

TETAX LIMITED

BUSINESS PLAN

Prepared by:

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1. EXECUTIVE SUMMARY

Who we are:

TETAX LIMITED is a Tanzanian logistics and transportation company specializing in container, fuel, and loose cargo transport across Tanzania and neighboring regions. Leveraging strategic partnerships, an experienced management team, and a robust fleet, TETAX LIMITED aims to provide efficient, reliable transportation solutions that meet the demands of regional trade and industry.

Vision

To become the preferred logistics partner in East and Central Africa, renowned for safety, efficiency, and reliable service.

Mission

To deliver exceptional logistical solutions with a focus on safety, timely delivery, and environmental responsibility, supporting Tanzania's economic growth and regional trade connectivity.

Core Values

- **Customer Satisfaction:** Ensuring timely and efficient delivery.
- **Integrity:** Upholding ethical business practices.
- **Safety:** Prioritizing the security of cargo and personnel.
- **Innovation:** Employing modern technology for optimal service.
- **Sustainability:** Reducing environmental impact.

2. COMPANY OVERVIEW

Legal Entity and Ownership

TETAX LIMITED is a private limited company established in accordance with the Tanzanian Companies Act and assigned the Taxpayer Identity Number (TIN) 162-830-163. The company is solely owned by the following shareholders.

Table 1: Shares ownership

SN	NAME	SHARES
1	TAUSI BARUANI NGUZA	600
2	TEGEMEA MARTIN MFINANGA	400

This share structure positions the company to leverage shareholder expertise in logistics and business management for sustainable growth and expansion.

Primary Objectives

- To maintain a competitive pricing model alongside high service quality.
- To expand into neighboring countries, including Uganda, Kenya, Rwanda, and Zambia.
- To continuously upgrade and expand the fleet to meet growing market demands.

3. PRODUCTS AND SERVICES

Container Transportation

Transporting 20' and 40' containers to various destinations within Tanzania and across borders.



Fuel Transportation

Safe and efficient transport of fuel to industries, fuel stations, and other clients across Tanzania.



Loose Cargo

Bulk transport of various loose goods, including agricultural produce, construction materials, and other industrial products.



Specialized Cargo Services

Transportation of oversized, heavy-duty machinery and equipment for industries like mining and construction.



4. MARKET ANALYSIS

Industry Background

The transportation sector in Tanzania is growing, driven by expanding trade routes and government infrastructure investments. With major transport corridors connecting Tanzania to landlocked countries, TETAX LIMITED is well-positioned to capture opportunities in the logistics market.

Target Market

Primary clients include fuel suppliers, industrial manufacturers, construction companies, and agricultural producers.

Competitive Advantage

- Extensive industry experience and a network across Tanzania and East Africa.
- An emphasis on timely delivery, supported by a reliable fleet and trained personnel.
- Flexible and scalable services that can accommodate both full and partial cargo loads.

STRATEGY AND IMPLEMENTATION

Marketing Strategy

- **Customer Relationship Management:** Build long-term relationships with major clients in industries such as fuel, agriculture, and construction.
- **Digital Marketing:** Develop an online presence with a user-friendly website and active social media accounts.

- **Pricing Strategy:** Competitive pricing combined with high service standards to retain and attract clients.

Milestones

- **Q1 2025:** Secure initial fleet and operational licenses.
- **Q2 2025:** Begin operations and secure contracts with at least five major clients.
- **Q4 2025:** Expand fleet to support increasing demand.

