

NDONYA GROUP COMPANY LIMITED

**POLYESTER FOOTWEAR
MANUFACTURING PROJECT**

. EXECUTIVE SUMMARY

NDONYA GROUP LIMITED proposes to establish a Polyester footwear manufacturing industry located at Kivule, Dar es Salaam. The project aims to produce affordable, durable, and locally manufactured Polyester footwear targeting the mass market in Tanzania and the wider East African region.

The total estimated project cost is USD 150,000, covering machinery acquisition, factory construction, raw materials, and initial working capital. Construction is planned to commence in March 2026 with commercial operations expected to start in September 2026.

The project aligns with Tanzania's industrialization agenda by promoting import substitution, job creation, skills transfer, and value addition within the manufacturing sector.

2. BUSINESS DESCRIPTION.

- Company Name: NDONYA GROUP LIMITED
- Legal Status: Private Limited Company (Tanzania)
- Nature of Business: Manufacturing of Polyester footwear.
- Project Promoters: Tanzanian investors
- Registered Office: Dar es Salaam, Tanzania

3. SHAREHOLDING AND GOVERNANCE STRUCTURE

NDONYA GROUP LIMITED is wholly owned by Tanzanian shareholders; *Emanuel Ndongya Msigwa* and *Festo Emanuel Msigwa*. The company is governed by a Board of Directors responsible for strategic oversight, while day-to-day operations will be managed by a General Manager supported by production, finance, and sales departments.

The governance structure is designed to ensure accountability, transparency, and compliance with Tanzanian laws and TIC requirements.

3. PROJECT DESCRIPTION

The proposed factory will manufacture various types of Polyester footwear using molding technology. Products will be designed for men, women, and children, with emphasis on affordability, durability, and attractive designs suitable for local and regional markets.

Key Objectives

- Establish a modern Polyester footwear sandals manufacturing facility in Dar es Salaam
- Reduce reliance on imported Polyester footwear.
- Create employment opportunities for local communities
- Supply competitively priced products to domestic and regional markets

4. LOCATION AND SITE ANALYSIS

The factory will be located at Kivule, Dar es Salaam, selected due to:

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- Proximity to major markets in Dar es Salaam
- Availability of labor
- Access to transport infrastructure
- Nearness to suppliers of Polyester raw materials and ports

5. PRODUCTS DESCRIPTION

The company will manufacture polyester-based sandals known for durability, flexibility, and resistance to wear and moisture. Polyester material allows consistent quality, attractive finishing, and suitability for mass-market use.

The company will manufacture:

- Men's polyester sandals
- Women's polyester sandals
- Children's polyester sandals

Products will vary in size, color, and design to meet diverse customer preferences.

6. MARKET ANALYSIS

6.1 Industry Overview

Polyester footwear are widely used in Tanzania due to affordability and suitability for everyday use. Demand is driven by population growth, urbanization, and rising preference for low-cost durable footwear.

6.2 Target Market

- Wholesalers and retailers in Dar es Salaam
- Regional distributors across Tanzania
- Informal markets and open markets
- Potential exports to neighboring countries (Zambia, Malawi, Zimbabwe, DRC)

6.3 Competitive Advantage

- Local production reduces import costs
- Competitive pricing
- Ability to customize designs for local preferences
- Faster response to market demand

7. Production Process

1. Procurement of polyester granules
2. Melting and molding using polyester-compatible sandal machines
3. Cooling and shaping
4. Finishing and quality inspection

5. Packaging and storage

8. TECHNOLOGY AND MACHINERY

The project will utilize standard Polyester footwear molding machines with high production efficiency and low waste generation.

Estimated Machinery Cost: USD 75,000

9. IMPLEMENTATION SCHEDULE

Activity	Timeline
Project planning & approvals	Jan – Feb 2026
Construction start	March 2026
Construction period	March – July 2026
Machinery installation	August 2026
Trial production	August 2026
Commercial operations	September 2026

10. CAPITAL INVESTMENT

Total Project Cost: USD 150,000

Item	Amount (USD)
Purchase of machinery	75,000
Factory construction	40,000
Raw materials & initial working capital	50,000
Total	150,000

The capital will be sourced from **personal savings** and **loan facility**.

