



CONFIDENTIAL

**STANMAG LOGISTICS LIMITED**



Transport and Logistics Business Plan Study

April 2022

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## **Executive Summary**

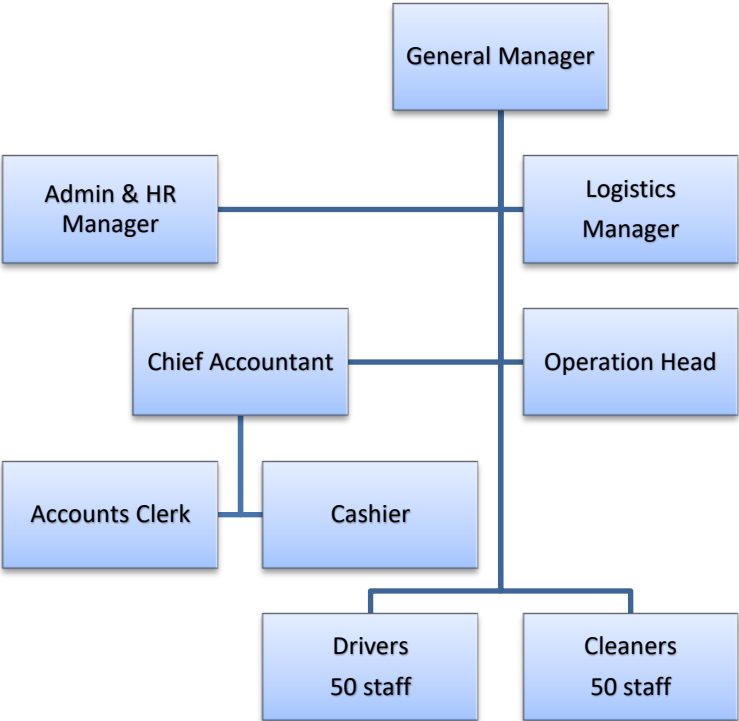
### **Summary**

Stanmag Logistics Limited (SLL) will offer transportation and logistics services throughout Tanzania. With a total of 40 trucks ranging from light to heavy, SLL can meet any transportation need and works with small to large sized businesses. Timeliness, security, and cost-efficiency are the main driving factors for the success of SLL. Through advanced technology, all transactions and deliveries are monitored to make sure that there are no delays or damages on the goods that are being transported. Every delivery is handled with the highest form of professionalism by a responsible and well-trained crew that strives to provide the best service and experience to every client.

### **Organisation Flow Chart**

SLL management is headed by Board of Directors. Core management team comprises of General Manager, HR and Admin Manager, Logistics Manager, Chief Accountant and 2 Junior accounting clerks. Operational team headed by 2 operational executive and includes 50 truck drivers and 50 truck cleaners. The organization chart of the SLL is presented herein below:

**STANMAG LOGISTIC LIMITED**



**Employees Distribution Summary**

Employment	Foreign	Local	Total
Women	0	15	15
Men	5	110	115
<b>TOTAL</b>	<b>5</b>	<b>125</b>	<b>130</b>

**Competitive Edge**

## STANMAG LOGISTIC LIMITED

SLL Transport offers the following advantages to customers:

- **Quality Service.** Customers will be provided with courteous, prompt, and dependable service. SLL will develop a reputation for timely deliveries and intends to build upon that.
- **Competitive rates.** SLL will be able to provide competitive rates to customers because of its low-cost inputs.
- **Package handling.** By maintaining dependable and safe equipment, SLL will ensure that there is no damage to customer's cargo.

**Experience.** Another major competitive advantage for SLL is the vast industry experience and solid reputation of its owner, Stanley Munai.

Most importantly, SLL will establish a competitive edge through its dogged focus on on-time deliveries. Software systems, communication systems, operational choices and marketing materials will all be oriented around this goal. By making customers more assured of on-time delivery with SLL than with competitors, they will be more likely to hire SLL, as they can never be sure when a few hours can make an incredible difference to their potential revenues or expenses.

