

TOPKING LIMITED

BUSINESS PLAN

FOR

**ESTABLISHMENT OF TECHNOLOGY-DRIVEN
AUTOMOTIVE REPAIR AND MAINTENANCE SERVICES IN
MAJOR URBAN CENTRES OF TANZANIA**

FIVE YEARS: 2026-2030



FEBRUARY, 2026

CORPORATE INFORMATION

Date of Incorporation : 2nd January, 2026

Company Registration

Number : 192340632

TIN : 192-340-632

Business Activity: The company among other activities is dedicated to carry on business of maintenance and repair of motor-vehicles, motor-cycles and other motor equipment through advanced technology.

Shareholders:

Name	Address	Number of shares
1. XU TIANYI CHINESE	P. O. Box 105876, Dar es salaam.	400
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Table of Contents

CORPORATE INFORMATION	I
LIST OF ABBREVIATIONS	III
1.0 EXECUTIVE SUMMARY	4
1.1 COMPANY VISION, MISSION AND CORE VALUES	5
1.2 PROJECT OBJECTIVES	6
1.3. PROJECT COMPONENTS AND COSTS	7
1.4 IMPLEMENTATION PLAN	8
1.5. PROJECT BENEFITS	9
2.0 PROJECT DESCRIPTION	9
2.1 KEY SUCCESS FACTORS	10
2.3 OUR STAFF	11
3.0 BUSINESS ENVIRONMENT AND SECTOR ANALYSIS	11
3.1 BUSINESS ENVIRONMENT	11
4.0 MARKET PLAN	13
4.1 MARKETING STRATEGIES	13
4.1.1 SWOT ANALYSIS	13
5.0 OPERATIONAL AND MANAGEMENT PLAN	16
5.1 OPERATIONAL PLAN	16
5.2 THE ORGANIZATION STRUCTURE	16
5.3 MANAGEMENT	17
6.0 PROJECT MONITORING AND EVALUATION	18
7.0 RISK ASSESSMENT AND KEY ASSUMPTIONS	19
8.0 FINANCIAL PLAN	20
8.1 SOURCES OF FUNDS	20
8.2 FINANCIAL ASSUMPTIONS	20
8.3 PROJECTED FINANCIAL STATEMENTS	22
9.0 ECONOMIC ASPECTS	25
9.1 SOCIAL AND ECONOMIC BENEFITS OF THE PROJECT	25
10.0 CONCLUSION	27

LIST OF ABBREVIATIONS

AfCFTA	-	African Continental Free Trade Area
CCTV	-	Closed Circuit Television
CEO	-	Chief Executive Officer
CIF	-	Cost Insurance and Freight
DRC	-	Democratic Republic of Congo
EAC	-	East African Community
EV	-	Electric vehicles
GDP	-	Gross Domestic Product
NGOs	-	Non-Government Organisations
SADC	-	Southern African Development Community
SWOT/SWOC-		Strengths, Weaknesses, Opportunities and Threats/Challenges
TIN	-	Taxpayer Identification Number
US\$	-	United Stated Dollar

1.0 EXECUTIVE SUMMARY

Advancements in automotive technology have accelerated the adoption of electricity- and gas-fuel-based vehicles. Consequently, the demand for modern repair and maintenance services for electric, hybrid, and gas-fuel vehicles is rapidly increasing. However, the availability of appropriate technologies, specialized equipment, and skilled technical capacity required to meet this growing demand in Tanzania remains limited.

Topking Limited is a duly incorporated and registered company in the United Republic of Tanzania. The Company specializes in the provision of comprehensive motor vehicle and motorcycle maintenance and repair services, catering to both private and institutional clients. Its operations span key regions of the country, including Dar es Salaam, Dodoma, Arusha, and Mwanza.

The project will deploy technologically advanced equipment, including hydraulic vehicle lifts, wheel alignment and balancing machines, brake testing systems, engine analyzers, air-conditioning service machines, and electronic tuning and diagnostic tools. Topking Limited offers a broad range of services, including routine vehicle servicing; mechanical and electrical repairs; advanced engine diagnostics; suspension and braking system repairs; transmission services; bodywork and panel beating; spray painting; tire services; wheel alignment; air-conditioning maintenance; and emergency roadside assistance. For machinery and heavy-duty vehicles or equipment, the Company provides specialized services such as engine overhauls, electrical system maintenance, and general servicing.

Through modern, well-equipped workshops enhanced by advanced technology, the Company utilizes high-quality spare parts and consumables to ensure durability, reliability, and optimal performance of serviced vehicles and equipment. In addition to individual customers, Topking Limited delivers fleet maintenance and repair services to corporate entities, government institutions, non-governmental organizations, and transport operators. These services are designed to minimize vehicle downtime, enhance operational efficiency, and reduce maintenance costs

through preventive maintenance programs and structured scheduled servicing arrangements.

