

RAWDHAR HAULAGES LIMITED BUSINESS

PLAN

2025 – 2027

Drawn by the Subscriber:

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EXECUTIVE SUMMARY

Rawdhar Haulages Ltd is the name given to the new entrepreneurial venture in Logistics Industry as a registered transporter of Cargo under The Company's Act 2002 and issued an incorporation number 140292443 as well as TIN number 140-292-443.

The main Objective of the Company is to provide high quality and safety transportation solution to the Cargo transit market. The company will be situated in the city of Dar es Salaam strategically for customers importing loose Cargo and Containers through the Dar Es Salaam port to different landlocked countries such as Uganda, Rwanda, Burundi, Zambia, and DRC Congo.

The projects Investment amounts to T S H 8 billion by 2027 whereas the major expenditure Of TSH 5.5 billion is on Fleets that is Trucks and Trailers that will be used for transportation as the company plans to reach the Fleet of at least 70 Trucks & Trailers by 2027. The other expenditure is as initial working capital to finance salaries of staffs, driver's allowances and salaries as well as other operating costs including rent and utilities.

The project investment expenditure of TSH 2.5 billion in the first year (2025) will be covered by the owners' equity contributions by TSH 0.8 billion & the balance will be financed by Banks & supplier credit.

The Company already has a fleet of 16 trucks & plans to end 2025 with at least 28 trucks which will create direct employment of 30 people. As the company grows the job creation will also grow which many will be drivers.

The main inputs of this investment is mainly Truck and trailer assets and Human resources as drivers and administrative staffs, whereas at the moment the fleets are already purchased and on the way to Tanzania. About drivers the Company plans to use the local citizen drivers to run the business.

The Company has set proper marketing strategies to ensure that it is well positioned in terms of competition. The strategies have based on offering high quality service since the initial contact with the customer till the accomplishment of the given job, this is intending to encourage word of mouth that will spread information about the Rawdhar Haulages Ltd.

The project is planned to be implemented in 3 phases in 3 years. In the first year the total investment is TSH 2.5 billion which is spent on purchases of at least 12 trucks and trailers as well as the establishment costs. In the second year the investment will grow by additional TSH 3 billion due to purchasing of additional 17 trucks which implies doubling the initial investment, same to the third year where as they will be additional investment of TSH 3 billion that will be spent to purchase additional 20 trucks and trailers. In a nutshell, the Written down Value of the whole fleet of the trucks will be around TSH 8 Billion at the end of 2027.

The financial projections shows that the business will be earning fair profits in such a competitive market, where as in the first year will attain the sales of TSH 5.76 Billion of which TSH 60 Million will be a profit, then in the following years the sales will grow to TSH 9.81 Billion of which TSH 195 Million will be the profit.

INDUSTRY ANALYSIS

The logistics industry basically Transit cargo refers to goods or cargo that is in the process of being transported through a specific location, such as a port, terminal, or customs zone, without being undergoing any additional processing., In Tanzania the Cargo Transportation services in more crucial as it serve for Transportation service on the landlocked countries like Zambia, Congo, Malawi & Mozambique.

A logistics management system underpins that effort and includes inbound and outbound, these are like fleet management, supply and demand forecasting, and managing third-party logistics service providers.

The Transport & Logistics industry involves different operation costs bus mostly working capital is for Fuel purchases, Repair & maintenance including purchase of Spare parts, Boarder charges and Trip expenses like on road cost and Driver allowances. These cost is important to be known by service providers so that to ensure good operation.

Over and beyond, the Transport and Logistics Industry is a profitable industry and it is open for any aspiring entrepreneur to come in and establish his or her business as long as they are able to obtain the required license and permits; you can choose to start on a small scale and supply on a community level or you can choose to start on a large scale with distribution network spread across key cities all around the United Republic of Tanzania.

BUSINESS OVERVIEW

RAWDHAR HAULAGES LIMITED is a new venture established by Fahreen Bhanji and Ramiz Saiyad at the share contribution of 51 shares & 49 shares respectively. The company was incorporated per Company's Act 2002 in November 2019 and given incorporation number 140292443 as well as TIN number 140-292-443.

Objectives of the Business

- i. The company is to deliver the goods to the final destination by without any damage or loss in value.
- ii. The company is to observe safety at highest level as possible by setting and applying the international safety standards.
- iii. The company is to provide the transportation services at competitive rates so as to get a desirable market share.
- iv. The company is to employ standard, experienced and trained personnel from operational to administrative positions.
- v. The company is to operate at low relative and bearable costs to enhance profitability.

Benefits of the Business

Rawdhar Haulages Ltd provide loose & Container transportation services can have a huge positive impact on the business customers. Here are the benefits that our clients get when enjoying our services:

Increase Efficiency, this is basically facilitated with the services provided by our staffs and employees as we considering on time services which differentiate use with other transportation services provider by maintaining quality services with affordable price.

