

PREPARED BY:

PROJECT MANAGER

Business Development Manager

[SEBDO INVESTMENT LIMITED]

[P.O.BOX 1226,DAR-ES-SALAAM TANZANIA]

Cell:[+2557799999900] WhatsApp

[+255777999907]

E: Salah@sebdogt.com | W: www.sebdogt.com



BUSINESS PLAN

BUSINESS PLAN OF LOGESTIC AND TRANSPORT PROJECT IN TANZANIA

To Tanzania investment center seeking investment in centavos and reliefs



Author:
LUCAS M'D...

April 2022

1. INTRODUCTION

1.1 PREAMBLE

Ms. SEBDO Investment Ltd, a newly locally established private company intending to establish a fully-fledged logistics and cargo transportation. The company is incorporated under Companies Act 2002 with certificate of incorporation no. **154980180** of 4th February 2022.

The cargo transportation is vital and will facilitate in strengthening itself in the trading, exporting and mining of Coal from Songea and other minerals in Tanzania through ports such Mtwara, Dar Es Salaam and Tanga. To be able to do this business efficiently, the company has decided to substantially invest in logistics, Fuel and cargo Transportation network business sector by making significant revamp of the business in the following areas:

- Construct the new 10 retail stations in Dar Es Salaam, Songea and Mtwara within 2 years. The extension of the business is intended for the filling of the own company trucks as well as selling to others.
- Build 2 modern truck yard and garages, one in Songea and the other in Mtwara to provide services for the company trucks for efficient and smooth operations.
- Grow the Oil and Transport affiliate to cover all the deliveries to the newly constructed petrol stations

The Business Plan hereby presented is somewhat **unique** for various reasons:

- i) On one hand, profit ability is its guiding principle.
- ii) On the other, SEBDO is a Private Productive Enterprise (regulated prices, supply guarantee, will be one of the largest tax contributor; its deficit consolidates with the public sector, labor flexibility, among others).
- iii) This plan is to be implemented, significant and tangible progress has been achieved in this study.

The company will use all instruments and flexibility available from the Mining and Transport Sector:-

- Focus on strategic activities
- Alliances and joint ventures

- Operational efficiency and effectiveness

This report provides a techno-economic evaluation of the project so as to enable the company to secure investment relief and concessions facilities from Tanzania Investment Centre in the form of capital and

operational financial support. The draft investment to be implemented in the next five years will be as follows:

S/No.	Description	Total Costs (\$)
1	Land acquisition	243,478
2	Office block,, grage, parking yard	4,552,174
3	4 Fuiel Strations	3,006,087
4	Machinery, tools & Equipments	1,044,261
5	Motor Vehicle	5,139,130
6	Furniture & Fittings	221,830
7	Pre operational expenses	1,202,065
	Total	15,095,548

The business plan attempts to achieve the following objectives:

- The business aims at providing proposals on how retail/filling stations (Fuel) together with truck transportation will support the export of their coal business.
- The business aims at providing proposals on how the solid cargoes and liquid cargoes business is profitable to Ms. SEBDO Investment and financiers / investors.
- To provide key indicators in the proposal such as creation of revenue earning capacity which will cover all costs, better servicing of the invested funds and contribute to the company profit.

- (iv) To review the company's technical and market potential so as to match new products and working capital requirements with the type of management team.
- (v) To estimate the required levels of investing funds, other costs and input for proper investment decision.
- (vi) To provide a forum through which the company can negotiate with financiers / investors for funding.
- (vii) Inform society of SEBDO 's role in the Energy Reform
- (viii) Brief investors on SEBDO's current financial situation and outlook.
- (ix) Show potential partners / financiers areas of opportunity to invest in SEBDO
- (x) Inform SEBDO's workers of its vision and the path it will follow in the years to come.

1.1.1 Vision:

Provide the highest quality fuel / transport for the company and to our customers while managing the Oil and Transport market in the most economical and fiscally responsible manner possible.

1.1.2 Mission Statement

SEBDO will be the innovative leader in the Oil and Cargo Transport industry. Using the concept of continuous improvement, we accept the

challenge of providing our regional customers with Oil and Transport/ gas to enhance their quality of life; being stewards over the most vital of all natural resources; and empowering our employees to meet our customer needs by providing the fuel / transport in Tanzania in an efficient and cost effective manner.

1.2 Sponsors

Ms. SEBDO Investment, a private limited liability company incorporated in Tanzania will be sponsoring this business. The company is owned by among others Mr. Abdou Hashim Ali and two companies.

1.3 Legal Status And Mandates:

- 2 Ms.SEBD0 Investment is a private company limited company by shares incorporated in Tanzania.
- 3 The authorized share capital of the company is Tanzanian Shillings One Billion (Tshs.1, 000, 000,000/=) divided into 100 shares of shillings
- 4 10,000,000/= each of which the paid up share capital is Tanzanian shillings One hundred fifty million (Tshs. 1,000,000,000/=)

Name of shareholder	Number of shares	Percentage
Abdou Hashim Ali	9	9%
Capacita General Trading LLC	51	51%
SEBDO General Trading LLC Dubai UAE	40	41%
Total	100	100%

4.1 Oil and Transport Industry Trends

As with much of the retail sector, the retail Oil and Transport / gas industry has undergone some major changes over the past 30 years in Tanzania. Some factors that affect Oil and Transport / gas stations are:

- Increased/longer operating hours
- Strategic location adjacent to factories / supermarkets/malls
- Increased numbers of fuel stations / transport in urban centers
- Shifts in customer demand for more products and services (e.g.

ATM machines etc.)

Independent and corporate fuel / truck transport have met with these demands and the result is increased competition. The competition is most intense in cities and larger towns. An independent fuel /truck transport can still be a profitable in a smaller, rural and less competitive setting. For SEBDO it is different all together, the fleet of trucks is mostly for the own use.

As mentioned previously, despite huge sales volumes, margins are so thin that the majority of all filling stations depend on non-fuel products such as snack foods to increase revenues and margins.

4.2 Project Concept & Description

The company's main business as per this study is buying and selling / exporting of Coal from Songea to various clients overseas mostly middle east. The company will build a number of filling stations scattered in different areas of Songea and Mtwara etc.

The company will be growing profitably over the years and will build a strong customer base for both retail and wholesale customers locally and overseas. It is the presence of local and international transporters, construction companies, mining companies and manufacturing business that constitute its customer base.

