

BUSINESS PLAN

FOR

ESTABLISHMENT

OF

H. S. IMPEX LIMITED

H.S. IMPEX Limited
Plot 23
Kurasini, Bandari Street,
Temeke.
P.O Box 9940
DAR ES SALAAM, TANZANIA

TABLE OF CONTENTS

Contents

TABLE OF CONTENTS.....	2
1 INVESTMENT PLAN	1
1.1 Executive Summary	1
1.2 Company Background	1
1.3 Target Market	2
1.4 Exportation Facilities.....	2
1.5 Economic Growth	2
2 THE COMPANYS OBJECTIVES	3
3 PLAN OR PROSPECTS	3
4 THE PROJECT PROMOTERS	3
5 PROJECT LOCATION:	4
6 IMPLEMENTATION SCHEDULE	4
6.1 December - 2024.....	4
6.2 January - 2025	4
6.3 February - 2025	4
7 CAPITAL INVESTMENT COST	4
7.1 Costs and Estimate Value	4
7.2 PERIOD OF INVESTMENT & CAPITAL RETURN	5
8 PROJECT FINANCING	5
9 FINANCIAL PLAN (SOURCE OF FUNDS)	6
10 SUBMISSION.....	6
11 ECONOMIC GROWTH.....	6
12 COMPETITION OR MARKET.....	6
13 ADVERTISEMENT	6
14 BUSINESS STRATEGY.....	7
15 ENVIRONMENTAL ISSUE	7
16 PROJECT MANAGEMENT	7
17 MANPOWER AND TRANSFER OF TECHNOLOGY	7
18 CONCLUSION AND RECOMMENDATION.....	8
19. FINANCIAL AND ECONOMIC ANALYSIS	8
19.2 Projected Cash Flows;.....	8
19.3 Proposed Balanced Sheet;.....	8
H.S IMPEX LIMITED	9
INVESTMENT BREAKDOWN.....	9
H.S IMPEX LIMITED PROJECTED INCOME STATEMENT	10
H. S IMPEX LIMITED	11
PROJECTED CASHFLOW STATEMENT.....	11

H. S IMPEX LIMITED	12
PROJECTED LONG TERM LOAN REPAYMENT	12
H. S IMPEX LIMITEDPROJECTED BALANCE SHEET	13

1 INVESTMENT PLAN

1.1 Executive Summary

H.S. IMPEX 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 24773 given in February 1994. The company has complied with all legal requirements and obtained all necessary certificates including, but not limited to Certificate of incorporation number, TIN certificate number, Tax clearance certificate and Business License for Export Cereals and Legumes.

1.2 Company Background

- 1.2.1 H.S. IMPEX LIMITED is a private company based in Temeke, Dar es Salaam, and was incorporated on Tanzania by Registrar of Companies under the Companies Act, (CAP 212) of 2002 with Certificate of Incorporation number 24773 given on 16th February, 1994.
- 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 certificate number Tax clearance certificate and Business License.
- 1.2.3 The main purpose is to Export Cereals and Legumes outside the country. There is a big demand in East, Central Africa and all over the world to serve the clients' needs, where it is on this basis the management resolved to the interest to establish the said project. The quality of the company business will guarantee clients satisfaction in proposed programmer.
- 1.2.4 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.
- 1.2.5 The government has been under taking major legal and regulatory reforms in a quest to make Tanzania one of the best investment's 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.

1.2.6 That being the facts, H. S. Impex Limited has been impressively moved to invest in exporting cereals and Legumes by establishing a distinguishable project with the view of bringing changes, increasing employment of local Tanzanians and help in easy exportation of agricultural products in and outside the country.

1.2.7 The project will be implemented in Five (5) years for an estimated capital investment cost of USD 3,000,000 which will be used for operation costs including purchase of Land cruisers and Pickups, fleet of trucks, fuel tankers, cargo handling equipment, Machines; vibrating sifters, Air classifiers, Grain Dryers, hammer Milling , roller mills, packaging equipment (sealing machines and Labeling machines), weighting machines, Communication equipment; Radio calls, base station, GPs, Car tracking system, workshop equipment and generators.

1.3 Target Market

The projected business will cover Tanzania, East Africa and Central Africa countries, hence H.S. IMPEX LIMITED targets to import 80 vehicles and machines that will be used to accomplish the project business.