Safety of service, Rawdhar Haulages on making sure we provide quality and best services to our clients has ensuring safety and security by having good tracking system and insurance on Goods in Transit.

Trustiness, we ensuring trustiness on our services this is through contact interaction and after sale services in each process from the point of loading until to the destination area.

OUR SERVICES

Rawdhar Haulages Ltd delivers logistics services basically Transit goods (loose & Containers) throughout East, and Southern Africa. The company mainly targets international distribution and this route involves cross border transportations to countries like Rwanda, Burundi, Zambia, Malawi, Congo DRC and Mozambique among others.

Rawdhar Haulages keeps thousands of commercial and industrial customers on the move. Regardless of client's needs or location, it brings quality and exceptional service, and industry-leading expertise right to you. The seamless, end-to-end service delivery network has a wide coverage and a proven track record of responsiveness and reliability, always delivering the service on the needed time.

Safety is our number one commitment to our customers and employees. We rely on safety to drive our productivity and aid in providing high quality service. By maintaining safe operating procedures at all times, our corporation is able to provide great value to our customers and keep our valued employees as safe as possible.

Containers and loose Cargo, We supply secured service on transporting all type of Containers and loose cargo across East and South African countries (Rwanda, Burundi, Zambia, Malawi, and DR Congo).

MARKETING STRATEGIES

Rawdhar Haulages acknowledges there is a lot more to logistics than just making tactical decisions about transportation and warehousing. It needs to develop a logistics strategy to ensure high performance of the supply chain. This is a highly competitive industry and our company must ensure that its marketing and sales strategies are effectively by identifying the weaknesses of our competitors and use it to enhance our business. We can offer something unique; customers will surely patronize our business.

Business Strategic Plans

Rawdhar Haulages Ltd plan to continuously develop associations with the all size customers in our market and expect these alliances to further enhance our reputation as the best solution for logistics services. Our business advisors and employees assist us with all needs of the new market establishment such as sale, marketing, and customer's selection issues inherent in the development of our business to ensure the plan is completed on schedule and in accordance with the planned budget.

Rawdhar Haulages Ltd differentiate and position its business from its competitors by offering qualified logistics service as official specialist in transportation of Containers & loose cargo, providing high quality delivery services, and professionally trained sales staff. Its concern for the customer certification and accountability set as apart from others.

Rawdhar Haulages Ltd defines quality as a measure of excellence or a state of being free from defects, deficiencies and significant variations. It is brought about by strict and consistent commitment to certain standards that achieve uniformity of services in order to satisfy specific customer or user requirements

Business Market strategy

Rawdhar Haulages Ltd strategy is straightforward. We intend to succeed by giving people a combination of excellent and interesting logistics services. We focus on establishing a strong identity in the industry with our daily operations. Our main focus in marketing thereafter we increase customer awareness in the surrounding communities. We direct all of our tactics and programs toward the goal of explaining who we are and what we do. We keep our standards high and execute the concept perfectly, so that word-of-mouth and quality of our services are our main marketing force using our customer and sales team.

We create an appealing and fit with unbeatable logistic service at an exceptional price. As exciting and fast growing sales and distribution of logistic services, we will be the talk of the town. Therefore, the execution of our concept is the most critical element of our plan.

Business Sales Strategy

Rawdhar Haulages Ltd sales strategies are designed to get critics and initial customers into our doors. Our sales strategies must take the next step and encourage customers to become repeat customers, and to tell all their friends and acquaintances about the great experiences they just had at Rawdhar Haulages Limited.

Many logistic businesses often make one of two mistakes:

- i. They are unprepared or underprepared for the daily operations, and initial poor delivery service speed.
- ii. They spend all of their efforts at beginning, and are unable to maintain the initial quality of their services.

This discourages customers from returning, Rawdhar Haulages Ltd sales strategy requires consistently high quality delivery services and quality product, and we can accomplish this by:

- i. Continues hiring employees who genuinely enjoy their jobs
- ii. Continually assessing the quality of all aspects mentioned above, and immediately addressing any problems
- iii. Interacting with our customers personally, so they know that their feedback goes directly to the owners
- iv. Evaluating customer's choices for popularity, and keeping satisfying their need.

Naturally we rely on both credit and cash sales. Credit sales will be offered to some customers

and as per laid down credit sales conditions such as provided by the Sales Manager (20 days Credit Terms) and Exceptions terms are considerable

OPERATION MANAGEMENT

Rawdhar Haulages Ltd believes that Operations Management is the management of process inputs, manpower, and other resources to produce the desired outputs in meeting customer demands.

