

BUSINESS PLAN PREPARED FOR

RUVUMA COAL LIMITED

FOR

COMPREHENSIVE TRANSPORTATION

RUVUMA COAL LIMITED

This is a resident company incorporated under the Companies Act 2002 in 21ST JULY, 2016 with registration Number: 128019. The said company is located at MKESO SUBURB, PARADISO VILLAGE, RUANDA WARD MBINGA DISTRICT, RUVUMA REGION but the company has a branch at PLOT NO.2/3/4 KEKO MWANGA A TEMEKE DAR ES SALAAM.

The Company mainly objective being Freight of goods by road for both local and transit also it deals with mining.

OUR VISION

To become the largest transporter of East and Central Africa for local and Transit business not only for Cement, coal and fuel industries but also for Dry cargo, Containers etc. The Company will consistently deliver convenience, quality services and add values that are **Teamwork, Reliability, and integrity & customer Satisfaction.**

OUR MISSION

To constantly exceed customer expectations by providing superior freight forwarding and global transportation solutions in a safe, efficient and cost effective manner without damaging the environment, to identify and enter new areas of business thereby expanding the company, to create a work environment where an employee can exceed his personal best in job performance and in customer service, to operate the group in a manner of continuous improvement thereby expanding market share in all its diversified businesses, to be oriented towards adaptation and to take advantage of windows of opportunity, to make a contribution to various communities as individuals and as a group and finally to succeed in business and to provide a sufficient return on investment to the stakeholders.

OUR VALUES

RUVUMA COAL LIMITED will maintain a high standard of efficiency in terms of service to clients, tracking systems with latest technology to ensure safety of Cargo, trained staff and drivers to drive and deliver cargo as per standards required internationally.

PLANNED ACTIVITIES DURING THE PROJECT

RUVUMA COAL LIMITED will be a member of Tanzania truck owners Association (TATOA). We are planning to import fleet of 200 trucks from United Kingdom, Germany, China and India and brands like Scania, Mercedes Benz and ShacMan for moving local and transit cargo and also, we are proposing to import 200 flat beds, 100 Tipper and 100 tankers into our fleet for moving Dry cargo. Each truck will be fitted with a tracking device, which makes tracking of trucks easier within and outside the borders.

With Flat beds, Tankers, Tippers and Cement trucks with capacity ranging from 20 tonnes to 25 tonnes the company will perform its operation in a smooth way and meet the targeted goals. The company's fleet will include reputed brands of vehicles such as Scania, Mercedes Benz and Sino Trucks. All these trucks will be acquired as brand new as well as used trucks to maintain the age of fleet.

In addition to trucks, the company will procure trailers for the trucks from reputed suppliers like Sino truck, AM Trailers, Bhachu Industries, Superdoll etc. These trucks will be regularly serviced by highly trained mechanics at or own garages with highly skilled engineers. And if there is a need, service of specialized mechanics from Scania and Chinese expatriates will be used for repairing/servicing of the trucks. Spares used for repairing the trucks will be from branded reputed suppliers or original supplier like Scania, Sino truck, TATA, Shark Man etc.

The Company has future plans to set up branches in Congo, Burundi and Zambia. In addition, it also plans to transport Cement, Coal, agricultural products and other dry cargo to and from Kenya, Uganda and Rwanda.

We have a highly skilled robust and proactive team ready to assist you in the following areas:-

- Local and Transit Bulk Cement Transportation
- LPG Transportation
- Dry Cargo
- Containers Transportation
- Logistics Support & Consultancy
- TIPPERS
- Road Transportation
- Mining, Cargo Handling, Cement & gas sector
- Cross border regional trucking-all over Eastern Africa Countries

- Inland Sea Freight Trucking
 - From DAR port to inland countries
 - From inland countries to DAR port
- Country specific or cross border
- Direct shipments
- Consolidation services – country specific or cross border
- Express road service
- On road-shipment Services
- Complete Inland Transit Solutions

PROJECT DESCRIPTION

Significant measures have been taken to liberalize the Tanzania economy so that to encourage private sector to take a lead in Tanzania economic growth; The Government of Tanzania embarked on adjustment program to give the private sector the leading role. It is in view of the above our Company came up with a proposal to develop a project for cargo transportation so as to support the industrialization policy of the Fifth Government.