The management considered this as an opportunity for growth of its business. Own simple research has revealed that local and international transporters need a special type of petrol station where trucks will be parked for refueling, minor and major maintenance, servicing, lubrication and a recreation center for drivers and their mechanics. This has not been done before in Tanzania.

Furthermore, the mining, construction and manufacturing industries are major consumers of not only diesel and petrol but also Heavy Fuel Oil and Transport(HFO) and lubricants.

The company has obtained all necessary statutory documents to carry out the above named business. These include company's certificate of registration, Business license allowing the company to trade in Oil and Transport products such as diesel, petrol, kerosene and lubricants and pays tax under TIN certificate number.

The company will be dealing among other duties in stimulating and developing economic undertakings in Tanzania and neighboring countries by increasing its distribution networks.

More specifically, Ms. SEBDO Investment focuses on the following Activities:

- Continue with filling stations (Fuel) / truck transport business but at increased number of filling stations from two petrol stations to three stations and more in the future.
- Continue providing solid and liquid transportation services to various clients in Songea, Mtwara, upcountry regions and neighbouring countries.
- Introduce the HFO and automotive & industrial lubricants business to mining, construction and manufacturing sectors.
- To contribute to the welfare of the people in areas where SEBDO wants to invest in. These include supporting the education, health care, sports and environmental protection.
- Improve life standard of people who are employed by the company as Sales engineer for both fuel and lubricant to the transport and industrial sector customers. Manager, Accountant, drivers, Mechanics, selling officers or pump attendants and watchmen by way of salaries and wages paid to them.
- Improve the life standard of Tanzanians at large as a result of various taxes paid to the government.

At a meeting of Board of Directors a resolution was unanimously passed to finalize arrangements for the additional investment financing to the tune of TShs.69.0 billion equivalent to USD30 million at an exchange rate of USD 1 = TZS 2,300/ from prospective financier.

1.5.1 Truck Transport Description

SEBDO intends to differentiate itself from the competition by taking

advantage of lack of Transport dedicated service centers for trucks doing long and short haul transport within Tanzania and those travelling across the borders to neighboring countries.

The SEBDO Transport network will be represented in two main categories, namely the long haul and the short haul. SEBDO, as an experienced player in the Oil and Transport market and the Commercial Road Transport market from its directors, recognizes that the needs of these two driver categories differ tremendously. SEBDO Commercial Road Transport Solution will therefore enhance its on road offer to demonstrate trucks owners and drivers that they are not alone on the road.

The core offer will include:

- Strategic network throughout Tanzania and neighboring countries
- Diesel, with assured quality backed by SEBDO Oil and Transport management of the imports sources
- High-speed re-fueling
- 24-hour re-fueling
- Ample truck parking
- Full range of transport trucks lubricants to protect trucks engine, axles and gearbox. SEBDO plans to partner with the local official distributor for Mobil/Engen lubricants in order to ensure guaranteed protection from the best lubricants available in the market. Later on open lubricants and gas factories under company own name such SEBDO Lubricants and SEBDO Gas
- Controlled access at SEBDO Oil and Transport Truck garages and packing yards to greatly reduce the well known problems of drug trafficking, alcohol abuse and prostitution.
- Security guards patrolling the premises to look after trucks' equipment and load
- Upgrade trucker's restaurants, offering nutritious value-for-money food.

- Public telephones, local money transfer facilities using M-PESA, TigoPesa, Airtel Money, EzyPesa and Western Union.
- Service and clean ablution facilities where the drivers can look after their personal hygiene while enjoying a hot shower
- High pressure air compressors. All the Truck garages offer 14 Bar air compressors which not only inflate tyres quicker but the compression is high enough to allow for sufficient air which leads to improved fuel economy and less tyre wear.
- Closed circuit television to monitor on site activity and record
- and record the state of the vehicles as they enter and as they leave the premises. These records are kept for a while which allows customers to call on our SEBDO truck operators to assist in settling disputes
- We will introduce SEBDO Oil and Transport Cards to be used in all 2 truck garages and the other retail stations where customers can use the SEBDO -Cards to effect payment.
- To cope with the technological innovations, our customers will enjoy full pump linked transactions processed on-line to limit fraud

1.5.2 Potential Business from Truck garages

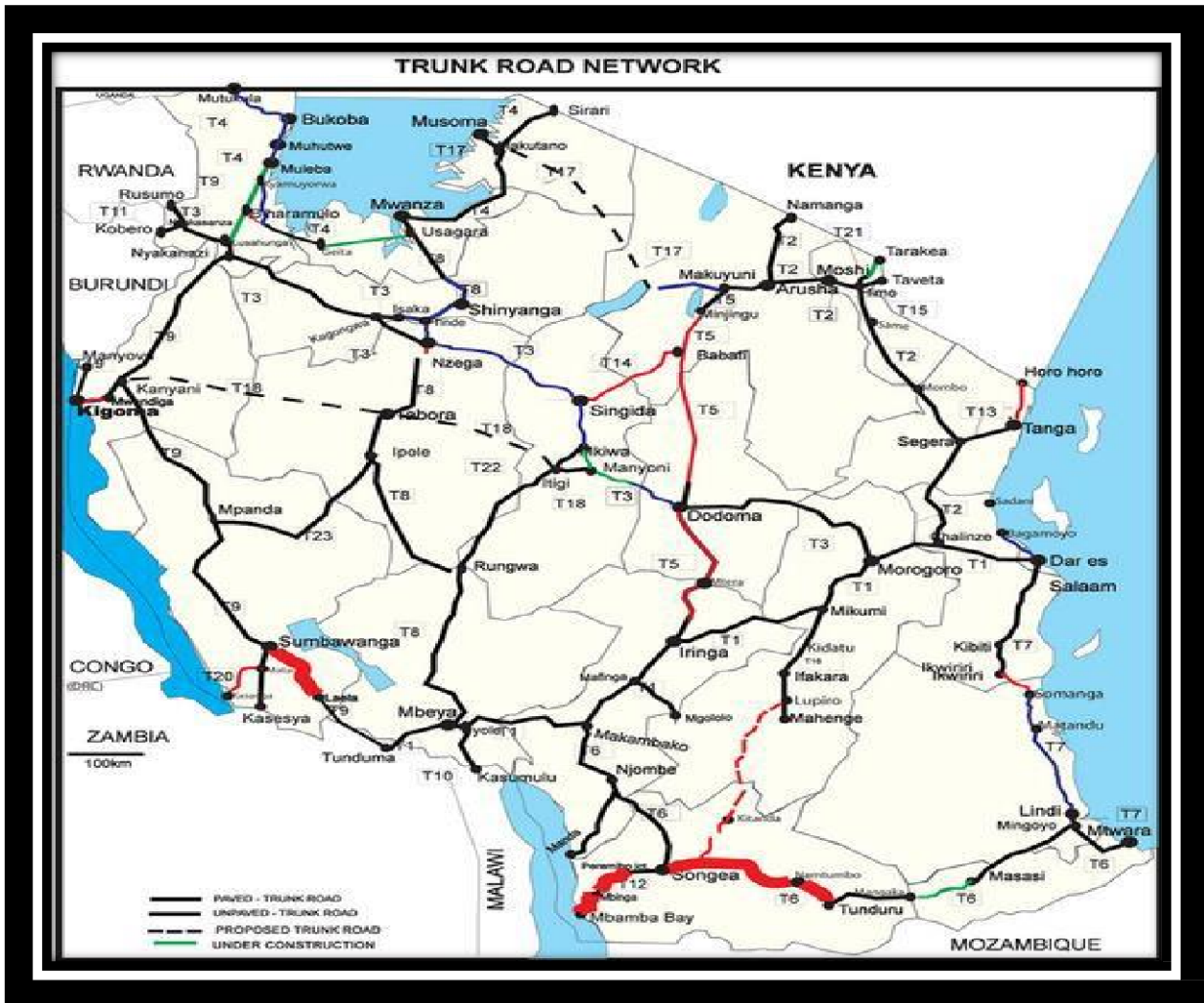
Based on quick research the following facts make a truck garage:

