

**DUCATI INVESTMENT COMPANY LIMITED**

**DAR ES SALAAM**

**BUSINESS PLAN FOR INVESTMENT PLAN TO BE GRANTED  
TIC CERTIFICATE.**



**PREPARED FOR:  
DUCATI INVESTMENT COMPANY LIMITED  
Kinyerezi-Dar es Salaam**

## **1.0 EXECUTIVE SUMMARY**

Ducat Investment Company Limited is a limited liability company dealing with transportation and supply of building materials.

The business intends to be the biggest transporter in the country where by there is good opportunities given the fact that Tanzania serves all landlocked countries. The plan is to import at least thirty dumping trucks, ten trucks, two pick up, two coasters for staff, one generator for the office, three Excavators and two Land cruiser V8 for the management. In order to reduce operations costs and due to the fact that the business is still establishing itself, it necessary to apply incentives through Tanzania Investment Centre in order to have big muscles to run expected projects and have enough working capital for the operation by saving importation costs.

## **2.0 LOCATION OF THE BUSINESS.**

The company location is on Plot 228, Block B, Kinyerezi Caribbean Investment Company Limited office is situated at Kijitonyama, Sayansi, Dar es Salam, Tanzania.

## **3.0 INTRODUCTION.**

### **BACKGROUND.**

The Company started its operation in 2021 however has been under operation as sole proprietor. In order to enjoy various opportunities, decision to formulate the company was deduced. Majority shareholder is Benedictor Mboneko Kataruga who has been in business for long time.

After registering the company , the management managed to purchase two tipper trucks using own sources and are registered under the name of the company, given extensive work and demand of the tippers, it is high time for the management to increase the fleet by adding more tippers and horse in order to execute on going contracts

### **3.1 Mission.**

To strive for global leadership in the logistics industry by committing ourselves to the task of providing excellence through our services and professional approach.

### **3.2 Vision.**

The company vision is to be the leading transporter and supplier of building materials and hiring of equipment's to big projects.

The current mission of the company is to satisfy its existing market and execute on going contracts to the satisfactory levels. This can be achieved through:

- Ensured quality of the works executed.
- Quality controls on procurement and careful selection of materials to be used in construction.
- Continuing networking with our esteemed clients as well as good relationship with the stake holders.

### **3.3 Values.**

#### **Strength:**

Based on the strength of Ducat Investment Company Limited, the business will grow fast given the fact that there are already existing operations with some trucks. Also, opportunities in transportation industry given the land locked countries creates good opportunity to the company.

Good network of the managing director creates good opportunity to the company to get more jobs within and outside Tanzania.

### **3.4 Our Services.**

Through Ducat Investment Company Limited, Logistics will be the main activity of the company supported by supply of building materials such as sand and other related materials.

### **3.5 OVERALL OBJECTIVES.**

Overall objectives of the business among others include:

- (i) Expansion of the investment capital of the business so as to enable meet customers demand and in this regard the business will need

either incentive in terms of tax in order to create good working capital base to run the business

- (ii) Increase number of fleet so as to tap market potentials based on the experience of the group.
- (iii) Creating employment to the Tanzanians and stimulating business growth hence good tax base in the near future to the Government.
- (iv) Business Diversification to reduce risk to the group.
- (v) Enhance services for smooth operations with neighboring land locked countries.

### **3.6 Business Overview**

#### **3.6.1 Ownership.**

The business is owned by the following shareholders

- Mr Benedict Mbonecko Kataruga with 70% shares
  - Mrs Felister Rwebangira Kataruga with 20% shares
- Other shares are yet to be issued.

#### **3.6.2 Strategic Initiatives: Financials Operating Capital**

The business 's shareholders have set aside a total of **TZS 2.5** billion as an operating investment (to support day-to-day operating expenses such as salaries, marketing, and purchases of trucks and other related business operating expenses. A five years strategic financial plan has been created to ensure that the business accomplishes its commercial aims while preserving efficiency and profitability.

In addition to the capital contributions from investor, the incentive will enable the company to successfully operate and expand its business. The investment will enable the company to provide a value- driven, outstanding experience to its customers by using the creative abilities and innovation of its shareholders.



