

BUSINESS PLAN FOR THE
IMPLEMENTATION PROGRAMME
OF
M/S TAIFA GROUP LIMITED
IN
ESTABLISHING AND OPERATING CONSULTATION SERVICES

PREPARED BY
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**TAIFA GROUP LIMITED
ESTABLISHING OF TRANSPORTATION SERVICE.**

1 COMPANY'S BACKGROUND

TAIFA GROUP LIMITED is a private owned company incorporated in Tanzania by Registrar of Companies under company's ordinance Cap 212, on 19th of December 2019 with Certificate of Incorporation No: 140651346

The company was incorporated with a prime objective of to establish a project for consultation services. High quality, technology and goodwill will make the Project to dominate the existing local market and the growing international demand.

The Project is estimated to cost USD:2.5 million on new technology, on job training, vehicles and equipment's etc. to provide quality service.

2 THE COMPANY'S OBJECTIVES

TAIFA GROUP LIMITED is company which was establish with an objective to establish a project for consultation services.

SHAREHOLDERS (PROMOTERS)

The following are the owners/shareholders and promoters of the intended Project.

No	Name of Shareholders	No. of shares	Nationality	% Shareholding structure
1.	JEHANGIR AZIZ ABDULRASOOL	50	Tanzanian	1%
2.	AKRAM AZIZ ABDULRASOOL	50	Tanzanian	1%

	TOTAL			100%
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The authorized share capital of the Company is Tanzanian Shillings Thirty Million Only (Tshs. 30,000,000.00) only divided into One Hundred (100) Ordinary Shares of Tanzanian Shillings Three Hundred Thousands Only (Tshs. 300,000.00) each.

3 LOCATION

The Project is located at PLOT 76 KIPAWA, KIWALANI, ILALA, DAR ES SALAAM REGION

4 PROJECT DESCRIPTION

TAIFA GROUP LIMITED was established with a main objective of Consultation services. The Business plan for this project was prepared to give an analysis of the financial, human, technical and other resources required for the implementation of the

Proposed Project.

The Plan also assess the economic and commercial viability to invest heavily in terms of working capital, management, and workforce training.

5 POTENTIAL MARKET

The market research conducted by the consultant in collaboration with the promoters/shareholders of the company has revealed that there is potential market for consultation services. Our local customers will include individual Mining companies, construction firms etc. The Company will also supply to the external market especially in the neighboring countries.

7. FINANCIAL PLAN (SOURCE OF FUNDS)

The Shareholders/ Promoters of TAIFA GROUP LIMITED have allocated funds for the Proposed Project by its **own local fund and local loan: -**

Local fund (equity)	USD \$ 500K
Bank OD	USD \$ 500K
Local loan	USD \$ 1,5mil
TOTAL	USD \$ 2.5mil

INVESTMENT BREAK DOWN

Land/Building	USD \$ 500K
Vehicles/Horse trucks	USD \$ 400K
Furniture and Fittings	USD \$ 100k
Working Capital	<u>USD \$ 1.5mil</u>
TOTAL CAPITAL	<u>USD \$ 2.5mil</u>

8. BUSINESS STRATEGY

TAIFA GROUP LIMITED has also gone further in setting up some business strategies to meet the current demand, high productivity of service, and capture the local markets. Therefore, the management of the Company has developed and implemented the following business strategies which are Technology/Quality, Advertisement/promotion, employing qualified and experienced personnel, On the job training and business Discipline.

9. PROMOTION/ ADVERTISEMENT

TAIFA GROUP LIMITED has set up some strategies to promote its well packed high-quality transport service which will be for local market. The Major strategy is advertisement which forms part of the marketing strategy; this will be embarked upon in the newspapers, website and in the televisions and a strong marketing team.

10. COMPETITION/MARKET

There are several transporters in Tanzania; however, few can compete with our high-quality transport service. The Company has set some business strategies to compete with other transporter of these transport service.

Though there is extensive market for consultation service is not enough compared to the level of the market. As the demand/Market size is increasing day by day due to usage in different places

TAIFA GROUP LIMITED will employ staff with experiences and specialized in consultation services. therefore, they had been in that field for many years. The company anticipates dominating the local and export market because the Company has set up business and marketing strategies and determined to provide high quality consultation service.

