BUSINESS PLAN FOR THE

IMPLEMENTATION PROGRAMME

OF

M/S DANTA INTERNATIONAL LIMITED

IN

ESTABLISHING AND OPERATING A PROJECT FOR CARGO TRANSPORTATION

PREPARED BY
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M/S DANTA INTERNATIONAL LIMITED
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M/S DANTA INTERNATIONAL LIMITED
ESTABLISHING A PROJECT FOR CARGO TRANSPORTATION

1. INVESTMENT PLAN

The investment plan has been prepared by **M/S DANTA INTERNATIONAL LIMITED** for the company's cargo transportation to cover Tanzania mainland and neighboring countries such as Kenya, Uganda, Rwanda, Burundi, DRC, Zambia, Malawi, Mozambique.

The investment plan has also been prepared to give an analysis of the financial, human, technical and other resources required for the cargo transportation project and also assess its economic viability and commercial viability in order to allocate funds for the cargo Project especially in acquiring fleet of vehicles, communication equipment, workshop equipment, cargo handling equipment, generators, transformer etc.

The certificate of incentives will enable the project to qualify for duty exemption on fleet of vehicles, supporting vehicles, recovery trucks, communication equipment, workshop equipment, cargo handling equipment, generators, transformer etc and enjoy services under one stop shop at Tanzania investment Centre such as approvals, licenses and permits such as resident / work permits, Business License, protection of investment, arbitration and transfer of foreign currency etc

2. COMPANY'S BACKGROUND

M/S DANTA INTERNATIONAL LIMITED is a private owned company incorporated in Tanzania by Registrar of Companies under company's ordinance on 21st day of February 2023 with Certificate of Incorporation No: 163508648

The company has been incorporated with a major objective of conducting business of cargo transportation. Currently the

Company intends to order facilities for cargo haulage Project such as trucks, tractors, horse, Tipper, pickups, hardtop, Fork lift, trailers, recovery trucks, cargo handling equipment, security equipment, Communication equipment, workshop equipment, generators etc.

The company determines to lease office, vehicle yard, workshop in order to facilitate the project for cargo haulage activities.

The main purpose of the Intended project is to provide quality facility for cargo haulage business to correspond with the clients' demand especially in this competitive market. The quality of company's cargo haulage business will guarantee clients satisfaction in intended programme.

There is an extensive market in Tanzania Mainland as well as neighboring Countries to absorb cargo haulage facility which will be efficiently provided by M/S **DANTA INTERNATIONAL** LIMITED. It is on the basis of the above reasons the management resolved to invest in establishing and operating a project for cargo transportation.

In the establishment programme, the proposed cargo haulage project will also import trucks, tractors, horse, Tipper, pickups, hardtop, recovery trucks, Fork lift, trailers, cargo handling equipment, security equipment, Communication equipment, workshop equipment, generators etc.

Hence the establishment programme of three years in setting up facilities for liquid and dry cargo transportation project is estimated to be USD 600,000. The estimated capital investment cost of USD 600,000 will be on trucks, tractors, horse, Tipper, pickups, hardtop, recovery trucks, Fork lift, trailers, cargo handling equipment, security equipment, Communication equipment, workshop equipment, generators etc.

3. MARKET POTENTIAL

There is very big market potential for the cargo transportation business in Tanzania Mainland and neighboring Countries. In Tanzania Mainland there are far places/ very remote with poor roads and acute shortage of this facility. And another reason is the growth of business in remote areas. They need merchandise from Dar es salaam where is the source of business.

The economic growth influenced such movement of goods especially industries, Mining and business as the demand is growing day by day for the increased imported goods, transit and transshipment of containers to landlocked countries

Land locked countries need cargo haulage services to transport fuel and containers from Dar es Salaam Port to their countries which do not have Ports. And the market is growing day by day due to growth of business, industries, oil marketing companies (OMC) etc.

The recent market survey undertaken by the company has realized that there is high demand for cargo transportation business in Tanzania as well as Land locked countries which do not have the ports to receive their imported goods. They get their containers of imported goods through Dar Es Salaam Port.

High quality, efficient and goodwill are the factors which will make the cargo haulage project to dominate the market. There are few cargo haulage companies which can compete with the company's services due to efficient, goodwill, promptness and having new fleet of vehicles.

The company also expects to increase cargo transport services such as Transit, Transshipment, Internal cargo transportation within Tanzania Mainland where there is acute shortage of such services due to remoteness and poor roads.