1. According to 2009 road statistics about 152 heavy vehicles pass through the Dar-Iringa-Mbeya-Songwe-Tunduma route daily, 65 through Dar – Iringa – Songea and 135 through Dar-Dodoma-Singida-Isaka route. Over a two-day period this is equivalent to 287 vehicles.
2. 48% of respondents indicate that they are willing to use a fuel card instead of cash and are linked to the providing Oil and Transport Company.
3. The majority of drivers interviewed do the Dar – Tunduma & Dar

- Mwanza run between 5 and 10 times per month.
- 4. Overall, 56% of the interviewed drivers indicated that they make the refueling decision for their trucks.
- 5. It would appear that the halfway stops like Chalinze, Morogoro, Dodoma, and Singida are the most popular locations followed by Iringa and Mbeya.

SEBDO Oil and Transport is expected to establish 4 fully fledged truck garages to be located along the following areas:

1. Isaka: The area branches to Uganda, Burundi and Rwanda. Isaka is an active area since it is a dry port with existing storage facilities but lacks proper refuelling service to the long haul trucks.
2. Mbeya: SEBDO Oil and Transport considers Songwe area in Mbeya as an ideal location for the construction of the truck port as it will serve trucks that are heading to the Zambia and Malawi routes.
3. SEBDO Oil and Transport considers Tanga area as an ideal location for the construction of the truck garage as it will serve trucks that are bringing coals for shipment from Songea to the rest of the world.
4. Mazimbu road (5 acres) in Morogoro truck port will also be used by company trucks and refuelling station.



1.5.2.1 Revenue Sources:

1.5.2.2 Expected volumes:

Fuel (Diesel): 50,000 liters per day. Lubricants:

2,000 liters per day

Rents:

Truck washing services:

Gross Margins

Fuels have a gross margin of approximately \$0.06 per liter. Lubricants margins range from \$0.4 to \$0.8 per liter or kilogram.

Return on Investment should be calculated based on those figures.

Cost of Investment

Actual investment figures will be established at the completion of this business plan. But the following are necessary:

- Land acquisition
- High speed pumps
- High pressure air pumps
- Car wash and service equipment
- Truck washing facility & equipment
- Buildings – office, warehouse etc
- Safety equipment

1.5.3 Lubricants Business

Though the primary business of the company is refilling their trucks for coal transportation to the port of shipment, the company will however, carryout some fuel and lubricant sales business at their filling station and is seriously considering engaging in lubricants business in partnership with Oryx as a distributor for lubricants to be sold from SEBDO retail stations forecourts and transport lubricants to be sold in truck ports.

At the beginning the company expects selling an average of 3,000 to 10,000 liters per month for different brands of lubricants. But now with proper focus and good business plan, the company intends to reach 60,000 to 200,000 liters of lubricants per month from all the channels namely retail stations, truck ports and industrial lubricants.

The future growth plan for the company is to introduce aggressive marketing and increase capacity as shown below:-

Year 1 ~ 720,000 Liters
Year 2 ~ 900,000 Liters
Year 3 ~ 1,200,000 Liters
Year 4 ~ 1,500,000 Liters
Year 5 ~ 2,400,000 Liters

The sales consist of three brands each for specific target market. These markets are:

- i. General market to resellers, contractors, miners, industrial, agricultural clients etc.
- ii. Marine and aviation machines and equipment's.
- iii. Independents retail stations and shops.

As regards lubricants business, the company will focus on the following:

- To provide high quality products and or services to customers through organized distribution plan to the high street markets namely Oil and Transport and spare parts outlets. This sector will service the owner drivers, town commuters (taxi/daladala) etc. The other business sectors to be targeted will be the commercial road transport, construction, industry, agriculture, marine, the government and tourism. Some of these sectors are highly growing conforming to the Tanzanian economic growth rate which was around 11% for 2010.
- To provide technical support on lubricant analysis, preventive maintenance and lubricant failure investigations. Providing lubricant dispensing equipments such pneumatic pumps, gear Oil and Transport dispensers, grease pumps etc. These services will be designed according to the target market segments

2:0 Technical Aspects:

2:1 Location

1. Company Headquarters:

Ms. SEBDO Investment has its Head office located at Ilala Municipality. The location is within Dar Es Salaam city, which is accessible throughout the year.

The office can be contacted through the following address:

HEAD OFFICE:

P. O. Box 1226

DAR ES SALAAM.

TELEPHONE LINES/FAX:

0777-999907

The location of the company headquarters provides the following advantages:

- ❑ Situated at possible centre in the Dar Es Salaam City which enable access to business information and customers who are mainly based in Dar es Salaam and upcountry regions.
- ❑ The centre is furnished with all necessary utilities: Electricity, Oil and Transport and telecommunications. The company operates its business with added efficiency using these facilities.

