
Loan Interest 20%				8,333,333	8,333,333	8,333,333	8,333,333	8,333,333	8,333,333	8,333,333	8,333,333	8,333,333	8,333,333
Depreciation 10%				107,600,000	107,600,000	107,600,000	107,600,000	107,600,000	107,600,000	107,600,000	107,600,000	8,333,333	107,600,000
				115,933,333	115,933,333	115,933,333	115,933,333	115,933,333	115,933,333	115,933,333	115,933,333	16,666,667	115,933,333

Gross profit				604,06 6,667	712,06 6,667	836,26 6,667	979,09 6,667	1,143,3 51,167	1,332,2 43,842	1,549, 470,41 8	1,799, 280,98 1	2,185, 829,79 4	2,416,9 37,597
Tax(30%)				181,22 0,000	213,62 0,000	250,88 0,000	293,72 9,000	343,005 ,350	399,673 ,153	464,84 1,125	539,78 4,294	655,74 8,938	725,081 ,279
Profit after tax				422,84 6,667	498,44 6,667	585,38 6,667	685,36 7,667	800,345 ,817	932,570 ,689	1,084, 629,29 3	1,259, 496,68 6	1,530, 080,85 6	1,691,8 56,318
Accumula ted profit				422,84 6,667	921,29 3,333	1,506,6 80,000	2,192, 047,66 7	2,992,3 93,483	3,924,9 64,173	5,009, 593,46 5	6,269, 090,15 1	7,799, 171,00 8	9,491,0 27,325

Appendix 2: PROJECTED STATEMENT OF CASHFLOW

PROJECTED STATEMENT OF CASHFLOW IN TZS											
	0	1	2	3	4	5	6	7	8	9	10
SOURCES											
Profit after interest and depreciation	-	422,846,667	498,446,667	585,386,667	685,367,667	800,345,817	932,570,689	1,084,629,293	1,259,496,686	1,530,080,856	1,691,856,318
Equity		1,386,000,000									
Loan		500,000,000	0	0	0	0	0	0	0	0	0
Total Sources		2,308,846,667	498,446,667	585,386,667	685,367,667	800,345,817	932,570,689	1,084,629,293	1,259,496,686	1,530,080,856	1,691,856,318
Applications:											
Capital expenditure		1,076,000,000									
Working Capital & Others		810,000,000									
Cash	-	422,846,667	498,446,667	585,386,667	685,367,667	800,345,817	932,570,689	1,084,629,293	1,259,496,686	1,530,080,856	1,691,856,318

Depreciat ion	-	107,600,000	107,600,000	107,600,000	107,600,000	107,600,000	107,600,000	107,600,000	107,600,000	8,333,333	107,600,000
Sub total		530,446,667	606,046,667	692,986,667	792,967,667	907,945,817	1,040,170,689	1,192,229,293	1,367,096,686	1,538,414,189	1,799,456,318
Total applicati ons	0	530,446,667	1,136,493,333	1,829,480,000	2,622,447,667	3,530,393,483	4,570,564,173	5,762,793,465	7,129,890,151	8,668,304,341	10,467,760,659

Financed By											
Equity	1,386,000,000	1,386,000,000	1,386,000,000	1,386,000,000	1,386,000,000	1,386,000,000	1,386,000,000	1,386,000,000	1,386,000,000	1,386,000,000	1,386,000,000
Accumulated Profits		422,846,667	921,293,333	1,506,680,000	2,192,047,667	2,992,393,483	3,924,964,173	5,009,593,465	6,269,090,151	7,799,171,008	9,491,027,325
Total Equity	1,386,000,000	1,808,846,667	2,307,293,333	2,892,680,000	3,578,047,667	4,378,393,483	5,310,964,173	6,395,593,465	7,655,090,151	9,185,171,008	10,877,027,325
Local Loan	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000
Total Debt	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000
Total Equity and Debt	1,886,000,000	2,308,846,667	2,807,293,333	3,392,680,000	4,078,047,667	4,878,393,483	5,810,964,173	6,895,593,465	8,155,090,151	9,685,171,008	11,377,027,325

Appendix 4: PAYBACK PERIOD CALCULATIONS

ACCUMULATED CASHFLOW				
Year	Profit After Tax	Depreciation	Total Cash Flow	Accumulated Cash Flow
1	422,846,667	107,600,000	530,446,667	530,446,667
2	498,446,667	107,600,000	606,046,667	1,136,493,333
3	585,386,667	107,600,000	692,986,667	1,829,480,000
4	685,367,667	107,600,000	792,967,667	2,622,447,667
5	800,345,817	107,600,000	907,945,817	3,530,393,483
6	932,570,689	107,600,000	1,040,170,689	4,570,564,173
7	1,084,629,293	107,600,000	1,192,229,293	5,762,793,465
8	1,259,496,686	107,600,000	1,367,096,686	7,129,890,151
9	1,530,080,856	107,600,000	1,637,680,856	8,767,571,008
10	1,691,856,318	107,600,000	1,799,456,318	10,567,027,325
TOTAL	9,491,027,325	1,076,000,000	10,567,027,325	46,447,107,272

Appendix 5: LOAN REPAYMENT SCHEDULE

LOAN REPAYMENT SCHEDULE				
Year	<i>Principle</i>	Year Loan Interest (20%)	Total Amount Paid	Loan Balance
0	500,000,000	100,000,000.00	600,000,000.00	600,000,000
1	41,666,667	8,333,333	50,000,000	550,000,000
2	41,666,667	8,333,333	50,000,000	500,000,000
3	41,666,667	8,333,333	50,000,000	450,000,000
4	41,666,667	8,333,333	50,000,000	400,000,000
5	41,666,667	8,333,333	50,000,000	350,000,000
6	41,666,667	8,333,333	50,000,000	300,000,000
7	41,666,667	8,333,333	50,000,000	250,000,000
8	41,666,667	8,333,333	50,000,000	200,000,000
9	41,666,667	8,333,333	50,000,000	150,000,000
10	41,666,667	8,333,333	50,000,000	100,000,000
11	41,666,667	8,333,333	50,000,000	50,000,000
12	41,666,667	8,333,333	50,000,000	-
	500,000,000	100,000,000	600,000,000	

Appendix V

TENTATIVE PROJECT IMPLEMENTATION SCHEDULE

	ACTIVITY	PERIOD
1.	Processing and preparation of land for project	September 2025
2.	Funds Mobilization	September 2025
4.	Ordering of Machinery/plant	October 2025
5.	Arrival of machine and Vehicles	November 2025
6.	Project implementations	December 2025
7.	Commercial Operations	January 2026