

MANSOOR INDUSTRIES LIMITED BUSINESS PLAN FOR YEARLY INVESTMENT OF 150 TRUCKS AND TRAILERS PER YEAR FOR THE NEXT THREE YEARS

1. Executive Summary

Mansoor Industries Limited, the second-largest Oil Marketing Company in Tanzania, is seeking to expand its fuel distribution operations to meet the growing demand in Zambia and the Democratic Republic of Congo (DRC). Due to limited fleet capacity, the company is currently unable to fully satisfy the demand in these markets. This business plan outlines the strategy to scale up operations by adding 150 trucks annually over the next three years, ensuring a reliable fuel supply, increasing revenue, and creating employment opportunities.

2. Company Overview

Mansoor Industries Limited specializes in importing and supplying bulk fuel across Tanzania and has recently expanded into Zambia and DRC. The company generates revenue through fuel sales and transportation services, providing essential logistics for fuel distribution in the region.

3. Market Analysis

Zambia:

- **Current demand:** 15,000,000 liters
- **Current transportation supply:** 3.5 million liters
- **Deficit:** 11.5 million liters
- **Transport Pricing per Liter:** \$0.13

DRC:

- **Current demand:** 15,000,000 liters
- **Current transportation supply:** 740,000 liters
- **Deficit:** 14.26 million liters
- **Transport Pricing per Liter:** \$0.23

Revenue Calculation (based on full demand supply):

- **Zambia:** 15,000,000 liters × \$0.13 = \$1,950,000 per month
- **DRC:** 15,000,000 liters × \$0.23 = \$3,450,000 per month
- **Total Monthly potential revenue:** \$5,400,000 per month

4. Expansion Strategy

To bridge the supply gap and capture a larger market share, Mansoor Industries Limited plans to:

- Acquire 150 additional trucks annually for the next three years.
- Increase fuel distribution capacity in Zambia and DRC.
- Optimize logistics and fuel transportation routes to maximize efficiency.
- Secure duty exemptions to reduce costs and improve profitability.

5. Financial Requirements and Cost Analysis

Sources of Finance:

- **20% of investment costs** will be funded from **cash flows generated from the transport and fuel sector within the organization.**
- **80% of investment costs** will be financed through a **365-day Letter of Credit (LC)**, which will be converted into a **term loan** payable in monthly installments at an **11% interest rate per annum.**

Truck Acquisition Costs:

- Each truck costs approximately: \$35,000
- Import Taxes (10% duty and VAT): \$11,000
- Total cost per truck: \$46,000
- Working Capital: \$1 million to start
- Annual Fleet Expansion Cost (150 trucks): \$7.9 million per year (\$6.9m+\$1m)
- Three-year investment: \$20.7 million

6. Financial Projections

Revenue Increase Potential from Additional Trucks

Zambia Capacity per Month:

- New trucks added: 50
- Total trucks after expansion: 115
- Each truck carries: 38,000 liters per trip
- Trips per month: 3
- Total transport capacity: $115 \times 38,000 \times 3 = 13,110,000$ liters
- Estimated additional revenue: $13,110,000 \times \$0.13 = \$1,704,300$

DRC Capacity per Month:

- New trucks added: 100
- Total trucks after expansion: 112
- Each truck carries: 38,000 liters per trip
- Trips per month: 2
- Total transport capacity: $112 \times 38,000 \times 2 = 8,512,000$ liters
- Estimated additional revenue: $8,512,000 \times \$0.23 = \$1,958,760$

Total Additional Revenue:

\$3,663,060 per month (\$43.96 million per year)

Projected Gross Profit Margin:

- Estimated at 7.5% net margin on transport costs
- Monthly net profit: **\$274,729**
- Annual net profit: **\$3.29 million**

7. Loan Repayment Schedule

- LC Issuance Charges: 1% per annum on the 80% financed amount
- Loan repayment starts after LC matures (March 1, 2026)
- Loan term: 3 years with an 11% annual interest rate
- Loan payment schedule attached

8. Job Creation

The expansion will lead to substantial job creation:

- Drivers: 1 per truck (150 new drivers for 150 trucks)
- Mechanics: 1 per 15 trucks (10 mechanics)
- Skilled Personnel:
 - 2 new accountants
 - 2 new garage managers
 - 3 new tracking personnel

- 2 logistics & route planners

9. Rationale for Bank Financing

The company is financially healthy and profitable. However, due to **rapid growth**, funds are being prioritized towards fuel stocks. The purchase of new trucks is essential to facilitate and **increase sales volumes** while ensuring continuity in business operations.

10. Investment Focus

This investment primarily serves to **transfer transit fuel to Congo and Zambia**. The contracts in these regions are **denominated in foreign currency**, providing access to forex, which is crucial for procuring fuel amidst forex shortages in the country.

11. Marketing Strategy

There is **no marketing plan required** as the current demand significantly exceeds supply. Fuel transportation has become a **basic necessity**, and the priority is to **fill existing supply gaps** before exploring new markets.

