

# EVERWELL CABLE AND ENGINEERING COMPANY LTD

**PRE-FEASIBILITY STUDY REPORT ON:**

## **INVESTMENT IN MANUFACTURING OF ELECTRICAL PRODUCTS, ELECTRICAL POLE, ELECTRICAL CABLES & STEEL PIPES**



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**APRIL 2021**

# EVERWELL CABLE AND ENGINEERING COMPANY LIMITED

## Strategic Pre-feasibility Report

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*This profile is strictly for information only and projections in the pre - feasibility study report have been compiled by the consultant with close cooperation of the Promoters of the Business the **EVERWELL CABLE AND ENGINEERING COMPANY LTD** and Sector Experts for illustrative purposes and do not constitute actual forecasts.*



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# EVERWELL CABLE AND ENGINEERING COMPANY

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## 1. Executive Summary

### **Company & Project concept**

EVERWELL CABLE AND ENGINEERING COMPANY is limited Company incorporated in Tanzania under the Company act of 2002. The Company was incorporated 30<sup>th</sup> July, 2015, and bears Certificate of Incorporate # 119188. Company implements project which is under manufacturing sector

Everwell Cable and Engineering Company Ltd will be located at Zegereni street, Kibaha District, Coast Region. The outreach Office will be located at Dar es Salaam.

Our goals and objectives are straightforward and seek to ensure we run a professional, profitable and ethical company, building relationships with customers, suppliers and investors.

### **Company Goals and Objectives:**

In Summary Everwell Cable and Engineering Company Ltd aims to;

- Manufacturing of electrical products, transformers, electrical cables, steel pipes and electric poles
- Manage Everwell Cable and Engineering Company Ltd by human resource policies which encourage and reward individual and unified effort and achievement, provide training and personal development opportunities and create a working environment in which staff can feel a real sense of job involve
- Build relationships with investors in construction sector,
- Achieve levels of profit sufficient to provide for reinvestment and suitable returns to shareholders and investors
- Seek to comply with all statutory legislation and other external relevant authorities. Define and keep under review Company policy, allowing flexibility for local requirements.
- Adopt best commercial practice and ethical standards in dealing with clientele, suppliers of goods and services and other contacts

### **Purpose of Business Plan**

This document is prepared to serve the purpose as a Pre-feasibility study report for Everwell Cable and Engineering Company Ltd for investment in Manufacturing of electrical products (electrical cables and transformers) and electric pole, steel pipes and other related electrical products for electricity uses. But also, the Pre-feasibility study report shall be submitted to TIC for an award of Certificate of Incentives. The implementation of this project will comprise the following activities:-

- Construction of a warehouse building which will accommodate Installation of Machines and Equipments for this project.
- Procurements Machineries and Equipments for this project.
- Equipping the project will all necessary modern furniture and facilities

**The project promoter**, the project will be managed and operated by Everwell Cable and Engineering Company Ltd is owned by Chinese entrepreneur and a mother Company from China with the following share distribution.

NAME OF SHAREHOLDERS	NATIONALITY	SHARES%
Lu Jiao Peng	Chinese	3%
Hebei Huatong Wires and Cables Company Ltd	Chinese	97%

**Company Legality**, the legal certificates and documents such as Memorandum and Article of Association, certificate of incorporation, Tax Identification Number, and value added Tax certificates Justify that Everwell Cable and Engineering Company Ltd is operating within the ambit of the law of the Land

**Project Organization Structure**, the management of Everwell Cable and Engineering Company Ltd constituted by the following organization set up:- Board of Directors, General Manger who is responsible on the supervision on the entire operations of the Company, a company accountant, a Production Manager who will be directly responsible for all matters pertaining manufacturing of the products.

**Investment Structure**, the project is estimated to cost \$50,000,000 the money covers building structures but also allocated fund include investment in, building structure, Machineries and Equipments, furniture and fittings, pre-expenses and working Capital. The equity contributed by the shareholders is \$25,000,000 equivalent to 50%.The remaining part of 50% of investment financing of \$25,000,000 will be done through borrowing from banks. However, a financial policy of the Company state that the profits generated will be re-invested

Forecasted financial Information, Financial information of Everwell Cable and Engineering Company Ltd is projected within five years. The company projected profit and Loss; account show a respectable turnover of more than \$5,590,000 in the first year. The profits gained on fifth year are projected to be \$41,598,544. The projected balance sheet, shows the net worth increase of more than 253,756\$ in the fifth year of operation and more than 1,484,206\$ in the 3<sup>rd</sup> year of the usefully lifetime of the implementation during which the business will be evaluated again. The financial documents show that the business has a positive net cash flow.