**TABLE1: OPERATING CAPITAL**

NO.	REQUIREMENTS	QUANTITY	AMOUNT
(1) Item A			Amount in TZS
1	Trucks	20	6,210,000,000
2	Dumping Trucks	30	6,804,000,000
3	Trailers	20	1,296,000,000
4	Light Vehicles	2	486,000,000
5	Working Capital		2,000,000,000
6	Excavator	2	1,350,000,000
7	Furniture & Equipment		200,000,000
8	Land cruiser V8	2	1,500,000,000
9	Staff Coaster	2	300,000,000
10	Generator for the Office	1	150,000,000
	<b>Total</b>		<b>20,296,000,000</b>

**Note: Actual costs of the respective will be confirmed upon purchase of respective asset.**

The business will define financial goals, alter objectives, and alter the present budget using historical and current financial data. The business will look at ongoing operations, long-term financial plans, and attempt to connect financial aims to these activities and come up with concrete financial management model and policy that aligns with objectives for the next three to five years.

Will put in place strategic efforts to monitor for fraud, mistakes, compliance problems, or other inconsistencies in the distribution of funds, as well as to gauge the effectiveness and performance.

In addition to the capital contributions from shareholders, TIC incentive will enable the company to successfully operate and expand its business. Through the creative abilities and innovation of its board of directors and the entire team engaged, the investment will enable the company to give its consumers with a value-driven experience.

### **3.6.3 Long-term Goals**

To be the most exemplary logistic company with good trucks which are very reliable. The business will sign good contracts with good off takers. Within five years our revenue will grow from TZS 3.134 billion to 8.12 billion.

### **Strategic Initiatives: Research**

Tanzania has long been considered a strategic gateway in the African logistics and supply chain market. Its strategic location along the Indian Ocean, coupled with its network of road, rail, air transportation and port infrastructures makes it a natural hub for trade and commerce within the region. In recent years, the Tanzanian government has invested heavily in modernising its transport and logistics infrastructure, with the aim of attracting more foreign investment and boosting economic growth.

### **3.6.4 Strategic Initiatives: Business Model**

According to the analytical data from strategic location of Tanzania to serve landlocked countries such as Rwanda, Burundi, Congo, Zambia and Uganda, the demand for transportation is very high, with investments in trucks there is good opportunities for the business to excel. There is always cargo to be transported.

### **Our Approach**

The business will much rely on clearing business by signing contracts with companies dealing with clearing and forwarding to ensure that there are always goods to be transported.

### **3.6.5 Strategic Initiatives: Marketing**

We have built well-structured network channels through Ducat Investment Company Limited which has already established the base for various customers:

#### **Below The Line Marketing.**

All on-the-ground efforts aimed at increasing logistics and building trust in communities). This includes events attending, trade fairs, business meetings, and other methods.

#### **•Branding**

We will develop a brand identity that will be included into all services we are offering in the market.; the identity will communicate the distinctive value of the things we offer in order to compete in the global market.

### **4.0 MANAGEMENT.**

The business will be well managed by the following team;

- (i) Benedict Mboneko Kataruga Riziki. Will be dealing with daily activities of the company, getting orders from international customers, attending international trade fair to get customers to do business with and other day to day activities of the company.
- (ii) Finance Manager –Damian Leopold Mchunguzi. Is the well qualified accountant with CPA. He will be responsible for daily finance issues of the business. He will be in charge of all finance activities
- (iii) Operation Manager Edilphonce Gulla. This is responsible for all operations activities ensuring that all customer orders are executed in time. Ensuring cargo safety and all other business compliance.

### **5.0 MARKETING ANALYSIS**

## 5.1 AN OVERVIEW OF THE MARKET.

The Tanzanian transport sector systems consist of surface transport (roads and railways), air transport, and sea and inland waterways (lakes and rivers) transport. Tanzania's transport sector rose by 55% in value during 2009–2014, from USD1.3b to USD2.1b, contributing 4.4% to the country's

The logistics industry in Tanzania plays an essential role in growing and improving the other industries as well. So here we are going to talk about the significance of logistics in Tanzania and the world.

Logistics helps in cost reduction and thus maximizes the profit. This becomes possible due to improved material handling, safe and speedy transportation, convenient location of warehouses, etc.

