

**ISCON COMMODITIES (T) LIMITED**

**A FESIBILITY STUDY REPORT**

**ON THE PROPOSED  
CARGO TRANSPORTATION PROJECT**

**Prepared by:**

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**DAR ES SALAAM**

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## EXECUTIVE SUMMARY

### 1.1 Introduction

**ISCON COMMODITIES (T) LIMITED** is a privately owned company incorporated for purpose of carrying out cargo/fuel transport operations to provide both domestic and transit cargo haulage services.

### 1.2 The Project

The feasibility study report sets out a proposal for the establishment of the project by purchasing fleet of trucks/tankers. The total number is going to be 40 trucks and trailers/tankers at full project implementation.

This project was established with following micro objectives:

- ✚ To carryout transportation of all manner of raw materials and goods including timber, sugar, water, fuel, all types of machinery for construction and other related cargo.
- ✚ Serving rural areas in general and important agricultural areas by efficient distribution of agricultural inputs such as farm implements, fertilizers, insecticides and consumer goods to rural areas.
- ✚ To move food and cash crops and particularly rice, leaf tobacco, cotton, and maize from farmers to consumers in urban areas and export outlets.
- ✚ To move and distribute building materials in both urban and rural areas.
- ✚ To transport transit cargo for neighbouring landlocked countries East and Central East namely: Rwanda, Burundi, Uganda, Malawi, Zambia, Democratic Republic of Congo, etc.
- ✚ To train local people on an equal opportunity level and provide competitive incentives.

The macro objectives of establishing the project were to support economic, social and administrative activities in the mentioned areas. Also, to increase the

competitiveness of Tanzania goods in the export markets and improve the building and construction industry by offering competitive transport rates.

### **1.3 The Project Promoters**

The project is being promoted by **ISCON COMMODITIES (T) LIMITED** based at Dar es Salaam..

### **1.4 The Market**

Recent reforms taking place in economy indicate that there is an increase in demand for transit cargo both dry and wet, including white petroleum product namely: petrol, diesel, jet fuel, lubricants, liquefied gas (LPG) etc. The following are some of the factors that have contributed to such an increase in demand for these products in the country.

- ✚ Increased level of rehabilitation and expansion of urban and trunk roads by the Government and international assistance agencies which has subsequently resulted in increased kilometers of passable roads by small and heavy-duty vehicles.
- ✚ Rise in people's standard of living and change in people's consumption patterns;
- ✚ General improvement in the national economy, especially the balance of payments which has made it possible for the Government to achieve greater capability to import critical products into the country;
- ✚ Increase general level of investments in industrial activities which are the major users of industrial inputs;
- ✚ Increased general level of investments in industrial activities which are the major users of industrial inputs;
- ✚ Increased transit trade between Tanzania and its neighbours especially Uganda, Rwanda, Malawi, Burundi and the Democratic Republic of Congo.

The factors have led to increased demand for transportation services for products in the country. Furthermore, these factors have created the impetus for increased inflow of investment capital by foreign and local private investors who now have decided to venture in the importation and industrial raw materials business.

The reforms, which are now being introduced in the sector, aim at influencing the inflow of and increased supply of both capital goods and other industrial products and their distribution in the country and beyond the national borders.

### **1.5 Project Cost and Financing Plan**

The total cost of the project is estimated at US Dollars **2,890,000**. The following is the summary of the capital investment cost estimated.

<b>PARTICULAR</b>	<b>AMOUNTS USD</b>
Land and Buildings	60,000
Plant & Machines	250,000
Motor Vehicles	1,930,000
Furniture & Fixtures	20,000
Pre Expenses	100,000
Working Capital	530,000
<b>TOTAL</b>	<b>2,890,000</b>

## **Financing.**

The project's cost will be financed by shareholder's equity contributions as well as loans as shown hereunder.

