

**BUSINESS PLAN FOR THE
IMPLEMENTATION PROGRAMME**

OF

M/S APEX HOLDINGS (A) LIMITED

IN

**ESTABLISHING AND OPERATING A PROJECT FOR
PROVISION OF HIGH CLASS TRADING, CHAIN
SUPPLY AND PROCUREMENT SERVICES**

**PREPARED BY
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M/S APEX HOLDINGS (A) LIMITED
ESTABLISHING AND OPERATING A PROJECT FOR
PROVISION OF HIGH QUALITY TRADING, SUPPLY
CHAIN AND PROCUREMENT SERVICES

1. INVESTMENT PROPOSAL

The Feasibility study has been prepared by **M/S APEX HOLDINGS (A) LIMITED** for the company's implementation programme in establishing and operating a project for Providing trading, supply chain and re services.

The Business Proposal has also been prepared to give an analysis of the financial, human, technical and other resources required for the proposed project by setting up facilities for proposed project and also assess its economic viability and commercial viability in order to allocate funds for the Trading, supply chain & Procurement of the allied equipment, vehicles etc

The certificate of incentives will enable the intended project to qualify for non-fiscal incentives 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 APEX HOLDINGS (A) LIMITED is a private owned company incorporated in Tanzania by Registrar of Companies under company's ordinance on 31st day of January 2011 with Certificate of Incorporation No:81235

M/S APEX HOLDINGS (A) LIMITED was incorporated with major objectives of Providing trading, supply chain and fast growing procurement company for mining exploration, agriculture, industrial and similar industries. M/S M/S APEX

HOLDINGS (A) LIMITED is a fast-growing procurement company and having array of clients with supply contracts for GET (Ground Engaging Tools), Pumps and spares, personal protective equipment, steel, automobile spare parts, cutting & welding systems, conveyor belting solutions, bearings, PVC and HDPE pipes & fittings, pumps, couplings, Geological consumables & equipment and security systems.

The core business of Apex Holdings (A) Limited is to strategically source and supply materials of all kinds within the Pan African Region.

M/S APEX HOLDINGS(A) LIMITED is fast growing company specialized in delivering seamless procurement solutions to unique demands of the mining, exploration, agriculture and manufacturing industries.

The company determines to provide high quality trading, supply chain and procurement services to its client's materials. Goodwill, promptness and reliability are the business strategies for the intended project.

In addition to that the intended services brought to the market will correspond with the clients' demand especially in this competitive market. The quality of services made by the Company will make the Intended Project to dominate the local and external East African Market.

There is high demand for high quality trading, supply chain and procurement services to the local and foreign market. It is on the basis of the above reasons the management resolved to set up the services for Mining, exploration, agriculture and manufacturing industries etc in order to satisfy the clients demand and make the project economically viable

In the establishment programme; The proposed Project will import Equipment and allied facilities such as Pumps and

spares, personal protective equipment, steel, automobile spare parts, cutting & welding systems, conveyor belting solutions, bearings, PVC and HDPE pipes & fittings, pumps, couplings, Geological consumables & equipment and security systems. Generator, transformer, Forklift, utility vehicles etc.

Hence the establishment programme of three years in setting up facilities for intended project is estimated to be USD 1,500,000. The estimated capital investment cost of USD 1,500,000 will be on Equipment and Allied facilities etc.

3. TARGETED MARKET

There is very big market potential for proposed project for trading, supply chain and Procurement services by the Company. Therefore, by these reasons the Shareholders of the Company resolved to establish and operate such Project for the Company's clients. The Project will provide the best quality services which will be targeted to ready mining exploration, agriculture, industrial and similar manufacturing industries markets in Tanzania and in east African markets. The Intended Project is aiming at Providing and supplying Ground Engaging Tools- GET, Pumps and spares, personal protective equipment, steel, automobile spare parts, cutting & welding systems, conveyor belting solutions, bearings, PVC and HDPE pipes & fittings, pumps, couplings, Geological consumables & equipment and security systems ETC.

The recent market survey undertaken by the company has realized that there is high demand for quality Trading, Supply chain and procurement services.

Considering the growing Mining, exploration, Agriculture, and now industrialization which is the government call and economic activities has caused the rise demand for intended project.

High quality services and related equipment, technology, efficiency and goodwill are the factors which will make the intended project to be economically and financially viable. There are quite number of local procurement & service providers and importers similar equipment which can compete with the company's services and equipment. The Company win the market due to goodwill, technology, high quality services and the best brand.

