



PERITUS ENGINEERING TZ LIMITED

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**BUSINESS INVESTMENT PLAN – ENGINEERING, PROCUREMENT &
CONSTRUCTION (EPC) SERVICE IN TANZANIA**

Submitted by: PERITUS ENGINEERING TANZANIA LIMITED

(A group company of PERITUS EXIM PRIVATE LIMITED)

1. INTRODUCTION

PERITUS ENGINEERING TANZANIA LIMITED is a subsidiary of PERITUS EXIM PRIVATE LIMITED, India which is an ISO 9001: 2015 Certified, Infrastructure Development Company, headquartered in New Delhi, India.

Subsidiary has been incorporated in Tanzania in Year 2022 with aim to boost its EPC business arm in Eastern, Central and Southern Africa with Tanzania as base.

Business Portfolio of Company

Peritus operates primarily into following business portfolios:

- ❖ Water Infrastructure Development
- ❖ Oil & Gas - Transmission & Distribution Pipe Lines, CNG & CGD
- ❖ Agriculture & Irrigation.
- ❖ Railways and Transport
- ❖ Renewable Energy

Objective: - Setting up an Engineering Procurement & Construction (EPC) / Service Company as a regional base to serve Tanzanian and neighboring countries Engineering Infrastructure Development need through enabling advance technology transfer into engineering constructions

2. A brief on the Peritus Group –

PERITUS EXIM PRIVATE LIMITED is an ISO 9001: 2015 Certified, “Infrastructure Development Company”, established in the year of 2014, having its headquarter in the New Delhi, India. It has branch offices in Republic of Tanzania and Republic of Rwanda.

With the **Vision** of developing world class engineering and infrastructural development to provide better standards of living for people across the world, we have defined the essence of our company through our **Mission** - “To become a leading engineering infrastructure company which specializes in providing cost effective and high quality solutions, by utilizing the most advanced technology, customized to meet the requirements of the customers, thus promoting technology transfer advantages from developed world to developing countries.”



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Drawing on the experience of seasoned professionals and equipped with most advance project management tools, PERITUS successfully delivers even complex projects: meeting time, cost and quality expectations.

Key-Highlights -

- Peritus has its **customer base in 6 countries** with more than 15+ government authorities and world's leading Infrastructure development companies as its clients.
- Peritus has a Core Team with strong technical & financial background, having average experience of 15+ years working in Africa & Asia.
- Peritus has **strategic alliances** for efficient technology sourcing from different part of the world viz. India, South Africa, Kenya, Turkey, Italy, China, Oman etc. to name a few, in order to give clients, the best solution possible from around the globe.
- Peritus has successfully completed various milestone projects under multilateral funding's across the world and has strengthened its market presence and growth prospects.

3. **PERITUS ENGINEERING TANZANIA LIMITED** – Group's EPC arm for Infrastructure development in Africa

A. Background

Our founder's long engagement with Tanzania and Africa at large have moved them thoroughly and filled them with an urge to contribute in the growth and prosperity of the region and society. Their connection with local society has motivated and encouraged us to establish our local base in TANZANIA and to utilize our company's vast experience, skilled manpower, technology exposure through our strategic alliances from around the world along with world's latest technology knowhow, in order to bridge the knowledge and financial gaps between the region and developed world, and in return create value to our shareholders.

With this vision, Peritus Engineering Tanzania Limited has been incorporated in Tanzania and aim to take lead in Infrastructure development in the region with assistance and guidance of various other stake holders already actively contributing in the sector, especially with focus on Water, Agriculture, Oil & Gas and Rail Infrastructure.

B. Market Potential

Investment in infrastructure accounts for over half of the recent improvement in economic growth in Africa and has the potential to achieve even more. Africa's vast infrastructure deficit is a constraint on its growth, but also an opportunity to leapfrog to new, more efficient technologies.