2.2 Operational Area:

The Company will operate its filling station business activities in Songea, Mtwara, Morogoro, Dar es Salaam, Dodoma, Mbeya, etc. The Company expects to establish this new filling station at

the locations to be accessible throughout the year.

2.3 Land/Building/Civil Works:

Ms. SEBDO Investment will have its Head offices located at Ilana Municipality in Dar es Salaam City. The location is within Dar EsSalaam City, which is accessible throughout the year.

2.4 Furniture and Fittings

The company will use standard office and furniture for its operations e.g. office chairs, tables, computers and printers, filing cabinets etc.

3.0 FINANCING PLAN AND INVESTMENT PROJECTIONS:

3.1 Investment Programmed and Capitalization

The total investment cost of the project in terms of working capital and other assets are estimated at Tshs 34.72 billion or USD 15,095,548 as shown in the investment schedule. Therefore promoters will inject funds to the tune of Tshs 7.79 billion million in terms of assets and other trading stocks.

The smooth running of the business will necessitate extra funding to Ms. SEBDO Investment to the tune of Tshs. 26.93 billion being funds for development and working capital facility for financing increased business requirement and expansion as explained above.

Total company's contribution/financing is therefore Tshs 7.79 billion. This is 22.4% of the estimated total financing and Ms. SEBDO Investment is seeking an increased investment facility of Tshs. 26.93 billion or 77.6% of the total project financing. Table 2 provides details of investment schedule and financing structure.

3.2 Financier / Bank Facility

External finance of Tshs 26.93 billion is being sought from Financier and to be secured by:-

- (i) Truck cards for the 110 trucks and other assets to be purchased which is enough to cover the applied facility adequately.
- (ii) Stocks of fuel / gas and company book debtors.

It is being proposed that the investment facility will be satisfactorily serviced and reviewed after every 12 months.

3.3 Operating Costs:

The total direct costs have been estimated ranging from Tshs 12.96 million in year 2022 to Tshs 14.89 billion in year 2029 while overhead costs are estimated ranging from Tshs 257.89 million in 2022 to Tshs.611.25 million in 2029 Please refer table 7A, 7B and No.7C respectively.

3.4 Projected Sales Revenue

The main sources of revenue will be income from sales of fuel that is diesel, petrol, paraffin, lubricants as narrated in table 6. The projected revenue is expected at the range between Tshs 21.60 billion in year 2023 and Tshs 77.39 billion in year 2029 (Table 11).

The projected sales have been determined on the basis of existing and future purchasing capacity, existing storage capacity and available capital.

3.5 Working Capital Requirement

Working capital projections for the project are as presented in the attached cash flow statement. According to said statement, working capital requirement has been estimated basing on the following assumptions:

- a) Total fuel consumptions, oil and lubricants, purchase of tubes and tyres, maintenance and repair etc.

The estimation has been considered to be minimum achievable capacity.

- b) An average procurement/operating costs on fuel used to make different types of fuel such as diesel, petrol, lubricants and .oil are as shown in the attached table 6:

- c) Three percent of total revenue will be provided to take care of the income tax

- d) Ms.SEBD Investment trades on high quality fuel with low content of Sulphur is sold in cash and contracted suppliers' credit.

4.0 MANAGEMENT

4.1 Management team

All major decision and planning to the project are done by the company Board of Directors presented by the Managing Director. The day to day activities is under the Managing Director who is working in close collaboration with other subordinates such as manager, Accountant, selling officers and watchmen

CHAIRMAN



CHAIRMAN

BOARD OF THE DIRECTORS

The policy decisions of the Company will be vested in the Board of Directors. The Board of the Directors consists of:

- (i) Mr. Abdou Hashim Ali (Chairman & MD)
- (ii) M/s. Salah Ahmed Mana (Director)
- (iii) M/s IddSalimMti (Director)

Brief Cvs of key personnel:-

General Manager

Duties as general manager includes coordinating Oil and Transport purchasing, Oil and Transport / fuel operation and maintenance, sales, marketing, financial record keeping, and staffing.

He worked in the industry for over 10 years. He attended several seminars and courses in the industry and graduated with a degree in business management.

He has very wide experience in Oil and Transport / fuel operations and sales management. Worked in private sector for 30 years. He successfully managed to enhance business turnover and growth to its current operational status.

SALES AND MARKETING MANAGER

His details are sales and marketing degree holder, with very wide experience in sales and marketing management in private sector business.

- a. He is reporting to the General Manager
- b. He is responsible to set (with the General Manager) sales targets and meet them on daily, weekly, and monthly basis.
- c. He is responsible for promoting and selling all company products such as diesel, petrol and paraffin.

4.2 Labour Availability.

There is plenty of manpower at all levels in Tanzania; as such labor availability does not pose any difficulty to the proposed business.

The Oil and Transport industry will recruit its personnel from the labour Market.

Apart from the administrative staff the company's main productive cadre includes professional (learned) and nonprofessional. Due to high unemployment rates in the country the project is able to hire workers easily from the labour market.

5.0 MARKETS AND MARKET ANALYSIS

5.5 The products (Diesel, Petrol, Paraffin, Lubricants and cargo transportation services)

The company will make available its products and services to suite the targeted clients and timely delivery.

5.6 Markets

The clientele is largely expected from the following Groups:

- Dar es salaam residents and business community
- Up country region residents and business community
- Government Institutions.

5.7 Contact Channels

(a) **Promotion and Publicity**

The company will use the existing mass media to promote its business. These include but not limited to Television, radio, newspaper etc. However, this achievement provides a fast reliable means for external communication. In the near future the company is expected to launch a web site for easy communication and marketing through wide coverage.

(b) **Payment Terms**

Operations are on cash basis with contracted credit supplies to reputable clients.

5.8 Demand and Supply

5.9 Trend in Demand

As pointed out in para 5.2 diesel, petrol and paraffin business have steady and ready market of fuel that meets the National and international standard. Like wise, these reforms have become an eye opener to Tanzanians in social affairs as can be witnessed in recent change in people's style of living.

5.10 Trend in Supply

According to the survey, demand for diesel, petrol and paraffin are higher than the required supplies of which provides adequate markets for the intended businesses. Many medium income earners in towns and villages use either car or motorcycles as their means of transport.

5.11 Pricing Mechanism

Prices for the diesel, petrol and paraffin vary depending on respective type and degree of demand of respective type of fuel. As such, in preparing the projected income statement has decided to use average prices as shown in section 3.4 and 3.5 above.