4. THE COMPANY'S OBJECTIVES

M/S APEX HOLDINGS (A) G LIMITED is a project for provision of high-class trading, supply chain and procurement in Mwanza decided to establish such project to provide services to mining, exploration, agriculture and manufacturing industries.

The mission of the intended project is basically aimed at Providing trading, supply chain and procurement services and marketing/ promotion of the services which is important for our esteemed clients in local and external markets. The best Provision of procurement will make the proposed project operate smoothly and increase the capacity/ volume of supply chain & Trade. The Proposed Project will make quality services so as to achieve the following objectives.

- To foster the growth of Trading, Supply chain and procurement service industry in Tanzania.
- To reduce shortage of companies which are providing Trading, supply chain and procurements to mining, exploration, Agriculture and manufacturing Industries in the Region.
- To promote Back up services in the Region etc

- To promote growth and expansion of private sector.
- The Company will create more employments.
- Skill development (human resources development) through on job training and use of new technology application.
- Income generation, alleviation of poverty and improve their social welfare employees.
- The Company contributes to the government revenue through taxes and other levies like corporate taxes, PAYE etc

5. PLAN/PROSPECTS

- High performance for provision of Trading, supply chain and procurement services.
- To increase trading, supply chain and procurement and supply to clients hence resulting addition earnings in prevailing local and foreign market.
- To increase the volume/ capacity of such quality services – provision of trading, supply chain and procurement to exploration, Mining, agriculture and manufacturing Industries and Supply to the local & foreign Market.

6. SHAREHOLDERS (PROMOTERS)

M/S APEX HOLDINGS (A) LIMITED is a project for Providing quality trading, supply chain, Procurement. The following are the shareholders/ promoters of M/S APEX HOLDINGS (A) LIMITED and their shareholder's position are:-

No	Name of Shareholders	Nationality	ahares	Percent %
1.	Chandni Raj Pattni	Tanzanian	35,000	70%
2.	Ally Aboud Ally	Tanzanian	10,000	20%
3.	Mohamed Karama Abeid	Tanzanian	5,000	10%
	TOTAL		50,000	100%

Therefore, the authorized capital of the company is Tshs. 500,000,000 divided into 500,000 ordinary shares of Tshs. 1000/= 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.

7. LOCATION

The company's Business Premise is located at Plot No. 439, 441 & 443, Block A, Nyamhongolo, Mwanza. Postal Address P. O. Box 80400. Dar es salaam.

8. COMPANY'S IMPLEMENTATION SCHEDULE

8.1 AUGUST - 2025

- Preparing feasibility study for establishing and operating a project for Provision of High-class trading, supply chain and procurement services.
- Registration of proposed project with Tanzania Investment Centre i.e. Application for the Certificate of incentives.
- Getting Certificate of Incentives

8.2 SEPTEMBER - 2025

- Application for non-fiscal incentives – Permits, licenses etc In order to run the project smoothly.
- Receiving clients order and importing their equipment.
- Clearing the Clients equipment from customs control
- Delivery of equipment to clients.

8. OCTOBER- 2024

- Recruiting workers and other administration staffs.
- Fully commencement of intended project.
- Etc

9. CAPITAL INVESTMENT COST

Land/Building	USD \$	200,000
Plant/Machinery	USD \$	1,000,000
Vehicles	USD \$	100,000
Furniture and Fittings	USD \$	-
Pre-expenses	USD \$	100,000
Working Capital	USD \$	<u>100,000</u>
TOTAL CAPITAL	USD \$	<u>1,500,000</u>

The proposed programme for quality trading, supply chain and procurement Project is to be implemented within 3 years. The company's promoters (shareholders) have resolved to register the intended Project with Tanzania Investment Centre (TIC) and securing the certificate of incentives.

10. FINANCIAL PLAN (SOURCE OF FUNDS)

M/S APEX HOLDINGS (A) LIMITED has firmed up finances for the implementation programme by its own fund and loan: -

Own fund (equity)	USD \$	1,000,000
Local loan	USD \$	<u>500,000</u>
TOTAL	USD \$	1,500,000

11. TRADING, SUPPLY CHAIN & PROCUREMENT

- Ground Engaging Tools – GET, Pumps and spares, personal protective equipment, steel, automobile spare parts, cutting & welding systems, conveyor belting solutions, bearings, PVC and HDPE pipes & fittings, pumps, couplings, Geological consumables & equipment and security systems all equipment intended to be supplied to exploration, Mining, Agriculture and Manufacturing Industries etc.

