



1.0

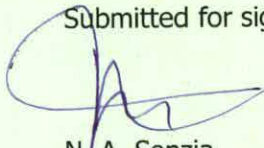
**EXD**

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

- (a) Minimum finance investment threshold has been exceeded, the project expects to invest us\$ 0.5 m
- (b) Legal entity has been incorporated under certificate No. 67742 of 30/01/2008

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**

24<sup>th</sup> April 2009

**EXD**

In response to the TIC letter of registration dated 24<sup>th</sup> April 2009 the project has submitted the required documents namely: -

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

With the above submission EXD is requested to sign Certificate of Incentives No. 041682 herein attached.

25/4/09

  
**DIF**

MINUTE

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

**THE COMPANIES ACT, 2002**

**COMPANY LIMITED BY SHARES**

**MEMORANDUM**

**AND**

**ARTICLES OF ASSOCIATION**

**OF**

**RAMADO GENERAL SUPPLIES LIMITED**

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

**DRAWN BY:  
M. O. ABDI  
(SUBSCRIBER)  
P.O. BOX 5784  
DAR ES SALAAM.**

TANZANIA  
Stamp Duty Shs. 2500/-  
PAID ON ORIGINAL  
Receipt No. 33284439  
26/9/08  
Stamp Duty Officer

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

TANZANIA  
Stamp Duty Shs. 2500/- Paid  
Receipt No. 33284439  
26/9/08  
Stamp Duty Officer

OF  
RAMADO GENERAL SUPPLIES LIMITED

1. The name of the company "RAMADO GENERAL SUPPLIES LIMITED"
2. The Registered office of the Company will be situated in Tanzania.
3. The objects for which the Company is established are:-
  - (a) To carry on business as general traders, importers and exporters of building materials, hardware, bricks, tiles, corrugated iron, metal materials, machines and materials for road, rail making and other related equipments for building purposes of all kinds.
  - (b) To carry on the business of importers, exporters provisional merchants, stockists, wholesalers, retailers, buyers, sellers and dealers in all types of agricultural machinery, implements and equipments, plants and machinery, buses, motor cars, trucks spare parts, tyres and tubes, tools and accessories for all types of automotives, motor vehicles and all kinds of industrial project machinery and equipments, electrical goods, electronic goods, leather goods, televisions sets, video cassettes, telefax, telex and accessories, computers, office equipments, stationery and domestic appliances.
  - (c) To establish workshops for training of heavy duty construction equipment handling and safety measures, high of construction equipment, construction labour and general advisory services.
  - (d) To engage and or carry on the business of general civil works, engineering, buildings, road constructions renovations, office partitioners, decoratories, maintainers of dilapidated buildings, plumbing, furniture manufactures, suppliers and exporters, residential and office furnishers and general to be designers and fabricators of all kinds of gadgets whatsoever, to be timber processors, sawmillers and suppliers of all kinds of timber to be hardware and building materials suppliers, manufactures of electrical equipments and suppliers.
  - (e) To carry on the business of management of all kind of construction works and construction management, property management, real estate and any related works thereto.
  - (f) To carry on the business of building contractors, mansory and general construction contractors and among other things to construct, execute, carry out, equip, improve, work and advertise railways, tramways, docks habours, sharves, canals, water-courses, irrigations, reclamations, sewage, drainage and other sanitary works, water, gas, electric and other supply works, houses building and erections of every kind.
  - (g) To carry on the business of real estate agents, property managers, and realty administrators of buildings, services of letting or valuation, builders, contractors for construction works, renovation, decoration and demolition and to purchase otherwise acquire land for houses, offices, workshops and building premises.
  - (h) To purchase, take on lease, option or licence, exchange or otherwise acquire in any part of the world ranches farms, lands, concessions, estates, plantations and properties and to cultivate, improve, manage, develop or otherwise turn to account, deal with or dispose of the same in any manner whatsoever, and

likewise to acquire and deal with any agricultural, ranching, grazing, plantation, forest, fishing and trading grants, licences, concessions, options rights or privileges.

- (i) To establish and carry on the business of ranching and keeping cattle, sheep, pigs, goats, poultry, bee products game, fish, prawns and other livestock of every description, and to sell, breed, export, import, improve, prepare, deal and trade in stock of every description whether live or dead and generally to carry on the business as fisherman, cow-keepers, farmers, millers and market gardeners, and as manufacturers of all kinds. To carry on business as professional hunters, safari contractors, organisers and operators and to equip, organise and arrange hunting, finishing, game and other safaris and expeditions of all kinds and description whatsoever.
- (j) To carry business on all or any of the business of manufacturers, representatives, importers, exporters, buyers and sellers (both wholesale and retail) insurance agents, land agents, general merchants, traders and manufacturers and dealers in and agent and representatives for goods, merchandise, materials, furniture, furnishings appliances, equipment, machinery, stores, products, provisions, commodities, substances and effects of all kinds and to establish factories for the manufacture of any of them.
- (k) To carry on all or any of the business of stationers, printers, lithographers, stereotypes, electrotypes, engravers, photographic, printer, photo lithographers, typesetting machines operators, die sinker, envelope makers, book binders, account book manufacturers, machine, rulers numerical printers, paper makers, paper baffles and account book makers, box makers, flax and box file makers, cardboard manufactures, type founders, of dealers in playing, visiting, railways, festival invitation, dealers in or manufacturers or any other articles or tings or character similar or analogous to the foregoing or any of them or connected therewith and to deal in the manufacture of and sell by wholesale or retail of school chalks, and secretarial services.
- (l) To carry on the business of clearing and forwarding agents, commission agents, transporters, freighters, haulers, customs bonded warehouse and godown keepers, cargo and travel agents, insurance agents, tourist agents, manufacturers' representatives, road contractors, cargo superintendents, packers, machinery haulage specialists, warehousemen, engineers, electricians, motor cars, cabs, omnibus, lorries, oil tank and coach proprietors and transporters, civil transport contractor and transporters by any means of conveyance of people and goods in Tanzania and the neighboring countries and in such other place or places as may from time to time determined by the company, engage in and or otherwise carry on the business as transporters and transport agents, fright forwarders.
- (m) To carry on the business of importers, exports, general merchants, general store-keepers, universal providers, wholesale and/or retail traders, dealers of weighing scales, inkjet technology, moisture analysis, lab equipment, solar technology, hardware, piece wood, paints, glassware, crockery, cutlery, ironmongery, turners and other household fittings and requirements, other articles and commodities of personal, household use and consumption provisions, textiles, groceries, medicines, drugs, wines spirits, liquors, chemical, surgical, option, photographic and other instruments, apparatus and materials, motor vehicles, automobiles and generally in all manufactured goods of all types and merchandise of all kinds.
- (n) To carry on the business of services, consultancy, types of information technologies, computer systems, conference systems, telecommunication systems, security systems, public address systems, data communication and to train, research, install and after sale services of electronic systems, voice and data networks and any other systems or components which the company may think fit, necessary or incidental to this business.
- (o) To carry on the business of architectural work and technical drawings on building and contractors, masonry and general construction contractors and where necessary to give consultation on the same.

- (p) To provide consultancy on construction, architecture, structural designs and engineering, construction labour management, estate plans and soil testing.
- (q) To carry on the business of miners and mining in all their branches and for the said purpose to peg, purchase, take on lease, or exchange or otherwise acquire concessions, grants, easements, options, claims, properties, cassettes- and effects supposed to contain minerals, diamonds, or other precious stones, and any interest therein, and to explore, mine, work, excise develop and turn to account mines and mining rights and any undertaking connected therewith.
- (r) To carry on the business as traders, suppliers, general merchants, importers, exporters, stockists, wholesalers, retailers and dealers in all types of electrical goods, hardware, building materials, spare parts and maintenance, tyres, tubes, tools and accessories for all types of automotive, motor vehicles, agricultural machinery, implements, equipment, all kinds of industrial projects machinery and equipment, timber, fishing gears, groceries, computers, office equipments, cooking oils, salts, foodstuffs, cosmetics, oils, paints, spirits sheets, hinges, screws, iron mongery, textiles piece goods, all types of leather goods, shoes, bags and other similar goods.
- (s) To promote tourism in Tanzania and elsewhere in Africa, to carry on business of travel and tourist agents and tour operators, to promote facilitate traveling to organize hunting, tented-camps, fishing and diving expeditions, safari promoters and undertakers generally and in particular to arrange and manager hunting safaris, photo safaris adventure tours, fishing trips, handling of game trophies and animal skins, catching, harbouring, transporting, wildlife and marine products of all kind.
- (t) To carry on the business of big game hunter, trapping and collection of Wild, live birds for sale and export within outside Tanzania, to sell, improved export, and imports, prepare, deal and trade in carvings, painting, curios, export, and provide game sanctuary facilities and to organize of safaris and expeditions. Discover, hunt, shoot, photograph, capture animals, birds, game and fish of all kinds including reptiles, marine products, pottery crafts, crustacean, salt, mangrove sea shells, groceries, vegetables, cereals goods, fruits and all allied products of every description.
- (u) To carry on the business as general food processors packers and suppliers, to be general suppliers of hard foods stuffs and agricultural crops, to be grain millers and food mixers to be general exporters of fresh fruits vegetables and flowers, to act as agents of buying and selling all kinds of motor vehicles, General supplies, buying and selling building hardware of every description, electrical appliances, lease.
- (v) To engage in and carry out the business of proprietors and managers of hotels, restaurants, cafes, road houses, motels, safari and holiday camps, caravan sites, guest houses, apartment housekeepers, refreshment and tea rooms, milk and snacks bars, tavern, beer house and lodging housekeepers and to provide food and catering services to individuals, private and public institutions and to industrial and business concerns.
- (w) To carry on all or any of the business of transport, carriage and haulage contractors, owners and charter of road vehicles, aircraft and ships and boats of every description and carriers of goods and passenger by road, rail, water or air and to establish, acquire, maintain and operate transport service of every description both public and private and all services ancillary thereto and for such purposes or as independent undertakings to purchase, take in exchange, charter, hire, build, contract or otherwise acquire and to own, operate, work, manage, maintain, repair, service and deal with and in road vehicles, aircraft and vessels of every supplies therefore and to conduct any such business within the country or any other state in Africa or Europe or Asia and or any other foreign country.
- (x) To carry on the business of garage proprietors and service station for motor vehicles of all kinds, to carry on the safe keeping, cleaning, repairing, refueling, panel beating, spraying and the general care of motor

vehicles, aircraft, machinery, equipment and plant whether moved by mechanical power or not, implements, utensils, appliances, apparatus, fuel for internal combustion engines, lubricants, cements, solutions, batteries and accessories and all things capable of being used in connection with the said businesses or in the manufacture or maintenance of such vehicles, machinery, equipment and plant.

- (y) To carry out the business of providing technical and allied services in the field of welding, metal fabrication, non destructive testing, quality assurances, and to provide consultancy in technical services, oil storage tank erections and all other businesses which can be carried out in connection to the above.
- (z) To carry on all any of the wholesale and/or retail as gemstones merchants, jewelers and/or dealers in and/or buy, sell market import export and/or general deal in all or any kinds of gemstones precious and semi-precious stones, gold silver and precious metals of whatsoever kind or description.
- (aa) To purchase, take on lease and otherwise acquire for investment or resale any estate, land, buildings, easements and other rights and interests in immovable property or any tenure in Tanzania and elsewhere and to sell let or lease exchange or otherwise dispose of or grant rights over any immovable property, belong to the company.
- (bb) To purchase, take or lease or in exchange, hire or otherwise acquire and hold any state or interest in any lands buildings, casements, rights, licenses secret processes, machinery, plants, stock, in trade and real or personal property of any kind.
- (cc) To accept payment for any property or rights sold or otherwise disposed or dealt with by the company either in cash, by installment or otherwise or in fully or partly paid up shares of the company or corporation, with or without deferred or preferred or guaranteed rights.
- (dd) To carry any other trade or business whatever which can in the opinion of the Board of Directors be advantageously carried on by the Company in connection with the above business or the general business of the company.
- (ee) To act as agents for the sale and purchase of any stocks shares or securities or for any other monetary or mercantile transactions.
- (ff) To act as executors and trustees of wills and settlements made by customers and others and undertake and execute trusts of all kinds.
- (gg) 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 in conjunction with others and either or though agents, sub-contractors, trustees and otherwise.
- (hh) To remunerate any person, firm or company rendering services to this company, whether by cash payments or by allotment to him or them of shares or securities of the Company credited and paid in full or in part, otherwise.
- (ii) To accept for safe custody and keep for customers of the company all kinds of securities valuables and things.
- (jj) To lend money on any terms that may thought fit, and particularly to customers or other person or corporations having dealing with societies and to give any guarantees that may be expedient.
- (kk) To advance money to shareholders in the company, and other to the purpose of enabling the person borrowing the same erect or purchase, or enlarge or repair any house or building or to purchase the fee

simple or any less estate or interest in, or to take a demise for any term or terms of years of any freehold or leasehold property upon such terms and conditions as the company may think fit.

- (ll) To invest and deal with the moneys of the Company not immediately required, upon such securities and in such manner as may from time to time be determined.
- (mm) To distribute among the members in pieces any property of the company, or any proceeds of sale or disposal of any property of the company.
- (nn) To draw, make, accept, endorse, discount execute and issue promissory notes, bills of lading, warrants, debentures and negotiable or transferable instruments.
- (oo) To act as agents or brokers, and as trustees for any person firm or company, and to undertake and perform sub-contracts and also to act in any other business of the company through or by means of agents, brokers, sub-contractors or others.
- (pp) To obtain any provisional order, ordinance or act of Parliament for enabling the Company to carry any of its objects into effect, or for affecting any modification of the Company's constitution, or any other purpose which may seem expedient, and to oppose any proceedings or applications which may seem calculated, directly or indirectly to prejudice the company's interest.
- (qq) To take or otherwise and hold shares in any other company having objects altogether or in part similar to this company, or carrying on any business capable of being conducted so as directly or indirectly to benefit the company.
- (rr) To transact or carry on all kinds of Agency business and in particular in relation to the investment of money, the sale of property, and the collection and receipt of money.
- (ss) To do all other things as may be deemed incidental or conducive to the entertainment of the objects or any of them.

And it is hereby declared that:-





The word "company" in this clause, except where used in reference to this Company, shall be deemed to include any partnership or other body of persons, whether corporate or incorporate, and whether domiciled in the United Republic of Tanzania or elsewhere.

The object specified in each of the paragraphs of the paragraph of this clause shall be regarded as independent objects, and accordingly shall in no way be limited or restricted (except where otherwise expressed in such paragraphs) by reference to or inference from the terms of any other paragraph of the name of the Company but may be carried out in as full and ample a manner and construed in as wide a sense as if each of the said paragraph define the objects of the separate and distinct compound.

That the meaning of any general word or words in any paragraph of this clause shall not be restricted by being construed ejusdem generis with any particular word or words in the same paragraph.

4. The Liability of the Members is Limited.
5. The capital of the Company is Shillings 500,000,000/= divided into 1,000 shares of Shillings 500,000/= each. The Company shall have powers to increase its capital and to divide the shares in its capital for the time being into several classes of stock or shares and to attach thereto respectively such preferential, deferred or special rights, privileges, or conditions as may be determined by or in accordance with the Articles of Association of the Company.

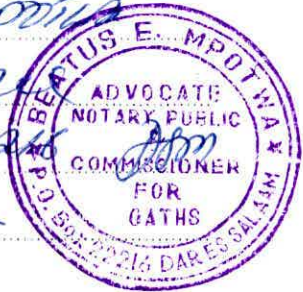
We, the several persons whose names and addresses are subscribed, are desirous of being formed into a company, in pursuance of this Memorandum of Association, and we respectively agree to take the number of shares in the capital of the Company set opposite our respective names.

