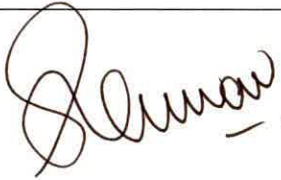







CROWN GASES  
(T) LTD

NAMES, ADDRESSES AND DESCRIPTION OF SUBSCRIBERS	NUMBER OF SHARES TAKEN	SIGNATURE OF SUBSCRIBERS
SHILEN THAKERAR P. O. BOX 40449 NAIROBI 00100 KENYA	45	
BANSRI THAKERAR P. O. BOX 40449 NAIROBI 00100 KENYA	45	
FAIZAL S. MAWJI P. O. BOX 2120, DAR ES SALAAM	5	
HEENA FAIZAL MAWJI P. O. BOX 2120, DAR ES SALAAM	5	

Dated at D'SALAAM This 9<sup>th</sup> day of July 2008

**Witness** to the above signatures:-

Name : SURENDRA M. MAWJI

Signature : 

Postal Address : P.O BOX 763 D'SALAAM

Qualification : CHARTERED PATENT ATTORNEY



59. In accordance with section 164 of the Act, the copy of the company's annual accounts to be laid before the company in general meeting together with a copy of the directors' report and the auditors shall not less than twenty-one days before the date of the meeting be sent to every member of, and every holder of debentures of, the company. Provided that this regulation shall not require a copy of those documents to be sent to any person of whose address the company is not aware or to more than one of the joint holders of any debentures.

#### **WINDING UP**

60. If the company shall be wound up, the liquidator may, with the sanction of an extra-ordinary resolution of the member any part of the assets of the company including any shares in or securities of other companies may be divided among the members of the company in specie, or may be vested in trustees for the benefit of such members and the liquidation of the company may be closed and the company dissolved, but so that no member shall be compelled to accept any shares whereon there id=s any liability.

#### **INDEMNITY**

61. Subject to the requirement of Section 153 of the Companies Act, 2002, every Director or other officer of the company shall be entitled to be indemnified out of the assets of the company against all losses or liabilities which he may sustain to incur in or about the execution of his duty, and no director or other officer shall be liable for any loss which may be incurred by the company in the execution of his officer or in relation thereto.

#### **AUDIT**

62. Auditors shall be appointed and their duties regulated in accordance with sections 170 to 179 of the Act.
63. Any notice to be given to or by any person pursuant to the articles shall be in writing except that a notice calling a meeting of directors need not be in writing. The company may give any notice to a member either personally or by sending it by post in a prepared envelope addressed to the member at his registered address, or by leaving it at that address. Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying, and posting a letter containing the notice, and to have been effected at the expiration of seventy-two hours after the letter containing the same was posted. A member whose registered address is not within the Tanzania and who gives to the company an address within Tanzania at which notices may be given to him shall be entitled to have notices given to him at that address, but otherwise no such member shall be entitled to receive any notice from the company.

51. A resolution in writing signed by all the directors entitled to receive notice of a meeting of the directors, or of a committee of directors, shall be as valid and effectual as if had been passed at a meeting of the directors or {as the case may be} a committee of directors duly convened and held, and may consist of several documents in the like form each signed by one or more directors.

### **SECRETARY**

52. The Secretary shall be appointed by the directors for such term, at such remuneration and upon such conditions as they may think fit; and any secretary so appointed may be removed by them.

53. A provision of the Act of these articles requiring or authorizing a thing to be done or to a director and the secretary shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, the secretary.

### **THE SEAL**

54. The seal shall only be used by the authority of the directors or of a committee of the directors authorized by the directors. The directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a director.

55. The directors shall cause proper books of accounts to be kept with respect to:-  
(a) all sums of money received and expended by the company and the matters in respect to which the receipt and expenditure takes place.  
(b) All sales and purchase of goods by the company; and  
(c) The assets and liabilities of the company.

Property books shall not be deemed to be kept if there are not kept such books of accounts as are necessary to give a true and air view of the state of the company's affairs and to explain its transactions.

56. The books of account shall be kept at the registered officer of the company, or subject to section 151 (4) of the Act, at such other place or places as the directors think fit, and shall always be open to the inspection of the directors.

57. No number shall (as such) have right of inspecting any accounting records or other books or document of the company except as conferred by statute or authorized by the directories or by ordinary resolution of the company.

58. The directors shall from time to time in accordance with sections 153, 155 and 150 of the Act, cause to be prepared and to be laid before the company in general meeting, such profit and loss accounts, balance sheets, group accounts (if any) and reports are referred to in those sections.

43. The company may by ordinary resolution, of which special notice had been given in accordance with section 144 of the Act, remove any director before the expiration of his period of office notwithstanding anything in the article or any agreement between the company and such director. Such removal shall be without prejudice to any claim such director may have for damages for breach of any contract of service between him and the company.
44. The company may by ordinary resolution appoint another person in place of a director removed from office under the immediately preceding article. Without prejudice to the powers of the directors under article 40 the company in general meeting may appoint any person to be a director either to fill a vacancy or as an additional director.
45. Subject to the provisions of the articles, the directors may regulate their meetings as they think fit. Questions arising at a meeting shall be decided by majority of votes. In case of an equality of votes, the chairman shall have a second or casting vote. A director may, and the secretary at the request of a director shall, call a meeting of the directors. It shall not be necessary to give notice of a meeting of directors to any directors who are absent from Tanzania.
46. The quorum necessary for the transaction of the business of directors may be fixed by the directors, and unless so fixed shall be two.
47. The continuing directors may act notwithstanding any vacancy but, if and so long as their number is reduced below the number fixed by or pursuant to the articles of the act for the purpose of increasing the number of directors to that number, or summoning a general meeting of the company, but for no other purpose.
48. The directors may appoint one of their member to be the chairman of the board of directors and determine the period of which he is to hold office. Unless he is willing to do so, the director so appointed shall preside at every meeting of directors at which he is present. Bu if no such chairman is appointed, or if he is unwilling to preside, or if at any meeting the chairman is not present within five minutes after the time appointed for holding the same, the directors present may choose one of their member to be chairman of the meeting.
49. The directors may delegate any of their powers to any committee consisting of one or more directors; any committees so formed shall in the exercise of the powers so to any such regulations, the proceedings of a committee with two or more members shall be governed by the articles regulating the proceedings of directors so far as they are capable of applying.
50. All act done by a meeting of the directors or of a committee of directors or by a person acting as a director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such director, or that any of them were disqualified from holding office, or hand vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a director and was entitled to vote.

powers given by this article shall not be limited by any special power given to the directors by the articles and a meeting of directors at which a quorum is present may exercise all powers exercisable by the directors.

37. The directors may by power of attorney appoint any person to be the attorney or agent of the Company for such purposes and on such conditions as they may determine, including authority for the attorney or agent to delegate all or any of his powers.
38. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for moneys paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as they case may be, in such manner as the directors shall from time to time by resolution determine,
39. The directors shall cause minutes to be made in books provided for the purpose:-
- (a) of all appointments of officers made by the directors;
  - (b) of the names of the directors present at each meeting of the directors and of any committees of the directors;
  - (c) of all resolution and proceedings at all meetings of the company, and of the directors and of the committed of the directors.

#### **DISQUALIFICATION OF DIRECTORS**

40. The office of director shall be vacated if the directors:-
- (a) Without the consent of the company in general meeting holds any other office of profit under the company; or
  - (b) Becomes bankrupt or makes any arrangement or composition with his creditors generally; or
  - (c) Cases to be a director by virtue of any provision of the Act or becomes prohibited by law from being a director; or
  - (d) Becomes of unsound mind; or
  - (e) Resigns his office by notice in writing to the company; or
  - (f) Is directly or indirectly interested in any contract with the company and fails to declare the nature of his interest in manner required by the Act.

A director shall not vote in respect of any contract in which he is interested or any matter arising threat, and if he does so vote shall not be counted.

41. The company may be ordinary resolution appoint a person who is willing to act as director to fill a vacancy or be an additional director.
42. The directors may appoint who is to act to be a director, either to fill a vacancy or as an additional director, but so that the total number of directors shall not at anytime exceed the number fixed by or in accordance with these articles. Any director so appointed shall hold office only until the next following annual general meeting, and shall then be eligible for re-election.

## **CORPORATIONS ACTING BY REPRESENTATION AT MEETINGS**

31. Any corporation which is a member of the company may by resolution of its directors or other governing body authorize such person as it thinks fit to act as its representative at any meeting of the company, and the person so authorized shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the company.

## **DIRECTORS**

32. The number of the directors and the names of the first director shall be determined in writing by the subscribers of the memorandum of association or a majority of them and until such determination the signatories of the Memorandum of Association shall be the first directors. Unless otherwise determined by ordinary resolution, the number of directors shall not be subject to any maximum but shall not be less than two.
33. The remuneration of the directors shall from time to time be determined by the Company in general meeting. Such remuneration shall be deemed to accrue from day to day. The directors shall also be paid all traveling, hotel and other expenses properly incurred by them in attending and returning from meetings of the directors or any committee of the directors or general meetings of the company or in connection with the business of the company.
34. The following persons shall be first Directors to the company:-
- 1). **SHILEN THAKERAR**
  - 2). **BANSRI THAKERAR**
  - 3). **FAIZAL S. MAWJI**
  - 4). **HEENA FAIZAL MAWJI**

## **BORROWING POWERS**

35. The directors may exercise all the powers of the company to borrow money, and to mortgage or charge its undertaking and property, or any part thereof, and to issue debentures, debenture stock and other securities, whether outright or as security for any debt, liability or obligation of the company or any third party.

## **POWERS AND DUTIES OF DIRECTORS**

36. Subject to the provisions of the Act, the memorandum and the articles and to any directions given by special resolution, the directors, who may exercise all the powers of the company, shall manage the business of the company. No alteration of the memorandum or articles and no such directions shall invalidate any prior act of the directors, which would otherwise have been valid. The

27. An instrument appointing a proxy shall be in the following form as near hereto as circumstances admit:-

"..... Limited I/We  
..... of ....., being a member/members of the above  
named company, hereby appoint ....., of or failing him  
..... of ....., as my/our proxy to vote for me/us on my/our  
behalf at the {annual or extraordinary, as the case maybe} general meeting of the  
company to be held on the ..... day of ..... 200....., and at  
any adjournment thereof.

Signed ..... day of, ..... 200....."

28. Where it is desired to afford members an opportunity of voting for or against a resolution the instrument appointing a proxy shall be in the following form or a form as near thereto as circumstances admit:-

"..... Limited I/We  
..... Of ..... being a member/members of the above named  
company, hereby appoint of ..... of ..... or  
failing him ..... of ....., as my/our proxy for me/us on  
my/our behalf at the {annual or extraordinary, as the case may be} general  
meeting of the company to be held on the ..... day of  
..... 200....., and at any adjournment thereof

Signed ..... day of ..... 200 ....."

This form is to be used\* in favour of/against the resolution. Unless otherwise instructed, the proxy will vote as he thinks fit.

\*Strike out which ever is not desired.

29. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

30. A vote given in accordance with the terms of an instrument of proxy, or poll demanded by proxy, or by the duty authorized representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice of the determination was received by the company at its registered office (or at such other place at which the instrument of proxy was duly deposited) before the commencement of the meeting or adjourned meeting at which the proxy is used.

19. A poll demanded on the election of a chairman, or on a question of adjournment, shall be taken immediately. A poll demanded on any other question shall be taken either immediately or at such time as the chairman of the meeting directs, and any business other than upon which a poll has been demanded may be proceeded with pending the taking of the poll.
20. A resolution in writing executed by or on behalf of each member who would have been entitled to vote upon it if it had been proposed at a general meeting at which he was present shall have effect as if it had been passed at a general meeting duly convened and held, and consist of several instruments in the like form each executed by or on behalf of one or more member.

### **VOTE OF MEMBERS**

21. Every member shall have one vote.
22. A member in respect of whose estate a manager has been appointed under section 26 of the mental Diseases ordinance, may vote, whether on a show of hands or on a poll, by the said manager, and any such manager may, on a poll, vote by proxy.
23. No member shall be entitled to vote at any general meeting unless all moneys presently payable by him to the company have been paid.
24. On a poll votes may be given either personally or by proxy.
25. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorized in writing or, if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorized. A proxy need not to be a member of the company.
26. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of authority shall be deposited at the registered office of the company or at such other place within the Territory as is specified for that purpose in the notice convening the meeting, no less than 48 hours before the time for holding the meeting of adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for taking of the poll, and in default the instrument of proxy shall not be treated as valid.

13. The chairman, if any, of the board of directors or in his absence some other director nominated by the directors shall preside as chairman of the general meeting, but if neither the chairman nor such other director (if any) be present within fifteen minutes after the time appointed for the holding of the meeting and willing to act, the directors present shall elect one of their member to be chairman of the meeting and, if there is only one director and willing to act, he shall be chairman.
14. if at any meeting no director is willing to act as chairman or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their member to be a chairman of the meeting.
15. The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen days or more, at least seven clear days notice of the adjourned meeting shall be given specifying the time and place of the meeting and the general nature of the business to be transacted. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
16. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands demand:-
  - (a) by the chairman; or
  - (b) by at least (three) members present in person or by proxy; or
  - (c) by any member or members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting.

Unless a poll be so demanded a declaration by the chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost and an entry to the effect in the book containing the minutes of proceedings of the company shall be conclusive evidence of the fact without proof of the minutes of proportion of the votes recorded in favour of or against such resolution.

The demand for a poll may, before the poll is taken, be withdrawn.

17. Except as provided in article 18, if a poll is duly demand it shall be taken in such manner as the chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demand.
18. in the case of an equality of votes, whether on a shoe of hands or on a poll, the chairman of the meeting shall be entitled to a second or casting vote.

## **NOTICE OF GENERAL MEETINGS**

8. Every general meeting shall be called by twenty-one clear days' notice in writing at the least. The notice shall specify the place, the day and hour of meeting and, in case of special business, the general nature of the business:

Provided that a meeting of the company shall, notwithstanding that it is called by shorter notice than that specified in this article be deemed to have been duly called if it is so agreed:-

- (a) In the case of a meeting called as the annual general meeting, by all the members entitled to attend and vote thereat; and
  - (b) In the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together representation not less than ninety-five percent of the total voting rights at the meeting of all the members.
9. Subject to the provisions of the articles, the notice shall be given to all the members, to all persons entitled to a share in consequence of the death or bankruptcy of a member and to the directors and auditors. The accidental omission to give notice of a meeting to, or the non receipt to notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

## **PROCEEDINGS AT GENERAL MEETINGS**

10. All business shall be deemed special that is transacted at an extraordinary general meeting, and also that is transacted at an annual general meeting, with the exception of declaring a dividend, the consideration of the accounts, balance sheets, and the reports of the directors and auditors, the election in the place of those retiring and the appointment of, and the fixing of the remuneration of the auditors.
11. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business; two persons, entitled to vote on the business to be transacted, each being a member or a proxy for a member or a duly authorized representative of a corporation, shall be a quorum.
12. If within half an hour from the time appointed for the meeting quorum is not present, or if during the course of a meeting a quorum is not present, the meeting a quorum is not present, the meeting shall stand adjourned to the same day in the next week, at the same time and place, or to such other time and place as the directors may determine.

employment to be the member of the company were while in such employment to be the member of the company) is limited to fifty, provided that where two or more persons hold one or more shares in the company jointly they shall for the purpose of this regulation be tested as a single member.

- (c) Any invitation to the public to subscribe for any shares or debentures of the company is prohibited.
- (d) The company shall not have the power to issue share warrants to bearer.

### **MEMBERS**

- 3. The number of members with which the company proposes to be registered is but the directors may from time to time register an increase of members.
- 4. The subscribers to the memorandum of association and such other persons as the directors shall admit to membership shall be members of the company.

### **GENERAL MEETINGS**

- 5. The company shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year, and shall specify the meeting as such in the notice calling it; and not more than fifteen months shall elapse between the date of one annual general meeting of the company and that of the next.

Provided that so long as the company holds its first annual general meeting with eighteen months of its incorporation, it need not hold it in the year of its incorporation or in the following year. The annual general meeting shall be held at such time and place, as the directors shall appoint.

- 6. All general meetings other than annual general meetings shall be called extraordinary general meetings.
- 7. The directors may, whenever they think fit, convene an extraordinary general meeting, and extra ordinary general meetings shall also be convened on such requisition, or in default, may be convened by such requisitionists, as provided by section 133 of the Act. If at any time there are not within the Tanzania sufficient directors capable of acting to form a quorum, any director or any two members of the company may convene an extraordinary general meeting in the same manner as nearly as possible as that in which meeting may be convened by the directors.

TANZANIA  
Stamp Duty Shs. 50000/-  
PAID ON ORIGINAL  
Receipt No. 32201026 097208  
Stamp Duty Officer

THE COMPANIES ACT, 2002  
COMPANY LIMITED BY SHARES  
ARTICLES OF ASSOCIATION  
OF  
CROWN GASES (T) LIMITED  
INTERPRETATION

TANZANIA  
Stamp Duty Shs. 75000/-  
Receipt No. 32201026 097208  
Asst. Registrar of Companies

1. In these articles:-

“the Act” means the Companies Act;

“the articles” means the articles of the company;

“clear days” in relation to the period of a notice means that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;

“the seal” means the Common Seal of the Company;

“Secretary” shall mean any person appointed to perform the duties of Secretary of the Company;

Expression referring to writing shall, unless the contrary intention appears, be construed as including references to printing, lithography, photography, and other modes of representing or reproducing words in a visible form.

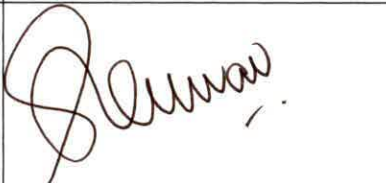

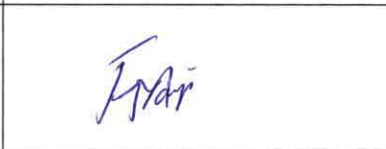
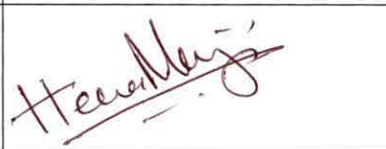
Unless the context otherwise requires, words or expressions contained in these articles shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these articles become binding on the company.

**PRIVATE COMPANY**

2. The company is a Private Company and accordingly:-

- (a) The right to transfer shares is restricted in manner hereinafter prescribed.
- (b) The number of the company (exclusive of persons who are in the employment of the company and persons who have been formerly in the

We, the several persons whose names and addresses are subscribed below, are desirous of being formed into a company in pursuance of this Memorandum of Association and we respectively agree to take the number of shares in the capital of the company set opposite to our respective names.

NAMES, ADDRESSES AND DESCRIPTION OF SUBSCRIBERS	NUMBER OF SHARES TAKEN	SIGNATURE OF SUBSCRIBERS
SHILEN THAKERAR P. O. BOX 40449 NAIROBI 00100 KENYA	45	
BANSRI THAKERAR P. O. BOX 40449 NAIROBI 00100 KENYA	45	
FAIZAL S. MAWJI P. O. BOX 2120, DAR ES SALAAM	5	
HEENA FAIZAL MAWJI P. O. BOX 2120, DAR ES SALAAM	5	

Dated at D'SALAAM This 9<sup>th</sup> day of July 2008

**Witness** to the above signatures:-

Name : SURENDRA M. MAWJI

Signature : 

Postal Address : P.O BOX 763 D'SALAAM

Qualification : CHARTERED PATENT ATTORNEY



- gg) To establish and maintain or procure the establishment and maintenance of any contributory or non-contributory pension or superannuating funds for the benefit of and give or procure the giving of donations, gratuities, pensions, allowances, or emoluments to any persons who are or, were at any time in the employment or service of the company or of any company which is a subsidiary of the company or is allied to or associated with the company or with any such subsidiary company or who are or were at any time Directors or officers of the company or any such other company as aforesaid, and the wives, widows, families and dependants of any such persons, and institutions, associations, clubs, or funds calculated to be for the benefit of or to advance the interest and well being of the company or of any such other company as aforesaid and make payments to or towards the insurance of any such person as aforesaid.
- hh) To cause the company to be registered or recognized in any part of the world outside the Republic of Tanzania. To establish or promote or concur in the establishing or promoting any company or companies for the purpose of acquiring all or any of the property, rights and liabilities of the company or for any other purpose which may seem directly or indirectly calculated to benefit the company.
- ii) To acquire, build, maintain, alter, enlarge, pull down, remove, or replace any buildings, mills, factories, offices, works, roads, railways, engines, walls, fences, banks, dams, sluices or watercourses, to clear sites for the same, end or join with any person, firm or company in doing any of the things aforesaid.
- jj) To act as agents, or brokers, and as trustees for any person or company and to do all or any of the above things in any part of the world, and either as principals, agents, trustees, contractors, or otherwise and either alone or jointly with others, and either by or through agents, sub-contractors, trustees or otherwise.
- kk) To do all such other things as may be deemed incidental or conducive to the attainment of the above objects or any of them.

#### **THE LIABILITY OF THE MEMBERS IS LIMITED**

The share capital of the company is Tshs. 1,000,000/- divided into 100 ordinary shares of Tshs. 10,000/- each with power for the company to increase and reduce the said capital and to issue any part of its original capital original or increase with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions and so that unless the conditions of issue of shares whether declared to be preference or otherwise shall be subject to the power hereinafter contained.

sub-contractors and to carry on the business of builders, contractors, plumbers, engineers, founders, smiths, sanitary engineers, brick layers, stone masons, painters, renovators, decorators, carpenters, plasterers, electrical, civil and mechanical engineers and to do construction, later, repair, pull down and restore all types of works and conveniences which may seem directly conducive to any of the objects of the company.

- aa) To establish or acquire and carry on or otherwise become interested in any other business or undertaking whatsoever which may, in the opinion of the Company be advantageously or conveniently carried on by way of extension of or in connection with any of the business of the Company or is calculated directly or indirectly to develop any branch of the Company's business.
- bb) To establish or promote or concur or participate in establishing or promoting any Company the establishment or promotion of which shall be considered desirable in the interests of the Company and to subscribe or underwrite, purchase, or otherwise acquire the shares, stocks and securities of any such Company or of any Company carrying on or proposing to carry on any business or activity within the objects of the Company.
- cc) To apply for, promote and obtain any act of the parliament, chapter, privilege, concession, licence or authorization of any state, government, or municipality, provisional order or licence of any authority for enabling the company to carry any of its objects into effect or for extending any of the powers of the company or for effecting any modification of the constitution of the company or for any other purpose which may seem expedient to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the interest of the company.
- dd) To enter into any agreements with any governments or authorities, supreme, municipal, local or otherwise or any person or company that may seem conducive to the objects of the company or any of them and to obtain from any such government, authority, person or company any rights, privileges, charters, contracts, licences and concessions which the company may think fit or desirable to obtain and to carry out, exercise and comply therewith.
- ee) To pay for any rights or property acquired by the company and to remunerate any person or company whether by cash payment or by the allotment of shares, debentured, or other securities of the company credited as paid up in full or in part or otherwise.
- ff) To pay for any rights or property acquired by the company and to remunerate any person or company whether by cash payment or by the allotment of shares, debentures, or other securities or the company credited as paid up in full or in part or otherwise.

manufacturers' representatives, wholesalers, decorators of all kinds of beads, leather, cloth, metal and glasses.

- r) To carry on the business of and to build, acquire, establish, improve, conduct, own, develop and manage as proprietors and managers of hotels, motels, fishing camps, restaurants, tourist promotion, road houses, bars, caravan sites, oriental and continental restaurants shops, gift-centres, boutiques, shoe shops, hair-dressing saloons, cafes, beauty and body massage.
- s) To carry on the business of tours and safari operators, safari outfitters, safari organizers and travel agents to all parts of the world and in East Africa by air, sea, rail, cars, or any other method of locomotion and to own and act as agents for hotels, lodges, camps and holiday tented camps.
- t) To provide consultancy services in the field of computer service management information techniques, training accountancy and other administrative services to corporations, professional and commercial operations or control of professional or commercial firms and individual persons, and to act as managers, agents, or other officers of such corporations, firms and individuals and to receive money on deposit or loan and to raise money in such manner as the company shall think fit and in particular by issue of debenture stock, perpetual or otherwise and to secure the repayment of any money borrowed, raised or owing by mortgage charge.
- u) To amalgamate, enter into partnership or into any arrangement for sharing profits, union of interest, co-operation, joint venture or reciprocal concession or for limiting competition with any person or company on or engaged in, any business or transaction which the Company is authorized to carry on or engage in, or which can be carried on in conjunction therewith or which is capable of being conducted so as directly or indirectly to benefit the Company.
- v) To improve, manage, develop, grant rights or privileges in respect of, or otherwise deal with, all or any part of the property and rights of the Company.
- w) To invest in any tangible or real property, rights or interest acquired by or belonging to the Company in any person or company on behalf of or for the benefit of the Company, and with or without any declared trust in favour of the Company.
- x) To subscribe for, take or otherwise acquire, and hold shares, stocks, debentures, or other securities of any other Company.
- y) To invest and deal with moneys of the Company not immediately required in any manner.
- z) To carry on the business of management of properties, flats and houses and to take over or enter into contracts and to execute the same or to let the same to

- j) To take or enter into contracts of any kind to execute the same, let the same to sub-contractors and also to become surety for the due execution by any contractors or sub-contractors of the work contracted for by them and to indemnify any person who may be nominated by the Company to undertake any such surety-ship.
- k) To carry on the business of generating power for supply and distribution and for that matter to acquire machineries necessary for doing the same and to act as dealers, manufacturers, maintainers, repairers, servicers, installers, importers, buyers, sellers, manufacturers, representatives of all kinds of electrical appliances, mechanical and equipments.
- l) To borrow or raise money upon such terms and on such security as may be considered expedient and in particular by the issue of debentures or debenture stock and to secure the repayment of any money borrowed, raised or owing by mortgage, charge or lien upon the whole or any part of the undertaking, property and assets of the company, both present and future, including its uncalled capital, and also by any similar mortgage, charge or lien to guarantee and secure the performance by the Company or any other person, firm or company of any obligation undertaken by the Company or any other person, firm or company as the case may be.
- m) To find, develop, manage, extend, establish and acquire, industrial, commercial or agricultural enterprises in all its fields and particular workshops in all branches of work and industry whether alone or jointly or enter into partnership or into arrangement for sharing profits, union of interest, reciprocal concessions or co-operation with any person, partnership or company in East Africa or overseas.
- n) To develop software for use in Tanzania and elsewhere by Companies Government Offices, and Commercial Houses, Educational Institutions and to Export such Systems abroad, conduct feasibility studies of such Systems and act as consultant, open and manage Technology and Technical Systems Schools and Institution for Training of Computer programming and Software development.
- o) To carry on the business of manufacturers of leather materials, leather works and to import and export raw materials for leather electronic spares and implements.
- p) To carry on the business of and to act as merchants, traders, importers and exporters, factors, warehousemen, manufacturers' representatives, commission agents, forwarding agents, carriers of goods, and carriers' agents, brokers, underwriters of machinery and commodities of all kinds and to import, export, buy, sell, barter, exchange, pledge, make advance upon and otherwise deal in goods, produce, and merchandise.
- q) To carry on the business of secretarial bureau, stationery dealers, dealers in auto and general hardwares, suppliers of lamination equipment and materials, bakers and also to deal in foodstuffs and machinery related goods, retailers,

- d) To carry on the business in hiring cars, automobiles trucks, lorries, or other vehicles operated and generally to deal in taxis, cabs, buses, omnibuses and other automobiles and vehicles appropriate for the carriage of tourists and to carry on the business of carrier and of tourism generally in East Africa and also to arrange and organize safaris throughout Africa for sight shooting by movies camera or otherwise and to carry on the business of, general importers, exporters, general merchants, international merchants, distributors, transporters, agents, manufacturers, manufacturers' representatives, suppliers, makers, buyers, sellers, and dealers in goods stores, consumable articles of merchandise and trade of every kind and description both wholesale and retail and foodstuffs, fruits, horticultural and agricultural products, and tinned foodstuffs.
- e) To purchase or otherwise acquire letters, patent, brevets d'invention, concessions, licenses, inventions, rights and privileges, subject to royalty or otherwise and whether exclusive or non-exclusive or limited or any part interest in such letters patent, brevets d'invention, concessions, licenses, inventions, rights and privileges, whether in the Republic of Tanzania or in any part of the world.
- f) To provide strong marketing concepts, result oriented advertising, public relations, interpreting clients creative briefs, designing of adverts or television commercials, media planning and buying, development of client's media strategy, prepare advertisements for other companies and organization and design campaigns to promote the interest and image of their clients.
- g) To sell advertising space for publications, radio, television and the internet, display advertisers, direct marketing media, direct mail advertisers, act as media buying agency, copy and prepare artwork, graphics and other creative work and then place the resulting advertisement on radio, television or in the internet or in any periodicals, newspapers or other advertising media and to distribute circulars, handbills and free samples.
- h) To seek sponsorship evaluation and consultancy, establish budgetary and sponsorship parameters, perform all the legal work involved in negotiations, obtain events sponsorships, represent the sponsor in all negotiations with the government, the relevant sporting federation, the print and electronic media offer website design maintenance and hosting, corporate and product identity, logo design, brochures, direct mail, product packaging planning and budgeting, full colour high resolution digital photography.
- i) To carry on the business of manufacturing, marketing, assembling, servicing, selling, and distributing all types of telecommunication equipment and also to do the installation of the equipment such as telephones, fax machines, telex machines, photocopying machines and any other related software connected with telecommunication systems.

TANZANIA  
Stamp Duty Shs. 5000/-  
PAID ON URGENT  
3220102609728  
Receipt No. 3220102609728  
Stamp Duty Officer  
Mwema

THE COMPANIES ACT, 2002  
COMPANY LIMITED BY SHARES  
MEMORANDUM OF ASSOCIATION

OF

CROWN GASES (T) LIMITED

TANZANIA  
Stamp Duty Shs. 2500/-  
Receipt No. 3220102609728  
Stamp Duty Officer  
Mwema

1. The name of the company "**CROWN GASES (T) LIMITED**"
2. The Registered office of the Company will be situated in Tanzania.
3. The objects set forth in any sub-clause of this clause shall not be restrictively construed but the widest interpretation shall be given thereto and they shall not expect when the context expressly so requires, be in any way limited to or restricted by reference to or inference from any other object or objects set forth in such sub-clause or from the terms of any other sub-clause or by the name of the company.

The objects for which the company is registered are all or any of the following:-

- a) To carry on the business of petrol station proprietors, garages, motor workshops, to buy and sell gas cylinder, petrol, petroleum and diesel products, gas, gasoline, kerosene oil and operate parking stations for motor vehicles of all kinds, lorries, buses, trucks and other automobiles and for that purpose buy, sell, exchange, construct, build or lease buildings, land, garages, service stations, workshops conducive and profitable to the business of the Company and building materials and hardware.
- b) To carry on the business of selling and purchasing all kinds of fire and safety products, manufacturers of chemical processing planting, handling equipment, pressure and heat transfer plant, hydraulic equipment and compressed gas cylinder and to purchase, take on lease or buy any other means acquire, erect and equip mechanical workshop and foundries in the Republic of Tanzania.
- c) To carry on the business of mechanical engineers, motor engineers, chemical engineers, aeronautical engineers, civil, consulting engineers, precision engineers, sanitary and water supply engineers, ferrous and non-ferrous, metal founder, iron founders, iron and steel converters, brass founders, boilers makers, millwrights compressed gas cylinders, mechanists smiths, woodworkers, builders, painters producers and suppliers of electricity and gas as manufacturers and dealers in compressed gas cylinders, rolling stock hardware of all kinds.

