



SATURN CORPORATION LIMITED

Project Proposal Report

Project: Manufacturing Facilities for Assembly of Tractors, Tipper Trucks and Other Accessories

Prepared by:

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Executive Summary

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1.0 Executive Summary

1.1 Forward

The Government of Tanzania focuses on industrialization as the main catalyst to transform the economy, generate sustainable growth, and reduce poverty. For Tanzania to become a semi-industrialized country, the contribution of manufacturing to the national economy must reach a minimum of 40% of the GDP by 2025. As Foreign Direct Investments (FDIs) are expected to provide the capital for the desired industrial development, **Saturn Corporation Limited** has decided to venture into the complete assembly of tractors and tipper trucks to cater to local and foreign markets.

1.2 Objective of Study

A local organization **Saturn Corporation Limited** has realized the potential in the manufacturing sector. They have established a manufacturing plant to assemble complete knock-down tractors and tipper trucks here in Tanzania. The Plant is to assemble the complete knock-down tractors and tipper trucks and supply them to the local and neighboring countries. A thorough techno-economic evaluation has been carried out to determine the viability of this proposed project.

1.3 The Company

Saturn Corporation Limited has been incorporated as a Limited Liability Company on the 20th April 2021 under the certificate of incorporation number 151628931. The company has obtained Tax Identification Number 151-627-781 & VRN No. 40-042918-R. We have obtained registration with Tanzania Investment council to set up Vehicle Assembly activities. The registered office and Plant is situated of the company is situated at Plot No. 2-11, Bock B, Scab Scuba Road, Kigogo Kisarawe – II, Dar Es Salaam. The company is having a showroom and spares supply located at Plot No. 94, Nyerere Road, Dar Es Salaam.



1.4 Project Promoters

The project was promoted by a team of suitably qualified professionals who have extensive commercial acumen and many years of demonstrated experience. They have capitalized on the new company adequately to venture into the new intended lines of the business in Tanzania. **Saturn Corporation Limited** has the following shareholders:

Name of the shareholder	Nationality	Shareholding
Chirag Kiritkumar Tanna	Tanzania	31%
Rehmatullah Habib Rehmatullah	Tanzania	20%
Sneha Chug	Canada	24%
Chaitanya Chug	Canada	25%

1.5 The Project

Saturn Corporation Limited has been incorporated with the primary objective of establishing an Assembly Plant for the Trucks / Tippers. The company has established business relationship with Sinotruk International, a Chinese Origin company owning HOWO brand tractor trucks/ tippers products, as a distributor for Tanzania. The company has a sole manufacturing Facility agreement with Sinotruk International for Tanzania with sales territory of Zambia, DR Congo, Malwai, etc. The company will import complete knock-down tractors and tippers to use as a major raw material component. These components will be used in the assembling processes to produce complete finished Tractors and Tipper Trucks to supply to various Transpiration companies, Construction companies & Mining Industries in the country - the local market and overseas market.

1.6 Market and Marketing Aspects

Since the base for **Saturn Corporation Limited** will always remain in Tanzania and the primary objective is to serve the local market, appropriate and sufficient incentives are of utmost importance to make these entire operations feasible and viable. The Company envisages establishing its operations in Tanzania to allow for sales, marketing, and training activities in the region. This will provide a boost to the local labor market in terms of increasing employment. It will also upskill the existing labor force of Tanzania to embrace the new technology. Proposed operations will increase the sovereign capability of Tanzania to enhance and strengthen the supply chain of Tippers and Trucks. It will reduce the reliance on



the overseas supplier to source Tippers and Trucks for which the demand is rising rapidly. The market survey carried out supports these facts. The survey also concludes that the proposed assembling plant will not face any market challenges. The proposed project will have economies of scale to make them more affordable, reliable, and efficient supply of Tippers and Trucks in the future. It will also ensure a steady and just-in-time supply of spare parts for the ongoing needs of this segment. Sinotruk International will allow us to supply Trucks / Tippers produced in Tanzania to Zambia, DR Congo, Malwai etc. The products of the company will have access to export markets also.

1.7 Process and Technology

The assembly operations will use the know-how and technology from the supplier in China. The facilities is a state-of-the-art and one of a kind in Tanzania. Saturn Corporation Limited commenced the vehicle assembly of the project with support from Government of Tanzania and the unit was officially inaugurated by **H.E. Mama Samia Suluhu Hassan**. We are going to expand the production facility with set up for increase in production capacity, efficiency and quality control to increase the product range having new technology. We have already ordered the required items from Machinery, Plant & Equipment and Assembly Tools which are all to be imported from the supplier in China and India.