The company is owned and managed by experienced persons in the automotive and transport sector. The project is expected to be financed through owners' equity, where the total project requirement amounts to **US\$ 2,243,000 (United States Dollar Two Million Two Hundred Forty-Three Thousand)**. During the first year of operations, the project intends to employ at least 150 people who shall work as mechanics, technicians, and workshop supervisors and administrative staff.

1.1 Company Vision, Mission and Core Values

Our Vision: To become the most reliable and cost-efficient vehicle maintenance and repair company in the country through the use of advanced technology.

Our Mission: To bring inspiration to the automotive industry by adding value to our esteemed clients through providing efficiency, safe, economical and customized automotive repair and maintenance solutions through a modern technology.

Our Belief: Is that, success depends entirely on our exceptional teamwork approach, while constantly striving to leave our clients with an everlasting positive customer experience.

Core Values: Through our dedicated, competent, professional and motivated organization, modernized, and experienced personnel, we are committed to the following principles:

- We ensure total continual customer satisfaction and optimum returns.
- We are committed to listening and responding to the needs of the community we serve;
- We are by international standards and a system that is uncompromised quality, achieved by individuals and as a team.
- To inspire and connect with our community to put their best selves forward every day.

1.2 Project Objectives

The main objective of the project is to enhance the Company's operational capacity to deliver high-quality motor vehicle repair and maintenance services nationwide through the adoption of modern automotive technologies. The project aims to provide reliable, efficient, and affordable automotive repair and maintenance services in major urban centres, particularly Dar es Salaam, Dodoma, Mwanza, and Arusha.

Specifically, the project aims to achieve the following objectives;

- To expand and strengthen operational capacity for the provision of high-quality motor vehicle and motorcycle repair and maintenance services through investment in modern workshop infrastructure, tools, and diagnostic equipment that accommodates latest technology for electric and gas-powered vehicles.
- To establish and operationalize fully equipped automotive service centers in major urban markets, specifically starting with Dar es Salaam, then Dodoma, Mwanza, and Arusha, to ensure wider geographical coverage and accessibility of services.
- To improve the quality and reliability of automotive repair and maintenance services by adopting standardized operating procedures, preventive maintenance systems, and manufacturer-recommended service practices.
- To enhance technical skills and productivity of staff through continuous training, certification, and capacity-building programs for mechanics, technicians, and workshop supervisors.
- To provide affordable and competitive automotive garage services while maintaining high service standards, thereby increasing customer satisfaction and retention.

- To reduce vehicle downtime for clients by improving service turnaround time, introducing efficient workflow management systems, and ensuring timely availability of spare parts.
- To develop specialized fleet maintenance services tailored to the needs of corporate clients, government institutions, and transport operators.
- To strengthen health, safety, and environmental management practices within all workshop operations in compliance with national regulations and industry best practices.
- To increase market share and brand recognition in the automotive repair and maintenance sector through improved service quality, customer engagement, and strategic partnerships.

1.3. Project components and costs

The project is expected to commence its activities soon after investment requirement is met, preliminary arrangements and permits are obtained. Table 1.1 provides a summary of project requirements in Phase I.

Table 1.1: Project Requirements (Cost in US\$)

Descriptions	Quantity	Value per unit (USD)	Total value (USD)
Land and Buildings			
Workshop buildings: rental & renovation	4	120,000	480,000
Power & utilities installation	4	30,000	120,000
Security system: Fire systems, CCTV, fencing, signage	4	15,000	60,000
Sub-total; Buildings			660,000
Machinery & Equipment			
Workshop Equipment & Tools	4	285,000	1,140,000
Garage management software	4	50,000	200,000
Computers, tablets & networking	Lumpsum		68,000
Spare Parts, Consumables & Initial Inventory	Lumpsum		50,000
Subtotal-Machinery & Equipment			1,458,000

Working capital			125,000
TOTAL COST			2,243,000

The project requirement amounts to **US\$ 2,243,000 (United States Dollar Two Million Two Hundred Forty-Three Thousand)** which covers the cost of machineries, equipment, network systems and working capital.

1.4 Implementation Plan

The envisaged project is expected to be implemented from May, 2026 after all the preliminary requirements for the project are met including purchase of machineries and equipment. The implementation programme is well described in the Table 1.2.