SWOT Analysis

Table 2: SWOT Analysis

Category	Details
Strengths	
1. Experienced Ownership and Management Team	Founding team members have substantial expertise in logistics, transportation, and business management, enabling effective operations and strategic decision-making.
2. Reliable Fleet and Modern Equipment	A well-maintained, modern fleet ensures high-quality service with minimal downtime, building customer trust and supporting major industrial contracts.
3. Strategic Location and Regional Connectivity	Located in Tanzania, providing access to trade corridors connecting neighboring countries like Uganda, Kenya, Rwanda, and Zambia.
4. Safety and Compliance Focus	Adherence to safety and compliance standards, particularly crucial for high-stakes industries, reduces accident risk, minimizes penalties, and enhances reputation.
Weaknesses	
1. High Capital Requirements for Fleet Expansion	Fleet expansion and maintenance require significant capital, posing a challenge for growth in new regions or specialized equipment acquisition.
2. Limited Brand Recognition in Broader Markets	As a new company, brand reputation needs to be built in East Africa through marketing, networking, and partnerships to compete with established providers.

Category	Details
3. Initial Dependency on Local Market	Revenue is primarily dependent on the domestic Tanzanian market, which may limit growth potential and expose the company to local economic fluctuations.
4. Cash Flow Management	Managing cash flow for operational expenses can be challenging due to the timing of receivables, especially with large contracts.
Opportunities	
1. Growing Demand for Cross-Border Logistics Services	Regional integration in East Africa has led to rising demand for cross-border logistics, offering contract opportunities in neighboring countries.
2. Government Infrastructure Investments	Improvements in road, rail, and port facilities by the Tanzanian government enhance operational efficiency and reduce costs, improving reliability.
3. Expansion into Specialized Logistics Services	Demand for heavy machinery and other specialized transportation services presents an opportunity for premium service offerings.
4. Digital Transformation and Process Automation	Adopting digital logistics solutions (e.g., GPS tracking, fleet management) can streamline operations, optimize costs, and improve client satisfaction.
Threats	
1. Rising Operational Costs	Fluctuations in fuel prices, inflation, and maintenance costs can impact profitability and client retention if passed onto customers.
2. Intense Competition in the Logistics Sector	Strong competition from established regional and international logistics providers may challenge contract acquisition and pricing competitiveness.
3. Regulatory and Compliance Risks	Changes in safety, environmental, and trade regulations can impact costs and limit expansion, requiring administrative resources to ensure compliance.

Category	Details
4. Political and Economic Instability in the Region	Instability in East African countries (e.g., trade restrictions, currency fluctuations, border closures) can disrupt operations and revenue.

MANAGEMENT AND ORGANIZATION

Management Team

Led by industry veterans, the TETAX LIMITED team combines logistics expertise with strong leadership. Both directors Miss. TAUSI B. NGUZA and TEGEMEA M. MFINANGA have robust experience, qualifications and skills in transport industry, that will help to grow the business to the profitability within the shortest time possible.

Job Creation and Employment Plan

TETAX LIMITED LOGISTICS LTD intends to grow big in order to compete favorably with in transport industry in Tanzania. We are aware of the importance of transport sector in building the economy of the nation. That is why we are committed to employ more qualified workers in each area including transport officers, managers, drivers, mechanicals and others. We intend to employ more than 15 drivers, 2 transport and logistic officers, 1 supervisors and 1 managers. We are intending to provide employment opportunities to Tanzania youth who are talented, hard workers, and creative.

FINANCIAL PLAN

Projected Revenue Streams

Revenue will be primarily generated through fees for transportation services, with additional revenue from premium services like specialized cargo handling and expedited delivery options.

Funding Requirements

To support fleet purchase, initial setup costs, and working capital, TETAX LIMITED seeks an investment or loan of [amount]. Funds will be used for vehicle acquisition, maintenance, and operational expenses.

Expenditure Breakdown

Sources of Funds

Revenue from Operations:

The primary source of funds for TETAX LIMITED is revenue generated from operations. Over the projected years, revenue is expected to increase annually, starting from TZS 150M in 2025 to TZS 1 billion by 2030. This growth in revenue indicates an expansion in business activities, likely supported by investments in non-current assets (e.g., property, plant, equipment, and fleet).

Equity

The company maintains a stable share capital base of TZS 120 million throughout the period, representing the equity initially contributed by shareholders.

Investment Structure and Expenditure Breakdown for TETAX LIMITED

The total initial investment in fixed assets and working capital for TETAX LIMITED is estimated at 300,000,000 TZS. Below is the breakdown of this investment.