1.4 Exportation Facilities

- a) Machines; packaging machines such as sealing machines, labelling machines etc, Milling machines (hammer mills, roller mills etc), weighting machines, Grain Dryer, vibrating sifters and air classifier.
- b) Fleet of trucks, tractors, fuel tanker, tipper
- c) Supporting vehicles such as hardtops and pickups
- d) Cargo handling equipment; forklift, reach stacker, canes
- e) Communication equipment; Radio calls, base station, GPS, car tracking system
- f) Work shop equipment, generators

1.5 Economic Growth

The economic growth influenced such movement of goods especially industries and businessmen as the demand is growing day by day for the increased imported goods. The Company is registered in the country under the companies Act, 2002. The project promoter is a well-established business personal who is to carry out various business majoring in exportation of cereals and Legumes. Having seen the opportunity of exercising in this business the Directors are now prepared to establish a project for exportation of cereals and Legumes.

2 THE COMPANYS OBJECTIVES

H.S. IMPEX LIMITED is a project established for Export Cereals and Legumes particularly;

- a) To export agricultural products such as cereals and Legumes.
- b) To provide and arrange technical training, education, aid and advice to growers, distributors, agents on various types of agricultural farming for creating a systematic farming method in boosting agricultural sector.
- c) To expand the Marketplace for agricultural products through exportation on outsized scale.
- d) To create employment opportunities in a country by promoting export- oriented and export related enterprises.

3 PLAN OR PROSPECTS

The project aims at having about 80 vehicles and Machines that shall operate to proposed project inside and outside the country to achieve the following plans; smoothing running exportation for agricultural products for efficient in operation, to increase more facilities for project work machinery with introduction of a new technology and increase of the project business to neighboring countries and hence resulting foreign earning in addition to the prevailing local market.

4 THE PROJECT PROMOTERS

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

NAME, POSTAL ADDRESS AND DESCRIPTION OF SUBSCRIBERS	NUMBER OF SHARES TAKEN	NATIONALITY
IMTIAZ ABDUL HAJI P. O. Box 9940 Dar es salaam	43	TANZANIAN
SARAVJEET SIGNH TALWAR P. O. Box 9940 Dar es Salaam	42	INDIAN

5 PROJECT LOCATION:

The project head quarter will be in Dar es Salaam, Plot 23, Kurasini, Bandari Street, Temeke, P. O. Box 9940, Tanzania.

6 IMPLEMENTATION SCHEDULE

6.1 December - 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.

6.2 January - 2025

- a) Application for import Duty exemption on Machines used to facilitate the exportation of cereals and Legumes and other related machinery, trucks other supporting vehicles such as land cruises and pickups, communication equipment, Generators after being awarded certificate of incentives in the establishment programmer.

6.3 February - 2025

- a) Recruiting new employees, Engineers, Food technicians, Drivers, mechanics, logistics officer, procurement officers, store keepers and other administration staff.
- b) Fully commencement of the project and the construction process.

7 CAPITAL INVESTMENT COST

7.1 Costs and Estimate Value

SN	Item	Description	Amount (In USD)
1	Investment Costs	Fixed Cost	2,000,000.00
		Working Capital	500,000.00
		Total	2,500,000.00
2	The Costs before commissioning	Costs before commissioning including acquire permit, technology, TIC certificate	30,000.00

		of incentive, environment, TBS, License, Municipality, Road, administrative etc.	
		Training before commission	15,000.00
		Total	45,000.00
3	Land	Project Land	1,000,000.00
4	Machinery & Workshop	Vehicles	500,000.00
		Electricity	50,000.00
		Total	550,000.00
5		Operators	300,000.00
		Other Staff	300,000.00
		Total	600,000.00

7.2 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

8 PROJECT FINANCING

Description	Total (USD)	Banking Loan	Customer Share
Fixed costs of project	3,000,000/=	1,000,000/=	2,000,000/=
Cost of circulating capital 15% of current expenses	-	-	-
Total	3, 000,000/=	1,000,000/=	2,000,000/=

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

9 FINANCIAL PLAN (SOURCE OF FUNDS)

H.S IMPEX LIMITED has firmed up finances for the implementation programmer by its fund and Loan.

Own fund (Equity)	USD \$ 2,000,000.00
Local loan	<u>USD \$ 1,000,000.00</u>
TOTAL	USD \$ 3,000,000.00

10 SUBMISSION

10.1 H. S IMPEX 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.

10.2 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, Machines that will be used to facilitate the exportation of agricultural products such as Cereals and Legumes, Vehicles, communication equipment and other related machinery. Certificate of Incentives will enable the project to guarantee consistent high-quality finished houses that meet the set out standard and satisfaction of the client etc.

11 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 Tanzania such as the intended Export of Cereals and Legumes project.

12 COMPETITION OR MARKET

Despite there being numbers of other Companies in Tanzania Export Cereals and Legumes Companies, still the facility is not enough compared to the level of demand. The project will provide trustworthy, efficient and quality service to dominate the local and export market.

13 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.

14 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 architectures, civil engineer, interior designers
- (iv) On job training
- (v) Business Discipline.

15 ENVIRONMENTAL ISSUE

The whole project implementation is environmentally friendly. The workshop activities will not cause any harm to people.