NAMES, ADDRESSES, AND DESCRIPTION OF SUBSCRIBERS	NUMBER OF SHARES TAKEN	SIGNATURE
MARYAM OSMAN ABDI P.O. BOX 5784 DAR ES SALAAM	250	
ABDUQADIR SHEIKH HANAFI P.O. BOX 5784 DAR ES SALAAM	150	
ALI MAHAMED HASSAN STROINK 203 7542 QX - ENSCHEDE HOLLAND	150	
YUSUF GARAD LAYAN 5315HW EDGEWAY DRIVE COLUMBOS - OHIO 2, CODE U.S.A.	150	
ALI MAXED HAJI HASAN GUANGZHOU CHINA. P.R. CHINA 510050	150	ALi
SULEYMAN ABDURAHMAN SHUCEYB 18 JESSOP COURT GARHAM STREET LONDON NI 8LG U.K.	150	SULEYMAN

Dated at Jam this 29<sup>th</sup> day of SEPT 2008

Witness to the above signatures:-

Name : Beatus E. Mpoma  
 Signature : [Handwritten Signature]  
 Postal Address : P.O. Box 2244  
 Qualification : Advocate



TANZANIA  
Stamp Duty Shs. 2500/= PAID ON ORIGINAL  
Receipt No. 3284434 26/9/08  
Stamp Duty Officer

THE COMPANIES ACT, 2002  
COMPANY LIMITED BY SHARES  
ARTICLES OF ASSOCIATION  
OF  
RAMADO GENERAL SUPPLIES LIMITED

TANZANIA  
Stamp Duty Shs. 2500/= PAID  
Receipt No. 3284434 26/9/08  
Asst. Registrar of Companies

INTERPRETATION

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;

Expressions referring to writing shall, unless the contrary intention appears, be construed as including references to printing, lithography, photograph, 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 members of the company (exclusive of persons who are in the employment of the company and persons who have been formerly in the employment to be the member of the were while in such employment to be the member of the company) is limited 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 pf the Company is prohibited.
- (d) The company shall not have 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 within 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 extraordinary 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.

#### 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 that 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 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 that 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 all 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 shall stand adjourned to the same day in the next week, at the same time and place, or to such other day and at such other time and place as the directors may determine.
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 number 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 number or 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 show of hands or on a poll, the chairman of the meeting shall be entitled to a second or casting vote.
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 his 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 sea) or under the hand of an officer or attorney duly authorized. A proxy need not 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 or 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, not 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 the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

27. An instrument appointing a proxy shall be in the following form or a 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/or 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 to vote 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 desire"

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.

#### 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 directors shall be determined in writing by the subscribers of the memorandum of association or a majority of them and until such determination the signatories to 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 be not less than two.
33. The following persons shall be first Directors to the Company:-
- |                            |                                |
|----------------------------|--------------------------------|
| 1. MARYAM OSMAN ABDI       | 4. YUSUF GARAD LAYAN           |
| 2. ABDUQADIR SHEIKH HANAFI | 5. ALI MAXED HAJI HASAN        |
| 3. ALI MAHAMED HASSAN      | 6. SULEYMAN ABDURAHMAN SHUCEYB |
34. 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.

#### BORROWING POWERS

35. The director 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 directors 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 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 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 resolutions and proceedings at all meetings of the company, and of the directors, and of committees of 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) Ceases 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 thereat, and if he does so vote shall not be counted.

41. The company may by 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 a person 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.
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 a 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 the directions 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 numbers to be the chairman of the board of directors and determine the period of which he is to hold office. Unless he is unwilling to do so, the director so appointed shall preside at every meeting of directors at which he is present. But 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 number 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 had 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.
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 it 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 provisions of the Act or these articles requiring or authorizing a thing to be done by 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.

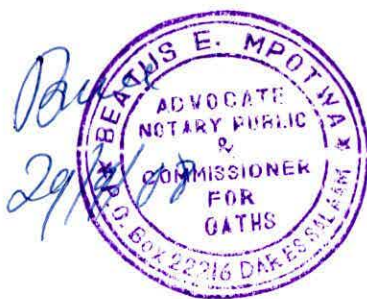
## THE SEAL

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 and by the secretary or by a second director.
55. The directors shall cause proper books of account 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 account 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 office 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 member shall (as such) have right of inspecting any accounting records or other book or document of the company except as conferred by statute or authorized by the directors 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 as are referred to in those sections.
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.

## AUDIT

60. Auditors shall be appointed and their duties regulated in accordance with sections 170 to 179 of the Act.
61. 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 the Tanzania at which notices may be given 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.

NAMES, ADDRESSES, AND DESCRIPTION OF SUBSCRIBERS	NUMBER OF SHARES TAKEN	SIGNATURE
MARYAM OSMAN ABDI P.O. BOX 5784 DAR ES SALAAM	250	
ABDUQADIR SHEIKH HANAFI P.O. BOX 5784 DAR ES SALAAM	150	
ALI MAHAMED HASSAN STROINK 203 7542 QX - ENSCHEDE HOLLAND	150	
YUSUF GARAD LAYAN 5315HW EDGEWAY DRIVE COLUMBUS - OHIO 2. CODE U.S.A.	150	
ALI MAXED HAJI HASAN GUANGZHOU CHINA. P.R. CHINA 510050	150	Ali
SULEYMAN ABDURAHMAN SHUCEYB 18 JESSOP COURT GARHAM STREET LONDON NI 8LG U.K.	150	SOLEYMAN



**RAMADO GENERAL SUPPLY LIMITED.**

**FEASIBILITY STUDY**

**FOR THE**

**MANUFACTURING OF ALUMINUM  
CONSTRUCTION MATERIALS FOR  
CONSTRUCTION INDUSTRY**

Prepared by:-

Ramado General Supply Ltd.

P.O. Box

Dar es Salaam

April, 2009

## EXECUTIVE SUMMARY

### Introduction

**RAMADO GENERAL SUPPLY** has been established in Tanzania with the objective of providing timely accurate and cost effective aluminum constructions materials.

### Capacity of Service Providers/

The capacity of the existing local suppliers of foresaid products is very low. The current suppliers have a limited capacity because of the following reasons:

- High cost of purchasing plant & equipment (many of them have manual and obsolete machine)
- Problem with technology – most firms owns equipment which is not capable producing required quality, specifications and range of products.
- On account of limited capital to provide reliable and high quality products.

### Investment

RAMADO GENERAL SUPPLY LIMITED. will invest a total amount of US\$500,000 out of which will be used on procurement of fixed assets and US\$ 30,000 will be working capital during the fist year of operation. The investment in fixed assets will be distributed as follows:-

Item	USD	Total Cost
Land & Buildings	60,000	60,000
Machinery & Equipment	300,000	300,000
Motor Vehicles	100,000	100,000
Pre-Operational Expenses	10,000	10,000
<b>Fixed Investment</b>	<b>470,000</b>	<b>470,000</b>
Working Capital	30,000	30,000
<b>TOTAL Investment</b>	<b>500,000</b>	<b>500,000</b>

### Financing the Investment

The initial financing of the Investment will be as follows:

	US\$	Total
<b>EQUITY</b>	<b>500000</b>	<b>500,000</b>

The shareholders will raise equity of US\$ 500,000 million.

### **Profitability**

On the basis of the projections and the assumptions contained in this report the Company will be financially and commercially profitable. It will be able to generate the following business over the projected five-year period.

	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
Sales	1,628,640	1,661,213	1,711,049	1,779,491	1,868,466
Gross Profit	222,768	227,223	234,040	243,402	255,572
Profit before tax	6,458	24,480	52,882	83,343	116,075
<b>Net Income</b>	<b>4,521</b>	<b>17,136</b>	<b>37,017</b>	<b>58,340</b>	<b>81,253</b>

### **Social Viability**

RAMADO GENERAL SUPPLY LIMITED will participate in improving the housing industry in Tanzania and play a role in alleviating poverty in the country by providing timely reliable and cost effective products in the construction sector. The Company will also pay taxes to the government as per tax laws and regulations.

### **Employment**

The Company will employ 39 employees.

## 1.0 INTRODUCTION

### Background

M/S RAMADO GENERAL SUPPLY LIMITED is a newly established and privately owned limited liability company incorporated under companies Act 2002 with certificate of incorporation No. 67742, of 30<sup>th</sup> January, 2008.

The objective with which the company was established was carry on the production of all types of aluminum construction materials to enhance and support the development of construction industry

### 1.1 Company Ownership

As a private company, the ownership is limited to what is stipulated in the Memorandum and Articles of Association. Presently, the following are the promoter and directors of the company, namely:

S/N	Name	Nationality
1.	Maryam Osman Abdi	25
2.	Abdiqudir Sheik Hanafi	15
3	Ali Mohamed Hassan	15
4.	Yusuf Garad Layan	15
5.	Ali Maxed Haji Hassan	15
6.	Suleiman Abdurrahman Shuceyb	15

#### 1.1.1 Office Locations and Contact Information

The company has its head office in Dar es Salaam on Plot No. 1/47 Swahili/Lindi, Ilala District.

Furthermore, the area is easily accessible by road transport, thus transport of raw materials and finished products will not pose any problem. Many manufacturing companies are clustered in this area.

## 2.0 Project Objectives

The project document sets out proposal by M/S RAMADO GENERAL SUPPLY LIMITED to engage in the manufacturing of aluminum construction materials for construction industry.

## 3.0 Investment Required

In order for the project to commence the operations, the Directors of the company have planned the acquisition of new production machinery and accessories as follows:

Item	USD	Total Cost
Land & Buildings	60,000	60,000
Machinery & Equipment	300,000	300,000
Motor Vehicles	100,000	100,000
Pre-Operational Expenses	10,000	10,000
<b>Fixed Investment</b>	<b>470,000</b>	<b>470,000</b>
Working Capital	30,000	30,000
<b>TOTAL Investment</b>	<b>500,000</b>	<b>500,000</b>

## 4.0 MACHINERY & RAW MATERIALS

### 4.1 Land & Buildings

The project has already secured leased land located at Plot No. 1/47 Swahili /lindi, Dar-es-salaam, Ilala District.

## **4.2 Machinery & Accessories**

Arrangement to secure modern production machinery and equipment is under way and delivery will be done soon after TIC certificate has been obtained.

## **5.0 MARKET ANALYSIS**

The aim of this chapter is to analyze the market in which M/S RAMADO GENERAL SUPPLY LIMITED Products operates and assess the potential for expansion. The study looks at a number of factors that determine the market and how the enterprise is positioned.

### **5.1 Line of Business**

- M/S RAMADO GENERAL SUPPLY LIMITED will be engaged in the manufacturing and sale of the alluminium building materials.

### **5.2 Source of Products**

Currently, some these products are locally manufactured and some are imported. The quality of the products is questionable and sometimes there is dumping in Tanzanian market. The project will use modern fully automatic compressing machine with the capacity of 8000 Pieces per day.

M/S RAMADO GENERAL SUPPLY LIMITED Products prefer to manufacture the products locally rather than importing components because of several reasons:-

- Ability to have an appropriate product mix,
- To have control on price,
- To assess quality.

### **5.3 Marketing of products**

Products that will be manufactured M/S RAMADO GENERAL SUPPLY LIMITED Products will be similar to the locally manufactured and imported products sold by its competitors; there is no product differentiation with the exceptions of few products. There are four important aspects that count for a firm to be successful in this line of business.

- i. Quality products
- ii. Offering competitive prices
- iii. Customer tailor made products,
- iv. Customer relations

### **5.4 Product Prices**

The company's product prices will be charged to cover the production costs, plus profit margin. On the other hand the firm will set its prices relatively lower or equal to that charged by other local manufacturers as a strategy to penetrate the market and an incentive to customers.

### **5.6 Product Range**

The company will have an advantage of manufacturing various kinds of Aluminium crop. Product range is the most significant tool in attracting a wide customer base. It affects the purchasing process. Customers do favor manufacturer/importer with a wider range of products as:

- It saves search time
- Reduces transport costs
- Attracts discount

### **5.7 Customer Relations**

M/S RAMADO GENERAL SUPPLY LIMITED Products realizes that much of the business is generated from customers whom he has and maintains cordial relationship with. The

enterprise will try the best to make sure that it maintains good business relations with customers in order to grow.

### 5.8 Quality Products

The company is introducing high quality products that have never been in the market before. It is anticipated that the new product will revolutionize the market and housing industry.

### 5.9 Market Segment

For M/S RAMADO GENERAL SUPPLY LIMITED, the market of the products will be segmented as follows:

**Table 2.2 Market segment**

	SEGMENT
1.	Households
2.	Contractors
3.	Government departments
4.	Public and Private Corporations

### 5.10 Competition Analysis

As a result of trade liberalization enabling people to access commodities both from internal and external sources, the company will definitely continue to face competition from other dealers in foresaid products. However, the survey made by the firm reveals that:

- Some of the similar products supplied by local manufactures are of a very poor quality and hence discourage customers.
- Prices charged by other dealers on similar products are relatively high compared to quality.

## 5.11 Marketing Strategies

Despite the existing competitive environment M/S RAMADO GENERAL SUPPLY LIMITED will easily continue to penetrate the market by adopting various marketing strategies, such as;

- Providing customers with what is needed in terms of quality, quantity and affordability.
- Setting competitive prices against its competitors. Naturally, people would like to buy high quality, but low cost products. The profit margins will be kept reasonably low to capture a bigger market share.
- Personal selling through, distribution of brochures, neon signs, stickers and advertisement through media i.e. Radio, Television and newspapers and maintenance of a website. These will create awareness of the products of the firm.
- Establishing and maintaining links with regional dealers in hard ware and construction materials to widen its market segment.

## 6 FINANCIAL ANALYSIS

### 6.6 Investment

Investment required to expand the business is estimated at US\$ 500,000

**Table 5.1 Investment Plan**

Item	USD	Total Cost
Land & Buildings	60,000	60,000
Machinery & Equipment	300,000	300,000
Motor Vehicles	100,000	100,000
Pre-Operational Expenses	10,000	10,000
<b>Fixed Investment</b>	<b>470,000</b>	<b>470,000</b>
Working Capital	30,000	30,000
<b>TOTAL Investment</b>	<b>500,000</b>	<b>500,000</b>

The project has leased built land with a yard and godown to be used as a factory building.

Initial working capital at the tune of US\$. 30,000 will be required for the procurement of raw materials. The raw materials required are to be procured locally.

The pre-operational budget includes the costs for professional and legal fees, machinery installation and commissioning. US\$. 10,000 million will be spent to cover the costs.

### 6.7 Sources of Finance

The proprietor is expected to raise US\$ 500,000 million of the total investment amount.

## Financing Plan

Item	USD	Total Cost
Land & Buildings	60,000	60,000
Machinery & Equipment	300,000	300,000
Motor Vehicles	100,000	100,000
Pre-Operational Expenses	10,000	10,000
<b>Fixed Investment</b>	<b>470,000</b>	<b>470,000</b>
Working Capital	30,000	30,000
<b>TOTAL Investment</b>	<b>500,000</b>	<b>500,000</b>

### 6.8 Depreciation Allowance

Depreciation has been allowed based on Tanzanian tax policies.

### 6.9 Operating Costs

The company incurs both direct (variable) costs as well as fixed costs.

#### 6.9.1 Variable/Direct Costs

Variable costs with the factory include raw material, electricity and consumables. According to the determined production process and the rated capacities of the machinery; variable costs have been calculated 85% and 90% of sales for per-cast products and flush doors respectively.