Population growth and urbanization rates in Africa place huge needs for scaling up investments in infrastructure in key sectors (including agriculture, energy, roads, rail, airports, seaports, and industry), public services, job creation, and environmental sustainability.



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Energy demand in Africa's is estimated to grow 93% between now and 2035.

The region's infrastructure needs currently equate to between \$230 billion and \$280 billion each year, with around a third required for essential maintenance of existing networks. Meeting such levels of expenditure would require significant consistent infrastructure investment in the future.

Without a doubt, developing — and maintaining — effective infrastructure promises to help unlock Africa's extraordinary potential. The continent's need for roads, railways, and ports, as well as for the power and telecommunications networks upon which people and commerce depend, offers tremendous investment and growth opportunities.

C. Our Strength

- **Vision and mission is in line with Proposed Project** : Our Vision “A better World :Infrastructure for All” and our Mission “To become a leading engineering infrastructure company which specializes in providing cost effective and high Quality solution , by utilizing most advanced technology , customized to meet the requirement of customers , thus promoting technology transfer advantages from developed world to developing countries ” are very well in line with the need of the hour in the region which is to develop technologically advanced and sustainable infrastructure solutions.
- **Good and Already Existent Large customer Base** : with Government (Ministry of Water, Tanzania, Ministry of Infrastructure, Rwanda, Ministry of Energy (TPDC), Tanzania, Ministry of Agriculture, Tanzania, Ministry of Agriculture, Rwanda and various local authorities) as well as Private Player like Afcons, L & T and Megha engineering which are already being served by our group companies.
- **Sound Technical Knowledge of Product & Market:** Peritus has been serving Infrastructure Sector for last 8 years where its founders have more than 60 years of cumulative experience.
- **Synergy of Backward Vertical Integration:** Peritus has its own manufacturing units and technology partners which give us a synergy of Backward Vertical Integration and gives us competitive advantage while staying ahead through in-house innovations.
- **Professional Board** : Our Company is led by Highly skilled and very well educated professionals graduated from Indian Institute of Technology, Chartered Accountants and CPA's which are having a in-depth knowledge of this industry with each having experience of more than 10 Years in this area.
- **Our Company is Supported by Good Financials** : which manifest our efficiency and effectiveness of operation in this Industry



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D. Growth With Holistic Approach

We operate our business more over a Socialism approach rather than a capitalist approach. This approach is in line with our Vision & core value with which our company was first registered.

- **It helps drive change with innovation & modern technology** , where new and improved products enable new markets to be developed
- **Increased employment**
- **Creates New Wealth:** Not only employment but it creates new wealth as No. of Transactions take places between related Businesses which work in synergy to create new wealth.
- **Better Place for Society:** Increased wealth improves the standard of living with better consumer Basket and a better Place for Society.
- **Increased GDP Growth:** More Employment & Wealth Creation leads to higher National Income and Spending power of people which add on to a sustainable GDP Growth.
- **Economic Reforms:** Increased Earning facilitates Government to generate more Tax Revenue and Higher Spending where by Government can utilise this Revenue in further economic development and growth of country.

We will not only able to generate the employment, we further will also be contributing and be a part of **Nation's vision for Country's Infrastructure growth Plan**. We will be paying **approx Tshs 1 Billion Tax as VAT and Corporate Tax** each year (projected) which will eventually increase with the increase in capacity utilisation ratio.

