

# 1. EXECUTIVE SUMMARY

Transport and warehousing Industry is an essential part of our economy, a very fast booming and highly profitable investment sector. Our effective market Research and Development team pointed out a vast demand of warehousing and transportation in the country. As there is transit cargo is coming on vast volume basis, the demand for transport and warehousing is inevitable.

We aggressively taking actions to massively expand our business operations through going bulky and making product diversification in order to increase profitability and reduce portfolio risk. We would like to spend complete portion of the loan (100%) on this business. In this business we will be dealing with transportation business initially and followed by constructing warehouse and commercial building in our property.

The transportation and logistics industry are in a fast-growing stage and our researches interpreted that this is the right time to start our operation. Based on thorough survey we have been able to understand the demand for trucks in market and as such we are investing in it as we have massive knowledge and facts. Our analysis gave us reasonable assurance that the financial projections will be achieved.

Strategies for business expansion including market penetration and customer acquisition, operational, and financial and investment strategies have been put into task as we are heading towards top ten suppliers of garments and domestic electrical appliance in the city.

## 2. COMPANY BACKGROUND

MOALI INTERNATIONAL is a Tanzania based company that mainly deals with transport solution and real-estate. The company was registered in the year 2019 and as such it has been in the different industry for over 25 years. The company is formed as sole-proprietorship and was then issued with certificate of registration bearing the Company's name. The company is registered under the revenue authority and as such is identified as domestic company carrying on legally recognized business. The Director is in different industries such as Trading of garments, electronics and home appliances, Real Estate etc. over 25 years.

The new business idea is articulated by highly focused and motivated Entrepreneurs who took action step by step from initiation to build up of recognized company in the city.

### 2.1. COMPANY UNIQUENESS

The focus has always been at good quality, reliability and or consistency, variety, price affordability and best after sales services. These have always been achieved through identifying and dealing with variety of suppliers located in different places of the world, sourcing from the most affordable sources, and training of our staff on good services

to our esteemed clients. Services offered to customers includes among others client follow-ups, provision of transportation network, marketing strategies advice and many others as would be requested by clients.

## 2.2. PRODUCTS AND SERVICES

Our Product range includes a vast range of items;

### **Transportation service**

- ❖ Transit cargo to different countries
- ❖ Clearing and forwarding
- ❖ Inland transportation

### **Warehousing service and commercial buildings**

- ❖ Warehouse building at kinyarezi
- ❖ Commercial building at msasani

### **Apartment and Villas**

- ❖ Renting apartments at kitonga apartment
- ❖ Renting villas at Kinondoni Kingsway estate

### **Used clothes (MITUMBA) Business**

- ❖ Supplier of used clothes
- ❖ Used clothes from Korea
- ❖ Used clothes from Germany
- ❖ Used clothes from Europe and America

## 2.3. COMPANY LOGO AND BRAND NAME

**Company Logo:** Our Company have an attractive logo and it is registered with BRELA

**Brand Name:** Our Company will be branded and labelled as **MOALI**

## 3. COMPANY INTEGRITY AND REPUTATION

The company is full registered with all relevant authorities. We obtained certificate of registration from Business Registration and Licensing Agency (BRELA) and we are registered by the revenue authority. Compliance to all business laws and regulations is observed. Personal Income tax is payable in every quarter in terms of provision taxes, and final tax is payable at the end of the year.

Our past operations have been largely financed by internal sources of funds in terms of equity contribution by its owner. We have no record of significant loan balances in our operations therefore we have clean history in terms of loan servicing, no defaults

or significant delays in repayment of external funds. Our company is legal person with an ability to sue be sued and assume liabilities, business operations generate sufficient funds to service the amount being applied for.

The company is a sole-proprietorship and has been built on foundations of **Trust, Integrity, and Transparency**; it is these guiding principles that have given rise to such a credible business name.

## 4. CORPORATE STRUCTURE

The borrower is Fahari Processing Company Limited. The company has different locations for the proposed business. These include manufacturing/profiling unit, sales points and warehouses. Currently the company will have four (4) active locations which are at

- ❖ Head Office: It will be located at Namanga Street, Msasani.
- ❖ Warehouse: It will be located at plot number P29998 , kinyarezi.
- ❖ Additional Warehouse: It will be located at Plot 2030, Miembeni Street, vingunguti.
- ❖ Apartment: It will be located at Ukonga Stakishari. Kitonga apartments.

