

PRINCEWARE AFRICA LTD

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MINUTE SHEET

Dokezo 13
No.

Ag DIF

F 10

Please in forwarding a report with the recommendations after PVV was conducted.



PLO

5/09/2018

14. Ag. IFM (Projects)

As Team Leader, Study this report and advise as appropriate.

~~Ag~~ Ag. DIF 19/09/2018

15 Ag DIF

From the report, it is very clear that the investor has the capability and is intending to re-invest so as to meet its maximum production capacity. As per TIA the investor has up to June 2019 to enjoy the Tax Incentives. I would therefore advise to extend the implementation period for one year, so as to enable the investor to reach his goal.

I submit

~~Ag~~ Ag. IFM (P)


24/09/18

16 EXD

This project intends to increase production i.e production line. Since the project has already spent four (4) years of the implementation period, I recommend only one-year extension to be granted to facilitate the project to reach the target set.

~~Ag~~ Ag. DIF 25/09/2018

TANZANIA INVESTMENT CENTRE

APPROVED BY 
Signature: (EXECUTIVE DIRECTOR)

Date: 25/09/2018

MINUTE SHEET

Dokezo
No.

7. Ag. EXD, M.6

Reference is made to request for carrying-out PVV. I recommend a team comprised of the following staffs from whom you may select three (3) personnel:

- i) Phina Lymo (Team Leader)
- ii) Zabura Mshata Bakani - Labour
- iii) Jabir Ad - Immigration
- iv) Joseph - Land

~~Ag. EXD~~ Ag. DIF 16/08/2018

8 Ag DIF

The team should be formed by Ms. Phina Lymo, Mr. Jabir and Zabura Mshata.

~~Matthew~~

Ag EXD _____ 16/8/2018

9. Ag. IFM (Projects)

Lead the team to undertake PVV.

~~Ag. EXD~~ Ag. DIF 17/08/2018

10 IPFD (A) - Julie

Please do all the preparations prior to actual visit and give feedback.

~~Ag. EXD~~ Ag. IFM (A)

20/08/18

(11)

To: TIC

(12)

PVV Report

MINUTE SHEET

Dokezo
No.

3. Ag. DIF (F. 8 & 7)

As per attached Documents I recommend the project to be granted extension on Implementation on part of one year on the other Projects.

~~Signature~~

A. SIFTO
14/08/2017

4. Ag. EXD

As per your approval for project 1yr extension and attached BRELA change of Company name, I hereby submit amended CoI for your signature.

~~Signature~~

Ag. DIF
24/03/2017

APPROVED BY EX:

Sign: W. J. J. J.

Date: 27/3/2017

5. Ag. IFM (Aftercare), F. 11

Seek progress report and highlight what are the issues/achievements, then advise accordingly.

~~Signature~~ Ag. DIF 03/08/2018

6. Ag. DIF

The Submitted progress report does not show delayed or unimplemented investment step, rather it talks about market problem and future plans for expansion. Before concluding I suggest we organise a meeting to verify actual status.

W. J. J. J. Ag. IFM - 14/08/18

MINUTE SHEET

Dokezo
No.

1.

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\$ 6.24 m
- (b) Legal entity has been incorporated under certificate No. 69682 of 07/10/2009

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. Senzia
DIF
13/06/2014

2.

EXD

In response to the TIC letter of registration dated 11/06/2014

the project has submitted the required documents namely: -

- (a) Company Board Resolution.
- (b) Reference letter/Financing from ISM BANK
- (c) Lease Agreement as an evidence of Land.

With the above submission EXD is requested to sign Certificate of Incentives No. 041680-01 herein attached.



19/6/2014

- SIFD

Revised AS EXD 19/06/2014

MINUTE SHEET

MOKEZO

No. 17.

EXB

Sections 10 & 11 of the COI no 041680-01 have been amended accordingly.
I submit for your approval and signature.

~~AG~~
AG (FM/P)
04/10/18

TANZANIA INVESTMENT CENT.
APPROVED BY
Signature: *[Signature]*
(EXECUTIVE DIRECTOR)
Date: 04/10/2018



THE UNITED REPUBLIC OF TANZANIA

TANZANIA INVESTMENT CENTRE (TIC)

Shaaban Robert Street, P.O. Box 938 , Dar Es Salaam

Tel. +255 22 2116328-31 , Fax : +255 22 2118253



RECEIPT

Received from :
Prince Africa Limited
P. O. Box
Dar Es Salaam .