## 2. Statement of Purpose

This Profile is drawn for the purpose of seeking CERTIFICATE OF INCENTIVES from the TANZANIA INVESTMENT CENTRE and pre - feasibility study report for new Manufacturing of electrical products electrical cables, transformers, electrical poles and steel pipes for electricity uses.

### 2.1 Purpose of Investment

This document is prepared to the serve the purpose as a feasibility study for Everwell Cable and Engineering Company Ltd for establishment of Manufacturing of electrical products like electrical cable wires, transformers, electrical poles, steel pipes and other related electrical products for electricity uses. The implementation of this project will compromise the following activities:-

- Construction of a warehouse building which will accommodate Installation of Machines and Equipments for this project.
- Procurement of Machineries and Equipment for this project.
- Installation of transformer
- Equipping the project will all necessary modern furniture and facilities
- Procurement's semi - processed raw materials
- Employing more than 400 people.

## 2.2. Investment financing plan

The company expect to invest 50,000,000 million USD from shareholders' funds and Loan from the Banks. Profits generated from business operation will be re-invested. There shall be a loan from commercial banks as the investor has set aside 50% of USD 25 Million for the investment in phase 1 up to phase 3 and the rest 50% shall be finance by Project promoters' equity. Table below show the assumptions how the investment financing plan will look like.

**TABLE 1  
FINANCING**

<i>Financing</i>	\$
<b>Long-term liabilities</b>	
Long-term loan	25,000,000
<b>Owner's equity</b>	
Cash	23,500,000
Contributed asset value	1,500,000
<b>Total</b>	<b>50,000,000</b>

**TABLE 2**

**INVESTMENT COST PLAN**

<b><i>COST INVESTMENT STRUCTURE</i></b>	<b>\$</b>
<b>Current assets</b>	
Working capital	3,000,000
Opening inventory	15,000,000
Cash in bank	1,950,000
Other	
	19,950,000
<b>Property and equipment</b>	
Land	500,000
Building	5,500,000
Equipment	14,000,000
Furniture and fixtures	150,000
Plant	10,000,000
Motor Vehicles	500,000
	25,650,000
<b><i>Total assets</i></b>	<b>50,000,000</b>

## 2.3 Summary of the Expected Results

At the end, the project is expected to achieve the following: -

- Provide an opportunity for availability of electrical Products, electrical wire cables, steel pipes and electrical poles
- Increase 400 direct employment opportunities.
- Direct Domestic investment of more than 50 Million USD within 2021 -2025.
- Increase tax contributed to the government

- Generate foreign currency.

### 3. BUSINESS DESCRIPTION

EVERWELL CABLE AND ENGINEERING COMPANY LTD is limited Company incorporated in Tanzania under the Company act of 2002. The Company was incorporated 30<sup>th</sup> July, 2015, and bears Certificate of Incorporate # 119188. Company implements project which is under manufacturing sector.

The Company will be responsible among others activities, operating and managing manufacturing of electrical equipments and wire cables.

#### 3.1.1. Legal Status

Legal certificates and documents such as Memorandum and Article of Association, certificate of incorporation, business license, Tax Identification Number, and value added Tax certificates Justify that EVERWELL CABLE AND ENGINEERING COMPANY LTD is operating within the ambit of the law of the Land.

#### 3.1.2. Mission and Vision

The company vision is to be one of the leading companies in producing high quality electrical Equipment, cables, transformers and Cement poles, in Tanzania for local markets and export purpose.

The current mission of the company is to penetrate the markets within electrical plastic manufacturer industry in Tanzania. The company can achieve this through

- Manufacturing of electricity Equipment, cables, transformers and electrical poles and steel pipes for electricity uses
- Establishing sustainable business relationship with contractors, Hardware suppliers
- Proper and reasonable remuneration of the personnel
- Continuing networking with our esteemed clients.

