



# IDDCON INVESTMENT LIMITED

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TIN: 138-244-628 VRN 40-032720-L

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## BUSINESS PLAN

### 1. Executive Summary

- Business Name: Iddcon Investment Co Ltd
- Location: Mwanza, Lake Zone, Tanzania
- Industry: Lubricant Manufacturing

#### Business Overview:

Iddcon Investment Co Ltd will establish a state-of-the-art lubricant production plant in Mwanza using the latest Turkish machinery technology. The facility is designed to meet the lubricant demands of the Lake Zone and the entire Tanzanian market, with significant potential for exports to neighboring countries, including Malawi, Congo, Uganda, Burundi, Zambia, and Zimbabwe.

#### Key Objectives:

Launch a modern lubricant plant with an investment of approximately USD1.2 million. Employ approximately 50 direct staff members at startup with an indirect impact on over 150 individuals and their families.

Increase Tanzania's export revenue through high-quality production for regional markets. Boost local economic development by introducing advanced technology and creating employment opportunities.

#### Project Overview:

- Establishment of a state-of-the-art lubricant production plant utilizing advanced Turkish machinery.
- Production capacity aimed at meeting local demand and opening export channels to neighboring markets.
- Projected monthly sales: 200,000 liters generating approximately TZS 1.5 billion in revenue.

#### Strategic Goals:

- To become a key player in the local lubricant market.
- To stimulate local economic growth through job creation and skill development.
- To ensure environmental sustainability and compliance with local regulations.

## 2. Market Analysis

### - Local Market Strength:

- Rising demand for high-quality lubricants in Tanzania and nearby countries.
- Increasing vehicle use and industrial activities in the region.

### - Export Potential:

- Strategic location offers ease of access to regional markets.
- Opportunities to expand product range to include specialized lubricants for various industries.

### - Competitive Landscape:

- Analysis of competitors emphasizing quality, price, and distribution.
- Our competitive edge: modern machinery, cost efficiencies, and scalability.

## 3. Production Plan; Land and Building, Property, Plant and Equipment Cost Estimates

### 3.1 Land and Building ;

- \*Estimated value of land and Building is 3.8 Billion

### 3.2 Property and Plant Cost Breakdown

#### - Initial Capital Investment:

- \*Office Annually Rental Cost : \* TZS 6 Million
- \*Machinery and Equipment (Advanced Turkish Technology): \* TZS 2 Billion
- \*Office Furniture & Fittings : \* TZS 500 Million
- \*Installation, Commissioning & Testing: \* TZS 294 Million
- \*Contingency (10-15%): \* TZS 200 Million

#### - Total Estimated Plant Cost:

- Range: Approximately TZS 3 Billion

### 3.3 Equipment Cost Estimates

- \*Office Vehicles :4Trucks costing TZS 1.04 Billion in terms of amount
- \*Office cars for administration activities: 4Pick ups 640 Million in terms of amount
- Total Estimated Vehicles Cost:
- Range: Approximately TZS 1.7 Billion

#### - Total Investment Capital: TZS 8.5 Billion

### 3.4 Operational Costs (Monthly)

- Raw Materials: Estimated based on projected production levels. We expect purchase base oil 150 or 200MT per month[Costing 600 Million] to produce 200 MT per month which will be 200.000 USD [TZS 1.5 Billion] in terms of amount.

Labor and Overhead: Costs related to staff, utilities, and maintenance. We expect to pay 30 Million.

#### **4. Sales and Revenue Projections**

**- Target Production:**

- Produce 200,000 liters per month.

**-Sales Revenue:**

- \*Monthly Sales Estimate:\* TZS 1.5 billion
- \*Annual Revenue Projection (Assuming steady output):\* TZS 18 billion

**- Pricing Strategy:**

- Competitive pricing that aligns with market expectations while retaining healthy margins.
- Continued product development and quality control to maintain a premium brand image.

**- Sales Channels:**

- Direct sales to local distributors and end-users.
- Strategic partnerships with regional exporters to penetrate neighboring markets.

#### **5. Impact on the Economy**

**-Employment and Social Benefits**

**Direct Employment:** Creation of 50 jobs, contributing to reducing unemployment in the Mwanza region.

**Indirect Employment:** An estimated 150 individuals will benefit from the ripple effects of increased economic activity and ancillary sectors.