5.12 Competition

The Company has created goodwill with clients for many years accelerated by good customer care, quality fuel and Competitive prices. The company started with a single filling station using the Caltex/Chevron, Shell, Oil and Transport and Camel brands ever since.

From the international companies like Chevron and Shell the company has accumulated a lot of experience and modern Oil and Transport products marketing tactics that have helped it defeat most of local competition and achieve its current status.

5.13 ENVIRONMENTAL EFFECT (Environmental Impact Assessment):

The quality business of diesel, petrol and paraffin which contain low level of Sulphur business has no any known environmental degradation. In view of the above our intended project is environmental friendly.

The company will print the materials safety data sheets in both English and Swahili so that handling of accidental contact or ingestion is handled professionally. The company has outsourced the implementation of its own Health, Safety and Environment (HSE) policy with regards to all aspects of safety and environment like spill, fire, Oil and Transport products handling etc.

6.0 SOCIO – ECONOMIC CONSIDERATIONS

6.1 Government Revenue:

The business of diesel, petrol and paraffin will greatly benefit the Nation in the form of various forms of taxation that Ms.SEBDO Investment pays to the Government. These are Development levy, Royalty, PAYE and payroll levy and other form of taxes paid to the local and central main Government.

The company will also earn more as a result of increased procurement and sales supported by bank finance in the form of standby bank overdraft

facility.

The project will also be a source of income to various people who are/will be employed on permanent and/or casual terms. Permanent employees include the Managing Director, Accountant, Sales Manager, Selling Officers and Watchmen as shown in the organization structure.

Thus financing and developing the project will substantially improve standard of living of various people at Dar Es Salaam and Tanzania as a whole.

6.2 Employment Effect:

The proposed expansion will create 350 more jobs as sales manager, Pump attendants, drivers, mechanics and watchmen. In an economy such as Tanzania where unemployment rates have reached alarming levels any efforts, which creates employment, is highly appreciated.

6.3 Encourage Sectorial Linkages:

The implementation of the project provides an opportunity for linkages in mining, health and agricultural sectors. Efficiency in any of these sectors creates more markets to others thus increasing the need for more motor cycle spare parts.

7.2 RECOGNITION OF RISKS

7.3 Assessment:

There are various risks against the achievement of the planned objective. The major ones being:

- (i) Loose of demand of diesel, petrol and paraffin as a result of alternatives products.
- (ii) Political Instability

7.4 Mitigation:

To encounter the negative effects of the above scenarios when happen, the management is advised to effect the following measures:

- (i) In the short –run there is a remote change that fuel types of fuel will loose the market. However in long run the management should always be prepared to switch to new products to meet the new demand.
- (ii) Political instability is out of company’s control.

7.5 CONCLUSION:

Analysis has revealed that the proposed project is technically feasible, financially and economically viable, and socially beneficial.

As such, the management should therefore strive to execute the company’s board decision to seek investment incentives in form of investment relief and taxes from **Tanzania Investment Centre** and implement the project.

Furthermore prospective financiers / investors are advised to support the company’s efforts by way of providing the necessary bridging finance.

Contents

1. INTRODUCTION.....	3
1.1 PREAMBLE.....	3
1.1.1 Vision	5
1.1.2 Mission Statement.....	5
1.2 Sponsors	5
1.3 Legal Status And Mandates	6
5.1 Oil and Transport Industry Trends.....	7
5.2 Project Concept & Description	7
1.5.1 Truck Transport Description	9
1.5.2.1 Revenue Sources.....	13
Gross Margins.....	14
Cost of Investment.....	14
1.5.3 Lubricants Business.....	14
2:0 Technical Aspects.....	16
2:1 Location.....	16
2.2 Operational Area:.....	16
2.3 Land/Building/Civil Works:.....	17
2.4 Furniture and Fittings	17
3.0 FINANCING PLAN AND INVESTMENT PROJECTIONS:	17
3.1 Investment Programme and Capitalization	17
3.2 Financier / Bank Facility	18
3.3 Operating Costs:	19
3.4 Projected Sales Revenue.....	18
3.5 Working Capital Requirement	19
4.0 MANAGEMENT.....	19
4.1 Management team	19
4.2 Labour Availability.....	21
5.0 MARKETS AND MARKET ANALYSIS.....	22
5.1 The products (Diesel, Petrol, Paraffin, Lubricants and cargotransportation services) ..	22
5.2 Markets.....	22

5.3	Contact Channels	22
(b)	Payment Terms	23
5.3	Demand and Supply	23
5:4	Pricing Mechanism.....	23
5.5	Competition.....	23
5.6	ENVIRONMENTAL EFFECT (Environmental Impact Assessment).....	24
6.0	SOCIO - ECONOMIC CONSIDERATIONS6.1Government Revenue:.....	24
6.2	Employment Effect:.....	25
6.3	Encourage Sectorial Linkages:.....	25
7.0	RECOGNITION OF RISKS7.1Assessment.....	25
7.2	Mitigation	26
8.0	CONCLUSION	26