### **3.1.3. Project Promoters**

The project promoter, the project will be managed and operated by EVERWELL CABLE AND ENGINEERING COMPANY LTD. The Company is owned by Local Tanzanian entrepreneurs with diverse business in China and a mother Company which operate large plant of electrical cables manufacturing. Current shareholding status is hereby shown below.

NAME OF SHAREHOLDERS	NATIONALITY	SHARES%
Lu Jiao Peng	Chinese	3%
Hebei Huatong Wires and Cables Company Ltd	Chinese	97%

### **3.1.4. Operations**

The project will be managed and operated by EVERWELL CABLE AND ENGINEERING COMPANY LTD. The Company is finalizing acquisition of operation permits and Tax exemption clearance for machineries and equipment to start the implementation of the project. Management will establish sound operating guidelines to conduct the day-to-day operations of this project.

### **3.1.5. Project Location**

The project shall be implemented at constructed three warehouses which has 2000 square metres each which are very spacious to accommodate project of this nature. The project shall be located at Zegereni street, Kibaha District, Coast region

### *3.1.6. Postal Address*

Everwell Cable and Engineering Company Ltd  
P.O.Box 12750  
Dar Es Salaam,  
Tanzania

## 4. Core Activities of the company

EVERWELL CABLE AND ENGINEERING COMPANY LTD will be dealing with establishing and operating the following facilities;

### 4.1.1. Construction of warehouse facilities

In the first phase of the implementation of this project, the Company shall construct warehouse which shall be used to accommodate installation of Machineries and Equipments.

### 4.1.2. Electrical products manufacturing plant

This consists installation of machineries and equipment and Fixtures and fittings.

## 4.2. Technical requirements of the project

The project implementation shall require some of technical facilities among others include: -

- High voltage cables manufacturing machines
- Aluminium Conductor Steel Reinforced machines
- Plastics extruder machines and Equipments
- PVC Insulating machines
- PVC Electrical Conduit Extrusion Production Line
- UPVC Electrical Conduit Pipe Extruder Machine
- plastic extruder heater
- PVC Electrical Fittings machines.
- PVC pipe socket making machine

- Etc.
- Electrical pole making machine

The company has the following investment structure unto this project

## 5. MANUFACTURING INDUSTRY

### 5.1 MANUFACTURING SECTOR IN TANZANIA

In the last 10 years, manufacturing activities in Tanzania have taken a steady growth, registering average annual growth of over 4 percent, with 10% contribution to GDP. Most activities concentrate on manufacture of simple consumer goods such as food, beverages, tobacco, textiles, furniture and wood allied products. After economic liberalisation in the mid-1980s, many erstwhile public enterprises could not withstand free market competition. Some died and others underwent privatisation. These measures helped enhance competitiveness of local industries and readied them for venturing into export markets. On the other hand, the sector is not a big employer (145,000 employees), compared to agriculture for example, but it is the most reliable source of government revenue in form of import, sales, corporate and income taxes, accounting for over half of government annual revenue collection. Manufacturing earns the country a fifth of total foreign exchange earnings, thus ranking third after agriculture and tourism. Most production is however concentrated in the Dar es Salaam region.

Great prospects are pinned on development of a robust SME sector, whose promotion, as government has already realized, still lacks appropriate policy backing. A strong and productive industrial structure can only be achieved where SMEs and large enterprises not only coexist but also function in a symbiotic relationship. In this regard, successful promotion of agro-businesses can be considered in the SME development context.

Among the comparative advantages of Tanzania's manufacturing sector are the availability of a potentially large domestic market and Tanzania's adhesion to the EAC and the SADC organization, as they are potentially important market destinations. But Kenya is proving to be competing better in the region.

### 5:2 IMPORTANCE OF MANUFACTURING SECTOR IN TANZANIA

The reason why Tanzania needs a vibrant manufacturing sector today is to ensure economic independence in the long-run. This can be achieved because of different advantages attached to the manufacturing sector which include: Firstly, it helps to diversify the economy away from primary sector towards manufacturing and hence reduce risks and vulnerability to the long-term deteriorating commodity terms of trade and the associated loss in the real income. Secondly, the sector has substantial forward and backward linkages with other sectors of the economy, especially agriculture. Thirdly, with proper choice of technology, the sector can create significant employment. Fourthly, large manufacturing sector can enable export diversification that is necessary to reduce Tanzania's vulnerability to external shocks. Fifthly, the sector provides opportunity to transfer and adapt and create new technology. Sixthly, a large manufacturing sector can enable income smoothing at the household level through the creation of non-farm jobs that are more stable and fetch higher incomes. On average, the monthly income from a manufacturing job is Tshs.103,407 compared to 76,277 in mining, 49,693 in construction, 31,301 in trade and only 15,234 in agriculture, presently the largest source of livelihood for Tanzanians.