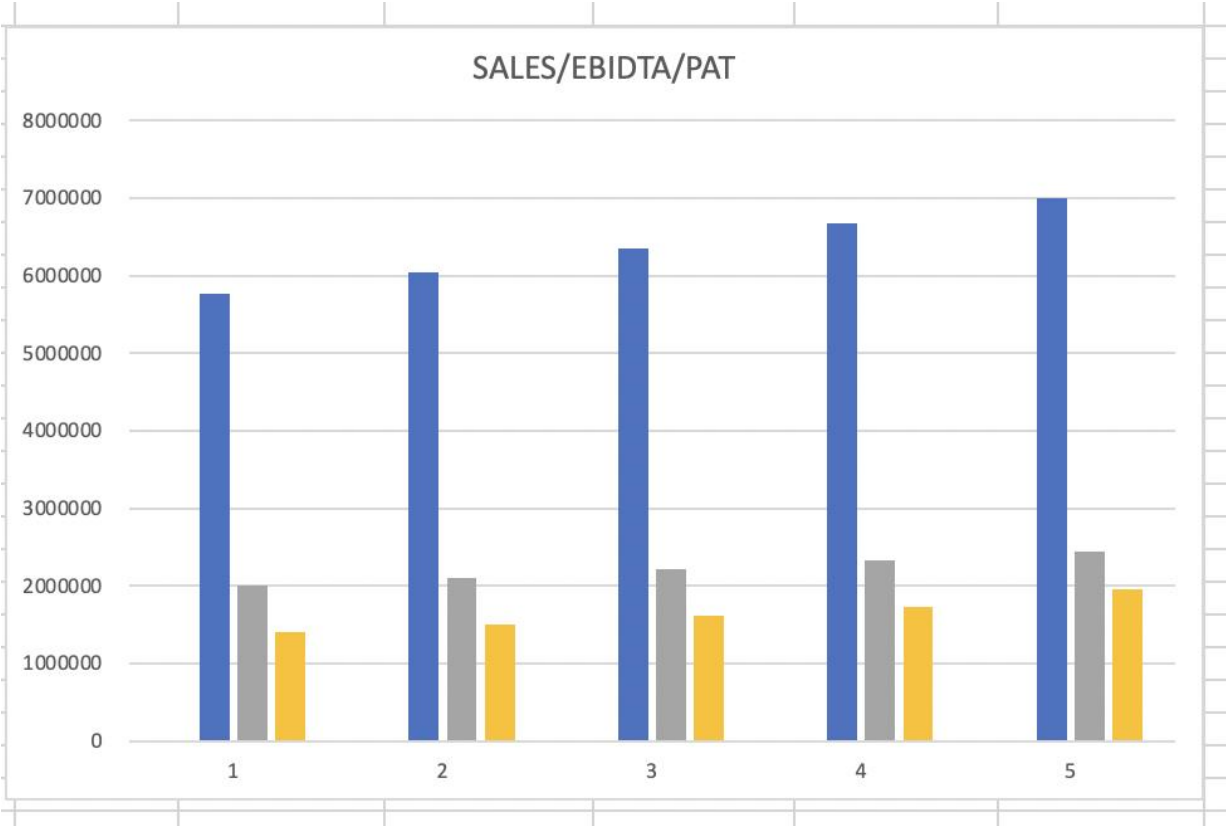
## **Information Technology**

SLL will use the internet, email and telephone communication to disseminate information, take orders and plan deliveries. In future SLL will utilize top-of-line trucking software that tracks information detailing the location of all GPS-tagged trucks and the status of delivery, including expected arrival times for pick-up or delivery.

# Project Estimated Revenue

SLL has estimated that the project revenue to be US\$ 5,760,000 per year for year 1.

<b>STANMAG LOGISTICS LIMITED</b>					
<b>SALES/EBIDTA/PAT</b>					
<b>Year</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>SALES</b>	5,760,000	6,048,000	6,350,400	6,667,920	7,001,316
<b>EBIDTA</b>	2,007,000	2,106,965	2,211,880	2,321,989	2,437,545
<b>PAT</b>	1,403,250	1,503,215	1,611,880	1,729,489	1,952,545



## Project Operating Cost

SLL has estimated that the project operating cost and other cost to be 60 % of the total annual revenue.

## Project Financing

SLL has estimated that the project will be financed by Equity for the first phase, the first phase will cost US\$ 5,600,000. The second phase US\$ 15,000,000 the project developer will negotiate with local and foreign bank for long term financing with good interest rate repayable within 5 years and remaining US\$ 3,000,000 will be shareholders contribution and cash generated from business.

## Project Cost

STANMAG LOGISTICS LIMITED							
Particulars	In US\$	Project Cost		Financial Information			
Land	200,000	DEBT	0%	-			
Civil Works & Buildings		EQUITY	100%	5,600,000	Discount Rate - p.a.		10%
Trucks + Trailers	4,800,000	TOTAL		5,600,000	Interest Loan - p.a.		8.00%
Cost	4,800,000						
Other Cost							
Furniture & Fixtures	20,000				US CPI Adjustment		2.00%
Motor Vehicles + Van + Pickup	430,000				Repayment years		years 5.00
Office Equipment	20,000	Disbursement					
Computers	30,000	Year	%age	Taxation	Corporate	1-5 years	30%
Pre-Operative Expenses	-	1	100.00%				
Financing Cost		2	0%age		EWURA		0%
					City Service Levy		0%
Working Capital	100,000				Project IRR		26.97%
Raw & Pkg. Materials for Regn. Batches	-				NPV 10% - USD		2,479,210
Software – ERP	-				Equity IRR		26.97%
	TOTAL				ROI		44.27%
	5,600,000						
					Payback (Years)	Will do adjustment later	3.67
					Discounted Payback (Year)	Will do adjustment later	4.23