11. ECONOMIC GROWTH

Positive economic growth which had been registered in Tanzania, have attracted more investments in the Tanzania such as the proposed project.

The economic growth resulted by various economic activities has influenced the demand of the high-quality consultation service which are going to be provided by TAIFA GROUP LIMITED.

In facts the demand is growing day by day for both local and foreign markets.

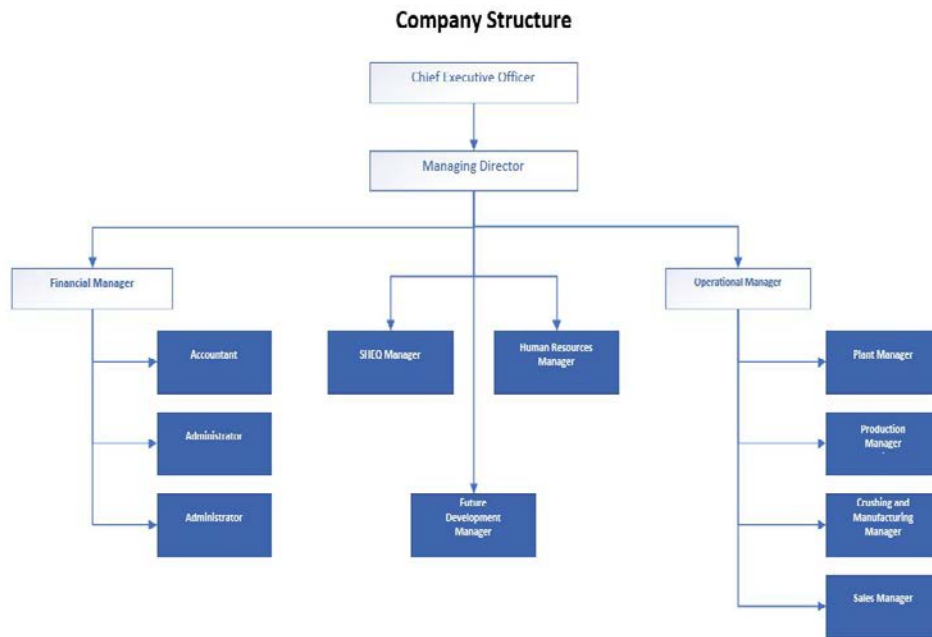
12. ENVIRONMENTAL ISSUE

Consultation services will be conducted according to the rules and regulation set by Government.

13. PROJECT MANAGEMENT

TAIFA GROUP LIMITED is professionally managed and headed by the Managing Director and supporting managers. Mr. Akram Aziz is the Managing Director of the Company. The other Director is Mr. Bikash Subba who is also assisted by managers.

THE COMPANY'S ORGANIZATION CHART



14. PROJECT'S IMPLEMENTATION SCHEDULE

14.1 FEBRUARY 25th, 2023

- Preparing the Business Plan and all other documentation for establishing and operating a transportation Services.

- Registration of the Proposed Project with Tanzania Investment Centre.
- Getting Certificate of Incentives.
- Application for Import Duty exemption on Deemed Capital Goods.
- Ordering/Importing the new and modern Trucks, Machinery, Equipment etc.

14.2 **March 5th, 2023**

- Recruiting new staffs and training them on new technology skills.

14.3 **March 30th, 2023**

- Fully commencement of consultation services

15. **MANPOWER AND TRANSFER OF TECHNOLOGY**

M/S TAIFA GROUP LIMITED in transportation service will usher in the Country new technology (Transfer of knowledge/technology). The advantages to the Country are quite significant and will get the advantage of value addition due to such incoming technology.

The Project will cause more people to be employed in the Company about 200 local people and 10 Foreign people, local people will be trained how to operate the trucks equipment's (Transfer of knowledge/ skills)-New technology. Their employment will raise their income and improve their social welfare and pay taxes; it is poverty alleviation programmed to them.

