

SPJ GENERAL TRADING LIMITED

Business Plan

for

Home Appliance Assembly Project

*PREPARED FOR*

*AL SAWAR ENERGY TANZANIA*

*Dar es Salaam*

## 1.0 EXECUTIVE SUMMARY

SPJ Electronics is a fast-growing international trading and electronics company with a strong presence across the Middle East and Africa. The company specializes in the manufacturing of consumer electronics, home appliances like air conditioners, refrigerators, chest freezer, washing machines, TVs, kitchen appliances, and more, with its headquarters in the United Arab Emirates (UAE), SPJ has successfully expanded its operations and partnerships across multiple African countries, establishing itself as a trusted regional brand.

The company operates through a combination of branch offices, distributors, and strategic partners, ensuring efficient supply chains and localized customer support.

Currently the company has established manufacturing base in Uganda and expanding to Tanzania where we see bright future as a member of the East African Community (EAC) a combined Gross Domestic Product (GDP) of approximately US\$312.9billion serving over 300 million citizens and The Southern African Development Community (SADC) with the

combined population of over 350 million, with a regional GDP of nearly US\$1 trillion.

The company intends to establish manufacturing operations in the United Republic of Tanzania in line with the objectives of the TISEZA and the national industrialization and investment promotion framework.

The proposed investment involves a capital outlay of approximately USD1,800,000, expected to create employment opportunities for approximately 170 Tanzanian nationals and more, thereby promoting local value addition, skills development, and sustainable employment creation.

The total estimated investment will be covering land, buildings, blending and filling machinery, laboratory equipment, working capital, and initial marketing. The project is expected to reach break-even within 3-4 years,

The board of directors have made a decision to incorporate a new company in Tanzania known as SPJ GENERAL TRADING LIMITED, a company registered in the country under the Companies Act 2002 and bears Certificate of

Incorporation No.191866630 issued on 15th December, 2025.

The proposed project involves assembly and partial manufacturing of home appliances, the project modal is importing CKD & SKD and assembly locally, some of component will be sourced locally. the targeted markets are Tanzania, EAC, SADC

The company intends to manufacture/assemble the following household appliances in the United Republic of Tanzania:

- Refrigerators
- Chest Freezers
- Televisions
- Cookers
- Speakers

The products will be assembled locally using imported raw material and components, primarily sourced from the China. The assembly process will involve local value addition in Tanzania, and the finished products will be supplied to the local market of Tanzania

The plant will serve domestic and regional markets with high-quality, competitively priced products that meet international standards (API, SAE, ISO).

## 2.0 Mission

To provide reliable, efficient, and affordable home appliances products across Tanzania and the East African region.

## 2.1 Vision

To be a leading home appliances products assembling reliability, and customer satisfaction.

## 2.2 Company Ownership

SPJ GENERAL TRADING LIMITED is promoted by foreign investors who are very experienced in manufacturing sector

Shareholder Name	% of ownership	Nationality
JAIKISHAN TEWANI	34	India
PREDEEP KISHNANI	33	India
SURESH KUMAR KIRPLANI	33	India

### 2.3 Project Location

The project head office will be located at Plot No. 168, Mbozi Road, Chang'ombe , Temeke, Dar es Salaam.

## 3.1 Business Overview

### 3.1 Project Name

Home Appliance Assembly Project

### 3.2 Business Model

The company will operate as a fully operational assembly plant for wholesale and export market.

### 3.3 Product Range

- Refrigerators
- Chest Freezers
- Televisions
- Cookers
- Speakers

## 4.0 MARKET ANALYSIS

### 4.1 Industry Overview (Tanzania & EAC)

- Home appliance imports exceed **USD 600 million annually**
- 90%+ of appliances are imported fully built units
- Growing demand due to:
  - Urban housing growth
  - Electrification (REA)
  - Rising disposable income

### 4.2 Target Customers

- Wholesalers & distributors
- Retail chains (Supermarkets & Electronics Stores)
- Government & institutional buyers
- Hotels, apartments & real estate developers