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12. SUBMISSION

M/S APEX HOLDINGS (A) LIMITED wishes to submit its investment proposal and application to Tanzania Investment Centre (TIC) for registration and award of certificate of incentives for the commencement of project for Provision of High-class trading, supply chain and procurement services in Mwanza.

The trading, supply chain & Procurement Project will soon commence after the Company is registered by Tanzania Investment Centre and being issued with the Certificate of incentives. Thereafter the Company will receive orders from clients and import the allied equipment etc

The Project will enjoy non fiscal incentives under TIC one stop centre which are permits, approvals, licenses, protection of investment, arbitration and transfer of foreign currency.

13. ECONOMIC GROWTH

Positive economic growth which had been registered in Tanzania such as Exploration, Mining, Agriculture, Manufacturing Industries, Transportation have attracted more investments such as our Trading, supply chain and procurement business in Tanzania, such project is very important especially in provision of back up services to various sectors of economy. That's why shareholders of **M/S APEX HOLDINGS (A) LIMITED** resolved to set up such Project to support other important sectors.

14. SWOT ANALYSIS

- **APEX HOLDINGS (A) LIMITED** has incorporated the SWOT Analysis. And Identified the Strengths, Weakness, Opportunities and Threats.

15. COMPETITION/MARKET

Despite having a number of Trading, Supply chain & Procurement project in Tanzania. The supply is not enough compared to the level of demand and quality.

However, the intended project will supply quality services suitable to the need of his clients - (Exploration, mining, agriculture and Manufacturing Industries). M/S APEX HOLDINGS (A) LIMITED intends to win the local and export market due to efficiency and quality products. The project ensures high quality, technology, best products, 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 high productivity, the management of the company will develop and implement additional strategies which will run our project smoothly

- Technology, Equipment from the Best Brand
- Advertisement/promotion,
- Employing qualified and experienced staffs,
- On job training,
- Discipline.

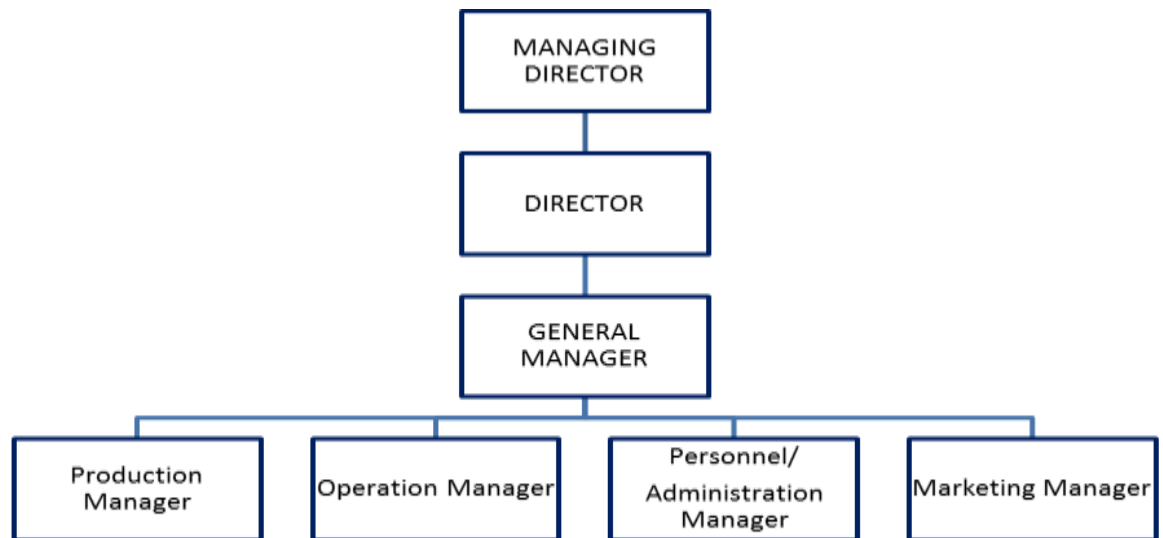
18. ENVIRONMENTAL ISSUE

The Trading, Supply Chain & procurement to exploration, mining, agriculture and Industries and the whole practice is environmentally friendly and will not cause any harm to people.

19. PROJECT MANAGEMENT

The overall management of the company is vested in the Board of Directors. Mr. Raj Suresh Pattni is the Managing Director of the Company; he is well versed in Industries operations. The other Director is Chandni Raj Pattni.