Table 1.2: Implementation Schedule

DESCRIPTION		PHASE I					PHASE II
No.	Activities	Feb-April, 2026	May-July 2026	Aug-Dec, 2026	Jan-Dec, 2027	Jan-Dec, 2028	Jan 2029-Dec. 2030
1	Mobilization of resources, Site Leasing, preparations and obtain relevant permits.						
2	Construction & renovation of the workshop buildings						
3	Purchase of machinery and equipment, and installation.						
4	Recruitments of Staff, advertisement and project kick-off.						
5	Project roll out to other regions						
6	Assessment of machinery & equipment, replenishments and procurement of new ones						

Upon completion of site preparations, procurement of machinery, equipment and facilities shall follow, then the process of hiring and engaging qualified personnel shall follow before the project kick-off. The project shall pay attention to expertise in the sector. Then the project shall start and roll-out to specified regions. The project shall conduct periodical assessment of its machinery and equipment and replace the obsolete ones through disposal and procurement of new ones. Project monitoring and evaluation shall be maintained throughout the duration of five years.

1.5. Project Benefits

The Implementation of this project will have economic and social benefits to the community and the country at large notably:

- The project will help the community access the best, safest yet affordable automotive repair and maintenance services in the country;
- The project will support industrialization process through provision of repair and maintenance support for transporters, industrial operations, offices and individuals.
- The project will increase employment opportunities;
- The project will increase social services to the community;
- The project will increase tax revenue to the government.

2.0 PROJECT DESCRIPTION

The project will apply **modern automotive repair and maintenance technologies** to enhance service quality, efficiency, and reliability across all operational centres in Dar es Salaam, Dodoma, Mwanza, and Arusha.

1. **Computerized Vehicle Diagnostics:** Advanced diagnostic scanners and software will be used to accurately identify mechanical, electrical, and electronic faults in vehicles and motorcycles. These tools will enable quick fault detection, minimize trial-and-error repairs, and ensure compliance with manufacturer specifications for both conventional and modern vehicles.
2. **Modern Workshop Equipment and Tools:** The project will deploy technologically advanced equipment such as hydraulic vehicle lifts, wheel alignment and balancing machines, brake testing equipment, engine analysers, air-conditioning service machines, and electronic tuning tools. This

equipment will improve precision, safety, and efficiency in repair and servicing operations.

3. **Preventive Maintenance Technology:** Digital maintenance scheduling systems will be introduced to track vehicle service history, mileage, and maintenance intervals. This will support preventive maintenance practices, reduce breakdowns, and extend vehicle lifespan for both individual and fleet clients.
4. **Workshop Management Systems:** An integrated garage management system will be applied to manage work orders, inventory, billing, and customer records. This technology will improve workflow coordination, reduce service turnaround time, and enhance transparency and accountability in operations.
5. **Use of Manufacturer Technical Data and Digital Manuals:** Technicians will access online service manuals, wiring diagrams, and technical bulletins from vehicle manufacturers and authorized platforms. This ensures repairs are conducted according to approved standards and up-to-date technical specifications.
6. **Quality Control and Testing Technologies:** Post-service inspection tools and testing equipment will be used to verify the quality and safety of completed repairs before vehicles are released to clients. This will reduce repeat repairs and improve customer confidence.
7. **Skills Development and Technology Transfer:** Continuous training will be conducted using modern training aids, diagnostic software, and equipment demonstrations to ensure technicians remain proficient in emerging automotive technologies, including electronic fuel injection, hybrid systems, and advanced safety features.
8. **Environmentally Responsible Technologies:** The project will utilize environmentally friendly technologies such as oil recycling systems, safe waste disposal equipment, and low-emission service practices to comply with environmental regulations and promote sustainable operations.

2.1 Key Success Factors

The project is designed to have modern, decent, well-managed facilities with immaculately humanitarian services during service delivery. We have skilled workers with vast of experience in the sector.

2.2 Application of modern technology

We are committed to delivering superior vehicle repair and maintenance services through the use of advanced diagnostic and scanning technologies. Our goal is to ensure that all vehicles and machinery are maintained to the highest quality and performance standards by utilizing genuine, high-quality spare parts and engaging a highly skilled team of technicians and mechanics.

2.3 Our Staff

Topking Limited is well known for its “safety-first” policy that guarantees safe handling and delivery of our clients' shipments. The project shall maintain its policy to hire staff who have years of experience in the automobile repair and maintenance sector. The hired staff shall comprise both Tanzanians and foreigners, creating opportunity for hundreds of jobs, providing fair pay in an excellent work environment. We will conduct periodical orientations and team building seminars so that our staff continue to be on the same page and properly trained to meet our objectives.