1.8 Raw Materials

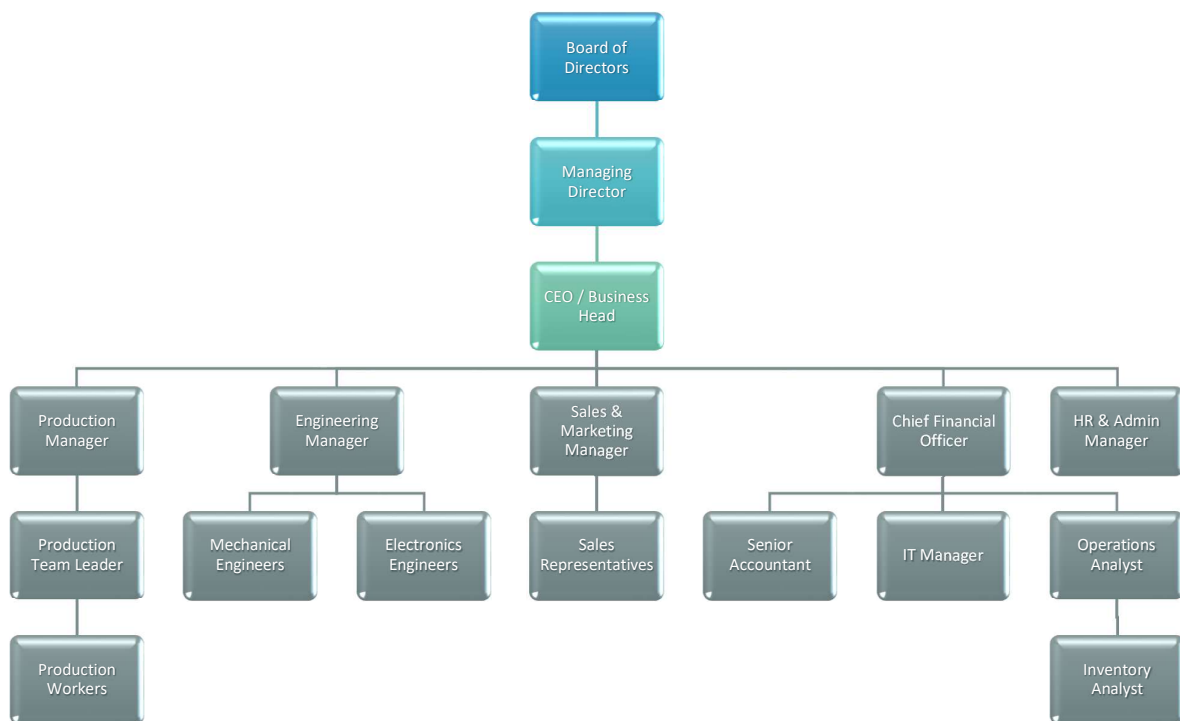
The proposed Assembly Operations will need complete knock-down tractors and tippers as a major raw material component. The project will ensure these complete knock-down tractors and tippers imported are used in the assembly process to manufacture fully functional and road worthy Trucks and Tippers. These raw materials will be imported from the supplier in China.

1.9 Human Resources Requirements

The proposed Assembly Operations will employ 400 people on a full-time basis to work. Saturn Corporation Limited will also need to hire up to 25 expatriate personnel for key positions like General Manager, Engineers, Production Manager. Tanzanian Nationals will be given preference where skills and experience are required for the role match. They are being trained and their skills are being upgraded by the expatriates.

1.10 The Management

Saturn Corporation Limited will be governed by the qualified Board of Directors. The initial requirement of human resources is based on low production volume and more resources will be added as the business expands. The high-level human resources chart can be found as below:



1.11 Implementation

The Project is fully implemented now. The Unit has started the production of the full assembly of Vehicles from KD Parts. The Project is registered and approved by the Tanzania Investment Centre.



1.12 Recommendation

The detailed due diligence of the project suggests it will be in the national interest of the country to allow this project to proceed. The Transportation, Construction & Mining Sector will get their Trucks and Tippers at affordable cost, with high quality, at quickest possible lead time and with local manufacturer's warranty. It will generate very high employment. It will upskill the current labour force. It will also strengthen the supply chain of the country. At the same, time this project is technically and financially feasible. It is therefore recommended for implementation.

The Project

- 2.1 • Assembling Plant in Tanzania
- 2.2 • Importance of havign Local Assembling Plant
- 2.3 • Employment
- 2.4 • Project Timelines and Milestones
- 2.5 • Project Risk Summary



2.0 The Project

Saturn Corporation Limited has been incorporated in Tanzania - certificate of incorporation no. 151628931, dated 20th April 2021 with the objective of assembling tractors, tipper trucks and their accessories. The project will involve establishing a manufacturing facility that will be used to assemble complete knock-down tractors and tippers with the aim to produce Tractors and Tipper trucks in Tanzania. Complete finished trucks and tippers will be supplied to the local market and neighboring countries. With the expansion of the facilities the plant will have installed capacity to assemble 5,200 vehicles per year. The business plan submitted is to complement previous efforts undertaken to ensure the establishment of assembling activities at **Saturn Corporation Limited** and to attract new investments.

2.1 Assembling Plants in Tanzania

Tanzania imports complete tractors and tipper trucks which by the time they reach Tanzania become very expensive. **Saturn Corporation Limited** has decided to commence assembly operations of tractors and tipper trucks to reduce costs of these items if were to be imported. **Saturn Corporation Limited** will cater for most of the assembly of a variety of vehicles in Tanzania and neighboring countries.

2.2 Importance of having Local Assembling Plan

On 22nd April, 2021 Tanzania's President unveiled the Economic Sector and Strategy that the sixth phase government will prioritize and pursue in the next five years. The Sixth Phase Government announced it will continue its efforts to encourage the construction of factories in the country to accelerate industrialization. It will also develop free trade zones with strong transport infrastructures, such as railways, ports, and roads connecting to neighbouring countries. The development of the Kongani Industrial Parks is particularly important in stimulating industrialization and enabling Tanzania to take advantage of the various trade opportunities, such as EAC, SADC, and AfCFTA. To stimulate the key economic sectors, Sixth Phase Government will continue to strengthen transport infrastructures.