## STANMAG LOGISTIC LIMITED

The project has budgeted to cost the followings US\$:

	TOTAL - USD
Land and Buildings	200,000
Turcks & Trailers	4,800,000
Motor Vehicles	430,000
Furniture & Fixtures	20,000
Office Equipment	20,000
Computers	30,000
Working Capital	100,000
<b>TOTAL</b>	<b>5,600,000</b>

# Company and Financing

## Company Overview

STANMAG LOGISTICS LIMITED (SLL) was incorporated on 19<sup>th</sup> April 2022, with a certificate of incorporation number 15598774 under the Companies Ordinance (Cap 212) as a limited company in the United Republic of Tanzania. SLL is planning to venture into Transport & Logistics Industry in Tanzania.

## Capital Structure and Shareholders

The total authorized share capital of Stanmag Logistic Limited is 1,000,000,000 ordinary shares of TZS 100,000 each and issued share capital amounted to 2 ordinary shares of TZS 100,000 each.

The company's shareholding and Directors are as follows: -

<b>Name of the shareholder</b>	<b>Nationality</b>	<b>Number of shares</b>	<b>%</b>
Stanley Cheruiyot Munai	Kenyan	1	1 %
Magesvaran Subramaniam	Malaysian	1	1 %
Stanmag Group Limited	Tanzanian	1	98%

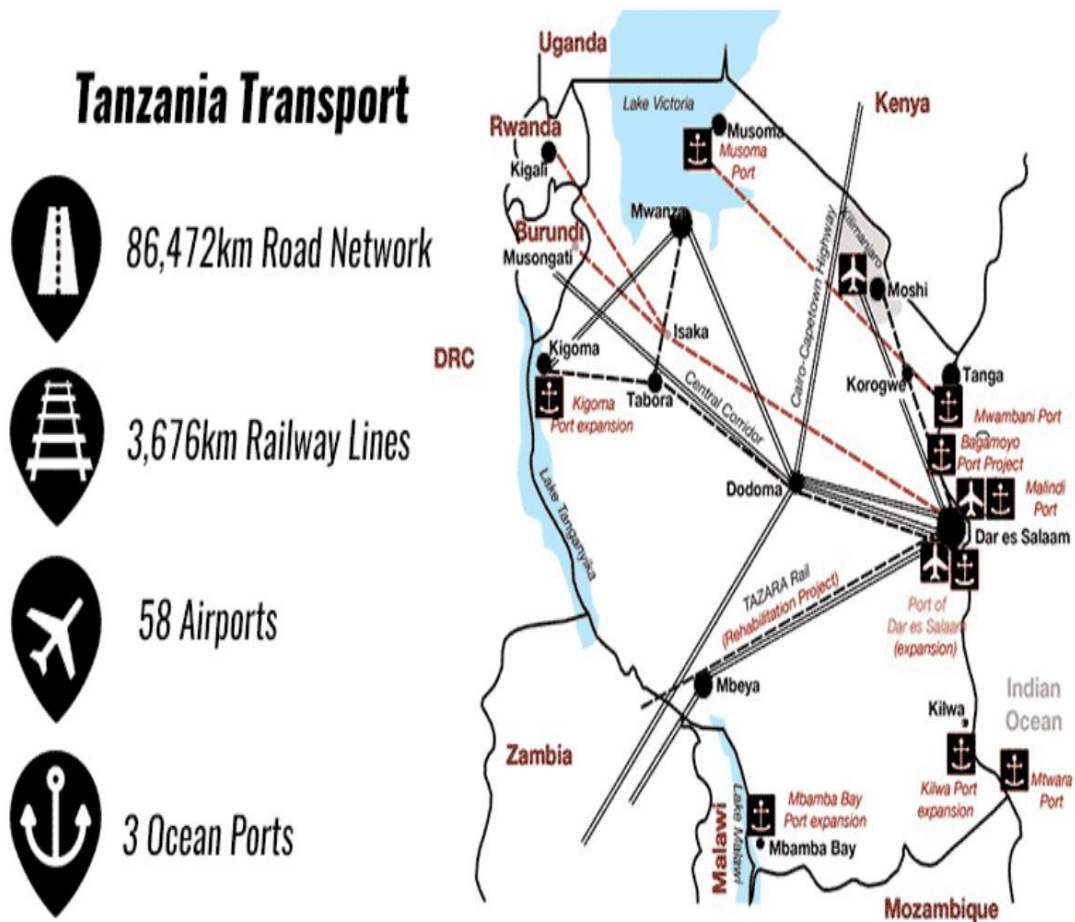
<b>Name of the Director</b>	<b>Nationality</b>
Stanley Cheruiyot Munai	Kenyan
Magesvaran Subramaniam	Malaysian