<b>Equity</b>	<b>Loans</b>
US\$ 890,000	US\$ 2,000,000

## **1.6 Financial Indicators**

The following are some of the financial analysis highlights:

### **1.6.1 Profitability**

Profitability after tax over the years in US \$ is as follows:

1 <sup>st</sup> year	637,463.00
2 <sup>nd</sup> year	788,872.00
3 <sup>rd</sup> year	852,367.00
4 <sup>th</sup> year	1,128,869.00
5 <sup>th</sup> year	1,318,667.00

### **1.6.2 Liquidity**

The projected net cash flow over the year shows a health position and demonstrates the ability of the company to meet financial commitments as they fall due. The summary thereof in US \$ at end of each year is as follows:

1 <sup>st</sup> year	2,330,526.00
2 <sup>nd</sup> year	4,734,087.00
3 <sup>rd</sup> year	7,362,584.00
4 <sup>th</sup> year	10,227,587.00
5 <sup>th</sup> year	13,284,756.00

## **1.7 Social and Economic Aspects**

The proposed project will result into the following social and economic impacts:

- 1.7.1 Increase the provision of high quality services in transportation of industrial products, fuel, building & construction materials and other cargo in the country.

- 1.7.2 Increased availability of quality distribution and marketing of products along side competitive prices of these products will result in increased and healthy competition among all trading and manufacturing companies
- 1.7.3 The proposed project will provide employment for about 121 permanent employees and several temporary ones
- 1.7.4 The Government and other agencies will benefit from various taxes, fees and commissions that will be paid to the Treasury.

## **1.8 Conclusion and Recommendations**

The Executive Summary highlights indicate the proposed project will be financially and economically viable. The project will greatly contribute in transportation of cargo/fuel to support Tanzania's growing economy. It is expected to contribute significantly to the social and economic progress by way of increasing the provision of reliable sales and distribution of the various products and building & construction materials in the country. It is recommended that the project be accorded the required institutional and financial support to pave the way for its expeditious implementation.

## 2.0 THE PROMOTERS

The promoters in this project is Messrs **ISCON COMMODITIES (T) LIMITED** with head office in Dar es Salaam Tanzania.

The shareholders are people who are qualified in skills of business management and have acquired vast business experience in the country, particularly in cargo/fuel transportation business.

## 3.0 THE PROJECT

**ISCON COMMODITIES (T) LIMITED** plans to acquire 40 units & trailers /tankers to be employment in the proposed expansion of cargo transportation project . Other motor vehicles to be included in this project are:

- ✚ 6 Units 4WD Toyota Land Cruiser Hardtop for patrols
- ✚ 4 Units 4WD Toyota Land Cruiser pick ups
- ✚ 2 Units LOW Loaders

### 3.1 Description

In summary the project entails the following

- ✚ Purchase of 40 unit of trucks, trailers and tankers to be using in transportation of cargo from one point to another
- ✚ Purchase of tools and equipment including generators, welding machines, lathing machine, compressors, pump calibrator machine , various repair equipment and other machinery for the workshop
- ✚ Other cars include Four Wheel Drive Toyota Land Cruiser Hardtop (5 units), 4WD Toyota Land Cruiser pick ups(5 units), 4WDToyota Land Rover pick ups (5 units )and Low Loaders (4 units)
- ✚ Civil works will include minor renovation of workshop and office buildings the project sites.
- ✚ The sites have necessary infrastructure required for the business, including workshop.
- ✚ Importation of office equipment namely: telephones, facsimile machines, personal computers, and air conditioners at company's head office.

### 3.2 Location

As stated above, the company operations will be based at Dar es Salaam and Coast Region.

