

Limestone Processing & Wall Putty Production Project

BUSINESS PLAN

**PRAGATI INDUSTRIES (T)
LIMITED- Building on trust!**

**2026
2031**

"Every day is a new beginning, take a deep breath, smile and start again".-Anonymous



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Annex I

1. EXECUTIVE SUMMARY

Pragati Industries (T) Limited is a manufacturing company with parented products that will revolutionize the building industry.

This business plan outlines the establishment of a limestone processing plant (grind unit) that will locally source limestone, grind it into dolomite powder, and manufacture wall putty for the construction industry also the project can expand into producing construction chemicals using dolomite as an input. The project aims to capitalize on the growing demand for affordable, high-quality finishing materials in Tanzania's construction sector.

The plant will be located strategically near limestone deposits to reduce raw material transport costs. The project will produce high-quality wall putty used for interior and exterior wall finishing.

2. Mission

Our mission is to provide high-quality and affordable wall finishing materials by utilizing locally available limestone resources, adopting efficient processing technology, and delivering reliable products to the construction industry while contributing to employment creation and economic development.

3. Investment Objective

The main objective of the investment is to establish a sustainable and profitable manufacturing operation that processes locally sourced limestone into dolomite powder and wall putty products. The project aims to add value to locally available mineral resources, reduce reliance on imported construction materials, and meet the growing demand for finishing materials in the building and construction sector. The investment will also focus on achieving operational efficiency, quality production standards, and long-term profitability.

4. Top Management Structure

To ensure efficient production, quality control, and sustainable growth in the limestone processing and wall putty manufacturing business, the company will adopt a well-defined management structure comprising the Board of Directors, Managing Director, and Operational Manager.

- **Board of Directors**

The company has two directors, Capt. Abraham V. Chacko and Mr. Farishta Kohli. The Board of Directors will provide overall strategic guidance and governance of the company. It will consist of individuals with experience in manufacturing, construction materials,

finance, and business management. The Board will play a key role in positioning the company as a reliable supplier of high-quality wall putty in both local and regional markets.

- **Managing Director- Abraham Vellakkottu Chacko**

The Managing Director will be responsible for overall leadership and execution of the company's business strategy.

In this project, the managing director will oversee both the processing of limestone into dolomite powder and the production and distribution of wall putty. The Managing Director will ensure that operations align with the company's goal of producing high-quality, affordable wall putty.

- **Operational Manager- Ashly Appu**

The Operational Manager will handle the day-to-day running of the production facility, ensuring efficiency in converting limestone into dolomite powder and ultimately into wall putty.

5. Sector and Product Description

Sector: Manufacturing and Construction Materials.

The project will produce finely ground dolomite powder (intermediate product) derived from locally sourced limestone. This powder will be used as the primary raw material in manufacturing wall putty used for smoothing and finishing walls before painting. The final product will be packaged wall putty sold to hardware stores, building contractors, and construction companies.

6. Investment Costs and Sources of Finance

- **Investment costs**

The investment funds will be allocated across several major components required for establishing the plant. A significant portion will be used for the purchase of limestone grinding machinery, pulverizers, mixers, and packaging equipment. Another portion will be allocated for the construction of the production facility, warehouse, and office buildings. The estimated total investment cost for establishing the plant is approximately USD 950,000. The cost includes grinding machine approximately USD 500,000, civil works approximately USD 200,000, electrical works approximately USD 50,000 and others approximately 125,000.

- **Sources of finances**

The investment will be financed through a combination of owner's equity and loan. The shareholder's contribution is USD 112,334 of the capital as equity investment, US\$

400,000 will be obtained as shareholders foreign loan. At the moment US\$ 175,000 is injected already in the company. The company will obtain a loan of US \$ 650,000 from a bank. This blended financing approach ensures adequate capital structure while supporting sustainable growth of the project.

7. Job Creation

The project is expected to create both direct and indirect employment opportunities. Direct employment will include one production manager, two machine operators, two technicians, two accountants, and one administrative staff.