#### 6.9.2 Fixed Costs

In the first year, the monthly overheads will average at US\$.0.42 million, the figure will rise annually as shown below. The business operates on both credit (that does not exceed 21 days) and cash basis, this eases the demand for working capital. The total cost per annum is as given in the table below:

## Fixed Costs

	Year 1	Year 2	Year 3	Year 4	Year 5
Salaries	20,400	20,808	21,224	21,649	22,082
Stationary	360	367	375	382	390
Transport & Traveling	2,400	2,448	2,497	2,547	2,598
Staff Welfare	5,100	5,202	5,306	5,412	5,520
Repair & Maintenance	14,315	14,602	14,894	15,192	15,495
<b>Total Costs</b>	<b>42,575</b>	<b>43,427</b>	<b>44,295</b>	<b>45,181</b>	<b>46,085</b>

### 6.10 Net Income

The financial projections show that the project will make a profit of US\$ 4.521 million in the first year; it will increase to US\$ 17.136 million in the second year and further to US\$ 37.017 million in the third year. In the fourth and fifth year, profit after tax will be US\$. 58.340 and US\$ 81.253 million respectively.

### 6.11 Projected Cash flows

Analysis of the first year of operations, shows that the business will generate healthy cash flows except for few first months of year one.

## 7 ECONOMIC ASPECTS OF THE PROJECT

### 7.6 Employment Effect

The project will generate 39 jobs apart from other indirect jobs that will be created through implementation and operations of the project.

### 7.7 Linkage Effects:

The construction materials production business has high forward linkages with the construction sector.

## 8 CONCLUSION AND RECOMMENDATIONS

- The project will have adequate liquidity to honor its maturing obligations.
- The economic aspects reveal that the project will be beneficial to the nation in terms of promoting growth for the construction industry, job creation, and generating government revenue in terms of tax collections and other levies.

It is therefore recommended that the project be implemented and get the necessary support from TIC.

# RAMADO GENERAL SUPPLY LTD

## CAPITAL INVESTMENT

Item	USD	Total Cost
Land & Buildings	60,000	60,000
Machinery & Equipment	300,000	300,000
Motor Vehicles	100,000	100,000
Pre-Operational Expenses	10,000	10,000
<b>Fixed Investment</b>	<b>470,000</b>	<b>470,000</b>
Working Capital	30,000	30,000
<b>TOTAL Investment</b>	<b>500,000</b>	<b>500,000</b>

## RAMADO GENERAL SUPPLY LTD DEPRECIATION SCHEDULE

II

Item	Rate	amount	1	2	3	4	5	6	7	8	9	10
Land & Buildings	4%	60,000	2400	2400	2400	2400	2400	2400	2400	2400	2400	2400
Machinery & Equipment	12.5%	300,000	37500	37500	37500	37500	37500	37500	37500	37500	37500	37500
Motor Vehicles	25%	100,000	25000	25000	25000	25000	25000	25000	25000	25000	25000	25000
Pre-Operational Expenses	20%	10,000	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000
<b>TOTAL</b>			<b>66900</b>	<b>66900</b>	<b>66900</b>	<b>66900</b>	<b>66900</b>	<b>66900</b>	<b>66900</b>	<b>66900</b>	<b>66900</b>	<b>66900</b>

## RAMADO GENERAL SUPPLY LTD SALARIES AND WAGES

Designation	Staff	Monthly Rate	Monthly Bill	Yearly Total
Shift Supervisor	1	150	150	1,800
Machine Operators	10	80	800	9,600
Unskilled laborer	15	50	750	9,000
Stores Personnel	1	80	80	960
Accounts Personnel	1	80	80	960
Secretary	1	70	70	840
Drivers	6	50	300	3,600
Guards	4	50	200	2,400
<b>Sub-Total</b>	<b>39</b>		<b>1,700</b>	<b>20,400</b>
Add: 25% Staff Welfare			425	5,100
<b>Grand Total</b>	<b>39</b>	<b>2,125</b>	<b>2,125</b>	<b>25,500</b>

## RAMADO GENERAL SUPPLY LTD ADMINISTRATION EXPENSES

Month	1	2	3	4	5	6	7	8	9	10	11	12	Annual Cost
Salaries	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	20,400
Stationary	30	30	30	30	30	30	30	30	30	30	30	30	360
Transport & Traveling	200	200	200	200	200	200	200	200	200	200	200	200	2,400
Staff Welfare	425	425	425	425	425	425	425	425	425	425	425	425	5,100
Repair & Maintenance	1,193	1,193	1,193	1,193	1,193	1,193	1,193	1,193	1,193	1,193	1,193	1,193	14,315
<b>Total Costs</b>	<b>3,548</b>	<b>3,548</b>	<b>3,548</b>	<b>3,548</b>	<b>3,548</b>	<b>3,548</b>	<b>3,548</b>	<b>3,548</b>	<b>3,548</b>	<b>3,548</b>	<b>3,548</b>	<b>3,548</b>	<b>42,575</b>

# RAMADO GENERAL SUPPLY LTD

## Working Capital requirement

Particulars	1	2	3	4	5	6	7	8	9	10	11	12
<b>CURRENT ASSETS</b>												
<b>Stocks</b>												
Raw Materials – 30% months usage	35,147	35,147	35,147	35,147	35,147	35,147	35,147	35,147	35,147	35,147	35,147	35,147
<b>Total Stocks</b>	<b>35,147</b>	<b>35,147</b>	<b>35,147</b>	<b>35,147</b>	<b>35,147</b>	<b>35,147</b>	<b>35,147</b>	<b>35,147</b>	<b>35,147</b>	<b>35,147</b>	<b>35,147</b>	<b>35,147</b>
Debtors: 20% of sales	27,144	27,144	27,144	27,144	27,144	27,144	27,144	27,144	27,144	27,144	27,144	27,144
<b>Total Current Assets</b>	<b>62,291</b>	<b>62,291</b>	<b>62,291</b>	<b>62,291</b>	<b>62,291</b>	<b>62,291</b>	<b>62,291</b>	<b>62,291</b>	<b>62,291</b>	<b>62,291</b>	<b>62,291</b>	<b>62,291</b>
Corporate Tax 30%			34018		35099		36753		39024		41978	
<b>Net Profit after Tax</b>			<b>79375</b>		<b>81,898</b>		<b>85757</b>		<b>91059</b>		<b>97949</b>	
<b>Retained Profits</b>			<b>79,375</b>		<b>161,273</b>		<b>247,030</b>		<b>338,089</b>		<b>436,038</b>	

## RAMADO GENERAL SUPPLY LTD CASH FLOW

Particular	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Opening Balance							
<b>Inflows</b>							
Equity	500,000						
Depreciation		66,800	66,800	66,800	66,800	66,800	66,800
After Tax Profits	-	79,375	81,898	85,757	91,059	91,059	91,059
<b>Total Inflows</b>	<b>500,000</b>	<b>146,175</b>	<b>148,698</b>	<b>152,557</b>	<b>157,859</b>	<b>157,859</b>	<b>157,859</b>
<b>Outflows:</b>							
Capital Expenditure	500,000	-	-	-	-	-	-
Working Capital Increase		15,428	-	-	-	-	-
<b>Total Outflows</b>	<b>500,000</b>	<b>15,428</b>					-
Net Cash Flows	-	130,747	148,698	152,557	157,859	157,859	157,859
<b>Cumulative Cash</b>		<b>130,747</b>	<b>279,445</b>	<b>432,002</b>	<b>589,861</b>	<b>747,720</b>	<b>905,579</b>











TANZANIA



Certificate of Incorporation

Section 15

No **67742**

I HEREBY CERTIFY THAT

**RAMADO GENERAL SUPPLIES 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 **30TH** day of **SEPTEMBER**

**TWO THOUSAND AND EIGHT**

Assist. Registrar of Companies

CTIN.: 0464198



# TANZANIA REVENUE AUTHORITY

## CERTIFICATE OF REGISTRATION FOR TAXPAYER IDENTIFICATION NUMBER (TIN)

(ISSUED UNDER SECTION 133 OF THE INCOME TAX ACT NO. 11 OF 2004)

**THIS IS TO CERTIFY THAT**

**RAMADO GENERAL SUPPLIES LIMITED**

.....

has been registered with the Tanzania Revenue  
Authority and assigned the Taxpayer  
Identification Number

107-338-381

.....

with effect from 04/11/2008

.....

JOANNES N. A. MALLY

OFFICIAL SEAL

COMMISSIONER FOR DOMESTIC REVENUE

NOTE: THE REQUIREMENTS UNDER WHICH UNDER WHICH THIS CERTIFICATE IS ISSUED ARE STATED OVERLEAF

REK: 67742  
TFN. 226  
(Rev. 2/96)



JAMHURI YA MUUNGANO WA TANZANIA

## LESENI YA BIASHARA

B N: 01213116

(Imetolewa chini ya Sheria ya Leseni za Biashara Nq. 25 ya Mwaka 1972, marekebisho ya mwaka 1980 na masharti yaliyo nyuma)

\*Futa isiyotakiwa

1. Ofisi iliyotolewa..... **ILALA MUNICIPAL**
2. Nambari ya Ushuru wa mapato..... **107-338-381**
3. Leseni imetolewa kwa..... **RAMADO GENERAL SUPPLIES LTD**  
kuendesha biashara ya..... **BULDING MATERIAL**  
katika Wilaya/Kata\*ya..... **ILALA** Mtaa..... **SWAHILI/LINDI**
4. Ni ya Shina/Tawi\*  
Ada Sh..... Nambari ya Stakabadhi.....  
ya tarehe.....
5. Mpya inaendeleza\*muda wa leseni Na.....  
ya tarehe.....  
(ii) Muda wa Leseni hii utaitiwa 30 Juni, 20.....

Tarehe **20 NOV 2008**



**M. R. B. Majiga**  
Sahibi wa Leseni wa Mtoaji Leseni

GP. DSM

### MASHARTI

Leseni hii imetolewa chini ya masharti yafuatayo:-

1. Kwamba hutaweka masharti yoyote kwa mnunuzi.
2. Kwamba utatoa risiti kwa mauzo yoyote.
3. Kwamba utafuata Sheria ya Leseni ya Biashara ya 1972 na 1980.
4. Kwamba hutauza huduma na bidhaa ambazo hazizingatii viwango vya ubora vilivyowekwa na vyombo vinavyohusika kisheria.
5. Kwamba leseni hii inaweza kunyang'anywa wakati wowote ikiwa itaonekana kwamba uliipata kwa udanganyifu au umekiuka masharti ya leseni hii.

*Handwritten signature*  
M. B. M. M. M.



**KCB**

Making the  
Difference

**KCB (Tanzania) Limited**  
(INCORPORATED IN TANZANIA)

DAR ES SALAAM BRANCH  
National Audit House  
Samora Avenue / Ohio St.  
P.O.Box 804  
Dar es Salaam, Tanzania.

Tel: (+255-22) 2115386 / 2115390  
Fax: (+255-22) 2115388  
Website: <http://www.kcb.co.ke>  
SWIFT: KCBLTZTZ

**Ref:** KCBT/UHU/02/03

**Date:** 20th March 2009

Executive Director  
Tanzania Investment Centre  
P.o Box 938  
**Dar Es Salaam**

Dear Sir,

**RE: RAMADO GENERAL SUPPLY LIMITED.**

We have been instructed by our customer named above to confirm to you that they hold account with us.

This is to confirm that they have opened a current Account No.25247504985 with us.

It is our hope you will provide them necessary assistance accordingly.

Please note that the above information is given to you with no liability on the bank or to the undersigned.

Yours faithfully,

Richard Shirima  
**Branch Manager-Uhuru Branch**

# RAMADO GENERAL SUPPLY LIMITED

---

Ref. RGS/MD/01-02/09

February 5 ,2009

Tanzania Investment Centre,  
Dar es Salaam .

Subject: Certificate of Incentives

Dear Sir/Madam,

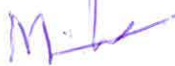
The ordinary meeting of the company board of directors held at our company office in Dar es Salaam on February 2, 2009, which was discussed a lot of different issues related to the company interest has made the following resolutions:

1. To register the company with Tanzania Investment Center and get the Certificate of Incentive, before further steps are taken.

This resolution was passed and agreed by all the Directors of the board of the company.

Thanks,

Mayran Osman Abbdi  
Managing Director.









# 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)

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 MARYAN OSMAN ABDI AND YUSUF GARAAD LOYAN  
(director/directors/agent of RAMADOO GENERAL SUPPLY LTD  
(name of business enterprise) apply for registration of TANZANIA INVESTMENT  
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 LINDI/SAWAHILIST  
PLOT NO TBK 47 HOUSE 40 P.O. BOX 14010 DSM

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 DAR ES SALAAM-TANZANIA

4. The Principal Officers of the Company are MARYAN OSMAN ABDI @ YUSUF GARAAD LOYAN 3-ALI MAHAMMED HAGI HASSAN

5. Auditors of the Company are ALLEN

6. The authorized share capital of the Company is Tshs./US\$ 100,000,000

7. The intended capital investment of the Company in terms of Section 2(2) of the Act is Tshs./US\$ Five hundred Million 500,000
8. The month and day of the financial year end is DECEMBER 31 of every year

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\$ Hundred (100) Being the Registration Fees. *In the event this application is unsuccessful we understand that this fee will not be refunded.*

I, MARYAN OSMAN ABU of Post Office Number 14010 DSM

do solemnly and sincerely declare that I am a director/duly authorized agent of RAMADD GENERAL SUPPLY LTD

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 17<sup>th</sup> day of June 2009 )

SULEYMAN  
Applicant

Before me:

[Signature]  
Commissioner for Oaths



APPLICATION SUMMARY

Company Name: RAMAD GENERAL SUPPLY LTD

Certificate of Incorporation Number: 67742 Status: LIMITED

Certificate of Incorporation Date: 30 SEPTEMBER 2008

Post Box: 14010

Town: DARES SALAAM

Sector: MANUFACTURING Sub-Sector: MANUFACTURER OF ALUMINIUM PRODUCTS

Investment Financing Plan in Million US\$/Tshs.

Foreign Equity	Local Equity	Foreign Loan	Local Loan
500,000	-	-	-

Project Objectives: TO MANUFACTURE VARIOUS ALUMINIUM BUILDING MATERIAL

Capacity: 500,000 ITEMS (VARIOUS PLANTS)

Employment: Foreign: Local: 15 Total: 15

Implementation Period: 3 YEARS

Project Location

Site/Plot/Block No.: 1 BK 47 LINDI / SWAHILI STREET

Street: LINDI / SWAHILI STR. District: ILALA Region: DAR ES SALAAM  
(Attach sketch map showing project location)

Shareholders	Nationality	%
--------------	-------------	---

- |                          |          |     |
|--------------------------|----------|-----|
| 1- MARYAN OSMAN ABDI     | SOMALI   | 25% |
| 2- A.BDIQADIR SH. HAWATI | SOMALI   | 15% |
| 3- ALI MAHAMED HASSAN    | DUTCH    | 15% |
| 4- YUSUF GARAAD LOYAN    | AMERICAN | 15% |
| 5- ALI MAHAMED HAJI      | SOMALI   | 15% |
| 6- SULEIMAN ABDIRAHMAN   | SOMALI   | 15% |

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

Land/Building	..... 60,000 .....
Plant	..... 300,000 .....
Vehicles	..... 100,000 .....
Furniture & Fittings	..... — .....
Pre-expenses	..... 10,000 .....
Others	..... — .....
Working Capital	..... 30,000 .....
<b>TOTAL</b>	..... 500,000 .....