### 3.3 Objectives and Cargo Haulage Targets

This project was established with following micro objectives:-

- ✚ To carryout the business of transportation of cargo/fuel within and outside Tanzania
- ✚ To carryout transportation of all manner of raw materials and goods including timber, sugar, water, fuel, all types of machinery for construction and other related cargo
- ✚ Serving rural areas in general and important agricultural areas by efficient distribution of agricultural inputs such as farm implements, fertilizers, insecticides and consumer goods to rural areas.
- ✚ To move food and cash crops and particularly rice, leaf tobacco, cotton, and maize from farmers to consumers in urban areas and export outlets.
- ✚ To move and distribute building materials in both urban and rural areas
- ✚ To transport transit cargo for neighbouring landlocked countries East and Central East namely: Rwanda, Burundi, Uganda, Malawi, Zambia, Democratic Republic of Congo, etc.
- ✚ To train local people on an equal opportunity level and provide competitive incentives.

The macro objectives of establishing the project is to support economic, social and administrative activities in the mentioned areas. Also, it aims to increase the competitiveness of Tanzania goods in the export markets and improve the building and construction industry by offering competitive transport rates.

### 3.5 Environmental Aspects

Generally, Tanzania has environmental regulations governing the operation of garages and workshops. Nevertheless each operator takes basic precautions to ensure that during operations and in case of an accidental spillage or fire, damage to environment is limited to the minimum possible level.

## **3.6 Constraints and Government Policy**

### **3.6.1 Constraints**

The road transport in Tanzania is heavily dependent on imported vehicles and related inputs. The road transport sector is however faced with the following problems:

- Lack of adequate transportation equipment;
- Poor infrastructure facilities particularly trunk roads;
- Lack of adequate transport services to land-locked neighbouring countries which would like to use our port facilities for enhancement of their international trade;
- Poor maintenance of roads and transport equipments;
- Lack of proper co-ordination between the transport sector and other sector of the economy.

### **3.6.2 Government Policy on Transportation**

The government has of late put a greater emphasis on the transport and communication sector so as to improve upon them and consequently lead to economic development. The following are therefore the national transport policies among others:

- ✚ To improve the standard of trunk road network by maintaining the existing roads so as to ensure satisfactory level of service and to expand the feeder roads in order to cover a wider area of agricultural production. Rehabilitation and maintenance of existing railway network is also given greater attention;
- ✚ To give assistance to the private sector so as to enable the sector provide proper transport services both in the country and neighbouring states. Hence, the private transport sector is expected to provide over 70% of total road services.

From the brief outline mentioned above, the transport policy in all its intent is geared towards improving and encouraging all modes of transport whether

private or public and run on strictly business principles in order to promote efficiency and raise the quality of the service rendered.

## **4. ROAD TRANSPORT**

### **4.1 History of road transport**

The first forms of road transport were horses, oxen or even humans carrying goods over dirt tracks that often followed game trails. As commerce increased, the tracks were often flattened or widened to accommodate the activities, the travois, a frame used to drag loads, was developed. The wheel came still later, probably preceded by the use of logs as rollers.

With the advent of the Roman Empire, there was a need for armies to be able to travel quickly from area to another, and the roads that existed were often muddy, which greatly delayed the movement of large masses of troops. To resolve this issue, the Romans built great roads. The Roman roads used deep roadbeds of crushed stone as an underlying layer to ensure that they kept dry, as the water would flow out from the crushed stone, instead of becoming mud in clay soils.

During the Industrial Revolution, and because of the increased commerce that came with it, improved roadways became imperative. The problem was rain combined with dirt roads created commerce-miring mud. John Loudon McAdam (1756-1836) designed the first modern highway. He developed an inexpensive paving material of soil and stone aggregate (known as macadam), and he embanked roads a few feet higher than the surrounding terrain to cause water to drain away from the surface.

Various systems had been developed over centuries to reduce bogging and dust in cities, including cobblestones and wooden paving. Tar-bound macadam (tarmac) was applied to macadam roads towards the end of the 19<sup>th</sup> century in cities such as Paris. In the early 20<sup>th</sup> century tarmac and concrete paving were extended into the countryside.

### **4.2 Types of Road Transportation Services**

Transport on roads can be roughly grouped into two categories: transportation of goods and transportation of people. In many countries licencing requirements and safety regulations ensure a separation of the two industries.

