

**BUSINESS PLAN**

**FOR**

**ESTABLISHMENT**

**OF**

**ASBATH LOGISTICS LIMITED PROJECT**

Asbath Logistics Limited  
Plot 1362 Block C,  
Mtoni Kijichi Area, Temeke,  
Dar Es Salaam.  
P. O. Box 336  
**Arusha, TANZANIA**

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## **1 INVESTMENT PLAN**

### **1.1 Executive Summary**

ASBATH LOGISTICS LIMITED is a domestic company limited by shares registered in Tanzania under The Companies Act, (CAP 212) of 2002 as amended with Certificate of Incorporation Number 159343391 given in December 2022. The company has complied with all legal requirements and obtained all necessary certificates including but not limited to Certificate of incorporation number, TIN, Tax Clearance Certificates, Business License and License to carry on Business of Logistics and Transportation.

### **1.2 Company Background**

- 1.2.1 ASBATH LOGISTICS LIMITED is a private company based in Dar es Salaam, and was incorporated on Tanzania by Registrar of Companies under the Companies Ordinance (CAP 212) now the Companies Act, 2002 with Certificate of Incorporation Number 159343391 given on 19th December 2022.
- 1.2.2 The company has complied with all legal requirements and obtained all necessary certificates including but not limited to Certificate of incorporation number, TIN, Tax Clearance Certificates, Business Licence and License to carry on Business of Transportation.
- 1.2.3 Currently the company establishes a transportation business in Tanzania. The main purpose of the project is to provide transportation of goods services across the country and in the neighboring countries.
- 1.2.4 Tanzania is the international gateway for several of its landlocked neighboring countries. Burundi, Rwanda, Uganda, DR Congo, Zambia and Malawi are all dependent to some extent on the country's transport network for their access to global markets.
- 1.2.5 The government is determined and committed to opening up the country to the global economy through improved investment climate, mega infrastructures development in order to accelerate the smooth flow of the Foreign Direct Investments (FDIs) and Domestic Direct Investment (DDI) for the social and economic prosperity of Tanzanians.

- 1.2.6 The government has been undertaking major legal and regulatory reforms in a quest to make Tanzania one of the best investment destinations on the continent. These reforms, which, cut across the board include tax regime, automation of investment procedures and processes, harmonization of institutions, land laws as well as unlocking hurdles that impede business growth.
- 1.2.7 That being the facts, ASBATH LOGISTICS LIMITED has been impressively moved to invest in the sector of transport by establishing a distinguishable project with the view of bringing changes, increasing employment of local Tanzanians and help in easy transportation of goods in and outside the country.
- 1.2.8 The project will be implemented in five (5) years for an estimated capital investment cost of USD 5,500,000 which will be used for operation costs including to purchase fleet of trucks, tractors, fuel tankers, Tipper, supporting vehicles such as hardtops, land cruisers and pickups, cargo handling equipment; forklift, reach stackers, cranes, communication equipment; Radio calls, Base station, GPS, car tracking systems and workshop Equipment, generators.

### 1.3 Targeted Market

There is very big demand for the project business in Tanzania and whole East and Central Africa especially in developing places, hence ASBATH LOGISTICS LIMITED to import 100 vehicles that will transport goods.

## 2 THE COMPANYS OBJECTIVES

ASBATH LOGISTICS LIMITED is a project established for carrying on the Transportation business on road in Tanzania. The mission of proposed project is basically aimed at commission agent on transportation of goods by road, to achieve the following objectives;

- a) To carry on business of carriers of passengers as well as goods by running buses, omnibuses, taxi-cabs, motor cars, motor lorries, motor trunks, trunks, motor vans, jeeps and vehicles of all types used for this purpose, at such place or places on such line or lines as may from time to time be thought fit.
- b) To open bookings stations at various places on different lines to book luggage and goods for transport and to carry passengers.
- c) To coordinate with any form of agency including local bodies, municipalities, state as well as central Government, public undertaking, for providing transport facilities for carrying passengers as well as goods within the country as well as outside the Country.

- d) To aid, assist, initiate, promote, expedite and accelerate the development of communication and transport facilities including goods and passengers in urban as well as rural areas of the country.

### 3 PLAN OR PROSPECTS

The project aimed at having about 100 vehicles that shall operate to the proposed project inside and outside the country, to achieve the following plan.

- a) For efficient and effectiveness in operation and increase of the project business to neighbouring countries and hence resulting foreign earning in addition to the prevailing local market.
- b) To increase more facilities for the project work machinery with introduction of a new technology.
- c) To increase the volume of the project or capacity of the project to be processed in transportation.