Logistics mainly helps in the efficient flow of manufacturing operations. It makes on-time delivery of raw materials possible and results in the proper utilization of these materials and then finished goods.

Logistics provides a competitive edge to the industry by increasing sales by providing better customer service, which is only possible due to logistics. It helps to arrange for a **reliable delivery without errors** in order processing of any product. Moreover, logistics help in developing an effective communication system for any enterprise as well. Because of the continuous interaction with suppliers and delivery, companies can improve customer service.

## 5.2 MARKET SIZE.

Dar es Salaam Port serves as a gateway that handles cargo not only for Tanzania but also transit cargo for neighboring landlocked countries. The proportion of total cargo accounted for by transit cargo has been about 35%. The volume of containerized traffic handled at Dar es Salaam Port increased 3.3 times from 2000 to 2010, from 125,000 TEUs to 410,000 TEUs. If the volume of container cargo continues to increase at a comparable rate, Dar es Salaam Port will reach its capacity over the

next decade of which this creates good source of goods to be transported by local transporters.

### **5.3 SUPPLY SOURCES.**

As said earlier, the strategic location of Tanzania gives reliable sources of goods to be transported. There is substantial amount of imports coming into the countries to be transported to various places of the country and other landlocked countries. This gives assurance that our investment proposal will be viable.

### **5.4 COMPETITION**

Like any other business, Nrm Logistics will be facing competition from other transporters however given the fact that it has backward linkage from Nrm Group Limited, it will be able to penetrate into the market.

### **MARKETING STRATEGIES**

The marketing strategies which will be in force and will be used in future by the owner in expanding the market include product strategy and attending various trade fairs inside and outside the country whereby he will be meeting various businessmen.

### **5.5 PRODUCTS AND SERVICES STRATEGY.**

The main strategy is to upgrade the business image by expanding and providing customers with what is needed in terms of quality and reliability. In order to safeguard its market share, the management will always be careful to offer high quality services to its.

### **PRICE STRATEGY.**

The price differs from one supplier/service provider to another. However, the price is fixed as per contracts signed. For upcountry region, the price is negotiated and agreed while for outside the country, the price is almost the same across the country however it depends on where are you delivering the goods.

## **5.6 DISCUSSION WITH THE PROMOTER.**

The report started with the discussion on the current status of the promoter's business activities followed by an analysis for the proposed business expansion/diversification programme which include capital investment expansion, management market analysis, demand and supply, financial and economic matters, all these aspects indicate that the company future business is economically sound, feasible and financially viable. The company needs more capital in terms of fixed assets so that it can be able to penetrate.

## **6 FINANCIAL AND ECONOMIC ANALYSIS**

### **6.2 FINANCIAL ANALYSIS.**

The objective is to invest sum of TZS 20.14 billion into the business however this will be in span of five years.

### **6.3 BASIC ASSUMPTIONS:**

1 The request is to requesting TIC certificate to facilitate importation of twenty trucks, the said trucks will be imported on instalment basis.

2 Investment plan is for five years.

3 Currently the customer is hiring trucks at the rate of TZS 165,000 per tone (VAT Inclusive). This is very expensive to the business.

After getting TIC certificate, the business will be able to import trucks due to reduced price in terms of taxes and duties

5.0 The company will be adding two trucks every year for the next five years to 2028.

Projected Income Statement					
	2025	2026	2027	2028	2029
	TZS	TZS	TZS	TZS	TSh
<b>Income</b>					
Sales	3,134,646,868	4,372,591,555	5,623,930,710	6,890,003,781	8,172,284,159
Cost of sales	2,158,831,298	3,011,403,804	3,873,201,080	4,745,145,604	6,445,480,517
Gross Profit	975,815,570	1,361,187,751	1,750,729,630	2,144,858,177	1,726,803,643
Operating Expenses	99,465,480	138,746,703	178,452,945	218,626,710	259,314,749
Operating profit/(loss)	876,350,090	1,222,441,048	1,572,276,685	1,926,231,467	1,467,488,894
Depreciation	49,220,225	68,658,433	88,306,960	5,940,703	(5,209,800)
Profit/ (Loss) before tax	827,129,865	1,153,782,616	1,483,969,725	1,920,290,765	1,472,698,694
Taxation	(248,138,960)	(346,134,785)	(445,190,917)	(576,087,229)	(441,809,608)
Net profit/ (Loss) for the year	578,990,906	807,647,831	1,038,778,807	1,344,203,535	1,914,508,302