### 4.1. OWNERSHIP BREAKDOWN POST TRANSACTION

All locations are owned by the director itself and as such are not considered to be separate entities. The Directors are locating sales points and warehouses at different places in order to meet specific customer demands and increase product accessibility by customers who are located in different potential areas.

### 4.2. LEGAL CAPACITY TO ASSUME THE LIABILITY

The company is legally registered under the laws of the country and exists as a legal person with an ability to sue, be sued and assume liabilities. The company was registered in the year 2019 with registration number as attached and also the country domestic revenue authority recognizes its existence, transactions and operations as it complies with the tax laws including timely filing of the statement of estimated income and payment of tax thereon. The Taxpayers Identification Number (TIN) is in the name of the company. The proposed business operations generate sufficient profit per month enough to service the loan and strong securities to secure the proposed facility are available.

### 4.3. DUE DILIGENCE PERFORMED

Our sister company's experts and consultants were analyzed various aspects of the business in order to provide reasonable assurance and suggestions regarding the current business situation and viability of new products which are to be introduced in the near future.

#### 4.3.1. FINANCIAL DUE DILIGENCE

The current projection shows good performance both in sales and profitability. Sales will increase by 10% from the year 2023 to 2024 and 20% from 2024 to February 2025. Net profit before tax will increase by 25% per from 2023 to 2024 and by 35% from 2024 to 2025. The proposed profit per month from operations can reliably cover the monthly instalments both principal repayment and interest payments.

#### 4.3.2. INDUSTRY CONSULTANCY

There is no material industry movement that need to be brought into attention. Decrease in volume of business due to changes in government policies and regulation is considered to be a short-term change as we have been observing an improvement of business operations as time goes.

#### 4.3.3. VALUATION REPORTS

Properties to be pledged as securities was valued and based on valuation reports the total market value of the securities is TZS 536,000,000/- and the forced sales value is TZS 428,000,000/-.

#### 4.3.4. LEGAL DUE DILIGENCE

The company is registered under the Business Registration and Licensing Authority (BRELA), Tanzania Revenue Authority (TRA) and is licensed to sale garments. There is no material contravention against the country business laws in operations by the Company.

## 5. BUSINESS OPERATIONS / TRANSPORT

**MOALI** will be managed and owned by Mr. Aliabid Razahussein Mamdani. The business is based on a transportation business which involves the movement of goods, and cargo mainly from Dar es salaam to another countries. This industry plays a crucial role in the global economy by facilitating trade, commerce mobility. Our operation of a transport business encompasses in one mod which is road, and our key aspects of a transport business operation include:

1. **Logistics Management:** Efficient planning, coordination, and execution of the transportation process to ensure timely delivery and cost-effectiveness.
2. **Fleet Management:** Maintaining and managing a fleet of trucks and trailer to meet transportation demands, including regular maintenance and upgrades.
3. **Route Optimization:** Planning the most efficient routes to minimize fuel consumption, reduce transit times, and enhance overall operational efficiency.

4. **Regulatory Compliance:** Adhering to local, national, and international regulations governing transportation, including safety standards, licensing, and environmental considerations.
5. **Technology Integration:** Implementing and utilizing advanced technologies such as GPS tracking, telematics, and digital platforms to enhance operational visibility, communication, and customer experience.
6. **Customer Service:** Providing excellent customer service by ensuring timely and secure delivery, effective communication, and addressing customer inquiries and concerns.
7. **Risk Management:** Identifying and mitigating potential risks, such as accidents, delays, or disruptions, through comprehensive risk management strategies.
8. **Environmental Sustainability:** Incorporating environmentally friendly practices and technologies to minimize the ecological impact of transportation operations, such as fuel-efficient vehicles and alternative energy sources.
9. **Global Operations:** For international transport businesses, managing complexities related to customs, tariffs, and diverse regulatory environments across different countries.

Successful transportation businesses excel in balancing efficiency, reliability, and sustainability while adapting to the evolving landscape of technology, regulations, and customer expectations.

## WAREHOUSING

Our warehouse rental business involves providing storage space to individuals or businesses for storing goods and inventory or for a manufacturing unit. Warehouses are essential for companies that need additional space to store their products, raw materials, or equipment. These facilities are typically equipped with infrastructure such as shelving, pallets, and loading docks to facilitate efficient storage and retrieval of items.