**THE COMPANIES ACT, 2002**

**COMPANY LIMITED BY SHARES**

**MEMORANDUM**

**AND**

**ARTICLES OF ASSOCIATION**

**OF**

**CROWN GASES (T) LIMITED**

*Incorporated this ..... day of ..... 2008*

**DRAWN BY:**

**HEENA FAIZAL MAWJI**  
**P. O. BOX 2120,**  
**DAR ES SALAAM**

THE COMPANIES ACT, 2002  
COMPANY LIMITED BY SHARES  
MEMORANDUM  
AND  
ARTICLES OF ASSOCIATION  
OF  
CROWN GASES (T) LIMITED

*Incorporated this ..... day of ..... 2008*

DRAWN BY:

HEENA FAIZAL MAWJI  
P. O. BOX 2120,  
DAR ES SALAAM

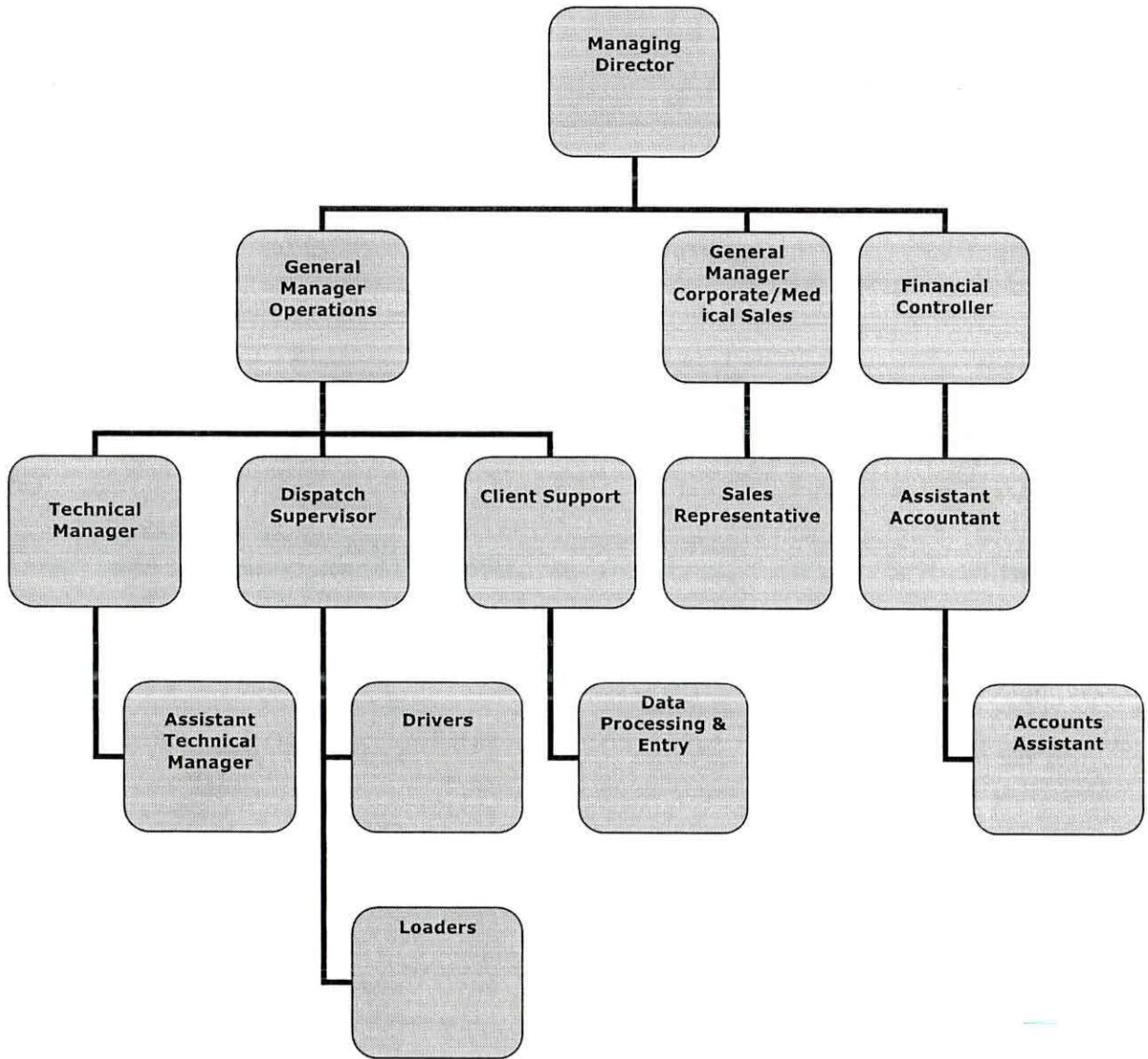
IMPLEMENTATION CHART												
2008/2009												
TASK TO BE CARRIED	J	J	J	J	J	J	J	J	A	A	A	S
	1	2	3	4								
Acquire Site	■											
Preparation of Bill Quantities	■											
TIC Application & Approval		■										
Shipping of Plant			■									
Tender for Construction				■								
Tender Evaluation					■							
Award Tender for Construction						■						
Construction for Gas Plant							■					
Construction of Warehouse								■				
Construction of Office Block									■			
Installation of Plant										■		
Commissioning & Testing of Plant											■	
Certification of Products												■
Sales												
O2 Cylinders 50 Litres												
DA Cylinders												

**SALARIES & WAGES**

Office/Dept.	Job Title	No.	Monthly Salary (TShs)	U\$D	Annual Salary U\$D
<b>Office of the Managing Director</b>	Managing Director	1	1,500,000	\$ 1,250	\$ 15,000
	Secretary	1	300,000	\$ 250	\$ 3,000
	Driver cum Messenger	1	150,000	\$ 125	\$ 1,500
	Legal Secretary	1	800,000	\$ 667	\$ 8,000
	Internal Auditor	1	800,000	\$ 667	\$ 8,000
<b>General Manager Operations</b>	Technical Manager	1	1,000,000	\$ 833	\$ 10,000
	GM Operations	1	1,200,000	\$ 1,000	\$ 12,000
	Dispatch Supervisor	1	700,000	\$ 583	\$ 7,000
	Client Support	1	600,000	\$ 500	\$ 6,000
	Assistant Tech Manager	1	750,000	\$ 625	\$ 7,500
	Drivers	4	600,000	\$ 500	\$ 6,000
	Loaders	12	1,200,000	\$ 1,000	\$ 12,000
	Data Entry	4	1,000,000	\$ 833	\$ 10,000
<b>General Manager Sales &amp; Marketing</b>	GM Marketing & Sales	1	1,200,000	\$ 1,000	\$ 12,000
	Sales Manager	1	700,000	\$ 583	\$ 7,000
	Sales Representatives	2	1,400,000	\$ 1,167	\$ 14,000
<b>Finance &amp; Administration</b>	Financial Controller	1	1,200,000	\$ 1,000	\$ 12,000
	Accountant	1	800,000	\$ 667	\$ 8,000
	Cashier cum Sales Clerk	2	300,000	\$ 250	\$ 3,000
	Administration Officer	1	500,000	\$ 417	\$ 5,000
	Personnel Clerk	1	250,000	\$ 208	\$ 2,500
	Driver	2	300,000	\$ 250	\$ 3,000
	Security Guard	4	100,000	\$ 83	\$ 1,000
<b>Total</b>		<b>103</b>		<b>\$ 14,458</b>	<b>\$ 173,500</b>

Eventually the salaries and wages will reach to the speculated amount from 3 year onwards.

ORGANIZATION CHART





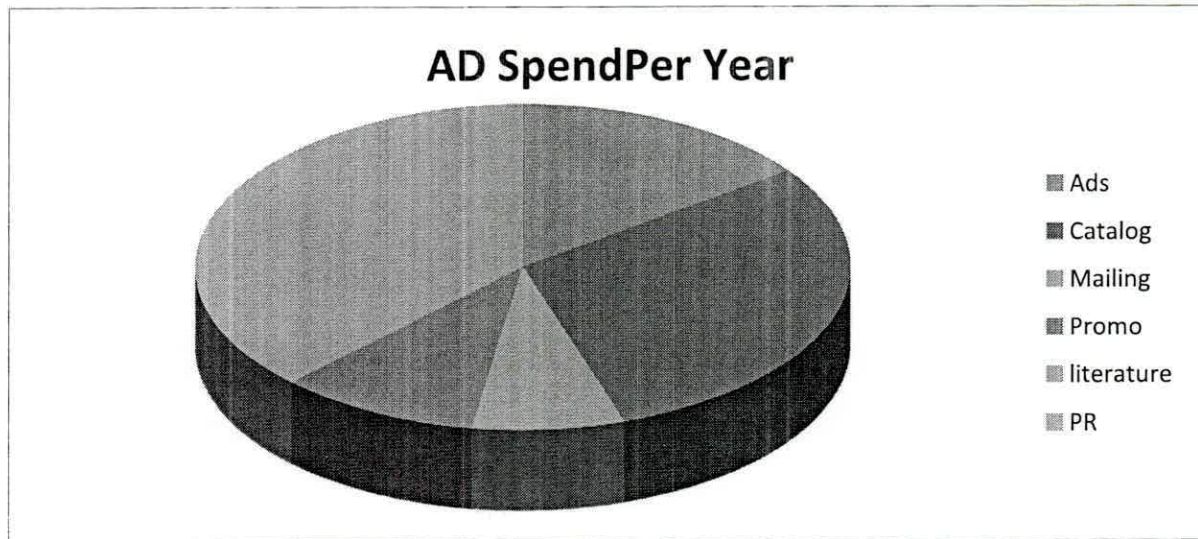
LOAN REPAYMENT SCHEDULE

YEAR	MONTH	CAPITAL	CAPITAL	MONTHLY	OUTSTANDING	Local Interest	TOTAL	BANK	MONTHLY	OUTSTANDING	Local Interest	TOTAL
		TYPE	AMOUNT	REPAYMENT		10%		LOAN	REPAYMENT		15%	
2008	August	Shareholders Loan										
2008	September		1,275,411		1,275,411			109,042	3,029	106,013	1,325	4,354
2008	October				1,275,411				3,029	102,984	1,287	4,316
2008	November				1,275,411				3,029	99,955	1,249	4,278
2008	December				1,275,411				3,029	96,926	1,212	4,241
2009	January				1,275,411				3,029	93,897	1,174	4,203
2009	February				1,275,411				3,029	90,868	1,136	4,165
2009	March				1,275,411				3,029	87,839	1,098	4,127
2009	April				1,275,411				3,029	84,810	1,060	4,089
2009	May				1,275,411				3,029	81,781	1,022	4,051
2009	June				1,275,411				3,029	78,752	984	4,013
2009	July				1,275,411				3,029	75,723	947	3,975
2009	August				1,275,411				3,029	72,694	909	3,938
2009	September				1,275,411				3,029	69,666	871	3,900
2009	October				1,275,411				3,029	66,637	833	3,862
2009	November				1,275,411				3,029	63,608	795	3,824
2009	December				1,275,411				3,029	60,579	757	3,786
2010	January			26,571	1,248,840	10,407	36,978		3,029	57,550	719	3,748
2010	February			26,571	1,222,269	10,186	36,757		3,029	54,521	682	3,710
2010	March			26,571	1,195,698	9,964	36,535		3,029	51,492	644	3,673
2010	April			26,571	1,169,126	9,743	36,314		3,029	48,463	606	3,635
2010	May			26,571	1,142,555	9,521	36,092		3,029	45,434	568	3,597
2010	June			26,571	1,115,984	9,300	35,871		3,029	42,405	530	3,559
2010	July			26,571	1,089,413	9,078	35,649		3,029	39,376	492	3,521
2010	August			26,571	1,062,842	8,857	35,428		3,029	36,347	454	3,483
2010	September			26,571	1,036,271	8,636	35,207		3,029	33,318	416	3,445
2010	October			26,571	1,009,700	8,414	34,985		3,029	30,289	379	3,408
2010	November			26,571	983,129	8,193	34,764		3,029	27,260	341	3,370
2010	December			26,571	956,558	7,971	34,542		3,029	24,231	303	3,332
2011	January			26,571	929,987	7,750	34,321		3,029	21,203	265	3,294
2011	February			26,571	903,416	7,528	34,100		3,029	18,174	227	3,256
2011	March			26,571	876,845	7,307	33,878		3,029	15,145	189	3,218
2011	April			26,571	850,274	7,086	33,657		3,029	12,116	151	3,180
2011	May			26,571	823,703	6,864	33,435		3,029	9,087	114	3,143
2011	June			26,571	797,132	6,643	33,214		3,029	6,058	76	3,105
2011	July			26,571	770,561	6,421	32,992		3,029	3,029	38	3,067
2011	August			26,571	743,990	6,200	32,771		3,029	0	0	3,029
2011	September			26,571	717,419	5,978	32,550					
2011	October			26,571	690,847	5,757	32,328					
2011	November			26,571	664,276	5,536	32,107					
2011	December			26,571	637,705	5,314	31,885					
2012	January			26,571	611,134	5,093	31,664					
2012	February			26,571	584,563	4,871	31,442					
2012	March			26,571	557,992	4,650	31,221					
2012	April			26,571	531,421	4,429	31,000					
2012	May			26,571	504,850	4,207	30,778					
2012	June			26,571	478,279	3,986	30,557					
2012	July			26,571	451,708	3,764	30,335					
2012	August			26,571	425,137	3,543	30,114					
2012	September			26,571	398,566	3,321	29,892					
2012	October			26,571	371,995	3,100	29,671					
2012	November			26,571	345,424	2,879	29,450					
2012	December			26,571	318,853	2,657	29,228		3,029	3,029	38	3,067
<b>TOTAL</b>			1,275,411	956,558					112,071		23,891	135,961

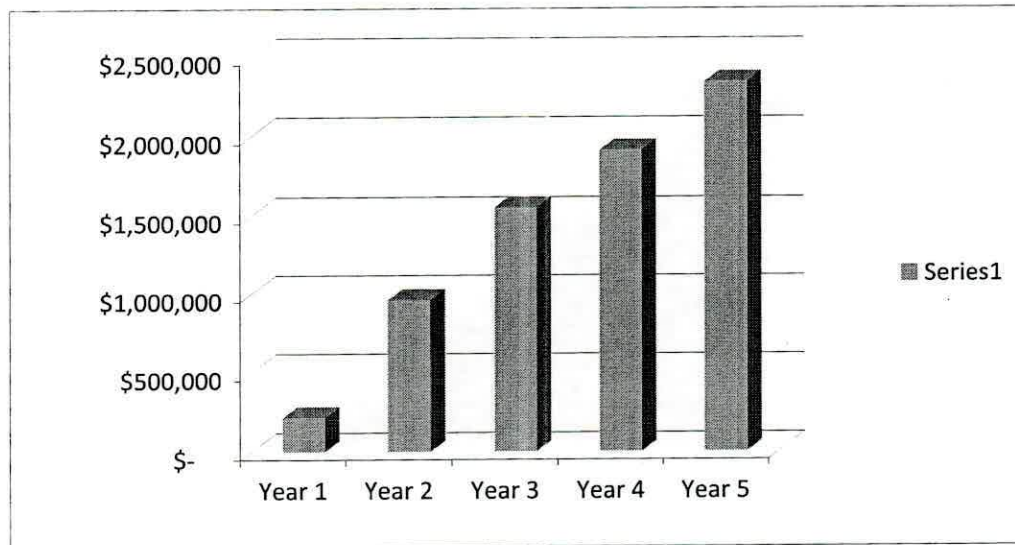
## MARKETING AND ADVERTISING SPENDING CHART

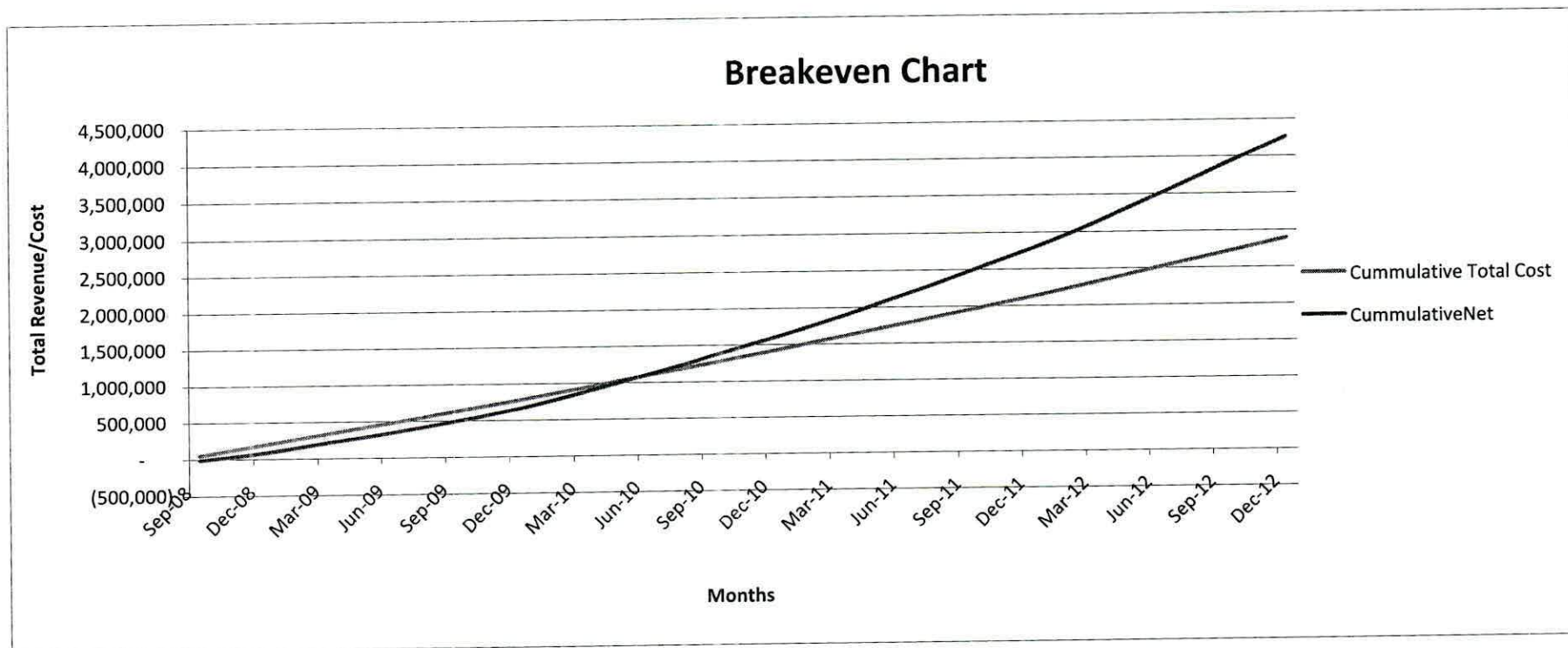
20

Type	AD SpendPer Year
Ads	\$ 3,000
Catalog	\$ 6,000
Mailing	\$ 1,500
Promo	\$ 2,000
literature	\$ 6,000
PR	\$ 1,500



Year 1	\$ 212,667
Year 2	\$ 961,267
Year 3	\$ 1,550,525
Year 4	\$ 1,909,157
Year 5	\$ 2,336,557





Cylinders 50 Litres 200 Bar	\$ 910,042				
Acetylene Cylinders 6.3	\$ 48,801				
Acetylene Cylinders 3.4	\$ 27,901				
<b>INFRASTRUCTURE</b>					
Factory & Office Administration	\$ 16,667				
Power Connection including TANESCO	\$ 25,000				
Lease Rental	\$ 21,000				
<b>OTHER FIXED ASSETS</b>					
Computers and Accessories	\$ 5,500				
Office Furniture / Fittings	\$ 10,000				
Generator 300 KVA	\$ 58,333				
Photocopiers and Printers	\$ 3,167				
<b>DISTRIBUTION HP PAYMENTS</b>					
Motor Vehicles Service/Support	\$ 15,556	\$ 46,667	\$ 7,778		
Motor Bikes Admin	\$ 704	\$ 2,111	\$ 352		
Lorry 2 Ton	\$ 11,111	\$ 33,333	\$ 5,556		
Lorry 15 Ton	\$ 55,556	\$ 166,667	\$ 27,778		
Forklift 3 Ton	\$ 7,407	\$ 22,222	\$ 3,704		
<b>Total Payments</b>	<b>\$ 1,709,411.35</b>	<b>\$ 1,091,335.42</b>	<b>\$ 1,513,956.08</b>	<b>\$ 1,660,435.51</b>	<b>\$ 1,853,276.49</b>
<b>Cashflow Surplus/Deficit (-)</b>	<b>\$ (11,531)</b>	<b>\$ 13,449.26</b>	<b>\$ 34,147.21</b>	<b>\$ 59,427.49</b>	<b>\$ 79,536.55</b>
<b>Opening Bank Balance</b>	<b>\$ (24,815)</b>	<b>\$ (6,835.71)</b>	<b>\$ 288,129.76</b>	<b>\$ 855,218.85</b>	<b>\$ 1,738,971.17</b>
<b>Closing Bank Balance</b>	<b>\$ (36,346)</b>	<b>\$ 6,613.56</b>	<b>\$ 322,276.98</b>	<b>\$ 914,646.34</b>	<b>\$ 1,818,507.72</b>

Journals & Periodicals	\$ 133	\$ 400	\$ 440	\$ 484	\$ 484
Printing & Stationery	\$ 1,333	\$ 4,000	\$ 4,400	\$ 4,840	\$ 4,840
Professional Fees	\$ 133	\$ 400	\$ 440	\$ 484	\$ 532
Telephone	\$ 2,667	\$ 8,000	\$ 8,800	\$ 9,680	\$ 10,648
Postage & Courier	\$ 667	\$ 2,000	\$ 2,200	\$ 2,420	\$ 2,662
<b>STAFF COSTS</b>					
Medical Expenses	\$ 467	\$ 1,400	\$ 1,540	\$ 1,694	\$ 1,863
Salaries & Wages	\$ 43,333	\$ 143,000	\$ 178,750	\$ 214,500	\$ 268,125
Staff Training	\$ 2,333	\$ 7,000	\$ 7,700	\$ 8,470	\$ 9,317
Staff Uniforms	\$ 733	\$ 2,200	\$ 2,420	\$ 2,662	\$ 2,928
Staff Welfare	\$ 333	\$ 1,000	\$ 1,100	\$ 1,210	\$ 1,331
<b>SELLING &amp; PROMOTION</b>					
Advertising & Marketing	\$ 6,667	\$ 20,000	\$ 22,000	\$ 24,200	\$ 26,620
Motor Vehicle Running Expenses	\$ 1,000	\$ 3,000	\$ 3,300	\$ 3,630	\$ 3,993
Entertainment	\$ 2,000	\$ 6,000	\$ 6,600	\$ 7,260	\$ 7,986
Travelling & Accommodation	\$ 3,333	\$ 10,000	\$ 11,000	\$ 12,100	\$ 13,310
<b>FINANCE COSTS</b>					
Bank Charges & ( Current Interest)	\$ 333	\$ 1,000	\$ 1,000	\$ 1,100	\$ 1,210
Loan Interest	\$ 5,073	\$ 11,586	\$ 6,134	\$ 1,060	\$ -
Loan Repayment	\$ 6,058	\$ 36,347	\$ 36,347	\$ 30,289	\$ -
Shareholders Loan Repayment		\$ -	\$ 318,853	\$ 318,853	\$ 318,853
<b>PLANT &amp; CYLINDER COST</b>					
Oxygen Plant 150 cum/hr	\$ 200,000				
Acetylene Plant 45 cum/hr	\$ 70,000				
Erection and Commissioning	\$ 7,917				

<b>Crown Gases T Limited Cash Flow Forecast</b>					
<b>Month</b>	<b>End of Year 1</b>	<b>End of Year 2</b>	<b>End of Year 3</b>	<b>End of Year 4</b>	<b>End of Year 5</b>
<b>RECEIPTS</b>					
Cash and Credit Sales	\$ 212,667	\$ 961,267	\$ 1,550,525	\$ 1,909,157	\$ 2,336,557
Output Vat	\$ 38,280	\$ 173,028	\$ 279,095	\$ 343,648	\$ 420,580
Loan From Aither Investments	\$ 1,275,411				
Share Capital	\$ 16,667				
Working Capital	\$ 21,000				
Loans from Bank	\$ 109,042				
<b>TOTAL RECEIPTS</b>	<b>\$ 1,673,066</b>	<b>\$ 1,134,295</b>	<b>\$ 1,829,620</b>	<b>\$ 2,252,805</b>	<b>\$ 2,757,137</b>
<b>PAYMENTS</b>					
Purchases-Material	\$ 87,333	\$ 383,013	\$ 607,895	\$ 730,038	\$ 855,488
Input Vat	\$ 15,720	\$ 68,942	\$ 109,421	\$ 131,407	\$ 153,988
<b>ESTABLISHMENT EXPENSES</b>					
Electricity/Light & Water	\$ 2,000	\$ 6,600	\$ 7,260	\$ 7,986	\$ 8,785
Insurance and Licences	\$ 11,699	\$ 40,247	\$ 62,320	\$ 68,552	\$ 75,407
Legal Fees	\$ 500	\$ 1,500	\$ 1,650	\$ 1,650	\$ 1,815
Repairs & Maintenance	\$ 3,333	\$ 10,000	\$ 11,000	\$ 12,100	\$ 13,310
Rent	\$ 14,000	\$ 42,000	\$ 44,450	\$ 50,820	\$ 55,902
Security	\$ 1,833	\$ 5,500	\$ 6,050	\$ 6,655	\$ 7,321
Tender Fees	\$ 67	\$ 200	\$ 220	\$ 242	\$ 266
<b>ADMINISTRATION EXPENSES</b>					
Accountancy, Audit & Secretarial	\$ 667	\$ 2,000	\$ 2,200	\$ 2,420	\$ 2,662
General Office Expense	\$ 1,000	\$ 3,000	\$ 3,300	\$ 3,630	\$ 3,630

**PROFIT & LOSS ACCOUNT**

14

Item Description	TOTAL YEAR 1	TOTAL YEAR 2	TOTAL YEAR 3	TOTAL YEAR 4	TOTAL YEAR 5
<b>OPERATING EXPENSES</b>					
<b>ESTABLISHMENT EXPENSES</b>					
Depreciation	\$ 83,835.91	\$ 251,507.73	\$ 251,507.73	\$ 251,507.73	\$ 251,507.73
Electricity/Light & Water	\$ 2,000.00	\$ 6,600.00	\$ 7,260.00	\$ 7,986.00	\$ 8,784.60
Insurance and Licences	\$ 11,699.35	\$ 42,121.72	\$ 62,319.63	\$ 68,551.60	\$ 75,406.76
Legal Fees	\$ 500.00	\$ 1,500.00	\$ 1,650.00	\$ 1,650.00	\$ 1,815.00
Repairs & Maintenance	\$ 3,333.33	\$ 10,000.00	\$ 11,000.00	\$ 12,100.00	\$ 13,310.00
Rent	\$ 14,000.00	\$ 42,000.00	\$ 44,450.00	\$ 50,820.00	\$ 55,902.00
Security	\$ 1,833.33	\$ 5,500.00	\$ 6,050.00	\$ 6,655.00	\$ 7,320.50
Tender Fees	\$ 66.67	\$ 200.00	\$ 220.00	\$ 242.00	\$ 266.20
<b>Total Establishment Expenses</b>	<b>\$ 117,268.59</b>	<b>\$ 359,429.45</b>	<b>\$ 384,457.37</b>	<b>\$ 399,512.33</b>	<b>\$ 414,312.79</b>
<b>ADMINISTRATION EXPENSES</b>					
Accountancy, Audit & Secretarial	\$ 666.67	\$ 2,000.00	\$ 2,200.00	\$ 2,420.00	\$ 2,662.00
General Office Expense	\$ 1,000.00	\$ 3,000.00	\$ 3,300.00	\$ 3,630.00	\$ 3,630.00
Journals & Periodicals	\$ 133.33	\$ 400.00	\$ 440.00	\$ 484.00	\$ 484.00
Printing & Stationery	\$ 1,333.33	\$ 4,000.00	\$ 4,400.00	\$ 4,840.00	\$ 4,840.00
Professional Fees	\$ 133.33	\$ 400.00	\$ 440.00	\$ 484.00	\$ 532.40
Telephone	\$ 2,666.67	\$ 8,000.00	\$ 8,800.00	\$ 9,680.00	\$ 10,648.00
Postage & Courier	\$ 666.67	\$ 2,000.00	\$ 2,200.00	\$ 2,420.00	\$ 2,662.00
<b>Total Administration Expenses</b>	<b>\$ 6,600.00</b>	<b>\$ 19,800.00</b>	<b>\$ 21,780.00</b>	<b>\$ 21,538.00</b>	<b>\$ 22,796.40</b>
<b>STAFF COSTS</b>					
Medical Expenses	\$ 466.67	\$ 1,400.00	\$ 1,540.00	\$ 1,694.00	\$ 1,863.40
Salaries & Wages	\$ 43,333.33	\$ 143,000.00	\$ 178,750.00	\$ 214,500.00	\$ 268,125.00
Staff Training	\$ 2,333.33	\$ 7,000.00	\$ 7,700.00	\$ 8,470.00	\$ 9,317.00
Staff Uniforms	\$ 733.33	\$ 2,200.00	\$ 2,420.00	\$ 2,662.00	\$ 2,928.20
Staff Welfare	\$ 333.33	\$ 1,000.00	\$ 1,100.00	\$ 1,210.00	\$ 1,331.00
			\$ -		
<b>Total Staff Costs Expenses</b>	<b>\$ 47,200.00</b>	<b>\$ 154,600.00</b>	<b>\$ 191,510.00</b>	<b>\$ 228,536.00</b>	<b>\$ 283,564.60</b>
<b>SELLING &amp; PROMOTION</b>					
Advertising & Marketing	\$ 6,666.67	\$ 20,000.00	\$ 22,000.00	\$ 24,200.00	\$ 26,620.00
Motor Vehicle Running Expenses	\$ 1,000.00	\$ 3,000.00	\$ 3,300.00	\$ 3,630.00	\$ 3,993.00
Entertainment	\$ 2,000.00	\$ 6,000.00	\$ 6,600.00	\$ 7,260.00	\$ 7,986.00
Travelling & Accomodation	\$ 3,333.33	\$ 10,000.00	\$ 11,000.00	\$ 12,100.00	\$ 13,310.00
<b>Total Selling &amp; Promotion Exp.</b>	<b>\$ 13,000.00</b>	<b>\$ 39,000.00</b>	<b>\$ 42,900.00</b>	<b>\$ 47,190.00</b>	<b>\$ 51,909.00</b>
<b>FINANCE COSTS</b>					
Bank Charges & ( Current Interest)	\$ 333	\$ 1,000	\$ 1,000	\$ 1,100	\$ 1,210
Loan Interest	\$ 5,073	\$ 11,586	\$ 6,134	\$ 1,060	\$ -
<b>Total Finance Expenses</b>	<b>\$ 5,407</b>	<b>\$ 12,586</b>	<b>\$ 7,134</b>	<b>\$ 2,160</b>	<b>\$ 1,210</b>
<b>TOTAL FIN&amp; OPERATING EXPENSES</b>	<b>\$ 188,808.72</b>	<b>\$ 585,415</b>	<b>\$ 647,781</b>	<b>\$ 698,936</b>	<b>\$ 773,793</b>