### 4 THE PROJECT PROMOTERS

The shareholders of this project are all entrepreneurs with a diverse professional and business backgrounds. The company is owned by 2 shareholders, namely;

NAME, POSTAL ADDRESS AND DESCRIPTION OF SUBSCRIBERS	NUMBER OF SHARES TAKEN	NATIONALITY
ABDULLAH SALEH BATHAWAB	8500	TANZANIAN
SAUSAN SALIM MOHAMED TIMMI	500	TANZANIAN

### 5 PROJECT LOCATION:

The project head quarter will be in Dar Es Salaam, Plot 1362 Block C, Mtoni Kijichi Area, Temeke, Dar Es Salaam Tanzania

### 6 COMPANY IMPLEMENTATION SCHEDULE

#### September - 2024

- a) Preparing feasibility study for the land space and the project area.
- b) Registration of the project with Tanzania Investment Centre i.e Application for the Certificate of Incentives.
- c) Getting the Certificate of Incentives.

#### October - 2024

- a) Application for import Duty exemption on busses, omnibuses, trucks, motor cars, lorries, taxi-cabs, motor vans, jeep, workshop equipment, communication equipment, after being awarded certificate of incentive in the establishment programmer.

- b) Ordering or importing of buses, omnibuses, taxi-cabs, motor cars, Lorries, Trunks, Motor vans, jeep etc.

**November - 2024**

- a) Recruiting new employees, mechanics, Logistics officers, procurement officers and administration staff.
- b) Fully commencement of the project and the construction process.

**7 CAPITAL INVESTMENT COST**

SN	Item	Description	Amount (In USD)
1	Investment Costs	Fixed Cost	2,000,000.00
		Working Capital	500,000.00
		<b>Total</b>	<b>2,500,000.00</b>
2	The Cost before commissioning	Costs before commissioning including acquiring investment permits, technology, TIC license of Incentive, Environment License, Municipality, Road Administrative etc.	250,000.00
		Training before Commissioning	15,000.00
		<b>Total</b>	<b>265,000.00</b>
3	Land	Project Land	50,000.00
4	Machinery & workshop	Vehicles	1,000,000.00
		<b>Electricity</b>	50,000.00
		<b>Total</b>	<b>1,050,000.00</b>
		Operators	30,000.00
		Other staffs	30,000.00
		<b>Total</b>	<b>60,000.00</b>

**8 PERIOD OF INVESTMENT & CAPITAL RETURN**

1.	Period of Investment & Capital Return	Purchase of machinery, equipment, transport, set-up and putting into operation	1 year
		Commissioning, trial operation, financing & administrative affairs	1 year
		Settling the principal with interest	1 year
		Capital Annual Rate	1 year

## 9 PROJECT FINANCING

Description	Total (USD)	Banking Loan	Customer Share
Fixed Costs of Project	3,000,000.00/=	500,000.00/=	2,500,000.00/=
Cost of Circulating Capital 15% of current Expenses	-	-	-
<b>Total</b>	<b>3,000,000.00/=</b>	<b>500,000.00/=</b>	<b>2,500,000.00/=</b>

The intended project is to be implemented within Five (5) years. The company promoters (shareholders) have resorted to register the project with Tanzania Investment Center (TIC) and securing the certificate of incentives.

## 10 FINANCIAL PLAN (SOURCE OF FUNDS)

ASBATH LOGISTICS LIMITED has firmed up finances for the implementation programmer by its fund and Loan.

<b>Own fund (Equity)</b>	<b>USD \$ 2,500,000.00</b>
<b>Local loan</b>	<b><u>USD \$ 500,000.00</u></b>
<b>TOTAL</b>	<b>USD \$ 3,000,000.00</b>

## 11 SUBMISSION

11.1 ASBATH LOGISTICS LIMITED submits the investment proposal and application to the Tanzania Investment Centre (TIC) for registration and award of certificate of Incentives for the commencement of the construction of houses project.

11.2 The project will soon commence after the company is registered by Tanzania Investment Centre and being issued the Certificate of Incentives. Thereafter the company will import the project facilities such as, busses, omnibuses, trucks, motor vans, motor cars, Lorries, Jeep etc. Certificate of Incentives will enable the project to qualify for Duty exemptions on Capital and Deemed Capital Goods etc.

## 12 ECONOMIC GROWTH

The current economic growth which had been registered in Tanzania, as the result of investment and business have attracted more investment as well as processing and business in the Tanzania such as the intended Transportation of goods by road project. The economic growth influenced such movement

of goods especially industries and business as the demand is growing day by day for the increased production.

### **13 COMPETITION OR MARKET**

Despite there being numbers of other Companies deals with transportation of goods by road in Tanzania, still the facility is not enough compared to the level of demand.

However, the intended project will provide trustworthy, efficient and quality services to dominate the local and export market, because the project is to ensure high quality, promptness and goodwill.

### **14 ADVERTISEMENT**

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

### **15 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.

- (i) Advertisement and Promotion,
- (ii) Technology and quality fleet of vehicles.
- (iii) Employing qualified and experienced drivers, mechanics etc.
- (iv) On job training
- (v) Business Discipline.

### **16 ENVIRONMENTAL ISSUES**

The project business and the whole project implementation is environmentally friendly. The workshop activities of services will not cause any harm to people.