It is estimated that the plant will employ approximately 150 workers directly during the operational phase. Indirect employment will also be generated through approximately 10 limestone suppliers, 30 transporters, 20 distributors, and 30 retailers. The project will therefore contribute significantly to local employment and income generation in the surrounding communities.

8. Sources of Supply of Inputs

The primary input for the project is limestone which will be sourced from local mining areas and quarry operators within Tanzania such as Tanga, Kibaha and Morogoro. Long-term supply agreements will be established with reliable suppliers to ensure consistent quality and availability.

Other inputs such as binding chemicals, polymers, and packaging materials will be sourced from local industrial suppliers and importers. Transportation services will be arranged to deliver raw limestone to the processing facility efficiently and cost-effectively.

9. Marketing Plan

The marketing strategy will focus on supplying hardware stores, construction companies, building contractors, and real estate developers. The company will build relationships with distributors and retailers to ensure product availability in key construction markets.

Promotion activities will include direct sales to contractors, partnerships with building material suppliers, product demonstrations, and participation in construction exhibitions. Competitive pricing, consistent product quality, and reliable supply will be key factors in building brand recognition and market share.

10. Implementation Schedule

Project implementation is expected to take approximately 6 years. The first phase (first year) will involve machinery procurement, importation, set ups and installation of grinding and production machinery. In addition, the first and second year will focus on additional

recruitment, staff training, pilot production and market entry. The second phase (second to sixth year) will include full scale production, that is stabilization and scaling up. This phase will focus on the expansion, growth and product diversification.

Trial production and quality testing will be conducted before full commercial operations commence. Marketing and distribution networks will be developed during the final stage to ensure smooth market entry.

11. Financial Projection (Data Source: Annex 1)

- Year 1 Revenue: US\$ 660,000; Net Loss: US\$ (8,301)
- Year 2 Revenue: US\$ 1,800,000; Net Profit: US\$ 94,510
- Year 3 Revenue: US\$ 1,800,000; Net Profit: US\$ 173,414
- Year 4 Revenue: US\$ 1,800,000; Net Profit: US\$ 222,729
- Year 5 Revenue: US\$ 1,800,000; Net Profit: US\$ 252,550
- Year 6 Revenue: US\$ 1,050,000; Net Profit: US\$ 159,141

The financial projections assume gradual market penetration, improved production efficiency, and increasing demand for wall finishing materials in the construction industry. Operating costs include raw materials, labor, utilities, maintenance, and distribution expenses. Profitability is expected to improve as production capacity utilization increases over time.

12. Project Capacity

The proposed plant (grind unit) is expected to process approximately 11,000 tons of limestone monthly for year 1. From this processing capacity, the plant will produce approximately 9,000 tons of dolomite powder and wall putty products per month. Production will operate on a continuous basis with multiple shifts depending on market demand.

The plant capacity may be expanded in the future as market demand grows and additional equipment is installed by the company.

13. CONCLUSION

The limestone grinding and wall putty production project is financially viable and strategically positioned to benefit from Tanzania's growing construction sector. With proper management, efficient operations, and strong marketing, the project is expected to generate sustainable profits and contribute to industrial development.

ANNEX I: BUSINESS PROJECTION FOR 6 YEARS

BoP								
EoP								
Month of Operations	#							
Year of Operations	#							
Year	Year(s)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	
Period		2026	2027	2028	2029	2030	2031	
Key Inputs		Calculations						
General		Capex						
TZS: USD	Currency	2700	USD					
Timing		Grinding Machine Civil Works Electrical Works Excavator Others						
Start Date	Date	01-Jan-26						
Project	Prep							
Duration	Months	6						
Start of Works	Date	01-Jul-26						
Installation								
Duration	Months							
Operations Start	Date							
Capex		Unit Production						
Machine Capacity	TPH	15	Tons					
Cost			11,000	30,000	30,000	30,000	30,000	17,500
Grinding Machine	USD	500,000						
Civil Works	USD	200,000						
Electrical Works	USD	50,000						
Excavator	USD	75,000						
Others	USD	125,000						
Total	USD	950,000						
Depreciation		Revenue						
Life			660,000	1,800,000	1,800,000	1,800,000	1,800,000	1,050,000
		Dolomite Others						
		COS - Cost of Sales						
		Dolomite Others						
		Gross Profit						
		Dolomite Others						