E. Sources of Supplies: - Local Purchase in Tanzania, India, Turkey, Italy & China.

F. Implementation Schedule for 5 years

- Year 1 – Investment in earth moving equipment and machineries and take up water and irrigation projects within Tanzania with the help of parent company
- Year 2 – Further investment into manpower and machineries to scale up project size upto USD 10 million each.
- Year 3 – Take up independent assignments within Tanzania in Water & Irrigation segments upto USD 20 million.
- Year 4 – Enhancement of manpower and machineries resources and expand business portfolio to energy sector with focus on renewable energy
- Year 5 – Take up Infrastructure development assignments from neighbouring countries for value above USD 20 Million

**G. Capacity of the Project :-**

- a. Year 1 & Year 2 – Upto USD 10 million
- b. Year 3-4 – Upto USD 20 million
- c. Year 5 -onwards – USD 20 million plus

H. Source Of Financing

S.No	Source of Finance	Amount	% contribution
1.	Promoters Investment/Equity	US \$ 700,000	60%

I. Investment Fund EXP break Down.

Sr.No	Investment Breakdown	USD
1.	Land / Building	-
2.	Plant & Equipment	550,000
3.	Vehicles	50,000
4.	Furniture & Fittings	10,000
5.	Pre- Expenses	5,000
6.	Others	5,000
7.	Working Capital	80,000
TOTAL		700,000

J. Financial Plan and Projections

Please refer Annexure 1 (last page) of this Document for detailed financial plan and projections, Balance sheet for 5 years, P & L for 5 years & Cash Flow for 5 Years.

K. Resource Plan

1. Company registration – Company has been registered with Brela and TRA.
2. Place of work – Company has already rented an office in Dar es Salaam. Rent agreement is enclosed.
3. Machineries – Company intends to invest into Plant, machineries and equipment heavily. Infact, it has already purchased an Excavator worth Tshs 450 Million plus.

We intend to import various other high tech machineries from other part of the world.

4. Manpower – We intend to deploy a team of our skilled experts for successful startup of the company and also hire team members from Tanzania for further operations. Our projected employment figure from Tanzania is as followings –



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Year	Skilled Manpower	Semi - Skilled	Un- Skilled
1 st year	5	5	30
2 nd Year	8	10	50
3 rd Year	10	20	80
4 th Year	15	30	100
5 th Year	25	40	150

L. Conclusion –

Infrastructure development is a key driver for progress across the African continent and a critical enabler for productivity and sustainable economic growth. It contributes significantly to poverty reduction and human development.

Tanzania's conducive business environment and large market size makes it a suitable geography for this investment.

Peritus has strong background and experience in Infrastructure segment and is willing to take this initiative with a hope to convert into a mutually beneficial investment both for the company as well as for the country and fellow citizens of Tanzania.

We reiterate our commitment towards this project and look forward to receive support from all stake holders from Tanzania to bring this initiation to fruition, for the betterment of Overall Infrastructure in Tanzania and in the region.