The management of transportation operations is comprised of all types and modes, including tracking and managing every aspect of vehicle maintenance, fuel costing, routing and mapping, warehousing, communications, EDI implementations, cargo handling, carrier selection and management, and even accounting.

The costs and challenges for those who run transport operations continue to increase. The ability to run a transport operation efficiently and effectively can no longer be left to chance.

The key Drivers of Change in Transport Management, Changes in work practices, Changes in customer behavior, Changes in technology and Increasing or decreasing workloads.

The global economy is witnessing previously unseen levels of competitiveness, forcing business leaders to contend with unprecedented challenges. No longer can companies seize and hold a customer base by operating adequately. In order to enjoy a competitive advantage, an organization must operate at exemplary levels of performance in every facet of business and maintain that degree of excellence indefinitely.

Rawdhar Haulages acknowledges Important the strategies of Effective Logistics Management and Network Optimization, which are;

Proper Planning

The first step to accomplishing a task is planning. Now, planning encapsulates various factors. It involves procuring the goods, storage facilities, and delivery of products to the exact location. Apart from these, the other parameters are – time, transportation, and the costs. A supply chain operative should be able to devise the flow chart for the whole operation. The purpose of planning is to attain maximum work in the least possible time. At the same time, the planning should aim at maximizing the profits. Proper planning is a wise plan, but an experienced manager will be able to prepare for the unforeseen circumstances as well. These situations can be related to; the products, Unavailability of the transportation, any internal issue in the organization and Research and pick the correct Freight class. For this, a contingency plan should be there to avoid any logistics failure. Logistics planning process is incomplete without an emergency plan.

Adopt Automation

In the age of automation, technology plays a major role in increasing the efficiency of an organization. Automation has a vital role in the business process optimization. There is valuable software that can be deployed in the logistics process. For example, business process software can be integrated that provides timely updates regarding the movement of goods. The operator and the client will get details regarding; the goods that are dispatched from the supplier; Procurement of the goods at the warehouse, and lastly Delivery of the goods at the destination. This saves a considerable amount of time because manual interference is eliminated. Moreover, accurate tracking help in improving overall process management. Similarly, the account details and employee details can be managed using specific software developed for these tasks. Therefore, the logistics firm should embrace the technology for increasing productivity.

INVESTMENT BUDGET AND IMPLEMENTATION PLAN

The implementation of Rawdhar Haulages Project is ongoing; so far the company currently own some fleets (16 trucks and trailers). Moreover the company has been settling compliance requirements regarding the project including registration with BRELA and the Tax Authority TRA. Going further the company is applying for a tax incentive through Tanzania Investment Centre.

RAWDHAR HAULAGES LTD						
INVESTMENT BUDGET						
Year	2025		2026		2027	
Item	No	Cost	No	Cost	No	Cost
Truck & Trailer	12	1,798,560,400	17	2,516,854,230	20	2,960,241,500
Initial working Capital		786,020,000		834,600,900		901,400,610
TOTAL		2,584,580,400		3,351,455,130		3,861,642,110

As shown in the table above, Rawdhar Haulages Ltd will continue increasing its investment in the United Republic of Tanzania, basically in cargo transportation services and also will start to expand its investment mainly for local and transit operations. Therefore within the coming three years the Company will have invested the total amount of TSH 50 Billion.

FINANCIAL PLAN

8.1 Financial Viability

The analysis of the financial viability of proposed Cargo Transportation project shows that the project can generate fairly good profits and that it generates sufficient cash to meet both short and long term financial obligations. The review given below under the following sub- sections:

- Fundamental Assumptions
- Operating Income and Costs
- Revenue Analysis
- Cost Analysis
- Projected cash flow
- Projected Income Statements
- Projected Financial Position
- Return On Investment Analysis
- Payback Period Analysis

8.2 Fundamental Assumptions

The preparation of the financial projections took into account the following main assumptions

- i. The Operating period under which the viability of the project is being evaluated in three years.
- ii. The base pricing and costing period is 2024

8.3 Operating Income and Costs

- ✓ Potential number of trips is Fifteen (15) per year for short trip (Zambia & Malawi trip) and Nine (9) per year for long trips (Congo DR trip).
- ✓ The average revenue per truck is projected to TSH 170 Million per year for Zambia & Malawi trip and projected to TSH 206 Million for DR Congo trip.
- ✓ Personnel cost is assumed to be 8% of total revenues.
- ✓ Other expenses are assumed to be 65% of the total sales, whereas the major cost being Fuel, Drivers allowances and boarder & trip expenses which direct costs are varying with output.
- ✓ Creditor Days is 21 and Debtors Days is 15 to 20.