4. CARGO TRANSPORTATION FACILITIES:

- Fleet of trucks, tractors, fuel tankers, horse, Tipper
- supporting vehicles such as hardtops & Pickups, recovery trucks
- Cargo handling equipment; forklift, reach stackers, crane,
- Communication/ security equipment; Radio calls, Base Station, GPS, car tracking systems.
- Workshop equipment, generators
- etc

5. THE COMPANY'S OBJECTIVES

M/S DANTA INTERNATIONAL LIMITED is a project for setting up facilities for cargo transportation business to Tanzania Mainland and neighboring Land Locked countries.

The mission of intended cargo haulage project is basically aimed at transportation, business and marketing/ promotion of the cargo transportation in order to increase customers from Tanzania Mainland and neighboring countries to achieve the following objectives.

- ❖ To foster the growth of cargo haulage industry in Tanzania.
- ❖ To reduce dependence on external cargo hauliers for cargo transportation. Two decade ago Tanzania depended on foreign cargo hauliers – Somalis from Kenya
- ❖ To promote business, transit, transshipment, agriculture, mining and industries by cargo transportation services.
- ❖ To promote growth and expansion of private sector.
- ❖ The Company will create more employments (drivers. Turnboys, mechanic, accountants, managers etc.)

- ❖ Skill development (human resources development) through on job training and use of modern vehicles and new technology application.
- ❖ Income generation, alleviation of poverty and improve their social welfare employees such as drivers, turnboys, mechanics and other staffs etc.

- ❖ The Company contributes to the government revenue through taxes and other levies like Corporate taxes, PAYE etc

6. PLAN/PROSPECTS

- ❖ High performance of transportation of cargo.

- ❖ To increase cargo transport business to remote area in Tanzania,

- ❖ The facility will involve transportation of containers to neighboring landlocked countries and hence resulting foreign earnings in addition to the prevailing local market.

- ❖ To increase new fleet of vehicles, cargo handling machinery, modern communication equipment/ security devices with introduction of new technology.

- ❖ To increase the volume/ capacity of cargo to be transported.

7. SHAREHOLDERS (PROMOTERS)

M/S **DANTA INTERNATIONAL** LIMITED is a project for cargo transportation. The following are the shareholders/ promoters of **M/S** DANTA INTERNATIONAL **LIMITED** and their shareholder's position are:-

No	Name of Shareholders	nationality	shares	Shareholding percentage
1.	Sumeru Global DMCC	Dubai Corporate Company	12,000	80%
2.	Shafiq karim Ratansi	Tanzanian	3,000	20%
	TOTAL		15,000	100%

Therefore, the authorized capital of the company is Tshs. 15,000/= divided into 100,000 ordinary shares of Tshs. 1,500,000,000/= each. The Company shall have power to increase its capital and to divide the shares in its capital for the time being into several classes of stock or shares and to attach thereto respectively such preferential, deferred or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company.

8. LOCATION

The company's business premises are located at Tabata along Nelson Mandela Road, Ilala District, Plot No. 58/2 Dar es salaam – DSM. Postal Address P. O. Box 78845 Dar es salaam.

9. COMPANY'S IMPLEMENTATION SCHEDULE

9.1 APRIL - 2023

- ❖ Preparing feasibility study for the Cargo transportation Project.
- ❖ Registration of the cargo haulage project with Tanzania Investment Centre i.e. Application for the Certificate of incentives.

- ❖ Getting Certificate of Incentives

9.2 MAY - 2023

- ❖ Application for Import Duty exemptions on trucks, tractors, horse, Tipper, pickups, hardtop, Fork lift, trailers, cargo handling equipment, security equipment, Communication equipment, workshop equipment, generators etc. after being awarded certificate of incentives in the Establishment Programme.

- ❖ Ordering/Importing trucks, tractors, supporting vehicles, workshop equipment, communication equipment, cargo lifting equipment, generators, transformer etc.
- ❖ Clearing the Fleet of cargo haulage vehicles from customs control.

9.3 JUNE - 2023

- ❖ Recruiting new Drivers. Turn boys, Mechanics and other administration staffs.