## **Lease Agreement**

SLL have secured lease agreement between Witness Shilekirwa Munuo and SLL for a period of 10 years from 30<sup>th</sup> April 2022 till 10<sup>th</sup> May 2031. The land is situated at Plot 2031, Block “D” Changanyikeni, Kinondoni Municipality, Dar es Salaam.

# Tanzania Transport Sector Overview

The Tanzanian transport sector comprises surface transport



(including roads, railways), inland waterways (lakes and rivers), air transport, and sea transport.

Tanzania’s transport sector contributed 8.1% to the country’s real GDP in 2018 with USD 3.8 billion, compared to USD 2.8 billion in 2014, representing an increase of 33%.

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Main growth drivers include the increase in the number of passengers carried and freight handled through road transport.

According to Tanzania's 2025 Development Vision, investments in infrastructure, particularly in the development of the road network, are the Government's top priority.

The World Bank (WB) and the African Development Bank (AfDB) support Tanzania in achieving its infrastructure development goals by providing grants and credits for projects.

## Tanzania Road Transport

Road transport is the most widely used form of transport in Tanzania, carrying over 90% of the passengers and 75% of the freight traffic in the country.

The road network in Tanzania currently comprises 86,472 kilometers of roads, of which 12,786 kilometers are trunk roads, 21,105 kilometers are regional roads and the remaining 52,581 kilometers are district, urban and feeder roads.

Tanzania's Ministry of Works, Transport, and Communication through the Tanzania National Roads Agency (TANROADS) is managing the national road network of about 33,891 kilometers, comprising 12,786 kilometers of trunk and 21,105 kilometers of regional roads.

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The remaining network of about 53,460 kilometers of urban, district and feeder roads is under the responsibility of the Prime Minister's Office Regional Administration and Local Government (PMO-RALG).

### **Tanzania Rail Transport**

Railway transport is the second most important mode of transport after road and critical for long distance freight along the main transport corridors in Tanzania.

Tanzania has a total of 3,676 kilometers of railway lines operated by two railway systems, Tanzania Railways Corporation (TRC) and Tanzania – Zambia Railways (TAZARA).

The mainline of TRC comprises the central corridor between the port of Dar es Salaam in the east, linking central and western areas of the country and terminating at Kigoma on Lake Tanganyika in the west. The TAZARA line is 1,860 kilometers in length, of which 975 kilometers is in Tanzania and 885 kilometers in Zambia.

### **Tanzania Air Transport**

The total number of air passengers in Tanzania reached 6.2 million in 2019, compared to 5.2 million in 2015, representing an increase of 18%.

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Currently (2020), there are 19 airline operators in Tanzania, including some of the leading international air carriers such as British Airways, KLM, Qatar Airways, and SWISS.

There are 58 airports in Tanzania and more than 300 private airstrips owned by mining companies and tour operators.

The Julius Nyerere International Airport (JNIA), located in Dar es Salaam, is the largest and busiest airport in Tanzania, accounting for over 70% of Tanzania's air passengers.

In August 2019, Tanzanian President John Magufuli inaugurated Terminal 3 of the JNIA. The new terminal, which cost USD 314 million set the airport capacity at 8 million passengers annually. In 2019, the AfDB approved a USD 272.12 million loan to Tanzania for the construction of a new international airport in the capital Dodoma. The new airport will be built in the district of Msalato, 12 kilometers from the capital Dodoma.

The new facility is expected to handle at least 50,000 aircrafts and one million passengers per year

## **Tanzania Water Transport**

Tanzania has a coastline of about 720 kilometers on the Indian Ocean, and also borders Lake Victoria, Lake Nyasa, and Lake Tanganyika.

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Both sea and inland waterways ports in Tanzania are managed and operated by the Tanzania Ports Authority (TPA).

The TPA's main Indian Ocean ports are Dar es Salaam, Mtwara, and Tanga. Minor seaports serving coastal traffic include Lindi, Kilwa Masoko, Mafia Island, Bagamoyo, Pangani, and Kwale.

Dar es Salaam is Tanzania's principal port with intrinsic capacity of 10.1 tonnes per year. The port handles over 92% of the total maritime ports' throughput

The port serves land-linked countries of Malawi, Zambia, Democratic Republic of Congo, Rwanda, Burundi, and Uganda.