**Contact Details:**

Name: MARYAM OSMAN ABDI

Title: DIRECTOR

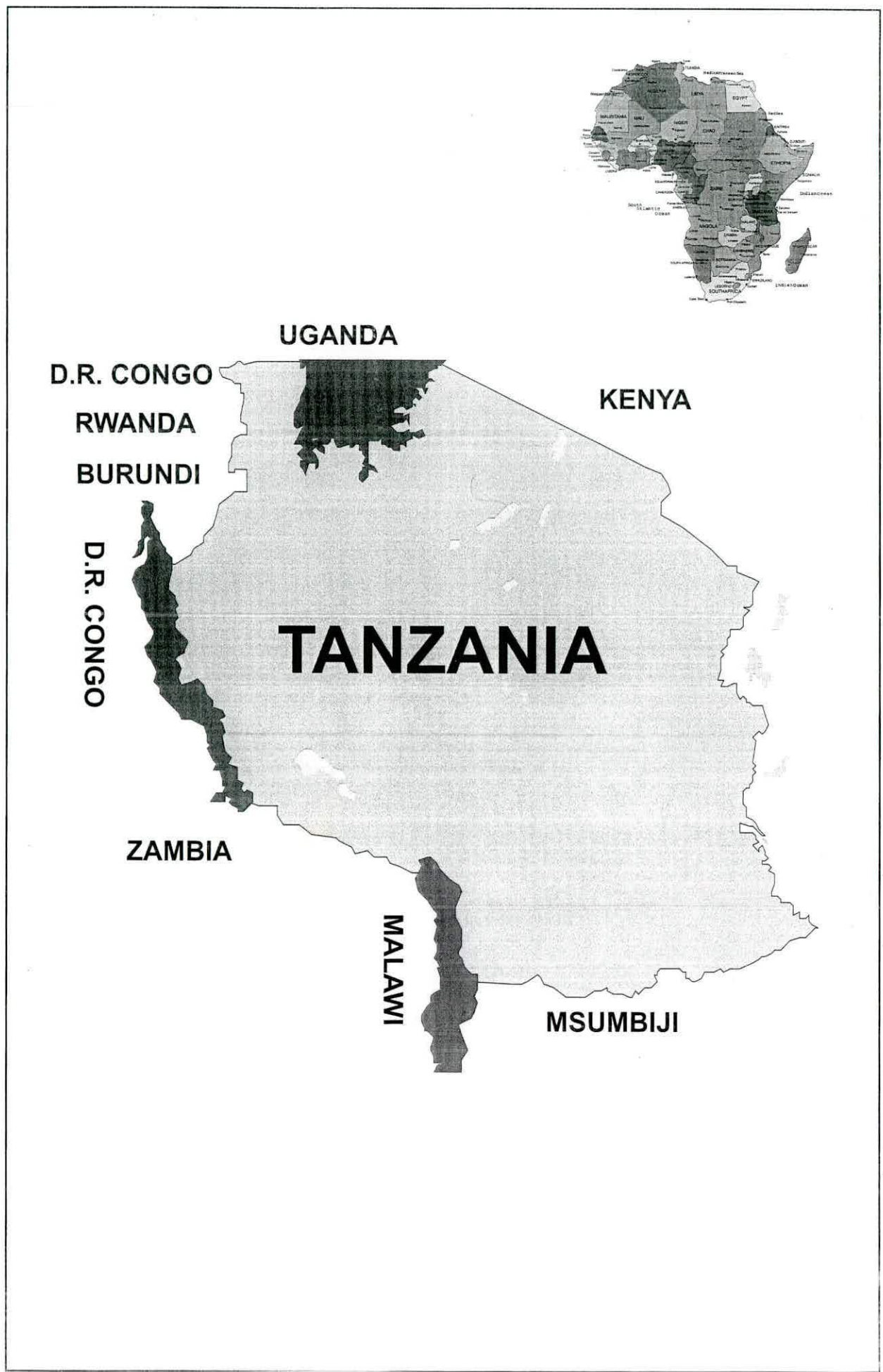
Telephone: +255 22 286 0252

Fax: 077004772

Email: .....

**Payments to be made payable to:**

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





# 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)**

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 MARYAN OSMAN ABDI AND YUSUF GARAAD LOYAN  
(director/directors/agent of RAMADO GENERAL SUPPLY LTD  
(name of business enterprise) apply for registration of TANZANIA INVESTMENT  
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 LINDI/SAWAHILIST  
PLOT NO TBK 47 HOUSE 40 P.O. BOX 14010 DSM

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 DAR ES SALAAM-TANZANIA
4. The Principal Officers of the Company are MARYAN OSMAN ABDI @ YUSUF GARAAD LOYAN 3- ALI MAHAMMED HAGI HASSAN
5. Auditors of the Company are ALLEN
6. The authorized share capital of the Company is Tshs./US\$ 100,000,000

7. The intended capital investment of the Company in terms of Section 2(2) of the Act is Tshs./US\$ Five hundred Million 500,000
8. The month and day of the financial year end is DECEMBER 31 of every year

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\$ Hundred (100) Being the Registration Fees. *In the event this application is unsuccessful we understand that this fee will not be refunded.*

I, M. RYAN OSMAN ABU of Post Office Number 14010 DSM

do solemnly and sincerely declare that I am a director/duly authorized agent of RAMADD GENERAL SUPPLY LTD

**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 17<sup>th</sup> day of June 2009 }

SULEYMAN  
Applicant

Before me:

[Signature]  
Commissioner for Oaths



APPLICATION SUMMARY

Company Name: RAMAD GENERAL SUPPLY LTD

Certificate of Incorporation Number: 67742 Status: LIMITED

Certificate of Incorporation Date: 30 SEPTEMBER 2008

Post Box: 14010

Town: DARES SALAAM

Sector: MANUFACTURING Sub-Sector: MANUFACTURER OF ALUMINIUM PRODUCTS

Investment Financing Plan in Million US\$/Tshs.

Foreign Equity	Local Equity	Foreign Loan	Local Loan
500,000	-	-	-

Project Objectives: TO MANUFACTURE VARIOUS ALUMINIUM BUILDING MATERIAL

Capacity: 500,000 ITEMS (VARIOUS POINTS)

Employment: Foreign: Local: 15 Total: 15

Implementation Period: 3 YEARS

Project Location

Site/Plot/Block No.: 1 BK 47 LINDI/SWAHILI STREET

Street: LINDI/SWAHILI STR. District: ILALA Region: DAR ES SALAAM (Attach sketch map showing project location)

Shareholders	Nationality	%
1- MARYAM OSMAN ABDI	SOMALI	25%
2- AEDIQADIR SH. HANAFI	SOMALI	15%
3- ALI MAHAMED HASSAN	DUTCH	15%
4- YUSUF GARAAD LOYAN	AMERICAN	15%
5- ALI MAHAMED HAJI	SOMALI	15%
6- SULEIMAN AEDIRAHMAN	SOMALI	15%

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

Land/Building	60,000
Plant	300,000
Vehicles	100,000
Furniture & Fittings	—
Pre-expenses	10,000
Others	—
Working Capital	30,000
<b>TOTAL</b>	<b>500,000</b>

**Contact Details:**

Name: MARYAM OSMAN ABDI

Title: DIRECTOR

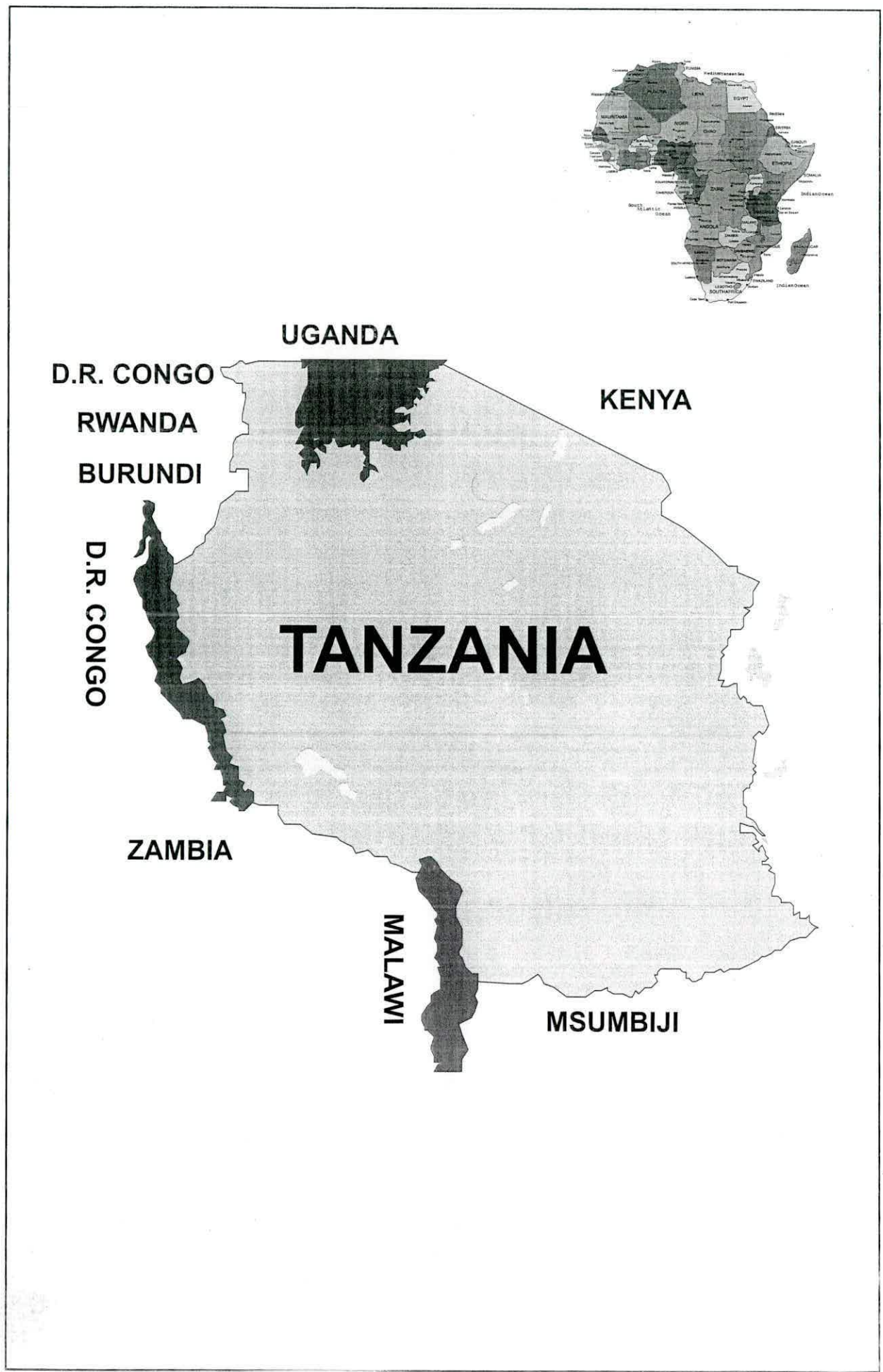
Telephone: +255 22 286 0252

Fax: 077004772

Email: .....

**Payments to be made payable to:**

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





# **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)**

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 MARYAN OSMAN ABDI AND YUSUF GARAAD LOYAN  
(director/directors/agent of RAMADOO GENERAL SUPPLY LTD  
(name of business enterprise) apply for registration of TANZANIA INVESTMENT  
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 LINDI/SAWAHILIST  
PLOT NO TBK 47 HOUSE 40 P.O. BOX 14010 DSM

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 DAR ES SALAAM-TANZANIA
4. The Principal Officers of the Company are MARYAN OSMAN ABDI @ YUSUF GARAAD LOYAN 3-ALI MAHAMMED HAGI HASSAN
5. Auditors of the Company are ALLEN
6. The authorized share capital of the Company is Tshs./US\$ 100,000,000

7. The intended capital investment of the Company in terms of Section 2(2) of the Act is Tshs./US\$ Five hundred Million 500,000,000
8. The month and day of the financial year end is DECEMBER 31 of every year

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\$ Hundred (100) Being the Registration Fees. *In the event this application is unsuccessful we understand that this fee will not be refunded.*

I, MARYAN OSMAN ABU of Post Office Number 14012 DSM

do solemnly and sincerely declare that I am a director/duly authorized agent of RAMADD GENERAL SUPPLY LTD

**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 17<sup>th</sup> day of April 2009 }

SULEYMAN  
Applicant

Before me:

[Signature]  
Commissioner for Oaths



APPLICATION SUMMARY

Company Name: RAMADD GENERAL SUPPLY LTD

Certificate of Incorporation Number: 67742 Status: LIMITED

Certificate of Incorporation Date: 30 SEPTEMBER 2008

Post Box: 14010

Town: DARES SALAAM

Sector: MANUFACTURING Sub-Sector: MANUFACTURER OF ALUMINIUM PRODUCTS

Investment Financing Plan in Million US\$/Tshs.

Foreign Equity Local Equity Foreign Loan Local Loan

500,000 - - -

Project Objectives: TO MANUFACTURE VARIOUS ALUMINUM BUILDING MATERIAL

Capacity: 500,000 ITEMS (VARIOUS) PRODUCTS

Employment: Foreign: Local: 15 Total: 15

Implementation Period: 3 YEARS

Project Location

Site/Plot/Block No.: 1 BK 47 LINDI / SWAHILI STREET

Street: LINDI / SWAHILI STR District: ILALA Region: DARES SALAAM

(Attach sketch map showing project location)

Shareholders	Nationality	%
1- MARYAN OSMAN ABDI	SOMALI	25%
2- ABDI QADIR SH. HANATI	SOMALI	15%
3- ALI MAHAMED HASSAN	DUTCH	15%
4- YUSUF GARAAD LOYAN	AMERICAN	15%
5- ALI MAHAMED HAJI	SOMALI	15%
6- SULEYMAN ABDIRAHMAN SUUCYB	SOMALI	15%

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

Land/Building	..... 60,000 .....
Plant	..... 300,000 .....
Vehicles	..... 100,000 .....
Furniture & Fittings	..... — .....
Pre-expenses	..... 10,000 .....
Others	..... — .....
Working Capital	..... 30,000 .....
<b>TOTAL</b>	..... <b>500,000</b> .....

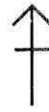
**Contact Details:**

Name: MARYAM OSMAN ABDI Title: DIRECTOR  
Telephone: +255 222860252 Fax: 0777004772  
Email: .....

**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





## LEASE AGREEMENT

This agreement is made this 1<sup>st</sup> day of January 2009 between **ABDULKADIR ELMI MOHAMED**

**AND**

**RAMADO GENERAL SUPPLIES LIMITED** of P.O.Box 5784 Dar es Salaam  
(hereinafter the Tenants)

Whereas:-

- A. The Landlord is the owner of the Plot No 1/47 swahili / Lindi Dar es Salaam (hereinafter the demised premises)
- B. The tenant is desirous to enter and occupy the said premises for the conditions and terms herein below.

**NOW THEREOF** this agreement witness as follows:

- In consideration of rent and tenant covenants hereinafter the Landlord hereby demises unto the tenants the demised premises from 1<sup>st</sup> January – 1<sup>st</sup> Dec,2009 annually, subject to the terms and conditions herein below agreed.
1. The tenants Hereby covenants with the Landlord as follows:
    - a) To pay the rent on the days and in the manner an aforementioned
    - b) Not to terminate the lease agreement at any time if the tenant is complying with the terms of lease agreement herein agreed.
  2. The tenants agrees to pay monthly rent Tshs. 180,000/=
  3. The rent will be paid one year 2,160,000
  4. That the tenants shall pay all charges for electricity, water, collection of garbage and other services.
  5. That the tenants are not allowed to assign, underlet or part with the possession of the demised premises without the consent of the owner.
  6. That tenants agree to clean and remove all grasses and garbage in the field.
  7. That the tenants agree lease agreement: for one year.
  8. That the rent be renewed after every one year.
  9. The tenants agree to comply with all Government and regulation when due.

