

TANZSPIRIT INDUSTRIES LIMITED

Comprehensive Business Plan 2025-2030

EXECUTIVE SUMMARY

Tanzmoro Distillery Company Limited is a diversified beverage and agricultural company established to capitalize on Tanzania's growing beverage industry through premium spirits production, wine manufacturing, and complementary business activities. Operating under the industrial license of Tanzmoro Distillery Company Limited, the company represents a strategic partnership between Tanzanian, Indian, and Ugandan investors with a total planned investment of TSh 26.4 billion.

Key Highlights:

- **Total Investment:** TSh 26.4 billion initial capital
 - **Primary Production:** 9 million liters of spirits annually
 - **Revenue Projection:** TSh 22.5 billion (Year 1 spirits alone)
 - **Employment Creation:** 112+ direct jobs
 - **International Partnership:** Multi-national board with diverse expertise
 - **Business Diversification:** Spirits
 - **Break-even Period:** 18 months (projected)
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1. COMPANY OVERVIEW

1.1 Corporate Structure

Legal Entity: Tanzmoro Distillery Company Limited **Registration:** Private Company Limited by Shares **Incorporation Date:** June 23, 2025 **Registration Number:** Pending (Application G250623-7983) **Operating License:** Tanzmoro Distillery Company Limited (License G250628-6748) **Accounting Year End:** December 31

1.2 Registered Office and Operations

Registered Address:

- Region: Morogoro
- District: Mvomero
- Ward: Dakawa

- Street: Wami Luhindo
- Plot: 52794, Block: 319, House: 320
- P.O. Box: 67302
- Email: yash20112000@gmail.com
- Phone: +256707753600

Strategic Location Advantages:

- Proximity to Dar es Salaam (major market access)
- Agricultural zone for raw material sourcing
- Industrial infrastructure availability
- Transportation connectivity
- Export facilitation through Dar es Salaam port

1.3 Mission Statement

To become East Africa's premier integrated beverage company by delivering exceptional quality products across multiple beverage categories while fostering international partnerships and supporting local agricultural communities.

1.4 Vision Statement

To be recognized as the leading beverage conglomerate in Tanzania, driving innovation in spirits, wines, and beverages while creating sustainable value for stakeholders and contributing to regional economic development.

2. CORPORATE GOVERNANCE AND MANAGEMENT

2.1 Board of Directors

Chairman & Managing Director: Yash Amrutal Patel (Indian National)

- Date of Birth: November 20, 1998
- Shareholding: 800 shares (80%)
- Email: yash20112000@gmail.com
- Phone: +256707753600
- Residence: Gujarat, India
- Responsibilities: Strategic leadership, international markets, technology oversight

Executive Director: John Bernard Baguma (Ugandan National)

- Date of Birth: May 6, 1981
- Shareholding: 100 shares (10%)
- Email: baguber@gmail.com
- Phone: +256707388801
- Residence: Bugiri District, Uganda
- Responsibilities: Operations management, regional partnerships, supply chain

Non-Executive Director: Naboth Kusiima (Ugandan National)

- Date of Birth: February 7, 1979
- Shareholding: 100 shares (10%)
- Email: kusiimanaboth42@gmail.com
- Phone: +256709005001
- Residence: Bugiri District, Uganda
- Responsibilities: Financial oversight, risk management, compliance

2.2 Shareholding Structure

Authorized Share Capital: TSh 10,000,000

- **Share Class:** Ordinary shares
- **Number of Shares:** 1,000 shares
- **Par Value:** TSh 10,000 per share

Current Shareholding:

Shareholder	Nationality	Shares	Percentage
Yash Amrutal Patel	Indian	800	80%
John Bernard Baguma	Ugandan	100	10%
Naboth Kusiima	Ugandan	100	10%
Total		1,000	100%

2.3 Management Philosophy

- **International Expertise:** Leveraging diverse cultural and business perspectives
 - **Local Integration:** Deep understanding of Tanzanian market and regulations
 - **Sustainable Growth:** Long-term value creation over short-term gains
 - **Stakeholder Focus:** Balanced approach to shareholder, employee, and community interests
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3. BUSINESS ACTIVITIES AND PRODUCTS

3.1 Primary Business Activity (ISIC Code)

Core Manufacturing:

1. **1101 - Distilling, rectifying and blending of spirits** (Primary Focus)

Supporting Activities: 2. **5630 - Beverage serving activities** (Main registered activity)

3.2 Product Portfolio

Spirits Division (Primary Focus):

- **Annual Capacity:** 9,000,000 liters
- **Product Range:**
 - Premium spirits (40% ABV)
 - Standard spirits (35% ABV)
 - Flavored spirits variants
 - Export-grade formulations
- **Factory Gate Price:** TSh 2,500 per liter
- **Annual Revenue Potential:** TSh 22.5 billion