MARKET STRATEGY

According to expert, personal selling is the most effective method for marketing, apart from personal selling the company will employ other strategies such as online marketing, sponsorship, international magazine etc.

PRICING

The pricing policy for the project will be based on the cost of services provided;

MONITORING AND EVALUATION

The Management has full commitment to ensuring good use of the resources and sustainable environment. Thus, the management philosophy is through business process, the company will strive to ensure compliance to standards and safety.

PROJECT INVESTMENT COST

The estimated capital investment cost for the all project is estimated to cost US \$4,850,000

RUVUMA COAL LIMITED

PARTICULAR	US\$
Land and Buildings	400,000.00
Vehicles	3,200,000.00
Insurance cover	100,000.00
Furniture, Machines and Equipment	100,000.00
Working Capital	1,000,000.00
TOTAL	4,850,000.00

FINANCING PATTERN

The project will be financed by equity US\$ 4,850,000.00 and project cash flows realized from business in various phases.

ASPECT OF PROJECT SUSTAINABILITY

The project sponsors having studied market conditions, the infrastructure in Tanzania and being in business for 2 years is convinced that the project will be able to operate undisturbed. The growing of industrial, trade, Agricultural sector and global mining economic activities gives them assurance of a steady market. The peace and tranquillity that exist in Tanzania is another aspect of assured business sustainability.

MONITORING AND EVALUATION

The monitoring and evaluation tools will be applied in running this project as well, the project sponsors are determined to cooperate fully with the government and other stakeholders for smooth business running.

FINANCIAL ANALYSIS

CONSIDERATIONS AND ASSUMPTIONS:

The corporate tax charged is 30% of the profits. Capital investment allowance is 50%. The capital assets are exempted from custom duty and Value Added Tax. The straight-line method to depreciate the project's capital items has been applied, it is assumed to be 5% annual depreciation.

It is assumed that the major building raw material will be procured from local market and other will be imported. Revenues have been conservatively estimated based on experience of the promoters and trends in the transportation industry. Five (5) years financial projections have been worked out.

PROJECT INVESTMENT FINANCING PLAN

RUVUMA COAL LIMITED owned by Tanzanian nationals is registered under the Company Act, whose main activities is transportation of dry cargo, will provide the equity to finance the project and the business operations as whole.

RUVUMA COAL LIMITED	USD
Equity	4,850,000.00
Foreign Loan	0.00
Local Loan	0.00

KEY HIGHLIGHTS AND INSIGHTS OF OUR COMPANY

- Planned to set up fleet size of 600 Vehicles includes top branded trucks like Iveco Stralis, Mercedes Benz Actros, Scania, SINO Truck, Mercedes Benz, Man and Shacman etc.
- Planned to Import 250 units of Shacman, Mercedes Benz, Actros, Iveco Stralis, Scania, HOWO and Dayun truck vehicles directly from United Kingdom, South Africa, Germany and China to deploy in Tanzania and other East African countries by Dec 2021.
- Importing 100 trucks into Tanzania by end of Dec-2021
- To Transport 60,000 tonnes of Cement, coal, fuel and other dry cargo in 2020 and to cover 5 million KMS of distance by road in servicing reputable clients

- Highly trained and Skilled Drivers and mechanics will be in place with the direct support from Vehicle manufacturers like Scania, IVECO and SINO truck
- To Invest USD 4,850,000.00 million in domestic market in next 5 years to increase the operating capacity.
- To become leading transporter in Tanzania by end of 2022
- To employ head count staff of by 250 end of 2021

PLANNED SERVICE MAJOR CUSTOMERS

- Simba Cement
- Lake Cement Limited
- Cement Importers Limited
- Lake Trans Limited
- MOGAS Limited
- Mt. Meru Limited
- Tanzania Portland Cement Company Limited
- Inland Container Depots
- Gulf Concrete Cement & Products Limited

VALUABLE SUPPLIERS WE RELY ON FOR OUR FLEET MAINTENANCE

- Scania Tanzania
- Superdoll Manufacturers
- Amana Scania
- Brakes Tanzania
- Supreme Tyres
- Gupta Auto spares
- Total Tanzania
- Associated Supplies etc.