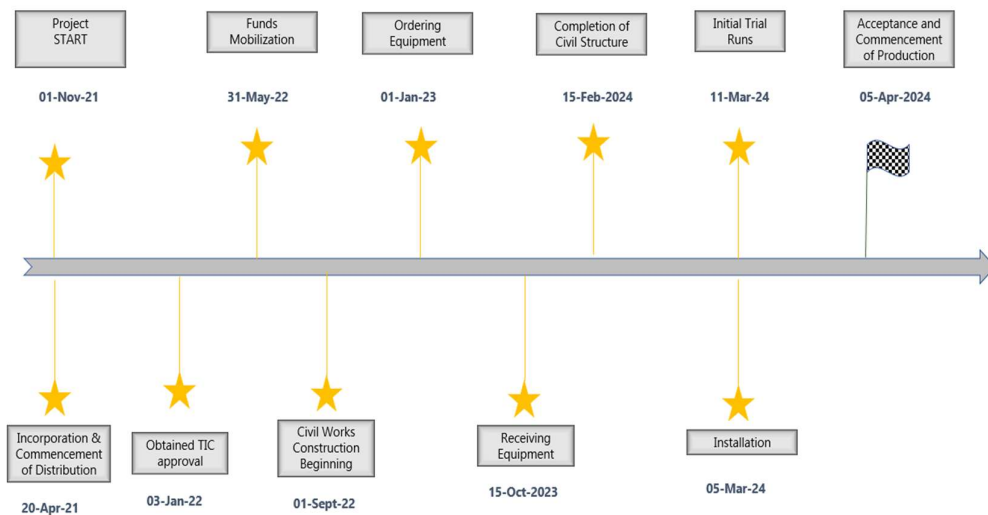
This assembly plant is the step in that strategic direction that focuses on the next phase of growth, strengthen transport infrastructure and generate export earnings for the country. It will also bring new technology to the country.

2.3 Employment

This assembly plant will offer job opportunities for several hundred local people and it will also support employment in the ancillary industries. It will act as an engine to drive the economic activities in the region. The company will need to recruit expatriate personnel for the positions of General Manager, Engineers, Production Manager. Other positions will be allocated to Tanzanian nationals based on skills and experience in the assembling activities. **Saturn Corporation Limited** will aim to employ 350+ local personnel on a full-time basis and skilled expatriate personnel for support and skill upgradation.

2.4 Project Timelines and Milestones

The project sponsors have complied with their commitment to implement the project as soon as the Tanzania Investment Centre approves it. The project sponsors were determined to start the implementation activities immediately with the equity contribution from both local and foreign collaborators. Machinery suppliers indicated their readiness to deliver the plant and machinery within a stipulated time and has followed major supply schedules. Key project activities and indicative timelines agreed during the planning phase are as below:



2.5 Project Risk Summary

During the planning phase, detailed risk analysis was conducted using the best available information available. Following is a summary of the important risk items which is followed by risk mitigation strategy:

Key Risks Summary:

Key Risk	Impact
Reliance on Borrowings from the Bank	Low
Skilled Resources availability	Moderate
High Dependency on Government Approval / Support	Moderate
Import Duty Concession granted to Fully assembled Trucks	Severe

Legend

Severe	Moderate	Low
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Risk Mitigation Strategy:

Risk Areas	Mitigation Plan
Reliance on Bank Borrowings	Got the pre-approval from banks to release funds for this project
Skilled Resources Availability	Hiring local recruitment agency to help with extensive search, also overseas agencies will help with recruitment of expatriates
Government Approval dependability	Initial discussions with Government officials held and response for this project is very positive
Import Duty Concession granted to fully assembled trucks	There are ways to reduce the manufacturing costs to be competitive in the market when import duty concession will be granted to fully assembled trucks

Management & Organisation

- 3.1 • Governance Body Management Team
- 3.2 • Executive Management Team
- 3.3 • Functional Management Team

3.0 Management and Organisation

The company is managed and ran to the highest professional standards in the industry. It has 3 broad layers of management as below:

3.1 Governance Body Management Team

Board of Directors are the highest governing body with directors from diverse field to provide expert knowledge and exert influence on the decision-making process. They are at the top of the pyramid structure of the company. It comprises a Chairman and Directors. They are primarily responsible for the following:

- establish a governance framework, including a compliance framework to ensure the company meets its obligations
- set the strategic direction to help the company achieve its purpose
- oversee financial performance of the company
- oversee a risk management strategy and risk management performance
- play an active role in building a culture of integrity by modelling the behavior based on the public sector values and standards
- oversee the performance and remuneration of the company head
- operate within its statutory powers and policies
- oversee the occupational health and safety of the company
- manage stakeholders

The Board has responsibility to keep certain procedures and documentation in order. They will need to:

- follow their company's rules on holding meetings and making decisions
- keep records of meetings
- follow the code of conduct for directors
- have a strong gifts policy for directors
- keep good financial records
- put controls in place to prevent fraud
- set up processes to deal with conflicts of interest in directors
- keep good financial records for at least 3 years for auditing
- have a strong risk management system that relevant ministers and department heads know about
- inform the relevant minister and department head of any known major risks to the operation of the company



3.2 Executive Management Team

Companies Board appoints the members of the Executive Management Team. The Executive Management Team is chaired by the Managing Director / Chief Executive Officer. General Manager is appointed and solely responsible for managing company's core business operations. This requires planning of various development processes, Group principles and Group practices, as well as monitoring the development of financial matters and Group business plans. The Executive Management Team convenes monthly and minutes are kept of the meetings. The Board of Directors have approved the charter of the Executive Management Team.

The executive team is characterized by 3 vital threads that run through everything they do.