These countries are connected to the port through two railway systems (TRL-1.0 metre gauge and TAZARA-1.067 cape gauge), road network, as well as the TAZAMA oil pipeline to Zambia.

TPA also operates Tanzania's lake ports, maintaining around 20 ports on Lake Victoria. Some major ports include Bukoba, Kemono Bay, Musoma, and Nansio.

Principal lake ports on Tanganyika include Kigoma and Kasanga. Additionally, there are 15 smaller ports along the lake. These ports provide trade connections between Burundi, Eastern Democratic Republic of the Congo, and Zambia.

Lake Nyasa has 4 important ports, at Itungi, Mbamba Bay, Liuli, and Manda. There are up to 10 others smaller TPA ports on the lake that facilitate passenger movement along the lake and between the countries of Malawi, Mozambique, and Tanzania.

## **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 investment attractiveness, in the Where to Invest in Africa 2021 report released recently.

## **Tanzania Development Corridors**

Development of transport corridors has been one of the main strategies adopted by the Government of Tanzania to facilitate trade. Tanzania serves as a transit country for the import and export of Malawi, Zambia, DR Congo, Burundi, Rwanda and Uganda, using the port of Dar es Salaam. The main rail and road connections in Tanzania are, therefore, in an east-west direction, linking the ports with the hinterlands of those neighbouring countries. Tanzania is devoting much attention to the corridor concept in its development policy by concentrating efforts in the

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Mtwara Corridor, Dar-es-Salaam Corridor, Central Corridor and the Tanga Corridor. The major challenge is to link import, export and transit traffic from and to neighbouring countries with transport development efforts, making Tanzania a natural regional hub.

The geography of Tanzania, including its size, diversity and dispersion, give roads a special position in the integration of the national economy. In particular, roads serve rural areas,

where the majority of the people live, more effectively than any other mode of transport. The current Tanzania Road Network length is about 85,000 km, which includes trunk and regional roads (35,000 km) managed by the Tanzania National Roads Agency (TANROADS), and the urban, district and feeder roads with a total of 50,000 km, managed by Local Government Authorities (LGA). There are also some unclassified roads, such as those managed by the Tanzania National Parks Authority (TANAPA), and by the Mining Companies and village authorities.

# Transport and Logistics

## Overview

The SLL will be engaged in the business of Transportation and Logistics, SLL planning to provide global supply chain solutions providers within the country and in east Africa and SADC region.

## Fleet Size

SLL purchased **40** trucks and trailers. With capacity of carrying 30 tons truck and trailer, on average one truck will conduct 3 trips per month operating for 12 months per year, carrying **12,000** tons per year.

Required number of trailers will also be added to existing fleet in order to cater to additional requirements in line with truck additions.

## Supply Chain

SLL Management understands that your supply chain needs are unique and that's exactly why the company has engaged the best minds in the Transport industry to create specific transport solutions customized to suit your ever-changing cargo movement environment. SLL transport vans, trucks and trailers (closed body

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trailers, flat bed trailers and low loaders) from precision transport are designed to seamless execution, SLL dedicated cargo transportation professionals are engaged at every step of the way to provide the services with the most accurate transport and economical transportation arrangement that the industry has to offer.

Transportation and the company Customs Brokerage Service allow the company to complete the supply chain, cargo transit and offers truly door-to-door transportation service in the freight industry. The company optimized transportation translates to fast transit service and the door-to-door delivery of your freight on time, safely transported and damage free.

Transport integration with Customs Brokerage Service Allows SLL:

- Transport Logistics to complete the supply chain and offer truly door-to-door transportation service in the market
- Eliminates unnecessary customs delays, transport dispatch and improves communication between the shipping line, Customs, Client and our transport department.
- Provides greater control, handling and security of your freight transportation
- Full range of freight forwarding services are offered, including customs clearance, warehousing, in-bond storage, transportation, etc.

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Customer receives a single itemized invoice for door-to-door transportation eliminating additional administrative requirements SLL Transport Logistics plan to customize and design transportation solutions to transport client's freight at the speed and ease.

### Service Offered

Transport Logistics is the solution.

Benefits of optimized door to door delivery and transportation

- Transportation is dedicated to creating win-win solutions by investing talent, capital, and transport resources.
- Dynamic transport route optimization systems at clients disposal to create supply-chain door to door and reduce transport costs.
- The largest transportation truckload fleet and terminal network in the transport industry.
- Satellite tracking on our transport
- Modern fleet of transport trucks
- One of the Safest operating fleets in the transport industry
- Heavy and fragile equipment transported using air hydraulic low loaders.
- Door-to-door control of transport equipment = less handling, better security, and increased efficiency

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- Fully multilingual experienced transport staff to cater all our transportation routes
- Strict requirements for transport department staff and constant integrity checks transport and delivery.