The nature of road transportation of goods depends, apart from the degree of development of the local infrastructure, on the distance the goods are transported by road, the weight and volume of the individual shipment and the type of goods transported. For short distances and light, small shipments a van or pickup truck may be used. For large shipments even if less than a full truckload (Less than truckload) a truck is more appropriate. In some countries cargo is transported by road in horse drawn carriages, donkey carts or other non-motorized mode. Delivery services are sometimes considered a separate category from cargo transport. In many places fast food is transported on roads by various types of vehicles. For inner city delivery of small packages and documents bike couriers are quite common.

People (Passengers) are transported on roads either in individual cars or automobiles or in mass transit/public transport by bus/coach (vehicle). Special modes of individual transport by road like rikshas or velotaxis may also be locally available.

### **4.3 Trucking and Hauling**

Trucking companies or haulers/hauliers accept cargo for road transportation. In Australia road train replace rail transport for goods on many routes. Low-loader or flat-bed trailers are used to haul containers, see containerization, in intermodal transport. Truck drivers operate either independently working directly for the client or through freight carriers or shipping agents. Some big companies (e.g. grocery store chains) operate their own internal trucking operations.

In the U.S. many truckers own their truck (rig), and are known as owner-operators. Some road transportation is done on regular routes or for only one consignee per run, while others transport goods from many different loading stations/shippers to various consignee. On some long runs only cargo for one leg of the route (to) is known when the cargo is loaded. Truckers may have to wait at the destination for the return cargo (from).

A Bill of Lading issued by the shipper provides the basic document for road freight. On cross-border transportation the trucker will present the cargo and documentation provided by the shipper to customs for. This also applies to shipments that are transported out of a Free port.

To avoid accidents caused by fatigue truckers have to keep to strict rules for drive time and required rest periods. This is known in the U.S as hours of service, and in the E.U as drivers working hours. Tachographs record the times the vehicle is in motion and stopped. Some companies use two drivers per truck to ensure uninterrupted transportation; with one driver resting or sleeping in a bunk in the back of the cab while the other is driving.

For transport of hazardous materials truckers need a licence, which usually requires them to pass an exam. They have to make sure they affix proper labels for the respective hazard (s) to their vehicle. Liquid goods are transported by road in tank trucks or tanker lorries or special tank containers for intermodal transport. For unpackaged goods and liquids weigh stations confirm weigh after loading and before delivery. For transportation of live animals special requirements have to be met in many countries to prevent cruelty to animals. For fresh and frozen goods refrigerator trucks or reefer are used.

Truck drivers often need special licenses to drive, known in the U.S as a commercial driver's license. In the U.K. a Large Goods Vehicle license is required.

#### **4.4 Modern roads**

Today roadways are principally asphalt or concrete. Both are based on McAdam's concept of stone aggregate in a binder, asphalt cement or Portland cement respectively. Asphalt is known as a flexible pavement, one which slowly will "flow" under the pounding of traffic. Concrete is a rigid pavement, which can take heavier loads but is more expensive and requires more carefully prepared sub base. So, generally, major roads are concrete and local roads are asphalt. Often concrete roads are covered with a thin layer of asphalt to create a wearing surface.

Modern pavements are designed for heavier vehicle loads and faster speeds, requiring thicker slabs and deeper sub base. Sub base is the layer or successive layers of stone, gravel and sand supporting the pavement. It is needed to spread out the slab load bearing on the underlying soil and to conduct away any water getting under slabs. Water will undermine a pavement over time, so much of

pavement joint design are meant to minimize the amount of water getting and staying under the slabs.

Shoulders are also an integral part of highway design. They are multipurpose; they can provide a margin of side clearance, a refuge for incapacitated vehicles, an emergency lane, and parking space. They also serve a design purpose, and that is to prevent water from percolating into the soil near the main pavement's edge. Shoulder pavement is designed to a lower standard than the pavement in the traveled way and won't hold up as well to traffic.