**PROFIT & LOSS ACCOUNT**

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Item Description	TOTAL YEAR 1	TOTAL YEAR 2	TOTAL YEAR 3	TOTAL YEAR 4	TOTAL YEAR 5
Industrial O2 M3	45,000	233,000	398,000	538,000	758,000
O2 Cylinders	4,500	23,300	39,800	53,800	75,800
O2 Revenue	\$ 60,000	\$ 310,667	\$ 530,666.67	\$ 717,333.33	\$ 1,010,666.67
O2 COST	\$ 12,000	\$ 62,133	\$ 106,133.33	\$ 143,466.67	\$ 202,133.33
<b>GROSS PROFIT</b>	<b>\$ 48,000</b>	<b>\$ 248,533</b>	<b>\$ 424,533.33</b>	<b>\$ 573,866.67</b>	<b>\$ 808,533.33</b>
DA Cubic Metres	4,000	24,000	51,297	53,953	53,953
DA Cylinders	1,176	7,059	8,410	8,564	8,564
DA Revenue	\$ 33,333	\$ 200,000	\$ 427,475.00	\$ 449,610.00	\$ 449,610.00
DA COST	\$ 15,333	\$ 92,000	\$ 196,638.50	\$ 206,820.60	\$ 206,820.60
<b>GROSS PROFIT</b>	<b>\$ 18,000</b>	<b>\$ 108,000</b>	<b>\$ 230,836.50</b>	<b>\$ 242,789.40</b>	<b>\$ 242,789.40</b>
ARGON Cubic Metres	4,000	14,400	18,000	22,400	24,660
Argon Cylinders	400	1,440	1,800	2,240	2,466
Argon Revenue	\$ 60,000	\$ 216,000	\$ 270,000	\$ 336,000	\$ 369,900
ARGON COST	\$ 30,000	\$ 108,000	\$ 135,000	\$ 168,000	\$ 184,950
<b>GROSS PROFIT</b>	<b>\$ 30,000</b>	<b>\$ 108,000</b>	<b>\$ 135,000</b>	<b>\$ 168,000</b>	<b>\$ 184,950</b>
Crownshield M3	3,200	12,000	\$ 12,000	\$ 12,000	\$ 13,200
Crownshield Cylinders	320	1,200	\$ 1,200	\$ 1,200	\$ 1,320
Crownshield Revenue	\$ 16,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 66,000
Crownshield Cost	\$ 15,200	\$ 57,000	\$ 57,000	\$ 57,000	\$ 62,700
<b>GROSS PROFIT</b>	<b>\$ 800.00</b>	<b>\$ 3,000</b>	<b>\$ 3,000</b>	<b>\$ 3,000</b>	<b>\$ 3,300</b>
Nitrogen Cubic Metres	2,000	8,400	\$ 8,400	\$ 8,400	\$ 10,800
Nitrogen Cylinders	200	840	\$ 840	\$ 840	\$ 1,080
Nitrogen Revenue	\$ 4,000	\$ 16,800	\$ 16,800	\$ 16,800	\$ 21,600
NITROGEN COST	\$ 533	\$ 2,240	\$ 2,240	\$ 2,240	\$ 2,880
<b>GROSS PROFIT</b>	<b>\$ 3,467</b>	<b>\$ 14,560</b>	<b>\$ 14,560</b>	<b>\$ 14,560</b>	<b>\$ 18,720</b>
Medical Oxygen M3	8,000	\$ 26,400	\$ 21,750	\$ 24,290	\$ 28,140
Medical O2 Cylinders	800	\$ 2,640	\$ 3,000	\$ 3,470	\$ 4,020
Medical O2 Revenue	\$ 16,000	\$ 52,800.00	\$ 43,500	\$ 48,580	\$ 56,280
MEDICAL O2 COST	\$ 2,133	\$ 7,040.00	\$ 5,800	\$ 6,477	\$ 7,504
<b>GROSS PROFIT</b>	<b>\$ 13,867</b>	<b>\$ 45,760.00</b>	<b>\$ 37,700</b>	<b>\$ 42,103</b>	<b>\$ 48,776</b>
Nitrous Oxide Cylinders	80	360	\$ 600	\$ 900	\$ 1,200
Nitrous Oxide	560	2,520	\$ 4,850	\$ 6,740	\$ 8,700
Nitrous Oxide Revenue	\$ 23,333	\$ 105,000.00	\$ 202,083	\$ 280,833	\$ 362,500
Nitrous Oxide Cost	\$ 12,133	\$ 54,600.00	\$ 105,083	\$ 146,033	\$ 188,500
<b>GROSS PROFIT</b>	<b>\$ 11,200</b>	<b>\$ 50,400.00</b>	<b>\$ 97,000</b>	<b>\$ 134,800</b>	<b>\$ 174,000</b>
<b>TURNOVER (TOTAL REVENUE)</b>	<b>\$ 212,667</b>	<b>\$ 961,267</b>	<b>\$ 1,550,525</b>	<b>\$ 1,909,157</b>	<b>\$ 2,336,557</b>
<b>GROSS PROFIT</b>	<b>\$ 125,333</b>	<b>\$ 578,253.33</b>	<b>\$ 942,630</b>	<b>\$ 1,179,119</b>	<b>\$ 1,481,069</b>
<b>OPERATING EXPENSES</b>	<b>\$ 183,402</b>	<b>\$ 570,996.12</b>	<b>\$ 640,647</b>	<b>\$ 696,776</b>	<b>\$ 772,583</b>
<b>FINANCE COST</b>	<b>\$ 5,407</b>	<b>\$ 12,585.68</b>	<b>\$ 7,134</b>	<b>\$ 2,160</b>	<b>\$ 1,210</b>
<b>NET PROFIT</b>	<b>\$ (63,475)</b>	<b>\$ (5,328)</b>	<b>\$ 294,848.87</b>	<b>\$ 480,182.27</b>	<b>\$ 707,275.94</b>

**BALANCE SHEET**

12

**FIGURES IN US\$**

	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
FIXED ASSETS	1,748,161	1,664,326	1,412,819	1,161,312	909,805
LESS DEPRECIATION	(83,835)	(251,507)	(251,507)	(251,507)	(251,507)
TOTAL FIXED ASSETS	1,664,326	1,412,819	1,161,312	909,805	658,298
NET CURRENT ASSETS	103,195	317,653	553,209	785,644	1,210,361
<b>TOTAL</b>	<b>1,767,521</b>	<b>1,730,472</b>	<b>1,714,521</b>	<b>1,695,449</b>	<b>1,868,659</b>
<b>REPRESENTED BY;</b>					
EQUITY	427,500	427,500	427,500	427,500	427,500
LONG TERM LOAN	1,384,453	1,351,134	1,128,789	773,590	451,708
PRETAX PROFIT	(63,475)	(5,328)	294,848	480,182	707,275
LESS TAXATION/ADJUSTED LOSS	(19,043)	(1,598)	88,454	144,055	212,183
NET PROFIT/LOSS	(44,433)	(3,730)	206,394	336,127	495,093
RESERVES	0	(44,433)	(48,162)	158,232	494,359
<b>TOTAL</b>	<b>1,767,521</b>	<b>1,730,472</b>	<b>1,714,521</b>	<b>1,695,449</b>	<b>1,868,659</b>

# CROWN GASES T LTD-PROJECT

11

	INVESTMENT SCHEDULE	QTY	TOTAL
<b>A</b>	<b>BRICK, MOTAR AND ELECTRICITY</b>		
1	Factory & Office Administration		\$ 16,667
2	Power Connection including TANESCO		\$ 25,000
3	Lease Rental		\$ 21,000
			\$ 62,667
<b>B</b>	<b>OFFICE EQUIPMENT FUNITURE AND FITTINGS</b>		
1	Computers and Accessories	2	\$ 5,500
2	Office Furniture / Fittings	2	\$ 10,000
3	Generator 300 KVA	1	\$ 58,333
4	Photocopiers and Printers	1	\$ 3,167
			\$ 77,000
<b>C</b>	<b>Plant &amp; Machinery Cost</b>		
1	Oxygen Plant 150 cum/hr	1	\$ 200,000
2	Acetylene Plant 45 cum/hr	1	\$ 70,000
3	Erection and Commissioning	1	\$ 7,917
4	Cyliders 50 Litres 200 Bar	7,000	\$ 910,042
5	Acetylene Cylinders 6.3	400	\$ 48,801
6	Acetylene Cylinders 3.4	300	\$ 27,901
			\$ 1,264,661
<b>D</b>	<b>FINANCE COSTS</b>		
1	Bank Commitment Fee		\$ 1,125
			\$ 1,125
<b>E</b>	<b>Motor Vehicles</b>		
1	Motor Vehicles Service/Support	2	\$ 70,000
2	Motor Bikes Admin	2	\$ 3,167
3	Lorry 2 Ton	2	\$ 50,000
4	Lorry 15 Ton	2	\$ 250,000
5	Forklift 3 Ton	1	\$ 33,333
			\$ 406,500
1	Pre operational expenses		\$ 50,000
2	Working Capital		\$ 138,048
3			\$ 188,048
			2,000,000

**7.1 Profit & Loss Account.**

The projected Profit & Loss account shown in Page 13/14 reveals a negative trend in the first two years but then reverses the situation by entering into profitability in the third and onwards with a pretax profit of US\$ 294,848/- progressively rising to US\$ 707,275/- in the fifth financial year.

**7.2 Balance Sheet**

Page 12 summaries the projected Balance Sheet showing that the Net Current Assets are positive throughout the period of 5 years which is seen to grow steadily from US\$ 103,195/- in the first year of operations o US\$ 1,210,361/- in the fifth year of operations.

**7.3 Internal Rate of Return (IRR)**

Page 22 puts the Internal Rate of Return (IRR) at 20% and this strongly confirms the project's economic viability compared to Bank's lending rate at 10% per annum.

**CONCLUSION AND RECOMMENDATIONS.****Conclusion**

A careful analysis of the project shows that the project;

Contributes effectively to the development of the country by providing additional Gas Company

Is profitable, financially sound, economically viable and socially attractive.

Will generate revenue in the form of taxation to the Government.

Will offer employment to Tanzanians.

**Recommendations.**

The advantages of the project to both the promoters and the country are quite considerable, therefore it is highly recommended for implementation.

\*\*\*\*\*

**1) FOREIGN INVESTMENT:**

A total of U\$D 2m/- will be invested in the project over a period of between 1 to 3 years which will lead to increased earnings in terms of taxes for the exchequer.

**2) EMPLOYMENT CREATION:**

This operation shall create employment for **over 103 Employees**. Including Plant managers, engineers, technicians, plant operators, Sales and marketing representatives, administration team, drivers, support staff for Crown Gases T Ltd and its distributors/dealers based in the whole of Tanzania. Details of manpower can be seen on Page 30.

**3) QUALITY INDUSTRIAL AND MEDICAL GAS SUPPLIES:**

The project will provide to the consumers a quality gas manufactured in accordance to international quality standards.

Consumers of Gas will be able to enjoy personalized and timely service thus spend their time on their core functions leading to growth of their enterprises.

Industries will be able

**4) EXPORT PROMOTION:**

In future Crown Gases (T) Limited will be exporting approximately 20% of its production to the Neighbouring countries leading to increase in foreign exchange earnings for the exchequer.

This is expected to grow further as new markets emerge creating further earnings and employment opportunities.

**5) ENVIRONMENT:**

Crown Gases (T) Limited will use new and efficient technologies which will be environmental friendly thus complying with environment rules and regulations. The technology will prevent air pollution, proper containment and disposal of solid waste, conserve the use of water and electricity and ensure provision of safe working conditions for the employees.

**6) IMPROVED EARNINGS/INCOME:**

The use of new and efficient technologies will have the further benefit of enabling the company capture new markets therefore increase earnings and widely shared benefits to shareholders, employees and the larger community which in turn will lead to increase/improvement in incomes.

**SALES PROJECTIONS**

Projected sales figures for the next three years for both the domestic and export markets are as follows:

Year	Turnover –U\$D
Year 1 2008	U\$ 212,667
Year 2 2009	U\$ 961,267
Year 3 2010	U\$ 1,550,525
Year 4 2011	U\$ 1,909,157
Year 5 2012	U\$ 2,336,557

These are expected to grow/increase with the introduction of Carbon dioxide, welding equipment and the regional expansion of the company as can be seen from the yearly target chart on Page 19.

**Marketing Plan Strategy**

Crown Gases (T) Limited will focus on the delivery of gas and welding solutions to Customers by:

- 1) Emphasize Service and Support
- 2) Emphasize relationships.

**Distribution Channels**

Crown Gases (T) Limited will distribute the medical, Industrial gas and welding solutions direct from its premises in Dar es Salaam for customers within the area. Distributors will be appointed in towns such as Arusha to meet all customer needs.

**Communication**

One of the best places to reach the target market is through direct marketing of the various gas products. However newspapers can be used with pure price only messages and we'll have to make sure that our message is excellently stated.

Radio is potentially a good opportunity. Sponsoring a technology discussion/call-in talk show is a possibility.

The Advert spending chart can be seen on Page 20.

**7) IMPLEMENTATION PLAN**

The implementation activities Chart for the project is appearing on Page 25.

**8) ECONOMIC AND SOCIAL IMPACT ANALYSIS OF THE PROJECT:**

The economic benefits for this Gas manufacturing project will include contribution to Government revenue, generation of employment opportunities, and manpower development and have the following benefits/Impact:

**Industrial Gases:**

The Target market for industrial gas will comprise of steel industries, Fabricators, food processing industries and road construction companies in Dar es Salaam, Zanzibar and Bagamoyo. New markets will include Arusha, exports to Namanga in Kenya, and Zambia.

**Medical Gases:**

The target market for medical gas will be hospitals local health centers, dispensaries and clinics that require medical oxygen, nitrous oxide and medical air.

**MARKET POTENTIAL - DEMAND**

Industrial Gases are used in various industries e.g. steel industries, Fabricators; food processing industries and road construction companies, Therefore, market potential is high. New markets that will get the product in the new future include Arusha and exports to Namanga and Zambia. Medical Gases are used in all major hospitals, clinics and dispensaries across the country.

**SUPPLY AND COMPETITION**

There are two main competitors in the Gas manufacturing business namely BOC Gases Tanzania and Tanzania Oxygen Limited. The main competitive factor is the service and delivery of gas to customers.

Crown Gases (T) Limited will closely monitor both existing and emerging competition and devise strategies to protect and win more market share by adhering to its moto of CROWN EASE GAS

In the future about 10 per cent of company revenue will be spent on marketing and promotion issues.

**PRICES**

Crown Gases (T) Limited will sell its products at the following prices per cubic meter before VAT

- |                        |                           |
|------------------------|---------------------------|
| 1) Industrial Oxygen   | U\$D 1.33 per cubic meter |
| 2) Medical Oxygen      | U\$D 2. per cubic meter   |
| 3) Dissolved Acetylene | U\$D 8.3 per cubic meter  |
| 4) Argon               | U\$D 15 per cubic meter   |
| 5) Nitrogen            | U\$D 2 per cubic meter    |
| 6) Nitrous Oxide       | U\$D 42 per cubic meter   |
| 7) Argon CO2 Mixture   | U\$D 5 per cubic meter.   |

**9) Discipline**

We create an operating discipline of continuous improvement that is an integral part of our culture.

**10) Corporate Responsibility**

We are responsible and dutiful citizens willing to play a role in the communities around us.

**ORGANISATION STRUCTURE:**

The salary structure of the personnel is appearing on page 24 and the Organization chart is appearing on page 23.

**4) INVESTMENT AND FINANCING:****INVESTMENT**

Total investment amounts to US\$ 2m/- and the investments schedule is appearing on page 11.

**FINANCING**

Sources of financing will be both local and foreign through equity and loan financing which is appearing in the Balance Sheet on Page 12.

**ASSUMPTIONS**

The major assumptions in the financial projections are as follows:

Income	<ul style="list-style-type: none"> <li>• The plant will operate for 300 days a year.</li> <li>• Due to learning, capacity utilization will start at 40%.</li> </ul>
Operating Costs	Current cost structure will be maintained amid more strict cost controls, save for the need to motivate staff.
Interest Rate	10% (because the loan will be in TZShs)
Other Costs	Lump sum figures based on current rates.

**5) MARKET PLAN AND COMPETITION:****TARGET MARKET**

Crown Gases T Limited will be marketing two categories of products after implementation of the project which is the subject of this Business Plan, namely Industrial Gases and Medical Gases.

### 3) ORGANIZATION AND HUMAN RESOURCES:

#### Mission

To partner with our customers and add value to their business by offering they integrated gas solutions and providing high quality innovative products and service.

To deliver gas solutions with a proactive approach and constantly improve on the same.

To ensure the highest level of customer satisfaction.

#### Vision

To be the lead provider of gas solutions to our customers within the region that we serve.

#### Personnel support

##### 1) How We Work

Our employees play a vital role in ensuring the success of our daily activities. We approach challenges positively and with an open mind.

##### 2) Integrity

We value all our personnel and our customers with dignity and respect.. We comply with all company policies and government laws/regulations.

##### 3) Excellence

We motivate all our personnel to improve our products, our demand and efficiency. We strive to always understand our customers businesses and help them achieve their goals.

##### 4) Fairness and Trust

We are dedicated to diversity, fair treatment, mutual respect and trust.

##### 5) Team Work

We foster an environment that encourages innovation, creativity and results through team work.

##### 6) Leadership

We practice leadership that teaches, inspires and promotes full participation and career development.

##### 7) Communication

We encourage open and effective communication and interaction that is proactive and not reactive.

##### 8) Accountability

We honor the commitments we make and take personal responsibility for all our activities and results.

EQUIPMENTS SCHEDULE		LEGEND
S. No.	Description	
1	SUCTION FILTER	CA ----- Air
2	STAGE AIR COMPRESSOR	CWS ----- Cooling Water Supply
3	AFTER COOLER	CWR ----- Cooling Water Return
4	MOISTURE SEPARATOR	O <sub>2</sub> ----- Oxygen
5	CHILLING UNIT	N <sub>2</sub> ----- Nitrogen
6	REFRIGERATION UNIT	PL ----- Poor Liquid
7	OIL ADSORBER	RL ----- Rich Liquid
8a	MOLECULAR SIEVE BATTERY	◆ ----- Thermocouple
8b	MOLECULAR SIEVE BATTERY	
9	REACTIVATION HEATER	
10	DEFROST AIR HEATER	
11	DUST FILTER	NOTES :-
12	OUTER SHELL	■ OXYGEN
13	HEAT EXCHANGER NO. I	■ AIR
14	EXPANSION ENGINE	■ DEFROST AIR
15	LIQUIFIER	■ NITROGEN
16	BOTTOM COLUMN	■ RICH LIQUID
17	CONDENSER	■ POOR LIQUID
18	TOP COLUMN	⊗ VALVE
19	SUB COOLER	⊠ EXPANSION VALVE
20	LIQUID OXYGEN PUMP	◆ TEMP INDICATOR
21	FILLING MANIFOLD	

### LEGAL STATUS

Crown Gases T Limited was established in 2008 and registered under the Companies Ordinance (Cap 212) on 11<sup>th</sup> July 2008. It was issued with Certificate of Incorporation No. 66455.

### INVESTOR'S PROFILE:

Business is about People and the people behind Crown Gases (T) Limited are as follows:

#### Mr. Shilen Thakerar – B. Eng. (Hons)

Graduate from Coventry University UK in Business and Engineering. Handles the guidance of the Company to achieve its mission and vision, including:

Introducing new product lines

Negotiating agencies with foreign suppliers

Tendering and Project work

#### Bansri Thakerar – B.A. (Hons)

Graduate from Bolton University United Kingdom. Her key strengths include:

Guiding the financial activities of the company

Overseeing all accounts of the company.

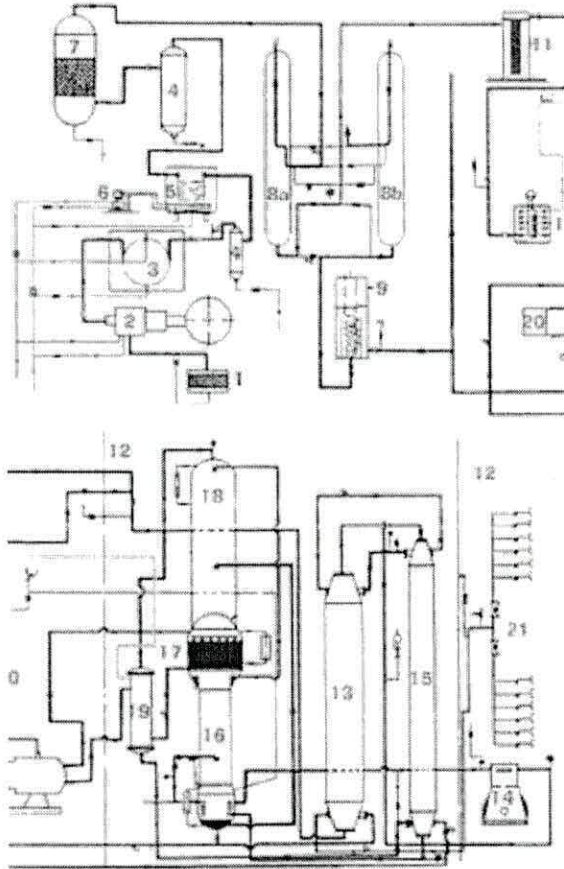
Faizal Mawji-Has successfully set up Crown Healthcare (T) Ltd.

Heena Mawji-Has a wealth of experience gained from running the operations and administrative functions of Crown Healthcare (T) Ltd.

The team has already invested over US\$ 5M in the setting up of a successful Gas manufacturing plant in Nairobi Kenya.

The Rest of air at (-80) deg C from Heat Exchanger No. 1 enters into a highly efficient EXPANSION ENGINE, where the air further gets cooled down to (-150) deg C before entering into bottom column. The liquefied air from both these streams collected at the BOTTOM COLUMN is known as RICH LIQUID (See process flow sheet).

The RICH LIQUID in the BOTTOM COLUMN enters into feed tray of top column. Similarly the liquid nitrogen called POOR LIQUID enters into top column as a reflux & it takes away the latent heat of condensing oxygen and gets vaporized whereas the liquid oxygen flows down the trays of the TOP COLUMN into the Condenser. Liquid Oxygen from CONDENSER passes through a SUB-COOLER to a LIQUID OXYGEN PUMP.



The Gas Manufacturing plant and the Godowns will be situated on Plot No. 30 Saza Road Chagombe Dar es Salaam.

Crown Gases will initially produce the following gas products:

- 1) Industrial Oxygen
- 2) Medical Oxygen
- 3) Dissolved Acetylene
- 4) Nitrogen
- 5) Argon High Purity
- 6) Argon/CO<sub>2</sub> Mixture
- 7) Nitrous Oxide

### **Manufacturing Process**

#### **Air Compressor and Chilling Unit**

The free saturated air is sucked from atmosphere through a highly efficient dry-type suction filter into the first stage of the horizontally balanced opposed, lubricated reciprocating air compressor. Compressed air is chilled to 12°C in a chilling unit or evaporation cooler, compressed air passes through the coils of the chilling unit at a temperature of 12°C to a moisture separator, where the condensed moisture gets removed before entering into Molecular Sieve Battery. Before sending the air to MOLECULAR SIEVE BATTERY, air is passed through an OIL ABSORBER where air becomes oil free.

#### **Purification of Air (Process Skid)**

Chilled air passes through the Molecular Sieve Battery consisting of Twin Tower packed with molecular sieves to remove moisture and carbon dioxide present in the air. Molecular Sieve Battery operates on Twin Tower System, when one tower is under production the other tower is regenerated by passing waste nitrogen gas at 200°C through a REACTIVATION HEATER. After interval of 8 to 10 hours, the tower under production gets exhausted and regenerated by similar process before use and, thus the cycle continues. Any dust particle gets filtered in the DUST FILTER before air enters the AIR SEPARATION COLUMN all the equipments are mounted on process skid.

#### **Air Separation**

Chilled, Oil-free and moisture-free air enters into multi-pass HEAT EXCHANGER No. 1 where it gets cooled to (-80) deg C by cold gained from outgoing waste nitrogen and oxygen.

A part of air, this enters a multi-pass HEAT EXCHANGER NO. II or LIQUEFIER made of special alloy tubes. This air cools to (-170) deg C before passing through an expansion valve. Due to Joule Thompson Effect, after the expansion valve, air gets further cooled down and gets liquefied before entering into Bottom Column.

## EXECUTIVE SUMMARY

### 1) BACKGROUND

The promoters of this project have set up a Gas manufacturing plant in Nairobi, Kenya and have already received support from the Kenyan Government.. Currently they are manufacturing both industrial and medical gases and are desirous to expand in to the Tanzanian market by setting up a Gas manufacturing plant in Dar es Salaam to manufacture industrial and medical gases.

### 2) PROJECT CONCEPT AND RATIONALE

The project idea stems from existence of unfulfilled demand for industrial and medical gases in Dar es Salaam and Tanzania as a whole and the ever-increasing demand for complete one stop solution for medical gases in Tanzanian Hospitals.

The project will involve:

- a) Purchase of machinery for production of Industrial oxygen, medical oxygen, nitrogen and dissolved acetylene.
- b) Purchase of Gas Cylinders for distribution of the Gas products above.

The Investors shall invest US\$ 2m/- in the construction of the Gas Plant, purchase of plant, machinery & equipment , motor vehicles and etc.

Industrial gas e.g. Industrial oxygen, Argon will be manufactured for steel making companies, vehicle assembly units, light industries among other industries in Tanzania..

The Medical gas including piping installations will be manufactured and distributed to hospitals in the whole of Tanzania making medical gas e.g. Medical oxygen accessible to those who need it.

Industrialization and the Manufacturing sector in Tanzania is one of the key focuses of the Tanzanian Government and sources of raw materials such as gas will be a major contributing factor in the achievement of industrialization.

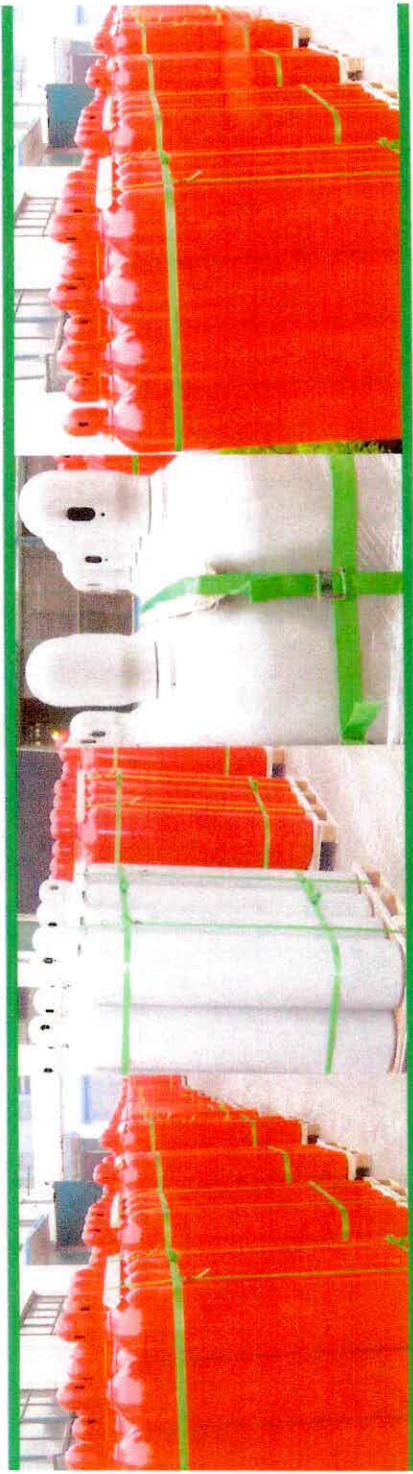
The Gas products will be supplied in the local market with future expansion to the entire Country. The gases will be manufactured through the Lindes process which involves a medium pressure cycle operation in brief the process is "COMPRESSION OF ATMOSPHERIC AIR, its liquification by mechanical expansion and fractional distillation."

Production will be enhanced by acquisition of a standby generator (315KVA), two(2) fifteen tonne trucks, two (2)tonne trucks for product distribution in Dar es Salaam, Arusha, Zanzibar, and Mwanza. This will make Crown Gases (T) Ltd a more reliable supplier. Administration of the project and staff welfare will be improved by acquisition of Two (6) administrative vehicles and one (1) staff bus.

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# CROWN GASES

## FEASIBILITY STUDY



IMPLEMENTATION CHART												
2008/2009												
TASK TO BE CARRIED	J	J	J	J	J	J	J	J	A	A	A	S
	1	2	3	4								
Acquire Site	■											
Preparation of Bill Quantities	■											
TIC Application & Approval	■											
Shipping of Plant		■	■	■								
Tender for Construction		■										
Tender Evaluation			■									
Award Tender for Construction				■								
Construction for Gas Plant				■	■	■						
Construction of Warehouse				■	■	■						
Construction of Office Block				■	■	■						
Installation of Plant					■	■	■					
Commissioning & Testing of Plant						■	■					
Certification of Products										■		
Sales												■
O2 Cylinders 50 Litres			■	■	■							
DA Cylinders			■	■	■							

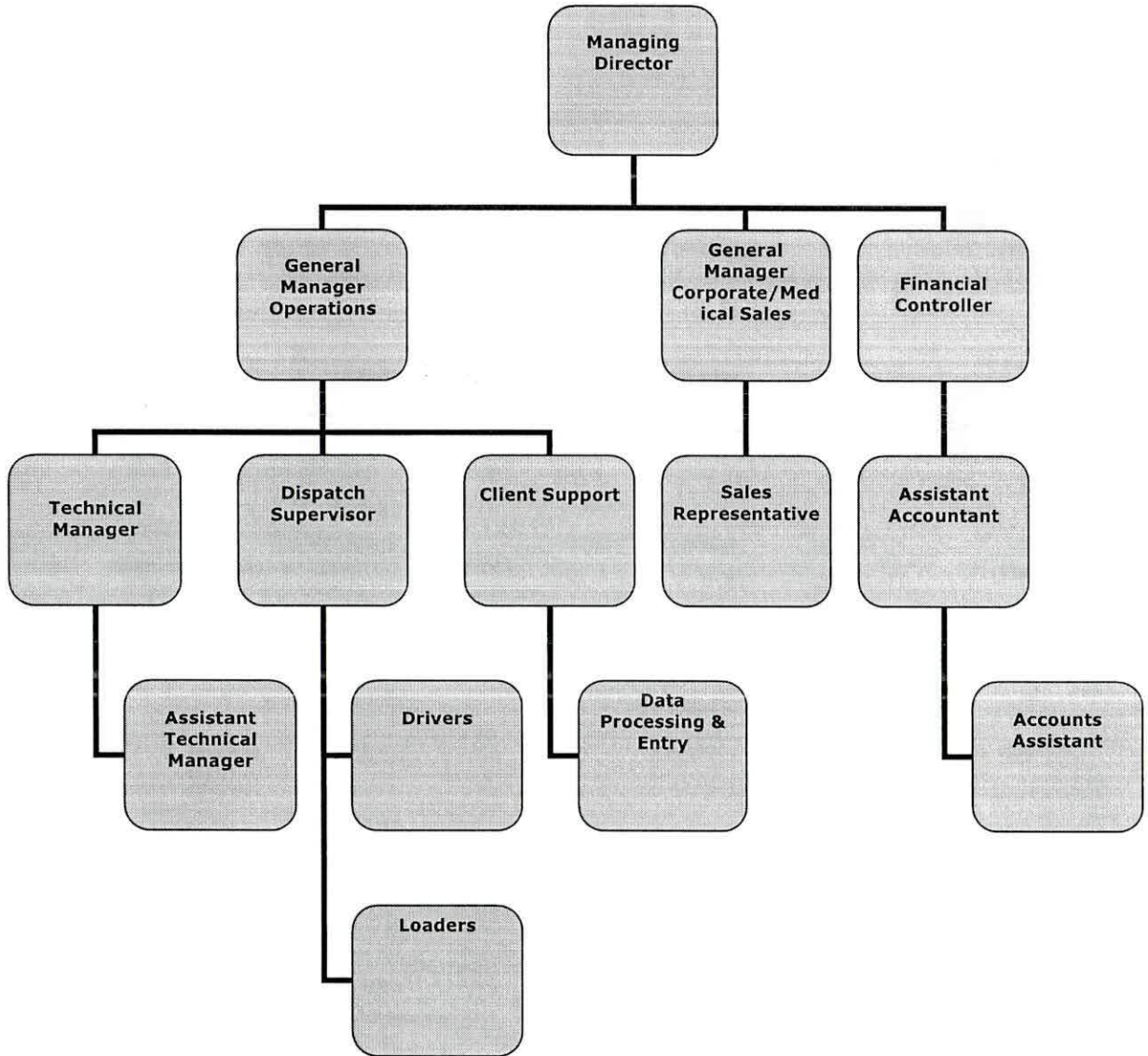
## SALARIES &amp; WAGES

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Office/Dept.	Job Title	No.	Monthly Salary (TShs)	U\$D	Annual Salary U\$D
Office of the Managing Director	Managing Director	1	1,500,000	\$ 1,250	\$ 15,000
	Secretary	1	300,000	\$ 250	\$ 3,000
	Driver cum Messenger	1	150,000	\$ 125	\$ 1,500
	Legal Secretary	1	800,000	\$ 667	\$ 8,000
	Internal Auditor	1	800,000	\$ 667	\$ 8,000
General Manager Operations	Technical Manager	1	1,000,000	\$ 833	\$ 10,000
	GM Operations	1	1,200,000	\$ 1,000	\$ 12,000
	Dispatch Supervisor	1	700,000	\$ 583	\$ 7,000
	Client Support	1	600,000	\$ 500	\$ 6,000
	Assistant Tech Manager	1	750,000	\$ 625	\$ 7,500
	Drivers	4	600,000	\$ 500	\$ 6,000
	Loaders	12	1,200,000	\$ 1,000	\$ 12,000
	Data Entry	4	1,000,000	\$ 833	\$ 10,000
General Manager Sales & Marketing	GM Marketing & Sales	1	1,200,000	\$ 1,000	\$ 12,000
	Sales Manager	1	700,000	\$ 583	\$ 7,000
	Sales Representatives	2	1,400,000	\$ 1,167	\$ 14,000
Finance & Administration	Financial Controller	1	1,200,000	\$ 1,000	\$ 12,000
	Accountant	1	800,000	\$ 667	\$ 8,000
	Cashier cum Sales Clerk	2	300,000	\$ 250	\$ 3,000
	Administration Officer	1	500,000	\$ 417	\$ 5,000
	Personnel Clerk	1	250,000	\$ 208	\$ 2,500
	Driver	2	300,000	\$ 250	\$ 3,000
	Security Guard	4	100,000	\$ 83	\$ 1,000
<b>Total</b>		<b>103</b>		<b>\$ 14,458</b>	<b>\$ 173,500</b>

Eventually the salaries and wages will reach to the speculated amount from 3 year onwards.

