

K.V.D AND GENERAL SUPPLIES LIMITED

Business Plan

for

Establishment and Operating Wet and Dry Cargo

Transportation Project

PREPARED FOR

K.V.D AND GENERAL SUPPLIES LIMITED

1.0 Executive Summary

K.V.D AND GENERAL SUPPLIES LIMITED is a company registered in the country under the Companies Act, Cap. 212 (No. 12 of 2002) which is administered by the Business Registrations and Licensing Agency (BRELA)

The project involves establishing a professional petroleum logistics company operating 50 fuel tanker trucks for transportation of petrol, diesel, jet fuel, and other petroleum products across Tanzania and neighboring countries and 50 trucks for dry cargo

The company will provide:

- Bulk fuel haulage
- Cross-border petroleum transport
- Oil marketing company (OMC) logistics contracts
- Emergency fuel supply services
- Storage-to-station distribution
- Cement
- Fertilizer
- Containers
- Mining inputs
- Agricultural commodities
- Consumer goods

The company will operate along major corridors:

- Central Corridor (Dar–Dodoma–Mwanza–Rwanda/Burundi)
- Dar–Zambia corridor
- Dar–DRC corridor
- Tanga & Mtwara regional routes

Key logistics hubs include:

- Dar es Salaam Port
- Isaka Inland Container Depot
- Tunduma Border Post
- Rusumo Border Post

2.0 Business Description

2.1 Vision

To become a leading integrated transport and logistics service provider in East and Central Africa.

2.2 Mission

To deliver safe, reliable, and cost-efficient multimodal cargo transport services using a diversified fleet and digital fleet management.

2.3 Core services

- Fuel and liquid bulk transport

- Container transport
- General cargo transport
- Cross-border logistics
- Mining logistics
- Agricultural commodity haulage
- Contract fleet outsourcing

2.4 Company Ownership

K.V.D AND GENERAL SUPPLIES LIMITED is promoted by local investors who are very experienced in the industry

| Shareholder Name | % of ownership | Nationality |
|-------------------------|----------------|-------------|
| JOYCE STANLEY MBUYA | 45.45 | Tanzania |
| ANDREA STANLEY MBUYA | 27.27 | Tanzania |
| RAYMOND REVOCATUS MBUYA | 9.09 | Tanzania |
| HANS STANLEY MBUYA | 18.19 | Tanzania |

2.5 Project Location

The project head office will be located at Plot No. P50961 Mbezi Garage Salasala, Kinondoni District, Dar es Salaam Region

3.0 Industry Overview

The Tanzanian logistics sector is expanding due to:

- Port expansion and cargo growth
- Mining and construction boom
- Regional transit trade growth

- Industrialization agenda

Regulators include:

- Tanzania Ports Authority
- Surface and Marine Transport Regulatory Authority
- Energy and Water Utilities Regulatory Authority

4.0 Market Analysis

Target clients

- Oil marketing companies
- Cement manufacturers
- Fertilizer importers
- Mining companies
- FMCG distributors
- Container freight forwarders
- Government projects

4.1 Market demand drivers

- Transit cargo growth from Dar port
- Mining expansion in Tanzania & DRC
- Agricultural commercialization
- Infrastructure projects

5.0 Fleet Plan (100 trucks)

| Category | Units | Application |
|------------------|--------------|---------------------|
| Fuel tankers | 50 | Petroleum & liquids |
| Container trucks | 25 | Port containers |
| Flatbed trucks | 25 | Cement, steel |

6.0 Operations Plan

Head office

Dar es Salaam

Satellite yards

- Dodoma
- Mwanza
- Mbeya
- Kigoma

6.1 Operational flow

- Customer booking
- Dispatch allocation
- Cargo pickup
- GPS monitoring
- Delivery confirmation
- Billing

6.2 Technology

- Fleet management system
- Driver performance analytics
- Electronic delivery system
- Maintenance management system

6.3 Licensing & Compliance

- Transport business license
- EWURA permit (for wet cargo)
- Hazardous goods permit
- Cross-border permits
- Vehicle registration & insurance
- Driver professional certification