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Financial Plan - 5 Years

Period	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Terminal Value Perpetuity
Particulars	Investement in Company	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	
Investment (Annexure 1)	-TZS 1,624,000,000.00	-TZS 696,000,000.00	-TZS 464,000,000.00	-TZS 464,000,000.00			
Discounting Factor		15%					
Growth Factor		5%					
Capacity Utilization			50%	50%	50%	100%	
Sales		TZS 1,300,000,000.00	TZS 1,950,000,000.00	TZS 2,925,000,000.00	TZS 4,387,500,000.00	TZS 8,775,000,000.00	
Cost of Production							
Material		TZS -	TZS -	TZS -	TZS -	TZS -	
Labour, Vehicle Hiring and Fuel		TZS 1,040,000,000.00	TZS 1,462,500,000.00	TZS 2,047,500,000.00	TZS 2,851,875,000.00	TZS 5,703,750,000.00	
Other Operating Exp		TZS 28,000,000.00	TZS 60,000,000.00	TZS 66,000,000.00	TZS 75,900,000.00	TZS 87,285,000.00	
EBIDTA		TZS 260,000,000.00	TZS 487,500,000.00	TZS 877,500,000.00	TZS 1,535,625,000.00	TZS 3,071,250,000.00	
EBIDTA Ratio		20%	25%	30%	35%	35%	
Depreciation		TZS 87,000,000.00	TZS 152,250,000.00	TZS 230,187,500.00	TZS 288,640,630.00	TZS 216,480,470.00	
Financing Exp		TZS -	TZS -	TZS -	TZS -	TZS -	
PBT(Profit Before Tax)		TZS 173,000,000.00	TZS 335,250,000.00	TZS 647,312,500.00	TZS 1,246,984,370.00	TZS 2,854,769,530.00	
Tax@30 %		TZS 51,900,000.00	TZS 100,575,000.00	TZS 194,193,750.00	TZS 374,095,311.00	TZS 856,430,859.00	
PAT (Profit After Tax)	-TZS 1,624,000,000.00	TZS 121,100,000.00	TZS 234,675,000.00	TZS 453,118,750.00	TZS 872,889,059.00	TZS 1,998,338,671.00	TZS 22,980,894,716.50
Profitability Ratio %		9%	12%	15%	20%	23%	
CPAT (Cash Profit After Tax)	-TZS 1,624,000,000.00	TZS 208,100,000.00	TZS 386,925,000.00	TZS 683,306,250.00	TZS 1,161,529,689.00	TZS 2,214,819,141.00	TZS 25,470,420,121.50
PV of PAT(DCF)	-TZS 1,624,000,000.00	TZS 105,304,347.83	TZS 177,448,015.12	TZS 297,932,933.34	TZS 499,077,152.53	TZS 993,527,496.47	TZS 10,432,038,712.92
PV of CPAT(DCF)	-TZS 1,624,000,000.00	TZS 180,956,521.74	TZS 292,570,888.47	TZS 449,284,951.10	TZS 664,108,369.54	TZS 1,101,156,549.80	TZS 11,562,143,772.88

IRR Matrix

IRR	At Discounted Cash Flow	At Actuals
PAT	45.36%	66.10%
CFAT	50.96%	72.56%

Annexure 1 : Investment

Working capital, Furniture, others	TZS 232,000,000.00
Plant & Equipment and Vehicles	TZS 1,392,000,000.00
Total	TZS 1,624,000,000.00

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Projected Balance sheet - 5 Years

Particulars		Year 1	Year 2	Year 3	Year 4	Year 5
I.	Equity and Liabilities					
	(1) Shareholder's Funds	717,100,000.00	1,051,780,000.00	1,604,890,000.00	2,345,780,000.00	3,872,120,000.00
	(2) Share Application Money pending allotment					
	(3) Non Current liabilities					
	(a) Prov For Depreciation	87,000,000.00	239,250,000.00	469,440,000.00	758,080,000.00	974,560,000.00
		87,000,000.00	239,250,000.00	469,440,000.00	758,080,000.00	974,560,000.00
	(4) Current liabilities					
(a) Trade Payables	-	80,880,000.00	81,630,000.00	85,970,000.00	90,260,000.00	
	-	80,880,000.00	81,630,000.00	85,970,000.00	90,260,000.00	
	TOTAL	804,100,000.00	1,371,910,000.00	2,155,960,000.00	3,189,830,000.00	4,936,940,000.00
II.	ASSETS					
	(1) Non-current assets					
	(a) Property, Plant & Equipment and Intangible asse					
	(i) Property, Plant and Equipment	464,000,000.00	928,000,000.00	1,392,000,000.00	1,892,000,000.00	2,492,000,000.00
	(b) Deferred Tax Assets (Net)					
	(c) Other non-current assets	464,000,000.00	928,000,000.00	1,392,000,000.00	1,892,000,000.00	2,492,000,000.00
	(2) Current assets					
(a) Trade Receivables, Inventories and other current Assets	232,000,000.00	325,000,000.00	609,380,000.00	1,096,880,000.00	2,193,750,000.00	
(c) Cash and Bank Balances	108,100,000.00	118,910,000.00	154,580,000.00	200,950,000.00	251,190,000.00	
	340,100,000.00	443,910,000.00	763,960,000.00	1,297,830,000.00	2,444,940,000.00	
	TOTAL	804,100,000.00	1,371,910,000.00	2,155,960,000.00	3,189,830,000.00	4,936,940,000.00