- ❖ Fully commencement of cargo transportation

10. CAPITAL INVESTMENT COST

Land/Building	USD $	25,000
Plant/Machinery	USD $	25,000
Vehicles	USD $	500,000
Furniture and Fittings	USD $	-
Pre-expenses	USD $	25,000
Working Capital	USD $	25,000
TOTAL CAPITAL	**USD $**	**600,000**

The proposed project for cargo transportation is to be implemented within 3 years. The company's promoters (shareholders) have resolved to register the intended cargo Project with Tanzania

Investment Centre (TIC) and securing the certificate of incentives so as to benefit from fiscal and non fiscal incentives.

11. FINANCIAL PLAN (SOURCE OF FUNDS)

M/S DANTA INTERNATIONAL LIMITED has firmed up finances for the implementation programme by its own fund: -

Own fund (equity)	USD $ 600,000
Foreign loan	USD $ -
TOTAL	**USD $ 600,000**

12. CARGO HAULAGE FACILITIES

i. - Tipper
ii. - Trucks.
iii. - Tractors,
iv. - Horse,
v. - Hard Top,
vi. - Pickups.
vii. - Forklift.
viii. - Crane,
ix. - Radio Calls and Radio Base Station.
x. - GPS & Car tracking Systems.
xi. - Mobile workshop, Tool boxes
xii. - Weigh bridge, Generators, Transformers etc

13. SUBMISSION

M/S DANTA INTERNATIONAL LIMITED wishes to submit its investment plan and application to the Tanzania Investment Centre (TIC) for registration and award of certificate of incentives for the commencement of cargo haulage Project.

The cargo transportation Project will soon commence after the Company is registered by Tanzania Investment Centre and being issued the Certificate of incentives. Thereafter the

Company will order and import trucks, tractors, Tipper, supporting vehicles, recovery trucks, workshop equipment, communication equipment, cargo handling equipment, generators, transformer.

The Project will qualify for tax exemption on Capital/Deemed Capital Goods which are trucks, tractors, Tipper, supporting vehicles, recovery trucks, workshop equipment, communication equipment, cargo lifting equipment, generators, transformer etc.

14. ECONOMIC GROWTH

Positive economic growth which had been registered in Tanzania, have attracted more investments, transportation and business in the Tanzania like the proposed cargo transportation project in business of cargo haulage. The economic growth influenced such movement of goods especially industries, minerals and businessmen as the demand is growing day by day for the increased business, imported goods, export/transit and transshipment of containers to landlocked countries.

15. COMPETITION/MARKET

Despite there being numbers of cargo transporters of containers still the facility is not enough compared to the level of demand.

However, the proposed project for cargo transportation intends to provide trustworthy, efficient and quality services to dominate the local and export market because the project ensures high quality, promptness and goodwill.

16. ADVERTISEMENT

Advertisement, which forms part of the marketing strategy, will be embarked upon in the newspapers, street banners and later on in the televisions in a manner benefiting the promotional role of any company or private institutions.

17. BUSINESS STRATEGY

In order to meet the current demand and high productivity the management of the company will develop and implement additional strategies which will capture markets

- ❖ Technology/quality fleet of vehicles,
- ❖ Advertisement/promotion,
- ❖ Employing qualified and experienced drivers, mechanics,
- ❖ On job training,
- ❖ Business Discipline.

18. ENVIRONMENTAL ISSUE

The cargo transportation business and the whole vehicle servicing is environmental friendly. The workshop activities of services vehicles will not cause any harm to people.

19. PROJECT MANAGEMENT

The overall management of the company is vested in the Board of Directors. Mr. Shafiq Karim Ratansi is the Managing Director of the Company; he is well versed in cargo transportation. The other Directors are Sarvesh Jain and Sorbh Mehta

20. MANPOWER AND TRANSFER OF TECHNOLOGY

This project being the cargo transportation in its establishment programme will usher in the technology (Transfer of knowledge/technology) by using modern vehicles and workshop activities. The advantages to the country are quite significant, and will get the advantage of value addition due to such incoming technology.

Furthermore the country can reduce its dependence on cargo transporters from neighboring countries. Hence Tanzania businessmen, farmers, miners. Oil marketing companies, importers and industries will be able to get the service from local hauliers at affordable price.

The Proposed cargo haulage project will cause more people to be employed in as drivers, turn boys, mechanic, security Guards, accountant, logistic manager and about 100 local people and 5 foreigners people will increase their income, improve their social welfare and pay taxes; it is poverty alleviation programme to them.

Local employees will get on training and in a long run will improve the technical competence in the cargo transportation.

21. CONCLUSION AND RECOMMENDATION

The financial evaluation of the intended cargo transportation done so far indicates that this project will be profitable both economically and financially viable venture. There are many other benefits direct and indirect of this project.

