

**BUSINESS PLAN FOR THE  
IMPLEMENTATION PROGRAMME**

**OF**

**M/S  
A TO Z TEXTILE MILLS LIMITED**

**IN**

**ESTABLISHING AND OPERATING A PROJECT FOR  
GENERATION OF ELECTRICITY BY INSTALLING  
PHOTOVOLTAIC PLANT (2.5 MEGAWATT)**

**PREPARED BY  
M/S A TO Z TEXTILE MILLS LIMITED  
P. O. BOX 945  
ARUSHA**

---

**M/S A TO Z TEXTILE MILLS LIMITED  
TABLE OF CONTENTS**

	Page
1. Investment Plan.....	2
2. Company's Background .....	2
3. Targeted Market .....	4
4. The Company's Objectives .....	5
5. Plan/Prospects .....	6
6. Shareholders (Promoters) .....	6
7. Location .....	7
8. Capital Investment Cost .....	8
10. Financial Plan (Source of Funds).....	9
11. Submission .....	9
12. Economic Growth .....	10
13. Competition/Market .....	11
14. Advertisement.....	11
15. Business Strategy.....	12
16. Environmental Issue .....	12
17. Project Management .....	12
18. Manpower and Transfer of Technology .....	13
19. Conclusion and Economic Analysis .....	14
20. Financial and Economic Analysis.....	14- 18

**M/S A TO Z TEXTILE MILLS LIMITED**  
**ESTABLISHING AND OPERATING A PROJECT FOR**  
**GENERATION OF ELECTRICITY BY INSTALLING**  
**PHOTOVOLTAIC PLANT (2.5 MEGAWATT)**

**1. INVESTMENT PROPOSAL**

The Feasibility study has been prepared by **M/S A TO Z TEXTILE MILLS LIMITED** for the company's implementation programme in establishing and operating a project for generation of electricity by installing photovoltaic Plant in Mateves area plot 698/1 Kisongo Area - Arusha.

The Business Proposal has also been prepared to give an analysis of the financial, human, technical and other resources required for establishing and operating a project for generation of electricity by installing photovoltaic Plant in Kisongo - Arusha and also assess its economic viability and commercial viability in order to allocate funds for the Power Project especially in acquiring photovoltaic plant, machinery, Solar panel, modules, inverters and accessories, equipment, ~~building materials, utility vehicles~~, generators, transformer etc.

The certificate of incentives will enable the project to qualify for duty exemption on photovoltaic plant, solar panels, modules, inverters & accessories, machinery, equipment, ~~building materials, utility vehicles~~, generators, transformer and other related facilities and enjoy services under one stop shop at Tanzania investment Centre such as approvals, licenses and permits such as resident / work permits, Business License, protection of investment, arbitration and transfer of foreign currency etc

**2. COMPANY'S BACKGROUND**

**M/S A TO Z TEXTILE MILLS LIMITED** is a private owned company incorporated in Tanzania by Registrar of Companies

under company's ordinance on 02<sup>nd</sup> day of October 1985 with Certificate of Incorporation No: 5761

M/S A TO Z TEXTILE MILLS LIMITED was incorporated initially with major objectives of manufacturing textiles & garments, plastic products, mosquito bed nets, agricultural netting, shed net, woven bags and flexible packaging. The Company intends also established medical devices manufacturing Project and currently is now importing plant, machinery, equipment, building materials, utility vehicles, generators, transformer and other related facilities. Meanwhile the company is establishing a Power Project by installing photovoltaic plant to generate reliable electricity which will be used to support the M/S A to Z Textile Mills Limited other Projects to avoid power problems (Power cuts & Rationing).