11. EMPLOYMENT AND HUMAN RESOURCES

Proposed Organizational Structure

The organizational structure of Ndonya Company Ltd is designed to support efficient manufacturing operations, strong financial control, and effective market penetration while remaining lean in the initial years.

Proposed Structure:

- **Board of Directors**
Provides strategic direction, policy approval, and oversight.

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- **Managing Director / General Manager**
Responsible for overall management, implementation of strategy, and liaison with TIC and regulators.
- **Production Department**
 - Production Manager
 - Machine Operators
 - Quality Control Officer
 - Maintenance Technician
- **Finance & Administration Department**
 - Finance & Accounts Officer
 - Administrative Officer
- **Sales & Marketing Department**
 - Sales & Marketing Officer
 - Distribution & Logistics Assistant
- **Procurement & Stores**
 - Procurement & Stores Officer

The structure allows scalability as production capacity and market demand increase. The project is expected to create both direct and indirect employment with 60 to 70 employees in the first year of operation. Priority will be given to local residents.

12. ENVIRONMENTAL AND SOCIAL IMPACT

The project will comply with environmental regulations by:

- Proper handling and recycling of polyester waste materials
- Efficient use of energy and raw materials
- Maintaining a clean and safe working environment

Social benefits include job creation, skills development, and contribution to local economic growth.

13. RISK ANALYSIS AND MITIGATION

Risk	Mitigation Measure
Raw material price fluctuations	Multiple suppliers and bulk purchasing
Market competition	Competitive pricing and product differentiation
Machinery breakdown	Regular maintenance and skilled operators

14. LOCAL CONTENT AND IMPORT SUBSTITUTION

Currently, a significant proportion of plastic sandals sold in Tanzania are imported. Ndongya Group Company Ltd will substitute these imports by producing affordable footwear locally.

Local content contribution includes:

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- Employment of local labor
- Use of locally available services (transport, maintenance, packaging)
- Development of technical skills in plastic manufacturing

This will result in reduced foreign exchange outflows and strengthened domestic manufacturing capacity.

15. FINANCIAL PROJECTIONS.

The factory is expected to operate at 60% capacity in the first year, increasing to 85% by the third year.

Key Financial Assumptions:

- Average production capacity: scalable based on market demand
- Competitive wholesale pricing
- Stable demand driven by domestic consumption

The project is projected to achieve profitability within the first two years of operation, supported by low production costs and strong market demand.

(Detailed financial projections is attached *as Annex 1*)

16. ENVIRONMENTAL AND REGULATORY COMPLIANCE

The project will comply with all environmental and industrial regulations in Tanzania. Key compliance measures include:

- Registration with NEMC and undertaking an Environmental Impact Assessment (EIA), where required
- Proper management of plastic waste through recycling and controlled disposal
- Compliance with occupational health and safety standards

17. CONCLUSION

The proposed investment by Ndonya Company Ltd represents a viable and strategic manufacturing project aligned with Tanzania's industrial development agenda. With TIC support, the project will contribute to import substitution, job creation, skills development, and sustainable economic growth. Ndonya Company Ltd respectfully submits this enhanced business plan for TIC registration and investment facilitation.