Pavement technology is still evolving, albeit in not easily noticed increments. For instance, chemical additives in the pavement mix make the pavement more weather resistant, grooving and other surface treatments improve resistance to skidding and hydroplaning, and joint seals which were once tar are now made of low maintenance neoprene.

## **6.0 CAPITAL INVESTMENT AND FINANCING PLAN**

### **6.1 Investment Plan**

The company plans to build a fleet of 40 units of trucks & trailers/tankers each costing around USD 58,000. Each Toyota Land Cruiser Hardtop/Pick up will cost approximately USD 32,000. Each Land Rover Pick up is estimated to cost USD 49,000. and each low loader will cost USD 50,000.

The company will need USD100,000 being pre-operational expenses. Initial working capital of USD 53,000 will also be required. A summary of the Investment Plan is shown in the Table below:

**CAPITAL INVESTMENT COST SUMMARY (US\$)**  
**COST STRUCTURE**

<b>PARTICULAR</b>	<b>AMOUNTS USD</b>
Land and Buildings	60,000
Plant & Machines	250,000
Motor Vehicles	1,930,000
Furniture & Fixtures	20,000
Pre Expenses	100,000
Working Capital	530,000
<b>TOTAL</b>	<b>2,890,000</b>

**6.2 Financing Plan**

It is estimated that a total of US \$ 2,890,000 will be required to acquire the various assets as shown in the table above.

The bulk of the capital cost will be raised by the company itself through equity contribution as well as loans. The other major source of funding will be internally generated revenue from operations which will be ploughed back.

<b>Equity</b>	<b>Loans</b>
US\$ 890,000	US\$ 2,000,000

**7.0 MARKET AND MARKETING ASPECTS.**

**7.1 A General Overview**

There is a wide market for transportation of domestic as well as transit cargo. Likewise, the market for transportation of fuel, as well as building and construction materials is huge, especially for the rural road contractors and builders in general. Hence, it can be expected that the sponsors would not face marketing and operational problems in managing the proposed project.

The ports of Dar es Salaam and Mombasa have undergone major rehabilitation, modernization and expansion so as not only to be able to compete with South Africa ports in handling the East, Central and Southern African import and

export trade but also, as a strategy for meeting the national demands for cargo handling that have grown steadily following expansion of agricultural, mining and industrial activities especially in East and Central Africa. These factors would provide the proposed freight haulage project the necessary condition for its soft establishment expansion of its future operations. **ISCON COMMODITIES (T) LIMITED** will endeavour to achieve the projected sales for both domestic and transit business in the neighbouring countries of Kenya, Rwanda, Burundi and Eastern parts of the Democratic Republic of Congo, Uganda and Eastern parts of Zambia.

## **8.0 MANAGEMENT AND ORGANIZATION STRUCTURE**

### **8.1 Management**

The company policy is to have adequate manpower to manage its operations efficiently. **ISCON COMMODITIES (T) LIMITED** believes in keeping on board only the very essential manpower strength, to develop them into highly motivated and sincere company team for the best and efficient operations of the company.

The company has a team qualified and experienced functional managers in the areas of Transport Operations, Workshop Operations and Finance & Administration. Other senior and middle level staffs are available for the operations of the company. The personnel for the expansion phase will also be qualified, well seasoned and possessing considerable industrial experience.

### **8.2 Management Policy**

The day to day operations are managed by the Managing Director, assisted by Managers in areas of Finance and Administration and Transport operations. The manager for Transport Operations is the overall in charge of the fleet and Workshop Operations. An Accounts Assistant is available to assist in Accounting, Procurement and Finance functions. The Marketing Unit is responsible for both the countrywide and regional wide sales and marketing for the service. The job responsibilities include market planning and development, sales promotion and sales co-ordination. The Company's fleet pool is therefore professionally managed.