The company determines to supply electricity at M/S A to Z TEXTILE Mills Limited for Company's manufacturing projects such as; textiles & garments, plastic products, mosquito bed nets, agricultural netting, shed net, woven bags and flexible packaging and Medical devices; full supply of electricity will make the Company's projects run without a problems. Purpose of setting up Photovoltaic Plant is to make electricity available all the time for its Manufacturing Projects so that they can provide timely the best products in the market. Goodwill, promptness and reliability are the business strategies for the Project. Reliable electricity will make manufacturing process to go smoothly and timely. In addition to that the Products brought to the market will correspond with the clients' demand especially in this competitive market. The quality of power generated by the company will be continuous 2.5 Megawatts which will be reliable and sufficient for all projects run by M/S A TO Z Textile Mills Limited.

There is an acute Power Problem in the Country which currently affected industries and other sectors of economy. In addition to that the electricity is not sufficient and unreliable. It

is on the basis of the above reasons the management resolved to set up the facility for Power generation by installing photovoltaic Plant to generate 2.5 Megawatts which will be sufficient and reliable to factories under M/S A TO Z TEXTILE MILLS LIMITED in Kisongo - Arusha

In the establishment programme, The Power generation Project will import Photovoltaic Plant & Machinery, solar panels, modules, inverters and accessories, equipment, ~~utility vehicles,~~ transformer, ~~Building materials,~~ generators etc.

Hence the establishment programme of three years in setting up facilities for intended project is estimated to be USD 1,150,000. The estimated capital investment cost of USD 1,150,000 will be on Photovoltaic Plant & Machinery, solar panels modules, inverters & accessories, ~~utility vehicles,~~ ~~steel structure,~~ ~~prefabricated buildings,~~ equipment, generators etc.

### 3. TARGETED MARKET

There is very big market potential for the Power/ Electricity generated by the Company. As mentioned earlier the Country had severe power rationing which affected various sectors of economy in Tanzania, Power was unreliable and not sufficient for industrial production process. Therefore By this reasons the Shareholders of the Company resolved to establish power generation Project for the Company's Projects. The Power Project will save the Projects from power cuts, unreliability, insufficient electricity and unnecessary expenses. The Intended Project is aiming at Producing and supplying 2.5 Megawatts to M/S A to Z TEXTILE MILLS LIMITED Manufacturing Projects in Kisongo.

The recent market survey undertaken by the company has realized that there is high demand for Electricity. There is acute power problems, unreliable, insufficient due to frequent power

cuts and blackout due to the main power supplier Tanesco having rehabilitation of power plants in the country.

Considering the growing industrialization due to the government call and economic activities has caused the rise demand for electricity in the Country.

High quality Photovoltaic Plant, technology, efficiency and goodwill are the factors which will make the intended project to be successfully. There are quite number of power generation companies which can compete with the company's power generated of 2.5 Megawatts due to quality of Plant with new technology.

The company also intends to increase generation of Power by installing big Photovoltaic Plants to fulfill the demand of the Industries under M/S A TO Z TEXTILE MILLS LIMITED.

## 5. THE COMPANY'S OBJECTIVES

**M/S A TO Z TEXTILE MILLS LIMITED** is a project for setting up facilities for establishing and operating a project for Power generation by installing photovoltaic plant to produce 2.5 megawatts in Kisongo- Arusha.

The mission of intended power generation project is basically aimed at Production and marketing/ promotion of the Power generated by Photovoltaic Plant which is important for power production in order to make our Industries operate smoothly without power cuts, unreliable and insufficient power. The Proposed Project will make electricity much available all the time to achieve the following objectives.

- ❖ To foster the growth of Power generation industry in Tanzania.

- ❖ To reduce dependence on hydro electricity by Installing Photovoltaic Plant.
- ❖ To promote power, Industries, Business etc
- ❖ To promote growth and expansion of private sector.
- ❖ The Company will create more employments
- ❖ Skill development (human resources development) through on job training and use of new Photovoltaic Plants and new technology application.
- ❖ Income generation, alleviation of poverty and improve their social welfare employees.
- ❖ The Company contributes to the government revenue through taxes and other levies like Corporate taxes, PAYE etc

## 6. PLAN/PROSPECTS

- ❖ High performance in Power generation by installing big photovoltaic plants to produce more than 2.5 megawatts,
- ❖ To increase power generation and supply to other nearest industries hence resulting addition earnings in prevailing local market.
- ❖ To increase the volume/ capacity of Power generation and Supply to the Market.