SEBDO INVESTMENT LIMITED							Table 2	
INVESTMENT SCHEDULE:								
SN	DETAILS OF THE EXPENDITURE	UNIT COST	QUANTITY PIECES	EQUITY	FINANCING ARRANGEMENT LOAN/INVESTOR	TOTAL [Tshs]	TOTAL [US \$]	
[A]	LAND AND BUILDINGS [TSHS]:							
	Land Acquisition			560,000,000.00	0.00	560,000,000.00	243,478	
	Const - 4 Garages, office block & parking yards			3,500,000,000.00	6,970,000,000.00	10,470,000,000.00	4,552,174	
						0.00	-	
[B]	MACHINERY, TOOLS & EQUIPMENTS:							
1	4 Filling Stations	1,066,000,000.00	4	2,650,000,000.00	4,264,000,000.00	6,914,000,000.00	3,006,087	
2	Tractors & other farm implements	35,000,000.00	10	0.00	350,000,000.00	350,000,000.00	152,174	
3	500 KV Generator	221,400,000.00	2	0.00	442,800,000.00	442,800,000.00	192,522	
4	3 Tons Cranes	65,000,000.00	3	195,000,000.00	0.00	195,000,000.00	84,783	
5	10 Tons Cranes	150,000,000.00	1	150,000,001.00	0.00	150,000,001.00	65,217	
6	Solar Power	246,000,000.00	2	0.00	492,000,000.00	492,000,000.00	213,913	
7	Borehole	51,000,000.00	1	51,000,000.00		51,000,000.00	22,174	
[C]	VEHICLES							
1	Fuso - trucks	102,000,000.00	110		11,220,000,000.00	11,220,000,000.00	4,878,261	
2	Pick-ups 4X4	37,500,000.00	8	300,000,000.00	0.00	300,000,000.00	130,435	
3	Land Cruiser hard top	65,000,000.00	3	0.00	195,000,000.00	195,000,000.00	84,783	
3	4W Drive	35,000,000.00	3	105,000,000.00	0.00	105,000,000.00	45,652	
[D]	FURNITURE, FIXTURE & FITTINGS:							
1	Refrigerators, computers & its accessories			95,210,000.00	0.00	95,210,000.00	41,396	
2	Furnitures			0.00	415,000,000.00	415,000,000.00	180,435	
	Sub-total			7,606,210,001.00	24,348,800,000.00	31,955,010,001.00	13,893,482.61	
[E]	PRE-OPERATIONAL EXPENSES [TSHS]:							
1.	Fuel and oil			0.00	125,500,000.00	125,500,000.00	54,565	
2.	Feasibility Study Preparation	7,500,000	1	7,500,000.00	0.00	7,500,000.00	3,261	
3.	Legal Documentation/Licence	10,600,000	1	10,600,000.00	0.00	10,600,000.00	4,609	
4.	Directors Remuneration	4,500,000	3	13,500,000.00	0.00	13,500,000.00	5,870	
5.	Salary and Wages (First Month)	7,950,000	300		2,385,000,000.00	2,385,000,000.00	1,036,957	
6.	Electricity		0	34,500,000.00	0.00	34,500,000.00	15,000	
7.	Casual labour		0	43,000,000.00	0.00	43,000,000.00	18,696	
8	Bore hole pump installation	25,000,000	3	25,000,000.00	75,000,000.00	100,000,000.00	43,478	
9	Other expenses			45,150,000.00	0.00	45,150,000.00	19,630	
	Sub-total			179,250,000.00	2,585,500,000.00	2,764,750,000.00	1,202,065	
	TOTAL INVESTMENT COSTS			7,785,460,001.00	26,934,300,000.00	34,719,760,001.00	15,095,548	
	NB: Exchange Rate used is 1US \$ = Tshs 2,300.00			22.4%	77.6%	100%		

KEY ASSUMPTIONS AND CONSIDERATION:						Table 1	
SN	PARTICULARS	FOREX RATE	EQUIVALENCY	CONVERSION DATE	INTEREST RATE	SENSITIVITY FACTOR ****	
[A]	EXCHANGE RATE:						
1.	US\$ to Tshs	1.00	2300,00000	2021			
2.	£ to Tshs	1.00	2800,00000	2021			
3.	£ to US\$	1.00	1,21739	2021			
4.	JYen to Tshs	1.00	5,02520	2021			
5.	US\$ to JYen	1.00	457,69323	2021			
[B]	INTEREST RATES:						
1.	Overdrafts				21%		
2.	Term Loan				18%		
[C]	SENSITIVITY FACTOR:						
	Used to test the projects strengths in case of changes in the exchange rate						1.00
[D]	OTHERS:						
	A margin on goods purchased is projected at: Efficiency Utilisation	54.0%	65.0%	75.0%	85.0%		85.0%
	NOTE:						
	*** = The exchange rates used are Average rates for the year 2021						

PROVISIONAL LOAN REPAYMENT SCHEDULE [TSHS]:

		Table 3					
PARTICULARS/YEARS		2022	2023	2024	2025	2026	2027
1.	Balance B/F		26,934,300,000	23,169,481,676	18,726,996,053	13,484,863,018	7,299,146,038
2.	Loan Disbursement	26,934,300,000					
	Interest Capitalized	0					
3.	Interest Payment during grace period	2,424,087,000	4,848,174,000	4,170,506,702	3,370,859,290	2,427,275,343	1,313,846,287
4.	Principal Payment		3,764,818,324	4,442,485,623	5,242,133,035	6,185,716,981	7,299,146,038
5.	Balance C/F	26,934,300,000	23,169,481,676	18,726,996,053	13,484,863,018	7,299,146,038	0
6.	Total Loan Service		8,612,992,324	8,612,992,324	8,612,992,324	8,612,992,324	8,612,992,324