ORGANIZATION CHART



**INTERNAL RATE OF RETURN**

				FIGURES IN US\$
YEAR	CASHFLOW	DISCOUNT	N P V	
		<b>10%</b>		
1	(36,346)	0.9091	(33,042)	
2	6,613	0.8264	5,465	
3	322,276	0.7513	242,131	
4	914,646	0.6830	624,716	
5	1,818,507	0.6209	1,129,150	
		TOTAL	1,968,419	

Average borrowing rate is 10%

Rate of Return based on Gross Asset Value or Investment of \$2,000,000      2,000,000

Average Cash Flow for a period of 5 years      1,968,419/5      393,684

$$\frac{\text{Net Cash Flow } 393,684 \times 100}{\text{Investment } 2,000,000} = 20 \%$$

With the IRR of 20% the project is viable compared to the borrowing rate of 10%.

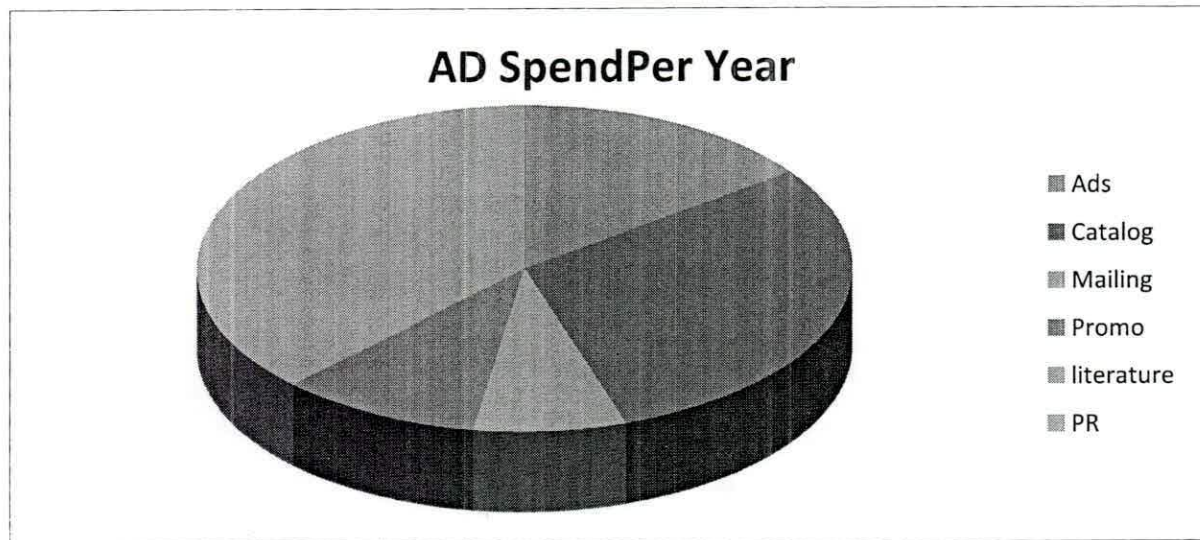
LOAN REPAYMENT SCHEDULE

YEAR	MONTH	CAPITAL TYPE	CAPITAL AMOUNT	MONTHLY REPAYMENT	OUTSTANDING	Local Interest 10%	TOTAL	BANK LOAN	MONTHLY REPAYMENT	OUTSTANDING	Local Interest 15%	TOTAL
2008	August	Shareholders Loan										
2008	September		1,275,411		1,275,411		-	109,042	3,029	106,013	1,325	4,354
2008	October				1,275,411		-		3,029	102,984	1,287	4,316
2008	November				1,275,411		-		3,029	99,955	1,249	4,278
2008	December				1,275,411		-		3,029	96,926	1,212	4,241
2009	January				1,275,411		-		3,029	93,897	1,174	4,203
2009	February				1,275,411		-		3,029	90,868	1,136	4,165
2009	March				1,275,411		-		3,029	87,839	1,098	4,127
2009	April				1,275,411		-		3,029	84,810	1,060	4,089
2009	May				1,275,411		-		3,029	81,781	1,022	4,051
2009	June				1,275,411		-		3,029	78,752	984	4,013
2009	July				1,275,411		-		3,029	75,723	947	3,975
2009	August				1,275,411		-		3,029	72,694	909	3,938
2009	September				1,275,411		-		3,029	69,666	871	3,900
2009	October				1,275,411		-		3,029	66,637	833	3,862
2009	November				1,275,411		-		3,029	63,608	795	3,824
2009	December				1,275,411		-		3,029	60,579	757	3,786
2010	January			26,571	1,248,840	10,407	36,978		3,029	57,550	719	3,748
2010	February			26,571	1,222,269	10,186	36,757		3,029	54,521	682	3,710
2010	March			26,571	1,195,698	9,964	36,535		3,029	51,492	644	3,673
2010	April			26,571	1,169,126	9,743	36,314		3,029	48,463	606	3,635
2010	May			26,571	1,142,555	9,521	36,092		3,029	45,434	568	3,597
2010	June			26,571	1,115,984	9,300	35,871		3,029	42,405	530	3,559
2010	July			26,571	1,089,413	9,078	35,649		3,029	39,376	492	3,521
2010	August			26,571	1,062,842	8,857	35,428		3,029	36,347	454	3,483
2010	September			26,571	1,036,271	8,636	35,207		3,029	33,318	416	3,445
2010	October			26,571	1,009,700	8,414	34,985		3,029	30,289	379	3,408
2010	November			26,571	983,129	8,193	34,764		3,029	27,260	341	3,370
2010	December			26,571	956,558	7,971	34,542		3,029	24,231	303	3,332
2011	January			26,571	929,987	7,750	34,321		3,029	21,203	265	3,294
2011	February			26,571	903,416	7,528	34,100		3,029	18,174	227	3,256
2011	March			26,571	876,845	7,307	33,878		3,029	15,145	189	3,218
2011	April			26,571	850,274	7,086	33,657		3,029	12,116	151	3,180
2011	May			26,571	823,703	6,864	33,435		3,029	9,087	114	3,143
2011	June			26,571	797,132	6,643	33,214		3,029	6,058	76	3,105
2011	July			26,571	770,561	6,421	32,992		3,029	3,029	38	3,067
2011	August			26,571	743,990	6,200	32,771		3,029	0	0	3,029
2011	September			26,571	717,419	5,978	32,550					
2011	October			26,571	690,847	5,757	32,328					
2011	November			26,571	664,276	5,536	32,107					
2011	December			26,571	637,705	5,314	31,885					
2012	January			26,571	611,134	5,093	31,664					
2012	February			26,571	584,563	4,871	31,442					
2012	March			26,571	557,992	4,650	31,221					
2012	April			26,571	531,421	4,429	31,000					
2012	May			26,571	504,850	4,207	30,778					
2012	June			26,571	478,279	3,986	30,557					
2012	July			26,571	451,708	3,764	30,335					
2012	August			26,571	425,137	3,543	30,114					
2012	September			26,571	398,566	3,321	29,892					
2012	October			26,571	371,995	3,100	29,671					
2012	November			26,571	345,424	2,879	29,450					
2012	December			26,571	318,853	2,657	29,228		3,029	3,029	38	3,067
<b>TOTAL</b>			<b>1,275,411</b>	<b>956,558</b>							<b>23,891</b>	<b>135,961</b>

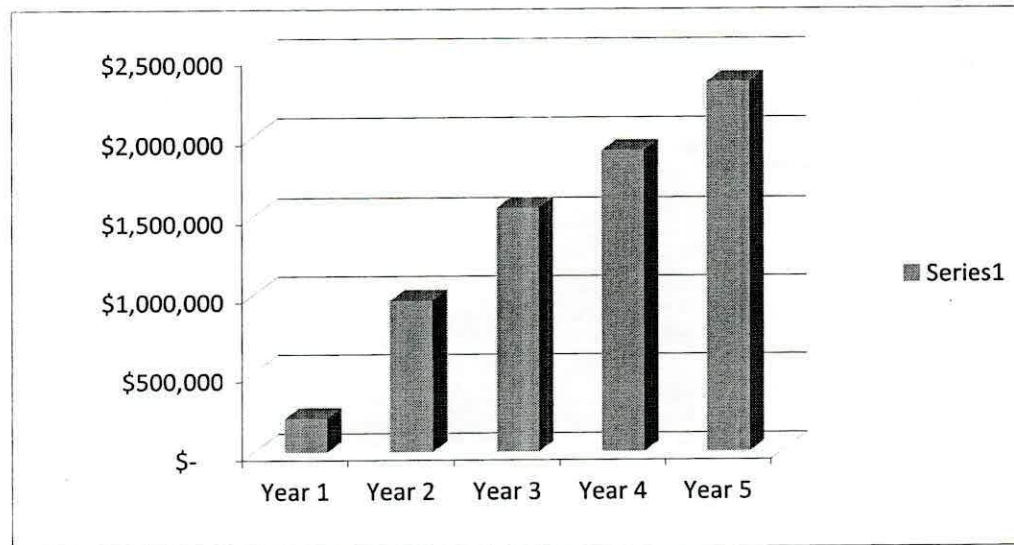
## MARKETING AND ADVERTISING SPENDING CHART

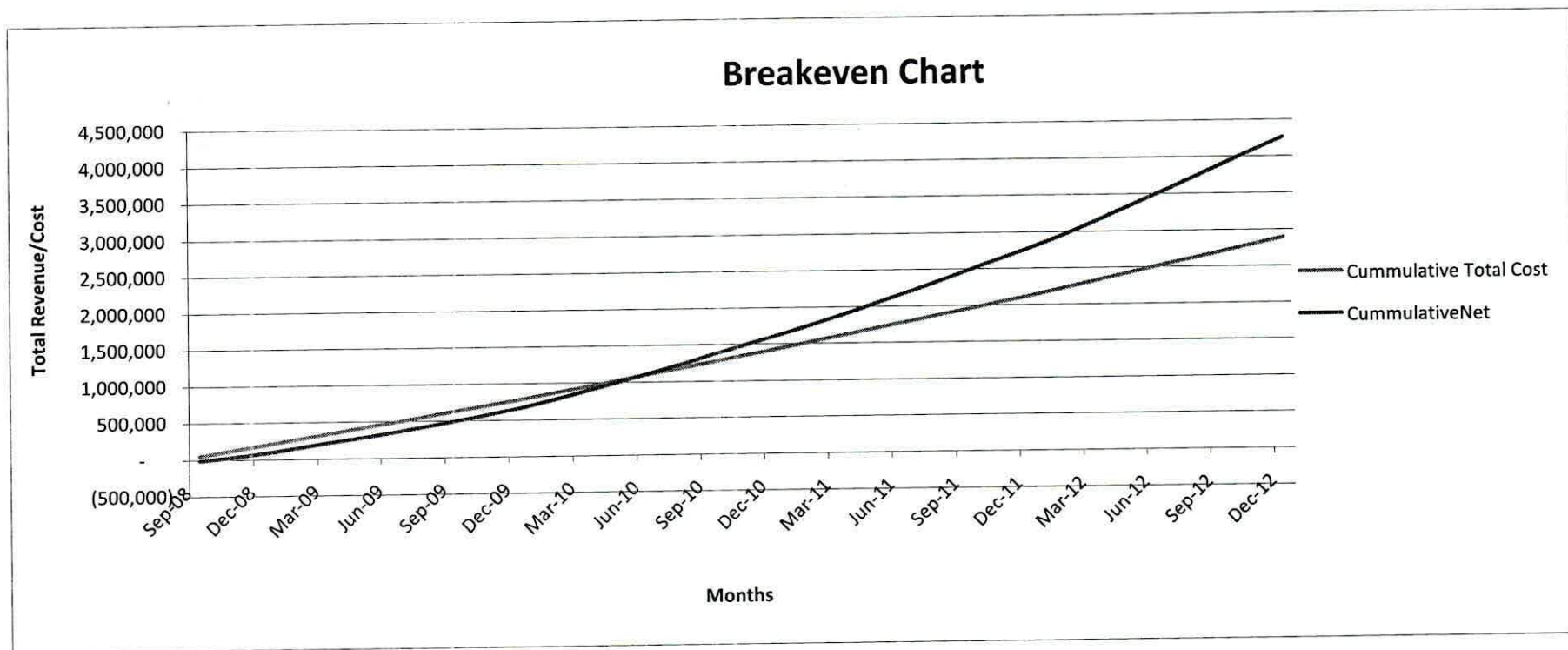
20

Type	AD SpendPer Year
Ads	\$ 3,000
Catalog	\$ 6,000
Mailing	\$ 1,500
Promo	\$ 2,000
literature	\$ 6,000
PR	\$ 1,500



<b>Year 1</b>	<b>\$ 212,667</b>
<b>Year 2</b>	<b>\$ 961,267</b>
<b>Year 3</b>	<b>\$ 1,550,525</b>
<b>Year 4</b>	<b>\$ 1,909,157</b>
<b>Year 5</b>	<b>\$ 2,336,557</b>





Cylinders 50 Litres 200 Bar	\$ 910,042				
Acetylene Cylinders 6.3	\$ 48,801				
Acetylene Cylinders 3.4	\$ 27,901				
<b>INFRASTRUCTURE</b>					
Factory & Office Administration	\$ 16,667				
Power Connection including TANESCO	\$ 25,000				
Lease Rental	\$ 21,000				
<b>OTHER FIXED ASSETS</b>					
Computers and Accessories	\$ 5,500				
Office Furniture / Fittings	\$ 10,000				
Generator 300 KVA	\$ 58,333				
Photocopiers and Printers	\$ 3,167				
<b>DISTRIBUTION &amp; PAYMENTS</b>					
Motor Vehicles Service/Support	\$ 15,556	\$ 46,667	\$ 7,778		
Motor Bikes Admin	\$ 704	\$ 2,111	\$ 352		
Lorry 2 Ton	\$ 11,111	\$ 33,333	\$ 5,556		
Lorry 15 Ton	\$ 55,556	\$ 166,667	\$ 27,778		
Forklift 3 Ton	\$ 7,407	\$ 22,222	\$ 3,704		
<b>Total Payments</b>	<b>\$ 1,709,411.35</b>	<b>\$ 1,091,335.42</b>	<b>\$ 1,513,956.08</b>	<b>\$ 1,660,435.51</b>	<b>\$ 1,853,275.49</b>
<b>Cashflow Surplus/Deficit (-)</b>	<b>\$ (11,531)</b>	<b>\$ 13,449.26</b>	<b>\$ 34,147.21</b>	<b>\$ 59,427.49</b>	<b>\$ 79,536.55</b>
<b>Opening Bank Balance</b>	<b>\$ (24,815)</b>	<b>\$ (6,835.71)</b>	<b>\$ 288,129.76</b>	<b>\$ 855,218.85</b>	<b>\$ 1,738,971.17</b>
<b>Closing Bank Balance</b>	<b>\$ (36,346)</b>	<b>\$ 6,613.56</b>	<b>\$ 322,276.98</b>	<b>\$ 914,646.34</b>	<b>\$ 1,818,507.72</b>

Journals & Periodicals	\$ 133	\$ 400	\$ 440	\$ 484	\$ 484
Printing & Stationery	\$ 1,333	\$ 4,000	\$ 4,400	\$ 4,840	\$ 4,840
Professional Fees	\$ 133	\$ 400	\$ 440	\$ 484	\$ 532
Telephone	\$ 2,667	\$ 8,000	\$ 8,800	\$ 9,680	\$ 10,648
Postage & Courier	\$ 667	\$ 2,000	\$ 2,200	\$ 2,420	\$ 2,662
<b>STAFF COSTS</b>					
Medical Expenses	\$ 467	\$ 1,400	\$ 1,540	\$ 1,694	\$ 1,863
Salaries & Wages	\$ 43,333	\$ 143,000	\$ 178,750	\$ 214,500	\$ 268,125
Staff Training	\$ 2,333	\$ 7,000	\$ 7,700	\$ 8,470	\$ 9,317
Staff Uniforms	\$ 733	\$ 2,200	\$ 2,420	\$ 2,662	\$ 2,928
Staff Welfare	\$ 333	\$ 1,000	\$ 1,100	\$ 1,210	\$ 1,331
<b>SELLING &amp; PROMOTION</b>					
Advertising & Marketing	\$ 6,667	\$ 20,000	\$ 22,000	\$ 24,200	\$ 26,620
Motor Vehicle Running Expenses	\$ 1,000	\$ 3,000	\$ 3,300	\$ 3,630	\$ 3,993
Entertainment	\$ 2,000	\$ 6,000	\$ 6,600	\$ 7,260	\$ 7,986
Travelling & Accommodation	\$ 3,333	\$ 10,000	\$ 11,000	\$ 12,100	\$ 13,310
<b>FINANCE COSTS</b>					
Bank Charges & ( Current Interest)	\$ 333	\$ 1,000	\$ 1,000	\$ 1,100	\$ 1,210
Loan Interest	\$ 5,073	\$ 11,586	\$ 6,134	\$ 1,060	\$ -
Loan Repayment	\$ 6,058	\$ 36,347	\$ 36,347	\$ 30,289	\$ -
Shareholders Loan Repayment		\$ -	\$ 318,853	\$ 318,853	\$ 318,853
<b>PLANT &amp; CYLINDER COST</b>					
Oxygen Plant 150 cum/hr	\$ 200,000				
Acetylene Plant 45 cum/hr	\$ 70,000				
Erection and Commissioning	\$ 7,917				

<b>Crown Gases T Limited Cash Flow Forecast</b>					
<b>Month</b>	<b>End of Year 1</b>	<b>End of Year 2</b>	<b>End of Year 3</b>	<b>End of Year 4</b>	<b>End of Year 5</b>
<b>RECEIPTS</b>					
Cash and Credit Sales	\$ 212,667	\$ 961,267	\$ 1,550,525	\$ 1,909,157	\$ 2,336,557
Output Vat	\$ 38,280	\$ 173,028	\$ 279,095	\$ 343,648	\$ 420,580
Loan From Aither Investments	\$ 1,275,411				
Share Capital	\$ 16,667				
Working Capital	\$ 21,000				
Loans from Bank	\$ 109,042				
<b>TOTAL RECEIPTS</b>	<b>\$ 1,673,066</b>	<b>\$ 1,134,295</b>	<b>\$ 1,829,620</b>	<b>\$ 2,252,805</b>	<b>\$ 2,757,137</b>
<b>PAYMENTS</b>					
Purchases-Material	\$ 87,333	\$ 383,013	\$ 607,895	\$ 730,038	\$ 855,488
Input Vat	\$ 15,720	\$ 68,942	\$ 109,421	\$ 131,407	\$ 153,988
<b>ESTABLISHMENT EXPENSES</b>					
Electricity/Light & Water	\$ 2,000	\$ 6,600	\$ 7,260	\$ 7,986	\$ 8,785
Insurance and Licences	\$ 11,699	\$ 40,247	\$ 62,320	\$ 68,552	\$ 75,407
Legal Fees	\$ 500	\$ 1,500	\$ 1,650	\$ 1,650	\$ 1,815
Repairs & Maintenance	\$ 3,333	\$ 10,000	\$ 11,000	\$ 12,100	\$ 13,310
Rent	\$ 14,000	\$ 42,000	\$ 44,450	\$ 50,820	\$ 55,902
Security	\$ 1,833	\$ 5,500	\$ 6,050	\$ 6,655	\$ 7,321
Tender Fees	\$ 67	\$ 200	\$ 220	\$ 242	\$ 266
<b>ADMINISTRATION EXPENSES</b>					
Accountancy, Audit & Secretarial	\$ 667	\$ 2,000	\$ 2,200	\$ 2,420	\$ 2,662
General Office Expense	\$ 1,000	\$ 3,000	\$ 3,300	\$ 3,630	\$ 3,630

**PROFIT & LOSS ACCOUNT**

14

Item Description	TOTAL YEAR 1	TOTAL YEAR 2	TOTAL YEAR 3	TOTAL YEAR 4	TOTAL YEAR 5
<b>OPERATING EXPENSES</b>					
<b>ESTABLISHMENT EXPENSES</b>					
Depreciation	\$ 83,835.91	\$ 251,507.73	\$ 251,507.73	\$ 251,507.73	\$ 251,507.73
Electricity/Light & Water	\$ 2,000.00	\$ 6,600.00	\$ 7,260.00	\$ 7,986.00	\$ 8,784.60
Insurance and Licences	\$ 11,699.35	\$ 42,121.72	\$ 62,319.63	\$ 68,551.60	\$ 75,406.76
Legal Fees	\$ 500.00	\$ 1,500.00	\$ 1,650.00	\$ 1,650.00	\$ 1,815.00
Repairs & Maintenance	\$ 3,333.33	\$ 10,000.00	\$ 11,000.00	\$ 12,100.00	\$ 13,310.00
Rent	\$ 14,000.00	\$ 42,000.00	\$ 44,450.00	\$ 50,820.00	\$ 55,902.00
Security	\$ 1,833.33	\$ 5,500.00	\$ 6,050.00	\$ 6,655.00	\$ 7,320.50
Tender Fees	\$ 66.67	\$ 200.00	\$ 220.00	\$ 242.00	\$ 266.20
<b>Total Establishment Expenses</b>	<b>\$ 117,268.59</b>	<b>\$ 359,429.45</b>	<b>\$ 384,457.37</b>	<b>\$ 399,512.33</b>	<b>\$ 414,312.79</b>
<b>ADMINISTRATION EXPENSES</b>					
Accountancy, Audit & Secretarial	\$ 666.67	\$ 2,000.00	\$ 2,200.00	\$ 2,420.00	\$ 2,662.00
General Office Expense	\$ 1,000.00	\$ 3,000.00	\$ 3,300.00	\$ 3,630.00	\$ 3,630.00
Journals & Periodicals	\$ 133.33	\$ 400.00	\$ 440.00	\$ 484.00	\$ 484.00
Printing & Stationery	\$ 1,333.33	\$ 4,000.00	\$ 4,400.00	\$ 4,840.00	\$ 4,840.00
Professional Fees	\$ 133.33	\$ 400.00	\$ 440.00	\$ 484.00	\$ 532.40
Telephone	\$ 2,666.67	\$ 8,000.00	\$ 8,800.00	\$ 9,680.00	\$ 10,648.00
Postage & Courier	\$ 666.67	\$ 2,000.00	\$ 2,200.00	\$ 2,420.00	\$ 2,662.00
<b>Total Administration Expenses</b>	<b>\$ 6,600.00</b>	<b>\$ 19,800.00</b>	<b>\$ 21,780.00</b>	<b>\$ 21,538.00</b>	<b>\$ 22,796.40</b>
<b>STAFF COSTS</b>					
Medical Expenses	\$ 466.67	\$ 1,400.00	\$ 1,540.00	\$ 1,694.00	\$ 1,863.40
Salaries & Wages	\$ 43,333.33	\$ 143,000.00	\$ 178,750.00	\$ 214,500.00	\$ 268,125.00
Staff Training	\$ 2,333.33	\$ 7,000.00	\$ 7,700.00	\$ 8,470.00	\$ 9,317.00
Staff Uniforms	\$ 733.33	\$ 2,200.00	\$ 2,420.00	\$ 2,662.00	\$ 2,928.20
Staff Welfare	\$ 333.33	\$ 1,000.00	\$ 1,100.00	\$ 1,210.00	\$ 1,331.00
			\$ -		
<b>Total Staff Costs Expenses</b>	<b>\$ 47,200.00</b>	<b>\$ 154,600.00</b>	<b>\$ 191,510.00</b>	<b>\$ 228,536.00</b>	<b>\$ 283,564.60</b>
<b>SELLING &amp; PROMOTION</b>					
Advertising & Marketing	\$ 6,666.67	\$ 20,000.00	\$ 22,000.00	\$ 24,200.00	\$ 26,620.00
Motor Vehicle Running Expenses	\$ 1,000.00	\$ 3,000.00	\$ 3,300.00	\$ 3,630.00	\$ 3,993.00
Entertainment	\$ 2,000.00	\$ 6,000.00	\$ 6,600.00	\$ 7,260.00	\$ 7,986.00
Travelling & Accomodation	\$ 3,333.33	\$ 10,000.00	\$ 11,000.00	\$ 12,100.00	\$ 13,310.00
<b>Total Selling &amp; Promotion Exp.</b>	<b>\$ 13,000.00</b>	<b>\$ 39,000.00</b>	<b>\$ 42,900.00</b>	<b>\$ 47,190.00</b>	<b>\$ 51,909.00</b>
<b>FINANCE COSTS</b>					
Bank Charges & ( Current Interest)	\$ 333	\$ 1,000	\$ 1,000	\$ 1,100	\$ 1,210
Loan Interest	\$ 5,073	\$ 11,586	\$ 6,134	\$ 1,060	\$ -
<b>Total Finance Expenses</b>	<b>\$ 5,407</b>	<b>\$ 12,586</b>	<b>\$ 7,134</b>	<b>\$ 2,160</b>	<b>\$ 1,210</b>
<b>TOTAL FIN&amp; OPERATING EXPENSES</b>	<b>\$ 188,808.72</b>	<b>\$ 585,415</b>	<b>\$ 647,781</b>	<b>\$ 698,936</b>	<b>\$ 773,793</b>

PROFIT & LOSS ACCOUNT

1.3

Item Description	TOTAL YEAR 1	TOTAL YEAR 2	TOTAL YEAR 3	TOTAL YEAR 4	TOTAL YEAR 5
Industrial O2 M3	45,000	233,000	398,000	538,000	758,000
O2 Cylinders	4,500	23,300	39,800	53,800	75,800
O2 Revenue	\$ 60,000	\$ 310,667	\$ 530,666.67	\$ 717,333.33	\$ 1,010,666.67
O2 COST	\$ 12,000	\$ 62,133	\$ 106,133.33	\$ 143,466.67	\$ 202,133.33
<b>GROSS PROFIT</b>	<b>\$ 48,000</b>	<b>\$ 248,533</b>	<b>\$ 424,533.33</b>	<b>\$ 573,866.67</b>	<b>\$ 808,533.33</b>
DA Cubic Metres	4,000	24,000	51,297	53,953	53,953
DA Cylinders	1,176	7,059	8,410	8,564	8,564
DA Revenue	\$ 33,333	\$ 200,000	\$ 427,475.00	\$ 449,610.00	\$ 449,610.00
DA COST	\$ 15,333	\$ 92,000	\$ 196,638.50	\$ 206,820.60	\$ 206,820.60
<b>GROSS PROFIT</b>	<b>\$ 18,000</b>	<b>\$ 108,000</b>	<b>\$ 230,836.50</b>	<b>\$ 242,789.40</b>	<b>\$ 242,789.40</b>
ARGON Cubic Metres	4,000	14,400	18,000	22,400	24,660
Argon Cylinders	400	1,440	1,800	2,240	2,466
Argon Revenue	\$ 60,000	\$ 216,000	\$ 270,000	\$ 336,000	\$ 369,900
ARGON COST	\$ 30,000	\$ 108,000	\$ 135,000	\$ 168,000	\$ 184,950
<b>GROSS PROFIT</b>	<b>\$ 30,000</b>	<b>\$ 108,000</b>	<b>\$ 135,000</b>	<b>\$ 168,000</b>	<b>\$ 184,950</b>
Crownshield M3	3,200	12,000	\$ 12,000	\$ 12,000	\$ 13,200
Crownshield Cylinders	320	1,200	\$ 1,200	\$ 1,200	\$ 1,320
Crownshield Revenue	\$ 16,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 66,000
Crownshield Cost	\$ 15,200	\$ 57,000	\$ 57,000	\$ 57,000	\$ 62,700
<b>GROSS PROFIT</b>	<b>\$ 800.00</b>	<b>\$ 3,000</b>	<b>\$ 3,000</b>	<b>\$ 3,000</b>	<b>\$ 3,300</b>
Nitrogen Cubic Metres	2,000	8,400	\$ 8,400	\$ 8,400	\$ 10,800
Nitrogen Cylinders	200	840	\$ 840	\$ 840	\$ 1,080
Nitrogen Revenue	\$ 4,000	\$ 16,800	\$ 16,800	\$ 16,800	\$ 21,600
NITROGEN COST	\$ 533	\$ 2,240	\$ 2,240	\$ 2,240	\$ 2,880
<b>GROSS PROFIT</b>	<b>\$ 3,467</b>	<b>\$ 14,560</b>	<b>\$ 14,560</b>	<b>\$ 14,560</b>	<b>\$ 18,720</b>
Medical Oxygen M3	8,000	\$ 26,400	\$ 21,750	\$ 24,290	\$ 28,140
Medical O2 Cylinders	800	\$ 2,640	\$ 3,000	\$ 3,470	\$ 4,020
Medical O2 Revenue	\$ 16,000	\$ 52,800.00	\$ 43,500	\$ 48,580	\$ 56,280
MEDICAL O2 COST	\$ 2,133	\$ 7,040.00	\$ 5,800	\$ 6,477	\$ 7,504
<b>GROSS PROFIT</b>	<b>\$ 13,867</b>	<b>\$ 45,760.00</b>	<b>\$ 37,700</b>	<b>\$ 42,103</b>	<b>\$ 48,776</b>
Nitrous Oxide Cylinders	80	360	\$ 600	\$ 900	\$ 1,200
Nitrous Oxide	560	2,520	\$ 4,850	\$ 6,740	\$ 8,700
Nitrous Oxide Revenue	\$ 23,333	\$ 105,000.00	\$ 202,083	\$ 280,833	\$ 362,500
Nitrous Oxide Cost	\$ 12,133	\$ 54,600.00	\$ 105,083	\$ 146,033	\$ 188,500
<b>GROSS PROFIT</b>	<b>\$ 11,200</b>	<b>\$ 50,400.00</b>	<b>\$ 97,000</b>	<b>\$ 134,800</b>	<b>\$ 174,000</b>
<b>TURNOVER (TOTAL REVENUE)</b>	<b>\$ 212,667</b>	<b>\$ 961,267</b>	<b>\$ 1,550,525</b>	<b>\$ 1,909,157</b>	<b>\$ 2,336,557</b>
<b>GROSS PROFIT</b>	<b>\$ 125,333</b>	<b>\$ 578,253.33</b>	<b>\$ 942,630</b>	<b>\$ 1,179,119</b>	<b>\$ 1,481,069</b>
<b>OPERATING EXPENSES</b>	<b>\$ 183,402</b>	<b>\$ 570,996.12</b>	<b>\$ 640,647</b>	<b>\$ 696,776</b>	<b>\$ 772,583</b>
<b>FINANCE COST</b>	<b>\$ 5,407</b>	<b>\$ 12,585.68</b>	<b>\$ 7,134</b>	<b>\$ 2,160</b>	<b>\$ 1,210</b>
<b>NET PROFIT</b>	<b>\$ (63,475)</b>	<b>\$ (5,328)</b>	<b>\$ 294,848.87</b>	<b>\$ 480,182.27</b>	<b>\$ 707,275.94</b>