7.0 Organization Structure

- CEO
- Operations Director
- Fleet Manager
- Safety & Compliance Manager
- Commercial Manager
- Finance Manager
- Workshop Manager
- Dispatch team

Staff: 120 employees

8.0 Risk Analysis

8.1 Operational

- Road accidents
- Cargo theft
- Breakdown

- Driver shortages

8.2 Market

- Competition
- Freight rate pressure
- Border delays

8.3 Mitigation

- Telematics
- Insurance
- Driver retention programs
- Route diversification
- Preventive maintenance

9.0 Implementation Timeline

| Phase | Duration |
|------------------|-----------------|
| Financing | 3 months |
| Procurement | 5 months |
| Licensing | 2 months |
| Recruitment | 2 months |
| Pilot operations | 1 month |
| Full operation | Month 10 |

10.0 Project Financing

The company has estimated that the project will be financed by long term loan amounting to US\$5,000,000 with interest rate of 9% repaid within 5 years and remaining US\$1,635,000 will be shareholders contribution and cashflows generated from business.

10.1 Project Cost

The project has budgeted to cost the followings:

| | |
|-----------------------|------------------|
| Land and Buildings | 500,000 |
| Machinery & Equipment | 600,000 |
| Motor Vehicles | 4,500,000 |
| Furniture & Fixtures | 15,000 |
| Pre exp | 5,000 |
| Others | 15,000 |
| Working Capital | 1,000,000 |
| TOTAL | 6,635,000 |

10.2 Project Operating Cost

The company has estimated that the project operating cost and other cost to be 70% of the total annual revenue.

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| 4,480,000 | 4,704,000 | 4,939,200 | 5,186,160 | 5,445,468 | 5,717,741 | 6,003,628 | 6,303,810 |

10.3 Project Revenue

The company has estimated that the project revenue in first year to be US\$6,400,000 increasing by 5% annually.

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| 6,400,000 | 6,720,000 | 7,056,000 | 7,408,800 | 7,779,240 | 8,168,202 | 8,576,612 | 9,005,443 |

11.0 Financial Aspects for The Project

- **Projected Profit and Loss Statement**

The attached Appendix I shows the projected income for the 8years period. The position depicted is that the project earns profit throughout its life. Accumulated after tax profits grow from. **US\$ 701,750** in the 1st year to **US\$ 9,271,002** in the 8th year.

- **Projected Cash Flows**

The project's cash flows are shown in Appendix II. They depict a good liquid position right from the first year. Cash accumulation builds up from **US\$ 1,619,250** in the first year to **US\$14,361,002** at the end of 8th years of the project's operations.

- **Projected Balance Sheet**

The project's assets cash flows are shown in Appendix III. Owners' equity grows from **US\$1,635,000** in the first year to **US\$ 10,906,002** at the end of 8th years of the project's operations based

- **Payback Period**

Total investment is **US\$ 6,635,000** cash accumulation in 4th year **US\$ 6,731,808** which is more than the initial investment. The project payback Period is exactly within 4years. The project has a relatively short payback period.

- **Loan repayment**

Total investment loan is **US\$5,000,000** to be repaid within 5 years with interest of 9% annual.

12.0 Economic Aspects of The Projects

Besides the financial/monetary returns to the owners, there are other benefits to be derived for the whole country viz.

- **Employment Opportunities**

Employment and poverty reduction are among the major concern of the Central and the Local Government authorities. It is gratifying to note that the company, is going to provide additional employment to 120 people. This is a significant contribution coming from investors.

- **Revenue to the Government**

The Project is expected to pay a substantial annual amount in the form of corporation tax and other taxes

- **Foreign Exchange Earning**

Project is planning to export to neighbouring countries the project will thus earn foreign currency for the United Republic of Tanzania.

13.0 Conclusion

- The project is profitable and contributes to government revenue by way of taxes.
- The project provides employment to 120 people.
- The project is an encouraging sign to prove that we have good business environments and we have investors who have confidence in their country. Tanzania so much so that they are ready to invest such large sums of investment despite the odds of the sector in question.

14.0 Recommendation

After the foregoing economic and financial evaluation of the project, we strongly recommend that this project be implemented and be given all the support required by all the concerned Government Ministries and Agencies, including the Tanzania Revenue Authority, TRA and the TISEZA. The project deserves this support because of its viability, since it is technical feasible, economically viable and socially acceptable.