### 5.3 MANUFACTURERS OF ELECTRICAL PLASTICS PRODUCTS TANZANIA

Currently there few manufacturers of electrical products in Tanzania, some of them include;

Tanalec being the giant producer of electrical transmission equipments located in Arusha manufacturing electrical equipments such as Transformers and related products,

Kilmanajaro Cables (T) Ltd base in Dar es Salaam, they do both manufacturing and supplying various types of wires and cables since 2002.

Metro Plastic Industries Limited is one of the leading manufacturers of high-quality plastic products in Tanzania. Based in Dar-es-Salaam, the company has been primarily serving the Tanzanian market since being established in the Year 1999, and is currently exporting to neighboring countries as well.

Metro Plastic Industries Limited is currently manufacturing: Electrical Conduit Pipe, HDPE Pipe, PVC Water Pipe, PVC Drainage Pipe, Garden Hose Pipe, Rain Gutter with Profile, PVC Fittings, HDPE Compression Fittings.

Multi Cable Limited has fast become an established Tanzanian based company, offering extensive range of products in Tanzania and neighboring countries. Based in Dar Es Salaam, the capital city of Tanzania, the company manufactures quality products for the Electrical industry such as industrial and domestic cables, PVC compound and PVC pipe.

East African Cables is a premier cable manufacturer, with a footprint that spreads across East and Central Africa. The company has four manufacturing facilities; two in Dar es Salaam, Tanzania, one in Dar es Salaam Tanzania and one in Eastern DRC. In addition, EAC is present in Uganda, Rwanda, Burundi, Southern Sudan and Ethiopia, through a distribution network.

As of now there are few companies which manufacture electrical plastics related products in Tanzania which does not match with demand of these products in local market (Tanzania) which is highly consumed in Construction and Real

estate sector. Most of electrical plastics related products are imported from abroad to mitigate the supply gap in Local the market

## 5.4 PROJECT JUSTIFICATION

The proposed project is under management of Everwell Cable and Engineering Company Ltd is in line with Tanzania Government efforts in attempt to revamp the Manufacturing sector. This has also been noted of recent drive of attracting investors in Tanzania in order to maximize her annual earnings from investment and also compete effectively with regional competitors. This also has been complemented by following measures

- i. The government is making a critical review of all existing laws and regulations, taxation and policies with ultimate aim of improving and creating conducive environment for private sector Investment, tourism sector is inclusive.
- ii. In 2007/2008 the Government reviewed the existing Industry and trade Policy, taking into consideration the social economic base and the dynamism of Manufacturing industry in Tanzania.
- iii. In depth studies have been carried out in the following area
  - SMEs development study
  - Trade Integration Strategy, 2009-2013

Regarding the initiative undertaken by Everwell Cable and Engineering Company Ltd sponsors, is justified by the following facts.

- The sponsors have a special invested interest in manufacturing of electrical plastics products and have been supplying electrical products and related products for several years now.

Therefore, the establishment and operation of electrical products manufacturing facility will boost and at the same time strength manufacturing sector in the Tanzania. The Company's marketing strategy and intention is to have a wide products base which focuses both to Ordinary consumers and Industrial use.

#### **5:5 SOCIAL AND ECONOMIC IMPACT OF THE PROJECT**

The proposed project will result into the following social and economic impacts:

- Improve and increase production of electrical plastics related products in Tanzania
- Increased competitiveness among manufacturer of electrical plastics related products in Tanzania
- The project will provide employment for more than 400 people
- The Government and other agencies will benefit from various taxes, fees and commissions that will be paid to the Treasury etc. by this Company.

## 6. OPPORTUNITY DRIVERS

### *6.1 Increased demand of electrical plastics products in Tanzania*

Tanzania now is witnessing the tremendous developments of real estate sector which is great consumer of electrical products. But also, existence of unmitigated supply gap of these products in Tanzania.