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ANNEX 1

PROJECTED INCOME STATEMENT FOR THE YEAR 1 to YEAR 3

		Y1	Y2	Y3
		TZS	TZS	TZS
Revenue				
Revenue	Note 1	550,000,000	1,320,000,000	1,716,000,000
Other income		-	-	-
Total Revenue		550,000,000	1,320,000,000	1,716,000,000
Cost of Goods Sold				
Opening balance		-	94,720,000	104,192,000
Purchases	Note 2	368,500,000	594,000,000	772,200,000
Closing stock		94,720,000	104,192,000	114,611,200
Total Cost of Goods Sold		273,780,000	584,528,000	761,780,800
Gross Margin		276,220,000	735,472,000	954,219,200
Operating Expenses				
Administrative expenses	Note 3	199,300,000	430,560,000	550,828,800
Other Expenses	Note 4	-	-	-
Total Operating Expenses		199,300,000	430,560,000	550,828,800
Income (Before Other Expenses)		76,919,999	304,911,999	403,390,399
Other Expenses				
Depreciation	Note 4	30,681,250	41,103,969	73,158,905
Interest on loan	Note 6	-	-	-
Total Other Expenses		30,681,250	41,103,969	73,158,905
Net Income Before Income Tax		46,238,749	263,808,031	330,231,495
Tax expenses		6,935,812	39,571,205	49,534,724
Net Profit/Loss		39,302,937	224,236,826	280,696,771

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PROJECTED BALANCE SHEET for YEAR 1 To YEAR 3

Amount in TZS

TZS	Notes	Y1	Y2	Y3
Non-Current Assets				
PP&E	Note5	270,268,750	358,992,780	578,108,282
Intangible Assets		-	-	-
Total Non-Current Assets		270,268,750	358,992,780	578,108,282
Current Assets				
Cash and Bank Balances	Note 4	12,500,000	26,134,275	51,723,026
Inventories		94,720,000	104,192,000	114,611,200
Trade and receivables		-	27,500,000	33,825,000
Total Current Assets		107,220,000	157,826,275	200,159,226
Total Assets		377,488,750	516,819,055	778,267,508
Current Liabilities				
Trade and other payables	Note 7	25,180,000	5,845,280	4,710,161
Income tax payable		-	-	-
Total Current Liabilities		25,180,000	5,845,280	4,710,161
Non-Current Liabilities				
Other Payables		-		
Loans and borrowings	Note 8	83,685,000	18,113,201	-
Total Non-Current Liabilities		83,685,000	18,113,201	-
Total Liabilities		108,865,000	23,958,481	4,710,161
Share capital		100,000,000	100,000,000	229,320,812
Advance toward share capital		129,320,812	129,320,812	-
Retained Profit/(Losses)		39,302,937	263,539,763	544,236,534
Total Equity & Liabilities		268,623,749	492,860,575	773,557,346
Dividends		-	-	-
Total Equity and Liabilities		377,488,749	516,819,056	778,267,507

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PROJECTED CASH FLOW

Value in TZS	Amount in TZS		
	Y1	Y2	Y3
Operating activities			
Profit before tax	46,238,749	263,808,031	330,231,495
Adjustments for:			
Depreciation of PPE	30,681,250	41,103,969	73,158,905
Interest paid	-	-	-
Profit on disposal of plant and machinery			
Operating profit before working capital changes	76,919,999	304,911,999	403,390,399
Working capital changes in:			
(Increase)/ Decrease in Inventories	(94,720,000)	(9,472,000)	(10,419,200)
(Increase)/ Decrease in Trade and other receivables	-	(27,500,000)	(6,325,000)
(Decrease)/ Increase in trade and other payables	25,180,000	19,334,720	1,135,119
Working capital changes	(69,540,000)	(56,306,720)	(17,879,319)
Cash flow generated from/ (used in) operating activities			
Interest received	-	-	-
Interest paid	-	-	-
Income tax paid	(6,935,812)	(39,571,205)	(49,534,724)
Net cash flows generated from/ (used in) operating activities	(6,935,812)	(39,571,205)	(49,534,724)
Investing activities			
Purchase of PPE	(300,950,000)	(129,827,999)	(292,274,406)
Proceeds from disposal of PPE	-	-	-
Net cash from investing activities	(300,950,000)	(129,827,999)	(292,274,406)
Financing activities			
Proceeds from Shareholders' contribution/ Share capital	229,320,812		
Additional Debt/ Loan Received	83,685,000	(65,571,799)	(18,113,201)
Net cash from financing activities	313,005,812	(65,571,799)	(18,113,201)
Dividend	-	-	-
Increase / (decrease) in cash and cash equivalents	12,499,999	13,634,277	25,588,749
Cash and cash equivalents at the beginning of the year	-	12,499,999	26,134,276
Effects of foreign exchange rate fluctuations	-	-	-
Cash and cash equivalents at the end of the year	12,499,999	26,134,276	51,723,025