Investment Structure Breakdown (in TZS)

ITEM	Amount (TZS '000')
Land and Building	30,000
Machinery and Equipment	50,000
Motor Vehicle	20,000
Operational Expenses	200,000
GRAND TOTAL	300,000

Financing Pattern Breakdown for TETAX LIMITED

The total investment of 300,000,000 TZS will be financed using a combination of equity and debt. Below is the breakdown of how the funds will be sourced.

Financing Pattern Breakdown (in TZS)

SOURCE	Amount (TZS '000')
FIXED ASSETS	
Equity (40%)	40,000
Long-term loan (60%)	60,000
Sub Total for Fixed Assets	100,000
WORKING CAPITAL	
Bank overdraft (75%)	150,000
Equity (25%)	50,000
Sub Total for Working Capital	200,000
GRAND TOTAL	300,000

Financing Pattern Explanation:

- **Equity (40%):** A total of 40% of the fixed asset investment (40,000,000 TZS) and 25% of the working capital (50,000,000 TZS) will be financed through equity contributions from shareholders.
- **Long-term loan (60%):** The remaining 60% of the fixed asset investment (60,000,000 TZS) will be financed through a long-term loan to support the acquisition of land, building, and machinery.
- **Bank overdraft (75%):** 75% of the working capital (150,000,000 TZS) will be financed via a bank overdraft facility, enabling the company to cover operational expenses such as fuel, salaries, and other daily expenditures.

Summary

- **Total Investment:** 300,000,000 TZS
 - Fixed Assets: 100,000,000 TZS
 - Working Capital: 200,000,000 TZS
- **Financing Sources:**
 - **Equity:** 90,000,000 TZS (40% of fixed assets + 25% of working capital)
 - **Long-term loan:** 60,000,000 TZS (60% of fixed assets)
 - **Bank overdraft:** 150,000,000 TZS (75% of working capital)

TETAX LIMITED

Projected Statement of Financial Position (2025–2029)

(Figures in TZS)

ASSETS

Item	2025	2026	2027	2028	2029
Non-Current Assets					
Property, Plant, and Equipment	60,000,000	90,000,000	115,000,000	140,000,000	165,000,000
Vehicles and Fleet	40,000,000	70,000,000	85,000,000	100,000,000	115,000,000
Total Non-Current Assets	100,000,000	160,000,000	200,000,000	240,000,000	280,000,000
Current Assets					
Cash and Cash Equivalents	32,000,000	30,500,000	60,500,000	114,500,000	197,500,000
Inventory	5,000,000	7,500,000	10,000,000	12,500,000	15,000,000
Accounts Receivable	10,000,000	15,000,000	20,000,000	25,000,000	30,000,000
Total Current Assets	47,000,000	53,000,000	90,500,000	152,000,000	242,500,000
TOTAL ASSETS	147,000,000	213,000,000	290,500,000	392,000,000	522,500,000

EQUITY & LIABILITIES

Item	2025	2026	2027	2028	2029
Equity					
Share Capital	120,000,000	120,000,000	120,000,000	120,000,000	120,000,000
Retained Earnings	2,000,000	12,500,000	30,000,000	50,000,000	75,000,000
Total Equity	122,000,000	132,500,000	150,000,000	170,000,000	195,000,000
Non-Current Liabilities					
Long-Term Loans	0	30,000,000	50,000,000	70,000,000	90,000,000
Total Non-Current Liabilities	0	30,000,000	50,000,000	70,000,000	90,000,000
Current Liabilities					
Accounts Payable	5,000,000	8,000,000	12,000,000	18,000,000	25,000,000
Short-Term Borrowings	20,000,000	25,000,000	40,000,000	60,000,000	85,000,000
Total Current Liabilities	25,000,000	33,500,000	52,500,000	82,000,000	110,000,000
TOTAL EQUITY & LIABILITIES	147,000,000	213,000,000	290,500,000	392,000,000	522,500,000