10. The tenants agree to comply with all Government tax and regulation when due.

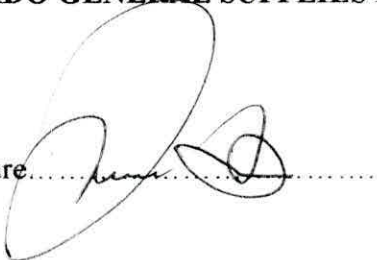
11. The tenants agree to comply with all city council rules and regulation including three months before the expiration of the said term as shall be agreed between the parties to commence the expiration.


**IN WITNESS WHEREOF** the parties hereto executed this lease agreement the day and the year and in the manner hereinafter appearing.

**THE LANDLORD  
ABDULKADIR ELMI MOHAMED**

Signature.....

**THE TENANTS  
RAMADO GENERAL SUPPLIES LIMITED.**

Signature.....

**STAMP DUTY**  
Shs. 500  
Receipt No. 139222 Collected  
Date: 3.2.2009  
  
Regional Manager-Ilala Tax Region

# RAMADO GENERAL SUPPLY LIMITED

Ref. RGS/MD/05-07/09

July 20, 2009

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

Subject: Notice of Certificate of Incentives

Dear Sir/Madam,

Please refer to your letter with Reference No. TIC/PP.10/041682 of 9 July 2009, as managing Director I would like to inform you that this company is still engaged to the establishment of factory mentioned on certificate and we received the Certificate just in early of June 2009.

We have ordered the machines, which are on their way to Dar es Salaam and we have purchased Plot. No. ILA/KPW/KPN-21/2, Kupunguni – Kipawa Ilala Dar es Salaam, as factory site, though still we are busy for legal appropriation process of the Plot.

The Location you have stated on your above letter has rented by the company and we are planning to use as downtown offices premise, though still occupying by the previous Tanzanian Citizen tenant to finalize his stock materials.

**Mayran Osman Abddi  
Managing Director.**



Swahili St. Plo.No.14 Block 45 P.O. Box 14010 DSM, Tel. +255222860252 Mobile 0777004772

~~0773~~

0777366910

Xusuf.

111

*Bfufie* (5)

# RAMADO GENERAL SUPPLY LIMITED

Ref. RGS/MD/05-07/09

July 20, 2009

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

*LFM*  
*Let us discuss*  
*DIF*  
*25/07/09*



Subject: Notice of Certificate of Incentives

Dear Sir/Madam,

Please refer to your letter with Reference No. TIC/PP.10/041682 of 9 July 2009, as managing Director I would like to inform you that this company is still engaged to the establishment of factory mentioned on certificate and we received the Certificate just in early of June 2009.

We have ordered the machines, which are on their way to Dar es Salaam and we have purchased Plot. No. ILA/KPW/KPN-21/2, Kupunguni – Kipawa Ilala Dar es Salaam, as factory site, though still we are busy for legal appropriation process of the Plot.

The Location you have stated on your above letter has rented by the company and we are planning to use as downtown offices premise, though still occupying by the previous Tanzanian Citizen tenant to finalize his stock materials.

Mayran Osman Abbdi  
Managing Director.

A handwritten signature in black ink, appearing to read "M. Osman Abbdi".



Swahili St. Plo.No.14 Block 45 P.O. Box 14010 DSM, Tel. +255222860252 Mobile 0777004772

4

TIC/PP.10/041682

9 July 2009

Managing Director,  
Romado General Supplies Ltd  
**DAR ES SALAAM**

**RE: NOTICE TO SHOW CAUSE BEFORE CANCELLATION OF TIC CERTIFICATE OF INCENTIVES NO. 041682**

Reference is made to the above heading.

Please note that in the recent past during our routine project visit, our officers noticed that your company is currently engaged in the business **of import and selling of building materials at Kariakoo (Swahili/Lindi Street)** contrary to project declared description on the TIC certificate that was to establish **Manufacturing of building materials.**

Following these serious accusations which were revealed by the team, we intend to cancel the certificate of incentives referred to above if the charges raised by our team are not satisfactorily replied to.

The purpose of this letter therefore is to require you to show cause why the said Certificate of Incentives should not be cancelled. We shall require your explanations/defense, if any, to reach this Centre within **fourteen working days** counting from the date of this letter.

**TAKE NOTE** that if no reply is received within **fourteen working days** or if the reply/defense shall not be satisfactory to us, we shall proceed to cancel the certificate without further notice to you.

Cancellation of your certificate shall not preclude any further action that may be taken by the Government.

Sincerely yours,

  
B.D Chonjo  
**For: EXECUTIVE DIRECTOR**

TICC/PP.10/041682/3

24 April 2009

Managing Director,  
Ramado General Supplies Ltd,  
P.O. Box 14010,  
**DAR ES SALAAM**

**RE: CERTIFICATE OF INCENTIVES FOR INVESTMENT IN THE  
ESTABLISHMENT OF MANUFACTURING FACILITIES FOR VARIOUS  
ALLUMINIUM BUILDING MATERIALS**

We wish to acknowledge receipt of your project proposal to establish manufacturing facilities for various alluminium building materials as presented in the TIC P.A. 1 Form No. 07683 and Feasibility Study with a projected investment of USD 0.5 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.

You will 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 make deposit direct to the bank as per bank details below:

*Tanzania Investment Centre  
Standard Chartered Bank (T) Ltd  
US Dollar A/C 8702006002000  
T.Shs A/C 0102006002000*

.../2

TICC/PP.10/041682/3

24 April 2009

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**



2

Name of the Company  
**Ramado General Supply Ltd.**

Post Box	Lindi/Swahili Plot No. 1 Blk 47	COI Number	67742	Contact	Mr. Maryan Osman Abdi
Post Office	14010	COI Date	30/09/2008	Designation	Director
Region	Dar Es Salaam	Application F. No	07683	Phone	022 2860252
Country	Tanzania	Status	New	Direct Phone	0
		Sector	Manufacturing	Cell Phone	0777004772
		Sub Sector	Aluminium Products	Fax	0
		File No	041682	E-Mail Address	0

Project Location		Investment Finance Plan in Millions USD										
Plot/Block	Plot No. 1 Block 47	<table border="1"> <tr> <th>Foreign Equity</th> <th>Local Equity</th> <th>Foreign Loan</th> <th>Local Loan</th> </tr> <tr> <td>0.5</td> <td>0</td> <td>0</td> <td>0</td> </tr> </table>	Foreign Equity	Local Equity	Foreign Loan	Local Loan	0.5	0	0	0		
Foreign Equity	Local Equity		Foreign Loan	Local Loan								
0.5	0		0	0								
Street	Lindi/Swahili											
District	Ilala											
Region	Dar es Salaam											

Shareholders Detail			Investment Breakdown (USD Million)	
Name	Nationality	(%)	Land/Building	Plant
Suleymaan Abdirahaman Shuceyb	Somalian	15	0.06	0.3
Ali Maxed Haji Hassan	Somalian	15	Vehicles	0.1
Yusuf Garad Layan	American	15	Furniture & Fittings	0
Ali Mahamed Hassan	Dutch	15	Pre-expenses	0.01
Abdiqadir Sheikh Hanafi	Somalian	15	Others	0
Maryam Osman Abdi	Somalia	25	Working Capital	0.03
			Total	0.5

Employment	15	Evaluated By	Senzia Manager
Capacity	500,000 items	Drawn By	Sarah Registry
Project Turn Over			

Description  
 establish manufacturing facilities for various alluminium building marterials

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

Decision

*Approved*  
*[Signature]*  
 22/10/08

# RAMADO GENERAL SUPPLY LIMITED



Ref. RGS/MD/05-03/09

23 March, 2009

Executive Directors  
Tanzania Investment Centre  
P.O. Box 938  
DAR ES SALAAM.

## **Sub: APPLICATION FOR THE CERTIFICATION OF INCENTIVES**

We have decided to expand our project by constructing aluminum frames factory for constructions of houses and offices buildings.

In that respect we have decided to apply for the Certificate of Incentive in order to benefit from the incentives obtained at your Centre.

We are attaching the following documents in order to enable the Centre issue the Certificate:-

1. Application Form
2. Certificate of Incorporation
3. Memorandum and Articles of Association
4. Business Plan
5. Lease Agreement Contract
6. Bank reference Letter
7. Board resolution

  
.....

Director



Lindi/Swahili St. Plo.No.1BK47 house 40 P.O. Box 14010 DSM, Tel. +255222860252 Mobile 0777004772

# RAMADO GENERAL SUPPLY LIMITED

---

Ref. RGS/MD/04-03/09

23 March, 2009

## **EXTRACTS FORM MINUTES OF THE BOARD MEETING**

### **Present**

1. Mrs. Maryam Osman Abdi
2. Mr. Yussuf Garaad Loyan
3. Mr. Abdulqadir Sheikh Hanafi
4. Mr. Ali Jagi Mohame Hassan
5. Mr. Ali Mohamed Hassan

The Board Meeting unanimously passed the following resolutions:

- Aluminum frames Factory
- The project investment cost will be US\$ 500,000/=
- The project will be financed through equity and Loan

Signed by:



Chairperson



Secretary

---

Lindi/Swahili St. Plo.No.1BK47 house 40 P.O. Box 14010 DSM, Tel. +255222860252 Mobile 0777004772

**PROJECT VISIT REPORT IN RESPECT OF RAMADO GENERAL SUPPLY LTD**

S/N	SUBJECT	DESCRIPTION
1	Title	<b>Project visit</b>
2	Name of Company	<b>RAMADO GENERAL SUPPLY LTD</b>
3	Location	Plot No. ILA/KPW/KPN. 21/2 Kipunguni Kipawa Ilala
4	Purpose of Visit	<ul style="list-style-type: none"> <li>• Verification of location of business premises for the factory</li> <li>• Verification whether same license is used to run factory and a shop of clothes at Lindi &amp; Swahili Street Kariakoo Area.</li> <li>• Verifying if the company implements the initially stated activities when applying for TIC Certificate</li> <li>• Verifying if expatriates use same residence permit for both projects i. e TIC registered one and outlet shop for selling building materials at Lindi and Swahili Street Kariakoo area</li> <li>• Verifying the skills of expatriates in comparison with local employees</li> <li>• Verifying if localization scheme takes place</li> <li>• Verifying utilization of deemed capital goods</li> <li>• Reminding investors of the obligation to produce progress reports regularly (after every six months)</li> <li>• Administering questionnaire to update ourselves with project information</li> </ul>
5	Participants	<ol style="list-style-type: none"> <li>1. Glory Bildard. (IFM-Aftercare)</li> <li>2. Patrick E.Chove (IFO-Aftercare)</li> <li>3. Yusuf Garaad Loyan- Director of the company</li> </ol>
6	Observations	<ul style="list-style-type: none"> <li>• The company had initially planned to establish plant for manufacturing of various aluminium building materials at Plot No. 1 Block 47 Lindi/Swahili Street Kariakoo.</li> <li>• Now the factory is situated in at Plot No ILA/KPW/KPN.21/2 Kipunguni Kipawa area Ilala District. The project is still new still making construction of the wall at the site not yet started production</li> <li>• The company has not yet obtained industrial license</li> <li>• No deemed capital goods have been applied and imported by the company until now</li> <li>• The Company has a shop for selling building materials at Lindi/Swahili Street in Kariakoo where it sells the imported building materials.</li> <li>• The shop has a business License for selling building materials</li> <li>• No foreign employee has been recruited by the project by now</li> <li>• Few Tanzanians are employed by the shop</li> </ul>

		<ul style="list-style-type: none"> <li>The shop is for retailing and sub whole sale</li> </ul>
7	Future Plan	N/A
8	Recommendations	<ol style="list-style-type: none"> <li>Though now not fully operational there is a potential for investment to grow because construction of the factory has started. However, we need to work closely with this investor in order to reinforce compliance instead of cancelling the certificate</li> <li>The investor need to be advised not to use the TIC Certificate at the sales point</li> <li>Investor be reminded to furnish the center with progress report after every six months</li> <li>Certificate should be changed to reflect the current location and the actual description of the activities undertaken</li> </ol>
9	Conclusion	<b>We recommend that certificate should not be cancelled</b>

NB: Find attached dully completed questionnaire/ progress report for more details

Prepared by 1. Glory Bildard. ( IFM- Aftercare) .....

2. Patrick E. Chove (IFO-Aftercare) .....

Date: 2/9/09 .....

## PROJECT VISITS QUESTIONNAIRE

*Aftercare Survey on TIC Registered Projects*

**Section A: Company Profile**

S/N	Description	Particulars			
1	Company Name	RAMADO GENERAL SUPPLY			
2	Contact Address	Country	Tanzania	General Line	+255 222 860252
		Region	Dares Salaam	Direct Line	+255 777 004772
		District	ILALA	Cell phone	+255 777 366910
		Street	swahili st	Fax	
		Plot No.	14block45	Email	
		P. O Box	14010	Website	
		Certificate of Incorporation No:	67742	Certificate of Incorporation Date:	30-09-08
		3	Contact Levels	Title	Sales Manager
Contact Person	YUSUF LOYAN				
Title	Manager Director				
Contact Person	Maryam Osman				
4	Shareholders	Name	Nationality	Percentage	
		1. Maryam Osman Abeli	Somalian	25%	
		2. Abdigadir Sheikh Hafsi	Somalian	15	
		3. Ali Mahamed Hassan	DUTCH	15	
		4. YUSUF Ganaad loyan	American	15	
		5. ALI Mahamed Haji	Somalian	15	

**Section B: Project Details**

S/N	Description	Contact Particulars		
1	Project Name	Aluminium factory	General Line	
	P. O Box	14010	Direct Line	
	Region	Dares Salaam	Cell phone	+255 777 366910
	District	ILALA	Fax	

	Sector	Industrial		Email		
	Sub-sector	factory		Website		
	Certificate of Incentives Date:	24-4-09		Street		
	Certificate of Incentives No:	00215596		Plot No.	1LA/KPW/KPW-21/2	
2	Contact Levels	Title	Sales Manager			
		Contact Person	Yusuf Iyau			
		Title	Manager Director			
		Contact Person	Maryam Osman			
3	Implementation Details	Project Objectives				
		Planned Activities	to produce Aluminium products			
		Project Nature	Please tick ✓			
			New <input checked="" type="checkbox"/>	Expansion	Rehabilitation	
			<input checked="" type="checkbox"/>			
		Capacity	Installed Capacity		Running Capacity	
		Implementation Period	two years			
Implementation Status						
Other Details						
4	Employment (permanent)	Foreign			Tanzanian	
		Level	M	F	M	F
		Management				
		Professionals				
		Skilled				
		Unskilled				

Section C: TIC Registered Project Financing

S/N	Description	Particulars			
1	Source of Funds	Local Equity			
		Foreign Equity	✓ (100%)		
		Local Loan			
		Foreign Loan			
		Total			
	Expenditure	Land/ Buildings	40,000 USD.		
		Plant and Machinery			
		Vehicles and other Transport means	50,000 USD. (for purchase of cars)		
		Furniture & Fittings			
		Pre-expenses			
		Others			
		Working Capital	150,000 USD.		
		Total			
	2	Technology Transfer	Nature of Technology	Please tick (✓)	
Yes				No	
Technology Introduction					
Hardware					
Software					
Skills					

Section D: General Concerns and Suggestions

1	
---	--

Section D: *Other Issues*

1	Matters related to:	Particulars of Comments	Suggestions
	BRELA		
	BUSINESS LICENCE		
	LABOR		
	IMMIGRATION		
	TRA		
	LAND		
2	OTHERS		

Future Prospects (Please ✓)	<i>Expand</i>	<i>Remain / No Change</i>	<i>Quit</i>
	✓		
Please give reason for your answer			

*This Part is for TIC Official Use Only:*

Entered in a workflow by:	Reviewed/ Validated by:
Name: .....	Name: .....
Signature: .....	Signature: .....
Date: .....	Date: .....