Statement of Financial Position Projected Balance Sheet					
	2025	2026	2027	2028	21/07/1905
	TZS	TZS	TZS	TZS	TZS
<b>ASSETS</b>					
<b>Non Current Assets</b>					
Property, Plants and Equipment	877,838,156	1,565,757,204	2,412,758,320	3,525,520,161	4,871,382,236
	877,838,156	1,565,757,204	2,412,758,320	3,525,520,161	4,871,382,236
<b>Current Assets</b>					
Stocks	91,528,869	100,681,756	110,749,932	121,824,925	134,007,418
Cash and cash equivalents	133,096,137	335,170,688	608,789,449	952,190,885	1,365,729,265
Receivables and prepayments	261,220,572	287,342,630	316,076,893	347,684,582	382,453,040
	485,845,579	723,195,074	1,035,616,273	1,421,700,392	1,882,189,723
<b>Current Liabilities</b>					
Creditors and accruals	196,248,869	215,873,756	237,461,132	261,207,245	287,327,970
Tax	248,138,960	346,134,785	445,190,917	576,087,229	441,809,608
	444,387,829	562,008,541	682,652,049	837,294,474	729,137,578
Working Capital	41,457,750	161,186,533	352,964,224	584,405,918	1,153,052,145
<b>TOTAL</b>	<b>919,295,906</b>	<b>1,726,943,737</b>	<b>2,765,722,544</b>	<b>4,109,926,079</b>	<b>6,024,434,382</b>
<b>FINANCED BY:</b>					
<b>Capital and Reserves</b>					
Capital	340,305,000	340,305,000	340,305,000	340,305,000	340,305,000
Net profits	578,990,906	1,386,638,737	2,425,417,544	3,769,621,079	5,684,129,382
<b>TOTAL</b>	<b>919,295,906</b>	<b>1,726,943,737</b>	<b>2,765,722,544</b>	<b>4,109,926,079</b>	<b>6,024,434,382</b>



## 6.4 CASHFLOW PROJECTIONS.

*Assumptions on the projections.*

1 The request is seeking TIC certificate for the purpose of getting exemptions for the purchase of assets.			
2 Investment will be for five years			
3 Expected revenue for each type of assets is as follows			
(i) Dump truck TZS 500,000 per day with 28 working days			
(ii) Horse TZS 5000,000 per month			
(iii) Excavator TZS 800,000 per day			
4 Fuel will be 60% of total revenue.			
5 Purchases of the sought assets will be on phases.			
6 Investment plan	Horse	Dump Trucks	
Y1		4	6
Y2		4	6
Y3		4	6
Y4		4	6
Y5		4	6
Total		20	30
7 All other assets will be invested in year 1			

### (1) PROFITABILITY

Income statement is shown in the financial statements attached with this application. On the basis of the income generated and operation of expenses the business shows that it is profitable.

Cash flow projections are shown at the back of this application. Net Cash flow shows a healthy situation over the period of investment.

## 7 ECONOMIC AND FISCAL BENEFITS THE GOVERNMENT AND PUBLIC IN GENERAL

### 7.1. ECONOMIC ANALYSIS

The company will stimulate business interaction with other people with similar or different activities in the economy and hence increase employment opportunities within the country as well as taxes to the government.

As per financial plan , some of 56 drivers will be employed hence creation of standard of living to their families, spare parts dealers will sell more spares.

## 7.2 FISCAL BENEFIT

The Government will receive revenue in the form of licences, corporation taxes etc.

## 8 CONCLUSION.

The financial relief sought in this proposal will help the customer to increase its fleet size hence boost his revenue. Also, the analysis in this business plan revealed that the project is financially, economically sound and socially feasible. The business will stimulate economic activities in the overall economy.

*Before me*

*NURU JUMA MAMBO*

*P. O BOX 72032, DSM  
COMMISSIONER FOR OATHS*

*[Signature]*