**BALANCE SHEET**

12

**FIGURES IN US\$**

	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
FIXED ASSETS	1,748,161	1,664,326	1,412,819	1,161,312	909,805
LESS DEPRECIATION	(83,835)	(251,507)	(251,507)	(251,507)	(251,507)
TOTAL FIXED ASSETS	1,664,326	1,412,819	1,161,312	909,805	658,298
NET CURRENT ASSETS	103,195	317,653	553,209	785,644	1,210,361
<b>TOTAL</b>	<b>1,767,521</b>	<b>1,730,472</b>	<b>1,714,521</b>	<b>1,695,449</b>	<b>1,868,659</b>
<b>REPRESENTED BY;</b>					
EQUITY	427,500	427,500	427,500	427,500	427,500
LONG TERM LOAN	1,384,453	1,351,134	1,128,789	773,590	451,708
PRETAX PROFIT	(63,475)	(5,328)	294,848	480,182	707,275
LESS TAXATION/ADJUSTED LOSS	(19,043)	(1,598)	88,454	144,055	212,183
NET PROFIT/LOSS	(44,433)	(3,730)	206,394	336,127	495,093
RESERVES	0	(44,433)	(48,162)	158,232	494,359
<b>TOTAL</b>	<b>1,767,521</b>	<b>1,730,472</b>	<b>1,714,521</b>	<b>1,695,449</b>	<b>1,868,659</b>

# CROWN GASES T LTD-PROJECT

11

	INVESTMENT SCHEDULE	QTY	TOTAL
<b>A</b>	<b>BRICK, MOTAR AND ELECTRICITY</b>		
1	Factory & Office Administration		\$ 16,667
2	Power Connection including TANESCO		\$ 25,000
3	Lease Rental		\$ 21,000
			\$ 62,667
<b>B</b>	<b>OFFICE EQUIPMENT FUNITURE AND FITTINGS</b>		
1	Computers and Accessories	2	\$ 5,500
2	Office Furniture / Fittings	2	\$ 10,000
3	Generator 300 KVA	1	\$ 58,333
4	Photocopiers and Printers	1	\$ 3,167
			\$ 77,000
<b>C</b>	<b>Plant &amp; Machinery Cost</b>		
1	Oxygen Plant 150 cum/hr	1	\$ 200,000
2	Acetylene Plant 45 cum/hr	1	\$ 70,000
3	Erection and Commissioning	1	\$ 7,917
4	Cyliders 50 Litres 200 Bar	7,000	\$ 910,042
5	Acetylene Cylinders 6.3	400	\$ 48,801
6	Acetylene Cylinders 3.4	300	\$ 27,901
			\$ 1,264,661
<b>D</b>	<b>FINANCE COSTS</b>		
1	Bank Commitment Fee		\$ 1,125
			\$ 1,125
<b>E</b>	<b>Motor Vehicles</b>		
1	Motor Vehicles Service/Support	2	\$ 70,000
2	Motor Bikes Admin	2	\$ 3,167
3	Lorry 2 Ton	2	\$ 50,000
4	Lorry 15 Ton	2	\$ 250,000
5	Forklift 3 Ton	1	\$ 33,333
			\$ 406,500
1	Pre operational expenses		\$ 50,000
2	Working Capital		\$ 138,048
3			\$ 188,048
			<b>2,000,000</b>

**7.1 Profit & Loss Account.**

The projected Profit & Loss account shown in Page 13/14 reveals a negative trend in the first two years but then reverses the situation by entering into profitability in the third and onwards with a pretax profit of US\$ 294,848/- progressively rising to US\$ 707,275/- in the fifth financial year.

**7.2 Balance Sheet**

Page 12 summaries the projected Balance Sheet showing that the Net Current Assets are positive throughout the period of 5 years which is seen to grow steadily from US\$ 103,195/- in the first year of operations o US\$ 1,210,361/- in the fifth year of operations.

**7.3 Internal Rate of Return (IRR)**

Page 22 puts the Internal Rate of Return (IRR) at 20% and this strongly confirms the project's economic viability compared to Bank's lending rate at 10% per annum.

**CONCLUSION AND RECOMMENDATIONS.****Conclusion**

A careful analysis of the project shows that the project;  
Contributes effectively to the development of the country by providing additional Gas Company  
Is profitable, financially sound, economically viable and socially attractive.  
Will generate revenue in the form of taxation to the Government.  
Will offer employment to Tanzanians.

**Recommendations.**

The advantages of the project to both the promoters and the country are quite considerable, therefore it is highly recommended for implementation.

\*\*\*\*\*

**1) FOREIGN INVESTMENT:**

A total of U\$D 2m/- will be invested in the project over a period of between 1 to 3 years which will lead to increased earnings in terms of taxes for the exchequer.

**2) EMPLOYMENT CREATION:**

This operation shall create employment for **over 103 Employees**. Including Plant managers, engineers, technicians, plant operators, Sales and marketing representatives, administration team, drivers, support staff for Crown Gases T Ltd and its distributors/dealers based in the whole of Tanzania. Details of manpower can be seen on Page 30.

**3) QUALITY INDUSTRIAL AND MEDICAL GAS SUPPLIES:**

The project will provide to the consumers a quality gas manufactured in accordance to international quality standards.

Consumers of Gas will be able to enjoy personalized and timely service thus spend their time on their core functions leading to growth of their enterprises.

Industries will be able

**4) EXPORT PROMOTION:**

In future Crown Gases (T) Limited will be exporting approximately 20% of its production to the Neighbouring countries leading to increase in foreign exchange earnings for the exchequer.

This is expected to grow further as new markets emerge creating further earnings and employment opportunities.

**5) ENVIRONMENT:**

Crown Gases (T) Limited will use new and efficient technologies which will be environmental friendly thus complying with environment rules and regulations. The technology will prevent air pollution, proper containment and disposal of solid waste, conserve the use of water and electricity and ensure provision of safe working conditions for the employees.

**6) IMPROVED EARNINGS/INCOME:**

The use of new and efficient technologies will have the further benefit of enabling the company capture new markets therefore increase earnings and widely shared benefits to shareholders, employees and the larger community which in turn will lead to increase/improvement in incomes.

**SALES PROJECTIONS**

Projected sales figures for the next three years for both the domestic and export markets are as follows:

<b>Year</b>	<b>Turnover –U\$D</b>
Year 1 2008	U\$ 212,667
Year 2 2009	U\$ 961,267
Year 3 2010	U\$ 1,550,525
Year 4 2011	U\$ 1,909,157
Year 5 2012	U\$ 2,336,557

These are expected to grow/increase with the introduction of Carbon dioxide, welding equipment and the regional expansion of the company as can be seen from the yearly target chart on Page 19.

**Marketing Plan Strategy**

Crown Gases (T) Limited will focus on the delivery of gas and welding solutions to Customers by:

- 1) Emphasize Service and Support
- 2) Emphasize relationships.

**Distribution Channels**

Crown Gases (T) Limited will distribute the medical, Industrial gas and welding solutions direct from its premises in Dar es Salaam for customers within the area. Distributors will be appointed in towns such as Arusha to meet all customer needs.

**Communication**

One of the best places to reach the target market is through direct marketing of the various gas products. However newspapers can be used with pure price only messages and we'll have to make sure that our message is excellently stated.

Radio is potentially a good opportunity. Sponsoring a technology discussion/call-in talk show is a possibility.

The Advert spending chart can be seen on Page 20.

**7) IMPLEMENTATION PLAN**

The implementation activities Chart for the project is appearing on Page 25.

**8) ECONOMIC AND SOCIAL IMPACT ANALYSIS OF THE PROJECT:**

The economic benefits for this Gas manufacturing project will include contribution to Government revenue, generation of employment opportunities, and manpower development and have the following benefits/Impact:

**Industrial Gases:**

The Target market for industrial gas will comprise of steel industries, Fabricators, food processing industries and road construction companies in Dar es Salaam, Zanzibar and Bagamoyo. New markets will include Arusha, exports to Namanga in Kenya, and Zambia.

**Medical Gases:**

The target market for medical gas will be hospitals local health centers, dispensaries and clinics that require medical oxygen, nitrous oxide and medical air.

**MARKET POTENTIAL - DEMAND**

Industrial Gases are used in various industries e.g. steel industries, Fabricators; food processing industries and road construction companies, Therefore, market potential is high. New markets that will get the product in the new future include Arusha and exports to Namanga and Zambia. Medical Gases are used in all major hospitals, clinics and dispensaries across the country.

**SUPPLY AND COMPETITION**

There are two main competitors in the Gas manufacturing business namely BOC Gases Tanzania and Tanzania Oxygen Limited. The main competitive factor is the service and delivery of gas to customers.

Crown Gases (T) Limited will closely monitor both existing and emerging competition and devise strategies to protect and win more market share by adhering to its moto of CROWN EASE GAS

In the future about 10 per cent of company revenue will be spent on marketing and promotion issues.

**PRICES**

Crown Gases (T) Limited will sell its products at the following prices per cubic meter before VAT

- |                        |                           |
|------------------------|---------------------------|
| 1) Industrial Oxygen   | U\$D 1.33 per cubic meter |
| 2) Medical Oxygen      | U\$D 2. per cubic meter   |
| 3) Dissolved Acetylene | U\$D 8.3 per cubic meter  |
| 4) Argon               | U\$D 15 per cubic meter   |
| 5) Nitrogen            | U\$D 2 per cubic meter    |
| 6) Nitrous Oxide       | U\$D 42 per cubic meter   |
| 7) Argon CO2 Mixture   | U\$D 5 per cubic meter.   |

**9) Discipline**

We create an operating discipline of continuous improvement that is an integral part of our culture.

**10) Corporate Responsibility**

We are responsible and dutiful citizens willing to play a role in the communities around us.

**ORGANISATION STRUCTURE:**

The salary structure of the personnel is appearing on page 24 and the Organization chart is appearing on page 23.

**4) INVESTMENT AND FINANCING:****INVESTMENT**

Total investment amounts to US\$ 2m/- and the investments schedule is appearing on page 11.

**FINANCING**

Sources of financing will be both local and foreign through equity and loan financing which is appearing in the Balance Sheet on Page 12.

**ASSUMPTIONS**

The major assumptions in the financial projections are as follows:

Income	<ul style="list-style-type: none"> <li>• The plant will operate for 300 days a year.</li> <li>• Due to learning, capacity utilization will start at 40%.</li> </ul>
Operating Costs	Current cost structure will be maintained amid more strict cost controls, save for the need to motivate staff.
Interest Rate	10% (because the loan will be in TZShs)
Other Costs	Lump sum figures based on current rates.

**5) MARKET PLAN AND COMPETITION:****TARGET MARKET**

Crown Gases T Limited will be marketing two categories of products after implementation of the project which is the subject of this Business Plan, namely Industrial Gases and Medical Gases.

### 3) ORGANIZATION AND HUMAN RESOURCES:

#### Mission

To partner with our customers and add value to their business by offering them integrated gas solutions and providing high quality innovative products and service.

To deliver gas solutions with a proactive approach and constantly improve on the same.

To ensure the highest level of customer satisfaction.

#### Vision

To be the lead provider of gas solutions to our customers within the region that we serve.

#### Personnel support

##### 1) How We Work

Our employees play a vital role in ensuring the success of our daily activities. We approach challenges positively and with an open mind.

##### 2) Integrity

We value all our personnel and our customers with dignity and respect.. We comply with all company policies and government laws/regulations.

##### 3) Excellence

We motivate all our personnel to improve our products, our demand and efficiency. We strive to always understand our customers businesses and help them achieve their goals.

##### 4) Fairness and Trust

We are dedicated to diversity, fair treatment, mutual respect and trust.

##### 5) Team Work

We foster an environment that encourages innovation, creativity and results through team work.

##### 6) Leadership

We practice leadership that teaches, inspires and promotes full participation and career development.

##### 7) Communication

We encourage open and effective communication and interaction that is proactive and not reactive.

##### 8) Accountability

We honor the commitments we make and take personal responsibility for all our activities and results.

EQUIPMENTS SCHEDULE		LEGEND	
S. No.	Description	Symbol	Meaning
1	SUCTION FILTER	CA	Air
2	STAGE AIR COMPRESSOR	CWS	Cooling Water Supply
3	AFTER COOLER	CWR	Cooling Water Return
4	MOISTURE SEPARATOR	O <sub>2</sub>	Oxygen
5	CHILLING UNIT	N <sub>2</sub>	Nitrogen
6	REFRIGERATION UNIT	PL	Poor Liquid
7	OIL ADSORBER	RL	Rich Liquid
8a	MOLECULAR SIEVE BATTERY	◆	Thermocouple
8b	MOLECULAR SIEVE BATTERY		
9	REACTIVATION HEATER		
10	DEFROST AIR HEATER		
11	DUST FILTER		
12	OUTER SHELL		
13	HEAT EXCHANGER NO 1		
14	EXPANSION ENGINE		
15	LIQUIFIER		
16	BOTTOM COLUMN		
17	CONDENSER		
18	TOP COLUMN		
19	SUB COOLER		
20	LIQUID OXYGEN PUMP		
21	FILLING MANIFOLD		

NOTES :-

- OXYGEN
- AIR
- DEFROST AIR
- NITROGEN
- RICH LIQUID
- POOR LIQUID
- ⊗ VALVE
- ⊠ EXPANSION VALVE
- ◆ TEMP INDICATOR

### LEGAL STATUS

Crown Gases T Limited was established in 2008 and registered under the Companies Ordinance (Cap 212) on 11<sup>th</sup> July 2008. It was issued with Certificate of Incorporation No. 66455.

### INVESTOR'S PROFILE:

Business is about People and the people behind Crown Gases (T) Limited are as follows:

#### Mr. Shilen Thakerar – B. Eng. (Hons)

Graduate from Coventry University UK in Business and Engineering. Handles the guidance of the Company to achieve its mission and vision, including:

Introducing new product lines

Negotiating agencies with foreign suppliers

Tendering and Project work

#### Bansri Thakerar – B.A. (Hons)

Graduate from Bolton University United Kingdom. Her key strengths include:

Guiding the financial activities of the company

Overseeing all accounts of the company.

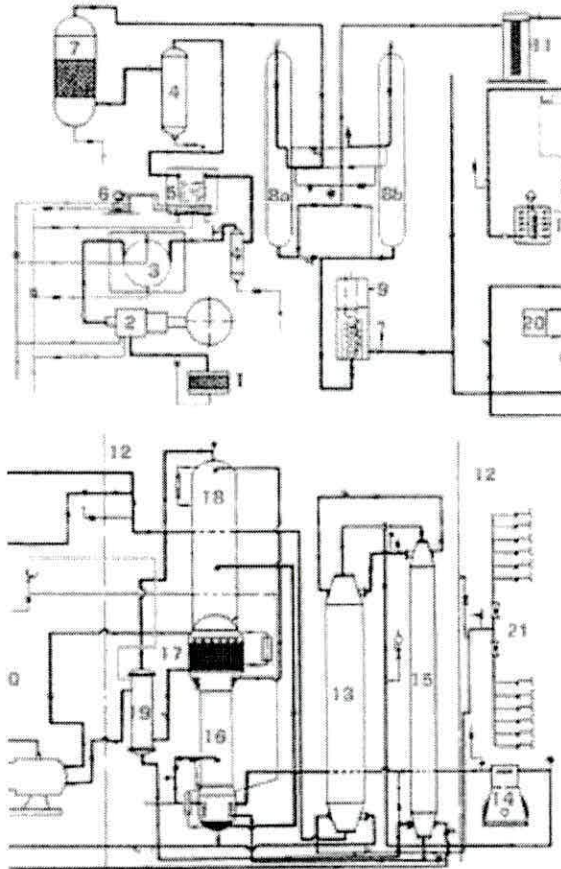
Faizal Mawji-Has successfully set up Crown Healthcare (T) Ltd.

Heena Mawji-Has a wealth of experience gained from running the operations and administrative functions of Crown Healthcare (T) Ltd.

The team has already invested over US\$ 5M in the setting up of a successful Gas manufacturing plant in Nairobi Kenya.

The Rest of air at (-80) deg C from Heat Exchanger No. 1 enters into a highly efficient EXPANSION ENGINE, where the air further gets cooled down to (-150) deg C before entering into bottom column. The liquefied air from both these streams collected at the BOTTOM COLUMN is known as RICH LIQUID (See process flow sheet).

The RICH LIQUID in the BOTTOM COLUMN enters into feed tray of top column. Similarly the liquid nitrogen called POOR LIQUID enters into top column as a reflux & it takes away the latent heat of condensing oxygen and gets vaporized whereas the liquid oxygen flows down the trays of the TOP COLUMN into the Condenser. Liquid Oxygen from CONDENSER passes through a SUB-COOLER to a LIQUID OXYGEN PUMP.



The Gas Manufacturing plant and the Godowns will be situated on Plot No. 30 Saza Road Chagombe Dar es Salaam.

Crown Gases will initially produce the following gas products:

- 1) Industrial Oxygen
- 2) Medical Oxygen
- 3) Dissolved Acetylene
- 4) Nitrogen
- 5) Argon High Purity
- 6) Argon/Co<sub>2</sub> Mixture
- 7) Nitrous Oxide

### **Manufacturing Process**

#### **Air Compressor and Chilling Unit**

The free saturated air is sucked from atmosphere through a highly efficient dry-type suction filter into the first stage of the horizontally balanced opposed, lubricated reciprocating air compressor. Compressed air is chilled to 12°C in a chilling unit or evaporation cooler, compressed air passes through the coils of the chilling unit at a temperature of 12°C to a moisture separator, where the condensed moisture gets removed before entering into Molecular Sieve Battery. Before sending the air to MOLECULAR SIEVE BATTERY, air is passed through an OIL ABSORBER where air becomes oil free.

#### **Purification of Air (Process Skid)**

Chilled air passes through the Molecular Sieve Battery consisting of Twin Tower packed with molecular sieves to remove moisture and carbon dioxide present in the air. Molecular Sieve Battery operates on Twin Tower System, when one tower is under production the other tower is regenerated by passing waste nitrogen gas at 200°C through a REACTIVATION HEATER. After interval of 8 to 10 hours, the tower under production gets exhausted and regenerated by similar process before use and, thus the cycle continues. Any dust particle gets filtered in the DUST FILTER before air enters the AIR SEPARATION COLUMN all the equipments are mounted on process skid.

#### **Air Separation**

Chilled, Oil-free and moisture-free air enters into multi-pass HEAT EXCHANGER No. 1 where it gets cooled to (-80) deg C by cold gained from outgoing waste nitrogen and oxygen.

A part of air, this enters a multi-pass HEAT EXCHANGER NO. II or LIQUEFIER made of special alloy tubes. This air cools to (-170) deg C before passing through an expansion valve. Due to Joule Thompson Effect, after the expansion valve, air gets further cooled down and gets liquefied before entering into Bottom Column.

## EXECUTIVE SUMMARY

### 1) BACKGROUND

The promoters of this project have set up a Gas manufacturing plant in Nairobi, Kenya and have already received support from the Kenyan Government.. Currently they are manufacturing both industrial and medical gases and are desirous to expand in to the Tanzanian market by setting up a Gas manufacturing plant in Dar es Salaam to manufacture industrial and medical gases.

### 2) PROJECT CONCEPT AND RATIONALE

The project idea stems from existence of unfulfilled demand for industrial and medical gases in Dar es Salaam and Tanzania as a whole and the ever-increasing demand for complete one stop solution for medical gases in Tanzanian Hospitals.

The project will involve:

- a) Purchase of machinery for production of Industrial oxygen, medical oxygen, nitrogen and dissolved acetylene.
- b) Purchase of Gas Cylinders for distribution of the Gas products above.

The Investors shall invest US\$ 2m/- in the construction of the Gas Plant, purchase of plant, machinery & equipment , motor vehicles and etc.

Industrial gas e.g. Industrial oxygen, Argon will be manufactured for steel making companies, vehicle assembly units, light industries among other industries in Tanzania..

The Medical gas including piping installations will be manufactured and distributed to hospitals in the whole of Tanzania making medical gas e.g. Medical oxygen accessible to those who need it.

Industrialization and the Manufacturing sector in Tanzania is one of the key focuses of the Tanzanian Government and sources of raw materials such as gas will be a major contributing factor in the achievement of industrialization.

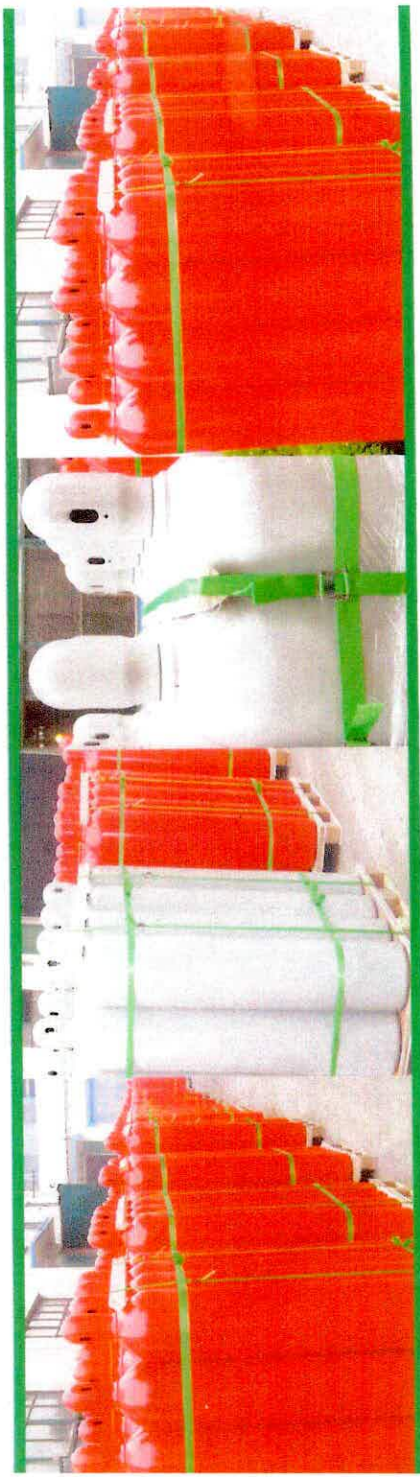
The Gas products will be supplied in the local market with future expansion to the entire Country. The gases will be manufactured through the Lindes process which involves a medium pressure cycle operation in brief the process is "COMPRESSION OF ATMOSPHERIC AIR, its liquification by mechanical expansion and fractional distillation."

Production will be enhanced by acquisition of a standby generator (315KVA), two(2) fifteen tonne trucks, two (2)tonne trucks for product distribution in Dar es Salaam, Arusha, Zanzibar, and Mwanza. This will make Crown Gases (T) Ltd a more reliable supplier. Administration of the project and staff welfare will be improved by acquisition of Two (6) administrative vehicles and one (1) staff bus.

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# CROWN GASES

## FEASIBILITY STUDY



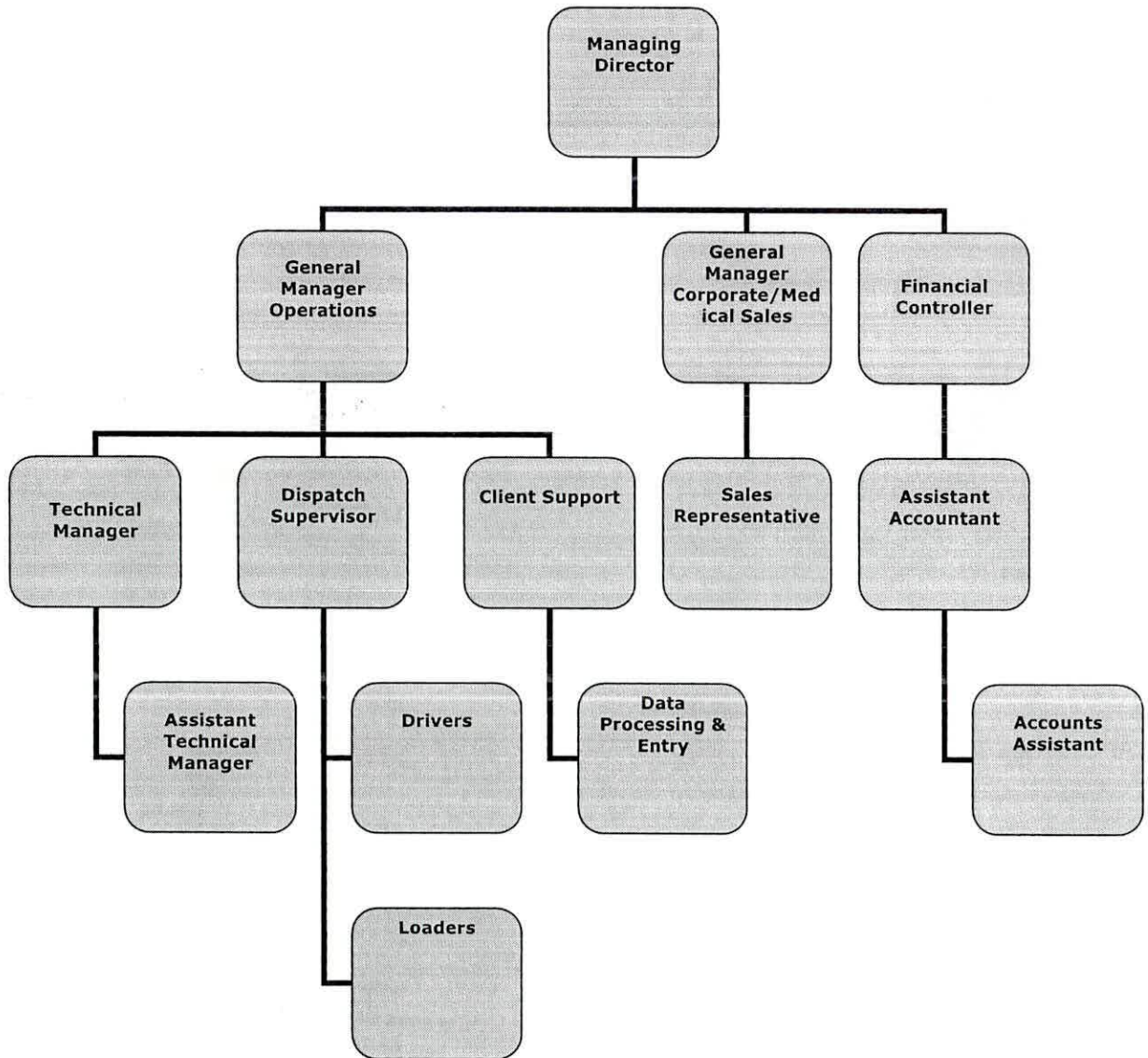
IMPLEMENTATION CHART												
2008/2009												
TASK TO BE CARRIED	J	J	J	J	J	J	J	J	A	A	A	S
	1	2	3	4								
Acquire Site	■											
Preparation of Bill Quantities	■											
TIC Application & Approval	■	■										
Shipping of Plant	■	■	■									
Tender for Construction	■											
Tender Evaluation		■										
Award Tender for Construction		■										
Construction for Gas Plant			■	■	■							
Construction of Warehouse			■	■	■							
Construction of Office Block			■	■	■							
Installation of Plant				■	■	■						
Commissioning & Testing of Plant					■	■						
Certification of Products										■		
Sales												■
O2 Cylinders 50 Litres			■	■	■							
DA Cylinders			■	■	■							

**SALARIES & WAGES**

Office/Dept.	Job Title	No.	Monthly Salary (TShs)	U\$D	Annual Salary U\$D
<b>Office of the Managing Director</b>	Managing Director	1	1,500,000	\$ 1,250	\$ 15,000
	Secretary	1	300,000	\$ 250	\$ 3,000
	Driver cum Messenger	1	150,000	\$ 125	\$ 1,500
	Legal Secretary	1	800,000	\$ 667	\$ 8,000
	Internal Auditor	1	800,000	\$ 667	\$ 8,000
<b>General Manager Operations</b>	Technical Manager	1	1,000,000	\$ 833	\$ 10,000
	GM Operations	1	1,200,000	\$ 1,000	\$ 12,000
	Dispatch Supervisor	1	700,000	\$ 583	\$ 7,000
	Client Support	1	600,000	\$ 500	\$ 6,000
	Assistant Tech Manager	1	750,000	\$ 625	\$ 7,500
	Drivers	4	600,000	\$ 500	\$ 6,000
	Loaders	12	1,200,000	\$ 1,000	\$ 12,000
	Data Entry	4	1,000,000	\$ 833	\$ 10,000
<b>General Manager Sales &amp; Marketing</b>	GM Marketing & Sales	1	1,200,000	\$ 1,000	\$ 12,000
	Sales Manager	1	700,000	\$ 583	\$ 7,000
	Sales Representatives	2	1,400,000	\$ 1,167	\$ 14,000
<b>Finance &amp; Administration</b>	Financial Controller	1	1,200,000	\$ 1,000	\$ 12,000
	Accountant	1	800,000	\$ 667	\$ 8,000
	Cashier cum Sales Clerk	2	300,000	\$ 250	\$ 3,000
	Administration Officer	1	500,000	\$ 417	\$ 5,000
	Personnel Clerk	1	250,000	\$ 208	\$ 2,500
	Driver	2	300,000	\$ 250	\$ 3,000
	Security Guard	4	100,000	\$ 83	\$ 1,000
<b>Total</b>		<b>103</b>		<b>\$ 14,458</b>	<b>\$ 173,500</b>

Eventually the salaries and wages will reach to the speculated amount from 3 year onwards.