In our warehouse rental business, companies can lease space on a short-term or long-term basis, depending on their specific needs. This flexibility is particularly valuable for businesses with fluctuating inventory levels or seasonal demands. The warehouse owner or operator is responsible for maintaining the facility, ensuring security, and providing basic amenities such as lighting and climate control.

Our key features of a warehouse rental business include:

1. **Space Customization:** Warehouses often offer customizable space options to meet the diverse needs of clients, including varying sizes and configurations.

2. **Security Measures:** Security is a top priority, with measures such as surveillance cameras, access control systems, and on-site security personnel to protect stored goods.
3. **Logistics Support:** We offer additional logistics services, such as transportation, as we have our own transport business.
4. **Accessibility:** we have a Convenient access to major transportation routes, such as highways and ports, is crucial for efficient distribution and transportation of goods.
5. **Regulatory Compliance:** We have statutory Compliance with local and international regulations, especially those related to safety and environmental standards, is essential for the smooth operation of a warehouse rental business.

The warehouse rental industry plays a vital role in supporting businesses across various sectors by providing cost-effective storage solutions and enabling efficient distribution processes. It is a dynamic sector that adapts to the evolving needs of the market and is influenced by factors such as e-commerce trends, globalization, and advancements in technology.

## VILLAS AND APARTMENT RENTAL

The villas and apartment rental business involves the leasing of residential units to individuals or families on a temporary basis. We own various villas and apartments and rent them out to tenants. The rental process usually involves the signing of a lease agreement, which outlines the terms and conditions of the rental, including the duration of the lease, rent amount, and other relevant details.

For us, villas and apartment rental can be a lucrative source of income, providing a steady stream of revenue. Tenants, on the other hand, benefit from the flexibility of renting, as it allows them to reside in a particular location without the long-term commitment of homeownership. We own 8 villas and 3 apartments in Dar es salaam city which is in good and neat condition, providing all the requirements to the tenants.

The success of the apartment rental business often depends on factors such as location, property condition, amenities offered, and effective property management. Online platforms and real estate agents play a crucial role in connecting property owners with potential tenants. As the real estate market evolves, the apartment rental business continues to adapt to changing trends and preferences, emphasizing convenience, technology integration, and sustainable living practices.

## 5.1. HUMAN RESOURCES

The company is led by the **Chief Executive Officer Mr. Ali Abid Mandani** who has been dealing with different business for a total of 25 years to date, also provides directives and business strategies to the Company.

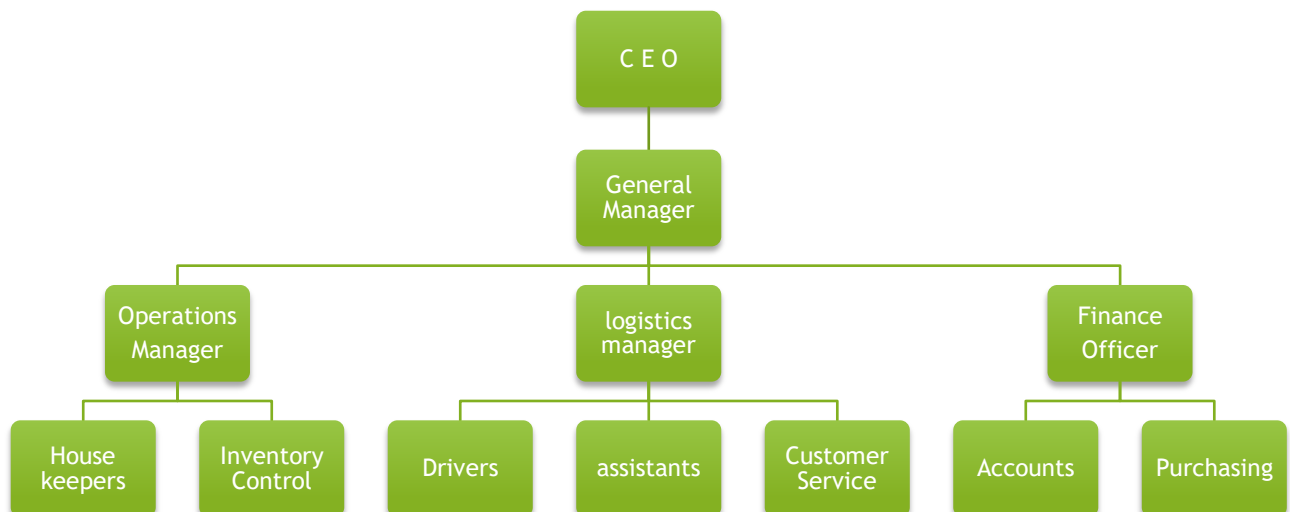
Financial information is recorded, classified and summarized by competent and experienced accountant. Trucks and trailers maintenance will be handled by highly skilled and experienced technicians and drivers.