3.0 BUSINESS ENVIRONMENT AND SECTOR ANALYSIS

3.1 Business environment

Businesses may be affected by factors beyond owner’s control, and these need to be taken into account before making any investment decision. The company has considered many opportunities and challenges that may arise out of the expected changes. Thus, analysis of business environment key factors is paramount to this plan in order to determine external factors and how they are likely to affect the project.

Economically; Tanzania is now experiencing economic growth whereby the purchasing power of people is increasing and people’s interactions is increasing as trade grows in the East African Region, SADC and AfCFTA. This has called for a lot of business opportunities in the regions that necessitates the increased usage of transport facilities that require regular maintenance. The burning issue would be the rate of inflation and domestic currency fluctuations that would lead to increased cost of operations as the price of materials.

Politically; Tanzania has enjoyed political stability since it gained her independence in 1961, which has allowed for a degree of continuity and coherence in the organisation of both the state and the private sector. The country retains strong national unit with an engaged civil society and private sector. The government of Tanzania is in support of investments through a number of policies and strategies that aims at making the business environment more conducive.

Social-Cultural: The social aspect focuses on the forces within the society. Family, friends, colleagues, neighbours and the media are social factors. These factors can affect our attitudes, opinions and interests. So, it can impact sales of products and revenues earned. There is no doubt that the society is continually changing. The tastes and preferences are a great example of this change for the Tanzanian culture. Most of Tanzanians currently are willing to pay a premium price for a product that satisfies their expectations. Demographically, the country is increasing in population where currently the country is estimated to have over 63 million people. The increase in population necessitates increase in demand of goods and services.

Technological factors: Technological factors are one of various external environment factors that affect businesses greatly and are also an integral component of the environment analysis. Our project considers technology as an integral part and important tool for improving operations and functions. In the present scenario, utmost dependence on equipment, technological factors can have more effect on business operation and success globally than ever before. Furthermore, development of technology has also introduced digital marketing strategies through which companies are able to sell their products and services. Even the research and development (R&D) divisions in most companies have changed their ways of functioning and more advanced techniques in the development of products and services have been introduced only through technological advancements. We will ensure we keep up the pace of technology to suit the needs of our customers.

4.0 MARKET PLAN

There is a growing population in the country, where current statistics shows that the population trend grows by 3% annually with a population of 61 million in 2022.¹ Dar es Salaam being the largest commercial city has been one of the fastest growing cities in terms of population with more than 6 million people. The pace of regional integration within EAC and SADC blocs with recent ratification of AfCFTA paves way for more trade in the region. Our motive is to cater for this need especially through providing a high-quality modern vehicle repair and maintenance services through advanced technology that will cater for various needs of the clients.

4.1 Marketing Strategies

4.1.1 SWOT Analysis

The SWOT analysis is conducted in order to assess our internal strengths and drawbacks that we need to improve. We have also analyzed external factors which may provide opportunities or pose threats to our project. Finally, we have indicated how we can best utilize the available opportunities and mitigate potential threats and overcome our weaknesses.

Strengths

- Adoption of modern diagnostic, scanning, and electronic tuning technologies suitable for electric, hybrid, and gas-fuel vehicles.
- Presence in major commercial and administrative cities, ensuring strong market access and visibility.
- Availability of comprehensive services covering light vehicles, motorcycles, and heavy-duty machinery.
- Use of high-quality spare parts and consumables, ensuring reliability and customer confidence.
- Ability to offer fleet maintenance services to government institutions, corporate clients, NGOs, and transport operators.
- Skilled technical team with potential for continuous training and certification in emerging automotive technologies.

Weaknesses

¹ National Bureau of Statistics, 2022: Population and Housing Census

- High initial capital investment required for advanced equipment, EV tools, and workshop modernization.
- Limited availability of locally trained EV and hybrid specialists, requiring ongoing training and external expertise.
- Dependence on imported diagnostic tools and spare parts, leading to higher operational costs.
- Limited local awareness and trust in advanced automotive technologies among some vehicle owners.

Opportunities

- Rapid growth in vehicle ownership and increased adoption of electric, hybrid, and gas-fuel vehicles in Tanzania.
- Government focus on industrialization, skills development, and green mobility initiatives.
- Growing demand for professional fleet maintenance services to reduce downtime and operational costs.
- Potential partnerships with vehicle dealers, EV importers, training institutions, and development partners.
- Expansion into predictive maintenance, mobile repair units, and roadside assistance services.
- Opportunity to become a centre of excellence for EV and hybrid vehicle servicing in Tanzania.