### 3.3 Competitive Advantage

Factor	Imported Appliances	Local Assembly
Import Duty	High	Reduced
Lead Time	Long	Short
Price	Higher	Competitive
Customization	Limited	Flexible
Aftersales	Weak	Strong

## 4.0 PRODUCTS & PRODUCTION CAPACITY

### Phase I Annual Capacity

Product	Units / Year
Refrigerators	60,000
Washing Machines	40,000
Fans	120,000
Irons	200,000
Small Appliances	150,000
<b>Total Units</b>	<b>570,000+</b>

## 5.0 TECHNOLOGY & PROCESS FLOW

### Assembly Process

- Import CKD/SKD components
- Incoming inspection & QC
- Mechanical & electrical assembly
- Functional testing
- Branding & labeling
- Packaging & warehousing

## 5.1 Key Machinery

The company intends to import machinery, tools, and equipment for use in local assembly operations in Tanzania.

- Assembly tables and workstation: –Manual assembly workstations are required for product assembly operations and manufacturing
- Conveyor belt: –Conveyor system is required for smooth transfer of materials between assembly and packing stages.
- Assembly conveyor lines
- Vacuum charging machines (refrigeration)
- Electrical testing equipment
- Plastic welding & fastening machines
- Packaging machines
- Inspection In-process will be carried out at designated assembly
- stations to ensure quality.
- Packing Machine: –Packing and boxing activities will be performed after assembly completion.
- Strapping machine is required for securing packed products before storage or dispatch.

The above resources are necessary to achieve planned production quantity and quality

## 6.0 RAW MATERIALS & SUPPLIERS

### 6.1 Components

#### a) Chest Freezer and Refrigerator Assembly Equipment

- Electric hand tools with self-contained electric motor (e.g. rechargeable power screwdrivers)
- Interchangeable tools for hand tools (screwdriver bits)
- Hand tools (manual screwdrivers, pliers)
- Packaging materials
- Metal frames
- Wiring harnesses
- Plastic injection parts

#### b) Speaker and Television Assembly Equipment

- Air compressors and compressed air generating equipment
- Pneumatic hand tools (pressure screwing machines)
- Hand tools (mallet hammers, screwdrivers, pliers)

- Soldering equipment and electric soldering guns
- Electrical cables and conductors
- Insulating materials (tape dispensers)
- Industrial conveyor systems
- Packing and packaging machinery
- Electric blowers and air blowers
- Cutting tools and hand-operated cutters
- Electric hand tools with self-contained motors
- Glue guns and adhesive application tools
- Cleaning and handling accessories (industrial towels)

c) Standing Cooker Assembly Equipment

- Air compressors
- Pneumatic screwing tools
- Hand tools (pliers, screwdrivers, cutters)
- Insulating material dispensers
- Paper cutting machines
- Pipe bending machines
- Packing and packaging machinery
- Industrial conveyor systems

All imported machinery and equipment will be used solely for manufacturing and assembly purposes, contributing to

local value addition, employment creation, and industrial development in the United Republic of Tanzania.

## 7.0 HUMAN RESOURCES

### Staffing Plan

Category	No.
Management & Engineers	20
Technicians	60
Assembly Workers	80
Admin & Sales	10
<b>Total</b>	<b>170</b>

## 9.0 MARKETING & SALES STRATEGY

### 9.1 Branding

- Affordable, durable, “Made in Tanzania”
- Warranty: 1–3 years

### 9.2 Sales Channels

- National distributors
- Retail chains

- Online platforms
- Institutional tenders

### 9.3 Promotion

- Dealer incentives
- Trade fairs
- After-sales service centers
- Extended warranty offers

## 10.0 LEGAL & REGULATORY

- Business Registration (BRELA)
- TISEZA Investment Certificate
- TBS Certification
- OSHA compliance
- NEMC environmental clearance

## 11.0 RISK ANALYSIS & MITIGATION

Risk	Mitigation
Forex fluctuations	Local sourcing, USD pricing
Power outages	Backup generators
Import delays	Multi-supplier strategy
Competition	Strong branding & pricing

## 12.0 IMPLEMENTATION TIMELINE

Phase	Duration
Feasibility & Licensing	3 months
Construction	6 months
Machinery Installation	3 months
Trial Production	2 months
Commercial Production	Month 14

## 13.0 Project Operating Cost

The company has estimated that the project operating cost and other cost to be 65% of the total annual revenue.