Local employees will get on job training and in a long run will improve the technical competence in their services.

16. **ADVANTAGES OF THE PROJECT**

The proposed project will have a great advantage to the United Republic of Tanzania which are; -

- **PAYING TAXES– TAIFA TRANSPORTATION AND LOGISTIC LIMITED** will contribute to the government revenue through taxes and other levies.
- **JOB CREATION/ EMPLOYMENT - TAIFA TRANSPORTATION AND LOGISTIC LIMITED** will create more employment (more job opportunities from unskilled to professionals/technicians etc.)
- **TECHNOLOGY/ SKILL DEVELOPMENTS-** (human resources development) through on job training and use of new and modern machinery as well as application of new technology application.
- **INCOME GENERATION** - alleviation of poverty and improve their social welfare.
- will foster the growth of the Industrial sector in Tanzania.
- Will solve the insufficient supply, substandard quality of service
- To promote growth and expansion of private sector.

17 PROSPECTS/ FUTURE PLAN

- To introduce new technology.
- To increase quality and production performance.

18. CONCLUSION AND RECOMMENDATION

The financial evaluation of the proposed project done so far indicates that the project will be profitable both economically and financially viable venture. There are also many other benefits direct to this project like taxes, employment, technology etc.

The management being experienced businessmen possesses ample managerial capabilities in various business disciplines. Based on the above factors, it is recommended that the company should be granted the certificate of incentives to commence the proposed project by importing Trucks and installing Plant & Machinery and increase its service capacity.

FINANCIAL PROJECTION

TAIFA GROUP LIMITED

Forecast 5 Year: Income Statement (Fig. USD \$)

		5	4	3	2	1
	NOTE	USD	USD	USD	USD	USD
TURNOVER	3	3,565,524	3,100,455	2,696,048	2,344,390	2,038,600
Direct Costs	4	<u>1,959,441</u>	<u>1,703,862</u>	<u>1,481,619</u>	<u>1,288,364</u>	<u>1,120,317</u>
GROSS PROFIT		1,606,083	1,396,594	1,214,429	1,056,025	918,283
Less EXPENSES						
Operating Expenses	5	279,232	242,811	211,140	183,600	159,652
Finance Costs	6	39,892	103,440	160,394	211,438	257,185
Depreciation	7	<u>129,980</u>	<u>143,850</u>	<u>159,320</u>	<u>176,590</u>	<u>195,850</u>
Total Expenses		449,104	490,101	530,854	571,628	612,687
NET PROFIT BEFORE TAXATION		1,156,978	906,493	683,576	484,398	305,596
TAXATION		<u>347,094</u>	<u>271,948</u>	<u>205,073</u>	<u>145,319</u>	<u>91,679</u>
NET PROFITS AFTER TAX		<u>809,884</u>	<u>634,545</u>	<u>478,503</u>	<u>339,079</u>	<u>213,917</u>
NP% on cost (mark-up)		41%	37%	32%	26%	19%
NP% on revenue (margin)		23%	20%	18%	14%	10%
PBT% on cost (mark-up)		59%	53%	46%	38%	27%
PBT% on revenue (margin)		32%	29%	25%	21%	15%
Accum profits B/FWD		2,607,098	1,972,553	1,494,050	1,154,972	941,055
NET		809,884	634,545	478,503	339,079	213,917
Accum profits C/FWD		3,416,983	2,607,098	1,972,553	1,494,050	1,154,972

TAIFA GROUP LIMITED

Forecast 5 Year: CASH FLOW (Fig. USD \$)