PROJECTED DIRECT EXPENSES:												
SN	PARTICULARS	UNIT OF MEASURE	COST/MONTH	QUANTITY	2022	2023	2024	2025	2026	2027	2028	2029
[A] SERVICE OVERHEADS												
1.	Water Utilities	Bundles	20,000	15	600,000	612,000	624,240	636,725	649,459	662,448	675,697	689,211
2.	Electricity	Pes of 0.018 cu me	350	2,500	1,750,000	1,795,000	1,820,700	1,857,114	1,894,256	1,932,141	1,970,784	2,010,200
3.	Packing Materials	Cartoons	40,000	12	960,000	979,200	998,784	1,018,760	1,039,135	1,059,918	1,081,116	1,102,738
4.	Strings	Cartoons	25,000	12	600,000	612,000	624,240	636,725	649,459	662,448	675,697	689,211
	Sub-Total				3,910,000	3,988,200	4,067,964	4,149,323	4,232,310	4,316,956	4,403,295	4,491,361
[B] OTHER DIRECT COSTS:												
1.	Advertisement				210,000	214,200	218,484	222,854	227,311	231,857	236,494	241,224
2.	Promotional Materials				200,000	204,000	208,080	212,242	216,486	220,816	225,232	229,737
3.	Others				14,000	14,280	14,566	14,857	15,154	15,457	15,766	16,082
4.	Tons of Coal		14,400	900,000	13,219,200,000	13,483,584,000	13,753,255,680	14,028,320,794	14,308,887,209	14,595,064,954	14,886,966,253	
5	0				-	-	-	-	-	-	-	-
	Sub-Total				12,960,424,000	13,219,632,480	13,484,025,130	13,753,705,632	14,028,779,745	14,309,335,340	14,595,542,447	14,887,453,295
	TOTAL				12,964,334,000	13,223,620,680	13,488,093,094	13,757,851,955	14,033,012,055	14,313,672,296	14,599,945,742	14,891,944,656
PROJECTED INDIRECT EXPENSES:												
[A] PAYROLL EXPENSES:												
1.	Managing Director		3,200,000		44,160,000	50,342,400	58,845,824	58,981,156	66,648,706	77,978,986	89,675,834	
2.	Marketing Manager		2,600,000		27,600,000	31,464,000	32,093,280	37,224,205	42,667,871	49,219,410	56,602,321	
3.	Geologist		1,750,000		24,150,000	27,531,000	28,081,620	32,571,679	36,809,387	43,066,983	49,527,031	
4.	Warehouse Engineer		800,000		11,040,000	12,585,600	14,891,282	14,891,282	16,827,149	19,687,764	22,640,928	
5.	Supervise		450,000		62,100,000	70,794,000	72,209,880	83,763,461	94,652,711	110,743,672	127,355,222	
6.	Drivers		350,000		4,830,000	5,506,200	5,616,324	6,514,936	7,351,877	8,613,397	9,905,406	
7.	Secretary/Receptionist		250,000		34,500,000	39,330,000	40,116,600	46,535,256	52,584,839	61,524,262	70,752,901	
8.	Churches		175,000		60,375,000	68,827,500	70,204,050	81,456,698	92,023,469	107,667,458	123,817,577	
9.	Others (10% of other administrative expenses)				-	-	-	-	-	-	-	-
	Sub-Total				292,905,000	333,911,700	340,086,510	394,500,352	445,785,397	521,568,915	599,804,252	
[B] OTHER OVERHEADS:												
1.	Travelling expenses		140,000		168,000	201,600	241,920	290,304	348,365	418,038	501,645	
2.	Postage and Telephone		15,000		18,000	21,600	25,920	31,104	37,325	44,790	53,748	
3.	Printing and Stationery		50,000		60,000	72,000	86,400	103,680	124,416	149,299	179,159	
4.	Taxes		200,000		240,000	288,000	345,600	414,720	497,664	597,197	716,636	
5.	Insurance and Licence		2,000,000		2,400,000	2,880,000	3,456,000	4,147,200	4,976,640	5,971,968	7,166,362	
6.	Fuel and other utilities		290,500		348,600	418,320	501,984	602,381	722,857	867,428	1,040,914	
7.	Others (10% of other administrative expenses)				-	-	-	-	-	-	-	-
	Sub-Total				3,834,600	4,601,520	5,521,824	6,626,189	7,951,427	9,541,712	11,450,054	
	TOTAL				296,739,600	338,513,220	345,608,334	401,126,540	453,736,824	531,110,627	611,254,306	

PROJECTED INCOME (TSHS):	Table 11									
	2022	2023	2024	2025	2026	2027	2028	2029	2030	
PARTICULARS/YEARS										
Total Revenue	0	21,600,000,000	25,920,000,000	31,104,000,000	37,224,800,000	44,789,760,000	53,747,712,000	64,497,254,400	77,396,705,280	
LESS:										
Total Direct Costs	0	(12,964,334,000)	(13,223,620,680)	(13,488,093,094)	(13,757,854,955)	(14,033,012,055)	(14,313,672,296)	(14,599,945,742)	(14,891,944,656)	
OPERATING PROFIT	0	8,635,666,000	12,696,379,320	17,615,906,906	23,566,945,045	30,756,747,945	39,434,039,704	49,897,308,658	62,504,760,624	
LESS:										
Total Indirect Costs	0	(257,895,500)	(296,739,600)	(338,513,220)	(345,608,334)	(401,126,540)	(453,736,824)	(531,110,627)	(611,254,306)	
GROSS PROFIT	0	8,377,770,500	12,399,639,720	17,277,393,686	23,221,336,711	30,355,621,405	38,980,302,880	49,366,198,032	61,893,506,317	
LESS:										
Depreciation	0	(3,591,562,313)	(2,832,120,768)	(2,257,001,486)	(4,677,620,446)	(3,630,705,768)	(2,840,620,033)	(2,243,352,008)	(1,790,885,427)	
Interest Capitalised	0	0	0	0	0	0	0	0	0	
Interest paid	0	(2,424,087,000)	(4,848,174,000)	(4,170,506,702)	(3,370,859,290)	(2,427,275,343)	(1,313,846,287)	0	0	
Pre-operating Costs	0	0	0	0	0	0	0	0	0	
PROFIT BEFORE TAX	0	2,362,121,188	4,719,344,952	10,849,885,498	15,172,856,975	24,297,640,294	34,825,836,561	47,122,846,023	60,102,620,890	
LESS:										
Corporation Tax 20%	0	(472,424,238)	(943,868,990)	(2,169,977,100)	(3,034,571,395)	(4,859,528,059)	(6,965,167,312)	(9,424,569,205)	(12,020,524,178)	
PROFIT AFTER TAX	0	1,889,696,950	3,775,475,961	8,679,908,399	12,138,285,580	19,438,112,235	27,860,669,249	37,698,276,819	48,082,096,712	
Operating Surplus Percentage	0%	40%	49%	57%	63%	69%	73%	77%	81%	
Gross Profit Percentage	0%	39%	48%	56%	62%	68%	73%	77%	80%	
Net Profit Percentage	0%	9%	15%	28%	33%	43%	52%	58%	62%	
RETAINED EARNINGS	0	1,889,696,950	3,775,475,961	8,679,908,399	12,138,285,580	19,438,112,235	27,860,669,249	37,698,276,819	48,082,096,712	
CUMMULATIVE RETAININ	0	1,889,696,950	5,665,172,911	14,345,081,310	26,483,366,890	45,921,479,125	73,782,148,374	111,480,425,192	159,562,521,905	