**RAMADO GENERAL SUPPLY LIMITED.**

**FEASIBILITY STUDY**

**FOR THE**

**MANUFACTURING OF ALUMINUM  
CONSTRUCTION MATERIALS FOR  
CONSTRUCTION INDUSTRY**

Prepared by:-

Ramado General Supply Ltd.

P.O. Box

Dar es Salaam

April, 2009

## EXECUTIVE SUMMARY

### Introduction

**RAMADO GENERAL SUPPLY** has been established in Tanzania with the objective of providing timely accurate and cost effective aluminum constructions materials.

### Capacity of Service Providers/

The capacity of the existing local suppliers of foresaid products is very low. The current suppliers have a limited capacity because of the following reasons:

- High cost of purchasing plant & equipment (many of them have manual and obsolete machine)
- Problem with technology – most firms owns equipment which is not capable producing required quality, specifications and range of products.
- On account of limited capital to provide reliable and high quality products.

### Investment

RAMADO GENERAL SUPPLY LIMITED. will invest a total amount of US\$500,000 out of which will be used on procurement of fixed assets and US\$ 30,000 will be working capital during the fist year of operation. The investment in fixed assets will be distributed as follows:-

Item	USD	Total Cost
Land & Buildings	60,000	60,000
Machinery & Equipment	300,000	300,000
Motor Vehicles	100,000	100,000
Pre-Operational Expenses	10,000	10,000
<b>Fixed Investment</b>	<b>470,000</b>	<b>470,000</b>
Working Capital	30,000	30,000
<b>TOTAL Investment</b>	<b>500,000</b>	<b>500,000</b>

### Financing the Investment

The initial financing of the Investment will be as follows:

	US\$	Total
<b>EQUITY</b>	<b>500000</b>	<b>500,000</b>

The shareholders will raise equity of US\$ 500,000 million.

### **Profitability**

On the basis of the projections and the assumptions contained in this report the Company will be financially and commercially profitable. It will be able to generate the following business over the projected five-year period.

	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
Sales	1,628,640	1,661,213	1,711,049	1,779,491	1,868,466
Gross Profit	222,768	227,223	234,040	243,402	255,572
Profit before tax	6,458	24,480	52,882	83,343	116,075
<b>Net Income</b>	<b>4,521</b>	<b>17,136</b>	<b>37,017</b>	<b>58,340</b>	<b>81,253</b>

### **Social Viability**

RAMADO GENERAL SUPPLY LIMITED will participate in improving the housing industry in Tanzania and play a role in alleviating poverty in the country by providing timely reliable and cost effective products in the construction sector. The Company will also pay taxes to the government as per tax laws and regulations.

### **Employment**

The Company will employ 39 employees.

## 1.0 INTRODUCTION

### Background

M/S RAMADO GENERAL SUPPLY LIMITED is a newly established and privately owned limited liability company incorporated under companies Act 2002 with certificate of incorporation No. 67742, of 30<sup>th</sup> January, 2008.

The objective with which the company was established was carry on the production of all types of aluminum construction materials to enhance and support the development of construction industry

### 1.1 Company Ownership

As a private company, the ownership is limited to what is stipulated in the Memorandum and Articles of Association. Presently, the following are the promoter and directors of the company, namely:

S/N	Name	Nationality
1.	Maryam Osman Abdi	25
2.	Abdiquadir Sheik Hanafi	15
3	Ali Mohamed Hassan	15
4.	Yusuf Garad Layan	15
5.	Ali Maxed Haji Hassan	15
6.	Suleiman Abdurrahman Shuceyb	15

#### 1.1.1 Office Locations and Contact Information

The company has its head office in Dar es Salaam on Plot No. 1/47 Swahili/Lindi, Ilala District.

Furthermore, the area is easily accessible by road transport, thus transport of raw materials and finished products will not pose any problem. Many manufacturing companies are clustered in this area.

## 2.0 Project Objectives

The project document sets out proposal by M/S RAMADO GENERAL SUPPLY LIMITED to engage in the manufacturing of aluminum construction materials for construction industry.

## 3.0 Investment Required

In order for the project to commence the operations, the Directors of the company have planned the acquisition of new production machinery and accessories as follows:

Item	USD	Total Cost
Land & Buildings	60,000	60,000
Machinery & Equipment	300,000	300,000
Motor Vehicles	100,000	100,000
Pre-Operational Expenses	10,000	10,000
<b>Fixed Investment</b>	<b>470,000</b>	<b>470,000</b>
Working Capital	30,000	30,000
<b>TOTAL Investment</b>	<b>500,000</b>	<b>500,000</b>

## 4.0 MACHINERY & RAW MATERIALS

### 4.1 Land & Buildings

The project has already secured leased land located at Plot No. 1/47 Swahili /lindi, Dar-es-salaam, Ilala District.

## **4.2 Machinery & Accessories**

Arrangement to secure modern production machinery and equipment is under way and delivery will be done soon after TIC certificate has been obtained.

## **5.0 MARKET ANALYSIS**

The aim of this chapter is to analyze the market in which M/S RAMADO GENERAL SUPPLY LIMITED Products operates and assess the potential for expansion. The study looks at a number of factors that determine the market and how the enterprise is positioned.

### **5.1 Line of Business**

- M/S RAMADO GENERAL SUPPLY LIMITED will be engaged in the manufacturing and sale of the alluminium building materials.

### **5.2 Source of Products**

Currently, some these products are locally manufactured and some are imported. The quality of the products is questionable and sometimes there is dumping in Tanzanian market. The project will use modern fully automatic compressing machine with the capacity of 8000 Pieces per day.

M/S RAMADO GENERAL SUPPLY LIMITED Products prefer to manufacture the products locally rather than importing components because of several reasons:-

- Ability to have an appropriate product mix,
- To have control on price,
- To assess quality.

### **5.3 Marketing of products**

Products that will be manufactured M/S RAMADO GENERAL SUPPLY LIMITED Products will be similar to the locally manufactured and imported products sold by its competitors; there is no product differentiation with the exceptions of few products. There are four important aspects that count for a firm to be successful in this line of business.

- i. Quality products
- ii. Offering competitive prices
- iii. Customer tailor made products,
- iv. Customer relations

### **5.4 Product Prices**

The company's product prices will be charged to cover the production costs, plus profit margin. On the other hand the firm will set its prices relatively lower or equal to that charged by other local manufacturers as a strategy to penetrate the market and an incentive to customers.

### **5.6 Product Range**

The company will have an advantage of manufacturing various kinds of Aluminium crop. Product range is the most significant tool in attracting a wide customer base. It affects the purchasing process. Customers do favor manufacturer/importer with a wider range of products as:

- It saves search time
- Reduces transport costs
- Attracts discount

### **5.7 Customer Relations**

M/S RAMADO GENERAL SUPPLY LIMITED Products realizes that much of the business is generated from customers whom he has and maintains cordial relationship with. The

enterprise will try the best to make sure that it maintains good business relations with customers in order to grow.

### **5.8 Quality Products**

The company is introducing high quality products that have never been in the market before. It is anticipated that the new product will revolutionize the market and housing industry.

### **5.9 Market Segment**

For M/S RAMADO GENERAL SUPPLY LIMITED, the market of the products will be segmented as follows:

**Table 2.2 Market segment**

	<b>SEGMENT</b>
1.	Households
2.	Contractors
3.	Government departments
4.	Public and Private Corporations

### **5.10 Competition Analysis**

As a result of trade liberalization enabling people to access commodities both from internal and external sources, the company will definitely continue to face competition from other dealers in foresaid products. However, the survey made by the firm reveals that:

- Some of the similar products supplied by local manufactures are of a very poor quality and hence discourage customers.
- Prices charged by other dealers on similar products are relatively high compared to quality.

## 5.11 Marketing Strategies

Despite the existing competitive environment M/S RAMADO GENERAL SUPPLY LIMITED will easily continue to penetrate the market by adopting various marketing strategies, such as;

- Providing customers with what is needed in terms of quality, quantity and affordability.
- Setting competitive prices against its competitors. Naturally, people would like to buy high quality, but low cost products. The profit margins will be kept reasonably low to capture a bigger market share.
- Personal selling through, distribution of brochures, neon signs, stickers and advertisement through media i.e. Radio, Television and newspapers and maintenance of a website. These will create awareness of the products of the firm.
- Establishing and maintaining links with regional dealers in hard ware and construction materials to widen its market segment.

## 6 FINANCIAL ANALYSIS

### 6.6 Investment

Investment required to expand the business is estimated at US\$ 500,000

**Table 5.1 Investment Plan**

Item	USD	Total Cost
Land & Buildings	60,000	60,000
Machinery & Equipment	300,000	300,000
Motor Vehicles	100,000	100,000
Pre-Operational Expenses	10,000	10,000
<b>Fixed Investment</b>	<b>470,000</b>	<b>470,000</b>
Working Capital	30,000	30,000
<b>TOTAL Investment</b>	<b>500,000</b>	<b>500,000</b>

The project has leased built land with a yard and godown to be used as a factory building.

Initial working capital at the tune of US\$. 30,000 will be required for the procurement of raw materials. The raw materials required are to be procured locally.

The pre-operational budget includes the costs for professional and legal fees, machinery installation and commissioning. US\$. 10,000 million will be spent to cover the costs.

### 6.7 Sources of Finance

The proprietor is expected to raise US\$ 500,000 million of the total investment amount.

## Financing Plan

Item	USD	Total Cost
Land & Buildings	60,000	60,000
Machinery & Equipment	300,000	300,000
Motor Vehicles	100,000	100,000
Pre-Operational Expenses	10,000	10,000
<b>Fixed Investment</b>	<b>470,000</b>	<b>470,000</b>
Working Capital	30,000	30,000
<b>TOTAL Investment</b>	<b>500,000</b>	<b>500,000</b>

### 6.8 Depreciation Allowance

Depreciation has been allowed based on Tanzanian tax policies.

### 6.9 Operating Costs

The company incurs both direct (variable) costs as well as fixed costs.

#### 6.9.1 Variable/Direct Costs

Variable costs with the factory include raw material, electricity and consumables. According to the determined production process and the rated capacities of the machinery; variable costs have been calculated 85% and 90% of sales for per-cast products and flush doors respectively.

#### 6.9.2 Fixed Costs

In the first year, the monthly overheads will average at US\$.0.42 million, the figure will rise annually as shown below. The business operates on both credit (that does not exceed 21 days) and cash basis, this eases the demand for working capital. The total cost per annum is as given in the table below:

## Fixed Costs

	Year 1	Year 2	Year 3	Year 4	Year 5
Salaries	20,400	20,808	21,224	21,649	22,082
Stationary	360	367	375	382	390
Transport & Traveling	2,400	2,448	2,497	2,547	2,598
Staff Welfare	5,100	5,202	5,306	5,412	5,520
Repair & Maintenance	14,315	14,602	14,894	15,192	15,495
<b>Total Costs</b>	<b>42,575</b>	<b>43,427</b>	<b>44,295</b>	<b>45,181</b>	<b>46,085</b>

### 6.10 Net Income

The financial projections show that the project will make a profit of US\$ 4.521 million in the first year; it will increase to US\$ 17.136 million in the second year and further to US\$ 37.017 million in the third year. In the fourth and fifth year, profit after tax will be US\$. 58.340 and US\$ 81.253 million respectively.

### 6.11 Projected Cash flows

Analysis of the first year of operations, shows that the business will generate healthy cash flows except for few first months of year one.

## 7 ECONOMIC ASPECTS OF THE PROJECT

### 7.6 Employment Effect

The project will generate 39 jobs apart from other indirect jobs that will be created through implementation and operations of the project.

### 7.7 Linkage Effects:

The construction materials production business has high forward linkages with the construction sector.

## 8 CONCLUSION AND RECOMMENDATIONS

- The project will have adequate liquidity to honor its maturing obligations.
- The economic aspects reveal that the project will be beneficial to the nation in terms of promoting growth for the construction industry, job creation, and generating government revenue in terms of tax collections and other levies.

It is therefore recommended that the project be implemented and get the necessary support from TIC.

**RAMADO GENERAL SUPPLY LIMITED.**

**FEASIBILITY STUDY**

**FOR THE**

**MANUFACTURING OF ALUMINUM  
CONSTRUCTION MATERIALS FOR  
CONSTRUCTION INDUSTRY**

Prepared by:-

Ramado General Supply Ltd.

P.O. Box

Dar es Salaam

April, 2009

## EXECUTIVE SUMMARY

### Introduction

**RAMADO GENERAL SUPPLY** has been established in Tanzania with the objective of providing timely accurate and cost effective aluminum constructions materials.

### Capacity of Service Providers/

The capacity of the existing local suppliers of foresaid products is very low. The current suppliers have a limited capacity because of the following reasons:

- High cost of purchasing plant & equipment (many of them have manual and obsolete machine)
- Problem with technology – most firms owns equipment which is not capable producing required quality, specifications and range of products.
- On account of limited capital to provide reliable and high quality products.

### Investment

RAMADO GENERAL SUPPLY LIMITED. will invest a total amount of US\$500,000 out of which will be used on procurement of fixed assets and US\$ 30,000 will be working capital during the fist year of operation. The investment in fixed assets will be distributed as follows:-

Item	USD	Total Cost
Land & Buildings	60,000	60,000
Machinery & Equipment	300,000	300,000
Motor Vehicles	100,000	100,000
Pre-Operational Expenses	10,000	10,000
<b>Fixed Investment</b>	<b>470,000</b>	<b>470,000</b>
Working Capital	30,000	30,000
<b>TOTAL Investment</b>	<b>500,000</b>	<b>500,000</b>

### Financing the Investment

The initial financing of the Investment will be as follows:

	US\$	Total
<b>EQUITY</b>	<b>500000</b>	<b>500,000</b>

The shareholders will raise equity of US\$ 500,000 million.

### **Profitability**

On the basis of the projections and the assumptions contained in this report the Company will be financially and commercially profitable. It will be able to generate the following business over the projected five-year period.

	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
Sales	1,628,640	1,661,213	1,711,049	1,779,491	1,868,466
Gross Profit	222,768	227,223	234,040	243,402	255,572
Profit before tax	6,458	24,480	52,882	83,343	116,075
<b>Net Income</b>	<b>4,521</b>	<b>17,136</b>	<b>37,017</b>	<b>58,340</b>	<b>81,253</b>

### **Social Viability**

RAMADO GENERAL SUPPLY LIMITED will participate in improving the housing industry in Tanzania and play a role in alleviating poverty in the country by providing timely reliable and cost effective products in the construction sector. The Company will also pay taxes to the government as per tax laws and regulations.

### **Employment**

The Company will employ 39 employees.

## 1.0 INTRODUCTION

### Background

M/S RAMADO GENERAL SUPPLY LIMITED is a newly established and privately owned limited liability company incorporated under companies Act 2002 with certificate of incorporation No. 67742, of 30<sup>th</sup> January, 2008.

The objective with which the company was established was carry on the production of all types of aluminum construction materials to enhance and support the development of construction industry

### 1.1 Company Ownership

As a private company, the ownership is limited to what is stipulated in the Memorandum and Articles of Association. Presently, the following are the promoter and directors of the company, namely:

S/N	Name	Nationality
1.	Maryam Osman Abdi	25
2.	Abdiqudir Sheik Hanafi	15
3	Ali Mohamed Hassan	15
4.	Yusuf Garad Layan	15
5.	Ali Maxed Haji Hassan	15
6.	Suleiman Abdurrahman Shuceyb	15

#### 1.1.1 Office Locations and Contact Information

The company has its head office in Dar es Salaam on Plot No. 1/47 Swahili/Lindi, Ilala District.