Receipt No: REC043038
TIN: 100-676-346
Receipt Date: 10/2/2018 12:00:00A
Currency: USD
Cash/ Cheque No: E D/deposit 01/10

Customer_TIN :
Amount in words:
One Thousand Only

In respect of:
Certificate Of Incentive Fee

ITEM CODE	ITEM DESCRIPTION	QUANTITY	UNIT PRICE	UOM	DISCOUNT	AMOUNT
140309	Certificate of Incentives fees	1.00	1,000.00	FEES	0.00	1,000.00
SUBTOTAL:						1,000.00
VAT:						0.00
GTOTAL:						1,000.00

Note : Unclaimed refund beyond three years will be forfeited

kmboje

Receiving Officer

Signature

*For Executive Director
Tanzania Investment Centre*

Official Stamp

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

1. Shareholders

	Nationality	Shareholding (%)
Neelkanth Tanzania Ltd.	Tanzania	50
Princeware International Private Limited	India	49
Rakesh Chheda	India	1

2. Proposed Activities: To expand facilities for manufacturing plastic products

3. Sector: Manufacturing Subsector: Plastic products

4. Investment cost: Foreign - Local USD 6.75m. Total USD 6.75m.

5. Project Financing: Equity USD 0.39m. Loans USD 6.35m. Total USD 6.75m.

6. Source, terms and conditions of loan.....

7. Assets to be invested:

	Foreign	Local	Total
Capital items:	<u>-</u>	<u>USD 6.75m.</u>	<u>USD 6.75</u>

8. Technology Agreement None

9. Date of TIC Registration: 11th June 2014

10. Implementation period June 2014 - May 2019

11. Operative date.....June 2019.....

12. Investment Incentive Grade: As defined in part III Section 19(1), (2) and Section 20 of the Tanzania Investment Act, 1997
 - (i) Applicable Import Duty EAC Customs management Act, 2004 and VAT Act, 2004
 - (ii) Applicable with-holding Tax As per Income Tax Act, 2004 (as amended)
 - (iii) Eligibility of Capital Allowances As per Income Tax Act, 2004 (as amended)

13. Protection of Investment, Arbitration and Transfer of Foreign Currency as defined in part III Section 21, 22 and 23 of the Act.

14. Conditions attached to this Certificate of Incentives
 - (i) Date of Commencement of investment has to be notified to the Centre.
 - (ii) Certificate not to be transferred, assigned or ammended
 - (iii) Failure to commence implementation within two years invalidates Certificate
 - (iv). Failure to operate investment must be notified to the Centre
 - (v) Changes in shareholding, project activities and level of invested capital must be notified to the Centre

15. Additional conditions attached to Certificate
Finished goods are not allowed under this certificate

Signed 
Executive Director



0223759

THE UNITED REPUBLIC OF TANZANIA

Certificate of Incentives

THIS CERTIFICATE (Section 17 of the Tanzania Investment Act, 1997) AMENDMENT ON SECTION
 REPLACE EXTENDS THE PREVIOUS ONE NO. 10 & 11 HAVE BEEN
 041680-01 ISSUED EFFECTED
 ON 24/03/2017 No: 041680-01

W. Hanley This is to certify that *W. Hanley*

PRINCE AFRICA LIMITED

P.O. BOX 5838

of address

DAR ES SALAAM

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

PRINCE AFRICA LIMITED

PLOT NO. 129/130 VINGUNGUTI

Which is located at

DAR ES SALAAM

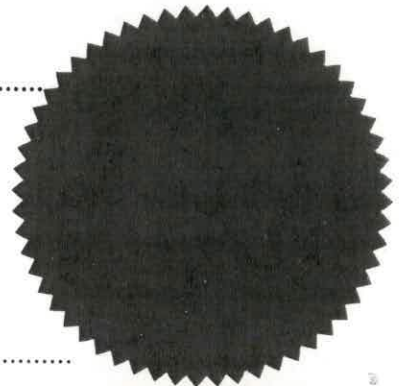
Further particulars required by Section 17 of the Tanzania Investment Act are set out overleaf.