## 7. SHAREHOLDERS (PROMOTERS)

M/S A TO Z TEXTILE MILLS LIMITED is a project for Power generation by installing photovoltaic plant to produce 2.5 megawatts. The following are the shareholders/ promoters of

**A TO Z TEXTILE MILLS LIMITED** and their shareholder's position are:-

No	Name of Shareholders	Nationality	Shares	Percent %
1.	Kalpesh Shah	British	1,600,000	20%
2.	Viral Anoi Shah	British	1,600,000	20%
3.	Wan li limited	British	4,800,000	60%
	<b>TOTAL</b>		<b>8,000,000</b>	<b>100%</b>

Therefore, the authorized capital of the company is Tshs. 8,000,000,000 divided into 1000 ordinary shares of Tshs. 8,000,000/= each. The Company shall have power to increase its capital and to divide the shares in its capital for the time being into several classes of stock or shares and to attach thereto respectively such preferential, deferred or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company.

## **8. LOCATION**

The company's Business Premise is located at Plot No. 698/1, Mateves Area, Olmot ward, Kisongo. Arusha City / Arusha. Postal Address P. O. Box 945 Arusha.

## **9. COMPANY'S IMPLEMENTATION SCHEDULE**

### **9.1 MAY - 2024**

- Preparing feasibility study for establishing and operating a project for generation of electricity by installing photovoltaic plant to produce 2.5 megawatts in kisongo - Arusha.
- Registration of Power generation project with Tanzania Investment Centre i.e. Application for the Certificate of incentives.
- Getting Certificate of Incentives

## 9.2 JUNE - 2024

- Application for Import Duty exemption on Photovoltaic Plant, Machinery, Solar panel, modules, inverters & accessories, Equipment, ~~utility vehicles, Building materials~~ and related facilities.
- Importing Photovoltaic Plant, Machinery, Solar Panel, modules, inverters & accessories, Equipment, ~~steel structure, prefab buildings, vehicles,~~ generators, transformer etc.
- Clearing the Photovoltaic Plant, Machinery, Solar Panels, modules, inverters & accessories, Equipment and allied facilities from customs control.

## 9.3 JULY - 2024

- Recruiting workers and other administration staffs.
- Fully commencement of Power generation 2.5 Megawatts for our own factories.

## 10. CAPITAL INVESTMENT COST

Land/Building	USD \$	-
Plant/Machinery	USD \$	1,000,000
Vehicles	USD \$	<del>50,000</del>
Furniture and Fittings	USD \$	-
Pre-expenses	USD \$	50,000
Working Capital	USD \$	50,000
<b>TOTAL CAPITAL</b>	<b>USD \$</b>	<b><u>1,150,000</u></b>

The proposed programme for Power generation project is to be implemented within 1 years. The company's promoters (shareholders) have resolved to register the intended Project with

Tanzania Investment Centre (TIC) and securing the certificate of incentives.

## 11. FINANCIAL PLAN (SOURCE OF FUNDS)

M/S A TO Z TEXTILE MILLS LIMITED has firmed up finances for the implementation programme by its own fund and loan: -

Own fund (equity)	USD \$	1,150,000
Local loan	USD \$	-
<b>TOTAL</b>	<b>USD \$</b>	<b><u>1,150,000</u></b>

## 12. POWER GENERATION FACILITIES

- i. - Photovoltaic Plant
- ii. - Solar Panels, modules, inverters accessories, equipment,
- iii. - Truck, Hard Top, Pickups
- iv. - ~~Steel structure, Prefabricated Buildings.~~
- v. - ~~Generators, transformer~~
- vi. etc

## 13. SUBMISSION

M/S A TO Z TEXTILE MILLS LIMITED wishes to submit its investment proposal and application to the Tanzania Investment Centre (TIC) for registration and award of certificate of incentives for the commencement of generation of electricity by installing photovoltaic (2.5 Megawatts)