### 8.3 Organization Structure

Once the expansion programme has been well undertaken, the company organizational structure will have to change so as to give it a corporate structure of freight Haulage Company. Therefore, the shareholders will have to embark on a meticulous manpower planning and recruitment, which will be proceeded by a manpower consultant's report.

### MANPOWER REQUIREMENT AND EMOLUMENTS

Manpower requirements are appearing in schedule attached hereunder. It comprises permanent employees to be employed. Some of the employees will be employed on temporary basis when needed.

#### SALARIES & WAGES

NO	EMPLOYEE DESIGNATION	NO	SALARY PER MONTH	SUBTOTAL MONTHLY SALARY	ANNUAL GROSS SALARY
1	Managing Director	1	3000	3000	36,000
2	Finance Management	1	2500	2500	30,000
3	Transport Manager	1	2500	2500	30,000
4	Accounts Assistants	2	1000	2000	24,000
5	Supervisor	2	700	1400	16,800
6	Drivers	64	500	32000	384,000
7	Assistant Drivers	40	300	12000	144,000
8	Mechanics	3	250	750	9,000
9	Secretary	3	250	750	9,000
10	Office Attendants	2	400	800	9,600
		2	150	300	3,600
	<b>TOTAL USD \$</b>	121	11,550	58,000	696,000

### 9.0 FINANCIAL ANALYSIS

#### 9.1 Financial Viability

The analysis of the proposed expansion of **ISCON COMMODITIES (T) LIMITED** transport project shows that the project can generate a fairly good profit and that it generates sufficient cash to meet its financial obligations.

## **9.2 Fundamental Assumptions.**

The preparation of the financial projections took into account the following main assumptions:

- 9.2.1 The operating period under which the viability of the project is being evaluated is 5 years.
- 9.2.2 All the calculations throughout the economic lifetime of the project are constant with Jan 2021 being the base date
- 9.2.3 The projected operational costs are shown
- 9.2.4 The main revenue source is from the charging freight rates. In the estimation of the revenue income we have assumed that the revenue per trip is between USD 10,000 and USD 12,000
- 9.2.5 Capital Expenditure has been assumed to be incurred for a period of 5 years.
- 9.2.6 The financial plan is for the shareholders to finance the project from own sources by ploughing back profits and also through a loan.

## **9.3 Working Capital Requirements**

Ideally, working capital requirements are directed by the volume and business tempo.

## **9.4 Cash Flow Projection**

The liquidity performance of the project is shown in the Financial Analysis Schedules. The projections take into account the assumed sources and applications of funds over the planned period and show the ability of the project to meet financial obligations and capita expenditure requirements.

Over the projected period of five year the project has a positive end of year cash flow throughout the period. This is shown as follows:-

1 <sup>st</sup> year	2,330,526.00
2 <sup>nd</sup> year	4,734,087.00
3 <sup>rd</sup> year	7,362,584.00
4 <sup>th</sup> year	10,227,587.00
5 <sup>th</sup> year	13,284,756.00

## **9.6 Financial Review**

The financial review of the proposed expansion of **ISCON COMMODITIES (T) LIMITED** shows that:-

- 9.6.1 The project is profitable
- 9.6.2 The liquidity position is sound and that is should be able to meet its financial commitments without any undue difficulty
- 9.6.3 It is therefore recommended that the project should go ahead so conceived in this report.

## **9.7 Development Aspects**

The following are the major economic and social benefits, which will be generated by the proposed project expansion.

- 9.7.1 Revenue to the government Treasury and other organs in the form of taxes, fees and levies
- 9.7.2 Increase in employment opportunities as about 121 people will be employed by the project
- 9.7.3 Savings/earnings of foreign exchange because of the project's active engagement in the transit trade
- 9.7.4 Facilitate in increased improvement and availability of the freight haulage services especially in the transportation of minerals such as copper, raw materials, fuel, crops, building materials and finished products to and from markets.

