



L.N. Shah (1977) Limited

**Progress Report
November 2021**

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1. Introduction & planned activities

L.N. Shah (1977) Limited (the “company”) was established more than 35 years ago. The company is one of the leading promotional suppliers in the country, ranking as the largest wholesaler of T-shirts, Polos and Caps in Tanzania. It is also the largest distributor for the two main t-shirt manufacturers in Tanzania, namely Sunflag Tanzania and A to Z Textile Mills.

We have procured machinery for L.N. Shah (1977) limited to ensure that it remains at the forefront of promotional printers in Tanzania.

The progress report will cover the various factors involved including an analysis of the project implementation, the project expenditure, the financing, the challenges and solutions, and the future plans.

After the successful implementation of 3 phases, the company has set itself well to serve customers in the printing and promotional market. The machines have increased our already diverse range of services and consolidated our market position.

The company is currently enjoying the fruits of good investments in the past years and is staying relevant and afloat in the post-covid pandemic era despite the myriad of challenges. The Management will continue monitoring the market situation and will decide on further investment opportunities once they arise.



2. Achievements on the Projects to date

The project is being successfully implemented as follows:

- **Phase 1 - Automatic printing machinery**

The company acquired automatic printing machineries from M&R Printing Equipment of Poland in October 2010. The machine complete with steel frames is the first of its kind in Tanzania. The machine has aided in expanding the product range, quantity and has greatly improved the quality of our printing. The new machine has increased the printing capacity of our company from 50 prints to 600 prints per hour.

The new machine has aided us in providing quality goods in time to our customers.

Some of the pictures of the new machine are included below.





- **Phase 2 - Building of new warehouse in Chang'ombe**

The company embarked on building a 1 storey warehouse above ground in Chang'ombe next to our existing warehouses in order to cater for the expansion of the business and to make arrangements for procurement of newer machineries. Pictures of completion of the building have been included below along with inside pictures





- **Phase 3 – Installation of Wide format machinery**

For the third phase of the expansion project we installed wide format printing machines for production of billboards, banners, vinyl stickers and so on. These machines will further increase our already diverse range of services and consolidate our market position. The pictures are attached herewith





3. Company Updated Information

S/No.	Information	Description	Current Project Status		
			Shareholder name	Nationality	% Ownership
1	Shareholder's Information	Current Shareholders names, nationality and percentage of ownership	Bhavin Gunvantrai Shah	Tanzanian	31.43
			Divyesh Dilipkumar Shah	Tanzanian	31.70
			Harsheel Gunvantrai Shah	Tanzanian	31.43
			Gunvantrai Panachand Shah	Tanzanian	0.56
			Prabhukumar Ramalingam	Indian	04.88
			Total		100
2	Company communication Information	Email address Mobile Number Land Line Telephone Number Physical Address (Plot No. Block No. Street, District and Region)	info@Lnshah.co.tz +255 718282999 +255 2139651 +255 2123865 Hasinabad Building, Ground Floor – Plot No Jamaat Street, Ilala CBD – Dar-es-Salaam		
3	Contact Person	Name Position Communication details (Email, Mobile and telephone)	Harsheel G. Shah Director Harsheel@Lnshah.co.tz +255 762282999 +255 213865		
4	Incorporation	Certificate of Incorporation Number	5962		
5	TIN Information	TIN Certificate No.	100-101-505		
6	Project Objective	Project Core Activity	Importation of Garments, Textiles, Toys and other Electrical Appliances and Printing Promotional Materials.		
7	Capacity	Project capacity per year	2.3 million prints per year		
8	Direct Employment	Foreign Men	Nil		
		Foreign Women	Nil		
		Local Men	39		
		Local Women	14		
9	Indirect employment	Type/areas of Indirect employment	No statistics available		



4. Project Financing Expenditure todate (TZS'000)

	Foreign (TZS'000)	Local (TZS'000)	Total (TZS'000)
Land and Buildings	-	750,000	750,000
Plant and machinery	242,000	-	242,000
Vehicles/Aircrafts	-	-	-
Furniture	-	-	-
Office equipment	-	-	-
Insurance Cover			
Pre-operational expenses			
Working sub-total capital			
Grand Total			

5. Project Financing

Funding strategy

The company has financed most of the capital expansion project using its own funding and through a mix of sale of its existing property and through a capital injection from the shareholders.

The shareholders are convinced that the investment outlay is worthwhile and has led to expansion of the business operations and profitability. The shareholders also wish to plough back future profits into the business in order to ensure sustained business growth.

Breakdown by Phase	Timing	Investment TZS'000	Financed by:	
			Debt	Equity
Expansion Phase 1	August 2010	152,000	-	100%
Expansion Phase 2	January 2013	750,000	-	100%
Expansion Phase 3	July 2014	90,000	-	100%
Grand total		992,000		

Breakdown by Asset	Investment TZS'000
Building	750,000
Machineries	242,000
Grand total	992,000



6. Problems and Solutions

Problems	Solutions
<ul style="list-style-type: none">• Electricity outages have caused havoc especially during November-January season.	<ul style="list-style-type: none">• We have installed an industrial scale generator to assist us during power outages.
<ul style="list-style-type: none">• Raw material shortages in Tanzania especially for cotton has led to skyrocketing prices	<ul style="list-style-type: none">• We have sought to balance purchases of materials from outside and inside Tanzania.
<ul style="list-style-type: none">• Lack of skilled operators for the sophisticated machineries that we have installed.	<ul style="list-style-type: none">• We got a skilled trainer from Germany to train our employees to operate the machines. Also we have requested 1 expatriate to head the department for overall printing quality and service management. Awaiting his approval of residence permit so he can start adding value to our business.

7. Future Plans

After the successful implementation of above phases, the company has set itself well to serve customers in the printing and promotional market.

These machines have increased our already diverse range of services and consolidated our market position.

The company is currently enjoying the fruits of good investments in the past years and is staying relevant and afloat in the post-covid pandemic era despite the myriad of challenges. The Management will continue monitoring the market situation and will decide on further investment opportunities once they arise.

8. Recommendations and any other comments

In light of the progress report, we would like to fully support this project and would greatly appreciate assistance from the TIC to ensure that the implementation takes place smoothly.