Projected Cash Flow Statement (2025–2029)

Item	2025	2026	2027	2028	2029
Cash Flows from Operating Activities					
Net Profit (Retained Earnings)	2,000,000	12,500,000	30,000,000	50,000,000	75,000,000
Add: Depreciation (Non-Cash)	5,000,000	8,000,000	12,000,000	16,000,000	20,000,000
Changes in Working Capital	5,000,000	6,000,000	7,000,000	9,000,000	10,000,000
Net Cash from Operating Activities	12,000,000	26,500,000	49,000,000	75,000,000	105,000,000
Cash Flows from Investing Activities					
Purchase of Property & Equipment	(60,000,000)	(30,000,000)	(25,000,000)	(25,000,000)	(25,000,000)
Purchase of Vehicles & Fleet	(40,000,000)	(30,000,000)	(15,000,000)	(15,000,000)	(15,000,000)
Net Cash Used in Investing Activities	(100,000,000)	(60,000,000)	(40,000,000)	(40,000,000)	(40,000,000)
Cash Flows from Financing Activities					
Share Capital Contribution	120,000,000	-	-	-	-
Long-Term Loans Received	-	30,000,000	20,000,000	20,000,000	20,000,000
Short-Term Borrowings	20,000,000	5,000,000	15,000,000	20,000,000	25,000,000
Loan Repayments	-	-	(5,000,000)	(10,000,000)	(15,000,000)
Dividend Payments	-	-	-	-	(10,000,000)
Net Cash from Financing Activities	140,000,000	35,000,000	30,000,000	30,000,000	20,000,000
Net Increase in Cash & Cash Equivalents	52,000,000	1,500,000	39,000,000	65,000,000	85,000,000
Opening Cash Balance	-	32,000,000	33,500,000	72,500,000	137,500,000
Closing Cash Balance	32,000,000	33,500,000	72,500,000	137,500,000	222,500,000

Projected Comprehensive Income Statement (2025–2029)

Item	2025	2026	2027	2028	2029
Revenue (Sales from Operations)	300,000,000	450,000,000	600,000,000	750,000,000	900,000,000
Cost of Goods Sold (COGS)	(150,000,000)	(220,000,000)	(280,000,000)	(340,000,000)	(400,000,000)
Gross Profit	150,000,000	230,000,000	320,000,000	410,000,000	500,000,000
Operating Expenses					
Salaries & Wages	(40,000,000)	(55,000,000)	(70,000,000)	(85,000,000)	(100,000,000)
Fuel Costs	(30,000,000)	(50,000,000)	(70,000,000)	(90,000,000)	(110,000,000)
Maintenance & Repairs	(15,000,000)	(20,000,000)	(25,000,000)	(30,000,000)	(35,000,000)
Administrative Costs	(10,000,000)	(15,000,000)	(20,000,000)	(25,000,000)	(30,000,000)
Total Operating Expenses	(95,000,000)	(140,000,000)	(185,000,000)	(230,000,000)	(275,000,000)
EBITDA (Earnings Before Interest, Taxes, Depreciation & Amortization)	55,000,000	90,000,000	135,000,000	180,000,000	225,000,000
Depreciation & Amortization	(5,000,000)	(8,000,000)	(12,000,000)	(16,000,000)	(20,000,000)
EBIT (Operating Profit)	50,000,000	82,000,000	123,000,000	164,000,000	205,000,000
Finance Costs (Interest on Loans)	-	(2,500,000)	(5,000,000)	(7,500,000)	(10,000,000)
Profit Before Tax	50,000,000	79,500,000	118,000,000	156,500,000	195,000,000
Income Tax (30%)	(15,000,000)	(23,850,000)	(35,400,000)	(46,950,000)	(58,500,000)
Net Profit (Retained Earnings)	35,000,000	55,650,000	82,600,000	109,550,000	136,500,000
Other Comprehensive Income	-	-	-	-	-
Total Comprehensive Income	35,000,000	55,650,000	82,600,000	109,550,000	136,500,000