Threats

- Competition from informal garages offering low-cost services, though often with lower quality standards.
- Rapid technological changes that may render equipment obsolete if not continuously upgraded.
- Fluctuations in foreign exchange rates, increasing the cost of imported tools and spare parts.
- Regulatory changes related to vehicle standards, emissions, and safety requirements.
- Slow pace of EV infrastructure development, which may temporarily limit EV market growth.

The project is well-positioned to capitalize on Tanzania's growing automotive market and the transition toward modern, technology-driven vehicle maintenance. While challenges exist, particularly in skills development and capital requirements. The identified challenges can be mitigated through strategic partnerships, phased investment, and continuous capacity building. The project will capitalize on the key strengths to provide best services to customers. The available opportunities create a room for business expansion and the company sees that this prevailing opportunity cannot be left in vain. On the other hand, the company is facing some limitations in providing its services, thus marketing strategies are aimed at minimization of these constraints. The project shall make use of the marketing mix in making sure that high quality product is maintained in the market, our services reach to high demand locations (place), reasonable price is charged to our clients and appropriate promotional tools are employed to increase awareness of our products and services.

Product: The application of modern technology will be an added advantage to compete in the market through determination to provide high quality products and services. A sufficient budget shall be allocated for repair and maintenance to ensure that all machineries and facilities remain in a good quality all the time.

Pricing: The objectives of price strategy depend on a number of factors such as business economic and marketing objectives. Price setting can be based on cost or market based. With demand and competition orientation concepts, a fair price can be set which customers are willing to pay at the same time covers operational costs with some profit margin. In this regard, price setting shall be based on demand, and competition but also cost of operation.

Place: The project shall invest in modern and sophisticated facilities and conducive environment. The project has arranged to start operations by looking at the most convenient market segment. Beginning with major cities of Dar es Salaam, Arusha Mwanza and Dodoma. Later the project shall be rolled out to other regions.

Promotion: Media advertisements both digital and print media shall be widely employed by the project. We will engage in positive promotion of the project through developing appropriate marketing strategies. The project will make advertisement of the available services via a number of media such as local newspaper, leaflets, TV, radio, social media and Internet. Different procedures of promotion will be applied, such as providing price discounts to regular customers.

5.0 OPERATIONAL AND MANAGEMENT PLAN

5.1 Operational Plan

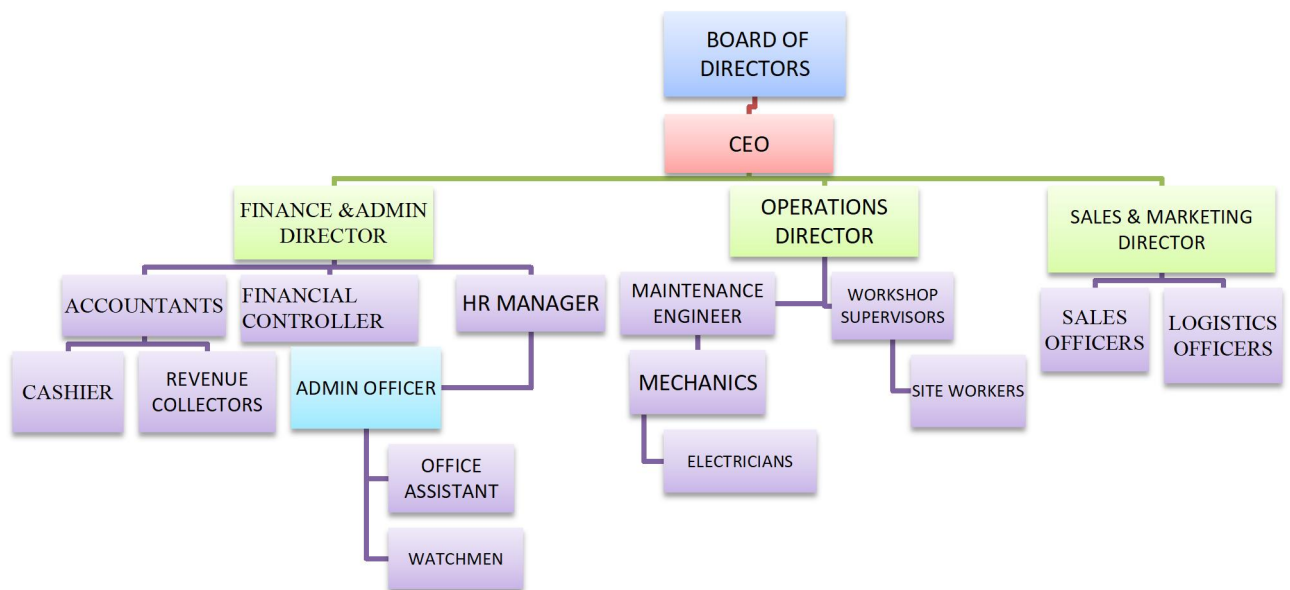
The operation is subject to government regulations and acquiring relevant permits and licenses before commencement of the business. All necessary licensing and permits shall be obtained prior to commencement of the project.