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NOTES OF ACCOUNTS

		Y1	Y2	Y3
	Direct costs			
Note 2	Opening balance of stock	-	94,720,000	104,192,000
	Purchases	368,500,000	594,000,000	772,200,000
	Closing balance	94,720,000	104,192,000	114,611,200
		273,780,000	584,528,000	761,780,800
	Revenue			
Note 1	Sales	550,000,000	1,320,000,000	1,716,000,000
	Adminstrative expenses			
Note 3	Salary & Wages	110,000,000	290,400,000	377,520,000
	Rent	36,000,000	43,200,000	50,976,000
	Bank charges		-	-
	Licence and permit	21,000,000	25,200,000	29,736,000
	Communication & Internet	4,800,000	5,760,000	6,796,800
	Other administrative expenses		-	-
	Sales and marketing expenses	27,500,000	66,000,000	85,800,000
		199,300,000	430,560,000	550,828,800

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FIXED ASSET SCHEDULE- Y1					
	25.00%	12.50%	4.00%	12.50%	
Particular of Assets	Computers & Accessories	Machinery & equipments	Land & building	Furniture & Fittings	Total
At cost as at 01.04.2026					-
Additions	12,500,000	162,500,000	100,000,000	25,950,000	300,950,000
Balance as at 31/03/2027	12,500,000	162,500,000	100,000,000	25,950,000	300,950,000
DEPRECIATION					
Opening balance					-
Charge for the year	3,125,000	20,312,500	4,000,000	3,243,750	30,681,250
Closing balance	3,125,000	20,312,500	4,000,000	3,243,750	30,681,250
NBV as at 31/03/2027	9,375,000	142,187,500	96,000,000	22,706,250	270,268,750
FIXED ASSET SCHEDULE- Y2					
	25.00%	12.50%	2.00%	12.50%	
Particular of Assets	Computers & Accessories	Machinery & equipments	land & building	Furniture & Fittings	Total
At cost as at 01.04.2027	12,500,000	162,500,000	100,000,000	25,950,000	300,950,000
Additions		129,827,999			129,827,999
Balance as at 31/03/2028	12,500,000	292,327,999	100,000,000	25,950,000	430,777,999
DEPRECIATION					
Opening balance	3,125,000	20,312,500	4,000,000	3,243,750	30,681,250
Charge for the year	2,343,750	34,001,937	1,920,000	2,838,281	41,103,969
Closing balance	5,468,750	54,314,437	5,920,000	6,082,031	71,785,219
					-
NBV as at 31/03/2028	7,031,250	238,013,562	94,080,000	19,867,969	358,992,780
FIXED ASSET SCHEDULE- Y3					
	25.00%	12.50%	2.00%	12.50%	
Particular of Assets	Computers & Accessories	Machinery & equipments	land & building	Furniture & Fittings	Total
At cost as at 01.04.2028	12,500,000	292,327,999	100,000,000	25,950,000	430,777,999
Additions	6,000,000	275,074,406		11,200,000	292,274,406
Balance as at 31/03/2029	18,500,000	567,402,405	100,000,000	37,150,000	723,052,405
DEPRECIATION					
Opening balance	5,468,750	54,314,437	5,920,000	6,082,031	71,785,219
Charge for the year	3,257,813	64,135,996	1,881,600	3,883,496	73,158,905
Closing balance	8,726,563	118,450,433	7,801,600	9,965,527	144,944,123
NBV as at 31/03/2029	9,773,438	448,951,972	92,198,400	27,184,473	578,108,282