### *6.2 Uniqueness location of the project*

Everwell Cable and Engineering Company Ltd.'s project will be one of the electricity products manufacturing related products, located in Mkuranga Tanzania. The location of this project provides an opportunity to Everwell Cable and Engineering Company Ltd to capture easily the market around Arusha, Kilimanjaro, Tanga, Manyara and Singida.

### *6.3 Government Policy*

The Government of Tanzania has made the policy that intends to improve and promote Manufacturing Industry. This sector employs many people and it is a key driver towards transforming and developing the national economy.

### *6.4 Government Incentives package*

In 1997 Tanzania Government enacted Investment law that offers and guaranteed reasonable incentives to both local and foreign investors.

## 7. Analysis of Strengths, Weaknesses, Opportunity and Threats

Table below present the analysis of the company's Strengths, Weaknesses, Opportunities and Threats (SWOTS)

<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>▪ It has a strong equity financing</li> <li>▪ Strong management and well-paid personnel</li> <li>▪ Has a will to expand</li> <li>▪ Access to reliable high technology</li> </ul>	<p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>▪ Not yet emphasize on the marketing</li> </ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>▪ Good government suitable facilitative policy</li> <li>▪ Raising investments real estate sector</li> <li>▪ Government development power supply project in Tanzania</li> </ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>▪ Unawareness of the new entrants in the Industry in the same location</li> <li>▪ Increment of inflation</li> <li>▪ Presence of fake suppliers of the same products.</li> </ul>

The company has prepared for the action plans by doing the following:

1. In future if needs arise the Company may seek more funds from bank to finishing phase of this project.
2. The company will employ expatriates for marketing of its products/services and develop marketing plan.

## 8. Marketing Information

### 8.1. Marketing Strategy

#### *8.1.1. Overview*

The success of Everwell Cable and Engineering Company Ltd will be achieved by providing high tech products, providing friendly service and employing an aggressive marketing plan to build customer traffic. Today's market requires more than just products and service to make a Everwell Cable and Engineering Company Ltd successful. Everwell Cable and Engineering Company Ltd will constantly strive to enthusiastically win more customers by being proactive rather than reactive in our marketing efforts.

Management will endeavour to create and maintain a positive, appealing image for the customers. This image will be consistently portrayed throughout all marketing channels and sales promotions. The following exemplifies some of the tactics we will use to drive more sales.

#### *8.1.2. Customer Database*

Everwell Cable and Engineering Company Ltd will aggressively seek to build a database of Customers. Customers will have an opportunity to be included in the database so they can participate in sales promotions such as birthday or anniversary cards; email notification of upcoming specials; coupons; etc. The database will be gathered and maintained on special software Everwell Cable and Engineering Company Ltd will gather names in a variety of manners including staff requests; business card drop for free lunch; guests' signup book with promotional signage; menu insert promotion; etc

#### *8.1.3. Advertising*

Everwell Cable and Engineering Company Ltd will adopt an aggressive advertising strategy. Outdoor signage for Everwell Cable and Engineering Company Ltd will describe outdoor and changeable copy advertisement and elaborate design signage depends upon lease space restrictions; designed within allowable limits to achieve maximum exposure.

Everwell Cable and Engineering Company Ltd will utilize both traditional non-traditional methods of advertising. Management's viewpoint on advertising is state in your own words, the philosophy Everwell Cable and Engineering Company Ltd will adopt towards the use of traditional advertising such as radio, newspaper, billboards or television.

#### ***8.1.4. Costing and Pricing***

The costing and pricing are done by the management of Everwell Cable and Engineering Company Ltd. The costing takes into consideration various aspects depending on the cost which has already been incurred, inflation factor and Operating costs. The project promoters of the company are in business for long time i.e., they are business-oriented personnel.