16 PROJECT MANAGEMENT

The overall management of the company is vested in the Board of Directors. Imtiaz Abdul Haji (Tanzanian) and Saravjeet Singh Talwar (Indian) are the shareholders of the Company. They are well versed in distribution of the business.

17 MANPOWER AND TRANSFER OF TECHNOLOGY

- 17.1 H. S. IMPEX LIMITED being the project in its commencement will usher in the technology by using modern exporting methods for Cereals and Legumes. The advantages to the country are quite significant, and will get the advantage of value addition due to such incoming technology.
- 17.2 Further the country can reduce its dependence on the importation of cereals and Legumes from neighboring countries, hence Tanzania will be led in exportation of the said agricultural products, hence the growth of the economy.
- 17.3 The proposed project will cause more people to be employed in as food technicians, architectures, engineers, Human Resource Managers, 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.
- 17.4 Local employees will get on training for better a systematic farming method in boosting agricultural sector, in a long run will improve the technical competence in the project.

18 CONCLUSION AND RECOMMENDATION

- 18.1 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 direct and indirect of this project.
- 18.2 The management being experienced businessmen possesses ample managerial capabilities in various business disciplines.
- 18.3 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.

19. FINANCIAL AND ECONOMIC ANALYSIS

19.1 Projected Profit and Loss Account;

The company envisages generating a profit of USD \$ 200,000 this operating year. The profit amount is expected to steadily rise to USD \$ 250,000 in year two, USD \$ 300,000 in year three and USD \$ 350,000 in year four.

19.2 Projected Cash Flows;

The projected cash flows for the next five 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.

19.3 Proposed Balanced Sheet;

The projected 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 17th Day of December, 2024.



MANAGING DIRECTOR,
H.S. IMPEX LIMITED



H.S. IMPEX LIMITED
INVESTMENT BREAKDOWN

(Fig. USD \$ '000')

ITEMS	AMOUNT
Land/ Building	800,000
Plant	650,000
Vehicles	700,000
Furniture & Fitting	100,000
Pre-expenses	100,000
Others	50,000
Working Capital	600,000
TOTAL	3,000,000

H.S. IMPEX LIMITED
PROJECTED INCOME STATEMENT

(Fig. USD \$ '000')

INCOME	1 st year	2 nd year	3 rd year	4 th year	5 th year
Sales Income	7200.0	7600.0	8000.0	8500.0	9000.0
Total Income	720.0	760.0	800.0	850.0	9000.0
Utilities	150.0	150.0	150.0	150.0	1500.0
Salaries and wages	8000.0	8500.0	9000.0	1000.0	1100.0
Transportation/fuel	1000.0	105.0	110.0	120.0	1300.0
Administrative	1000.0	1050.0	1200.0	1250.0	1300.0
Expenses	100.0	1100.0	1200.0	1300.0	1400.0
Other Expenses	40.0	5000.0	6000.0	7000.0	8000.0
Total Expenditure	470.0	5000.0	5300.0	5700.0	6100.0
Net Profit (pre-tax and depreciation)	200,000.0	250,000.0	300,000.0	350,000.0	400,000.0

H. S. IMPEX LIMITED

PROJECTED CASHFLOW STATEMENT

(Fig. USD \$ '000')

YEAR	I	II	III	IV	V	TOTAL
Cash inflow						
Income from operation	2500.0	2600.0	2700.0	2800.0	2900.0	1350.0
Cash outflow	2500.0	2600.0	2700.0	2800.0	2900.0	1350.0
Interest payments	5000.0	4500.0	4000.0	3500.0	3000.0	2000.0
Loan re-payment	5000.0	5000.0	5000.0	5000.0	5000.0	2500.0
Wear and tear	1000.0	1200.0	1400.0	1600.0	1800.0	7000.0
Taxes	1000.0	1000.0	1000.0	1000.0	1000.0	5000.0
	1200.0	1170.0	1140.0	1110.0	1080.0	5700.0
Surplus cash generated	1300.0	1430.0	1560.0	1690.0	1820.0	7800.0

H. S. IMPEX 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

H. S. IMPEX LIMITED
PROJECTED BALANCE SHEET

(Fig. in USD \$ '000')

NO.	ITEM	YEAR I	YEAR II	YEAR III	YEAR IV	YEAR V
	Source of Funds					
1.	Shareholders' funds	1000.0	1500.0	2000.0	2500.0	3500.0
2.	Long Term Loan	1000.0	950.0	900.0	850.0	800.0
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
	Application of funds					
1.	Fixed Assets	3000.0	3000.0	3000.0	3000.0	3000.0
2.	Current Assets	2000.0	2950.0	3900.0	4850.0	6300.0
		5000.0	5950.0	6900.0	7850.0	9300.0