The Power generation Project will soon commence after the Company is registered by Tanzania Investment Centre and being issued with the Certificate of incentives. Thereafter the Company will import Photovoltaic Plant, Plant & Machinery, solar panels, modules, inverters & accessories, Equipment, ~~steel structure, prefab building, generators, transformer, utility vehicles~~ etc

The Project will qualify for tax exemption on Capital/Deemed Capital Goods which are Photovoltaic Plant, Plant & Machinery, solar panels, modules, inverters & accessories, Equipment, ~~steel structure, prefab building, generators, transformer, utility vehicles etc~~

#### **14. ECONOMIC GROWTH**

Positive economic growth which had been registered in Tanzania, have attracted more investments such as Industries, Agriculture, Mining, transportation and business in Tanzania In addition to those Investments Electricity is very important especially in running day to day operations and too every sectors of economy that's why shareholders of M/S ATO Z textile Mills Limited resolved to set up power generation Project. Besides Industrialization is the Call of the Government.

#### **15.0 SWOT ANALYSIS**

M/S A to Z Textile Mills Limited has incorporated the SWOT Analysis And Identified the Strengths, Weakness, Opportunities and Threats.

##### **15.1 Strengths**

- Innovative Production methods provide the potential for new designs.
- Experience in distribution channels management.

##### **15.2 Weaknesses**

- Limited experience in distribution of power
- Limited experience in international marketing for Power.

##### **15.3 Opportunities**

- New and vibrant power
- High market demand

- A to Z Textile Mills Limited has vast variety of products
- Foreseen Potential local and international markets for Energy.
- Large & growing market (local, regional and international)
- Consumer demand for high quality goods creates a demand for innovative power.

#### 15.4 Threats

- Strong regional competition with concentrated market shares (~~Uganda, Kenya~~ etc)
- Possibility of new market entries,
- Rapid change in science and technology (e.g machines, modern equipment etc for measurement of quality and quantity of products.)

### 16. COMPETITION/MARKET

Despite there being Tanzania electricity supply company limited (TANESCO) in Tanzania still the POWER is not enough compared to the level of demand and quality. Currently we suffered acute power rationing, unreliable and insufficient powers which make the operations of our factories fail to meet the level of production - supply vs demand and cost the company to use more unnecessary expenses in fuel

However, the intended Power generation project will supply fully & timely- constant electricity 2.5 megawatts without cuts or rationing and will make M/S A TO Z TEXTILE MILLS LIMITED to run its manufacturing projects smoothly, trustworthy, efficiency and quality products to dominate the local and export market because the project ensures high quality, technology, best products, promptness and goodwill.

### 17. ADVERTISEMENT

Advertisement, which forms part of the marketing strategy, will be embarked upon in the newspapers, street banners and

later on in the televisions in a manner benefiting the promotional role of any company or private institutions.

#### **18. BUSINESS STRATEGY**

In order to meet the current 2.5 megawatts and high productivity the management of the company will develop and implement additional strategies which will run our project smoothly

- ❖ Technology, Plants from the Best Brand
- ❖ Advertisement/promotion,
- ❖ Employing qualified and experienced staffs,
- ❖ On job training,
- ❖ Business Discipline.

#### **19. ENVIRONMENTAL ISSUE**

The power generation Project; Photovoltaic Plant and the whole practice is environmental friendly and will not cause any harm to people.