Future Expansion Opportunities:

- Premium aged spirits
- Specialty blends for export markets
- Private label manufacturing

- Regional brand extensions

4. MARKET ANALYSIS

4.1 Industry Overview

The East African beverage market presents significant opportunities:

- **Market Size:** USD 8+ billion regionally
- **Growth Rate:** 6-8% annually
- **Key Drivers:** Urbanization, rising incomes, tourism growth
- **Export Potential:** EAC common market advantages

4.2 Target Markets

Primary Markets:

1. **Tanzania Domestic:** 60 million population, growing middle class
2. **EAC Regional:** Uganda, Kenya, Rwanda, Burundi combined market
3. **Tourism Sector:** Growing hospitality and entertainment industry

Secondary Markets:

1. **Southern Africa:** Zambia, Malawi export opportunities
2. **International:** Diaspora communities globally
3. **Private Label:** Contract manufacturing for other brands

4.3 Competitive Advantages

- **Diversified Portfolio:** Multiple revenue streams reduce risk
- **International Management:** Global best practices and networks
- **Strategic Location:** Optimal for regional distribution
- **Integrated Operations:** Farm-to-bottle control over quality and costs
- **Cost Structure:** Utilizing agricultural waste and local materials

5. OPERATIONS PLAN

5.1 Spirits Production Strategy

Production Capacity:

- **Daily Capacity:** 24,658 liters (365-day operation)
- **Annual Target:** 9,000,000 liters

- **Shift Structure:** 3 shifts × 8 hours
- **Utilization Target:** 85% capacity
- **Quality Standards:** TBS compliance + international standards

Production Process:

1. **Raw Material Processing:** Cleaning, sorting, and preparation
2. **Fermentation:** Controlled fermentation using selected yeasts
3. **Distillation:** Multi-column distillation for purity
4. **Rectification:** Purification and alcohol content standardization
5. **Blending:** Flavor profile development
6. **Quality Control:** Laboratory testing at each stage
7. **Packaging:** Bottling and labeling for market distribution

5.2 Raw Material Sourcing

Spirits Production Raw Materials (TSh 22 billion annually):

Local Sources (TSh 12 billion):

Material	Regions	Quantity (Tons)	Unit Price (TSh)	Total Cost (TSh)
Reject Rice	Morogoro, Bagamoyo, Mbeya, Shinyanga, Mwanza	10,000	400,000	4,000,000,000
Rice Tips	Morogoro, Bagamoyo, Mbeya, Shinyanga, Mwanza	10,000	400,000	4,000,000,000
Maize	Morogoro, Bagamoyo, Mbeya, Shinyanga, Mwanza	10,000	400,000	4,000,000,000

Imported Sources (TSh 10 billion):

Material	Country	Quantity (Tons)	Unit Price (TSh)	Total Cost (TSh)
Molasses	Uganda	10,000	500,000	5,000,000,000
Molasses	Kenya	10,000	500,000	5,000,000,000

Supply Chain Strategy:

- **Local Partnerships:** Direct contracts with farmer cooperatives
- **Regional Sourcing:** Leveraging Ugandan director connections
- **Quality Assurance:** Pre-delivery testing and certification
- **Inventory Management:** 90-day raw material buffer stock

5.3 Technology and Infrastructure

- **Primary Distillation:** Multi-column continuous distillation system
- **Fermentation Facilities:** Temperature-controlled fermentation tanks
- **Quality Control Laboratory:** Comprehensive testing for spirits production
- **Packaging Lines:** Bottling and labeling equipment for spirits
- **Storage Facilities:** Temperature-controlled warehousing for finished products
- **Utilities:** Power generation backup, water treatment plant
- **Safety Systems:** Fire suppression, emergency protocols, safety equipment

6. FINANCIAL PROJECTIONS

6.1 Investment Summary

Total Planned Investment: TSh 26,400,000,000

Investment Allocation:

- **Spirits Production Facility:** TSh 18,000,000,000 (68.2%)
- **Raw Materials (Initial Stock):** TSh 5,500,000,000 (20.8%)
- **Working Capital:** TSh 2,400,000,000 (9.1%)
- **Contingency Fund:** TSh 500,000,000 (1.9%)

6.2 Revenue Projections (5-Year Spirits Focus)

Business: Spirits Production

6.2.1. INVESTMENT SUMMARY

Category	Amount (TZS)	% of Total
Production Facility	18,000,000,000	68.2%
Raw Materials (Initial)	5,500,000,000	20.8%
Working Capital	2,400,000,000	9.1%
Contingency Fund	500,000,000	1.9%
Total Investment	26,400,000,000	100%

6.2.2 REVENUE FORECAST

(Based on increasing production capacity and price adjustments)