- **Strategic focus**
Executive team will establish a vision for the organization and invest considerable time and energy at the strategic level. They will balance risk and innovation, anticipate future needs and opportunities, and seek to ensure the organization's sustainability.
- **Collective approach**
Executive team will work together, taking an enterprise-wide view of their individual and team functions. They model for the entire company ways to break down silos and develop solutions to business problems together. Individuals on top-performing executive teams prioritize the interests of the organization over individual gains.
- **Team interaction**
Finally, they will be intentional in their interactions. They value their differences, listen and communicate well, seek input from each other, and trust and respect one another. These behaviors make teams more effective. Crucially, they also model for the rest of the enterprise what team interactions should look like.

The executive team is responsible for managing the senior executives from the different functions of the company. Functional and Departmental heads will look up to them to seek clarification, guidance and get inspiration.



3.3 Functional Management Team

Functional Management Team is departmental in nature and represented by different heads from different departments. A functional manager manages and owns the resources in a specific department, such as Production, Engineering, Sales & Marketing, Finance, Human Resources & Administration. They generally direct the technical work of individuals from that functional area who are working in that department. There will be high degree of involvement of a functional manager in the day-to-day running of each department.

The required skill set for each functional head can be summarized in key points below:

Technical skills are essential for functional managers, because they require specific knowledge and capabilities to accomplish their tasks.

Communication skills refer to a functional manager's ability to transfer the information to others effectively and efficiently. Functional managers need to convey information to subordinates so that subordinates can understand what is expected from higher authorities. Once they better understand overall goals and requirements, they work with colleagues to achieve the organization's goals.

Decision making skills require functional managers to have the ability to weight the positives and negatives of each decision. Moreover, this skill also requires functional managers to recognize problems and opportunities quickly and correctly. They should then take appropriate actions to solve the problems or to capitalize on the opportunities.

Functional managers also need **interpersonal skills** because they need to get along with people within or outside their function, for example, senior managers or investors. Sometimes they need to face customers as well.

Time management skills are also essential for functional managers, as they need to manage their work efficiently and delegate appropriately. A good functional manager should be able to accomplish tasks on time.

Although the skills above are important for all types of managers, their relative importance tends to vary by function. For example, finance functional managers need to have skills in fundraising and financial analysis.



Saturn Corporation Limited will appoint following functions heads with their respective roles and responsibilities:

Production Manager

A Production Manager is responsible for production of Tractor and Tipper Trucks according to the Production Plan drafted and agreed with General Manager. Production Manager will operate from a site factory and main duties and responsibilities include overseeing manufacturing and production processes, creating and execute daily, weekly, monthly and annual production schedules, procuring factory production equipment and taking responsibility for its maintenance, striving to reduce expenses and increase productivity across all product lines, maintaining hygienic conditions for both employees and the factory itself, implementing all the company's procedures and policies, communicating any problems or obstacles to senior management, monitoring productivity rates, standards and quality control, training and coaching Factory Operators and Sorters, implementing safety, health, environment and quality requirements.

Engineering Manager

Engineering Manager will plan, coordinate and oversee the technical and engineering activities of the company. They will be responsible for planning engineering projects and overseeing the efficient running of projects, including providing supervision and guidance to other engineers. Their focus is on goals and the management of issues between business and delivery. Key responsibilities include proposing and managing budgets for projects, supervising the work of direct reports, planning and executing strategies for completing projects on time, researching and developing designs and products, determining the need for training and talent development, hiring contractors and building teams, ensuring products have the support of upper management and providing clear and concise instructions to engineering teams.

Sales and Marketing Manager

Sales and Marketing Manager will be responsible for advertising and selling of company's products and to create competitive advantages for the company in the market industry. The sales and marketing manager's responsibilities include generating unique sales plans, creating engaging advertisements, emails, and promotional literature, developing pricing strategies, and meeting marketing and sales human resource objectives. The sales and marketing manager represent the



company's brand and drives strategies to increase product awareness by observing the market, competitors, and industry trends.

Chief Financial Officer (CFO)

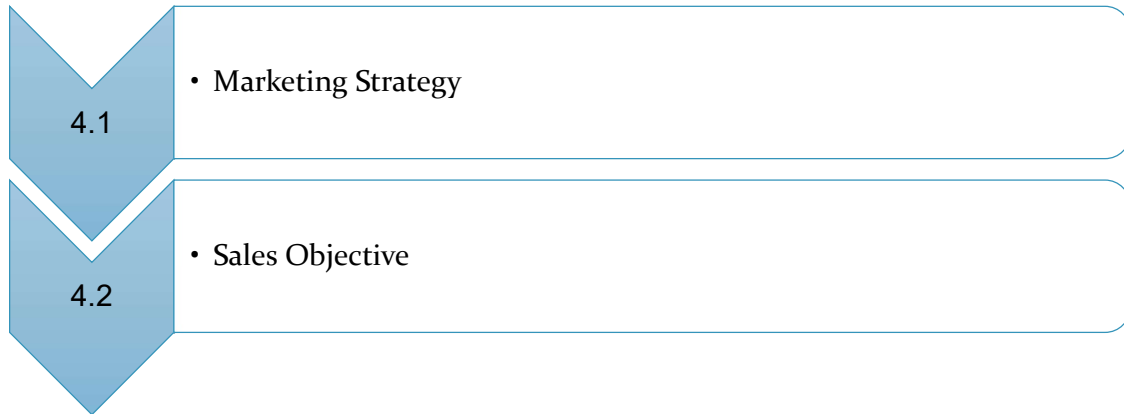
Chief Financial Officer plays a key role in managing financial actions of the company. CFO's duties include tracking cash flow and financial planning as well as analyzing the company's financial strengths and weaknesses and proposing corrective actions. The role of a CFO is like a treasurer or controller because they are responsible for managing the finance and accounting divisions and for ensuring that the company's financial reports are accurate and completed in a timely manner. CFO will interact with various members of a company, both senior and junior. A CFO job duties will include providing leadership, direction and management of the finance and accounting team, providing strategic recommendations to the CEO and members of the executive management team, managing the processes for financial forecasting and budgets, and overseeing the preparation of all financial reporting, advising on long-term business and financial planning, establishing and developing relations with senior management and external partners and stakeholders and reviewing all formal finance, HR and IT related procedures.