Useful Life	Machine	Years	10
Useful Life	Civil Works	Years	10
Useful Life	Electrical Works	Years	10
Useful Life	Excavator	Years	10
Useful Life Others		Years	10
Depreciation Rate			
	Machine	%	37.50%
	Civil & Building	%	37.50%
	Electrical Works	%	37.50%
	Excavator	%	37.50%
	Others	%	37.50%
Assumptions			
	Sale Price Per Ton	USD	60
	COS	USD	30

Expenditure

Direct Overheads

Employee Salaries Expenses	50,000	120,000	120,000	120,000	120,000	70,000
Workers Compensation Fund - WCF						
Pension Contribution - NSSF	5,000	12,000	12,000	12,000	12,000	7,000
Skills & Development Levy - SDL	2,500	6,000	6,000	6,000	6,000	3,500
Offloading Costs	2,500	6,000	6,000	6,000	6,000	3,500
Casual Labour Expenses	20,000	48,000	48,000	48,000	48,000	28,000
Fuel & Lubricants	1,000	2,400	2,400	2,400	2,400	1,400
Utilities - Electricity & Water	3,500	8,400	8,400	8,400	8,400	4,900
Safety & Fire Charges	2,850	8,400	8,400	8,400	8,400	4,900
Production Materials	2,900	8,400	8,400	8,400	8,400	4,900
Spare parts	3,000	8,400	8,400	8,400	8,400	4,900
Guest house Expense	3,300	8,400	8,400	8,400	8,400	4,900
Factory Office - Rent Expenses	6,371	8,400	8,400	8,400	8,400	4,900
Guest house - Rent Expenses	3,300	8,400	8,400	8,400	8,400	4,900
Work Permit Expense	2,900	8,400	8,400	8,400	8,400	4,900
Packaging Materials	3,300	8,400	8,400	8,400	8,400	4,900
Total Direct Overhead	117,421	282,000	282,000	282,000	282,000	164,500

Indirect Overheads

Communication Costs	1,000	2,400	2,400	2,400	2,400	1,400
Accountancy and Audit fees	5,000	12,000	12,000	12,000	12,000	7,000
Directors' Fee	50,000	120,000	120,000	120,000	120,000	70,000
Business Licence	500	1,200	1,200	1,200	1,200	700
Bank Charges	500	1,200	1,200	1,200	1,200	700