Year	Production (Liters)	Price/Liter (TZS)	Revenue (TZS)	Growth Rate
2025	7,200,000	2,500	18,000,000,000	–
2026	9,000,000	2,600	23,400,000,000	30%
2027	9,000,000	2,700	24,300,000,000	4%
2028	10,800,000	2,800	30,240,000,000	24%
2029	12,600,000	2,900	36,540,000,000	21%

Cumulative Revenue (5 Years): TZS 132.48 Billion

6.2.3. COST & PROFIT ANALYSIS

Assumptions: Operating Costs = 60% of Revenue;

Year	Revenue	Operating Costs (60%)	Gross Profit	Net Profit
2025	18.0B	10.8B	7.2B	5.0B
2026	23.4B	14.0B	9.4B	6.6B
2027	24.3B	14.6B	9.7B	6.8B
2028	30.2B	18.1B	12.1B	8.5B
2029	36.5B	21.9B	14.6B	10.2B

Total Net Profit (2025–2029): TZS 37.1 Billion

6.3 Employment and Cost Structure

Employment Plan:

Category	Number of Employees	Roles
Tanzanian Workers	90	Production workers, supervisors, administration, sales
Foreign Specialists	22	Technical experts, quality control, engineering
Total Employment	112	Full-time positions

Annual Operating Costs (Year 2):

- **Raw Materials:** TSh 22,000,000,000 (84.6%)
- **Labor Costs:** TSh 2,800,000,000 (10.8%)
- **Utilities & Operations:** TSh 936,000,000 (3.6%)
- **Marketing & Sales:** TSh 234,000,000 (0.9%)
- **Administration:** TSh 100,000,000 (0.4%)

6.4 Profitability Analysis

Spirits Business Projections:

- **Gross Profit Margin:** 15-20% (considering raw material costs)
- **EBITDA Margin:** 12-15%
- **Net Profit Margin:** 8-12%
- **Return on Investment:** 18-22% (5-year average)
- **Break-even Period:** 18 months
- **Payback Period:** 4.2 years

7. MARKETING AND SALES STRATEGY

7.1 Brand Strategy

TanzSpirit Premium Spirits:

- **Brand Positioning:** Premium quality at competitive prices
- **Target Markets:** Urban professionals, hospitality sector, export
- **Product Lines:**
 - TanzSpirit Classic (35% ABV) - Mass market
 - TanzSpirit Premium (40% ABV) - Urban market
 - TanzSpirit Export (Various formulations) - Regional markets

Market Segmentation:

- **Urban Professional (40%):** Premium products, sophisticated packaging
- **Tourism Sector (25%):** Authentic Tanzanian experience products
- **Export Markets (20%):** EAC-compliant formulations
- **Mass Market (15%):** Affordable quality alternatives

7.2 Distribution Strategy

Domestic Distribution:

- **Tier 1 Cities:** Direct distribution and premium retail
- **Tier 2/3 Markets:** Regional distributor partnerships
- **Rural Markets:** Mobile distribution and local agents

Regional Export:

- **Uganda:** Leveraging director connections and knowledge
- **Kenya:** Strategic partnerships with existing distributors
- **Rwanda/Burundi:** Gradual market entry through EAC channels

International Markets:

- **Diaspora Communities:** Specialty import channels
- **Tourism Export:** Duty-free and hotel chains
- **Private Label:** Contract manufacturing for international brands

7.3 Marketing Initiatives

Digital Strategy:

- **Social Media:** Instagram, Facebook, TikTok presence
- **E-commerce:** Online sales platform development
- **Influencer Partnerships:** Local and regional brand ambassadors

Traditional Marketing:

- **Trade Shows:** International beverage exhibitions
- **Sponsorships:** Sports events, cultural festivals
- **Retail Partnerships:** In-store promotions and displays

8. RISK MANAGEMENT

8.1 Business Risks and Mitigation

Market Risks:

- **Risk:** Currency fluctuation affecting imported materials
- **Mitigation:** Forward contracts, natural hedging through export revenues
- **Responsible Director:** Naboth Kusiima (Financial oversight)

Operational Risks:

- **Risk:** Multi-product complexity and quality control
- **Mitigation:** Dedicated quality teams, international best practices
- **Responsible Director:** John Bernard Baguma (Operations)

Regulatory Risks:

- **Risk:** Multiple product regulations and compliance
- **Mitigation:** Dedicated compliance team, legal advisory
- **Responsible Officer:** Salum Khatib Mohamed (Company Secretary)

Technology Risks:

- **Risk:** Equipment failure across multiple production lines
- **Mitigation:** Preventive maintenance, backup systems, insurance
- **Responsible Director:** Yash Amrutal Patel (Technology oversight)