**Family Support:** Enhanced quality of life for the extended community through improved incomes and economic stability.

**-Economic Growth**

**Local Impact:** Influx of modern technology, skill development, and infrastructure improvements in the Mwanza region.

**National Impact:** Increased exports contributing to Tanzania's trade balance and national GDP.

**Regional Advantage:** Strengthening Tanzania's position as a central hub for industrial supplies in East Africa, promoting regional integration and commerce.

#### **Technological Advancement**

Introducing high Turkish technology will not only enhance production efficiency but also transfer technological know-how to the local workforce, fostering future innovations in the region

**- Environmental Management:**

- Use of efficient, eco-friendly production processes minimizing waste and emissions.
- Compliance with environmental regulations and incorporation of green technologies.

**- Community and Employment:**

- Direct job creation during the operational phase.
- Engagement in skill development programs for local workforce.
- Positive ripple effects on local businesses due to increased economic activity.

## 6. Financial Plan

**- Funding Requirements:**

- Detailed financial plan with phased funding mirroring the investment milestones for plant establishment, operational launch, and scalability.

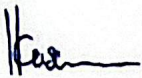
**- Investment Return:**

- Revenue streams from local sales and exports boosting profitability over the mid-term (3-5 years).
- Reinvestment strategy to facilitate further technological enhancements and market expansion.

## 7. Conclusion

The proposed lubricant production plant is designed to be a lucrative investment for Iddcon Investment Co Ltd. With strong market demand, strategically planned sales targets, and a detailed cost breakdown, the project is positioned to generate considerable economic benefits for Tanzania while reinforcing local industrial capabilities and sustainable development initiatives.

Many thanks  
Sincerely  
IDDI KASSIM IDDI



**IDDCON INVESTMENT LIMITED**  
**P.O.BOX 4144**  
**MWANZA**

**5 YEARS PROJECTIONS OF STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDING 31 DECEMBER 2030**

	2026	2027	2028	2029	2030
	TZS	TZS	TZS	TZS	TZS
<b>Revenue</b>	18,000,000,000.00	18,500,000,000.00	19,900,000,000.00	22,900,000,000.00	27,350,000,000.00
<b>Direct Costs</b>	4,500,000,000.00	4,625,000,000.00	4,975,000,000.00	5,725,000,000.00	6,837,500,000.00
<b>Gross Profit</b>	13,500,000,000.00	13,875,000,000.00	14,925,000,000.00	17,175,000,000.00	20,512,500,000.00
Other Income	-	-	-	-	-
Operating Expenses	(5,465,145,555.52)	(4,499,447,866.27)	(4,859,958,963.87)	(5,410,966,749.84)	(20,223,070,346.87)
<b>Operating profit /(Loss)</b>	8,034,854,444.48	18,374,447,866.27	19,784,958,963.87	22,585,966,749.84	40,735,570,346.87
Finance Costs	1,507,000.00	29,719,303.00	34,654,899.16	43,654,777.23	57,243,578.67
<b>Profit/(Loss) before Income tax</b>	8,033,347,444.48	18,344,728,563.27	19,750,304,064.71	22,542,311,972.61	40,678,326,768.20
Income tax expenses	2,410,004,233.34	2,745,356,412.45	3,564,712,423.43	2,764,562,748.57	4,364,828,987.18
<b>Net Profit/(Loss) for the year</b>	5,623,343,211.13	15,599,372,150.82	16,185,591,641.28	19,777,749,224.04	36,313,497,781.02

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**5 YEARS PROJECTIONS STATEMENT OF CASH FLOW AS AT 31 DECEMBER 2030**