ORGANIZATION CHART



**INTERNAL RATE OF RETURN**

				FIGURES IN US\$
YEAR	CASHFLOW	DISCOUNT	N P V	
		<b>10%</b>		
1	(36,346)	0.9091	(33,042)	
2	6,613	0.8264	5,465	
3	322,276	0.7513	242,131	
4	914,646	0.6830	624,716	
5	1,818,507	0.6209	1,129,150	
		TOTAL	1,968,419	

Average borrowing rate is 10%

Rate of Return based on Gross Asset Value or Investment of \$2,000,000      2,000,000

Average Cash Flow for a period of 5 years      1,968,419/5      393,684

$$\frac{\text{Net Cash Flow } 393,684 \times 100}{\text{Investment } 2,000,000} = 20 \%$$

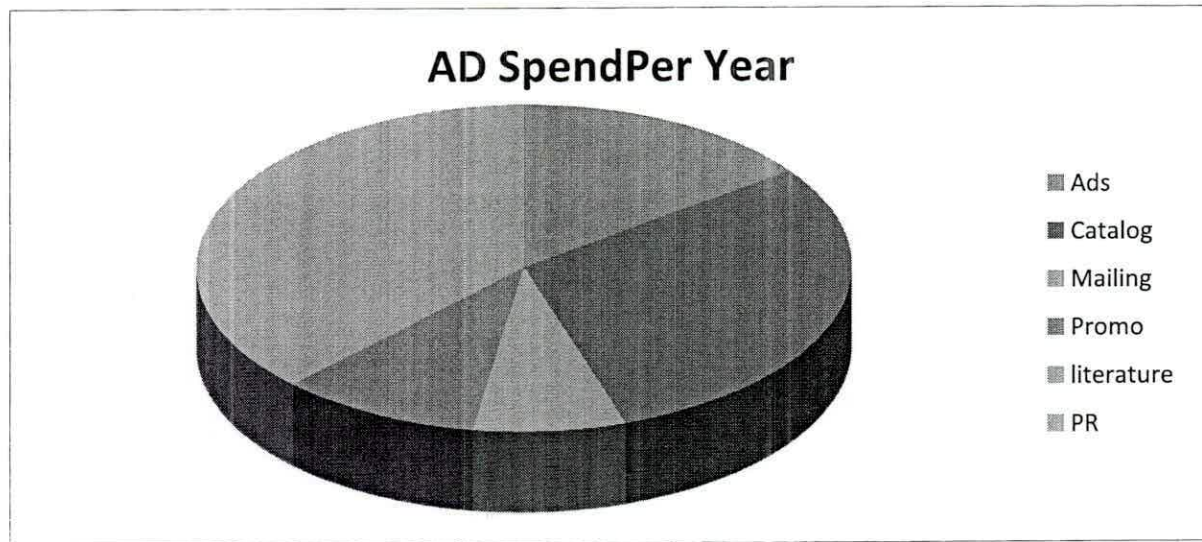
With the IRR of 20% the project is viable compared to the borrowing rate of 10%.

LOAN REPAYMENT SCHEDULE

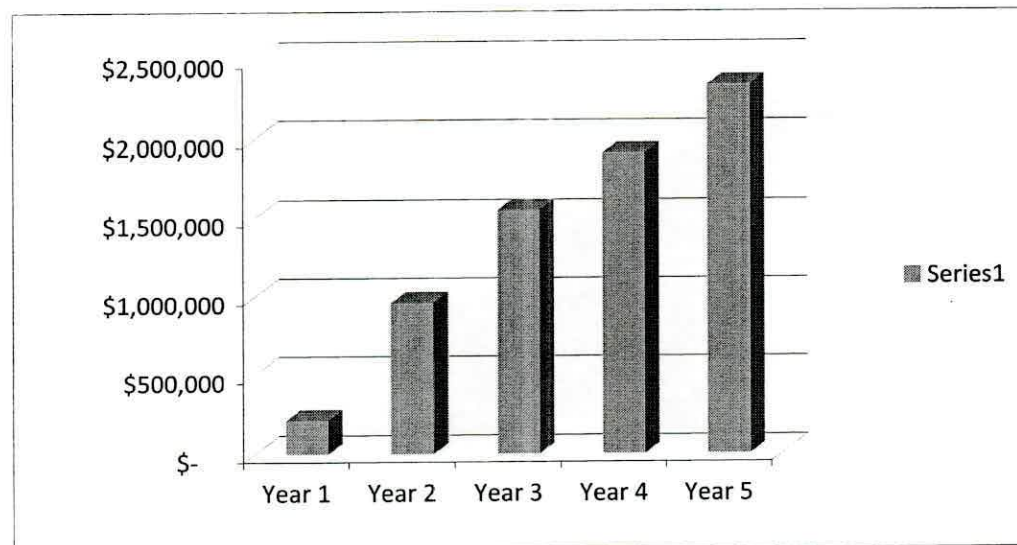
YEAR	MONTH	CAPITAL	CAPITAL	MONTHLY	OUTSTANDING	Local Interest	TOTAL	BANK	MONTHLY	OUTSTANDING	Local Interest	TOTAL
		TYPE	AMOUNT	REPAYMENT		10%		LOAN	REPAYMENT		15%	
2008	August	Shareholders Loan										
2008	September		1,275,411		1,275,411		-	109,042	3,029	106,013	1,325	4,354
2008	October			-	1,275,411		-		3,029	102,984	1,287	4,316
2008	November			-	1,275,411		-		3,029	99,955	1,249	4,278
2008	December			-	1,275,411		-		3,029	96,926	1,212	4,241
2009	January			-	1,275,411		-		3,029	93,897	1,174	4,203
2009	February			-	1,275,411		-		3,029	90,868	1,136	4,165
2009	March			-	1,275,411		-		3,029	87,839	1,098	4,127
2009	April			-	1,275,411		-		3,029	84,810	1,060	4,089
2009	May			-	1,275,411		-		3,029	81,781	1,022	4,051
2009	June			-	1,275,411		-		3,029	78,752	984	4,013
2009	July			-	1,275,411		-		3,029	75,723	947	3,975
2009	August			-	1,275,411		-		3,029	72,694	909	3,938
2009	September			-	1,275,411		-		3,029	69,666	871	3,900
2009	October			-	1,275,411		-		3,029	66,637	833	3,862
2009	November			-	1,275,411		-		3,029	63,608	795	3,824
2009	December			-	1,275,411		-		3,029	60,579	757	3,786
2010	January			26,571	1,248,840	10,407	36,978		3,029	57,550	719	3,748
2010	February			26,571	1,222,269	10,186	36,757		3,029	54,521	682	3,710
2010	March			26,571	1,195,698	9,964	36,535		3,029	51,492	644	3,673
2010	April			26,571	1,169,126	9,743	36,314		3,029	48,463	606	3,635
2010	May			26,571	1,142,555	9,521	36,092		3,029	45,434	568	3,597
2010	June			26,571	1,115,984	9,300	35,871		3,029	42,405	530	3,559
2010	July			26,571	1,089,413	9,078	35,649		3,029	39,376	492	3,521
2010	August			26,571	1,062,842	8,857	35,428		3,029	36,347	454	3,483
2010	September			26,571	1,036,271	8,636	35,207		3,029	33,318	416	3,445
2010	October			26,571	1,009,700	8,414	34,985		3,029	30,289	379	3,408
2010	November			26,571	983,129	8,193	34,764		3,029	27,260	341	3,370
2010	December			26,571	956,558	7,971	34,542		3,029	24,231	303	3,332
2011	January			26,571	929,987	7,750	34,321		3,029	21,203	265	3,294
2011	February			26,571	903,416	7,528	34,100		3,029	18,174	227	3,256
2011	March			26,571	876,845	7,307	33,878		3,029	15,145	189	3,218
2011	April			26,571	850,274	7,086	33,657		3,029	12,116	151	3,180
2011	May			26,571	823,703	6,864	33,435		3,029	9,087	114	3,143
2011	June			26,571	797,132	6,643	33,214		3,029	6,058	76	3,105
2011	July			26,571	770,561	6,421	32,992		3,029	3,029	38	3,067
2011	August			26,571	743,990	6,200	32,771		3,029	0	0	3,029
2011	September			26,571	717,419	5,978	32,550					
2011	October			26,571	690,847	5,757	32,328					
2011	November			26,571	664,276	5,536	32,107					
2011	December			26,571	637,705	5,314	31,885					
2012	January			26,571	611,134	5,093	31,664					
2012	February			26,571	584,563	4,871	31,442					
2012	March			26,571	557,992	4,650	31,221					
2012	April			26,571	531,421	4,429	31,000					
2012	May			26,571	504,850	4,207	30,778					
2012	June			26,571	478,279	3,986	30,557					
2012	July			26,571	451,708	3,764	30,335					
2012	August			26,571	425,137	3,543	30,114					
2012	September			26,571	398,566	3,321	29,892					
2012	October			26,571	371,995	3,100	29,671					
2012	November			26,571	345,424	2,879	29,450					
2012	December			26,571	318,853	2,657	29,228		3,029	3,029	38	3,067
<b>TOTAL</b>			<b>1,275,411</b>	<b>956,558</b>					<b>112,071</b>		<b>23,891</b>	<b>135,961</b>

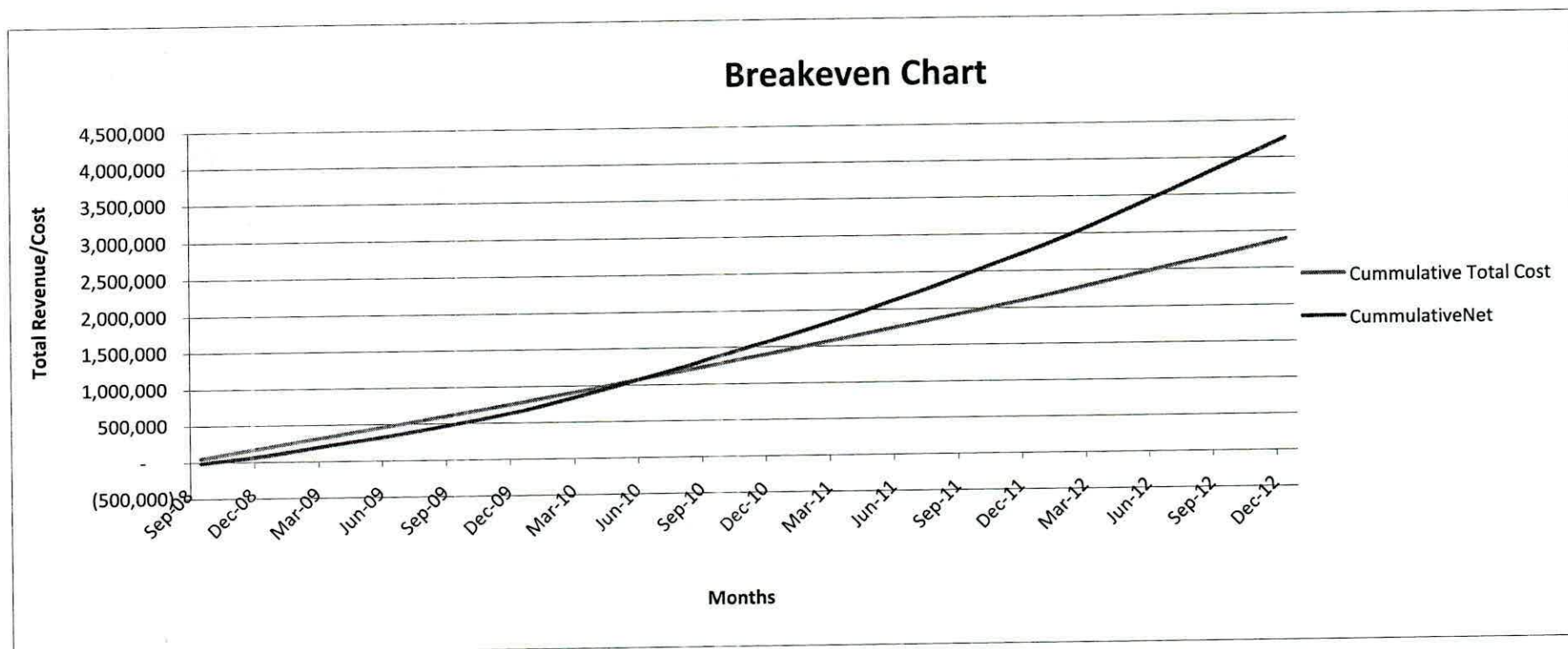
# MARKETING AND ADVERTISING SPENDING CHART

Type	AD SpendPer Year
Ads	\$ 3,000
Catalog	\$ 6,000
Mailing	\$ 1,500
Promo	\$ 2,000
literature	\$ 6,000
PR	\$ 1,500



<b>Year 1</b>	<b>\$ 212,667</b>
<b>Year 2</b>	<b>\$ 961,267</b>
<b>Year 3</b>	<b>\$ 1,550,525</b>
<b>Year 4</b>	<b>\$ 1,909,157</b>
<b>Year 5</b>	<b>\$ 2,336,557</b>





Cylinders 50 Litres 200 Bar	\$ 910,042				
Acetylene Cylinders 6.3	\$ 48,801				
Acetylene Cylinders 3.4	\$ 27,901				
<b>INFRASTRUCTURE</b>					
Factory & Office Administration	\$ 16,667				
Power Connection including TANESCO	\$ 25,000				
Lease Rental	\$ 21,000				
<b>OTHER FIXED ASSETS</b>					
Computers and Accessories	\$ 5,500				
Office Furniture / Fittings	\$ 10,000				
Generator 300 KVA	\$ 58,333				
Photocopiers and Printers	\$ 3,167				
<b>DISTRIBUTION HP PAYMENTS</b>					
Motor Vehicles Service/Support	\$ 15,556	\$ 46,667	\$ 7,778		
Motor Bikes Admin	\$ 704	\$ 2,111	\$ 352		
Lorry 2 Ton	\$ 11,111	\$ 33,333	\$ 5,556		
Lorry 15 Ton	\$ 55,556	\$ 166,667	\$ 27,778		
Forklift 3 Ton	\$ 7,407	\$ 22,222	\$ 3,704		
<b>Total Payments</b>	<b>\$ 1,709,411.35</b>	<b>\$ 1,091,335.42</b>	<b>\$ 1,513,956.08</b>	<b>\$ 1,660,435.51</b>	<b>\$ 1,853,275.49</b>
<b>Cashflow Surplus/Deficit (-)</b>	<b>\$ (11,531)</b>	<b>\$ 13,449.26</b>	<b>\$ 34,147.21</b>	<b>\$ 59,427.49</b>	<b>\$ 79,536.55</b>
<b>Opening Bank Balance</b>	<b>\$ (24,815)</b>	<b>\$ (6,835.71)</b>	<b>\$ 288,129.76</b>	<b>\$ 855,218.85</b>	<b>\$ 1,738,971.17</b>
<b>Closing Bank Balance</b>	<b>\$ (36,346)</b>	<b>\$ 6,613.56</b>	<b>\$ 322,276.98</b>	<b>\$ 914,646.34</b>	<b>\$ 1,818,507.72</b>

Journals & Periodicals	\$ 133	\$ 400	\$ 440	\$ 484	\$ 484
Printing & Stationery	\$ 1,333	\$ 4,000	\$ 4,400	\$ 4,840	\$ 4,840
Professional Fees	\$ 133	\$ 400	\$ 440	\$ 484	\$ 532
Telephone	\$ 2,667	\$ 8,000	\$ 8,800	\$ 9,680	\$ 10,648
Postage & Courier	\$ 667	\$ 2,000	\$ 2,200	\$ 2,420	\$ 2,662
<b>STAFF COSTS</b>					
Medical Expenses	\$ 467	\$ 1,400	\$ 1,540	\$ 1,694	\$ 1,863
Salaries & Wages	\$ 43,333	\$ 143,000	\$ 178,750	\$ 214,500	\$ 268,125
Staff Training	\$ 2,333	\$ 7,000	\$ 7,700	\$ 8,470	\$ 9,317
Staff Uniforms	\$ 733	\$ 2,200	\$ 2,420	\$ 2,662	\$ 2,928
Staff Welfare	\$ 333	\$ 1,000	\$ 1,100	\$ 1,210	\$ 1,331
<b>SELLING &amp; PROMOTION</b>					
Advertising & Marketing	\$ 6,667	\$ 20,000	\$ 22,000	\$ 24,200	\$ 26,620
Motor Vehicle Running Expenses	\$ 1,000	\$ 3,000	\$ 3,300	\$ 3,630	\$ 3,993
Entertainment	\$ 2,000	\$ 6,000	\$ 6,600	\$ 7,260	\$ 7,986
Travelling & Accommodation	\$ 3,333	\$ 10,000	\$ 11,000	\$ 12,100	\$ 13,310
<b>FINANCE COSTS</b>					
Bank Charges & ( Current Interest)	\$ 333	\$ 1,000	\$ 1,000	\$ 1,100	\$ 1,210
Loan Interest	\$ 5,073	\$ 11,586	\$ 6,134	\$ 1,060	\$ -
Loan Repayment	\$ 6,058	\$ 36,347	\$ 36,347	\$ 30,289	\$ -
Shareholders Loan Repayment		\$ -	\$ 318,853	\$ 318,853	\$ 318,853
<b>PLANT &amp; CYLINDER COST</b>					
Oxygen Plant 150 cum/hr	\$ 200,000				
Acetylene Plant 45 cum/hr	\$ 70,000				
Erection and Commissioning	\$ 7,917				

<b>Crown Gases T Limited Cash Flow Forecast</b>					
<b>Month</b>	<b>End of Year 1</b>	<b>End of Year 2</b>	<b>End of Year 3</b>	<b>End of Year 4</b>	<b>End of Year 5</b>
<b>RECEIPTS</b>					
Cash and Credit Sales	\$ 212,667	\$ 961,267	\$ 1,550,525	\$ 1,909,157	\$ 2,336,557
Output Vat	\$ 38,280	\$ 173,028	\$ 279,095	\$ 343,648	\$ 420,580
Loan From Aither Investments	\$ 1,275,411				
Share Capital	\$ 16,667				
Working Capital	\$ 21,000				
Loans from Bank	\$ 109,042				
<b>TOTAL RECEIPTS</b>	<b>\$ 1,673,066</b>	<b>\$ 1,134,295</b>	<b>\$ 1,829,620</b>	<b>\$ 2,252,805</b>	<b>\$ 2,757,137</b>
<b>PAYMENTS</b>					
Purchases-Material	\$ 87,333	\$ 383,013	\$ 607,895	\$ 730,038	\$ 855,488
Input Vat	\$ 15,720	\$ 68,942	\$ 109,421	\$ 131,407	\$ 153,988
<b>ESTABLISHMENT EXPENSES</b>					
Electricity/Light & Water	\$ 2,000	\$ 6,600	\$ 7,260	\$ 7,986	\$ 8,785
Insurance and Licences	\$ 11,699	\$ 40,247	\$ 62,320	\$ 68,552	\$ 75,407
Legal Fees	\$ 500	\$ 1,500	\$ 1,650	\$ 1,650	\$ 1,815
Repairs & Maintenance	\$ 3,333	\$ 10,000	\$ 11,000	\$ 12,100	\$ 13,310
Rent	\$ 14,000	\$ 42,000	\$ 44,450	\$ 50,820	\$ 55,902
Security	\$ 1,833	\$ 5,500	\$ 6,050	\$ 6,655	\$ 7,321
Tender Fees	\$ 67	\$ 200	\$ 220	\$ 242	\$ 266
<b>ADMINISTRATION EXPENSES</b>					
Accountancy, Audit & Secretarial	\$ 667	\$ 2,000	\$ 2,200	\$ 2,420	\$ 2,662
General Office Expense	\$ 1,000	\$ 3,000	\$ 3,300	\$ 3,630	\$ 3,630

**PROFIT & LOSS ACCOUNT**

14

Item Description	TOTAL YEAR 1	TOTAL YEAR 2	TOTAL YEAR 3	TOTAL YEAR 4	TOTAL YEAR 5
<b>OPERATING EXPENSES</b>					
<b>ESTABLISHMENT EXPENSES</b>					
Depreciation	\$ 83,835.91	\$ 251,507.73	\$ 251,507.73	\$ 251,507.73	\$ 251,507.73
Electricity/Light & Water	\$ 2,000.00	\$ 6,600.00	\$ 7,260.00	\$ 7,986.00	\$ 8,784.60
Insurance and Licences	\$ 11,699.35	\$ 42,121.72	\$ 62,319.63	\$ 68,551.60	\$ 75,406.76
Legal Fees	\$ 500.00	\$ 1,500.00	\$ 1,650.00	\$ 1,650.00	\$ 1,815.00
Repairs & Maintenance	\$ 3,333.33	\$ 10,000.00	\$ 11,000.00	\$ 12,100.00	\$ 13,310.00
Rent	\$ 14,000.00	\$ 42,000.00	\$ 44,450.00	\$ 50,820.00	\$ 55,902.00
Security	\$ 1,833.33	\$ 5,500.00	\$ 6,050.00	\$ 6,655.00	\$ 7,320.50
Tender Fees	\$ 66.67	\$ 200.00	\$ 220.00	\$ 242.00	\$ 266.20
<b>Total Establishment Expenses</b>	<b>\$ 117,268.59</b>	<b>\$ 359,429.45</b>	<b>\$ 384,457.37</b>	<b>\$ 399,512.33</b>	<b>\$ 414,312.79</b>
<b>ADMINISTRATION EXPENSES</b>					
Accountancy, Audit & Secretarial	\$ 666.67	\$ 2,000.00	\$ 2,200.00	\$ 2,420.00	\$ 2,662.00
General Office Expense	\$ 1,000.00	\$ 3,000.00	\$ 3,300.00	\$ 3,630.00	\$ 3,630.00
Journals & Periodicals	\$ 133.33	\$ 400.00	\$ 440.00	\$ 484.00	\$ 484.00
Printing & Stationery	\$ 1,333.33	\$ 4,000.00	\$ 4,400.00	\$ 4,840.00	\$ 4,840.00
Professional Fees	\$ 133.33	\$ 400.00	\$ 440.00	\$ 484.00	\$ 532.40
Telephone	\$ 2,666.67	\$ 8,000.00	\$ 8,800.00	\$ 9,680.00	\$ 10,648.00
Postage & Courier	\$ 666.67	\$ 2,000.00	\$ 2,200.00	\$ 2,420.00	\$ 2,662.00
<b>Total Administration Expenses</b>	<b>\$ 6,600.00</b>	<b>\$ 19,800.00</b>	<b>\$ 21,780.00</b>	<b>\$ 21,538.00</b>	<b>\$ 22,796.40</b>
<b>STAFF COSTS</b>					
Medical Expenses	\$ 466.67	\$ 1,400.00	\$ 1,540.00	\$ 1,694.00	\$ 1,863.40
Salaries & Wages	\$ 43,333.33	\$ 143,000.00	\$ 178,750.00	\$ 214,500.00	\$ 268,125.00
Staff Training	\$ 2,333.33	\$ 7,000.00	\$ 7,700.00	\$ 8,470.00	\$ 9,317.00
Staff Uniforms	\$ 733.33	\$ 2,200.00	\$ 2,420.00	\$ 2,662.00	\$ 2,928.20
Staff Welfare	\$ 333.33	\$ 1,000.00	\$ 1,100.00	\$ 1,210.00	\$ 1,331.00
			\$ -		
<b>Total Staff Costs Expenses</b>	<b>\$ 47,200.00</b>	<b>\$ 154,600.00</b>	<b>\$ 191,510.00</b>	<b>\$ 228,536.00</b>	<b>\$ 283,564.60</b>
<b>SELLING &amp; PROMOTION</b>					
Advertising & Marketing	\$ 6,666.67	\$ 20,000.00	\$ 22,000.00	\$ 24,200.00	\$ 26,620.00
Motor Vehicle Running Expenses	\$ 1,000.00	\$ 3,000.00	\$ 3,300.00	\$ 3,630.00	\$ 3,993.00
Entertainment	\$ 2,000.00	\$ 6,000.00	\$ 6,600.00	\$ 7,260.00	\$ 7,986.00
Travelling & Accomodation	\$ 3,333.33	\$ 10,000.00	\$ 11,000.00	\$ 12,100.00	\$ 13,310.00
<b>Total Selling &amp; Promotion Exp.</b>	<b>\$ 13,000.00</b>	<b>\$ 39,000.00</b>	<b>\$ 42,900.00</b>	<b>\$ 47,190.00</b>	<b>\$ 51,909.00</b>
<b>FINANCE COSTS</b>					
Bank Charges & ( Current Interest)	\$ 333	\$ 1,000	\$ 1,000	\$ 1,100	\$ 1,210
Loan Interest	\$ 5,073	\$ 11,586	\$ 6,134	\$ 1,060	\$ -
<b>Total Finance Expenses</b>	<b>\$ 5,407</b>	<b>\$ 12,586</b>	<b>\$ 7,134</b>	<b>\$ 2,160</b>	<b>\$ 1,210</b>
<b>TOTAL FIN&amp; OPERATING EXPENSES</b>	<b>\$ 188,808.72</b>	<b>\$ 585,415</b>	<b>\$ 647,781</b>	<b>\$ 698,936</b>	<b>\$ 773,793</b>

PROFIT & LOSS ACCOUNT

13

Item Description	TOTAL YEAR 1	TOTAL YEAR 2	TOTAL YEAR 3	TOTAL YEAR 4	TOTAL YEAR 5
Industrial O2 M3	45,000	233,000	398,000	538,000	758,000
O2 Cylinders	4,500	23,300	39,800	53,800	75,800
O2 Revenue	\$ 60,000	\$ 310,667	\$ 530,666.67	\$ 717,333.33	\$ 1,010,666.67
O2 COST	\$ 12,000	\$ 62,133	\$ 106,133.33	\$ 143,466.67	\$ 202,133.33
<b>GROSS PROFIT</b>	<b>\$ 48,000</b>	<b>\$ 248,533</b>	<b>\$ 424,533.33</b>	<b>\$ 573,866.67</b>	<b>\$ 808,533.33</b>
DA Cubic Metres	4,000	24,000	51,297	53,953	53,953
DA Cylinders	1,176	7,059	8,410	8,564	8,564
DA Revenue	\$ 33,333	\$ 200,000	\$ 427,475.00	\$ 449,610.00	\$ 449,610.00
DA COST	\$ 15,333	\$ 92,000	\$ 196,638.50	\$ 206,820.60	\$ 206,820.60
<b>GROSS PROFIT</b>	<b>\$ 18,000</b>	<b>\$ 108,000</b>	<b>\$ 230,836.50</b>	<b>\$ 242,789.40</b>	<b>\$ 242,789.40</b>
ARGON Cubic Metres	4,000	14,400	18,000	22,400	24,660
Argon Cylinders	400	1,440	1,800	2,240	2,466
Argon Revenue	\$ 60,000	\$ 216,000	\$ 270,000	\$ 336,000	\$ 369,900
ARGON COST	\$ 30,000	\$ 108,000	\$ 135,000	\$ 168,000	\$ 184,950
<b>GROSS PROFIT</b>	<b>\$ 30,000</b>	<b>\$ 108,000</b>	<b>\$ 135,000</b>	<b>\$ 168,000</b>	<b>\$ 184,950</b>
Crownshield M3	3,200	12,000	\$ 12,000	\$ 12,000	\$ 13,200
Crownshield Cylinders	320	1,200	\$ 1,200	\$ 1,200	\$ 1,320
Crownshield Revenue	\$ 16,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 66,000
Crownshield Cost	\$ 15,200	\$ 57,000	\$ 57,000	\$ 57,000	\$ 62,700
<b>GROSS PROFIT</b>	<b>\$ 800.00</b>	<b>\$ 3,000</b>	<b>\$ 3,000</b>	<b>\$ 3,000</b>	<b>\$ 3,300</b>
Nitrogen Cubic Metres	2,000	8,400	\$ 8,400	\$ 8,400	\$ 10,800
Nitrogen Cylinders	200	840	\$ 840	\$ 840	\$ 1,080
Nitrogen Revenue	\$ 4,000	\$ 16,800	\$ 16,800	\$ 16,800	\$ 21,600
NITROGEN COST	\$ 533	\$ 2,240	\$ 2,240	\$ 2,240	\$ 2,880
<b>GROSS PROFIT</b>	<b>\$ 3,467</b>	<b>\$ 14,560</b>	<b>\$ 14,560</b>	<b>\$ 14,560</b>	<b>\$ 18,720</b>
Medical Oxygen M3	8,000	\$ 26,400	\$ 21,750	\$ 24,290	\$ 28,140
Medical O2 Cylinders	800	\$ 2,640	\$ 3,000	\$ 3,470	\$ 4,020
Medical O2 Revenue	\$ 16,000	\$ 52,800.00	\$ 43,500	\$ 48,580	\$ 56,280
MEDICAL O2 COST	\$ 2,133	\$ 7,040.00	\$ 5,800	\$ 6,477	\$ 7,504
<b>GROSS PROFIT</b>	<b>\$ 13,867</b>	<b>\$ 45,760.00</b>	<b>\$ 37,700</b>	<b>\$ 42,103</b>	<b>\$ 48,776</b>
Nitrous Oxide Cylinders	80	360	\$ 600	\$ 900	\$ 1,200
Nitrous Oxide	560	2,520	\$ 4,850	\$ 6,740	\$ 8,700
Nitrous Oxide Revenue	\$ 23,333	\$ 105,000.00	\$ 202,083	\$ 280,833	\$ 362,500
Nitrous Oxide Cost	\$ 12,133	\$ 54,600.00	\$ 105,083	\$ 146,033	\$ 188,500
<b>GROSS PROFIT</b>	<b>\$ 11,200</b>	<b>\$ 50,400.00</b>	<b>\$ 97,000</b>	<b>\$ 134,800</b>	<b>\$ 174,000</b>
<b>TURNOVER (TOTAL REVENUE)</b>	<b>\$ 212,667</b>	<b>\$ 961,267</b>	<b>\$ 1,550,525</b>	<b>\$ 1,909,157</b>	<b>\$ 2,336,557</b>
<b>GROSS PROFIT</b>	<b>\$ 125,333</b>	<b>\$ 578,253.33</b>	<b>\$ 942,630</b>	<b>\$ 1,179,119</b>	<b>\$ 1,481,069</b>
<b>OPERATING EXPENSES</b>	<b>\$ 183,402</b>	<b>\$ 570,996.12</b>	<b>\$ 640,647</b>	<b>\$ 696,776</b>	<b>\$ 772,583</b>
<b>FINANCE COST</b>	<b>\$ 5,407</b>	<b>\$ 12,585.68</b>	<b>\$ 7,134</b>	<b>\$ 2,160</b>	<b>\$ 1,210</b>
<b>NET PROFIT</b>	<b>\$ (63,475)</b>	<b>\$ (5,328)</b>	<b>\$ 294,848.87</b>	<b>\$ 480,182.27</b>	<b>\$ 707,275.94</b>

**BALANCE SHEET**

12

**FIGURES IN US\$**

	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
FIXED ASSETS	1,748,161	1,664,326	1,412,819	1,161,312	909,805
LESS DEPRECIATION	(83,835)	(251,507)	(251,507)	(251,507)	(251,507)
TOTAL FIXED ASSETS	1,664,326	1,412,819	1,161,312	909,805	658,298
NET CURRENT ASSETS	103,195	317,653	553,209	785,644	1,210,361
<b>TOTAL</b>	<b>1,767,521</b>	<b>1,730,472</b>	<b>1,714,521</b>	<b>1,695,449</b>	<b>1,868,659</b>
<b>REPRESENTED BY;</b>					
EQUITY	427,500	427,500	427,500	427,500	427,500
LONG TERM LOAN	1,384,453	1,351,134	1,128,789	773,590	451,708
PRETAX PROFIT	(63,475)	(5,328)	294,848	480,182	707,275
LESS TAXATION/ADJUSTED LOSS	(19,043)	(1,598)	88,454	144,055	212,183
NET PROFIT/LOSS	(44,433)	(3,730)	206,394	336,127	495,093
RESERVES	0	(44,433)	(48,162)	158,232	494,359
<b>TOTAL</b>	<b>1,767,521</b>	<b>1,730,472</b>	<b>1,714,521</b>	<b>1,695,449</b>	<b>1,868,659</b>

# CROWN GASES T LTD-PROJECT

11

	INVESTMENT SCHEDULE	QTY	TOTAL
<b>A</b>	<b>BRICK, MOTAR AND ELECTRICITY</b>		
1	Factory & Office Administration		\$ 16,667
2	Power Connection including TANESCO		\$ 25,000
3	Lease Rental		\$ 21,000
			\$ 62,667
<b>B</b>	<b>OFFICE EQUIPMENT FUNITURE AND FITTINGS</b>		
1	Computers and Accessories	2	\$ 5,500
2	Office Furniture / Fittings	2	\$ 10,000
3	Generator 300 KVA	1	\$ 58,333
4	Photocopiers and Printers	1	\$ 3,167
			\$ 77,000
<b>C</b>	<b>Plant &amp; Machinery Cost</b>		
1	Oxygen Plant 150 cum/hr	1	\$ 200,000
2	Acetylene Plant 45 cum/hr	1	\$ 70,000
3	Erection and Commissioning	1	\$ 7,917
4	Cyliders 50 Litres 200 Bar	7,000	\$ 910,042
5	Acetylene Cylinders 6.3	400	\$ 48,801
6	Acetylene Cylinders 3.4	300	\$ 27,901
			\$ 1,264,661
<b>D</b>	<b>FINANCE COSTS</b>		
1	Bank Commitment Fee		\$ 1,125
			\$ 1,125
<b>E</b>	<b>Motor Vehicles</b>		
1	Motor Vehicles Service/Support	2	\$ 70,000
2	Motor Bikes Admin	2	\$ 3,167
3	Lorry 2 Ton	2	\$ 50,000
4	Lorry 15 Ton	2	\$ 250,000
5	Forklift 3 Ton	1	\$ 33,333
			\$ 406,500
1	Pre operational expenses		\$ 50,000
2	Working Capital		\$ 138,048
3			\$ 188,048
			<b>2,000,000</b>

**7.1 Profit & Loss Account.**

The projected Profit & Loss account shown in Page 13/14 reveals a negative trend in the first two years but then reverses the situation by entering into profitability in the third and onwards with a pretax profit of US\$ 294,848/- progressively rising to US\$ 707,275/- in the fifth financial year.