Furthermore, the area is easily accessible by road transport, thus transport of raw materials and finished products will not pose any problem. Many manufacturing companies are clustered in this area.

## 2.0 Project Objectives

The project document sets out proposal by M/S RAMADO GENERAL SUPPLY LIMITED to engage in the manufacturing of aluminum construction materials for construction industry.

## 3.0 Investment Required

In order for the project to commence the operations, the Directors of the company have planned the acquisition of new production machinery and accessories as follows:

Item	USD	Total Cost
Land & Buildings	60,000	60,000
Machinery & Equipment	300,000	300,000
Motor Vehicles	100,000	100,000
Pre-Operational Expenses	10,000	10,000
<b>Fixed Investment</b>	<b>470,000</b>	<b>470,000</b>
Working Capital	30,000	30,000
<b>TOTAL Investment</b>	<b>500,000</b>	<b>500,000</b>

## 4.0 MACHINERY & RAW MATERIALS

### 4.1 Land & Buildings

The project has already secured leased land located at Plot No. 1/47 Swahili /lindi, Dar-es-salaam, Ilala District.

## **4.2 Machinery & Accessories**

Arrangement to secure modern production machinery and equipment is under way and delivery will be done soon after TIC certificate has been obtained.

## **5.0 MARKET ANALYSIS**

The aim of this chapter is to analyze the market in which M/S RAMADO GENERAL SUPPLY LIMITED Products operates and assess the potential for expansion. The study looks at a number of factors that determine the market and how the enterprise is positioned.

### **5.1 Line of Business**

- M/S RAMADO GENERAL SUPPLY LIMITED will be engaged in the manufacturing and sale of the aluminium building materials.

### **5.2 Source of Products**

Currently, some these products are locally manufactured and some are imported. The quality of the products is questionable and sometimes there is dumping in Tanzanian market. The project will use modern fully automatic compressing machine with the capacity of 8000 Pieces per day.

M/S RAMADO GENERAL SUPPLY LIMITED Products prefer to manufacture the products locally rather than importing components because of several reasons:-

- Ability to have an appropriate product mix,
- To have control on price,
- To assess quality.

### **5.3 Marketing of products**

Products that will be manufactured M/S RAMADO GENERAL SUPPLY LIMITED Products will be similar to the locally manufactured and imported products sold by its competitors; there is no product differentiation with the exceptions of few products. There are four important aspects that count for a firm to be successful in this line of business.

- i. Quality products
- ii. Offering competitive prices
- iii. Customer tailor made products,
- iv. Customer relations

### **5.4 Product Prices**

The company's product prices will be charged to cover the production costs, plus profit margin. On the other hand the firm will set its prices relatively lower or equal to that charged by other local manufacturers as a strategy to penetrate the market and an incentive to customers.

### **5.6 Product Range**

The company will have an advantage of manufacturing various kinds of Aluminium crop. Product range is the most significant tool in attracting a wide customer base. It affects the purchasing process. Customers do favor manufacturer/importer with a wider range of products as:

- It saves search time
- Reduces transport costs
- Attracts discount

### **5.7 Customer Relations**

M/S RAMADO GENERAL SUPPLY LIMITED Products realizes that much of the business is generated from customers whom he has and maintains cordial relationship with. The

enterprise will try the best to make sure that it maintains good business relations with customers in order to grow.

### **5.8 Quality Products**

The company is introducing high quality products that have never been in the market before. It is anticipated that the new product will revolutionize the market and housing industry.

### **5.9 Market Segment**

For M/S RAMADO GENERAL SUPPLY LIMITED, the market of the products will be segmented as follows:

**Table 2.2 Market segment**

	<b>SEGMENT</b>
1.	Households
2.	Contractors
3.	Government departments
4.	Public and Private Corporations

### **5.10 Competition Analysis**

As a result of trade liberalization enabling people to access commodities both from internal and external sources, the company will definitely continue to face competition from other dealers in foresaid products. However, the survey made by the firm reveals that:

- Some of the similar products supplied by local manufactures are of a very poor quality and hence discourage customers.
- Prices charged by other dealers on similar products are relatively high compared to quality.

## 5.11 Marketing Strategies

Despite the existing competitive environment M/S RAMADO GENERAL SUPPLY LIMITED will easily continue to penetrate the market by adopting various marketing strategies, such as;

- Providing customers with what is needed in terms of quality, quantity and affordability.
- Setting competitive prices against its competitors. Naturally, people would like to buy high quality, but low cost products. The profit margins will be kept reasonably low to capture a bigger market share.
- Personal selling through, distribution of brochures, neon signs, stickers and advertisement through media i.e. Radio, Television and newspapers and maintenance of a website. These will create awareness of the products of the firm.
- Establishing and maintaining links with regional dealers in hard ware and construction materials to widen its market segment.

## 6 FINANCIAL ANALYSIS

### 6.6 Investment

Investment required to expand the business is estimated at US\$ 500,000

**Table 5.1 Investment Plan**

<b>Item</b>	<b>USD</b>	<b>Total Cost</b>
Land & Buildings	60,000	60,000
Machinery & Equipment	300,000	300,000
Motor Vehicles	100,000	100,000
Pre-Operational Expenses	10,000	10,000
<b>Fixed Investment</b>	<b>470,000</b>	<b>470,000</b>
Working Capital	30,000	30,000
<b>TOTAL Investment</b>	<b>500,000</b>	<b>500,000</b>

The project has leased built land with a yard and godown to be used as a factory building.

Initial working capital at the tune of US\$. 30,000 will be required for the procurement of raw materials. The raw materials required are to be procured locally.

The pre-operational budget includes the costs for professional and legal fees, machinery installation and commissioning. US\$. 10,000 million will be spent to cover the costs.

### 6.7 Sources of Finance

The proprietor is expected to raise US\$ 500,000 million of the total investment amount.

## Financing Plan

Item	USD	Total Cost
Land & Buildings	60,000	60,000
Machinery & Equipment	300,000	300,000
Motor Vehicles	100,000	100,000
Pre-Operational Expenses	10,000	10,000
<b>Fixed Investment</b>	<b>470,000</b>	<b>470,000</b>
Working Capital	30,000	30,000
<b>TOTAL Investment</b>	<b>500,000</b>	<b>500,000</b>

### 6.8 Depreciation Allowance

Depreciation has been allowed based on Tanzanian tax policies.

### 6.9 Operating Costs

The company incurs both direct (variable) costs as well as fixed costs.

#### 6.9.1 Variable/Direct Costs

Variable costs with the factory include raw material, electricity and consumables. According to the determined production process and the rated capacities of the machinery; variable costs have been calculated 85% and 90% of sales for per-cast products and flush doors respectively.

#### 6.9.2 Fixed Costs

In the first year, the monthly overheads will average at US\$.0.42 million, the figure will rise annually as shown below. The business operates on both credit (that does not exceed 21 days) and cash basis, this eases the demand for working capital. The total cost per annum is as given in the table below:

## Fixed Costs

	Year 1	Year 2	Year 3	Year 4	Year 5
Salaries	20,400	20,808	21,224	21,649	22,082
Stationary	360	367	375	382	390
Transport & Traveling	2,400	2,448	2,497	2,547	2,598
Staff Welfare	5,100	5,202	5,306	5,412	5,520
Repair & Maintenance	14,315	14,602	14,894	15,192	15,495
<b>Total Costs</b>	<b>42,575</b>	<b>43,427</b>	<b>44,295</b>	<b>45,181</b>	<b>46,085</b>

### 6.10 Net Income

The financial projections show that the project will make a profit of US\$ 4.521 million in the first year; it will increase to US\$ 17.136 million in the second year and further to US\$ 37.017 million in the third year. In the fourth and fifth year, profit after tax will be US\$. 58.340 and US\$ 81.253 million respectively.

### 6.11 Projected Cash flows

Analysis of the first year of operations, shows that the business will generate healthy cash flows except for few first months of year one.

## 7 ECONOMIC ASPECTS OF THE PROJECT

### 7.6 Employment Effect

The project will generate 39 jobs apart from other indirect jobs that will be created through implementation and operations of the project.

### 7.7 Linkage Effects:

The construction materials production business has high forward linkages with the construction sector.

## 8 CONCLUSION AND RECOMMENDATIONS

- The project will have adequate liquidity to honor its maturing obligations.
- The economic aspects reveal that the project will be beneficial to the nation in terms of promoting growth for the construction industry, job creation, and generating government revenue in terms of tax collections and other levies.

It is therefore recommended that the project be implemented and get the necessary support from TIC.

**Annexure**

# RAMADO GENERAL SUPPLY LTD

## CAPITAL INVESTMENT

Item	USD	Total Cost
Land & Buildings	60,000	60,000
Machinery & Equipment	300,000	300,000
Motor Vehicles	100,000	100,000
Pre-Operational Expenses	10,000	10,000
<b>Fixed Investment</b>	<b>470,000</b>	<b>470,000</b>
Working Capital	30,000	30,000
<b>TOTAL Investment</b>	<b>500,000</b>	<b>500,000</b>

## RAMADO GENERAL SUPPLY LTD DEPRECIATION SCHEDULE

II

Item	Rate	amount	1	2	3	4	5	6	7	8	9	10
Land & Buildings	4%	60,000	2400	2400	2400	2400	2400	2400	2400	2400	2400	2400
Machinery & Equipment	12.5%	300,000	37500	37500	37500	37500	37500	37500	37500	37500	37500	37500
Motor Vehicles	25%	100,000	25000	25000	25000	25000	25000	25000	25000	25000	25000	25000
Pre-Operational Expenses	20%	10,000	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000
<b>TOTAL</b>			<b>66900</b>	<b>66900</b>	<b>66900</b>	<b>66900</b>	<b>66900</b>	<b>66900</b>	<b>66900</b>	<b>66900</b>	<b>66900</b>	<b>66900</b>

## RAMADO GENERAL SUPPLY LTD SALARIES AND WAGES

Designation	Staff	Monthly Rate	Monthly Bill	Yearly Total
Shift Supervisor	1	150	150	1,800
Machine Operators	10	80	800	9,600
Unskilled laborer	15	50	750	9,000
Stores Personnel	1	80	80	960
Accounts Personnel	1	80	80	960
Secretary	1	70	70	840
Drivers	6	50	300	3,600
Guards	4	50	200	2,400
<b>Sub-Total</b>	<b>39</b>		<b>1,700</b>	<b>20,400</b>
Add: 25% Staff Welfare			425	5,100
<b>Grand Total</b>	<b>39</b>	<b>2,125</b>	<b>2,125</b>	<b>25,500</b>

## RAMADO GENERAL SUPPLY LTD ADMINISTRATION EXPENSES

Month	1	2	3	4	5	6	7	8	9	10	11	12	Annual Cost
Salaries	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	20,400
Stationary	30	30	30	30	30	30	30	30	30	30	30	30	360
Transport & Traveling	200	200	200	200	200	200	200	200	200	200	200	200	2,400
Staff Welfare	425	425	425	425	425	425	425	425	425	425	425	425	5,100
Repair & Maintenance	1,193	1,193	1,193	1,193	1,193	1,193	1,193	1,193	1,193	1,193	1,193	1,193	14,315
<b>Total Costs</b>	<b>3,548</b>	<b>3,548</b>	<b>3,548</b>	<b>3,548</b>	<b>3,548</b>	<b>3,548</b>	<b>3,548</b>	<b>3,548</b>	<b>3,548</b>	<b>3,548</b>	<b>3,548</b>	<b>3,548</b>	<b>42,575</b>

# RAMADO GENERAL SUPPLY LTD

## Working Capital requirement

Particulars	1	2	3	4	5	6	7	8	9	10	11	12
<b>CURRENT ASSETS</b>												
<b>Stocks</b>												
Raw Materials – 30% months usage	35,147	35,147	35,147	35,147	35,147	35,147	35,147	35,147	35,147	35,147	35,147	35,147
<b>Total Stocks</b>	<b>35,147</b>	<b>35,147</b>	<b>35,147</b>	<b>35,147</b>	<b>35,147</b>	<b>35,147</b>	<b>35,147</b>	<b>35,147</b>	<b>35,147</b>	<b>35,147</b>	<b>35,147</b>	<b>35,147</b>
Debtors: 20% of sales	27,144	27,144	27,144	27,144	27,144	27,144	27,144	27,144	27,144	27,144	27,144	27,144
<b>Total Current Assets</b>	<b>62,291</b>	<b>62,291</b>	<b>62,291</b>	<b>62,291</b>	<b>62,291</b>	<b>62,291</b>	<b>62,291</b>	<b>62,291</b>	<b>62,291</b>	<b>62,291</b>	<b>62,291</b>	<b>62,291</b>
Corporate Tax 30%			34018	35099	36753	39024	41978					
<b>Net Profit after Tax</b>			<b>79375</b>	<b>81,898</b>	<b>85757</b>	<b>91059</b>	<b>97949</b>					
<b>Retained Profits</b>			<b>79,375</b>	<b>161,273</b>	<b>247,030</b>	<b>338,089</b>	<b>436,038</b>					

## RAMADO GENERAL SUPPLY LTD CASH FLOW

Particular	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Opening Balance							
<b>Inflows</b>							
Equity	500,000						
Depreciation		66,800	66,800	66,800	66,800	66,800	66,800
After Tax Profits	-	79,375	81,898	85,757	91,059	91,059	91,059
<b>Total Inflows</b>	<b>500,000</b>	<b>146,175</b>	<b>148,698</b>	<b>152,557</b>	<b>157,859</b>	<b>157,859</b>	<b>157,859</b>
<b>Outflows:</b>							
Capital Expenditure	500,000	-	-	-	-	-	-
Working Capital Increase		15,428	-	-	-	-	-
<b>Total Outflows</b>	<b>500,000</b>	<b>15,428</b>					-
Net Cash Flows	-	130,747	148,698	152,557	157,859	157,859	157,859
<b>Cumulative Cash</b>		<b>130,747</b>	<b>279,445</b>	<b>432,002</b>	<b>589,861</b>	<b>747,720</b>	<b>905,579</b>

**RAMADO GENERAL SUPPLY LIMITED.**

**FEASIBILITY STUDY**

**FOR THE**

**MANUFACTURING OF ALUMINUM  
CONSTRUCTION MATERIALS FOR  
CONSTRUCTION INDUSTRY**

Prepared by:-

Ramado General Supply Ltd.

P.O. Box

Dar es Salaam

April, 2009

## EXECUTIVE SUMMARY

### Introduction

**RAMADO GENERAL SUPPLY** has been established in Tanzania with the objective of providing timely accurate and cost effective aluminum constructions materials.

### Capacity of Service Providers/

The capacity of the existing local suppliers of foresaid products is very low. The current suppliers have a limited capacity because of the following reasons:

- High cost of purchasing plant & equipment (many of them have manual and obsolete machine)
- Problem with technology – most firms owns equipment which is not capable producing required quality, specifications and range of products.
- On account of limited capital to provide reliable and high quality products.