12. Capacity & Finance Cost Projections (3-Year Plan)

- **Total truck and trailer investment (3 years):** \$20.7 million
- **Total finance costs (LC & loan interest):** Calculated over three years based on 1% LC charges and 11% loan interest.
- **Financial projection of estimated revenues to be received attached**

13. Conclusion

Mansoor Industries Limited is positioned for substantial growth by expanding its fleet and optimizing fuel transport operations. With an effective financial structure and a solid demand base in Zambia and DRC, this expansion will drive long-term revenue growth and economic impact while securing foreign currency inflows essential for continued business sustainability. Bank financing for the truck purchases ensures a **balance between investment and operational liquidity**, facilitating seamless business expansion.

Prepared By:



FAARIS HABIB
HEAD OF FINANCE

TRUCKS				
Date	Monthly Payment	Principal Payment	Interest Payment	Remaining Balance
3/31/2026	\$ 180,717.72	\$ 130,117.72	\$ 50,600.00	\$ 5,389,882.28
4/30/2026	\$ 180,717.72	\$ 131,310.46	\$ 49,407.25	\$ 5,258,571.82
5/31/2026	\$ 180,717.72	\$ 132,514.14	\$ 48,203.57	\$ 5,126,057.67
6/30/2026	\$ 180,717.72	\$ 133,728.86	\$ 46,988.86	\$ 4,992,328.82
7/31/2026	\$ 180,717.72	\$ 134,954.70	\$ 45,763.01	\$ 4,857,374.11
8/31/2026	\$ 180,717.72	\$ 136,191.79	\$ 44,525.93	\$ 4,721,182.32
9/30/2026	\$ 180,717.72	\$ 137,440.21	\$ 43,277.50	\$ 4,583,742.11
10/31/2026	\$ 180,717.72	\$ 138,700.08	\$ 42,017.64	\$ 4,445,042.03
11/30/2026	\$ 180,717.72	\$ 139,971.50	\$ 40,746.22	\$ 4,305,070.53
12/31/2026	\$ 180,717.72	\$ 141,254.57	\$ 39,463.15	\$ 4,163,815.96
1/31/2027	\$ 180,717.72	\$ 142,549.41	\$ 38,168.31	\$ 4,021,266.55
2/28/2027	\$ 180,717.72	\$ 143,856.11	\$ 36,861.61	\$ 3,877,410.44
3/31/2027	\$ 180,717.72	\$ 145,174.79	\$ 35,542.93	\$ 3,732,235.65
4/30/2027	\$ 180,717.72	\$ 146,505.56	\$ 34,212.16	\$ 3,585,730.09
5/31/2027	\$ 180,717.72	\$ 147,848.53	\$ 32,869.19	\$ 3,437,881.57
6/30/2027	\$ 180,717.72	\$ 149,203.80	\$ 31,513.91	\$ 3,288,677.76
7/31/2027	\$ 180,717.72	\$ 150,571.51	\$ 30,146.21	\$ 3,138,106.26
8/31/2027	\$ 180,717.72	\$ 151,951.74	\$ 28,765.97	\$ 2,986,154.51
9/30/2027	\$ 180,717.72	\$ 153,344.64	\$ 27,373.08	\$ 2,832,809.88
10/31/2027	\$ 180,717.72	\$ 154,750.29	\$ 25,967.42	\$ 2,678,059.58
11/30/2027	\$ 180,717.72	\$ 156,168.84	\$ 24,548.88	\$ 2,521,890.74
12/31/2027	\$ 180,717.72	\$ 157,600.39	\$ 23,117.33	\$ 2,364,290.36
1/31/2028	\$ 180,717.72	\$ 159,045.06	\$ 21,672.66	\$ 2,205,245.30
2/29/2028	\$ 180,717.72	\$ 160,502.97	\$ 20,214.75	\$ 2,044,742.33
3/31/2028	\$ 180,717.72	\$ 161,974.25	\$ 18,743.47	\$ 1,882,768.08
4/30/2028	\$ 180,717.72	\$ 163,459.01	\$ 17,258.71	\$ 1,719,309.07
5/31/2028	\$ 180,717.72	\$ 164,957.39	\$ 15,760.33	\$ 1,554,351.69
6/30/2028	\$ 180,717.72	\$ 166,469.49	\$ 14,248.22	\$ 1,387,882.19
7/31/2028	\$ 180,717.72	\$ 167,995.47	\$ 12,722.25	\$ 1,219,886.73
8/31/2028	\$ 180,717.72	\$ 169,535.42	\$ 11,182.30	\$ 1,050,351.30
9/30/2028	\$ 180,717.72	\$ 171,089.50	\$ 9,628.22	\$ 879,261.81
10/31/2028	\$ 180,717.72	\$ 172,657.82	\$ 8,059.90	\$ 706,603.99
11/30/2028	\$ 180,717.72	\$ 174,240.52	\$ 6,477.20	\$ 532,363.47
12/31/2028	\$ 180,717.72	\$ 175,837.72	\$ 4,880.00	\$ 356,525.75
1/31/2029	\$ 180,717.72	\$ 177,449.57	\$ 3,268.15	\$ 179,076.19
2/28/2029	\$ 180,717.72	\$ 179,076.19	\$ 1,641.53	\$ 0.00