#### ***8.1.5. Customers***

Everwell Cable and Engineering Company Ltd is targeting to all regions in Tanzania specifically targeting the following customers: Wholesale and retail hardware suppliers, Electrical products suppliers and Contractors and Real estate developers

#### ***8.1.6. Products***

As it has been explained in preamble chapters, Everwell Cable and Engineering Company Ltd will set project which will be indulging in production of electrical related products, specifically include: Electrical poles, Electrical cable wires and related products, Electrical Fittings (PVC Conduit Pipe, PVC, Conduit Slip Type Bend, PVC Casing Caping, Cable Trunking System, Deep Junction Box, Convertible Gang Box, Extension Boards, Bulb Holder, Round Sheet, Fan Sheet, Plastic Wall Plug, Plug Top, Square Box, Colored) ,PVC Pipe ,PVC Extrusion Dies, PVC Profile Dies, Injection Molding Dies, Custom Made Mould Base.

## **8.2 Marketing Plan**

The company has both short term and long-term marketing plan:

***The short-term marketing plan includes:***

- Participating in business show case exhibitions

- Building sustainable long-term relationship with contractors and real estate developers.
- Training of sales staff sales and Marketing.

*Long Term Plans includes:*

- Join to the network of electric equipment companies to market to exploit more business opportunities
- Investing Market Research and Development

## 9. Management & Administration

### 9.1. Management

The management team of Everwell Cable and Engineering Company Ltd planned to be constituted by the following management team: -

#### *9.1.1. Board of Directors*

Everwell Cable and Engineering Company Ltd be managed by the board of Directors which is the apex body for strategic decision making of the project. Directors of the Company are the ones who having shares in Everwell Cable and Engineering Company Ltd, The Company which shall manage this project.

#### *9.1.2. General Manager*

Immediate after Board of Director there shall be a General Manager who will be responsible to take care of mater pertaining operation and managing daily activities of the project as well as other staff's welfares and report them to the board of directors.

#### *9.1.3. Production Manager*

Production Manager will be employed who expected to have an extensive background in the electricity manufacturing industry. As the production Manager will be directly responsible for all production functions including manufacturing all types of electricity plastics related products, maintenance of quality standards of the products; training of employees in methods of producing these products, etc.

Under production manager there shall be reasonable number of technical staffs who will be involved in daily production within this project.

#### **9.1.4.Accountant/cash**

An accountant will be employed who expected to have good experience in accounting system as well as he will be responsible in managing cash of Everwell Cable and Engineering Company Ltd but also keeping books of accounts properly.

#### **9.1.5.Management Agreements**

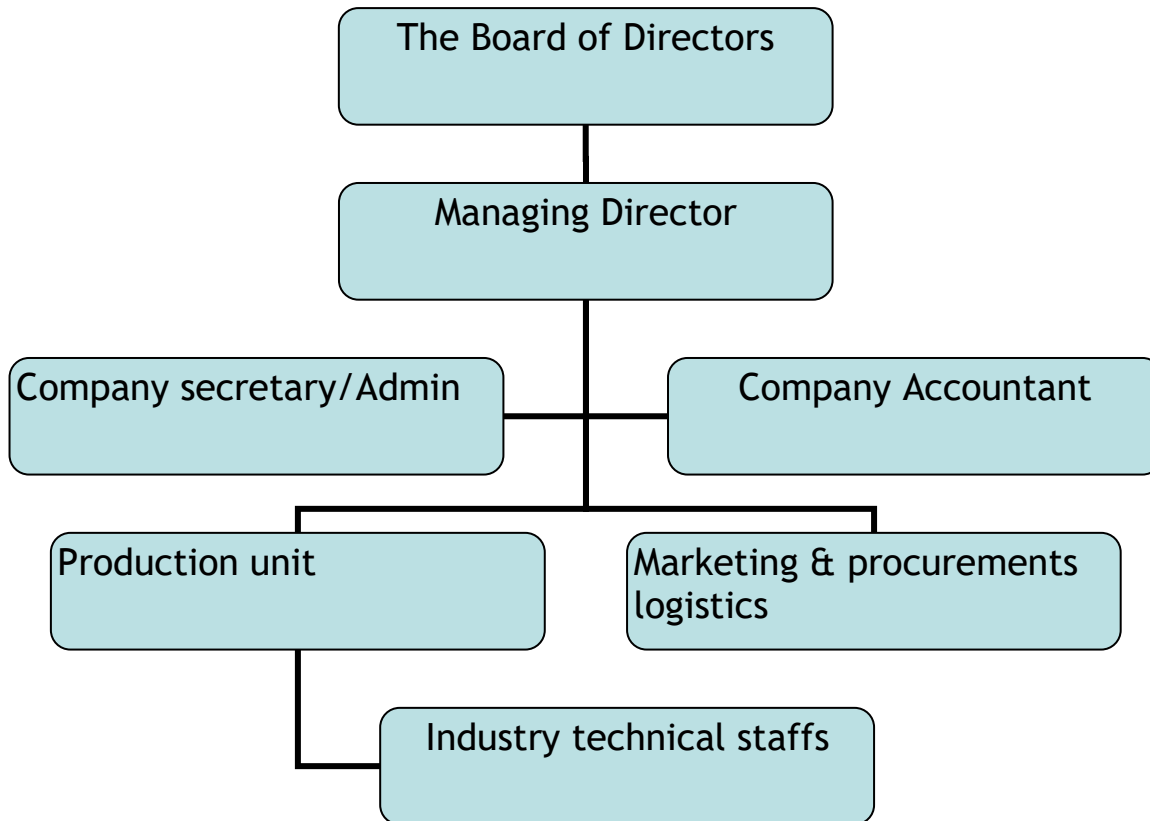
Management Agreements will be executed between Everwell Cable and Engineering Company Ltd and other team managers. The purpose of these agreements is to define the expectations of both parties, establish an incentive structure, and define the grounds under which the agreement may be terminated.