### Container Transport Mode (Container on Flat Bed)

SLL offers a complete door-to-door service for all of your container transport requirements. Our road transport fleet is comprised of 40 trucks and transportation trailers. The company plans to have the most modern container transport fleet in the transport industry and our container transport trucks are all equipped with satellite tracking, permitting real time tracking of your loads.

### Transit Cargo

SLL strive to extend standard services across vast distances and through rough terrain all across East Africa. Our motivated staff and our expertise in the industry always keep us on schedule by rail and road.

SLL provide relocation and movement of both of bulk and containerized goods. SLL offer a variety of transport solutions, be it grouping or other transport services such as part and full load shipments by road, railways or a combination of two

# SWOT Analysis

## SWOT Analysis

<b>STRENGTH</b>	<b>WEAKNESSES</b>
<ul style="list-style-type: none"><li>• Promoters have sound experience in this business and have talented Management.</li><li>• Rapid growth in sector due to effective management</li><li>• Influence &amp; Networking of Directors in the Business Sector.</li><li>• Business location is at prominent place.</li><li>• Good roads and highway in Tanzania.</li><li>• Confined business via agreement entered with few companies</li></ul>	<ul style="list-style-type: none"><li>• Stiff competition from local market</li><li>• Limited market share growth</li></ul>
<b>OPPORTUNITIES</b>	<b>THREATS</b>

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<ul style="list-style-type: none"><li>• Potential market encourages foreign investors</li><li>• Increasing market share due to rail transport limitations</li><li>• Augmented demand for world –class logistics and warehousing services</li><li>• Increased use of logistics services in sectors such as technology, consumer retail, automotive and industrial</li></ul>	<ul style="list-style-type: none"><li>• Complex Tax Structure</li><li>• Unorganised sector and competitions</li><li>• Different laws in different countries</li><li>• Increasing fuel rates therefore increasing transportation costs</li><li>• Possible new regulations</li><li>• Rising cost of maintenance &amp; repairs</li></ul>
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### Proposed Action Plan

To implement this strategy, they are preparation phase that need to be carried and coordinated to achieve the ultimate goal of the company and the Government. The preparation phase is very import for the such a huge investment and long term benefits. After the completion of preparation Phase Plan detailed work must carried out to make sure the project is implemented as according with the budget and plan. **The Preparation Phase Plan.**

# Financial Plan

## Revenue Forecast

<b>STANMAG LOGISTICS LIMITED</b>						
	<b>YEAR</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
		<b>Projection</b>	<b>Projection</b>	<b>Projection</b>	<b>Projection</b>	<b>Projection</b>
Rates for Tonne - Songea to Tanga		100	105	110	116	122
Number of Trucks		40	40	40	40	40
Tonne per Truck		30	30	30	30	30
Number of Trips per year per truck		48	48	48	48	48
Total Sales		5,760,000	6,048,000	6,350,400	6,667,920	7,001,316

## STANMAG LOGISTIC LIMITED

# Financial Statements

## Profit and Loss Statement Table

The projected income for the **US\$ 31,827,636** 1-5 years period. The position depicted is that the project earns profit throughout its life. Accumulated after tax profits grow from. **US\$ 1,403,250** in the 1<sup>st</sup> year to **US\$ 8,200,379** in the 5<sup>th</sup> year.

STANMAG LOGISTICS LIMITED						
<i>Amount in USD</i>						
ITEM / YEAR	0	1	2	3	4	5
<b>INCOME STATEMENT</b>						
<b>Revenues</b>						
Sales Income		5,760,000	6,048,000	6,350,400	6,667,920	7,001,316
Other Income		-	-	-	-	-
Total Revenue	-	5,760,000	6,048,000	6,350,400	6,667,920	7,001,316
<b>Cost of Sales</b>						
Production Labour Costs	-	3,456,000	3,628,800	3,810,240	4,000,752	4,200,790
Subtotal Cost of Sales	-	3,456,000	3,628,800	3,810,240	4,000,752	4,200,790
Gross Profit	-	2,304,000	2,419,200	2,540,160	2,667,168	2,800,526
		40%	40%	40%	40%	40%
<b>Operating Expenses</b>						
Production & Administrative Overheads.	-	180,000	189,000	198,450	208,373	218,791
Admn / Management Salaries	-	117,000	123,235	129,830	136,807	144,191
Sales/Marketing & Distribution	-	-	-	-	-	-
Subtotal Operating Expenses	-	297,000	312,235	328,280	345,179	362,982
Preliminary Expenses						
EBIDTA	-	2,007,000	2,106,965	2,211,880	2,321,989	2,437,545
		35%	35%	35%	35%	35%
<b>Capital &amp; Finance Charges</b>						
Depreciation	-	603,750	603,750	600,000	592,500	485,000
Bank charges	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Forex Loss	-	-	-	-	-	-
Subtotal	-	603,750	603,750	600,000	592,500	485,000
Profit Before Tax	-	1,403,250	1,503,215	1,611,880	1,729,489	1,952,545
Corporate Tax	-	-	-	-	-	-
Profit After Tax	-	1,403,250	1,503,215	1,611,880	1,729,489	1,952,545
Profit/ (Loss) brought forward			1,403,250	2,906,465	4,518,345	6,247,834
Profit/ (Loss) c/f to Balance Sheet	-	1,403,250	2,906,465	4,518,345	6,247,834	8,200,379