Human Resources & Admin Manager

Human Resources & Admin Manager plays key role in attracting and retaining talent pool within the company. Main duties and responsibilities include managing company staff, including coordinating and supporting the recruitment process, onboarding newcomers to the company, determining suitable salaries and remuneration, providing the necessary support systems for payroll requirements, developing adequate induction and training, supporting employee opportunities for professional development, managing succession planning of staff, assisting with the performance management and review process.

This role assumes the Admin Manager duties which are mainly managing office supplies stock and placing orders, preparing regular reports on expenses and office budgets, organizing and maintaining filing systems, managing document control, answering queries by employees and clients, updating office policies and communicating them to the wider team, maintaining individual, team and company calendars and scheduling appointments, preparing and formatting documents, reports and presentations, booking meeting rooms, printing and photocopying.

The Market





4.0 The Market

Saturn Corporation Limited intends to provide the tractors and tipper trucks to the local transportation, construction & mining sectors who will have wished to purchase the trucks and tractors locally to avoid the hassle of importation and at affordable prices. Over the last years, the transport of cargo in Tanzania has shown an important increase, particularly through Dar es Salaam port, especially for all the neighboring countries like Zambia, D.R. Congo, Rwanda, Malawi and Burundi. Zambia border (Tunduma/Nakonde), Malawi border (Kasumulo), Rwanda border (Rusumo) and Kenya border (Horo Horo). This situation has increased the demand for more tractors, tipper trucks and trailers to meet the ever-increasing cargo in East African countries and SADC countries. There is also a potential market for export which can be mainly found among the surrounding countries. The average total demand for heavy trucks is Tanzania very high and it is approximately over 12,000 vehicles yearly. We are receiving inquiries from about trucks with novice technology such as EURO III+, CNG, LNG as well and the proposed expansion will facilitates us to address the demand of the market.

4.1 Marketing Strategy

The marketing strategy will base on three principles; creating an East African hub in Tanzania using a network of importers and standardizing the vehicle specifications. By using the existence of importers and dealers the various markets can easily be penetrated. Fixed sales and service points will be established as soon as the sales volumes could motivate it.

4.2 Sales Objective

The base for Saturn Corporation Limited assembly operations will always be the domestic market. The sales volume is expected to reach 1355 Units in FY 2024 and being first year of operation. It will increase substantially from the 2nd year onwards of the operation on account of increase in efficiency due enrichment of experience. The potential export sale is in addition to these figures. The main condition for achieving this will be a successful implementation of the outlined marketing strategy.

Financial Analysis

- 5.1 • Basic Assumptions
- 5.2 • Projected Profit and Loss Account
- 5.3 • Projected Cash Flow



5.0 Financial Analysis

5.1 Basic Assumptions

In the financial analysis the following major assumptions have been made:

- a. Capital foreign costs have been based on an exchange rate of T. Shs.2,750 per one US Dollars.
- b. Component prices have been based on quotations current prices.
- c. The number of working days has been taken to be 260 days working on a two shift per day.
- d. Taxation is 10% of taxable profit.
- e. Salaries and wages have been based on the current scale in the country.
- f. The fixed assets of the Company are depreciated on a straight-line method.
- g. Operating costs have been taken as 90% of the total revenue the details of these costs are shown in annexes.
- h. Sales are expected to be US\$ 123 m in the first year after expansion, increasing to US\$ 194 m and upward in the second and subsequent years.
- i. The Sales prices and Purchase prices of the vehicles have been maintained at increasing value of 0.5% annually, the same level throughout the project period of this study.
- j. Supplier provides credit of 80% of value for good supplied of months, when 20% of deposit is paid in advance in starting years.
- k. Customers are offered 2 months credit and 35% of total sales are assumed to be on credit terms with customers.
- l. Minimum inventory holding is 3 months coverage.



5.2 Projected Profit and Loss Account

The project will generate a net profit after tax of US\$ 5m in the first year to second year to US\$ 12 m in the fourth year of operation.

5.3 Projected Cash Flow

The projected cash flow statement reveals a very healthy inflow throughout the project period. The forecasts show a very good cash position despite this being highly capital intensive in nature. There is no doubt that the project will be able to meet all its financial obligations including loan repayment and interest without any defaults.

Economic Evaluation

- 6.1 • Transfer of Technology
- 6.2 • Employment Effects
- 6.3 • Other Development Values
- 6.4 • Foreign Exchange Effects



6.0 Economic Evaluation

6.1 Transfer of Technology

The project involves transfer of technology from China, India to Tanzania for the assembly of vehicles.

6.2 Employment Effects

The project will create hundreds of jobs as stated earlier. The Expatriates Production Manager and team leaders are developing semi-skilled local operators on the job.



6.3 Other Development Values

- a. The project will make available vehicles at reasonable and affordable prices, without any delays on as and when needed basis.
- b. The project will substitute import and save foreign exchange and potential to earn foreign exchange through exports to PTA and SADC countries. About 15% of the vehicles will be exported.
- c. The government will earn revenue in terms of taxes and other levies.
- d. The project will have economies of scales effects.