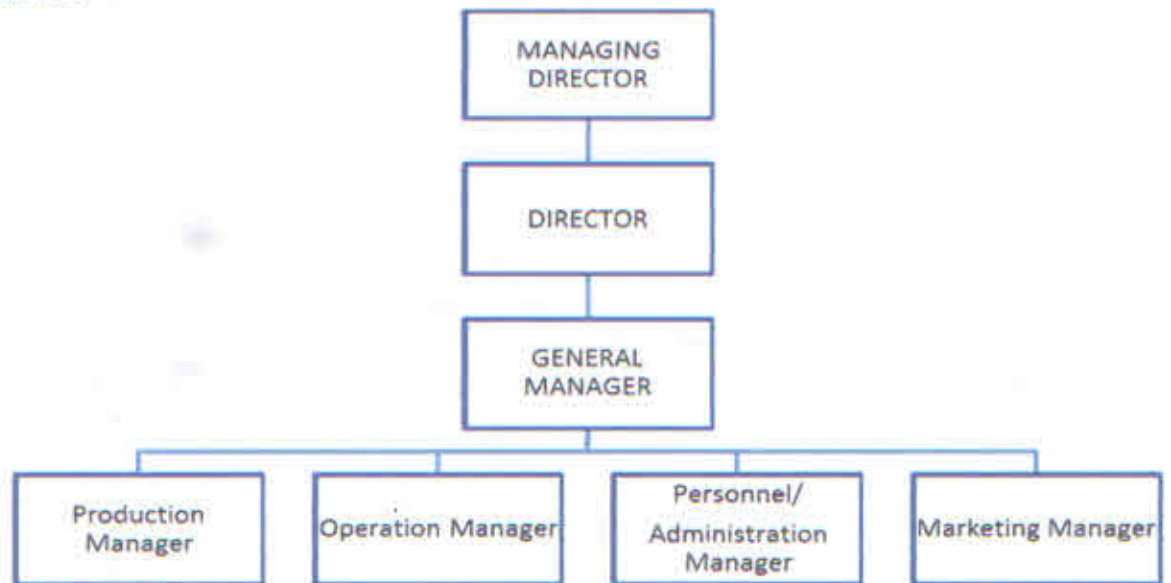
#### **20. PROJECT MANAGEMENT**

The overall management of the company is vested in the Board of Directors. Mr. Kalpesh Shah is the Managing Director of the Company; he is well versed in Industries operations. The other Directors are Viral Anoi Shah, Binesh Juthalal Haria and Bijal Mansukhlal Haria..

THE  
CHART

COMPANY'S

ORGANIZATION



21. MANPOWER AND TRANSFER OF TECHNOLOGY

This project being Power generation by installing Photovoltaic Plant in its establishment programme will usher in the technology (Transfer of knowledge/technology) by using new Power Plant and Technology. The advantages to the country are quite significant, and will get the advantage of value addition due to such incoming technology.

Further the country can reduce its dependence on Power generated by Tanesco which is not sufficient, unreliable and has a lot of cuts & rationing etc. Hence A TO Z TEXTILE MILLS LIMITED will have full supply of electricity at less cost.

The Power generation by installing Photovoltaic Plant will cause more people to be employed and about 10 local people *Technicians* and 5 foreigners. Local people will increase their income, improve their social welfare and pay taxes; it is poverty alleviation programme to them.

Local employees will get on training and in a long run will improve the technical competence in the field of Power generation by Photovoltaic Plant.

## **22. CONCLUSION AND RECOMMENDATION**

The financial evaluation of Power generation by installing Photovoltaic Plant done so far indicates that this project will be profitable both economically and financially viable venture. There are many other benefits direct and indirect of this project.

The management being experienced businessmen possesses ample managerial capabilities in various business disciplines. Based on the above factors, it is recommended that the company should be granted the certificate of incentives for the implementation of the Power generation by installing Photovoltaic Plant so that the project will import and enjoy tax exemption on Capital/Deemed Goods and increase its production capacity.

## **23. FINANCIAL AND ECONOMIC ANALYSIS**

### **22.1 Projected Profit and Loss Account**

The company envisages generating a profit of USD \$ 50,000 this operating year. The profit amount is expected to steadily rise to USD \$ 60,000 in year two, USD \$ 70,000 in year three and USD \$ 80,000 in year four. 5<sup>TH</sup> YEAR - 90,000

### **22.2 Projected cash flows**

The projected cash flows for the next five years indicate that the company will have enough funds to service/repay the loan and interest payments. Hence the financial obligations will be met in a timely fashion.