5.2 The Organization Structure

The project shall maintain the hierarchical mode of organization structure. The organization structure comprises of the Project Implementation Team led by the CEO and other supporting staff.

The Organization structure comprises of three main departments which shall report to the CEO; Finance and Admin Department which shall include the Finance and Administrative Director, Accountants, Cashiers, revenue collectors; HR Officers, Administrative Officers and Office Assistants as well as watchmen/security guards. Marketing and Sales Department shall include the Director of Sales and Marketing, Marketing Manager; Sales Officers, PR Officers and Drivers. The Operations Department shall include the Director of Operations, Technical and maintenance Manager, Mechanics, Workshop Supervisors and site workers. The figure 5.1 describes the organization structure and the reporting lines for each category.

Figure 5.1 Organization Chart



5.3 Management

The Chief Executive Officer shall be responsible for day-to-day running of the project and direct reports to the Board of Directors. Director of Operations shall be responsible for day-to-day operational activities of the project including sourcing of materials, manage the personnel under him, repair and maintenance and control the timetable for services rendered. Finance and Administrative Director shall be responsible for all financial and administrative issues. Accounting and Administrative officers shall be responsible for all financial and administrative issues respectively. The financial controller shall ensure monitoring resource allocation especially funds and making sure that the fund is used in a desired manner.

5.4 Revenue collection

Revenue collections will be done on cash basis and bank transfers. Where there is a written agreement, the company will also provide services on credit basis to institutional customers. For the first year of the project, the average revenue is estimated to be USD 100,000 that is USD 1,200,000 per annum. Table 5.1 shows the estimated revenue based on these assumptions.

Table 5.1: Description of Revenue

S/N	Description	No. of vehicles/ machines per month	Rate/fee (\$)	Amount per month (\$)	Amount per annum (\$)
1	Light Vehicle Repair & Maintenance Services	250	200	50,000	600,000
2	Heavy-Duty Vehicles & Machinery Services	200	250	50,000	600,000
	Total	450		100,000	1,200,000

6.0 PROJECT MONITORING AND EVALUATION

The project will be monitored and evaluated on a regular basis to track progress and identify any potential problems. The monitoring process will collect data on key indicators, such as the number of vehicles, type and category of services offered, the service delivery time and costs. The evaluation process will collect data on the benefits of the project, such as improvement in transport services, the creation of jobs, and the improvement of economic activities of the Company.

The monitoring and evaluation plan will be tailored to the specific needs of the project. However, the following general principles will be followed:

- i) **Relevance:** The monitoring and evaluation plan will be relevant to the objectives of the project.
- ii) **Accuracy:** The monitoring and evaluation plan will be accurate and reliable.
- iii) **Timeliness:** The monitoring and evaluation plan will be timely and up-to-date.
- iv) **Transparency:** The monitoring and evaluation plan will be transparent and accessible to stakeholders.

7.0 RISK ASSESSMENT AND KEY ASSUMPTIONS

The project has the potential to significantly improve the efficiency of automobile repair and maintenance service in Tanzania and hence promote increase in economic activities and incomes of people. However, there are also a number of risks associated with the project. Some of the key risks may include:

- i) Competition:** There is a stiff competition in the vehicle repair and maintenance sector as it is for other businesses. Majority of competitors have already covered a huge share in the market; the company intends to capitalize on a niche in which the company can best serve than others.
- ii) Price changes:** Due to inflation, the price of materials is expected to rise particularly spare parts. In order to cater for this price increase, the project shall review the project planning, timelines and make price adjustments from time to time.
- iii) Accidents:** Working with machines is prone to accidents. One of the major causes of these accidents is overworking of employees without being given enough time to rest. We intend to employ qualified staff with to allow workers rotation. The company also intends to secure the machineries and equipment under a comprehensive insurance cover in case of any accident, theft or any other disaster.

Despite likelihood of these risks, the project potentials to make significant contribution to the economic development are inevitable. If the project is successful, it could help improve the automobile sector and enhance smooth movement of people and goods and reduce trade costs that ultimately will boost the economic growth in the country.