	2026	2027	2028	2029	2030
	TZS	TZS	TZS	TZS	TZS
<b>Operating activities</b>					
Profit/(Loss) before tax	8,033,347,444.48	18,344,728,563.27	19,750,304,064.71	22,542,311,972.61	40,678,326,768.20
<b>Adjustment for:</b>					
Depreciation	1,301,811,616.42	656,258,472.14	168,510,242.99	2,735,759.00	2,735,759.00
Finance Costs	243,762.00	256,300.00	34,875.00	94,500.00	107,500.00
(Increase)/Decrease in Stocks	3,725,000,000.00	(2,058,578.00)	(490,895,400.00)	(307,640,000.00)	492,345,600.00
(Increase)/Decrease in Receivables	8,025,170,346.62	9,365,209,900.00	4,803,454,000.00	7,342,890,000.00	1,393,765,000.00
Increase/(Decrease) in Payables	(26,719,600.29)	(172,369,433.00)	(420,640,002.00)	(562,230,000.00)	(3,175,630,000.00)
<b>Cash Generated from Operating Activities</b>	21,058,853,569.23	28,192,025,224.41	23,810,767,780.70	29,018,162,231.61	39,391,650,627.20
Tax paid	-	-	-	-	-
Prior Year Adjustment	-	-	-	-	-
<b>Net cash Generated from Operating Activities</b>	21,058,853,569.23	28,192,025,224.41	23,810,767,780.70	29,018,162,231.61	39,391,650,627.20
<b>Investing activities</b>					
(Addition)/Disposal of non current Assets	(9,035,000,000.00)	-	-	-	-
<b>Net cash Generated from Operating Activities</b>	(9,035,000,000.00)	-	-	-	-
<b>Financing activities</b>					
Director Advance	7,408,600,000.00	3,760,000,000.00	2,789,360,000.00	4,700,500,000.00	2,900,570,000.00
Increase/Decrease of Loan	-	-	-	-	-
Gain/(Loss) In Foreign Currency Exchange	-	-	-	-	-
<b>Net cash Generated from Operating Activities</b>	7,408,600,000.00	3,760,000,000.00			
<b>Movement incash and cash Equivalent</b>					
Cash and Cash equivalents as at 1 January	35,250,325,224.41	3,298,300,000.00	5,723,980,000.00	17,392,000,000.00	23,126,598,000.00
Net increase/(Decrease) In Cash and Cash Equi	19,432,453,569.23	31,952,025,224.41	16,735,900,000.00	32,390,005,000.00	14,335,500,000.00
<b>Cash and Cash equivalents as at 31 December</b>	54,682,778,793.64	35,250,325,224.41	22,459,880,000.00	49,782,005,000.00	37,462,098,000.00

**IDDCON INVESTMENT LIMITED**

**P.O.BOX 4144**

**MWANZA**

**5YEARS PROJECTIONS OF STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2030**

	2026	2027	2028	2029	2030
	TZS	TZS	TZS	TZS	TZS
<b>ASSETS</b>					
<b>Non -Current Assets</b>					
Property, plant and Equipment	8,194,835,171.08	233,880,654.00	347,639,723.00	353,429,823.00	363,532,634.00
	<u>8,194,835,171.08</u>	<u>233,880,654.00</u>	<u>347,639,723.00</u>	<u>353,429,823.00</u>	<u>363,532,634.00</u>
<b>Current assets</b>					
Closing Stocks	3,550,000,000.00	7,275,000,000.00	10,850,000,000.00	14,975,000,000.00	8,157,500,000.00
Trade and other Receivables	110,253,080.38	8,135,423,427.00	7,953,835,600.00	7,734,678,002.00	17,340,275,062.00
Cash and Bank balance	30,143,835.13	844,563,845.00	67,897,109.68	136,480,050.00	57,616,037.84
Tax Recoverable	2,411,414,431.34	54,526,001.00	64,008,600.00	39,595,864.69	67,500,500.00
<b>TOTAL ASSETS</b>	<u>14,296,646,517.93</u>	<u>16,543,393,927.00</u>	<u>19,283,381,032.68</u>	<u>23,239,183,739.69</u>	<u>25,986,424,233.84</u>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share Capital	419,574,821.00	54,326,001.00	343,260,000.00	670,003,400.00	350,800,700.00
Director Advance	7,408,600,000.00	3,760,000,000.00	2,789,360,000.00	4,700,500,000.00	2,900,570,000.00
Profit for the year	5,623,343,211.13	11,647,050,038.91	15,872,756,032.14	17,713,980,139.52	22,637,553,188.51
Retained Earnings	-	-	-	-	-
<b>Total Equity</b>	<u>13,451,518,032.13</u>	<u>15,667,096,038.91</u>	<u>19,005,376,032.14</u>	<u>23,084,483,539.52</u>	<u>25,888,923,888.51</u>
<b>Long term Loan</b>					
	-	-	-	-	-
<b>Non -Current Liability</b>					
Payable and Accruals	845,128,485.80	876,297,888.09	278,005,000.54	154,700,200.17	97,500,345.33
Tax Payable	-	-	-	-	-
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<u>14,296,646,517.93</u>	<u>16,543,393,927.00</u>	<u>19,283,381,032.68</u>	<u>23,239,183,739.69</u>	<u>25,986,424,233.84</u>



*Yacobi John*