## STANMAG LOGISTIC LIMITED

### Balance Sheet Table

The project's assets cash flows are shown in below. Owners' equity grows from US\$ **5,600,000** in the first year to **US\$ 13,800,379** at the end of 5<sup>th</sup> years of the project's operations based.

STANMAG LOGISTICS LIMITED						
<i>Amount in USD</i>						
ITEM / YEAR	0	1	2	3	4	5
	Construction	Projection	Projection	Projection	Projection	Projection
<b>BALANCE SHEET</b>						
Equity	5,600,000	5,600,000	5,600,000	5,600,000	5,600,000	5,600,000
Revenue Reserves	-	1,403,250	2,906,465	4,518,345	6,247,834	8,200,379
Networth	5,600,000	7,003,250	8,506,465	10,118,345	11,847,834	13,800,379
Long-term loan	-	-	-	-	-	-
Total financed debt	-	-	-	-	-	-
<b>TOTAL</b>	<b>5,600,000</b>	<b>7,003,250</b>	<b>8,506,465</b>	<b>10,118,345</b>	<b>11,847,834</b>	<b>13,800,379</b>
<b>Fixed Assets</b>						
Gross Fixed Assets	5,600,000	5,600,000	4,996,250	4,392,500	3,792,500	3,200,000
Less: Accumulated Depreciation	-	603,750	603,750	600,000	592,500	485,000
	5,600,000	4,996,250	4,392,500	3,792,500	3,200,000	2,715,000
<b>Current Assets</b>						
Trade Receivables	-	-	-	-	-	-
Cash & Bank Balances	-	2,007,000	4,113,965	6,325,845	8,647,834	11,085,379
Total Current Assets	-	2,007,000	4,113,965	6,325,845	8,647,834	11,085,379
<b>Current Liabilities</b>						
Trade Payables	-	-	-	-	-	-
Total Current Liabilities	-	-	-	-	-	-
Net Current Assets	-	2,007,000	4,113,965	6,325,845	8,647,834	11,085,379
<b>TOTAL</b>	<b>5,600,000</b>	<b>7,003,250</b>	<b>8,506,465</b>	<b>10,118,345</b>	<b>11,847,834</b>	<b>13,800,379</b>
Difference(should be zero)	-	-	-	-	-	-

## Cash Flow Statement Table

The project's cash flows are shown below. They depict a good liquid position right from the first year. Cash accumulation builds up from **US\$ 2,007,000** in the first year to **US\$ 11,085,379** at the end of 5<sup>th</sup> years of the project's operations.

STANMAG LOGISTICS LIMITED						
<i>Amount in USD</i>						
ITEM / YEAR	0	1	2	3	4	5
<b>CASH FLOW STATEMENT</b>						
OPERATING INFLOW						
Profit after Tax	-	1,403,250	1,503,215	1,611,880	1,729,489	1,952,545
Depreciation	-	603,750	603,750	600,000	592,500	485,000
Preliminary Expenses Write Off				-	-	-
Sub Total Operating Inflow	-	2,007,000	2,106,965	2,211,880	2,321,989	2,437,545
CAPITAL INFLOW						
Capital lincrease	5,600,000	-	-	-	-	-
Advances from related parties	-	-	-	-	-	-
Bank Overdraft	-	-	-	-	-	-
Bank Loan	-	-	-	-	-	-
Sub Total Capital Inflow	5,600,000	-	-	-	-	-
<b>TOTAL INFLOW</b>	<b>5,600,000</b>	<b>2,007,000</b>	<b>2,106,965</b>	<b>2,211,880</b>	<b>2,321,989</b>	<b>2,437,545</b>
CAPITAL OUTFLOW						
Investment in fixed assets	5,600,000	-	-	-	-	-
Advances from related parties	-	-	-	-	-	-
Decrease in Bank Overdraft	-	-	-	-	-	-
Decrease in Bank Loan	-	-	-	-	-	-
Sub- Total Capital Outflow	5,600,000	-	-	-	-	-
OPERATING OUTFLOW						
Dividends	-	-	-	-	-	-
Change in W/Capital	-	-	-	-	-	-
Subtotal Operating Outflow	-	-	-	-	-	-
<b>TOTAL OUTFLOW</b>	<b>5,600,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CASH FLOW</b>	<b>-</b>	<b>2,007,000</b>	<b>2,106,965</b>	<b>2,211,880</b>	<b>2,321,989</b>	<b>2,437,545</b>
Opening Balance	-	-	2,007,000	4,113,965	6,325,845	8,647,834
<b>Closing Balance</b>	<b>-</b>	<b>2,007,000</b>	<b>4,113,965</b>	<b>6,325,845</b>	<b>8,647,834</b>	<b>11,085,379</b>