THE COMPANY'S ORGANIZATION CHART



20. MANPOWER AND TRANSFER OF TECHNOLOGY

This project being Provision of high class trading, Supply chain and procurement to exploration, mining, agriculture and industries by taking clients order, import and delivery of equipment to clients and in its establishment programme will

usher in the technology (Transfer of knowledge/technology) by using new system and Technology. The advantages to the country are quite significant, and will get the advantage of value addition due to such incoming technology.

The establishment of the intended project will be successful by provision of high class trading, supply chain and procurement to exploration, mining, agriculture and manufacturing industries and will cause more people to be employed and about 50 local people (Technicians) and 5 expatriates. These local 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 field of import, export, delivery, ordering goods etc.

21. CONCLUSION AND RECOMMENDATION

The financial evaluation of intended 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.

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 Project by importing equipment as per clients order and deliver to them so that the project will be successful.

22. FINANCIAL AND ECONOMIC ANALYSIS

22.1 Projected Profit and Loss Account

The company envisages generating a profit of USD \$ 340,000 this operating year. The profit amount is expected to steadily rise to USD \$ 345,000 in year two, USD \$ 350,000 in year three and USD \$ 355,000 in year four. 5TH YEAR - 360,000

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.

22.3 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.

23. 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 APEX HOLDINGS (A) LIMITED**

23.1 Effect of cost increase on profitability (on the basis of year II **PACKAGING MATERIALS INCOME** in "....." USD \$)

Income	Costs	Increase	Profit before depreciation
945,000	600,000	%	345,000
945,000	630,000	5%	315,000
945,000	660,000	10%	285,000

23.2 Effect of **PACKAGING MATERIALS INCOME** decrease/drop on profitability (on the basis of year II costs in “.....” USD \$)

Income	Income Decrease	Cost	Profit before depreciation
945,000	%	600,000	345,000
897,750	5%	600,000	297,750
850,500	10%	600,000	250,500

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 APEX HOLDINGS (A) LIMITED

PROJECTED INCOME STATEMENT

(Fig. USD \$ '000')

Income	Years				
	I	II	III	IV	V
Sales Income	910.0	945.0	980.0	1,015.0	1,050.0
Total Income	910.0	945.0	980.0	1,015.0	1,050.0
Utilities	200.0	200.0	200.0	200.0	200.0
Salaries and wages	100.0	100.0	100.0	100.0	100.0
Transportation/fuel	70.0	80.0	90.0	100.0	110.0
Administrative Expenses	150.0	160.0	170.0	180.0	190.0
Other Expenses	50.0	60.0	70.0	80.0	90.0
Total Expenditure	570.0	600.0	630.0	660.0	690.0
Net Profit (pre tax and depreciation)	340.0	345.0	350.0	355.0	360.0

Appendix II

M/S APEX HOLDINGS (A) LIMITED

PROJECTED CASHFLOW STATEMENT

(Fig. USD \$ '000')

Year	I	II	III	IV	V	TOTAL
Cash inflow						
Income from operation	340.0	345.0	350.0	355.0	360.0	1750.0
	340.0	345.0	350.0	355.0	360.0	1750.0
Cash outflow						
Interest payments	50.0	40.0	30.0	20.0	10.0	150.0
Loan re-payment	100.0	100.0	100.0	100.0	100.0	500.0
Wear & tear	10.0	12.0	14.0	16.0	18.0	70.0
Taxes	10.0	11.0	12.0	13.0	14.0	60.0
	170.0	163.0	156.0	149.0	142.0	780.0
Surplus cash generated	170.0	182.0	194.0	206.0	218.0	970.0

M/S APEX HOLDINGS (A) LIMITED

PROJECTED LONG TERM LOAN REPAYMENT

(Fig. in USD \$ '000')

	Repayment			
Year	Principal	Interest	Total	Amount
O				500.0
I	100.0	50.0	150.0	400.0
II	100.0	40.0	140.0	300.0
III	100.0	30.0	130.0	200.0
IV	100.0	20.0	120.0	100.0
V	100.0	10.0	110.0	0.0

Appendix 1V

M/S APEX HOLDINGS (A) 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
2.	Long term Loan	150.0	140.0	130.0	120.0	110.0
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
		550.0	640.0	780.0	820.0	960.0
	Application of funds					
1.	Fixed Assets	400.0	400.0	400.0	400.0	400.0
2.	Current Assets	150.0	240.0	380.0	420.0	560.0
		550.0	640.0	780.0	820.0	960.0