PROJECTED CASH BUDGET STATEMENT [TSHS]:											
PARTICULARS/YEARS	Table 12										Table 12
	2022	2023	2024	2025	2026	2027	2028	2029	2030		
SOURCES OF FUNDS:											
Gross Profit	0	8,377,770,500	12,399,639,720	17,277,393,686	23,221,336,711	30,355,621,405	38,980,302,880	49,366,198,032	61,893,506,317	0	0
Bank Loan	0	26,934,300,000	0	0	0	0	0	0	0	0	0
Share Capital	0	7,785,460,001	0	0	0	0	0	0	0	0	0
Equity Capital	0	3,822,850	4,184,145	1,434,872	5,638,852	5,598,992	7,905,578	8,427,954	(61,433,742)	0	0
Change in Creditors	0	0	0	0	0	0	0	0	0	0	0
TOTAL	0	43,101,353,351	12,403,823,865	17,278,828,558	23,226,975,562	30,361,220,397	38,988,208,459	49,374,625,986	61,832,072,575		
APPLICATION OF FUNDS:											
Purchase of Fixed Assets	0	28,211,022,500	0	0	11,429,100,000	0	0	0	0	0	0
Corporation Tax Payment	0	0	472,424,238	943,868,990	2,169,977,100	3,034,571,395	4,859,528,059	6,965,167,312	9,424,569,205	0	0
Loan Services	0	0	8,612,992,324	8,612,992,324	8,612,992,324	8,612,992,324	8,612,992,324	0	0	0	0
Interest Paid	0	2,424,087,000	0	0	0	0	0	0	0	0	0
Change in Debtors	0	782,609	156,522	187,826	225,391	270,470	324,563	389,476	467,371	0	0
Change in Stock	0	259,286,680	264,472,414	269,761,862	275,157,099	280,660,241	286,273,446	291,998,915	(14,891,944,656)	0	0
Change in Cash	0	0	0	0	0	0	0	0	0	0	0
TOTAL	0	30,895,178,789	9,350,045,497	9,826,811,003	22,487,451,914	11,928,494,430	13,759,118,392	7,257,555,703	(5,466,908,080)		
NET SOURCES/APPLICATIVE CUMMULATIVE SOURCES											
	0	12,206,174,562	3,053,778,368	7,452,017,555	739,523,648	18,432,725,967	25,229,090,067	42,117,070,282	67,298,980,656	0	0
	0	12,206,174,562	15,259,952,930	22,711,970,486	23,451,494,133	41,884,230,100	67,113,310,167	109,230,380,449	176,529,361,105	0	0

EFFICIENCY RATIOS:										
Debt Equity Ratio	na	0.5	0.5	0.3	0.2	0.1	0.0	0.0	0.0	0.0
Debt Ratio	na	0.5	0.5	0.3	0.2	0.1	0.0	0.0	0.0	0.0
Debt Coverage Ratio	na	na	0.2	1.0	1.2	2.4	3.7	na	na	na
CREDITWORTHINESS RATIOS:										
Return on Assets	na	4.7%	9.3%	19.4%	23.8%	30.8%	34.3%	33.3%	31.3%	31.3%
Return on Sales	na	43.2%	51.3%	55.5%	58.5%	56.8%	52.9%	45.5%	40.2%	40.2%
Operatin Ratio	na	61.2%	52.2%	44.5%	37.8%	32.2%	27.5%	23.5%	20.0%	20.0%

PROJECTED DIRECT & INDIRECT OPERATING EXPENSES:									
SN	PARTICULARS/YEARS	2022	2023	2024	2025	2026	2027	2028	2029
	INDIRECT EXPENSES:								
1.	Salaries and Wages	254,700,000	292,905,000	333,911,700	340,086,510	394,500,352	445,785,397	521,568,915	599,804,252
2.	Other Administrative Expenses	3,195,500	3,834,600	4,601,520	5,521,824	6,626,189	7,951,427	9,541,712	11,450,054
	Sub-total	257,895,500	296,739,600	338,513,220	345,608,334	401,126,540	453,736,824	531,110,627	611,254,306
	TOTAL	13,222,229,500	13,520,360,280	13,826,606,314	14,103,463,289	14,434,138,595	14,767,409,120	15,131,056,368	15,503,198,963

Table 5C

Table 8

PROJECTED WORKING CAPITAL ESTIMATE:		Table 10										Table 10
		2022	2023	2024	2025	2026	2027	2028	2029	2030		
[A]	CASH:											
1.	2% of total operating costs	0	-	-	-	-	-	-	-	-	-	
[B]	DEBTORS:											
1.	2% of total revenue	0	782,609	939,130	1,126,957	1,352,348	1,622,817	1,947,381	2,336,857	2,804,228		
[C]	STOCKS:											
1.	Service Overhead	3,910,000	3,988,200	4,067,964	4,149,323	4,232,310	4,316,956	4,403,295	4,491,361	-		
2.	Other Direct Overhead	12,960,424,000	13,219,632,480	13,484,025,130	13,753,705,632	14,028,779,745	14,309,355,340	14,595,542,447	14,887,453,295	-		
3.		0	-	-	-	-	-	-	-	-		
4.	Sub-total	12,964,334,000	13,224,403,289	13,489,032,224	13,758,981,912	14,034,364,402	14,315,295,113	14,601,893,122	14,894,281,513	2,804,228		
[D]	CREDITORS:											
1.	Utilities and other staff [1 month]	3,195,500	3,834,600	4,601,520	5,521,824	6,626,189	7,951,427	9,541,712	11,450,054	-		
2.	Salaries, Wages [1 month]	21,225,000	24,408,750	27,825,975	28,340,543	32,875,029	37,148,783	43,464,076	49,983,688	-		
	Sub-total	24,420,500,000	28,243,350,000	32,427,495,000	33,862,366,500	39,501,218,100	45,100,209,670	53,005,788,110	61,433,741,920	-		
		12,939,913,500,000	13,196,159,938,700	13,456,604,729,030	13,725,119,545,490	13,994,863,184,310	14,270,194,903,400	14,548,887,334,350	14,832,847,771,540	2,804,228,450		
1.	TOTAL CASH	0	-	-	-	-	-	-	-	-		
2.	TOTAL DEBTORS	-	782,608,700	939,130,430	1,126,956,520	1,352,347,880	1,622,817,390	1,947,380,870	2,336,857,040	2,804,228,450		
3.	TOTAL STOCKS	12,964,334,000,000	13,223,620,680,000	13,488,093,093,600	13,757,854,955,470	14,033,012,054,580	14,313,672,295,670	14,599,945,741,590	14,891,944,656,420	-		
4.	TOTAL CREDITORS	24,420,500,000	28,243,350,000	32,427,495,000	33,862,366,500	39,501,218,100	45,100,209,670	53,005,788,110	61,433,741,920	-		
1.	CHANGE IN CASH	0	-	-	-	-	-	-	-	-		
2.	CHANGE IN DEBTORS	0	782,608,700	156,521,740	187,826,090	225,391,300	270,469,570	324,563,480	389,476,170	467,371,410		
3.	CHANGE IN STOCKS	0	259,286,680,000	264,472,413,600	269,761,861,870	275,157,099,110	280,660,241,090	286,273,445,910	291,998,914,830	14,891,944,656,420		
4.	CHANGE IN CREDITORS	0	3,822,850,000	4,184,145,000	1,434,871,500	5,638,851,600	5,598,991,570	7,905,578,440	8,427,953,810	61,433,741,920		
			263,892,138,700									