The Marketing Officer sets strategies and targets to be achieved based on company's expansion plans and execute the same through accessing and bringing in new customers.

### The organization Structure

We have total of 25 people in the company including Director and 2 expatriates. These include;

- General Manager
- Accounts and Administration Officer
- Logistics manager
- Drivers and assistants
- Cleaners and house keepers



### Where to find right employees

Right employees will be obtained through advertisement, and network. We would want to pick experienced, energetic and honest employees. We will pay good remuneration package for new employees. Employees with ability to initiate operations and work under minimum supervision will always be given priority.

## 5.2. THE BUSINESS CLOSER LOOK

The director has analyzed the market, observed its trend and came out with new products that are considered to be potential in terms of their demand and profitability.

Diversification reduces business risk to acceptable level and as such the Directors are introducing brand new truck and trailers to the market as are considered to be moving at good rate. Also, villas and apartments will also be rented as demand for the same is good and its profitability is promising.

### 5.2.1. PRODUCTS AND STRATEGY

The following strategies will be applied in all service:

- ❖ Rendering quality services at affordable prices
- ❖ Offering of good after sales services
- ❖ Continuous marketing survey in order to outsmart competitors

## 5.3. MARKETING

We have competent marketing officers both for existing business and prospective service. Our marketing is basically network and relationship-based marketing and as such we do not capitalize higher on media advertisement. We have strong network with massive customers around the country and we always anxiously for new clients. For new products we well have additional marketing tool and would just be product brochures, and outdoor advertisement.

### **Our customers**

To attract customers for our business, it's crucial to understand your target market and tailor your marketing efforts to reach them effectively. Here are some general strategies we are performing for our business;

#### **1. Online Presence:**

- We have a user-friendly website showcasing your rental offerings.
- We Using high-quality images and detailed descriptions of our products or services.

#### **2. Social Media Marketing:**

- We are Utilizing platforms like Facebook, Instagram, and Twitter to promote our rental business.
- We are Sharing engaging content, such as photos, videos, and customer testimonials.

#### **3. Partnerships and Collaborations:**

- We have Partnership with local businesses to get regular transport order for our trucks.

#### **4. Email Marketing:**

- We have built an email list and send out regular newsletters with promotions, new offerings, and updates.

#### **5. Events and Sponsorships:**

- We are Sponsoring for local events and community activities to increase brand visibility.

#### 6. **Quality Customer Service:**

- We are Providing excellent customer service to build a positive reputation.
- We Responding promptly to inquiries and address customer concerns.

Understanding our customers' needs and preferences will help us to fine-tune our marketing strategies for better results. Regularly analyzing our marketing efforts and adjust our approach based on customer feedback and market trends.

### **Industry Analysis**

Industry information was obtained from the well reputed business consultants and transport and logistics Industry experts. Prior consultation in similar dealers also forms a good source of industry understanding. Our CEO made thorough market survey in order to understand all aspects of the service.

### **Director's Business Expertise**

The Chief Executive Officer has been dealing with different industries for over 25 years. He managed to raise the company from its initiation to recognizable business operations in the city.

### **Key Industry Issues**

Transport and logistics

- ❖ Competition
- ❖ Working Capital
- ❖ Transit time
- ❖ Delay in cargo out from port
- ❖ Price fluctuation of fuel

### **Industry Trends and Drivers**

We have been observing an increase in demand for transport and logistics industry especially for transit cargo. Demand villas and apartment is promising and increasing as time goes. We have decided to enter this niche as we see unfulfilled gap therein. We would like to feed our customers and benefit by good return on investment.