## Payback Period

Total investment is **US\$ 5,600,000** cash accumulation in 5<sup>th</sup> year **US\$ 11,085,379**, which is more than the initial investment by **US\$ 5,490,979** The project payback Period is exactly 3.67 years. The project has a relatively short payback period. It is remarkably impressive for a project whose investment is as big as **US\$ 5,600,000** is being recovered within 3.67 years.

## Revenue to the Government

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

# STANMAG LOGISTIC LIMITED

## Cash Flow by Year

<b>STANMAG LOGISTICS LIMITED</b>						
<i>Amount in USD</i>						
<b>ITEM / YEAR</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>CASH FLOW STATEMENT</b>						
<b>OPERATING INFLOW</b>						
Profit after Tax	-	1,403,250	1,503,215	1,611,880	1,729,489	1,952,545
Depreciation	-	603,750	603,750	600,000	592,500	485,000
Preliminary Expenses Write Off				-	-	-
Sub Total Operating Inflow	-	2,007,000	2,106,965	2,211,880	2,321,989	2,437,545
<b>CAPITAL INFLOW</b>						
Capital Increase	5,600,000	-	-	-	-	-
Advances from related parties	-	-	-	-	-	-
Bank Overdraft	-	-	-	-	-	-
Bank Loan	-	-	-	-	-	-
Sub Total Capital Inflow	5,600,000	-	-	-	-	-
<b>TOTAL INFLOW</b>	<b>5,600,000</b>	<b>2,007,000</b>	<b>2,106,965</b>	<b>2,211,880</b>	<b>2,321,989</b>	<b>2,437,545</b>
<b>CAPITAL OUTFLOW</b>						
Investment in fixed assets	5,600,000	-	-	-	-	-
Advances from related parties	-	-	-	-	-	-
Decrease in Bank Overdraft	-	-	-	-	-	-
Decrease in Bank Loan	-	-	-	-	-	-
Sub- Total Capital Outflow	5,600,000	-	-	-	-	-
<b>OPERATING OUTFLOW</b>						
Dividends	-	-	-	-	-	-
Change in W/Capital	-	-	-	-	-	-
Subtotal Operating Outflow	-	-	-	-	-	-
<b>TOTAL OUTFLOW</b>	<b>5,600,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CASH FLOW</b>	<b>-</b>	<b>2,007,000</b>	<b>2,106,965</b>	<b>2,211,880</b>	<b>2,321,989</b>	<b>2,437,545</b>
Opening Balance	-	-	2,007,000	4,113,965	6,325,845	8,647,834
<b>Closing Balance</b>	<b>-</b>	<b>2,007,000</b>	<b>4,113,965</b>	<b>6,325,845</b>	<b>8,647,834</b>	<b>11,085,379</b>

## STANMAG LOGISTIC LIMITED

# Financial Ratio Table

STANMAG LOGISTICS LIMITED							
<i>Amount in USD</i>							
ITEM / YEAR	0	1	2	3	4	5	
ANALYSIS							
			Projection	Projection	Projection	Projection	
Growth in sales over previous year			5.00%	5.00%	5.00%	5.00%	
Direct expenses as a % on Sales			60.00%	60.00%	60.00%	60.00%	
Operating expenses as a % on Sales			5.16%	5.17%	5.18%	5.18%	
Gross Profit as a % on Sales			40.00%	40.00%	40.00%	40.00%	
EBIDTA as a % on Sales			34.84%	34.83%	34.82%	34.82%	
Net Profit / (Loss) as a % on Sales			24.85%	25.38%	25.94%	27.89%	
Cash Profit / (Loss) as a % on Sales			34.84%	34.83%	34.82%	34.82%	