8.2 International Partnership Risks

Cultural Integration:

- **Challenge:** Multi-national management coordination
- **Solution:** Regular board meetings, clear communication protocols
- **Cultural Liaison:** Company Secretary for local integration

Transfer Pricing and Tax:

- **Challenge:** International ownership and profit repatriation
- **Solution:** Professional tax advisory, transparent transfer pricing

- **Direct Jobs:** 112 full-time positions
- **Indirect Jobs:** 300+ through supply chain and distribution
- **Skills Development:** Technical training and management development
- **Gender Inclusion:** 30% female employment target

Community Development:

- **Farmer Support:** Training and guaranteed purchase agreements for rice producers
- **Local Procurement:** 55% of raw materials sourced locally (TSh 12 billion)
- **Infrastructure:** Support for local road and utilities improvements
- **Education:** Scholarship programs for local students in technical fields

9.3 Economic Contribution

Government Revenue:

- **Corporate Tax:** Significant annual contribution
- **Excise Taxes:** Substantial beverage tax payments
- **Employment Taxes:** PAYE and social security contributions
- **Import/Export:** Foreign exchange benefits

10. IMPLEMENTATION ROADMAP

10.1 Phase 1: Foundation (Months 1-6)

Corporate Setup:

- Complete company registration and licensing
- Board governance structure implementation
- Banking and financial systems establishment
- International director onboarding

Facility Development:

- Equipment procurement and installation
- Staff recruitment and training
- Supply chain contract negotiations
- Quality systems establishment

10.2 Phase 2: Launch (Months 7-12)

Production Commencement:

- Spirits production at 60% capacity (5.4 million liters)
- Quality certification and TBS compliance
- Initial product launches in domestic market
- Export documentation and approvals

Market Entry:

- TanzSpirit brand launch across product lines
- Distribution network activation
- Marketing campaign implementation
- Customer acquisition and retention programs

10.3 Phase 3: Growth (Months 13-24)

Capacity Expansion:

- Full capacity utilization (9 million liters annually)
- Export market penetration to Uganda and Kenya
- Premium product line extensions
- Production efficiency optimization

Strategic Development:

- Regional partnerships establishment
- Technology upgrades and automation
- New spirits variants development
- Market share expansion strategies

10.4 Phase 4: Expansion (Years 3-5)

Market Leadership:

- Capacity expansion to 12.6 million liters
- Premium aged spirits introduction
- International market expansion beyond EAC
- Strategic acquisition opportunities in spirits sector

Future Diversification:

- Consideration of wine production (Phase 5)

- Private label manufacturing services
 - Contract distilling for other brands
 - Regional distribution hub development
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11. FINANCING STRUCTURE

11.1 Capital Requirements

Total Project Cost: TSh 26,400,000,000

Funding Sources:

- **Shareholder Equity:** TSh 10,560,000,000 (40%)
- **Bank Financing:** TSh 13,200,000,000 (50%)
- **Development Finance:** TSh 2,640,000,000 (10%)

11.2 Shareholder Commitments

Equity Contributions (Proportional to shareholding):

- **Yash Amrutal Patel (80%):** TSh 8,448,000,000
- **John Bernard Baguma (10%):** TSh 1,056,000,000
- **Naboth Kusiima (10%):** TSh 1,056,000,000

11.3 Debt Financing Strategy

Commercial Banking:

- **Equipment Financing:** TSh 8,000,000,000
- **Working Capital:** TSh 4,000,000,000
- **Trade Finance:** TSh 1,200,000,000

Development Finance:

- **IFC/DFC Participation:** Focus on employment and export potential
 - **Regional Development Banks:** EAC development financing
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12. CONCLUSION

Tanzmoro Distillery Company Limited represents a unique opportunity to build East Africa's most diversified beverage company through international partnership, local expertise, and strategic positioning. The combination of experienced international management, strong local knowledge, and comprehensive product portfolio positions the company for exceptional growth and market leadership.

Competitive Advantages:

- **Multi-national expertise** bringing global best practices
- **Diversified revenue streams** reducing market dependency
- **Strategic location** optimizing costs and distribution
- **Integrated operations** from farming to finished products
- **Strong financial foundation** with committed shareholders

Success Factors:

- **Leadership Team:** Proven international and regional expertise
- **Market Opportunity:** Growing beverage market with export potential
- **Operational Excellence:** Modern technology and quality systems
- **Financial Strength:** Adequate capitalization and financing
- **Sustainability Focus:** Long-term value creation approach

The company is positioned to achieve market leadership while creating significant value for shareholders, employees, communities, and the broader Tanzanian economy.

Approved by Board of Directors:



Yash Amrutal Patel - Chairman & Managing Director



John Bernard Baguma - Executive Director



Naboth Kusiima - Non-Executive Director