With the liberalization of the economy in fully swing the resultant industrial growth is expected to push up the demand for the transportation of industrial and consumer goods services considerably.

## **10. CONCLUSION AND RECOMMENDATIONS**

The foregoing discussion highlights on the social, economic and financial dimensions which the envisaged project is set to generate in this country. The brief financial analysis indicates that the project will be financially viable. Therefore, it is strongly recommended that the sponsors, **ISCON COMMODITIES (T) LIMITED** be available with the required institutional assistance so as to enable them expand the cargo transportation project.



**ISCON COMMODITIES (T) LIMITED**  
**PROJECTED INCOME STATEMENT**

	<b>YEAR 1</b>	<b>YEAR 2</b>	<b>YEAR 3</b>	<b>YEAR 4</b>	<b>YEAR5</b>
Sales Revenue	630,000	756,000	907,200	1,088,640	1,306,368
Cost of Sales	126,000	126,000	126,000	126,000	126,000
<b>Gross Profit</b>	<b>504,000</b>	<b>630,000</b>	<b>781,200</b>	<b>962,640</b>	<b>1,180,368</b>
<b>Operating Expenses</b>					
Administrative Overhead					
Costs	105,000	106,050	107,111	108,182	109,263
Motor Vehicle running	5000	5,050	5,101	5,152	5,203
Expenses	8,000	8,080	8,161	8,242	8,325
Salaries and Wages	78,000	78,780	79,568	80,363	81,167
Depreciation	81,000	81,810	82,628	83,454	84,289
Marketing Costs	6,500	6,565	6,631	6,697	6,764
Utility Costs	10,500	10,605	10,711	10,818	10,926
Insurance	10,000	10,100	10,201	10,303	10,406
Interest on Loan	12,200	12,322	12,445	12,570	12,695
Communication	1,750	1,768	1,785	1,803	1,821
<b>Total Expenses</b>	<b>207,950</b>	<b>210,030</b>	<b>212,130</b>	<b>214,251</b>	<b>216,394</b>
<b>Profit before Tax</b>	<b>296,050</b>	<b>419,971</b>	<b>569,070</b>	<b>748,389</b>	<b>963,974</b>
Tax (30%)	207,235	293,979	398,349	523,872	674,782
<b>Profit After Tax</b>	<b>88,815</b>	<b>125,991</b>	<b>170,721</b>	<b>224,517</b>	<b>289,192</b>

**ISCON COMMODITIES (T) LIMITED**  
**PROJECTED BALANCE SHEET**

	<b>YEAR 1</b>	<b>YEAR 2</b>	<b>YEAR 3</b>	<b>YEAR 4</b>	<b>YEAR 5</b>
Fixed Assets	2,260,000	2,199,500	2,164,000	2,101,000	2,038,000
Long term Assets					
Depreciation	60,500	60,500	60,500	60,500	60,500
<b>Total long term assets</b>	<b>2,199,500</b>	<b>2,139,000</b>	<b>2,103,500</b>	<b>2,040,500</b>	<b>1,977,500</b>
Current Assets					
Cash	406,100	684,700	979,050	1,292,735	1,625,723
Account Receivable	105,000	110,250	216,535	421,763	527,628
Inventory	214,710	376,383	438,469	402,292	467,493
<b>Total Current Assets</b>	<b>630,000</b>	<b>630,000</b>	<b>630,000</b>	<b>630,000</b>	<b>630,000</b>
<b>Total Assets</b>	<b>2,829,500</b>	<b>2,769,000</b>	<b>2,733,500</b>	<b>2,670,500</b>	<b>2,607,500</b>
<b>Current Liabilities</b>					
Accounts Payable	84,000	88,200	92,610	97,241	102,103
Other Current Liablit	70,000	73,500	77,175	81,034	85,085
<b>Subtotal Current Liabi</b>	<b>154,000</b>	<b>1,616,700</b>	<b>169,785</b>	<b>178,274</b>	<b>187,188</b>
<b>Long term Liabilities</b>					
Long term Liabilitie	1,820,000	1,820,000	1,820,000	1,820,000	1,820.00
<b>Total Liabiities</b>	<b>2,199,500</b>	<b>2,139,000</b>	<b>2,103,500</b>	<b>2,040,500</b>	<b>1,977,500</b>
<b>Net Assets</b>	<b>820,810</b>	<b>877,633</b>	<b>951,268</b>	<b>1,044,516</b>	<b>1,157,656</b>
<b>Captil and Reserves</b>					
Owners Contribution	780,000	780,000	780,000	780,000	780,000
<b>Retained Earning</b>	<b>40,810</b>	<b>97,633</b>	<b>171,268</b>	<b>264,516</b>	<b>377,656</b>
<b>Total Capital</b>	<b>2,829,500</b>	<b>2,769,000</b>	<b>2,733,500</b>	<b>2,670,500</b>	<b>2,607,500</b>