6.4 Foreign Exchange Effects

The project will have an import substitution effect and hence will save the much-needed foreign exchange. The Company intends to export its product in several countries. Also, Tanzania provides geographical benefits for exports in seven neighbouring countries.

Conclusion and Recommendation

-  7.1 • Conclusion
-  7.2 • Recommendation



7.0 Conclusion and Recommendation

7.1 Conclusion

It is evident the proposed assembling project is financially and economically viable. The project is therefore highly recommended to be given credit facility as per requirement so that it can implement its project as planned and hence contribute to the economic and social development of this country.

7.2 Recommendation

We seek recommendation that the financial institutions take the following actions to support the assembling operation proposed by **Saturn Corporation Limited** in order to benefit from the positive effects this feasibility study has pointed out:

- To renew existing credit facility of term loans as part of cost of project to set up the manufacturing facility.
- To renew the Letter of Credit facility to USD 22 Million with an Interchangeable sub limit for Discounting of Inward Letter of Credit and Post Import Loan for 90 days of USD 5 Million.
- To grant an additional loan of USD 3 million for enhancement of production facilities.
- Every assistance from concerned parties is expected to make this venture a success.

Appendices

- 1 • Revenue
- 2 • Direct Cost
- 3 • Expenses
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- 6 • Projected Profit & Loss
- 7 • Projected Balance Sheet
- 8 • Projected Cash Flow



Appendix - I

Revenue

REVENUE				
	2025	2026	2027	2028
Total Revenue	\$ 123,750,000	\$ 162,820,800	\$ 181,824,000	\$ 191,872,800
Revenue Tractor Truck	\$ 108,625,000	\$ 142,920,000	\$ 159,600,000	\$ 168,420,000
Unit Tractor	2,750	3,600	4,000	4,200
Unit Price	\$ 39,500	\$ 39,700	\$ 39,900	\$ 40,100
Revenue Tipper Truck	\$ 15,125,000	\$ 19,900,800	\$ 22,224,000	\$ 23,452,800
Unit Tipper	275	360	400	420
Unit Price	\$ 55,000	\$ 55,280	\$ 55,560	\$ 55,840
Sales Revenue	\$ 123,750,000	\$ 162,820,800	\$ 181,824,000	\$ 191,872,800



Appendix – II

Direct Cost

Direct Cost				
	2025	2026	2027	2028
Total Direct Cost	\$ 110,612,425	\$ 145,553,400	\$ 162,600,800	\$ 171,615,780
Purchase Price (FOB)	\$ 88,178,750	\$ 116,067,600	\$ 129,668,000	\$ 136,890,600
Sea Freight	\$ 9,396,750	\$ 12,387,600	\$ 13,860,000	\$ 14,653,800
Insurance	\$ 123,750	\$ 162,000	\$ 180,000	\$ 189,000
Finance Cost	\$ 2,942,500	\$ 3,855,600	\$ 4,328,000	\$ 4,548,600
Vehicle Registration Tax	\$ 605,000	\$ 792,000	\$ 880,000	\$ 924,000
Customs Processing Fee	\$ 547,525	\$ 721,080	\$ 802,400	\$ 847,560
Railway Development Levy	\$ 2,013,275	\$ 2,649,600	\$ 2,959,200	\$ 3,127,320
Wharfage Charges	\$ 1,610,675	\$ 2,118,240	\$ 2,368,000	\$ 2,501,940
Delivery Order Charges - Shipping Fees	\$ 256,850	\$ 336,240	\$ 373,600	\$ 392,280
Custom Verification Handling - ICD	\$ 290,950	\$ 380,880	\$ 423,200	\$ 444,360
Shore Handling - ICD	\$ 247,225	\$ 323,640	\$ 359,600	\$ 377,580
Stripping and Destuffing - ICD	\$ 290,950	\$ 380,880	\$ 423,200	\$ 444,360
Transport to ICD - ICD	\$ 228,525	\$ 299,160	\$ 332,400	\$ 349,020
Corridor Levy Charges - ICD	\$ 25,025	\$ 32,760	\$ 36,400	\$ 38,220
TBS and Other Charges	\$ 181,500	\$ 237,600	\$ 264,000	\$ 277,200
Bond Charges	\$ 312,950	\$ 409,680	\$ 455,200	\$ 477,960
Documentation Charges	\$ 53,075	\$ 69,480	\$ 77,200	\$ 81,060
Transportation Charges	\$ 1,095,050	\$ 1,433,520	\$ 1,592,800	\$ 1,672,440
Fuel & Lubricants	\$ 1,229,250	\$ 1,609,200	\$ 1,788,000	\$ 1,877,400
Water & Electricity Expenses	\$ 113,850	\$ 149,040	\$ 165,600	\$ 173,880
Consumables	\$ 49,500	\$ 64,800	\$ 72,000	\$ 75,600
Maintenance Expenses	\$ 63,250	\$ 82,800	\$ 92,000	\$ 96,600
Other Expenses	\$ 756,250	\$ 990,000	\$ 1,100,000	\$ 1,155,000
Total Direct Cost	\$ 110,612,425	\$ 145,553,400	\$ 162,600,800	\$ 171,615,780