#### **9.1.6.Confidentiality Agreements**

Everwell Cable and Engineering Company Ltd will enforce that all employees sign a confidentiality agreement. Confidentiality agreements with our employees and partners will protect our products, operating systems, policies and procedures. Having a confidentiality agreement in place is essential to protect the company's trade secrets, and show our employees that we take our business seriously.

#### **9.1.7 Organization Structure**

The management of Everwell Cable and Engineering Company Ltd is planning to have the following organization structure.



**EVERWELL CABLE TANZANIA LTD**  
**FINANCIAL PROJECTION SUMMARY FROM 2021 TO 2025**  
**PROJECTED STATEMENT OF PROFIT/(LOSS) AND OTHER COMPREHENSIVE INCOME FOR 5 YEARS**

*EVERWELL CABLE AND ENGINEERING COMPANY LTD*

DETAILS	2021	2022	2023	2024	2025	TOTAL
CURRENCY	USD	USD	USD	USD	USD	USD
SALES	43,000,000.00	51,600,000.00	61,920,000.00	74,304,000.00	89,164,800.00	319,988,800.00
<b>TOTAL INFLOW</b>	<b>43,000,000.00</b>	<b>51,600,000.00</b>	<b>61,920,000.00</b>	<b>74,304,000.00</b>	<b>89,164,800.00</b>	<b>319,988,800.00</b>
						0.00
<b>COST OF SALES</b>						<b>0.00</b>
Opening Inventory	0.00	146,590,260.87	105,310,260.87	55,774,260.87	71,331,840.00	379,006,622.61
Add: Production Cost	180,990,260.87	0.00	0.00	75,000,779.13	0.00	255,991,040.00
Less: Closing Inventory	(146,590,260.87)	(105,310,260.87)	(55,774,260.87)	(71,331,840.00)	(0.00)	(379,006,622.61)
	<b>34,400,000.00</b>	<b>41,280,000.00</b>	<b>49,536,000.00</b>	<b>59,443,200.00</b>	<b>71,331,840.00</b>	<b>255,991,040.00</b>
<b>GROSS PROFIT</b>	<b>8,600,000.00</b>	<b>10,320,000.00</b>	<b>12,384,000.00</b>	<b>14,860,800.00</b>	<b>17,832,960.00</b>	<b>63,997,760.00</b>
<b>OPERATING EXPENSES</b>						
Administration Expenses	129,500.00	568,174.00	1,090,300.00	1,898,600.00	2,040,789.00	5,727,363.00
Sales and Distribution Expenses	125,500.00	296,800.00	505,062.00	571,642.00	1,477,721.00	2,976,725.00
Finance Cost	40,000.00	32,026.00	24,038.00	16,038.00	8,026.00	120,128.00
Depreciation Expense	2,715,000.00	2,715,000.00	2,715,000.00	2,715,000.00	2,715,000.00	13,575,000.00
-	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL OPERATING EXPENSES</b>	<b>3,010,000.00</b>	<b>3,612,000.00</b>	<b>4,334,400.00</b>	<b>5,201,280.00</b>	<b>6,241,536.00</b>	<b>22,399,216.00</b>
<b>PROFIT FOR THE YEAR</b>	<b>5,590,000.00</b>	<b>6,708,000.00</b>	<b>8,049,600.00</b>	<b>9,659,520.00</b>	<b>11,591,424.00</b>	<b>41,598,544.00</b>