**ISCON COMMODITIES (T) LIMITED**  
**PROJECTED CASHFLOW**

**OTHER OPERATING COST**

<b>Other Operations Cost</b>		<b>YEAR 1</b>	<b>YEAR 2</b>	<b>YEAR 3</b>	<b>YEAR 4</b>	<b>YEAR 5</b>
Motor Vehicle running expens		170,000	170,400	170,800	171,200	171,600
Salaries and Wages		94,000	103,400	113,740	125,114	137,625
Administrative Overhead Costs		63,000	69,300	76,230	83,853	92,238
Utility Costs		102,000	112,200	123,420	135,762	149,338
Interest on Loan		47,000	51,700	56,870	62,557	68,813
Communication Exepnses		54,000	59,400	65,340	71,874	79,061
<b>Total Costs</b>		<b>530,000</b>	<b>566,400</b>	<b>606,400</b>	<b>650,360</b>	<b>698,676</b>

**ISCON COMMODITIES (T) LIMITED**

**FIXED ASSETS SCHEDULE**

<b>NAME OF ASSETS</b>		<b>YEAR 1</b>	<b>YEAR 2</b>	<b>YEAR 3</b>	<b>YEAR 4</b>	<b>YEAR 5</b>
Land and Buildings		60,000	57,000	54,000	51,000	48,000
Plant & Machines		250,000	200,000	150,000	100,000	50,000
Motor Vehicle		1,930,000	1,925,000	1,920,000	1,915,000	1,910,000
Furniture & Fixtures		20,000	17,500	40,000	35,000	30,000
<b>Total</b>		<b>2,260,000</b>	<b>2,199,500</b>	<b>2,164,000</b>	<b>2,101,000</b>	<b>2,038,000</b>
<b>Depreciation</b>		<b>YEAR 1</b>	<b>YEAR 2</b>	<b>YEAR 3</b>	<b>YEAR 4</b>	<b>YEAR 5</b>
Land and Buildings		3,000	3,000	3,000	3,000	3,000
Plant & Machines		50,000	50,000	50,000	50,000	50,000
Motor Vehicles		5,000	5,000	5,000	5,000	5,000
Furniture & Fixtures		2,500	2,500	2,500	2,500	2,500
<b>ANNUAL DEPRECIATION</b>		<b>60,500</b>	<b>60,500</b>	<b>60,500</b>	<b>60,500</b>	<b>60,500</b>
<b>CLOSING FIXED ASSETS</b>		<b>2,199,500</b>	<b>2,139,000</b>	<b>2,103,500</b>	<b>2,040,500</b>	<b>1,977,500</b>

## **COST STRUCTURE**

<b>PARTICULAR</b>	<b>AMOUNTS USD</b>
Land and Buildings	60,000
Plant & Machines	250,000
Motor Vehicles	1,930,000
Furniture & Fixtures	20,000
Pre Expenses	100,000
Working Capital	530,000
<b>TOTAL</b>	<b>2,890,000</b>