**7.2 Balance Sheet**

Page 12 summaries the projected Balance Sheet showing that the Net Current Assets are positive throughout the period of 5 years which is seen to grow steadily from US\$ 103,195/- in the first year of operations to US\$ 1,210,361/- in the fifth year of operations.

**7.3 Internal Rate of Return (IRR)**

Page 22 puts the Internal Rate of Return (IRR) at 20% and this strongly confirms the project's economic viability compared to Bank's lending rate at 10% per annum.

**CONCLUSION AND RECOMMENDATIONS.****Conclusion**

A careful analysis of the project shows that the project;  
Contributes effectively to the development of the country by providing additional Gas Company  
Is profitable, financially sound, economically viable and socially attractive.  
Will generate revenue in the form of taxation to the Government.  
Will offer employment to Tanzanians.

**Recommendations.**

The advantages of the project to both the promoters and the country are quite considerable, therefore it is highly recommended for implementation.

\*\*\*\*\*

**1) FOREIGN INVESTMENT:**

A total of USD 2m/- will be invested in the project over a period of between 1 to 3 years which will lead to increased earnings in terms of taxes for the exchequer.

**2) EMPLOYMENT CREATION:**

This operation shall create employment for **over 103 Employees**. Including Plant managers, engineers, technicians, plant operators, Sales and marketing representatives, administration team, drivers, support staff for Crown Gases T Ltd and its distributors/dealers based in the whole of Tanzania. Details of manpower can be seen on Page 30.

**3) QUALITY INDUSTRIAL AND MEDICAL GAS SUPPLIES:**

The project will provide to the consumers a quality gas manufactured in accordance to international quality standards.

Consumers of Gas will be able to enjoy personalized and timely service thus spend their time on their core functions leading to growth of their enterprises.

Industries will be able

**4) EXPORT PROMOTION:**

In future Crown Gases (T) Limited will be exporting approximately 20% of its production to the Neighbouring countries leading to increase in foreign exchange earnings for the exchequer.

This is expected to grow further as new markets emerge creating further earnings and employment opportunities.

**5) ENVIRONMENT:**

Crown Gases (T) Limited will use new and efficient technologies which will be environmental friendly thus complying with environment rules and regulations. The technology will prevent air pollution, proper containment and disposal of solid waste, conserve the use of water and electricity and ensure provision of safe working conditions for the employees.

**6) IMPROVED EARNINGS/INCOME:**

The use of new and efficient technologies will have the further benefit of enabling the company capture new markets therefore increase earnings and widely shared benefits to shareholders, employees and the larger community which in turn will lead to increase/improvement in incomes.

**SALES PROJECTIONS**

Projected sales figures for the next three years for both the domestic and export markets are as follows:

Year	Turnover –U\$D
Year 1 2008	U\$ 212,667
Year 2 2009	U\$ 961,267
Year 3 2010	U\$ 1,550,525
Year 4 2011	U\$ 1,909,157
Year 5 2012	U\$ 2,336,557

These are expected to grow/increase with the introduction of Carbon dioxide, welding equipment and the regional expansion of the company as can be seen from the yearly target chart on Page 19.

**Marketing Plan Strategy**

Crown Gases (T) Limited will focus on the delivery of gas and welding solutions to Customers by:

- 1) Emphasize Service and Support
- 2) Emphasize relationships.

**Distribution Channels**

Crown Gases (T) Limited will distribute the medical, Industrial gas and welding solutions direct from its premises in Dar es Salaam for customers within the area. Distributors will be appointed in towns such as Arusha to meet all customer needs.

**Communication**

One of the best places to reach the target market is through direct marketing of the various gas products. However newspapers can be used with pure price only messages and we'll have to make sure that our message is excellently stated.

Radio is potentially a good opportunity. Sponsoring a technology discussion/call-in talk show is a possibility.

The Advert spending chart can be seen on Page 20.

**7) IMPLEMENTATION PLAN**

The implementation activities Chart for the project is appearing on Page 25.

**8) ECONOMIC AND SOCIAL IMPACT ANALYSIS OF THE PROJECT:**

The economic benefits for this Gas manufacturing project will include contribution to Government revenue, generation of employment opportunities, and manpower development and have the following benefits/Impact:

**Industrial Gases:**

The Target market for industrial gas will comprise of steel industries, Fabricators, food processing industries and road construction companies in Dar es Salaam, Zanzibar and Bagamoyo. New markets will include Arusha, exports to Namanga in Kenya, and Zambia.

**Medical Gases:**

The target market for medical gas will be hospitals local health centers, dispensaries and clinics that require medical oxygen, nitrous oxide and medical air.

**MARKET POTENTIAL - DEMAND**

Industrial Gases are used in various industries e.g. steel industries, Fabricators; food processing industries and road construction companies, Therefore, market potential is high. New markets that will get the product in the new future include Arusha and exports to Namanga and Zambia. Medical Gases are used in all major hospitals, clinics and dispensaries across the country.

**SUPPLY AND COMPETITION**

There are two main competitors in the Gas manufacturing business namely BOC Gases Tanzania and Tanzania Oxygen Limited. The main competitive factor is the service and delivery of gas to customers.

Crown Gases (T) Limited will closely monitor both existing and emerging competition and devise strategies to protect and win more market share by adhering to its moto of CROWN EASE GAS

In the future about 10 per cent of company revenue will be spent on marketing and promotion issues.

**PRICES**

Crown Gases (T) Limited will sell its products at the following prices per cubic meter before VAT

- |                        |                           |
|------------------------|---------------------------|
| 1) Industrial Oxygen   | U\$D 1.33 per cubic meter |
| 2) Medical Oxygen      | U\$D 2. per cubic meter   |
| 3) Dissolved Acetylene | U\$D 8.3 per cubic meter  |
| 4) Argon               | U\$D 15 per cubic meter   |
| 5) Nitrogen            | U\$D 2 per cubic meter    |
| 6) Nitrous Oxide       | U\$D 42 per cubic meter   |
| 7) Argon CO2 Mixture   | U\$D 5 per cubic meter.   |

**9) Discipline**

We create an operating discipline of continuous improvement that is an integral part of our culture.

**10) Corporate Responsibility**

We are responsible and dutiful citizens willing to play a role in the communities around us.

**ORGANISATION STRUCTURE:**

The salary structure of the personnel is appearing on page 24 and the Organization chart is appearing on page 23.

**4) INVESTMENT AND FINANCING:****INVESTMENT**

Total investment amounts to US\$ 2m/- and the investments schedule is appearing on page 11.

**FINANCING**

Sources of financing will be both local and foreign through equity and loan financing which is appearing in the Balance Sheet on Page 12.

**ASSUMPTIONS**

The major assumptions in the financial projections are as follows:

Income	<ul style="list-style-type: none"> <li>• The plant will operate for 300 days a year.</li> <li>• Due to learning, capacity utilization will start at 40%.</li> </ul>
Operating Costs	Current cost structure will be maintained amid more strict cost controls, save for the need to motivate staff.
Interest Rate	10% (because the loan will be in TZShs)
Other Costs	Lump sum figures based on current rates.

**5) MARKET PLAN AND COMPETITION:****TARGET MARKET**

Crown Gases T Limited will be marketing two categories of products after implementation of the project which is the subject of this Business Plan, namely Industrial Gases and Medical Gases.

### 3) ORGANIZATION AND HUMAN RESOURCES:

#### Mission

To partner with our customers and add value to their business by offering them integrated gas solutions and providing high quality innovative products and service.

To deliver gas solutions with a proactive approach and constantly improve on the same.

To ensure the highest level of customer satisfaction.

#### Vision

To be the lead provider of gas solutions to our customers within the region that we serve.

#### Personnel support

##### 1) How We Work

Our employees play a vital role in ensuring the success of our daily activities. We approach challenges positively and with an open mind.

##### 2) Integrity

We value all our personnel and our customers with dignity and respect.. We comply with all company policies and government laws/regulations.

##### 3) Excellence

We motivate all our personnel to improve our products, our demand and efficiency. We strive to always understand our customers businesses and help them achieve their goals.

##### 4) Fairness and Trust

We are dedicated to diversity, fair treatment, mutual respect and trust.

##### 5) Team Work

We foster an environment that encourages innovation, creativity and results through team work.

##### 6) Leadership

We practice leadership that teaches, inspires and promotes full participation and career development.

##### 7) Communication

We encourage open and effective communication and interaction that is proactive and not reactive.

##### 8) Accountability

We honor the commitments we make and take personal responsibility for all our activities and results.

EQUIPMENTS SCHEDULE		LEGEND	
S. No.	Description	CA	----- Air
1	SUCTION FILTER	CWS	----- Cooling Water Supply
2	STAGE AIR COMPRESSOR	CWR	----- Cooling Water Return
3	AFTER COOLER	O <sub>2</sub>	----- Oxygen
4	MOISTURE SEPARATOR	N <sub>2</sub>	----- Nitrogen
5	CHILLING UNIT	PL	----- Poor Liquid
6	REFRIGERATION UNIT	RL	----- Rich Liquid
7	OIL ADSORBER	◆	----- Thermocouple
8a	MOLECULAR SIEVE BATTERY		
8b	MOLECULAR SIEVE BATTERY		
9	REACTIVATION HEATER		
10	DEFROST AIR HEATER		
11	DUST FILTER		
12	OUTER SHELL		
13	HEAT EXCHANGER NO. I		
14	EXPANSION ENGINE		
15	LIQUIFIER		
16	BOTTOM COLUMN		
17	CONDENSER		
18	TOP COLUMN		
19	SUB COOLER		
20	LIQUID OXYGEN PUMP		
21	FILLING MANIFOLD		

NOTES :-

- OXYGEN
- AIR
- DEFROST AIR
- NITROGEN
- RICH LIQUID
- POOR LIQUID
- ⊗ VALVE
- ⊠ EXPANSION VALVE
- ◆ TEMP INDICATOR

### LEGAL STATUS

Crown Gases T Limited was established in 2008 and registered under the Companies Ordinance (Cap 212) on 11<sup>th</sup> July 2008. It was issued with Certificate of Incorporation No. 66455.

### INVESTOR'S PROFILE:

Business is about People and the people behind Crown Gases (T) Limited are as follows:

#### Mr. Shilen Thakerar – B. Eng. (Hons)

Graduate from Coventry University UK in Business and Engineering. Handles the guidance of the Company to achieve its mission and vision, including:

Introducing new product lines

Negotiating agencies with foreign suppliers

Tendering and Project work

#### Bansri Thakerar – B.A. (Hons)

Graduate from Bolton University United Kingdom. Her key strengths include:

Guiding the financial activities of the company

Overseeing all accounts of the company.

Faizal Mawji-Has successfully set up Crown Healthcare (T) Ltd.

Heena Mawji-Has a wealth of experience gained from running the operations and administrative functions of Crown Healthcare (T) Ltd.

The team has already invested over US\$ 5M in the setting up of a successful Gas manufacturing plant in Nairobi Kenya.



The Gas Manufacturing plant and the Godowns will be situated on Plot No. 30 Saza Road Chagombe Dar es Salaam.

Crown Gases will initially produce the following gas products:

- 1) Industrial Oxygen
- 2) Medical Oxygen
- 3) Dissolved Acetylene
- 4) Nitrogen
- 5) Argon High Purity
- 6) Argon/CO<sub>2</sub> Mixture
- 7) Nitrous Oxide

### **Manufacturing Process**

#### **Air Compressor and Chilling Unit**

The free saturated air is sucked from atmosphere through a highly efficient dry-type suction filter into the first stage of the horizontally balanced opposed, lubricated reciprocating air compressor. Compressed air is chilled to 12°C in a chilling unit or evaporation cooler, compressed air passes through the coils of the chilling unit at a temperature of 12°C to a moisture separator, where the condensed moisture gets removed before entering into Molecular Sieve Battery. Before sending the air to MOLECULAR SIEVE BATTERY, air is passed through an OIL ABSORBER where air becomes oil free.

#### **Purification of Air (Process Skid)**

Chilled air passes through the Molecular Sieve Battery consisting of Twin Tower packed with molecular sieves to remove moisture and carbon dioxide present in the air. Molecular Sieve Battery operates on Twin Tower System, when one tower is under production the other tower is regenerated by passing waste nitrogen gas at 200°C through a REACTIVATION HEATER. After interval of 8 to 10 hours, the tower under production gets exhausted and regenerated by similar process before use and, thus the cycle continues. Any dust particle gets filtered in the DUST FILTER before air enters the AIR SEPARATION COLUMN all the equipments are mounted on process skid.

#### **Air Separation**

Chilled, Oil-free and moisture-free air enters into multi-pass HEAT EXCHANGER No. 1 where it gets cooled to (-80) deg C by cold gained from outgoing waste nitrogen and oxygen.

A part of air, this enters a multi-pass HEAT EXCHANGER NO. II or LIQUEFIER made of special alloy tubes. This air cools to (-170) deg C before passing through an expansion valve. Due to Joule Thompson Effect, after the expansion valve, air gets further cooled down and gets liquefied before entering into Bottom Column.

## EXECUTIVE SUMMARY

### 1) BACKGROUND

The promoters of this project have set up a Gas manufacturing plant in Nairobi, Kenya and have already received support from the Kenyan Government.. Currently they are manufacturing both industrial and medical gases and are desirous to expand in to the Tanzanian market by setting up a Gas manufacturing plant in Dar es Salaam to manufacture industrial and medical gases.

### 2) PROJECT CONCEPT AND RATIONALE

The project idea stems from existence of unfulfilled demand for industrial and medical gases in Dar es Salaam and Tanzania as a whole and the ever-increasing demand for complete one stop solution for medical gases in Tanzanian Hospitals.

The project will involve:

- a) Purchase of machinery for production of Industrial oxygen, medical oxygen, nitrogen and dissolved acetylene.
- b) Purchase of Gas Cylinders for distribution of the Gas products above.

The Investors shall invest US\$ 2m/- in the construction of the Gas Plant, purchase of plant, machinery & equipment , motor vehicles and etc.

Industrial gas e.g. Industrial oxygen, Argon will be manufactured for steel making companies, vehicle assembly units, light industries among other industries in Tanzania..

The Medical gas including piping installations will be manufactured and distributed to hospitals in the whole of Tanzania making medical gas e.g. Medical oxygen accessible to those who need it.

Industrialization and the Manufacturing sector in Tanzania is one of the key focuses of the Tanzanian Government and sources of raw materials such as gas will be a major contributing factor in the achievement of industrialization.

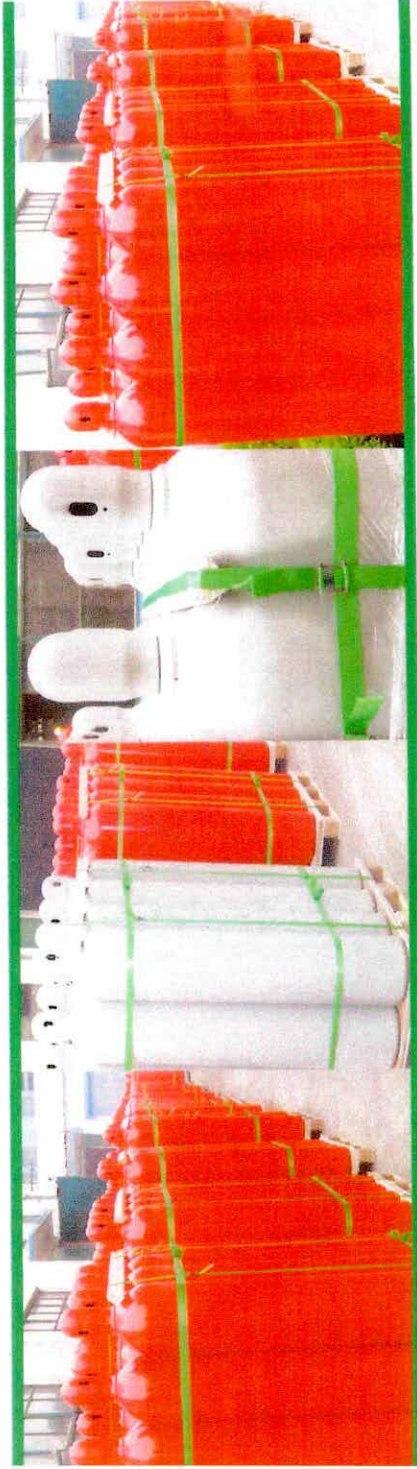
The Gas products will be supplied in the local market with future expansion to the entire Country. The gases will be manufactured through the Lindes process which involves a medium pressure cycle operation in brief the process is "COMPRESSION OF ATMOSPHERIC AIR, its liquification by mechanical expansion and fractional distillation."

Production will be enhanced by acquisition of a standby generator (315KVA), two(2) fifteen tonne trucks, two (2)tonne trucks for product distribution in Dar es Salaam, Arusha, Zanzibar, and Mwanza. This will make Crown Gases (T) Ltd a more reliable supplier. Administration of the project and staff welfare will be improved by acquisition of Two (6) administrative vehicles and one (1) staff bus.

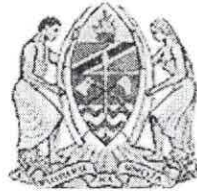
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# **CROWN** **GASES**

## **FEASIBILITY STUDY**



TANZANIA



## Certificate of Incorporation

Section 15

No **66455**

I HEREBY CERTIFY THAT

**CROWN GASES (T) LIMITED =====**

is this day incorporated under the Companies Act, 2002 and that the Company is Limited

Given under my hand at Dar es salaam

this **11TH** day of **JULY****TWO THOUSAND AND EIGHT**

A handwritten signature in cursive script, appearing to read 'Shams', written over a dotted line.

*Asst. Registrar of Companies*

This Certificate is issued in accordance with the provisions of Section 17 of the Tanzania Investment Act, 1997 and subject to the conditions prescribed under item 14 and 15 hereafter:—

1.	Shareholders	Nationality	Shareholding (%)
	Shilen Thakerar	British	45
	Bansri Thakerar	Kenyan	45
	Faizal Mawji	Kenyan	5
	Heena Mawji	Tanzanian	5
2.	Proposed Activities: To establish manufacturing facilities for industrial and medical gas		
3.	Sector: Manufacturing	Subsector: Gas	
4.	Investment cost:	Foreign USD 2.00m.	Local - Total USD 2.00m.
5.	Project Financing:	Equity USD 0.616m.	Loans USD 1.384m. Total USD 2.00m.
6.	Source, terms and conditions of loan:		
7.	Assets to be invested:		
	Capital items:	Foreign USD 2.00m.	Local - Total USD 2.00m.
8.	Technology Agreement: None		
9.	Date of TIC Registration: 18th November 2008		
10.	Implementation period: November 2008 - October 2011		
11.	Operative date: November 2011		
12.	Investment Incentive Grade: As defined in part III Section 19 (1), (2) and Section 20 of the Tanzania Investment Act, 1997		
	(i) Applicable Import Duty: And VAT as per Customs Tariff Act, 1976 & VAT Act, 1997		
	(ii) Applicable with-holding Tax: As per Income Tax Act, 2004 (as amended)		
	(iii) Eligibility of Capital Allowances: As per Income Tax Act, 2004 (as amended)		
13.	Protection of Investment, Arbitration and Transfer of Foreign Currency: as defined in part III Section 21, 22 and 23 of the Act.		
14.	Conditions attached to this Certificate of Incentives		
	(i) Date of Commencement of investment has to be notified to the Centre.		
	(ii) Certificate not to be transferred, assigned or amended		
	(iii) Failure to commence implementation within two years invalidates Certificate		
	(iv) Failure to operate investment must be notified to the Centre		
	(v) Changes in shareholding, project activities and level of invested capital must be notified to the centre		
15.	Additional conditions attached to Certificate		
	Finished goods are not allowed under this Certificate.		

Signed   
Executive Director



No. 00215269

THE UNITED REPUBLIC OF TANZANIA

# Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

No: 041604

## This is to certify that

CROWN GASES (T) LTD

of address P.O. BOX 2120

DAR ES SALAAM

has been granted a Certificate of Incentives to invest in a new, ~~rehabilitation or expansion~~ or equity of the enterprise known as

CROWN GASES (T) LTD

Which is located at PLOT NO. 30, SAZA ROAD, CHANG'OMBE

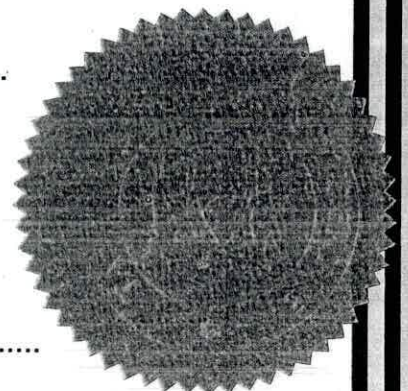
TEMEKE - DAR ES SALAAM

Further particulars required by Section 17 of the Tanzania Investment Act are set out overleaf.

Executive Director

Tanzania Investment Centre  
P.O. Box 938, Dar es Salaam

Dated 6TH JANUARY 2009





SEALED with the COMMON SEAL of the  
Said CAPITAL ENTERPRISES LTD.

And DELEVERED at Dar es salaam in our  
Presence this 1st Day of JUNE 2008

Name: MR. MUSTAFA M.  
DHANANI

Signature: *FOR* MH Chimanu

Address: P.O.BOX 6672  
DAR ES SALAAM

Designation: DIRECTOR

CONTACT PERSON:

MOHMEDTAKI K. DHANANI

PHONE NO 2114967/68 -2114999

FAX NO 211251

CELL NO: 0784 666786

EMAIL [78692110@raha.com](mailto:78692110@raha.com)

SEALED with the COMMON SEAL of  
Said CROWN GASES (T) LTD

and DELEVERED at Dar es salaam in our  
Presence this \_\_\_ Day of \_\_\_ 2008

NAME: FAIZAL MAWJI

Signature: *FM*

Address: P.O.BOX 71308  
DAR ES SALAAM

Designation: DIRECTOR

CONTRACT PERSON

FAIZAL MAWJI

PHONE NO: 2124790 / 1 / 2

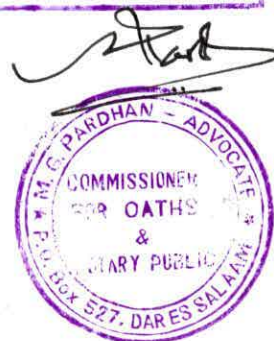
FAX 2124794

CELL NO: 0784 277 001

EMAIL [faizal@crownafrica.com](mailto:faizal@crownafrica.com)  
Website [www.crownkenya.com](http://www.crownkenya.com)



ICERTIFY THAT THIS  
IS A TRUE COPY OF THE  
ORIGINAL DOCUMENT *in 2 files*



- c. To permit the lessor and his agents at all reasonable times to enter and examine the state of repair of the premises, and in case of rent default right of entry is given to the lessor.
  - d. To abide by the regulations governing commercial properties, especially with regards to city regulations in respect of garbage and refuse, Cleanliness, Health, Fire appliance etc.
  - e. Not to make any alteration or addition to the demised premises without lessor's consent in writing. Minor repairs allowed at Lessee's expense.
  - f. Not to assign, underlet or part with the possession of the demised premises or any part thereof without the consent of the lessor.
  - g. Not to use or suffer the demised premises or any part thereof for any illegal or immoral purposes or for any hazardous material.
  - h. Not to operate any sound producing equipment beyond a level of annoyance to neighborly relations with other persons working in the same area.
  - i. To take care of security equipments and any damage to be forthwith repaired at lessee's expenses.
  - j. To yield up the demised premises in good condition at the expiration of the lease term hereby granted.
  - k. To take care of locks and security alarm equipment installed at the premises. Notwithstanding these the Lessor will not be responsible for any theft or fire into the premises. Lessor is advised to insure their goods or other contents in this respect.
  - l. Any temporary structure installation made by lessee in the leased premise is to be cleared at lessee's expenses if it is required by lessor
- 8 That the Lessee paying the reserved rents observing the stipulation herein on Their part contained shall peacefully enjoy the demised premises without any Interruption by the Lessor or any person claiming under or in trust for the Lessor.
- 9 Option to renew  
The Agreed rent is subject to increment **10%** every lease period, if market rent is above the current rate

- 10 Notice  
Either party may give **180** days Notice.

M. G. PARDHAN  
ADVOCATE

MH

THE UNITED REPUBLIC OF TANZANIA  
THE LAND ACT, 1999  
(NO: 4 OF 1999)  
CONTRACT OF LEASE  
(Under Section 64)

CT No. 186071/9  
LO No.: 22524  
L.D. No. 28488  
Plot No. 30  
Saza Road  
Chagom'be  
Dar es salaam

We, **Capital enterprises Ltd** of P. O. Box 6672 Dar es salaam (hereinafter called the Lessor) of one part hereby agree to lease part of the right of occupancy registered under the above reference to **CROWN GASES (T) LTD P.O. BOX 2120** Dar es salaam (hereinafter called the lesee) of the other part.

- 1 Description of the land to be demised.  
Godown No **5** Dar es salaam.
- 2 Duration/Type of Lease :  
**Three Year** from 1<sup>st</sup> June 2008 to 30<sup>th</sup> June 2011
- 3 Purpose of Lease  
Commercial only.
- 4 a) Rent  
**US\$ 3,000/=** per month payable **6 Months** in advance plus **VAT. (First Seven Month from 1<sup>ST</sup> June to 31<sup>st</sup> December 2008 and there after every Six month in advance)**  
  
b) Mode of payment  
Cash, cheque or Bank transfer (Through Habib African Bank Ltd. Main Branch Dar es salaam A/C NO for US \$ 0007307-0011 and for TSHS. 0007307-0001)
- 5 Date of execution of lease  
1<sup>st</sup> June 2008
- 6 Date of delivery of possession of the demised land to the lesee  
Ready for possession
- 7 Covenants to the lesee
  - a. To pay the rent reserved on the day and in the manner aforesaid.
  - b. To pay electricity and water bill on the demised premises each month regularly. Any additional facility required to be installed by Lesses's expenses

AK



**PRIME BANK LIMITED  
HEAD OFFICE**

Riverside Drive  
P.O. Box 43825 - 00100  
Nairobi, Kenya  
Tel: 4203000 / 4203116 / 4203148  
Fax: 4451247  
Swift Code: PRIKENX  
Email: headoffice@primebank.co.ke

OUR REF: PBL/HO-ADV/08/2247

15<sup>th</sup> December, 2008

The Executive Director,  
Tanzania Investment Authority (TIC),  
P. O. Box 938,  
Dar-es-Salaam,  
TANZANIA.

ICERTIFY THAT THIS  
IS A TRUE COPY OF THE  
ORIGINAL DOCUMENT



Dear Sir,

**Re: Crown Gases Limited**

M/S Crown Gases Limited, P. O. Box 9948 – 00100, Nairobi was incorporated in the month of August, 2006 and is an established Gas Manufacturing Company.

The company has been banking with our bank since October, 2006 and are enjoying various credit facilities aggregating to over US\$2,000,000/- (United States Dollars Two Million only). If need be, further credit facilities can be availed to M/s Crown Gases Limited as and when the need arises, subject to completion of all the Bank's formalities and meeting the necessary requirements as may be stipulated.

All their banking facilities including their bank accounts have been conducted to our satisfaction.

The directors of the company are Mr. Shilen Thakerar and Mrs. Bansri Thakerar who are persons of integrity and credit worthiness.

This information is given at the request of the customer and is communicated to you in **strict confidence**, without responsibility or guarantee, for your private use only and upon the express condition that neither this Bank nor any of its Officers shall be held responsible in any way.

Yours faithfully,

  
**HARKAMAL SINGH**  
SENIOR OFFICER – CREDIT



  
**ALKA SHAHI**  
MANAGER - CREDIT



Extract of the Resolution of the Meeting of Board of Directors of the Company  
Held on 21<sup>st</sup> November, 2008

“Resolved that Company be and is hereby authorized and empowered to provide equity Funding / Loan for its Gas project in Dar es salaam, Tanzania as registered with TIC to the extent of its investment amounting to US\$ 2,000,000/-

“ Further Resolved that the Company be and is hereby authorized and empowered to provide to Tanzania Investment Centre, a letter from Exim Bank (Tanzania) Limited Bank to confirm that the company does maintain a Bank account with them and to provide to the said centre all other pertinent documents as required by them in order to enable the TIC to issue the certificate of incentive to the company for the intended investment in our Gas project.

Certified True Copy



Chairman



Secretary

**I CERTIFY THAT THIS  
IS A TRUE COPY OF THE  
ORIGINAL DOCUMENT**



(A)

**CROWN GASES (T) LIMITED  
P. O. BOX 2120  
DAR ES SALAAM  
TANZANIA**

TEL: 2124790/1/2 0784 277001  
FAX: 2124794  
Email: faizal@crownafrica.com

19/12/2008

The Executive Director  
Tanzania Investment Center  
P. O. Box 938  
Dar es salaam



Dear Sir or Madam:

Re: Registration form No. 07237, Serial No. 5127

We thank you for your letter dated November 18, 2008 ref. TICC/PP.10/041604/2 and enclosed please find the following;

- 1 Board Resolution.
- 2 Letter from Prime Bank Limited, Kenya, issued to Crown Gases Limited of Kenya which is a subsidiary and investor of their project in Dar es salaam, Tanzania.
- 3 Copy of the Lease Agreement
- 4 Fee US\$ 750/-.

Therefore we shall be grateful if you could please approve our application at your earliest.

Thanking you.  
Yours truly,

*BA Jowo*

\_\_\_\_\_  
For and on behalf of  
Crown Gases (T) Limited.