CONTACT US

CORPORATE HEAD QUARTERS:	DAR ES SALAAM BRANCH	CONTACT PERSON:
RUVUMA COAL LIMITED. MKESO SUBURB, PARADISO VILLAGE, RUANDA WARD MBINGA DISTRICT, RUVUMA P. O. BOX 8648, DAR ES SALAAM, TANZANIA.	RUVUMACOAL LIMITED PLOT NO.2/3/4 P. O. BOX 8648, DAR ES SALAAM, TANZANIA.	ALI AFIF FAWAZ DIRECTOR RUVUMA COAL LIMITED +255754324872

CONTACT US

CORPORATE HEAD QUARTERS:		DAR ES SALAAM BRANCH	CONTACT PERSON:
RUVUMA LIMITED.	COAL	RUVUMACOAL LIMITED PLOT NO.2/3/4 P. O. BOX 8648, DAR ES SALAAM, TANZANIA.	ALI AFIF FAWAZ DIRECTOR RUVUMA COAL LIMITED +25578255254
MKESO PARADISO RUANDA MBINGA RUVUMA	SUBURB, VILLAGE, WARD DISTRICT,		
P. O. BOX 8648, DAR ES SALAAM, TANZANIA.			

Balance Sheet as at 31 st Decemb	2019 USD	2020 USD	2021 USD	2022 USD	2023 USD	2024 USD
ASSETS						
NON CURREN T ASSETS	4,250,000.00	3,478,000.00	2,350,600.00	1,670,240.00	1,458,325.00	1,143,003.80
Motor Vehicle						
Furniture's and Fittings						
Computer equipments						
CURRENT ASSETS						
Net Non-current Assets	180,000.00	400,000.00	400,000.00	400,000.00	400,000.00	400,000.00
CURRENT ASSETS	400,000.00					
Net Non-current Assets	4,750,000.00	3,175,000.00	2,674,600.00	2,7543,700.00	1,895,892.00	1,763,323.70

Bank	2,430,00 0.00	6,543,00 0.00	8,564,67 0.00	14,072,6 74.00	19,325,7 50.00	29,763,3 00.50
Stock	-	-	-	-	-	-
Net Current Assets	2,670,00 0.00	4,754,00 0.00	7,743,76 0.00	14,053,6 2.00	19,321,9 70.00	29,763,2 00.70
TOTAL ASSETS	7,175,0 00.00	9,525,0 00.00	11,978,4 80.00	13,164,1 13.00	18,970,7 52.00	28,165,6 43.40
LIABILIT IES						
Equity Capital	7,870,00 0.00	6,180,00 0.00	8,666,00 0.00	9,993,48 0,00	14,980,1 14.00	19,767,7 52.00
Add: Net Profit/Surplus	320,000. 00	1,536,00 0.00	2,543,48 0.00	4,783,74 2.00	6,726,74 0.00	10,097,8 53.30
Net Equity	7,263,0 00.00	8,773,0 00.00	10,736,7 30.00	15,737,5 42.00	19,856,7 84.00	25,753,6 74.70
LIABILIT IES						
Net Liabilities	-	63,000.0 0	98,000.0 0	133,000. 00	325,000. 00	462,000. 00
TOTAL EQUITY AND LIABILIT IES	6,734,0 00.00	8,762,0 00.00	11,863,4 80.00	13,621,1 11.00	19,870,6 72.00	29,543,8 76.50