PRE-FEASIBILITY STUDY

## 10. EVERWELL CABLE AND ENGINEERING COMPANY LTD FINANCIAL STATEMENTS PROJECTION

**EVERWELL CABLE TANZANIA LTD  
FINANCIAL PROJECTION SUMMARY FROM 2021 TO 2025  
PROJECTED STATEMENT OF FINANCIAL POSITION FOR 5 YEARS FROM 2021 - 2025**

DETAILS	2021	2022	2023	2024	2025
CURRENCY	USD	USD	USD	USD	USD
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
PPE	27,435,000.00	24,720,000.00	22,005,000.00	19,290,000.00	16,575,000.00
<b>TOTAL NON-CURRENT ASSET</b>	<b>27,435,000.00</b>	<b>24,720,000.00</b>	<b>22,005,000.00</b>	<b>19,290,000.00</b>	<b>16,575,000.00</b>
<b>CURRENT ASSET</b>					
Inventory	145,600,000.00	105,310,260.87	55,774,260.87	71,331,840.00	
Working Capital	2,900,000.00	7,400,000.00	4,837,468.00	5,337,833.00	66,783.00
Cash and Cash Equivalent	1,950,000.00	4,430,000.00	2,073,013.00	2,748,409.00	1,181,000.00
<b>TOTAL CURRENT ASSET</b>	<b>150,450,000.00</b>	<b>117,140,260.87</b>	<b>62,684,741.87</b>	<b>79,418,082.00</b>	<b>67,964,000.00</b>

*EVERWELL CABLE AND ENGINEERING COMPANY LTD*

<b>TOTAL ASSETS</b>	<b>177,885,000.00</b>	<b>141,860,260.87</b>	<b>84,689,741.87</b>	<b>98,708,082.00</b>	<b>84,539,000.00</b>
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
Share Capital	25,000,000.00	25,000,000.00	25,000,000.00	25,000,000.00	25,000,000.00
Retained Earnings	5,590,000.00	12,298,000.00	20,347,600.00	30,007,120.00	41,598,000.00
<b>TOTAL EQUITY</b>	<b>30,590,000.00</b>	<b>37,298,000.00</b>	<b>45,347,600.00</b>	<b>55,007,120.00</b>	<b>66,598,000.00</b>
<b>LIABILITIES</b>					
Bank Loan	20,015,974.00	15,023,974.00	10,023,987.00	5,016,000.00	
Trade and Other Payables	127,279,026.00	89,538,286.87	29,318,154.87	38,684,962.00	17,941,000.00
<b>TOTAL LIABILITIES</b>	<b>147,295,000.00</b>	<b>104,562,260.87</b>	<b>39,342,141.87</b>	<b>43,700,962.00</b>	<b>17,941,000.00</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>177,885,000.00</b>	<b>141,860,260.87</b>	<b>84,689,741.87</b>	<b>98,708,082.00</b>	<b>84,539,000.00</b>

**NOTES TO THE PROJECTED FINANCIAL POSITION**

- 1). We have projected loan repayment with an interest of 0.16% (negotiable - LIBOUR rate). The attached repayment schedule clarifys more on the Principle balance remaining
- 2.) We have assumend that purchase of materials were purchased on credit due to lack of enough cash as per provided data on the 1st year of Investment.
- 3). We have assumed Fixed assets are depreciated each year as seen on the PPE movement and such has being concidered on Profit/(Loss) stat
- 4). Trend of the fianncial position is decelerating each year because huge amount of the investment is financed with the bank loan, and trade paya Hence repay,ent of the liabilities cause the deceleration of the financial position despite increament of working capital.

### 3 Conclusion

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- Revenue will be contributed to the Government through various taxes.
- The project will offer continuous direct employment to 27 people and create other indirect employment to other people.

- The company looks technically feasible and financially viable. It is therefore recommended that the project be supported.