### 13.1 PROJECT FINANCING

The company has estimated that the project will be financed by long term loan amounting to US\$1,000,000 with interest rate of 8% repaid within 4 years and remaining US\$ 800,000 will be shareholders contribution and cashflows generated from business.

## 12.2 PROJECT COST

The project has budgeted to cost the followings:

Land and Buildings	400,000
Machinery & Equipment	750,000
Motor Vehicles	100,000
Furniture & Fixtures	15,000
Pre exp	20,000
Others	15,000
Working Capital	500,000
<b>TOTAL</b>	<b>1,800,000</b>

## 13.0 FINANCIAL ASPECTS FOR THE PROJECT

- **Projected Profit and Loss Statement**

The attached Appendix I shows the projected income for the 8years period. The position depicted is that the project earns profit throughout its life. Accumulated after tax profits grow from **US\$ 513,100** in the 1<sup>st</sup> year to **US\$ 2,986,571** in the 8<sup>th</sup> year.

- **Projected Cash Flows**

The project's cash flows are shown in Appendix II. They depict a good liquid position right from the first year. Cash accumulation builds up from **US\$ 620,100** in the first year to **US\$ 3,361,571** at the end of 8<sup>th</sup> years of the project's operations.

- **Projected Balance Sheet**

The project's assets cash flows are shown in Appendix III. Owners' equity grows from US\$ 800,000 in the first year to US\$ 24,683,693 at the end of 8<sup>th</sup> years of the project's operations based

- **Payback Period**

Total investment is US\$ 3,800,000 cash accumulation in 5th year US\$ 2,986,571 which is more than the initial investment. The project payback Period is exactly 5years. The project has a relatively short payback period.

- **Loan repayment**

Total investment loan is US\$1,000,000 to be repaid within 5 years.

#### 14.0 ECONOMIC ASPECTS OF THE PROJECTS

Besides the financial/monetary returns to the owners, there are other benefits to be derived for the whole country viz.

- **Employment Opportunities**

Employment and poverty reduction are among the major concern of the Central and the Local Government authorities. It is gratifying to note that the company, is going to provide additional employment to 170 people. This is a significant contribution coming from investors.

- **Revenue to the Government**

The Project is expected to pay a substantial annual amount in the form of corporation tax and other taxes

- **Foreign Exchange Earning**

Project is planning to export to neighbouring countries the project will thus earn foreign currency for the United Republic of Tanzania.

## 15.0 CONCLUSION

- The project is profitable and contributes to government revenue by way of taxes.
- The project provides employment to 170 people.
- The project is an encouraging sign to prove that we have good business environments and we have investors who have confidence in their country. Tanzania so much so that they are ready to invest such large sums of investment despite the odds of the sector in question.

## 16.0 RECOMMENDATION

After the foregoing economic and financial evaluation of the project, we strongly recommend that this project be implement and be given all the support required by all the concerned Government Ministries and Agencies, including the Tanzania

Revenue Authority, TRA and the TISEZA. The project deserves this support because of its viability,

since it is technical feasible, economically viable and socially acceptable.