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 for the implementation of the proposed cargo transportation project so that the project will import and enjoy tax exemption on Capital/Deemed Goods and increase its production capacity.

22. FINANCIAL AND ECONOMIC ANALYSIS

22.1 Projected Profit and Loss Account

The company envisages generating a profit of USD $ 120,000 this operating year. The profit amount is expected to steadily rise to USD $ 140,000 in year two, USD $ 160,000 in year three and USD $ 180,000 in year four.

22.2 Projected cash flows

The projected cash flows for the next five years indicate that the company will have enough funds to service/repay the loan and interest payments. Hence the financial obligations will be met in a timely fashion.

23.3 Proposed Balance Sheet:

The projected balance sheet shows healthy financial situation. Short term liabilities are at all times covered by fixed assets. Also current liabilities are adequately covered by current assets.

24. SENSITIVITY ANALYSIS

To assess further the viability of the implementation project, sensitivity analysis has been worked out on the basis of several unfavorable conditions that might negatively affect the operations of **M/S DANTA INTERNATIONAL LIMITED**

24.1 Effect of cost increase on profitability (on the basis of year II CARGO TRANSPORTATION INCOME in "……" USD $)

Income	Costs	Increase	Profit before depreciation
640,000	500,000	%	140,000
640,000	525,000	5%	115,000
640,000	550,000	10%	90,000

24.2 Effect of CARGO TRANSPORTATION INCOME decrease/drop on profitability (on the basis of year II costs in "......" USD $)

Income	Income Decrease	Cost	Profit before depreciation
640,000	%	500,000	140,000
608,000	5%	500,000	108,000
576,000	10%	500,000	76,000

The viability/profitability of the company operations appears more sensitive to sale income/revenue than increase in the operating costs. This implies that the company should strive to maintain the existing market and undertake an aggressive marketing strategy to hire more clients and expand its market or clients base.

Appendix I

M/S DANTA INTERNATIONAL LIMITED

PROJECTED INCOME STATEMENT

(Fig. USD $ '000')

Income	Years				
	I	II	III	IV	V
Sales Income	590.0	640.0	690. 0	750.0	810.0
Total Income	**590.0**	**640.0**	**690.0**	**750.0**	**810.0**
Utilities	150.0	150.0	150.0	150.0	150.0
Salaries and wages	80.0	85.0	90.0	100.0	110.0
Transportation/fuel	50.0	55.0	60.0	70.0	80.0
Administrative Expenses	150.0	160.0	170.0	180.0	190.0
Other Expenses	40.0	50.0	60.0	70.0	80.0
Total Expenditure	**470.0**	**500.0**	**530.0**	**570.0**	**610.0**
Net Profit (pre tax and depreciation)	120.0	140.0	160.0	180.0	200.0

Appendix II

M/S DANTA INTERNATIONAL LIMITED

PROJECTED CASHFLOW STATEMENT

(Fig. USD $ '000')

Year	I	II	III	IV	V	Total
Cash inflow						
Income from operation	120.0	140.0	160.0	180.0	200.0	800.0
	120.0	**140.0**	**160.0**	**180.0**	**200.0**	**800.0**
Cash outflow						
Wear & tear	10.0	12.0	14.0	16.0	18.0	**70.0**
Taxes	10.0	10.0	10.0	10.0	10.0	**50.0**
	20.0	**22.0**	**24.0**	**26.0**	**28.0**	**120.0**
Surplus cash generated	**100.0**	**118.0**	**136.0**	**154.0**	**172.0**	**680.00**

Appendix III

Appendix 1V

M/S DANTA INTERNATIONAL LIMITED

PROJECTED BALANCE SHEET

(Fig. in USD $ '000')

No.	ITEM	YEAR 1	YEAR II	YEAR III	YEAR IV	YEAR V
	Source of funds					
1.	Shareholders funds	100.0	150.0	200.0	250.0	350.0
3.	Associated Cos/ Directors	100.0	100.0	100.0	100.0	100.0
4.	Current Liabilities	200.0	250.0	300.0	350.0	400.0
		400.0	**500.0**	**600.0**	**700.0**	**850.0**
	Application of funds					
1.	Fixed Assets	300.0	300.0	300.0	300.0	300.0
2.	Current Assets	100.0	200.0	300.0	400.0	550.0
		400.0	**500.0**	**600.0**	**700.0**	**850.0**