Appendix - III

Expenses

Expenses				
	2025	2026	2027	2028
Total Expenses	\$ 1,349,909	\$ 1,577,322	\$ 1,689,687	\$ 1,744,569
Business Dev. & Guest Exp.	\$ 2,400	\$ 2,448	\$ 2,497	\$ 2,547
Computer Maintenance Exp.	\$ 6,000	\$ 6,120	\$ 6,242	\$ 6,367
Insurance Expense	\$ 205,250	\$ 207,250	\$ 207,250	\$ 207,250
Internet Expense	\$ 9,000	\$ 9,180	\$ 9,364	\$ 9,551
Legal & Professional Charges	\$ 18,000	\$ 18,360	\$ 18,727	\$ 19,102
Mv Expense	\$ 45,900	\$ 46,818	\$ 47,754	\$ 48,709
Postage And Courier Expense	\$ 1,200	\$ 1,224	\$ 1,248	\$ 1,273
Printing & Stationery Exp.	\$ 3,360	\$ 3,427	\$ 3,496	\$ 3,566
Telephone Expense	\$ 4,140	\$ 4,223	\$ 4,307	\$ 4,393
Travelling Expense	\$ 34,845	\$ 35,542	\$ 36,253	\$ 36,978
Visa Expense	\$ 50,083	\$ 51,085	\$ 52,107	\$ 53,149
Safety Gear	\$ 22,036	\$ 24,945	\$ 26,400	\$ 26,400
Sataff Welfare	\$ 280,945	\$ 303,636	\$ 314,982	\$ 314,982
Security Expenses	\$ 24,000	\$ 24,480	\$ 24,970	\$ 25,469
Other Expenses	\$ 24,000	\$ 24,480	\$ 24,970	\$ 25,469
Sales Tax - City Survey Levy	\$ 371,250	\$ 488,462	\$ 545,472	\$ 575,618
Sales & Marketing	\$ 247,500	\$ 325,642	\$ 363,648	\$ 383,746
Total Expenses	\$ 1,349,909	\$ 1,577,322	\$ 1,689,687	\$ 1,744,569



Appendix - IV

Assets

Assets				
	2025	2026	2027	2028
Total Assets	\$ 67,445,591	\$ 73,021,745	\$ 81,374,167	\$ 80,566,233
Current Assets	\$ 46,601,591	\$ 52,177,745	\$ 60,530,167	\$ 59,722,233
Cash	\$ 2,994,491	\$ 2,029,664	\$ 7,019,822	\$ 5,625,708
Account Receivable	\$ 7,218,750	\$ 9,497,880	\$ 10,606,400	\$ 11,192,580
Advance to Suppliers				
Inventory	\$ 36,388,350	\$ 40,650,201	\$ 42,903,945	\$ 42,903,945
Logn-Term Assets	\$ 20,844,000	\$ 20,844,000	\$ 20,844,000	\$ 20,844,000
Land	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000
Construction & Steel Work	\$ 11,980,000	\$ 11,980,000	\$ 11,980,000	\$ 11,980,000
Machineries	\$ 7,164,000	\$ 7,164,000	\$ 7,164,000	\$ 7,164,000
Computers, Peripherals and Furniture & Fixtures	\$ 500,000 \$ -	\$ 500,000 \$ -	\$ 500,000 \$ -	\$ 500,000 \$ -
Total Assets	\$ 67,445,591	\$ 73,021,745	\$ 81,374,167	\$ 80,566,233



Appendix - V

Financing

Financing				
	2025	2026	2027	2028
Amount Receipt	\$ 4,000,000	\$ -	\$ -	\$ -
Shareholder's Funds	\$ 1,000,000	\$ -	\$ -	\$ -
Loan	\$ -	\$ -	\$ -	\$ -
Tem. Funds	\$ 3,000,000	\$ -	\$ -	\$ -
Payments	\$ 7,297,509	\$ 7,981,027	\$ 4,546,655	\$ 2,638,671
<u>Loan</u>				
Principal Paid	\$ 4,499,607	\$ 5,234,760	\$ 2,186,590	\$ 374,548
Interest Paid - Bank Loan	\$ 842,748	\$ 489,192	\$ 102,990	\$ 7,049
Share Holder Pincipal Paid	\$ 1,467,724	\$ 1,778,463	\$ 1,890,607	\$ 2,010,106
Interest Paid - Share Holder	\$ 487,430	\$ 478,612	\$ 366,468	\$ 246,968
Balance	\$ 6,362,590	\$ 2,186,590	\$ 374,548	\$ -
<u>Short Term Debt</u>				
Bank Fund	\$ 5,234,760	\$ 2,186,590	\$ 374,548	\$ -
SH Fund	\$ 1,778,463	\$ 1,890,607	\$ 2,010,106	\$ 1,856,709
Tem. Funds	\$ -	\$ -	\$ -	\$ -
<u>Long Term Debt</u>				
Loan	\$ 1,127,831	\$ -	\$ -	\$ -
SH Loan	\$ 5,757,422	\$ 3,866,815	\$ 1,856,709	\$ (0)
Balance	\$ 6,362,590	\$ 2,186,590	\$ 374,548	\$ -