## SPJ GENERAL TRADING LIMITED PROJECTED PROFIT AND LOSS STATEMENT US\$

	1	2	3	4	5
Revenue –Industrial textiles	2,400,000	2,520,000	2,646,000	2,778,300	2,917,215
Total Cost	1,560,000	1,638,000	1,719,900	1,805,895	1,896,190
Profit before Depreciation &Interest	840,000	882,000	926,100	972,405	1,021,025
Interest	80,000	64,000	48,000	32,000	16,000
Depreciation	27,000	27,000	27,000	27,000	27,000
Gross Profit	733,000	791,000	851,100	913,405	978,025
Tax (30%)	219,900	237,300	255,330	274,022	293,408
Profit After Tax	513,100	553,700	595,770	639,384	684,618
Accumulated Profit	513,100	1,066,800	1,662,570	2,301,954	2,986,571

## SPJ GENERAL TRADING LIMITED PROJECTED CASH FLOWS US\$

SOURCES:		1	2	3	4	5
Profit before interest and depreciation	–	840,000	882,000	926,100	972,405	1,021,025
Equity	800,000					
Loan	1,000,000					
Total Sources	1,800,000	840,000	882,000	926,100	972,405	1,021,025
Applications:						
Capital expenditure	1,265,000	–	–	–	–	–
working Capital & Others	535,000					
Cash	–	620,100	644,700	670,770	698,384	727,618
Tax	–	219,900	237,300	255,330	274,022	293,408
Sub total	1,800,000	840,000	882,000	926,100	972,405	1,021,025
Total applications	1,800,000	840,000	882,000	926,100	972,405	1,021,025
Accumulated cash		620,100	1,264,800	1,935,570	2,633,954	3,361,571

## SPJ GENERAL TRADING LIMITED PROJECTED BALANCE SHEET US\$

<u>Fixed Assets</u>		1	2	3	4	5
Opening balance	–	1,265,000	1,238,000	1,211,000	1,184,000	1,157,000
Total Long-term Assets	–	1,265,000	1,238,000	1,211,000	1,184,000	1,157,000
Less depreciation	–	27,000	27,000	27,000	27,000	27,000
Closing balance	–	1,238,000	1,211,000	1,184,000	1,157,000	1,130,000
Working capital	535,000	535,000	535,000	535,000	535,000	535,000
Accumulated cash	–	620,100	1,264,800	1,935,570	2,633,954	3,361,571
Total assets	535,000	2,393,100	3,010,800	3,654,570	4,325,954	5,026,571
Financed by						
Equity	800,000	800,000	800,000	800,000	800,000	800,000
Accumulated profit	–	513,100	1,066,800	1,662,570	2,301,954	2,986,571
Total equity	800,000	1,313,100	1,866,800	2,462,570	3,101,954	3,786,571
Long term loan	1,000,000	800,000	600,000	400,000	200,000	–
Total debts	1,000,000	800,000	600,000	400,000	200,000	–
Total equity and debts	1,800,000	2,113,100	2,466,800	2,862,570	3,301,954	3,786,571

## SPJ GENERAL TRADING LIMITED DEPRECIATION SCHEDULE US\$

NAME OF ASSETS	1	2	3	4	5
Land And Buildings	400,000	392,000	384,000	376,000	368,000
Machinery, Tools & Equipment	750,000	742,500	735,000	727,500	720,000
Motor Vehicles	100,000	90,000	80,000	70,000	60,000
Furniture & Fixtures	15,000	13,500	12,000	10,500	9,000
Total	1,265,000	1,238,000	1,211,000	1,184,000	1,157,000
DEPRECIATION	160000	2	3	4	5
Land and buildings	8,000	8,000	8,000	8,000	8,000
Machinery tools & Equipment	7,500	7,500	7,500	7,500	7,500
Motor Vehicles	10,000	10,000	10,000	10,000	10,000
Furniture & Fixtures	1,500	1,500	1,500	1,500	1,500
ANNUAL DEPRECIATION	27,000	27,000	27,000	27,000	27,000

## SPJ GENERAL TRADING LIMITED PROJECTED LONG TERM LOAN REPAYMENT

Year	Principle	Loan Interest (8%)	Total Amount Paid	Loan Balance
1	200,000	80,000.00	280,000.00	1,000,000.00
2	200,000	64,000.00	264,000.00	800,000.00
3	200,000	48,000.00	248,000.00	600,000.00
4	200,000	32,000.00	232,000.00	400,000.00
5	200,000	16,000.00	216,000.00	200,000.00