# TIC Evaluation Report

Name of the Company  
**Crown Gases (T) Ltd.**

Post Box	Saza Road, Plot No. 30 Chang'ombe Area	COI Number	66455	Contact	Mr. Heena Mawji
Post Office	2120	COI Date	11/07/2008	Designation	Director
Region	Dar Es Salaam	Application F. No	07237	Phone	0
Country	Tanzania	Status	New	Direct Phone	0
		Sector	Manufacturing	Cell Phone	0784 277 001
		Sub Sector	Gas	Fax	022 212 4794
		File No	041604	E-Mail Address	faizal@crownafrica.com

Project Location		Investment Finance Plan in Millions USD			
Plot/Block	Plot No. 30 Chang'ombe Area	Foreign Equity	Local Equity	Foreign Loan	Local Loan
Street	Saza	0.616	0	1.384	0
District	Temeke				
Region	Dar es Salaam				

Shareholders Detail			Investment Breakdown (USD Million)	
Name	Nationality	(%)	Land/Building	0
Heena Mawji	Tanzanian	5	Plant	1.265
Faizal Mawji	Kenyan	5	Vehicles	0.406
Bansri Thakerar	Kenyan	45	Furniture & Fittings	0.077
Shilen Thakerar	British	45	Pre-expenses	0.05
			Others	0.063
			Working Capital	0.139
			Total	2

Employment	103	Evaluated By	Sospeter Ndelema Dome
Capacity	xxxx	Drawn By	Dorah Registry
Project Turn Over			

**Description**  
 To establish manufacturing facilities for Industrial and medical gas

**Recommendations**  
 Be approved subject to providing evidence as required by section 17 of Tanzania Investmnet Act, 1997

**Decision**

*Approved*  
*Exd 13/11*

TICC/PP.10/041604/2

18 November 2008

We wish you every success in the implementation of the project.

Yours sincerely,  
**Tanzania Investment Centre**



**B. D. Chonjo**

For: Executive Director

Copy to: Permanent Secretary,  
Ministry of Finance and Economic Affairs,  
P. O. Box 9111,  
**DAR ES SALAAM**

Permanent Secretary,  
Ministry of Industry, Trade and Marketing,  
P.O. Box 9503,  
**DAR ES SALAAM**

Commissioner General,  
Tanzania Revenue Authority,  
P. O. Box 11491,  
**DAR ES SALAAM**

TICC/PP.10/041604/2

18 November 2008

Managing Director,  
Crown Gases (T) Limited,  
P.O. Box 2120,  
**DAR ES SALAAM**

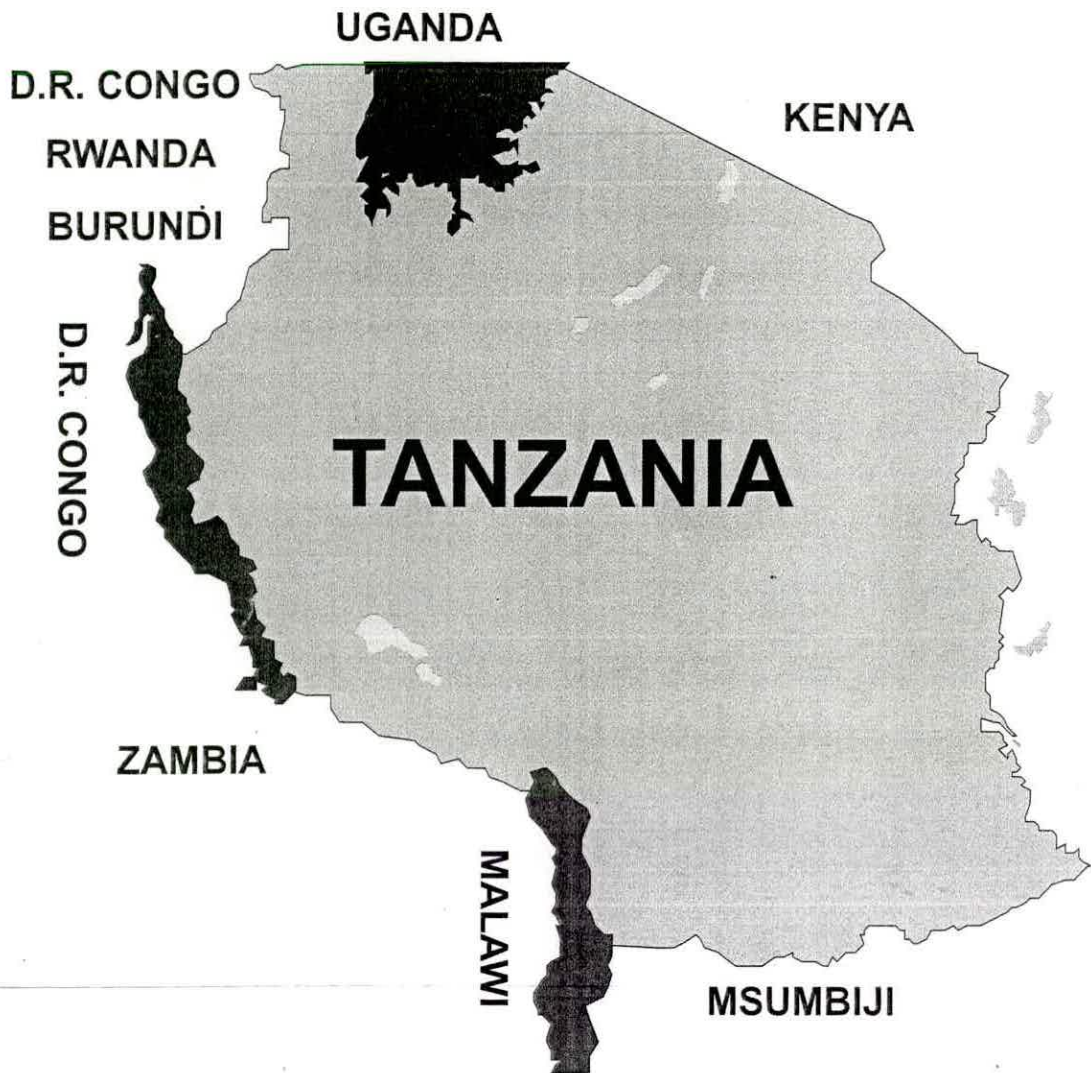
**RE: CERTIFICATE OF INCENTIVES FOR INVESTMENT IN THE ESTABLISHMENT OF MANUFACTURING FACILITIES FOR INDUSTRIAL AND MEDICAL GAS**

We wish to acknowledge receipt of your project proposal to establish manufacturing facilities for industrial and medical gas as presented in the TIC P.A. 1 Form No. 07237 and Feasibility Study with a projected investment of USD 2.00 m.

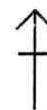
We have studied your project proposal and are pleased to inform you that your investment proposal is now officially registered and therefore your project will be granted a CERTIFICATE OF INCENTIVES, given under authority conferred upon TIC under Part III, Section 17 (1-8) of the Tanzania Investment Act, 1997. In order to enable TIC prepare your Certificate of Incentives, you will be required to submit the following:-

- ✓ Company Board Resolution accompanied by Bank Reference for equity funding or a letter from Bank/Financial Institution indicating that a loan is granted or is under consideration as required by Section 17 (3) (f) of Tanzania Investment Act, 1997.
- ✓ Certified document showing evidence of Land Ownership for the location of the project.

You will also be required to submit to the Centre a Progress Report on the implementation of the project after every six months for our information and review. Guidelines for the preparation of the report are contained in annexure 2 also attached to this letter. Please do not hesitate to contact the Centre for any clarification if the need arises. Please also note that a facilitation fee equivalent to US\$ 750.00 is payable at the ruling exchange rate before your Certificate of Incentives is prepared. Please arrange to make payments at your earliest convenience.



SKETCH MAP SHOWING PROJECT LOCATION



**Investment Breakdown** US\$/Tsh.M

Land/Building	.....
Plant	..... 1 2 6 4 6 6 1
Vehicles	..... 4 0 6 5 0 0 .
Furniture & Fittings	..... 7 7 0 0 0 .
Pre-expenses	..... 5 0 0 0 0 .
Others	..... 6 2 6 6 7
Working Capital	..... 1 3 9 1 7 2
<b>TOTAL</b>	..... 2 0 0 0 0 0 0 .

**Contact Details:**

Name: ..... HEENA MAWJI ..... Title: ..... DIRECTOR .....  
Telephone: ..... 0784-277001 ..... Fax: ..... 2124794 .....  
Email: ..... fq13al@crowngf-ica.com

**Payments to be made payable to:**

TANZANIA INVESTMENT CENTRE  
STANDARD CHARTERED BANK TANZANIA LTD.  
SWIFT ADDRESS: SCBLTZTX  
ACCOUNT NO.: 8702006002000

**APPLICATION SUMMARY**

Company Name: CROWN GASES (T) LIMITED

Certificate of Incorporation Number: 66455 Status: PRIVATE LIMITED

Certificate of Incorporation Date: 11-07-2008

Post Box: 2120

Town: DAR-ES-SALAAM

Sector: MANUFACTURING

Sub-Sector: MEDICAL (GAS)

**Investment Financing Plan in Million US\$/Tshs.**

Foreign Equity	Local Equity	Foreign Loan	Local Loan
<u>427499</u>	<u>-</u>	<u>1384453</u>	<u>-</u>

Project Objectives: TO MANUFACTURE INDUSTRIAL AND MEDICAL GAS

Capacity: .....

Employment: Foreign: 5 Local: 98 Total: 103

Implementation Period: 3 YEARS

**Project Location**

Site/Plot/Block No.: 30 SAZA ROAD CHANGOMBE

Street: SAZA ROAD District: TEMEKE Region: DAR-ES-SALAAM  
 (Attach sketch map showing project location)

Shareholders	Nationality	%
<u>SHILEN THAKERAR</u>	<u>BRITISH</u>	<u>45</u>
<u>BANPRI THAKERAR</u>	<u>KENYAN</u>	<u>45</u>
<u>FAIZAL MAWJI</u>	<u>KENYAN</u>	<u>5</u>
<u>HEENA MAWJI</u>	<u>TANZANIAN</u>	<u>5</u>

7. The intended capital investment of the Company in terms of Section 2(2) of the Act is Tshs./US\$ 2,000,000-00 (TWO MILLION DOLLARS)

8. The month and day of the financial year end is JUNE 30

Note: *failure to provide all the required information will result in the return of the application by the Centre.*

I/We enclose a cheque/cash made payable to the **Tanzania Investment Centre** for Tshs./US\$ 100-00 (RECEIPT NO 30322684 OF 21-07-2008) Being the Registration Fees. *In the event this application is unsuccessful we understand that this fee will not be refunded.*

I, HEENA FAIZAL MAWJI of Post Office Number 2120, DAR-ES-SALAM


..... do solemnly and sincerely declare that I am a director/~~and~~ authorized agent of CROWN GASES (T) LIMITED.

AND that all the requirements of the Tanzania Investment Act, 1997 in respect of matters precedent to the registration of the business enterprise under the Act and incidental thereto have been complied with, AND I make this solemn declaration conscientiously believing the same to be true.

Declared at Dar es Salaam }  
The 31<sup>ST</sup> day of OCTOBER 2008

Heena Mawji  
Applicant

Before me:

[Signature]  
Commissioner for Oaths  


UNITED REPUBLIC OF TANZANIA

THE TANZANIA INVESTMENT ACT

(No. 26 of 1997)

APPLICATION FOR REGISTRATION

(Made under Regulation 42)

To: The Executive Director  
Tanzania Investment Centre  
P. O. Box 938  
**DAR ES SALAAM**  
Tanzania

1. I/~~We~~ HEENA FAIZAL MAWJI  
.....  
(director/directors/agent of CROWN GASES (T) LIMITED)  
.....  
(name of business enterprise) apply for registration of CROWN GASES (T) LIMITED  
.....  
under Section 17 of the Act and Part IV of the Investment Regulations, 2002.
2. The registered office of the company will be situated at PLOT 30 SAZA  
ROAD CHANGOMBE DAR-ES-SALAAM  
.....

Copies of the following documents are attached to this application:

- (i) The Memorandum and Articles of Association/or partnership agreement
  - (ii) Certificate of Incorporation/Registration
  - (iii) A copy of the Project Profile or Feasibility Study showing the implementation period, programme of implementation and operative date
  - (iv) Evidence of financing and evidence of land ownership for the project
3. The Head Office of the Company will be situated at PLOT 30 SAZA ROAD, CHANGOMBE  
.....
4. The Principal Officers of the Company are HEENA FAIZAL MAWJI  
FAIZAL S. MAWJI  
.....  
.....
5. Auditors of the Company are ASSAD ASSOCIATES  
P. O. BOX 3204 DAR-ES-SALAAM  
.....
6. The authorized share capital of the Company is Tshs./~~US\$~~ 1 000 000 - 00  
.....  
.....



# TANZANIA INVESTMENT CENTRE

## REGISTRATION FORM

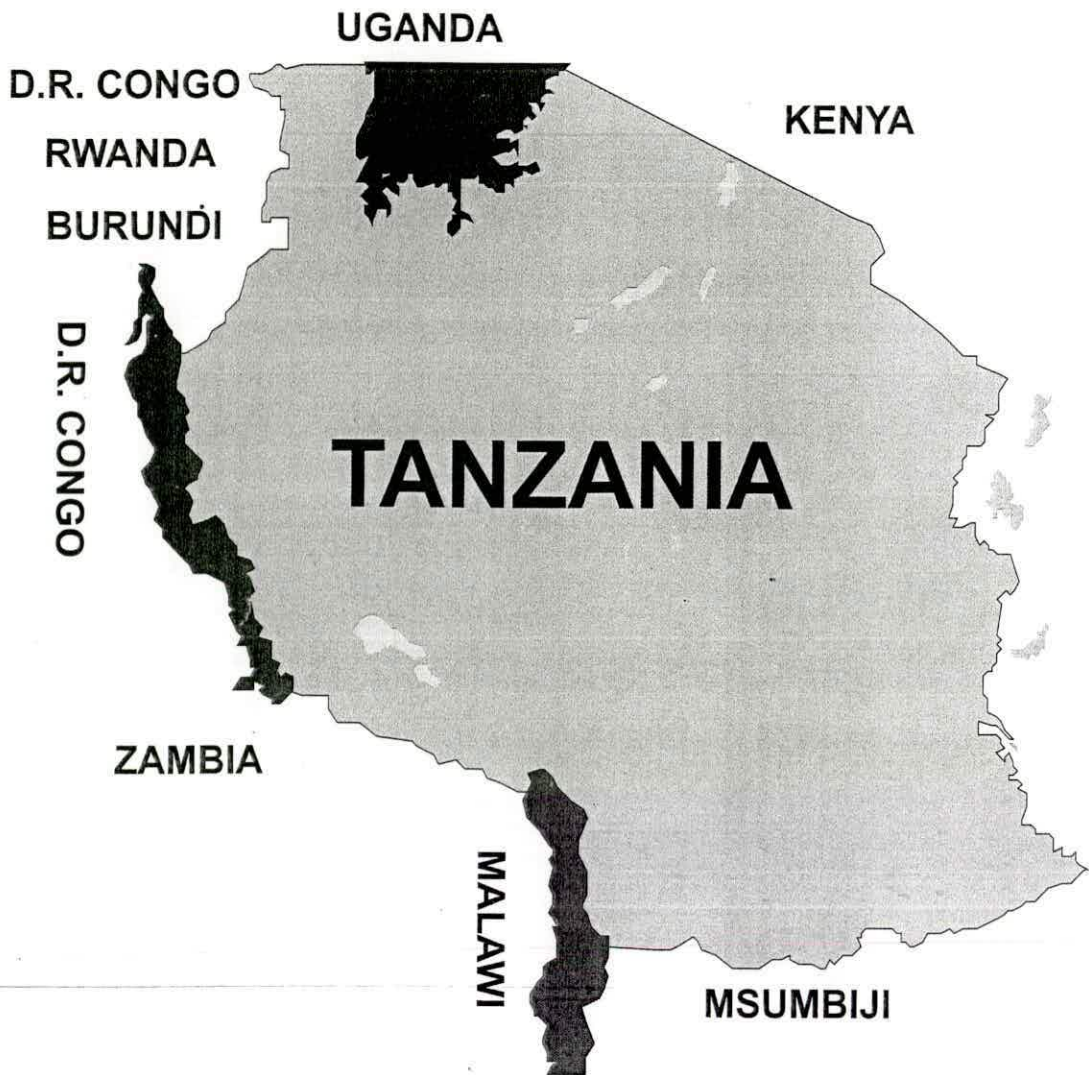
FOR

# CERTIFICATE OF INCENTIVES

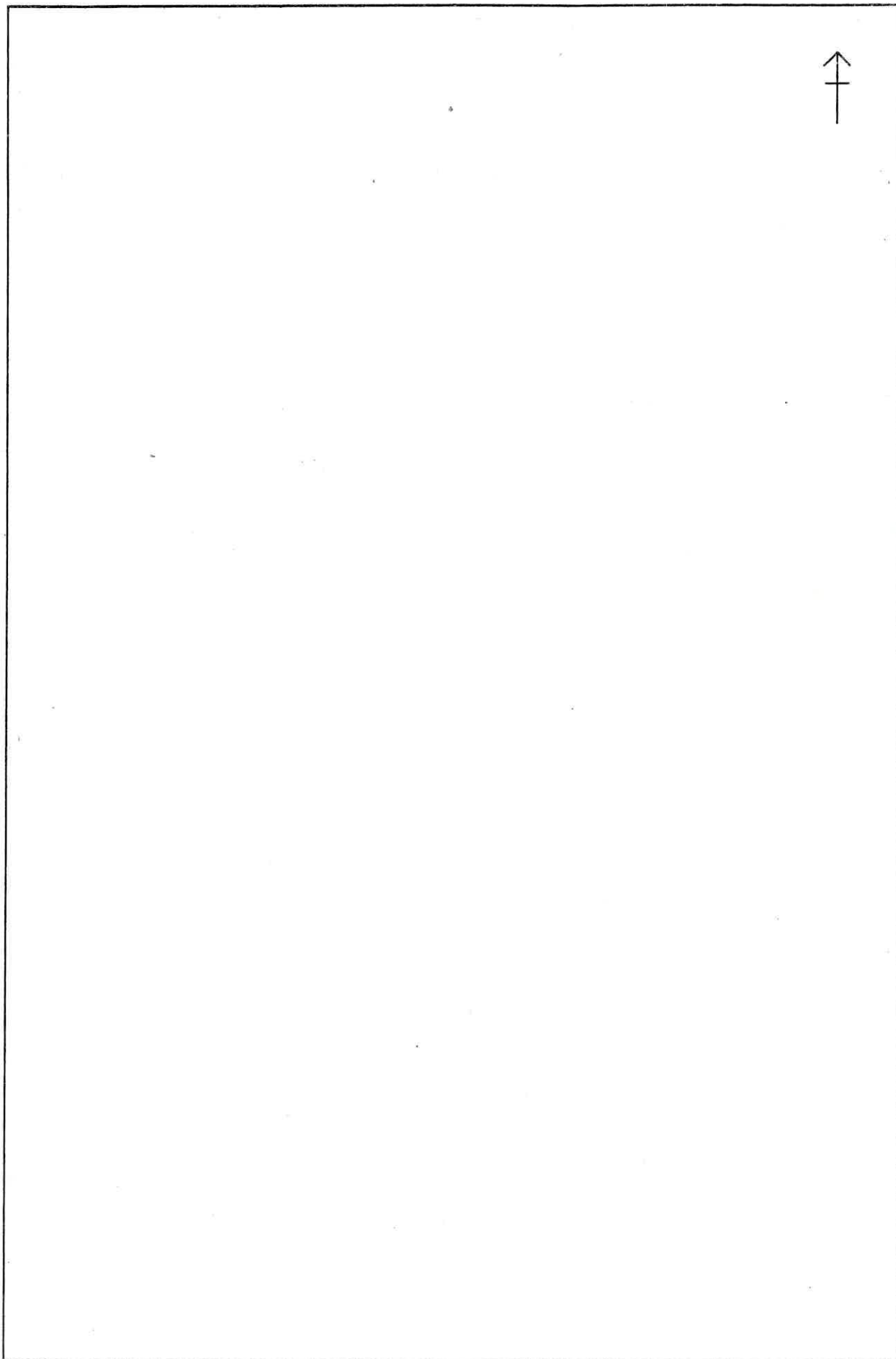
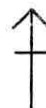
**(Tanzania Investment Act 1997, Section 17 and 18,  
and the Investment Regulations:  
Regulation 42, Government Notice No. 318A of 2002)**

**Tanzania Investment Centre**  
9A & B Shaaban Robert Street  
P. O. Box 938  
**DAR ES SALAAM**  
Tel. 022 2116328  
Fax. 022 2118253  
e-mail: [information@tic.co.tz](mailto:information@tic.co.tz)  
Website: [www.tic.co.tz](http://www.tic.co.tz)

**(Please fill the form in duplicate)**



SKETCH MAP SHOWING PROJECT LOCATION



**Investment Breakdown** ~~US\$~~ ~~Tsh.M~~

Land/Building	.....
Plant	1 2 6 4 6 6 1
Vehicles	4 0 6 5 0 0 .
Furniture & Fittings	7 7 0 0 0 .
Pre-expenses	5 0 0 0 0 .
Others	6 2 6 6 7
Working Capital	1 3 9 1 7 2
<b>TOTAL</b>	2 0 0 0 0 0 0 .

**Contact Details:**

Name: HEENA MAWJI Title: DIRECTOR  
Telephone: 0784-277001 Fax: 2124794  
Email: fq13al@crownafrica.com

**Payments to be made payable to:**

TANZANIA INVESTMENT CENTRE  
STANDARD CHARTERED BANK TANZANIA LTD.  
SWIFT ADDRESS: **SCBLTZTX**  
ACCOUNT NO.: **8702006002000**

**APPLICATION SUMMARY**

Company Name: CROWN GASES (T) LIMITED

Certificate of Incorporation Number: 66455 Status: PRIVATE LIMITED

Certificate of Incorporation Date: 11-07-2008

Post Box: 2120

Town: DAR-ES-SALAAM

Sector: MANUFACTURING

Sub-Sector: MEDICAL (GAS)

**Investment Financing Plan in Million US\$/Tsh.**

Foreign Equity	Local Equity	Foreign Loan	Local Loan
<u>427499</u>	<u>-</u>	<u>1384453</u>	<u>-</u>

Project Objectives: TO MANUFACTURE INDUSTRIAL AND MEDICAL GAS

Capacity: .....

Employment: Foreign: 5 Local: 98 Total: 103

Implementation Period: 3 YEARS

**Project Location**

Site/Plot/Block No.: 30 SAZA ROAD CHANGOMBE

Street: SAZA ROAD District: TEMEKE Region: DAR-ES-SALAAM  
 (Attach sketch map showing project location)

Shareholders	Nationality	%
<u>SHILEN THAKERAR</u>	<u>BRITISH</u>	<u>45</u>
<u>BANPRI THAKERAR</u>	<u>KENYAN</u>	<u>45</u>
<u>FAIZAL MAWJI</u>	<u>KENYAN</u>	<u>5</u>
<u>HEENA MAWJI</u>	<u>TANZANIAN</u>	<u>5</u>

7. The intended capital investment of the Company in terms of Section 2(2) of the Act is Tshs./US\$ 2,000,000-00 (TWO MILLION DOLLARS)
8. The month and day of the financial year end is JUNE 30,

Note: *failure to provide all the required information will result in the return of the application by the Centre.*

I/We enclose a cheque/cash made payable to the **Tanzania Investment Centre** for Tshs./US\$ 100-00 (RECEIPT NO 30322684 OF 21-07-2008) Being the Registration Fees. *In the event this application is unsuccessful we understand that this fee will not be refunded.*

I, HEENA FAIZAL MAWJI of Post Office Number 2120, DAR-ES-SALAM

do solemnly and sincerely declare that I am a director/~~duty~~  
~~authorized agent~~ of CROWN GASES (T) LIMITED.

AND that all the requirements of the Tanzania Investment Act, 1997 in respect of matters precedent to the registration of the business enterprise under the Act and incidental thereto have been complied with, AND I make this solemn declaration conscientiously believing the same to be true.

Declared at Dar es Salaam }  
 The 31<sup>ST</sup> day of OCTOBER 2008 }

Heena Mawji  
 Applicant

Before me:

[Signature]  
 Commissioner for Oaths



UNITED REPUBLIC OF TANZANIA

THE TANZANIA INVESTMENT ACT

(No. 26 of 1997)

APPLICATION FOR REGISTRATION

(Made under Regulation 42)

To: The Executive Director  
Tanzania Investment Centre  
P. O. Box 938  
DAR ES SALAAM  
Tanzania

1. I/We HEENA FAIZAL MAWJI  
(director/directors/agent of CROWN GASES (T) LIMITED)  
(name of business enterprise) apply for registration of CROWN GASES (T) LIMITED  
under Section 17 of the Act and Part IV of the Investment Regulations, 2002.
2. The registered office of the company will be situated at PLOT 30 SAZA ROAD CHANGOMBE DAR-ES-SALAAM

Copies of the following documents are attached to this application:

- (i) The Memorandum and Articles of Association/or partnership agreement
  - (ii) Certificate of Incorporation/Registration
  - (iii) A copy of the Project Profile or Feasibility Study showing the implementation period, programme of implementation and operative date
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FAIZAL S. MAWJI
5. Auditors of the Company are ASSAD ASSOCIATES  
P. O. BOX 3204 DAR-ES-SALAAM
6. The authorized share capital of the Company is Tshs./~~US\$~~ 1 000 000 - 00



# TANZANIA INVESTMENT CENTRE

## REGISTRATION FORM

FOR

# CERTIFICATE OF INCENTIVES

**(Tanzania Investment Act 1997, Section 17 and 18,  
and the Investment Regulations:  
Regulation 42, Government Notice No. 318A of 2002)**

**Tanzania Investment Centre**  
9A & B Shaaban Robert Street  
P. O. Box 938  
**DAR ES SALAAM**  
Tel. 022 2116328  
Fax. 022 2118253  
e-mail: [information@tic.co.tz](mailto:information@tic.co.tz)  
Website: [www.tic.co.tz](http://www.tic.co.tz)

**(Please fill the form in duplicate)**

### APPLICATION SUMMARY

Company Name: CROWN GASES (T) LIMITED

Certificate of Incorporation Number: 66455 Status: PRIVATE LIMITED

Certificate of Incorporation Date: 11-07-2008

Post Box: 2120

Town: DAR-ES-SALAAM

Sector: MANUFACTURING

Sub-Sector: MEDICAL (GAS)

#### Investment Financing Plan in Million US\$/Tsh.

Foreign Equity	Local Equity	Foreign Loan	Local Loan
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Project Objectives: TO MANUFACTURE INDUSTRIAL AND MEDICAL GAS

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(Attach sketch map showing project location)

Shareholders	Nationality	%
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<u>HEENA MAWJI</u>	<u>TANZANIAN</u>	<u>5</u>

**Investment Breakdown** ~~US\$~~/~~Tsh.~~M

Land/Building	.....
Plant	..... 1 2 6 4 6 6 1
Vehicles	..... 4 0 6 5 0 0 .
Furniture & Fittings	..... 7 7 0 0 0 .
Pre-expenses	..... 5 0 0 0 0 .
Others	..... 6 2 6 6 7
Working Capital	..... 1 3 9 1 7 2
<b>TOTAL</b>	..... 2 0 0 0 0 0 0 .

**Contact Details:**

Name: ..... HEENA MAWJI ..... Title: ..... DIRECTOR .....  
Telephone: ..... 0784-277001 ..... Fax: ..... 2124794 .....  
Email: ..... fqizal@crownafrica.com .....

**Payments to be made payable to:**

TANZANIA INVESTMENT CENTRE  
STANDARD CHARTERED BANK TANZANIA LTD.  
SWIFT ADDRESS: SCBLTZTX  
ACCOUNT NO.: 8702006002000

SKETCH MAP SHOWING PROJECT LOCATION





7. The intended capital investment of the Company in terms of Section 2(2) of the Act is Tshs./US\$ 2,000,000-00 ( TWO MILLION DOLLARS )

8. The month and day of the financial year end is JUNE 30,

Note: *failure to provide all the required information will result in the return of the application by the Centre.*

I/We enclose a cheque/cash made payable to the **Tanzania Investment Centre** for Tshs./US\$ 100-00 (RECEIPT NO 30322684 OF 21-07-2008) Being the Registration Fees. *In the event this application is unsuccessful we understand that this fee will not be refunded.*

I, HEENA FAIZAL MAWJI of Post Office Number 2120, DAR-ES-SALAAM

do solemnly and sincerely declare that I am a director/~~and~~ authorized agent of CROWN GASES (T) LIMITED.

AND that all the requirements of the Tanzania Investment Act, 1997 in respect of matters precedent to the registration of the business enterprise under the Act and incidental thereto have been complied with, AND I make this solemn declaration conscientiously believing the same to be true.

Declared at Dar es Salaam }  
The 31<sup>ST</sup> day of OCTOBER 2008

Heena Mawji  
Applicant

Before me:

[Signature]  
Commissioner for Oaths  


UNITED REPUBLIC OF TANZANIA

THE TANZANIA INVESTMENT ACT

(No. 26 of 1997)

APPLICATION FOR REGISTRATION

(Made under Regulation 42)

To: The Executive Director  
Tanzania Investment Centre  
P. O. Box 938  
**DAR ES SALAAM**  
Tanzania

1. I/~~We~~ HEENA FAIZAL MAWJI  
(director/directors/agent of CROWN GASES (T) LIMITED  
(name of business enterprise) apply for registration of CROWN GASES (T) LIMITED  
under Section 17 of the Act and Part IV of the Investment Regulations, 2002.

2. The registered office of the company will be situated at PLOT 30 SAZA  
ROAD CHANGOMBE DAR-ES-SALAAM

Copies of the following documents are attached to this application:

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FAIZAL S. MAWJI
5. Auditors of the Company are ASSAD ASSOCIATES  
P. O. BOX 3204 DAR-ES-SALAAM
6. The authorized share capital of the Company is Tshs./~~US\$~~ 1,000,000 - 00



# TANZANIA INVESTMENT CENTRE

## REGISTRATION FORM

FOR

## CERTIFICATE OF INCENTIVES

(Tanzania Investment Act 1997, Section 17 and 18,  
and the Investment Regulations:  
Regulation 42, Government Notice No. 318A of 2002)

**Tanzania Investment Centre**  
9A & B Shaaban Robert Street  
P. O. Box 938  
**DAR ES SALAAM**  
Tel. 022 2116328  
Fax. 022 2118253  
e-mail: [information@tic.co.tz](mailto:information@tic.co.tz)  
Website: [www.tic.co.tz](http://www.tic.co.tz)

(Please fill the form in duplicate)

1

**CROWN GASES (T) LIMITED**  
**P. O. BOX 2120**  
**DAR ES SALAAM**  
**TANZANIA**

---

TEL: 2124790/1/2 0784 277001  
FAX: 2124794  
Email: faizal@crownafrica.com

31/10/2008

The Executive Director  
Tanzania Investment Center  
P. O. Box 938  
Dar es salaam



Dear Sir or Madam:

Re: Registration form No. 07237, Serial No. 5127

The above subject refers.

Enclosed please find the following;

- 1 Application form.
- 2 Feasibility Study.
- 3 Certificate of Incorporation No. 55455 of 11/07/2008.
- 4 Memorandum and Articles of Association of the company.

Therefore we shall be grateful if you could please approve our application at your earliest.

Thanking you.  
Yours truly,

  
Heena Mawji  
Director

MINUTE

PAGE NO. \_\_\_\_\_

**EXD**

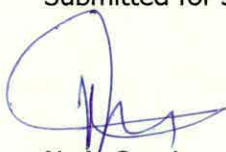
The approved project has fulfilled the investment requirements, which are: -

- (a) Minimum finance investment threshold has been exceeded, the project expects to invest USD 2.0m
- (b) Legal entity has been incorporated under certificate

No. 66435 of 11/07/2008

Based on the above, the letter of approval is hereby submitted for signature in order for the project to comply with the requirements of Section 17 of Tanzania Investment Act, 1997.

Submitted for signature.



N. A. Senzia

**DIF**

19<sup>th</sup> November 2008

Ag **EXD** ✓ OK 07/01/09

In response to the TIC letter of registration dated 18<sup>th</sup> November 2008

the project has submitted the required documents namely: -

- (a) Company Board Resolution.
- (b) Reference letter/Financing from Prime Bank LTD of Kenya
- (c) Lease Agreement as evidence of land

With the above submission EXD is requested to sign Certificate of Incentives No. 041604 herein attached.

6/01/2009