Appendix - VI

Projected Profit & Loss

Projected Profit & Loss Account				
	2025	2026	2027	2028
Sales Revenue	\$ 123,750,000	\$ 162,820,800	\$ 181,824,000	\$ 191,872,800
Tractor Truck	\$ 108,625,000	\$ 142,920,000	\$ 159,600,000	\$ 168,420,000
Tipper Truck	\$ 15,125,000	\$ 19,900,800	\$ 22,224,000	\$ 23,452,800
<u>Direct Costs</u>	\$ 110,612,425	\$ 145,553,400	\$ 162,600,800	\$ 171,615,780
Gross Margin	\$ 13,137,575	\$ 17,267,400	\$ 19,223,200	\$ 20,257,020
Gross Margin %	10.62%	10.61%	10.57%	10.56%
<u>Operating Expenses</u>	\$ 4,110,821	\$ 4,600,230	\$ 4,858,083	\$ 4,976,145
Salary & Wages	\$ 2,760,912	\$ 3,022,908	\$ 3,168,396	\$ 3,231,576
Administration Charges	\$ 1,102,409	\$ 1,251,680	\$ 1,326,039	\$ 1,360,823
Sales & Marketing	\$ 247,500	\$ 325,642	\$ 363,648	\$ 383,746
Operating Income	\$ 9,026,754	\$ 12,667,170	\$ 14,365,117	\$ 15,280,875
<u>Total Expenses</u>	\$ 3,489,886	\$ 3,527,791	\$ 3,249,074	\$ 3,146,753
Interest Expense	\$ 1,330,178	\$ 967,804	\$ 469,458	\$ 254,017
Income Tax	\$ 615,208	\$ 1,015,487	\$ 1,235,116	\$ 1,348,236
Depreciation and Amortization	\$ 1,544,500	\$ 1,544,500	\$ 1,544,500	\$ 1,544,500
Net Profit	\$ 5,536,868	\$ 9,139,379	\$ 11,116,043	\$ 12,134,122
Net Profit %	4.47%	5.61%	6.11%	6.32%



Appendix - VII

Projected Balance Sheet

Projected Balance Sheet				
	2025	2026	2027	2028
Assets	\$64,982,716	\$69,014,370	\$ 75,822,292	\$ 73,469,858
Current Assets	\$46,601,591	\$52,177,745	\$ 60,530,167	\$ 59,722,233
Cash	\$ 2,994,491	\$ 2,029,664	\$ 7,019,822	\$ 5,625,708
Accounts Receivable	\$ 7,218,750	\$ 9,497,880	\$ 10,606,400	\$ 11,192,580
Advance to supplier				
Inventory	\$36,388,350	\$40,650,201	\$ 42,903,945	\$ 42,903,945
Long-Term Assets	\$18,381,125	\$16,836,625	\$ 15,292,125	\$ 13,747,625
Long-Term Assets	\$20,844,000	\$20,844,000	\$ 20,844,000	\$ 20,844,000
Accumulated Depreciation	\$ (2,462,875)	\$ (4,007,375)	\$ (5,551,875)	\$ (7,096,375)
Liabilities & Equity	\$64,982,716	\$69,014,370	\$ 75,822,292	\$ 73,469,858
Liabilities	\$55,399,045	\$50,291,320	\$ 45,983,199	\$ 31,496,643
Accounts Payable	\$39,913,460	\$41,718,888	\$ 41,433,057	\$ 29,302,875
Income Taxes Payable	\$ 153,802	\$ 253,872	\$ 308,779	\$ 337,059
City Service Levy (CSL) Payable	\$ -	\$ -	\$ -	\$ -
Short-Term Debt	\$ -	\$ -	\$ -	\$ -
Long Term Debt - Bank	\$ 7,795,898	\$ 2,561,138	\$ 374,548	\$ -
Long-term Debt - SH (Quasi Equity)	\$ 7,535,885	\$ 5,757,422	\$ 3,866,815	\$ 1,856,709
Equity	\$ 9,583,671	\$18,723,050	\$ 29,839,093	\$ 41,973,215
Paid-In Capital	\$ 2,137,255	\$ 2,137,255	\$ 2,137,255	\$ 2,137,255
Retained Earnings	\$ 7,446,416	\$16,585,795	\$ 27,701,838	\$ 39,835,960



Appendix - VIII

Projected Cash Flow

Projected Cash Flow				
	2025	2026	2027	2028
Net Cash from Operations	\$ 8,034,194	\$ 6,048,396	\$ 9,067,355	\$ 990,540
Net Profit	\$ 5,536,868	\$ 9,139,379	\$ 11,116,043	\$ 12,134,122
Depreciation and Amortization	\$ 1,544,500	\$ 1,544,500	\$ 1,544,500	\$ 1,544,500
Change in Accounts Receivable	\$ (3,651,860)	\$ (2,279,130)	\$ (1,108,520)	\$ (586,180)
Advance to Supplier				
Change in Inventory	\$ (8,735,244)	\$ (4,261,851)	\$ (2,253,744)	\$ -
Change in Accounts Payable	\$ 13,398,300	\$ 1,805,428	\$ (285,831)	\$ (12,130,182)
Change in Income Tax Payable	\$ (58,370)	\$ 100,070	\$ 54,907	\$ 28,280
Change in Sales Tax Payable	\$ -	\$ -	\$ -	\$ -
Net Cash from Investing	\$ (4,000,000)	\$ -	\$ -	\$ -
Assets Purchased or Sold	\$ (4,000,000)	\$ -	\$ -	\$ -
Net Cash from Financing	\$ (1,967,330)	\$ (7,013,223)	\$ (4,077,197)	\$ (2,384,654)
Investments Received	\$ -	\$ -	\$ -	\$ -
Dividends & Distributions	\$ -	\$ -	\$ -	\$ -
Fund Based Working Capital	\$ -	\$ -	\$ -	\$ -
Change in Short Term Fund (WC Limit)	\$ -	\$ -	\$ -	\$ -
Change in Long Term Fund	\$ (1,967,330)	\$ (7,013,223)	\$ (4,077,197)	\$ (2,384,654)
Net Change	\$ 2,066,864	\$ (964,827)	\$ 4,990,158	\$ (1,394,114)
Cash at the beginning of period	\$ 927,627	\$ 2,994,491	\$ 2,029,664	\$ 7,019,822
Cash at the end of the period	\$ 2,994,491	\$ 2,029,664	\$ 7,019,822	\$ 5,625,708