Projected Cash flow Statement	2020 USD	2021 USD	2022 USD	2023 USD	2024 USD	2025 USD
Operating	222,000 .00	1,467,0 00.00	2,864,7 50.00	4,346,54 3.00	5,755,640 .00	11,073,6 31.40

activities						
Profit Before Tax						
Current year Tax paid	43,000.00	32,000.00	54,000.00	63,000.00	76,000.00	88,000.00
Adjustment for:						
Depreciation	890,000.00	807,000.00	621,100.00	460,570.00	430,542.00	534,524.50
Increase)/Decrease) in Accounts Receivables	-	-	-	-	-	-
Increase)/(Decrease) in creditors and accruals	-	-	-	-	-	-
Net cash generated/(utilized)in operations	1,143,000.00	2,241,000.00	3,110,680.00	4,154,192.00	732,362,073.00	10,528,210.70
Investing activities						
(Additions)/Disposals of non-current assets	-	-	-	-	-	-
Net cash generated/(utilized) in investing activities	-	-	-	-	-	-
Financing Activities:						
Net cash generated/(utilized) by financing activities	-	-	-	-	-	-
Net increase/(decrease) in cash and equivalents	1,530,000.00	3,142,000.00	4,251,680.00	6,216,192.00	7,42,033.00	11,581,120.60

Cash and cash equivalents						
At the beginning of the year	1,420,000.00	3,420,000.00	5,632,000.00	8,524,740.00	13,051,522.00	19,63,980.00
At the end of the year Represented By:	2,520,000.00	5,421,000.00	7,521,420.00	13,054,832.00	19,314,650.00	28,763,300.90
Cash in Hand	-	-	-	-	-	-
Cash at Bank	3,530,000.00	4,542,000.00	7,742,680.00	13,632,872.00	19,341,860.00	28,732,100.80
Total	2,431,000.00	5,572,000.00	8,764,680.00	13,053,872.00	19,351,870.00	28,753,100.90

Summary of Key Projected Outputs

Table 1 – Ratio Analysis

Ratio Analysis	Year 1	Year 2	Year 3	Year 4	Year 5
PORTFOLIO QUALITY					
Portfolio at Risk > 60 days	3.9%	4.1%	5.0%	4.7%	4.9%
Credit Loss Reserve Ratio	3.0%	3.1%	4.3%	4.5%	4.5%
Credit Write-off Ratio	0.5%	1.4%	1.2%	1.8%	1.5%
PROFITABILITY					
Operational Sustainability *	147%	197%	225%	250%	330%
Financial Sustainability *	127%	162%	170%	180%	213%
Adj. Pre-tax Return on Performing Assets *	8.4%	16.6%	17.1%	17.2%	21.7%

Adj. Pre-tax Return on Equity (AROE) *	29.3%	43.4%	38.8%	32.3%	32.2%
Growth in Outreach	15%	35%	45%	65%	75%
Equity Multiplier *	2.54	2.12	1.99	1.68	1.37
Quick Ratio	2.9	2.4	3.0	3.1	5.0
EFFICIENCY &PRODUCTIVITY					
Yield on Portfolio (annualized) *	59.7%	60.0%	62.0%	60.0%	60.0%
Operating Cost Ratio *	25.0%	17.8%	16.7%	13.5%	11.3%
Average cost of debt (annualized)	0	0	0	0	0
Overhead percentage *	77.4%	78,1%	68.2%	67%	65.4%
Credit officer as % of total staff' *	37%	40%	57%	60%	63%
Program Other Op Costs / Portfolio	0.0%	0.0%	0.0%	0.0%	0.0%
Net FA per branch/ program staff person	0	0	0	0	0
Admin-level Other Op Exp / Portfolio	11.0%	8.3%	7.0%	5.9%	5.0%
Net fixed assets / Admin staff (Tsh."000,")	0	0	0	0	300,000
Growth and Outreach	20%	25%	28%	35%	65%
Selling					
Total sales Portfolio * (Tsh."000")	550,550	727,720	938,438	1,268,768	1,912,911

Overall growth in portfolio	34.7%	64.2%	39.0%	31.0%	27.9%
Overall growth in sales	21.9%	26.0%	17.4%	18.9%	17.5%
Client dropout rate	14%	19%	19%	19%	19%