<i>Car Hiring Charges</i>	500	1,200	1,200	1,200	1,200	700
<i>Corporate Social Responsibility CSR - Gift & Donation</i>						
<i>Transport Expense</i>	500	1,200	1,200	1,200	1,200	700
<i>Office Consumables</i>	500	1,200	1,200	1,200	1,200	700
<i>Perdiem</i>	500	1,200	1,200	1,200	1,200	700
<i>Travelling & Accommodation</i>	2,500	6,000	6,000	6,000	6,000	3,500
<i>Medical Expenditure</i>	500	1,200	1,200	1,200	1,200	700
<i>Exchange Gain/Loss</i>	500	1,200	1,200	1,200	1,200	700
<i>City Service Levy</i>	500	1,200	1,200	1,200	1,200	700
<i>Office Expense</i>	500	1,200	1,200	1,200	1,200	700
<i>Regulatory Expenses</i>	500	1,200	1,200	1,200	1,200	700
<i>Membership & Subscription Fees</i>	500	1,200	1,200	1,200	1,200	700
<i>Sanitations Expenses</i>	500	1,200	1,200	1,200	1,200	700
<i>Comp. Software License Fees/Maintenance</i>						
<i>Legal & Professional Fees</i>						
<i>Newspaper</i>	500	1,200	1,200	1,200	1,200	700
<i>Postal Rental Box</i>	500	1,200	1,200	1,200	1,200	700
<i>Printing & Stationery</i>	500	1,200	1,200	1,200	1,200	700
<i>Postage and Courier</i>	500	1,200	1,200	1,200	1,200	700
<i>Business Lunch</i>	500	1,200	1,200	1,200	1,200	700
<i>Facilitation Cost</i>	500	1,200	1,200	1,200	1,200	700
<i>Security Costs</i>	500	1,200	1,200	1,200	1,200	700
<i>Fines & Penalties</i>	500	1,200	1,200	1,200	1,200	700
<i>Staff Benefits - Rent</i>	500	1,200	1,200	1,200	1,200	700
<i>Discount allowed</i>	500	1,200	1,200	1,200	1,200	700
<i>Marketing Expenses</i>	500	1,200	1,200	1,200	1,200	700
<i>Training Expenses</i>	500	1,200	1,200	1,200	1,200	700
<i>Suspense Account</i>	500	1,200	1,200	1,200	1,200	700
<i>Staff Benefits - House Support</i>	500	1,200	1,200	1,200	1,200	700
<i>Interest expenses</i>	500	1,200	1,200	1,200	1,200	700
<i>Interest expenses - Bank Loan</i>	500	1,200	1,200	1,200	1,200	700

<i>Stamp duty Expenses</i>	500	1,200	1,200	1,200	1,200	700
<i>Insurance Expenses</i>	500	1,200	1,200	1,200	1,200	700
<i>Clearing Charges</i>	500	1,200	1,200	1,200	1,200	700
Total Indirect Overheads	76,000	182,400	182,400	182,400	182,400	106,400
Total Direct & Indirect Overheads	193,421	464,400	464,400	464,400	464,400	270,900
Margin After Direct & Indirect Cost	136,579	435,600	435,600	435,600	435,600	254,100
ITDA						
<i>Interest Cost</i>						
<i>Depreciation of Plant and Machinery</i>						
<i>Depreciation of Computers</i>	31,250	63,281	39,551	24,719	15,450	5,633
<i>Depreciation of Office Equipment</i>	7,813	15,820	9,888	6,180	3,862	1,408
<i>Depreciation of Furniture and Fittings</i>						
<i>Depreciation of Motor Vehicle & Trucks</i>						
Total ITDA	148,438	300,586	187,866	117,416	73,385	26,755
PBT - Profit Before Tax	(11,859)	135,014	247,734	318,184	362,215	227,345
Corporate Tax	(3,558)	40,504	74,320	95,455	108,664	68,203
PAT - Profit After Tax	(8,301)	94,510	173,414	222,729	253,550	159,141
Depreciation Schedule	148,438	300,586	187,866	117,416	73,385	26,755
<i>Depreciation of Plant and Machinery</i>						

<i>Depreciation of Computers</i>	31,250	63,281	39,551	24,719	15,450	5,633
<i>Depreciation of Office Equipment</i>	7,813	15,820	9,888	6,180	3,862	1,408
<i>Depreciation of Furniture and Fittings</i>						
<i>Depreciation of Motor Vehicle & Trucks</i>						

Analysis of Proposed Cash Flow

<i>Profit from Operations</i>	(11,859)	(608)	10,643	21,895	33,146	44,397
<i>Add Depreciation</i>	148,438	173,486	198,535	223,584	248,633	273,682
Inflow from Operations	136,579	172,879	209,179	245,479	281,779	318,079
<i>Capex</i>	1,100,000	-	-	-	-	-
Cash Outflow	1,100,000	-	-	-	-	-
Cash Inflow	136,579	435,600	435,600	435,600	435,600	254,100
Cash Balance Cumulative	(963,421)	(527,821)	(92,221)	343,379	778,979	1,033,079
Interest Cost	(54,959)	(72,747)	(29,187)	(630)	-	-