	5	4	3	2	1
	USD	USD	USD	USD	USD
OPERATING ACTIVITIES					
Net Income	1,156,978	906,493	683,576	484,398	305,596
Adjustments for non-cash items					
Depreciation	129,980	143,850	159,320	176,590	195,850
Change in Working Capital					
Stocks	(629)	(572)	(520)	578	642
Debtors and Prepayments	(296,060)	(187,735)	(147,955)	(72,142)	(505,105)
Creditors and Accrued Charges	(3,577)	(4,412)	2,223	(4,072)	2,391
Total	(300,267)	(192,718)	(146,252)	(75,636)	(502,072)
Total Cash Inflow from Operating Activities	986,692	857,625	696,644	585,351	(626)
Less Tax Paid	(340,000)	(280,000)	(200,000)	(140,000)	(100,000)
Net Cash Inflow From Operating Activities	646,692	577,625	496,644	445,351	(100,626)
INVESTING ACTIVITIES					
Acquisition of Fixed Assets	-				(2,000,000)
Disposals of Assets	=	=	=	=	=
Net Cash Outflow From Investing Activities	-	-	-	-	(2,000,000)
FINANCING ACTIVITIES					
Share Capital					
Dividend	-	-	-	-	-
Loan Repayment	(615,015)	(551,228)	(494,056)	(442,814)	2,103,113

Net Cash Inflow (Outflow) From Financing Activities	(615,015)	(551,228)	(494,056)	(442,814)	2,103,113
CASH AND CASH EQUIVALENTS					
Increase / (Decrease) In Cash and Cash Equivalents	31,676	26,397	2,588	2,537	2,487
Cash and Cash Equivalents at the Beginning of Year	<u>158,383</u>	<u>131,986</u>	<u>129,398</u>	<u>126,861</u>	<u>124,374</u>
Cash and Cash Equivalents at the End of Year	<u>190,060</u>	<u>158,383</u>	<u>131,986</u>	<u>129,398</u>	<u>126,861</u>

PROJECTED LONG TERM LOAN REPAYMENT
(Fig. in USD \$)

Year	Repayment			
	Principal	Interest	Total	Amount
O				2,500,000
I	396,887	255,386	652,273	2,103,113
II	442,814	209,459	652,273	1,660,299
III	494,056	158,217	652,273	1,166,243

IV	551,228	101,045	652,273	615,015
V	614,521	37,258	651,779	0

TAIFA GROUP LIMITED

Forecast 5 Year: BALANCE SHEET (Fig. in USD \$)

		5	4	3	2	1
	NOTE	TZS	TZS	TZS	TZS	TZS
NON CURRENT ASSETS	7	1,653,096	1,783,076	1,926,926	2,086,246	2,262,836
CURRENT ASSETS						
Stocks		6,921	6,292	5,720	5,200	5,778
Trade and Other Receivables	8	1,611,298	1,314,609	1,120,582	972,627	900,485
Cash & Cash Equivalent		<u>190,060</u>	<u>158,384</u>	<u>131,986</u>	<u>129,398</u>	<u>126,861</u>
TOTAL CURRENT ASSETS		<u>1,801,358</u>	<u>1,472,992</u>	<u>1,258,289</u>	<u>1,107,226</u>	<u>1,033,124</u>
TOTAL ASSETS		<u>3,454,454</u>	<u>3,256,068</u>	<u>3,185,214</u>	<u>3,193,471</u>	<u>3,295,960</u>
EQUITY AND LIABILITIES						
EQUITY						
Share Capital		10,345	10,345	10,345	10,345	10,345
Retained Earnings		<u>3,416,983</u>	<u>2,607,098</u>	<u>1,972,553</u>	<u>1,494,050</u>	<u>1,154,972</u>
TOTAL		<u>3,427,327</u>	<u>2,617,443</u>	<u>1,982,898</u>	<u>1,504,395</u>	<u>1,165,316</u>
CURRENT LIABILITIES						
Bank Loan		-	615,015	1,166,243	1,660,299	2,103,113
Trade and Other Payables	9	16,467	20,045	24,456	22,233	26,305
Taxation	10	<u>10,659</u>	<u>3,565</u>	<u>11,617</u>	<u>6,544</u>	<u>1,225</u>
TOTAL		<u>27,127</u>	<u>638,625</u>	<u>1,202,316</u>	<u>1,689,076</u>	<u>2,130,643</u>

CURRENT LIABILITIES						
TOTAL EQUITY AND LIABILITIES		<u>3,454,454</u>	<u>3,256,068</u>	<u>3,185,214</u>	<u>3,193,471</u>	<u>3,295,960</u>