### **17 PROJECT MANAGEMENT**

The overall management of the company is vested in the Board of Directors, ABDULLAH SALEH BATHAWAB and SAUSAN SALIM MOHAMED TIMIMI. They are well versed in distribution of the business.

## **18 MANPOWER AND TRANSFER OF TECHNOLOGY**

- 18.1 ASBATH LOGISTICS LIMITED being the project in its commencement will usher in the technology by using modern construction activities. The advantages to the country are quite significant, and will get the advantage of value addition due to such incoming technology.
- 18.2 Further the country can reduce its dependence on the Transportation project from neighbouring countries, hence Tanzania business men.
- 18.3 The proposed project will cause more people to be employed in as drivers, mechanic, security guards, accountant, logistic manager and about 100 local people and 2 foreigners will increase their income, improve their social welfare and pay-taxes; it is poverty alleviation programmer to them.
- 18.4 Local employees will get on training for Transportation of goods in a long run will improve the technical competence in the project.

## **19 CONCLUSION AND RECOMMENDATION**

- 19.1 The financial evaluation of the project done so far indicates that this project will be profitable both economically and financially viable venture. There are many other benefits directs and indirect of this project.
- 19.2 The management being experienced businessmen possesses ample managerial capabilities in various business disciplines.
- 19.3 Based on the above factors, it is recommended that the company should be granted the certificate of incentives for the implementation of the project so that the project will operate and enjoy tax exemption on capital and deemed goods and increase its production capacity.

## **20 FINANCIAL AND ECONOMIC ANALYSIS**

### **20.1 Project profit and Loss Account**

The company envisages generating a profit of USD \$ 250,000/= this operating year. The profit amount is expected to steadily rise to USD \$ 260,000/= in year two, USD \$ 300,000/= in a year three USD \$ 350,000/= in a year four and USD \$ 400,000/= in year five.

### **20.2 Project cash flows**

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

### 20.3 Proposed balanced sheet

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

APPROVED with the SIGNATURE of the Managing Director and OFFICIAL STAMP this 28<sup>th</sup> July, 2024.

Nazir Visram Mohamed, Director



For: ASBATH LOGISTICS LIMITED

**ASBATH LOGISTICS LIMITED**  
**PROJECTED INCOME STATEMENT**

(Fig. USD \$ '000')

<b>INCOME</b>	1 <sup>st</sup> year	2 <sup>nd</sup> year	3 <sup>rd</sup> year	4 <sup>th</sup> year	5 <sup>th</sup> year
Sales Income	720.0	760.0	800.0	850.0	900.0
Total Income	720.0	760.0	800.0	850.0	900.0
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	100.0	105.0	110.0	120.0	130.0
Administrative					
Expenses	100.0	110.0	120.0	130.0	140.0
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)	250.0	260.0	270.0	280.0	290.0

**ASBATH LOGISTICS LIMITED**  
**PROJECTED CASHFLOW STATEMENT**

(Fig. USD \$ '000')

YEAR	I	II	III	IV	V	TOTAL
<b>Cash inflow</b>						
Income from operation	250.0	260.0	270.0	280.0	290.0	1350.0
<b>Cash outflow</b>	250.0	260.0	270.0	280.0	290.0	1350.0
Interest payments	50.0	45.0	40.0	35.0	30.0	200.0
Loan re-payment	50.0	50.0	50.0	50.0	50.0	250.0
Wear and 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
	120.0	117.0	114.0	111.0	108.0	570.0
<b>Surplus cash generated</b>	130.0	143.0	156.0	169.0	182.0	780.0

**ASBATH LOGISTICS LIMITED**  
**PROJECTED LONG TERM LOAN REPAYMENT**

(Fig. in USD \$'000')

YEAR	PRINCIPAL	INTEREST	TOTAL	AMOUNT
0				500.0
I	50.0	50.0	100.0	450.0
II	50.0	45.0	95.0	400.0
III	50.0	40.0	90.0	350.0
IV	50.0	35.0	85.0	300.0
V	50.0	30.0	80.0	250.0
VI	50.0	25.0	75.0	200.0
VII	50.0	20.0	70.0	150.0
VIII	50.0	15.0	65.0	100.0
IX	50.0	10.0	60.0	50.0
X	50.0	5	55.0	00.0

**ASBATH LOGISTICS LIMITED**  
**PROJECTED BALANCE SHEET**

(Fig. in USD \$ '000')

NO.	ITEM	YEAR I	YEAR II	YEAR III	YEAR IV	YEAR V
	<b>Source of Funds</b>					
1.	Shareholders' funds	100.0	150.0	200.0	250.0	350.0
2.	Long Term Loan	100.0	95.0	90.0	85.0	80.0
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
		500.0	595.0	690.0	785.0	930.0
	<b>Application of funds</b>					
1.	Fixed Assets	300.0	300.0	300.0	300.0	300.0
2.	Current Assets	200.0	295.0	390.0	485.0	630.0
		500.0	595.0	690.0	785.0	930.0