8.0 FINANCIAL PLAN

8.1 Sources of Funds

The project financing is expected to be through owners' equity. The amount of revenue shall be clearly allocated to the parties as per profit calculations of the project. The project financing shall be in the following mode:

Table 8:1 Project Financing

S/N	Type of Financing	Source	Amount (USD)
1	Equity	Foreign	2,243,000
2	Loan		-
TOTAL			2,243,000

8.2 Financial Assumptions

Several assumptions were made and considered in the preparation of this financial plan and projection. The assumptions are based on professional judgment, economic trends and current financial market environment. These are as noted below;

- (i) The focus market shall be major cities with large number of electric and gas fuel-based vehicles and machineries, mainly Dar es salaam, Dodoma, Mwanza and Arusha. The services are also expected to attract neighboring countries including Kenya, Uganda, Zambia, Rwanda, Burundi and Malawi.
- (ii) The annual sales are projected to grow by 10% per annum; while costs are expected to rise by 5%.
- (iii) Depreciation will be charged on straight line method to allocate the cost of each value over its estimated useful life. The rates to be used for vehicles and equipment are as follows;
 - (a) Buildings 5%
 - (b) Furniture & Fittings 10%
 - (c) Equipment 10%
 - (d) Motor vehicles 20%

The financial assumptions will also include issues on credit sales, payments of interest rates, taxes and other levies. From the beginning, we recognize that

payment terms and hence collection days are critical, but not a factor we can influence easily. At least we are planning on the problem, and dealing with it. Interest rates, tax rates, and personnel burden are based on conservative assumptions. Some of the more important underlying assumptions are:

- We assume a strong economy, without major recession.
- We assume that there are no unforeseen changes in economic policy to make our service immediately obsolete or unwanted.
- We assume an inflation rate of 5% yearly.
- Maintenance costs 5% of Property Plant and Equipment
- Corporate tax is 30% of Net Income.

8.3 Projected Financial Statements

The projected financial statements for five years indicate that the company shall be able to generate substantial amounts of profits as detailed below.

Table 8.2: Projected Income Statements for Five Years

Description	YEAR 1 (US\$)	YEAR 2 (US\$)	YEAR 3 (US\$)	YEAR 4 (US\$)	YEAR 5 (US\$)
Revenue	1,200,000	1,320,000	1,436,000	1,557,800	1,685,690
Less: Cost of sales	457,043	479,896	503,890	529,085	555,539
Operating Profit	742,957	840,104	932,110	1,028,715	1,130,151
<i>Less: Op. expenses</i>	<i>342,067</i>	<i>359,170</i>	<i>377,129</i>	<i>395,985</i>	<i>415,785</i>
Earnings Before Interest and Tax	400,890	480,934	554,981	632,730	714,366
Less: Charges					
Interest	-	-	-		
Earnings Before Tax	400,890	480,934	554,981	632,730	714,366
<i>Corporate Tax (30%)</i>	<i>120,267</i>	<i>144,280</i>	<i>166,494</i>	<i>189,819</i>	<i>214,310</i>
Earnings After Tax (Loss)	280,623	336,654	388,486	442,911	500,056
<i>Dividends (30%)</i>	<i>84,187</i>	<i>100,996</i>	<i>116,546</i>	<i>132,873</i>	<i>150,017</i>
Retained Earnings	196,436	235,658	271,941	310,038	350,039

Table 8.3 Projected Balance Sheet

DESCRIPTIONS	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
	US\$	US\$	US\$	US\$	US\$
NON-CURRENT ASSETS					
Machinery & Equipment	80,000	125,000	140,000	155,000	165,000
Motor vehicles	2,243,000	1,682,250	1,570,100	1,457,950	1,345,800
Total Non-Current Assets	2,323,000	1,807,250	1,710,100	1,612,950	1,510,800
Stocks	7,472	18,440	19,284	22,500	33,100
Debtors & Prepayments	55,693	56,825	11,500	15,400	16,700
Cash and Bank balance	182,586	174,221	395,185	368,389	421,220
Total Current Assets	245,751	249,486	425,969	406,289	471,020
TOTAL ASSETS	2,568,751	2,056,736	2,136,069	2,019,239	1,981,820
Equity Capital	2,336,298	1,539,693	1,375,679	1,497,312	1,443,461
Retained Earnings	196,436	235,658	271,941	310,038	350,039
Total Equity	2,532,734	1,775,351	1,647,620	1,807,350	1,793,500
Bank loan	-	-	-		
Total Non-Current Liability	-	-			
Trade Creditors and Accruals	17,142	261,622	477,710	193,389	170,220
Taxation	18,875	19,763	10,739	18,500	18,100
Total Current Liabilities	36,017	281,385	488,449	211,889	188,320
TOTAL EQUITY & LIABILITIES	2,568,751	2,056,736	2,136,069	2,019,239	1,981,820