### **Basis of Competition**

- ❖ Quality
- ❖ Affordability
- ❖ Reliability
- ❖ After sales services
- ❖ Business Ethics

## 6. EXPANSION OF TRANSPORT PROJECT

The Company Director is looking for wide business expansion in terms of increase in Capital goods. The loan being applied for is TZS 762,000,000/- million (US \$ 300,000/-). The facility will be repaid in 3 years and will be spent as shown herein below:

Details		<b>TZS</b>	<b>USD</b>	<b>Allocation</b>
<b>Howo heads</b>		530,560,000	208,000/-	70%
<b>Semi trailers</b>		231,440,000	92,000/-	30%
<b>Total</b>		<b>762,000,000</b>	<b>300,000/-</b>	100%

## 7. RISK ANALYSIS AND MITIGANTS

### 7.1. MANAGEMENT RISK

Our directors are qualified and experienced. They have been practicing business management and supervision for over 25 years to date. The Chief Executive Officer has vast knowledge of the industry; he has been working for the company since its establishment in the year 1996. We are dealing similar products and we are focused at expansion within its boundaries however products diversification is done to reduce business risk and increase overall company profitability.

We have competent and experienced staff at all levels; we train, motivate and retain them in order to increase efficiency in operation that occurs due to experience. Our staff acquisition strategy is that we always hire qualified and experienced staff from similar companies but we also hire less experienced ones as casual labors.

The transport and real-estate industry are a booming industry with an omnipresent demand from commercial and industrial sector consumers. This business even though might require a heavy amount of investment, comes with less need for maintenance and a precise profit margin varying between 25% - 35% every financial year and suffice rate of return. Lastly, this business serves a niche group of consumers, having regular demand and easy to establish local and global reach.

### 7.2. INDUSTRY AND MARKET RISK

Threats from competitors and threats product substitution will be managed accordingly as per the explanations given in the previous sections of this document.

### 7.3. TAXATION AND OTHER GOVERNMENT REGULATION

To avoid government penalties and fines the company fully complies with the requirements of the country laws and regulations including tax.

#### 7.4. BUSINESS RISK

The transport business, like any other industry, is subject to various risks that can impact its operations and financial performance. Here is some common business risks associated with the transport industry:

1. **Fuel Price Volatility:** Fluctuations in fuel prices can significantly impact the operating costs of transportation companies. Sudden spikes in fuel prices can lead to increased expenses, affecting profit margins.
2. **Regulatory Compliance:** The transport industry is subject to numerous regulations and compliance requirements, such as safety standards, environmental regulations, and transportation laws. Non-compliance can result in fines, legal issues, and disruptions to operations.
3. **Economic Downturns:** The transport sector is sensitive to economic cycles. During economic downturns, demand for transportation services may decrease as businesses reduce their production and consumers cut back on spending.
4. **Competition:** The transport industry is often highly competitive. Companies face the risk of losing market share to competitors, especially if they cannot differentiate themselves based on service quality, reliability, or cost.
5. **Weather and Environmental Factors:** Adverse weather conditions, natural disasters, and environmental factors can disrupt transportation networks, leading to delays, damage to goods, and increased operational challenges.
6. **Infrastructure Challenges:** Inadequate or poorly maintained infrastructure, such as roads, bridges, and ports, can lead to operational inefficiencies and increased maintenance costs for transportation companies.
7. **Insurance Costs:** The transport industry often requires significant insurance coverage for vehicles, cargo, and liability. Rising insurance costs can impact the overall cost structure of transportation companies.

To mitigate these risks, transport businesses often employ risk management strategies, including comprehensive insurance coverage, diversification of services and markets, investment in technology, and careful monitoring of regulatory changes. Additionally, staying informed about industry trends and maintaining strong relationships with suppliers, customers, and regulatory bodies can help businesses navigate potential challenges.

#### 7.5. BUSINESS CONTINUITY

Our assets both current and noncurrent are insured against fire and burglary. Reliance Insurance Company Limited insures our assets.

#### 7.6. SOCIAL AND ENVIRONMENTAL RISK

There is less environmental risk associated with the business as the business just deals with transportation, warehousing and real-estate which are friendly to environment and as there is no direct material emission of waste gases or production

of waste particles. The company is green compliant and cares the environment by proper waste management and contributes to environmental protection as planting of trees.

## 8. SWOC ANALYSIS

### **Strengths of the Company**

The following are considered to be strengths of the company.

- We are experienced team and have good understanding of our market
- Competent and qualified staff
- Quality and variety bits other competitors
- Resources as warehouses, transportation, and office assets are available for utilization
- Our customer base is good and have been increasing our clients over years at amazing rate.

### **Weaknesses**

We face finance gap and as such we would like to obtain the loan for bridging the gap.

### **Opportunities**

- ❖ Increase in demand for trucks and warehouses.
- ❖ Expansion of market for real-estate.

### **Challenges**

- ❖ Finance gap. We are applying for the loan
  - ❖ Competition. Smart business strategies
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