APPENDIX I

K.V.D AND GENERAL SUPPLIES LIMITED PROFIT AND LOSS STATEMENT US\$

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|--------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Revenue | 6,400,000 | 6,720,000 | 7,056,000 | 7,408,800 | 7,779,240 | 8,168,202 | 8,576,612 | 9,005,443 |
| Total Cost | 4,480,000 | 4,704,000 | 4,939,200 | 5,186,160 | 5,445,468 | 5,717,741 | 6,003,628 | 6,303,810 |
| Profit before Depreciation &Interest | 1,920,000 | 2,016,000 | 2,116,800 | 2,222,640 | 2,333,772 | 2,450,461 | 2,572,984 | 2,701,633 |
| Interest | 450,000 | 360,000 | 270,000 | 180,000 | 90,000 | - | - | - |
| Depreciation | 467,500 | 467,500 | 467,500 | 467,500 | 467,500 | 467,500 | 467,500 | 467,500 |
| Gross Profit | 1,002,500 | 1,188,500 | 1,379,300 | 1,575,140 | 1,776,272 | 1,982,961 | 2,105,484 | 2,234,133 |
| Tax (30%) | 300,750 | 356,550 | 413,790 | 472,542 | 532,882 | 594,888 | 631,645 | 670,240 |
| Profit After Tax | 701,750 | 831,950 | 965,510 | 1,102,598 | 1,243,390 | 1,388,072 | 1,473,839 | 1,563,893 |
| Accumulated Profit | 701,750 | 1,533,700 | 2,499,210 | 3,601,808 | 4,845,198 | 6,233,271 | 7,707,109 | 9,271,002 |

K.V.D AND GENERAL SUPPLIES LIMITED PROJECTED CASH FLOWS US\$

| SOURCES: | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|---|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------|------------|
| Profit before interest and depreciation | - | 1,920,000 | 2,016,000 | 2,116,800 | 2,222,640 | 2,333,772 | 2,450,461 | 2,572,984 | 2,701,633 |
| Equity | 1,635,000 | | | | | | | | |
| Loan | 5,000,000 | | | | | | | | |
| Total Sources | 6,635,000 | 1,920,000 | 2,016,000 | 2,116,800 | 2,222,640 | 2,333,772 | 2,450,461 | 2,572,984 | 2,701,633 |
| Applications: | | | | | | | | | |
| Capital expenditure | 5,615,000 | - | - | - | - | - | | | |
| working Capital &Others | 1,020,000 | | | | | | | | |
| Cash | - | 1,619,250 | 1,659,450 | 1,703,010 | 1,750,098 | 1,800,890 | 1,855,572 | 1,941,339 | 2,031,393 |
| Tax | - | 300,750 | 356,550 | 413,790 | 472,542 | 532,882 | 594,888 | 631,645 | 670,240 |
| Sub total | 6,635,000 | 1,920,000 | 2,016,000 | 2,116,800 | 2,222,640 | 2,333,772 | 2,450,461 | 2,572,984 | 2,701,633 |
| Total applications | 6,635,000 | 1,920,000 | 2,016,000 | 2,116,800 | 2,222,640 | 2,333,772 | 2,450,461 | 2,572,984 | 2,701,633 |
| Accumulated cash | | 1,619,250 | 3,278,700 | 4,981,710 | 6,731,808 | 8,532,698 | 10,388,271 | 12,329,609 | 14,361,002 |