Table 8:4 Projected Cash Flow for Five Years

DESCRIPTIONS	Year 1	Year 2	Year 3	Year 4	Year 5
	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>
Cash from operations:					
Profits before tax	400,890	480,934	554,981	632,730	714,366
Adjustments for non-cash items:					
Depreciations	560,750	448,600	448,600	448,600	448,600
Change in Working Capital:					
Receivables	-119,100	-110,950	-111,500	-115,400	-116,700
Trade payables & Accruals	70,142	261,622	297,025	175,000	114,000
Total	912,682	1,080,206	1,189,106	1,140,930	1,160,266
Tax payments	-120,267	-144,280	-166,494	-189,819	-214,310
Total Cash Inflow from Operating Activities	792,415	935,926	1,022,611	951,111	945,956
Cash from investing activities:					
Purchase of assets	-460,000	-418,750	-422,688	-436,822	-429,163
Other purchases	-491,486	-424,545	-262,414	-408,211	-313,946
Net Cash Outflow from Investing Activities	-159,071	92,631	337,510	106,078	202,848
Cash from financing activities:					
Dividends	-84,187	-100,996	-116,546	-132,873	-150,017
Change in cash & cash equivalent	-243,258	-8,365	220,964	-26,795	52,831
<i>Beginning Cash Balance</i>	<i>425,844</i>	<i>182,586</i>	<i>174,221</i>	<i>395,185</i>	<i>368,389</i>
<i>Ending Cash Balance</i>	182,586	174,221	395,185	368,389	421,220

9.0 ECONOMIC ASPECTS

9.1 Social and Economic Benefits of the Project

A. Economic Benefits

- 1. Job Creation and Skills Development:** The project will create direct employment opportunities for mechanics, technicians, engineers, customer service staff, and administrative personnel, about 150 people will be employed directly. In addition, it will promote skills development through specialized training in modern automotive technologies, including electric, hybrid, and gas-fuel vehicle systems.
- 2. Support to Local Supply Chains:** By sourcing spare parts, consumables, and auxiliary services from local suppliers where possible, the project will stimulate growth within the domestic automotive supply chain and contribute to the development of small and medium enterprises (SMEs).
- 3. Increased Productivity and Reduced Vehicle Downtime:** Provision of professional, technology-driven maintenance services will reduce vehicle breakdowns and downtime, particularly for commercial fleets and public institutions, leading to improved productivity and operational efficiency.
- 4. Cost Savings for Vehicle Owners and Institutions:** Preventive maintenance and accurate diagnostics will lower long-term repair costs, reduce repeat failures, extend vehicle life span, and ultimately saving cost.
- 5. Contribution to Government Revenue:** As a formal, registered enterprise, the project will contribute to national and local government revenues through payment of taxes, levies, licenses, and statutory contributions.
- 6. Promotion of Investment and Innovation:** The project will encourage private sector investment in modern automotive technologies and foster innovation in vehicle servicing, diagnostics, and fleet management practices in Tanzania.

B. Social Benefits

1. **Improved Road Safety:** Regular and professional vehicle maintenance will improve roadworthiness, reduce mechanical failures, and contribute to fewer road accidents, enhancing public safety.
2. **Environmental Protection and Reduced Emissions:** Proper engine tuning, emissions testing, and support for electric and gas-fuel vehicles will help reduce air pollution and greenhouse gas emissions, contributing to environmental sustainability and climate change mitigation efforts.
3. **Capacity Building and Knowledge Transfer:** The project will serve as a platform for knowledge transfer by introducing modern repair technologies and best practices, thereby upgrading the technical capacity of the local automotive workforce.
4. **Enhanced Service Quality and Consumer Confidence:** Access to reliable, transparent, and technology-based repair services will increase consumer confidence and protect vehicle owners from substandard repairs often associated with informal garages.
5. **Support to Urban Mobility and Public Services:** Efficient maintenance of commercial vehicles, public transport fleets, and government vehicles will support smoother urban mobility and improve the delivery of public and social services.
6. **Youth Empowerment and Inclusion:** Through apprenticeship and training programs, the project will provide opportunities for young people to acquire market-relevant technical skills, contributing to youth employment and social inclusion.

10.0 CONCLUSION

The willingness of the project owners to mobilize investment capital to finance the project demonstrates a strong commitment to its successful implementation. The project will fully comply with all applicable government regulations and statutory requirements. Given the growing demand for electric- and gas-based vehicles and machinery, the project presents a viable and timely investment opportunity. Furthermore, the project is expected to generate significant social and economic benefits by creating employment opportunities, promoting technological advancement, improving road safety and environmental performance, and supporting Tanzania's broader objectives of industrialization, skills development, and sustainable urban transport.