### Investment

RAMADO GENERAL SUPPLY LIMITED. will invest a total amount of US\$500,000 out of which will be used on procurement of fixed assets and US\$ 30,000 will be working capital during the fist year of operation. The investment in fixed assets will be distributed as follows:-

Item	USD	Total Cost
Land & Buildings	60,000	60,000
Machinery & Equipment	300,000	300,000
Motor Vehicles	100,000	100,000
Pre-Operational Expenses	10,000	10,000
<b>Fixed Investment</b>	<b>470,000</b>	<b>470,000</b>
Working Capital	30,000	30,000
<b>TOTAL Investment</b>	<b>500,000</b>	<b>500,000</b>

### Financing the Investment

The initial financing of the Investment will be as follows:

	US\$	Total
<b>EQUITY</b>	<b>500000</b>	<b>500,000</b>

The shareholders will raise equity of US\$ 500,000 million.

### **Profitability**

On the basis of the projections and the assumptions contained in this report the Company will be financially and commercially profitable. It will be able to generate the following business over the projected five-year period.

	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
Sales	1,628,640	1,661,213	1,711,049	1,779,491	1,868,466
Gross Profit	222,768	227,223	234,040	243,402	255,572
Profit before tax	6,458	24,480	52,882	83,343	116,075
<b>Net Income</b>	<b>4,521</b>	<b>17,136</b>	<b>37,017</b>	<b>58,340</b>	<b>81,253</b>

### **Social Viability**

RAMADO GENERAL SUPPLY LIMITED will participate in improving the housing industry in Tanzania and play a role in alleviating poverty in the country by providing timely reliable and cost effective products in the construction sector. The Company will also pay taxes to the government as per tax laws and regulations.

### **Employment**

The Company will employ 39 employees.

## 1.0 INTRODUCTION

### Background

M/S RAMADO GENERAL SUPPLY LIMITED is a newly established and privately owned limited liability company incorporated under companies Act 2002 with certificate of incorporation No. 67742, of 30<sup>th</sup> January, 2008.

The objective with which the company was established was carry on the production of all types of aluminum construction materials to enhance and support the development of construction industry

### 1.1 Company Ownership

As a private company, the ownership is limited to what is stipulated in the Memorandum and Articles of Association. Presently, the following are the promoter and directors of the company, namely:

S/N	Name	Nationality
1.	Maryam Osman Abdi	25
2.	Abdiqudir Sheik Hanafi	15
3	Ali Mohamed Hassan	15
4.	Yusuf Garad Layan	15
5.	Ali Maxed Haji Hassan	15
6.	Suleiman Abdurrahman Shuceyb	15

#### 1.1.1 Office Locations and Contact Information

The company has its head office in Dar es Salaam on Plot No. 1/47 Swahili/Lindi, Ilala District.

Furthermore, the area is easily accessible by road transport, thus transport of raw materials and finished products will not pose any problem. Many manufacturing companies are clustered in this area.

## 2.0 Project Objectives

The project document sets out proposal by M/S RAMADO GENERAL SUPPLY LIMITED to engage in the manufacturing of aluminum construction materials for construction industry.

## 3.0 Investment Required

In order for the project to commence the operations, the Directors of the company have planned the acquisition of new production machinery and accessories as follows:

Item	USD	Total Cost
Land & Buildings	60,000	60,000
Machinery & Equipment	300,000	300,000
Motor Vehicles	100,000	100,000
Pre-Operational Expenses	10,000	10,000
<b>Fixed Investment</b>	<b>470,000</b>	<b>470,000</b>
Working Capital	30,000	30,000
<b>TOTAL Investment</b>	<b>500,000</b>	<b>500,000</b>

## 4.0 MACHINERY & RAW MATERIALS

### 4.1 Land & Buildings

The project has already secured leased land located at Plot No. 1/47 Swahili /lindi, Dar-es-salaam, Ilala District.

## **4.2 Machinery & Accessories**

Arrangement to secure modern production machinery and equipment is under way and delivery will be done soon after TIC certificate has been obtained.

## **5.0 MARKET ANALYSIS**

The aim of this chapter is to analyze the market in which M/S RAMADO GENERAL SUPPLY LIMITED Products operates and assess the potential for expansion. The study looks at a number of factors that determine the market and how the enterprise is positioned.

### **5.1 Line of Business**

- M/S RAMADO GENERAL SUPPLY LIMITED will be engaged in the manufacturing and sale of the alluminium building materials.

### **5.2 Source of Products**

Currently, some these products are locally manufactured and some are imported. The quality of the products is questionable and sometimes there is dumping in Tanzanian market. The project will use modern fully automatic compressing machine with the capacity of 8000 Pieces per day.

M/S RAMADO GENERAL SUPPLY LIMITED Products prefer to manufacture the products locally rather than importing components because of several reasons:-

- Ability to have an appropriate product mix,
- To have control on price,
- To assess quality.

### **5.3 Marketing of products**

Products that will be manufactured M/S RAMADO GENERAL SUPPLY LIMITED Products will be similar to the locally manufactured and imported products sold by its competitors; there is no product differentiation with the exceptions of few products. There are four important aspects that count for a firm to be successful in this line of business.

- i. Quality products
- ii. Offering competitive prices
- iii. Customer tailor made products,
- iv. Customer relations

### **5.4 Product Prices**

The company's product prices will be charged to cover the production costs, plus profit margin. On the other hand the firm will set its prices relatively lower or equal to that charged by other local manufacturers as a strategy to penetrate the market and an incentive to customers.

### **5.6 Product Range**

The company will have an advantage of manufacturing various kinds of Aluminium crop. Product range is the most significant tool in attracting a wide customer base. It affects the purchasing process. Customers do favor manufacturer/importer with a wider range of products as:

- It saves search time
- Reduces transport costs
- Attracts discount

### **5.7 Customer Relations**

M/S RAMADO GENERAL SUPPLY LIMITED Products realizes that much of the business is generated from customers whom he has and maintains cordial relationship with. The

enterprise will try the best to make sure that it maintains good business relations with customers in order to grow.

### 5.8 Quality Products

The company is introducing high quality products that have never been in the market before. It is anticipated that the new product will revolutionize the market and housing industry.

### 5.9 Market Segment

For M/S RAMADO GENERAL SUPPLY LIMITED, the market of the products will be segmented as follows:

**Table 2.2 Market segment**

	SEGMENT	
1.	Households	
2.	Contractors	
3.	Government departments	
4.	Public and Corporations	Private

### 5.10 Competition Analysis

As a result of trade liberalization enabling people to access commodities both from internal and external sources, the company will definitely continue to face competition from other dealers in foresaid products. However, the survey made by the firm reveals that:

- Some of the similar products supplied by local manufacturers are of a very poor quality and hence discourage customers.
- Prices charged by other dealers on similar products are relatively high compared to quality.

## 5.11 Marketing Strategies

Despite the existing competitive environment M/S RAMADO GENERAL SUPPLY LIMITED will easily continue to penetrate the market by adopting various marketing strategies, such as

- Providing customers with what is needed in terms of quality, quantity, and affordability.
- Setting competitive prices against its competitors. Naturally, people would like to buy high quality, but low cost products. The profit margins will be kept reasonably low to capture a bigger market share.
- Personal selling through, distribution of brochures, neon signs, stickers and advertisement through media i.e. Radio, Television, and newspapers and maintenance of a website. These will create awareness of the products of the firm.
- Establishing and maintaining links with regional dealers in hard ware and construction materials to widen its market segment.

## 6 FINANCIAL ANALYSIS

### 6.6 Investment

Investment required to expand the business is estimated at US\$ 500,000

**Table 5.1 Investment Plan**

Item	USD	Total Cost
Land & Buildings	60,000	60,000
Machinery Equipment	300,000	300,000
Motor Vehicles	100,000	100,000
Pre-Operational Expenses	10,000	10,000
<b>Fixed Investment</b>	<b>470,000</b>	<b>470,000</b>
Working Capital	30,000	30,000
<b>TOTAL Investment</b>	<b>500,000</b>	<b>500,000</b>

The project has located built land with a yard and godown to be used as a factory building.

Initial working capital at the tune of US\$. 30,000 will be required for the procurement of raw materials. The raw materials required to be procured locally.

The pre-operational budget includes the costs for professional and consultant fees, machinery installation and commissioning. US\$ 10,000 million will be spent to cover the costs.

### 6.7 Sources of Finance

The proprietor is expected to raise US\$ 500,000 million of the total investment amount.

## Financing Plan

Item	USD	Total Cost
Land & Buildings	60,000	60,000
Machinery & Equipment	300,000	300,000
Motor Vehicles	100,000	100,000
Pre-Operational Expenses	10,000	10,000
<b>Fixed Investment</b>	<b>470,000</b>	<b>470,000</b>
Working Capital	30,000	30,000
<b>TOTAL Investment</b>	<b>500,000</b>	<b>500,000</b>

### 6.8 Depreciation Allowance

Depreciation has been allowed based on Tanzanian tax policies.

### 6.9 Operating Costs

The company incurs both direct (variable) costs as well as fixed costs.

#### 6.9.1 Variable/Direct Costs

Variable costs of the factory include raw material, electricity and consumables. According to the determined production process and the rated capacities of the machinery, variable costs have been calculated 85% and 90% of total for per-cast products and flush doors respectively.

#### 6.9.2 Fixed Costs

In the first year, monthly overheads will average at US\$.0.42 million. This figure will rise annually as shown below. The factory operates on both credit (that does not exceed 30 days) and cash basis, this eases the demand for working capital. The total cost per annum is as given in the table below:

## Fixed Costs

	Year 1	Year 2	Year 3	Year 4	Year 5
Salaries	20,400	20,808	21,224	21,649	22,082
Stationary	360	367	375	382	390
Transport & Traveling	2,400	2,448	2,497	2,547	2,598
Staff Welfare	5,100	5,202	5,306	5,412	5,520
Repair & Maintenance	14,815	14,602	14,894	15,192	15,495
<b>Total Costs</b>	<b>42,575</b>	<b>43,427</b>	<b>44,295</b>	<b>45,181</b>	<b>46,085</b>

### 6.10 Net Income

The financial projections show that the project will make a profit of US\$ 4.72 million in the first year; it will increase to US\$ 17.136 million in the second year and further to US\$ 37.017 million in the third year. In the fourth and fifth year, profit after tax will be US\$ 58.340 and US\$ 81.253 million respectively.

### 6.11 Projected Cash Flow

Analysis of the first year of operations, shows that the business will generate healthy cash flows except for few first months of operation.

## 7 ECONOMIC ASPECTS OF THE PROJECT

### 7.6 Employment Effect

The project will create 39 jobs apart from other indirect jobs that will be created through implementation and operations of the project.

### 7.7 Linkage Effect

The construction materials production business has high forward linkage with the construction sector.

## 8 CONCLUSION AND RECOMMENDATIONS

- The project will have adequate liquidity to honor its maturing obligations.
- The economic impacts reveal that the project will be beneficial to the nation in terms of promoting growth for the construction industry, job creation, and generating government revenue in terms of tax collections and other levies.

It is therefore recommended that the project be implemented with the necessary support from TIC.

**Annexure**

# RAMADO GENERAL SUPPLY LTD

## CAPITAL INVESTMENT

Item	USD	Total Cost
Land & Buildings	60,000	60,000
Machinery & Equipment	300,000	300,000
Motor Vehicles	100,000	100,000
Working Capital	30,000	30,000
<b>TOTAL Investment</b>	<b>500,000</b>	<b>500,000</b>

# RAMADO GENERAL SUPPLY LTD DEPRECIATION SCHEDULE

Item	Rate	amount	1	2	3	4	5	6	7	8	9	10
Motor Vehicles	25%	100,000	25000	25000	25000	25000	25000	25000	25000	25000	25000	25000
Pre-Operational Expenses	20%	10,000	5000	2000	2000	2000	2000	2000	2000	2000	2000	2000
<b>TOTAL</b>			<b>66900</b>	<b>66900</b>	<b>66900</b>	<b>66900</b>	<b>66900</b>	<b>66900</b>	<b>66900</b>	<b>66900</b>	<b>66900</b>	<b>66900</b>

## RAMADO GENERAL SUPPLY LTD SALARIES AND WAGES

Designation	Staff	Monthly Rate	Monthly Bill	Yearly Total
Unskilled labourer	15	50	750	9,000
Stores Personnel	1	80	80	960
Accounts Personnel	1	80	80	960
Secretary	1	70	70	840
Drivers	6	50	300	3,600
Guards	4	50	200	2,400
<b>Sub-Total</b>	<b>39</b>		<b>1,700</b>	<b>20,400</b>
Add: 25% Staff Welfare			425	5,100
<b>Grand Total</b>	<b>39</b>	<b>2,125</b>	<b>2,125</b>	<b>25,500</b>

# RAMADO GENERAL SUPPLY LTD ADMINISTRATION EXPENSES

Month	1	2	3	4	5	6	7	8	9	10	11	12	Annual Cost
Administration Expenses	1,199	1,199	1,199	1,199	1,199	1,199	1,199	1,199	1,199	1,199	1,199	1,199	14,388
Depreciation	1,199	1,199	1,199	1,199	1,199	1,199	1,199	1,199	1,199	1,199	1,199	1,199	14,388
<b>Total</b>	<b>2,398</b>	<b>2,398</b>	<b>2,398</b>	<b>2,398</b>	<b>2,398</b>	<b>2,398</b>	<b>2,398</b>	<b>2,398</b>	<b>2,398</b>	<b>2,398</b>	<b>2,398</b>	<b>2,398</b>	<b>28,776</b>

# RAMADO GENERAL SUPPLY LTD

## Working Capital requirement

Particulars	1	2	3	4	5	6	7	8	9	10	11	12
CURRENT ASSETS												
Stocks												

sales												
Total Current Assets	62,291	62,291	62,291	62,291	62,291	62,291	62,291	62,291	62,291	62,291	62,291	62,291
Corporate Tax 30%			34018	35099	36753	39024	41978					
Net Profit after Tax			79375	81,898	85757	91059	97949					
Retained Profits			79,375	161,273	247,030	338,089	436,038					



Annexure

# RAMADO GENERAL SUPPLY LTD

## CAPITAL INVESTMENT

Item	USD	Total Cost
Land & Buildings	60,000	60,000
Machinery & Equipment	300,000	300,000
Expenses		1,000
Working Capital	30,000	30,000
<b>TOTAL Investment</b>	<b>500,000</b>	<b>500,000</b>

# RAMADO GENERAL SUPPLY LTD DEPRECIATION SCHEDULE

Year	1	2	3	4	5	6	7	8	9	10
Initial Cost	200,000									
Depreciation Expense	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500
Accumulated Depreciation	37,500	75,000	112,500	150,000	187,500	225,000	262,500	300,000	337,500	375,000
Book Value	162,500	125,000	87,500	50,000	12,500	(25,000)	(62,500)	(100,000)	(137,500)	(175,000)
Net Book Value	162,500	125,000	87,500	50,000	12,500	(25,000)	(62,500)	(100,000)	(137,500)	(175,000)
EXPENSES										
TOTAL										

## RAMADO GENERAL SUPPLY LTD SALARIES AND WAGES

Designation	Staff	Monthly Rate	Monthly Bill	Yearly Total
Machine Operators	10	960	960	9,600
Unskilled Labor	15	50	750	9,000
Accounts Personnel	1	80	80	960
Secretary	1	70	70	840
Drivers	6	50	300	3,600
Guards	4	50	200	2,400
<b>Sub-Total</b>	<b>39</b>		<b>1,700</b>	<b>20,400</b>
Add: 25% Staff Welfare			425	5,100
<b>Grand Total</b>	<b>39</b>	<b>2,125</b>	<b>2,125</b>	<b>25,500</b>

# RAMADO GENERAL SUPPLY LTD

## ADMINISTRATION EXPENSES

Month	1	2	3	4	5	6	7	8	9	10	11	12	Annual
			70										
				30		30	30		30	30		30	300
				70		200	20			200		200	2,400
				70									
			193	193		1,193	1,193		1,193		1,193	1,193	11,931