DARSH INDUSTRIES LIMITED PROJECTED BALANCE SHEET US\$

| Fixed Assets | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|------------------------|-----------|-----------|-----------|------------|------------|------------|------------|------------|-------------------|
| Opening balance | - | 5,615,000 | 5,147,500 | 4,680,000 | 4,212,500 | 3,745,000 | 3,277,500 | 2,810,000 | 2,342,500 |
| Total Long-term Assets | - | 5,615,000 | 5,147,500 | 4,680,000 | 4,212,500 | 3,745,000 | 3,277,500 | 2,810,000 | 2,342,500 |
| Less depreciation | - | 467,500 | 467,500 | 467,500 | 467,500 | 467,500 | 467,500 | 467,500 | 467,500 |
| Closing balance | - | 5,147,500 | 4,680,000 | 4,212,500 | 3,745,000 | 3,277,500 | 2,810,000 | 2,342,500 | 1,875,000 |
| Working capital | 1,020,000 | 1,020,000 | 1,020,000 | 1,020,000 | 1,020,000 | 1,020,000 | 1,020,000 | 1,020,000 | 1,020,000 |
| Accumulated cash | - | 1,619,250 | 3,278,700 | 4,981,710 | 6,731,808 | 8,532,698 | 10,388,271 | 12,329,609 | 14,361,002 |
| Total assets | 1,020,000 | 7,786,750 | 8,978,700 | 10,214,210 | 11,496,808 | 12,830,198 | | | |
| Financed by | | | | | | | | | |
| Equity | 1,635,000 | 1,635,000 | 1,635,000 | 1,635,000 | 1,635,000 | 1,635,000 | 1,635,000 | 1,635,000 | 1,635,000 |
| Accumulated profit | - | 701,750 | 1,533,700 | 2,499,210 | 3,601,808 | 4,845,198 | 6,233,271 | 7,707,109 | 9,271,002 |
| Total equity | 1,635,000 | 2,336,750 | 3,168,700 | 4,134,210 | 5,236,808 | 6,480,198 | 7,868,271 | 9,342,109 | 10,906,002 |
| Long term loan | 5,000,000 | 4,000,000 | 3,000,000 | 2,000,000 | 1,000,000 | - | - | - | - |
| Total debts | 5,000,000 | 4,000,000 | 3,000,000 | 2,000,000 | 1,000,000 | - | | | |
| Total equity and debts | 6,635,000 | 6,336,750 | 6,168,700 | 6,134,210 | 6,236,808 | 6,480,198 | 7,868,271 | 9,342,109 | 10,906,002 |

APPENDIX IV

K.V.D AND GENERAL SUPPLIES LIMITED DEPRECIATION SCHEDULE US\$

| NAME OF ASSETS | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Land And Buildings | 500,000 | 490,000 | 480,000 | 470,000 | 460,000 | 450,000 | 440,000 | 430,000 |
| Machinery, Tools & Equipment | 600,000 | 594,000 | 588,000 | 582,000 | 576,000 | 570,000 | 564,000 | 558,000 |
| Motor Vehicles | 4,500,000 | 4,050,000 | 3,600,000 | 3,150,000 | 2,700,000 | 2,250,000 | 1,800,000 | 1,350,000 |
| Furniture & Fixtures | 15,000 | 13,500 | 12,000 | 10,500 | 9,000 | 7,500 | 6,000 | 4,500 |
| Total | 5,615,000 | 5,147,500 | 4,680,000 | 4,212,500 | 3,745,000 | 3,277,500 | 2,810,000 | 2,342,500 |
| DEPRECIATION | 160000 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| Land and buildings | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| Machinery tools & Equipment | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 |
| Motor Vehicles | 450,000 | 450,000 | 450,000 | 450,000 | 450,000 | 450,000 | 450,000 | 450,000 |
| Furniture & Fixtures | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 |
| ANNUAL DEPRECIATION | 467,500 | 467,500 | 467,500 | 467,500 | 467,500 | 467,500 | 467,500 | 467,500 |

K.V.D AND GENERAL SUPPLIES LIMITED PROJECTED LONG TERM LOAN REPAYMENT

| Year | Principle | Loan Interest (9%) | Total Amount Paid | Loan Balance |
|------|-----------|--------------------|-------------------|--------------|
| 1 | 1,000,000 | 450,000.00 | 1,450,000.00 | 5,000,000.00 |
| 2 | 1,000,000 | 360,000.00 | 1,360,000.00 | 4,000,000.00 |
| 3 | 1,000,000 | 270,000.00 | 1,270,000.00 | 3,000,000.00 |
| 4 | 1,000,000 | 180,000.00 | 1,180,000.00 | 2,000,000.00 |
| 5 | 1,000,000 | 90,000.00 | 1,090,000.00 | 1,000,000.00 |