### 23.3 Proposed Balance Sheet:

The projected balance sheet shows healthy financial situation. Short term liabilities are at all times covered by fixed assets. Also current liabilities are adequately covered by current assets.

## 24. SENSITIVITY ANALYSIS

To assess further the viability of the implementation project, sensitivity analysis has been worked out on the basis of several unfavorable conditions that might negatively affect the operations of **M/S A TO Z TEXTILE MILLS LIMITED**

### 24.1 Effect of cost increase on profitability (on the basis of year II POWER GENERATION INCOME in "....." USD \$)

Income	Costs	Increase	Profit before depreciation
420,000	360,000	%	60,000
420,000	378,000	5%	42,000
420,000	396,000	10%	24,000

### 24.2 Effect of POWER GENERATION INCOME decrease/drop on profitability (on the basis of year II costs in "....." USD \$)

Income	Income Decrease	Cost	Profit before depreciation
420,000	%	360,000	345,000
399,000	5%	360,000	39,000
378,000	10%	360,000	18,000

The viability/profitability of the company operations appears more sensitive to sale income/revenue than increase in the operating costs. This implies that the company should strive to maintain the existing market and undertake an aggressive

marketing strategy to hire more clients and expand its market or clients base.

**Appendix I**

**M/S A TO Z TEXTILE MILLS LIMITED**

**PROJECTED INCOME STATEMENT**

(Fig. USD \$ '000')

Income	Years				
	I	II	III	IV	V
Sales Income	370.0	420.0	470.0	520.0	570.0
<b>Total Income</b>	<b>370.0</b>	<b>420.0</b>	<b>470.0</b>	<b>520.0</b>	<b>570.0</b>
Utilities	100.0	100.0	100.0	100.0	100.0
Salaries and wages	60.0	70.0	80.0	90.0	100.0
Transportation/fuel	70.0	80.0	90.0	100.0	110.0
Administrative Expenses	50.0	60.0	70.0	80.0	90.0
Other Expenses	40.0	50.0	60.0	70.0	80.0
<b>Total Expenditure</b>	<b>320.0</b>	<b>360.0</b>	<b>400.0</b>	<b>440.0</b>	<b>480.0</b>
Net Profit (pre tax and depreciation)	50.0	60.0	70.0	80.0	90.0

## Appendix II

## M/S A TO Z TEXTILE MILLS LIMITED

## PROJECTED CASHFLOW STATEMENT

(Fig. USD \$ '000')

Year	I	II	III	IV	V	TOTAL
<b>Cash inflow</b>						
Income from operation	50.0	60.0	70.0	80.0	90.0	350.0
	50.0	60.0	70.0	80.0	90.0	350.0
<b>Cash outflow</b>						
Wear & tear	10.0	12.0	14.0	16.0	18.0	70.0
Taxes	10.0	11.0	12.0	13.0	14.0	60.0
	20.0	23.0	26.0	29.0	32.0	130.0
<b>Surplus cash generated</b>	30.0	37.0	44.0	51.0	58.0	220.0

## Appendix 111

## M/S A TO Z TEXTILE MILLS LIMITED

## PROJECTED BALANCE SHEET

(Fig. in USD \$ '000')

No.	ITEM	YEAR 1	YEAR II	YEAR III	YEAR IV	YEAR V
	<b>Source of funds</b>					
1.	Shareholders' funds	100.0	150.0	200.0	250.0	350.0
3.	Associated Cos/ Directors	100.0	100.0	100.0	100.0	100.0
4.	Current Liabilities	200.0	250.0	300.0	350.0	400.0
		<b>400.0</b>	<b>500.0</b>	<b>600.0</b>	<b>700.0</b>	<b>850.0</b>
	<b>Application of funds</b>					
1.	Fixed Assets	300.0	300.0	300.0	300.0	500.0
2.	Current Assets	100.0	200.0	300.0	400.0	350.0
		<b>400.0</b>	<b>500.0</b>	<b>600.0</b>	<b>700.0</b>	<b>850.0</b>