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Projected Profit and Loss - 5 Years

Particulars		Year 1	Year 2	Year 3	Year 4	Year 5
I.	<u>Revenue from operations</u>	1,300,000,000.00	1,950,000,000.00	2,925,000,000.00	4,387,500,000.00	8,775,000,000.00
	<u>Total Revenue</u>	1,300,000,000.00	1,950,000,000.00	2,925,000,000.00	4,387,500,000.00	8,775,000,000.00
II.	<u>Expenses</u>					
	(a) Cost of Production	1,012,000,000.00	1,402,500,000.00	1,981,500,000.00	2,775,975,000.00	5,616,465,000.00
	(b) Depreciation	87,000,000.00	152,250,000.00	230,187,500.00	288,640,630.00	216,480,470.00
	(c) Other Operating Expenses	28,000,000.00	60,000,000.00	66,000,000.00	75,900,000.00	87,285,000.00
	<u>Total Expenses</u>	1,127,000,000.00	1,614,750,000.00	2,277,687,500.00	3,140,515,630.00	5,920,230,470.00
III	<u>Profit / (Loss) before tax (I-II)</u>	173,000,000.00	335,250,000.00	647,312,500.00	1,246,984,370.00	2,854,769,530.00
IV	<u>TAX @ 30%</u>	51,900,000.00	100,575,000.00	194,193,750.00	374,095,311.00	856,430,859.00
V	<u>Profit / (Loss) After tax (III-IV)</u>	121,100,000.00	234,675,000.00	453,118,750.00	872,889,059.00	1,998,338,671.00

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Projected Cash Flow Statement - 5 Years

Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
Cash flows from operating activities					
Profit/(Loss) for the year	173,000,000.00	335,250,000.00	647,312,500.00	1,246,984,370.00	2,854,769,530.00
Adjustments for					
Depreciation	87,000,000.00	152,250,000.00	230,187,500.00	288,640,630.00	216,480,470.00
Tax paid/reversal	- 51,900,000.00	- 100,575,000.00	- 194,193,750.00	- 374,095,311.00	- 856,430,859.00
Net cash flows before working capital changes					
Changes in working capital					
Increase in trade and other receivables	- 232,000,000.00	- 93,000,000.00	- 284,380,000.00	- 487,500,000.00	- 1,096,870,000.00
Increase in trade and other payables	-	80,885,000.00	743,750.00	4,340,311.00	4,288,859.00
Net cash generated from operating activities (A)	- 23,900,000.00	374,810,000.00	399,670,000.00	678,370,000.00	1,122,238,000.00
Cash flows from Investing activities					
Investment in plant and machinery	- 464,000,000.00	- 464,000,000.00	- 464,000,000.00	- 500,000,000.00	- 600,000,000.00
Net cash Used in Investing activities (B)	- 464,000,000.00	- 464,000,000.00	- 464,000,000.00	- 500,000,000.00	- 600,000,000.00
Cash flows from Financing activities					
Issue of equity share capital	596,000,000.00	100,000,000.00	100,000,000.00	414,000,000.00	414,000,000.00
Dividend Paid				- 546,000,000.00	- 885,998,000.00
Net cash generated from Financing activities (C)	596,000,000.00	100,000,000.00	100,000,000.00	- 132,000,000.00	- 471,998,000.00
Net increase in cash and cash equivalents (A+B+C)	108,100,000.00	10,810,000.00	35,670,000.00	46,370,000.00	50,240,000.00
Opening Cash and Bank Balance	-	108,100,000.00	118,910,000.00	154,580,000.00	200,950,000.00
Closing Cash and Bank Balance	108,100,000.00	118,910,000.00	154,580,000.00	200,950,000.00	251,190,000.00