8.4 Projected Financial Statement

i. Income Statement Projections

RAWDHAR HAULAGES LIMITED			
PROJECTED STATEMENT OF PROFIT & LOSS ACCOUNT	Amount in TZS		
PARTICULARS	1st Year	2nd Year	3rd Year
Sales Turnover	5,768,600,000	9,810,200,000	15,630,840,000
Cost of Sales (Direct expenses)	3,749,590,000	6,376,630,000	10,160,046,000
Gross Profit	2,019,010,000	3,433,570,000	5,470,794,000
Indirect Expenses			
Admin Expenses	461,488,000	870,827,856	922,976,000
Depreciation	790,300,000	1,185,450,000	2,133,810,000
Profit Before Interest & Tax	767,222,000	1,377,292,144	2,414,008,000
Finance cost	683,990,000	1,094,384,000	1,778,374,000
Profit Before Tax	83,232,000	282,908,144	635,634,000
Income Tax	24,969,600	84,872,443	190,690,200
Net Profit After Tax	58,262,400	198,035,701	444,943,800
NP %	1%	2%	3%

ii. Cash flow Statements Projections

RAWDHAR HAULAGES LIMITED			
PROJECTED CASH FLOW STATEMENT			
PARTICULAR	1st Year	2nd Year	3rd Year
A. Cas Flow From Operating Activities			
Net Profit After tax	58,262,400	198,035,701	444,943,800
Adjustment for:			
Depreciation	790,300,000	1,185,450,000	2,133,810,000
Proposed Dividends	-	-	-
Cash Before Changes in Working capital	848,562,400	1,383,485,701	2,578,753,800
WORKING CAPITAL CHANGES			
(Increase)/Decrease in Receivables	- 411,300,000	- 474,077,441	- 455,109,959
Increase/(Decrease) in Current Liabilities	299,600,800	299,600,800	359,520,960
NET EFFECT OF WORKING CAPITAL CHANGE	- 111,699,200	- 174,476,641	- 95,588,999
Net Cash Flow from Operating activities (A)	736,863,200	1,209,009,060	2,483,164,801
B. Cash Flow From Investing Activities			
Purchase of Fixed Assets	- 2,928,434,700	- 2,531,500,060	- 3,952,776,861
Net Cash Flow from Investing activities (B)	- 2,928,434,700	- 2,531,500,060	- 3,952,776,861
C. Cash Flow From Financing Activities			
increase/(Decrease) in Bank Loan	2,959,990,500	2,367,992,400	2,970,693,900
Interest payments	- 683,990,000	- 1,094,384,000	- 1,778,374,000
increase/(Decrease) in Share Capital	910,971,000	546,582,600	874,532,160
Net Cash Flow from Financing activities (C)	3,186,971,500	1,820,191,000	2,066,852,060
Net Increase/(decrease) in cash & cash Equivalent (A+B+C)	995,400,000	497,700,000	597,240,000
Cash & Cash Equivalent at the begning of the Year	-	995,400,000	1,493,100,000
Cash & Cash Equivalent at the end of the Year	995,400,000	1,493,100,000	2,090,340,000

iii. Balance Sheet Statement Projections

RAWDHAR HAULAGES LIMITED			
PROJECTED STATEMENT OF FINANCIAL POSITION	Amount in TZS		
PARTICULARS	1st Year	2nd Year	3rd Year
ASSETS			
Non Current Assets			
Property, Plant & Equipment	2,822,124,700	5,204,296,360	8,603,601,520
Total NCA	2,822,124,700	5,204,296,360	8,603,601,520
Current Assets			
Cash & Cash equivalents	995,400,000	1,493,100,000	2,090,340,000
Trade & Other receivables	411,300,000	885,377,441	1,340,487,400
Total Current Assets	1,406,700,000	2,378,477,441	3,430,827,400
Total Assets	4,228,824,700	7,582,773,801	12,034,428,920
EQUITY & LIABILITIES			
Equity			
Share capital	910,971,000	1,457,553,600	2,332,085,760
Reserves & Surplus	58,262,400	198,035,701	444,943,800
Total Equity	969,233,400	1,655,589,301	2,777,029,560
Non Current Liabilities			
Long Term Loans	2,959,990,500	5,327,982,900	8,298,676,800
Total Non Current Liabilities	2,959,990,500	5,327,982,900	8,298,676,800
Current Liabilities			
Trade & Other payables	299,600,800	599,201,600	958,722,560
Total current Liabilities	299,600,800	599,201,600	958,722,560
Total Equity & Liabilities	4,228,824,700	7,582,773,801	12,034,428,920

iv. **Return On Investment (ROI) Analysis**

RAWDHAR HAULAGES LTD			
RETURN ON FIXED ASSETS			
	2025	2026	2027
Net Profit	58,262,400	198,035,701	444,943,800
Fixed Assets	2,822,124,700	5,204,296,360	8,603,601,520
Return On Investment	2%	4%	5%