W. Hanley

Executive Director

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

Dated 03 OCTOBER 2018













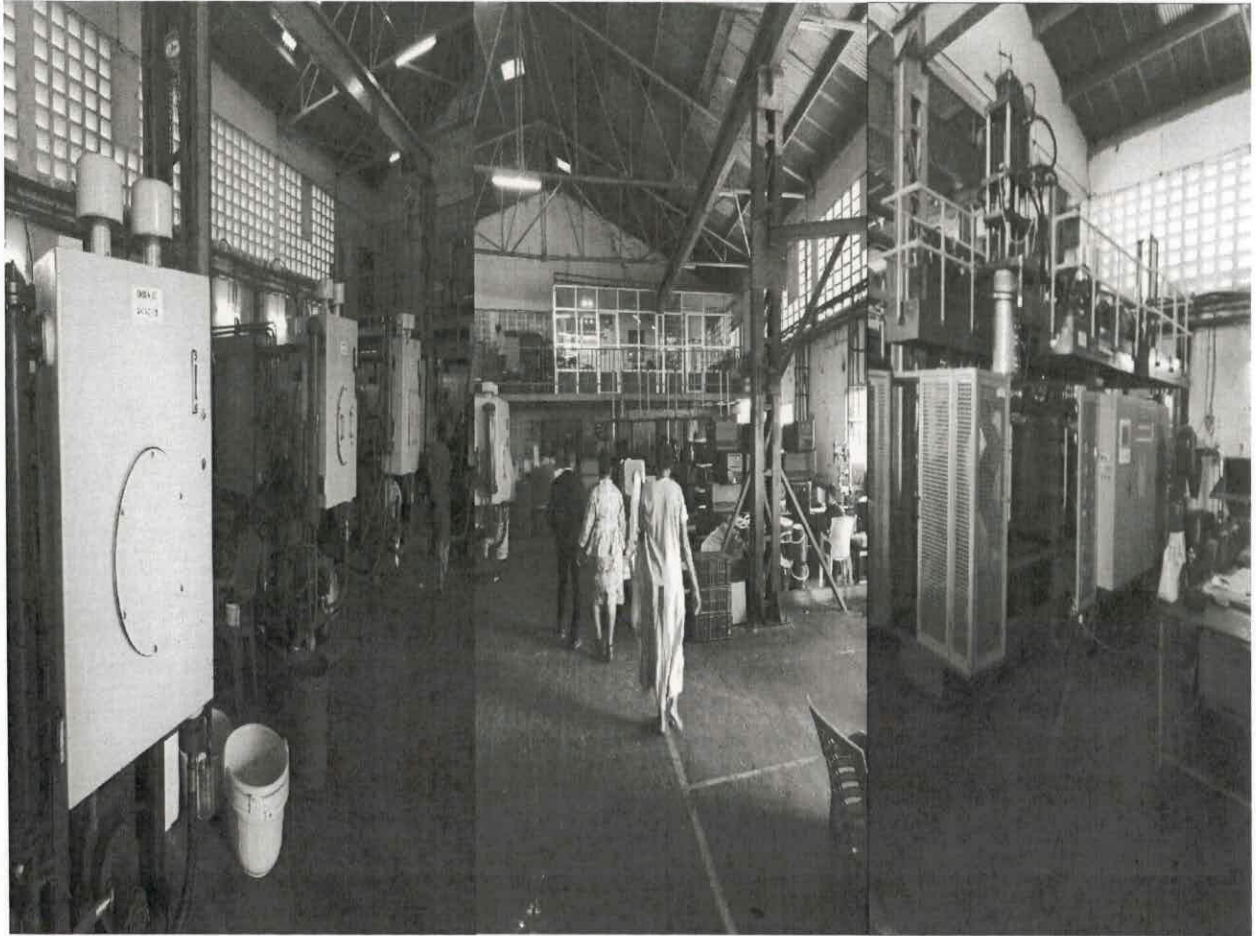


Photo 3-Warehouse 2 – Production line, packaging space and newly installed bowl stretching machine

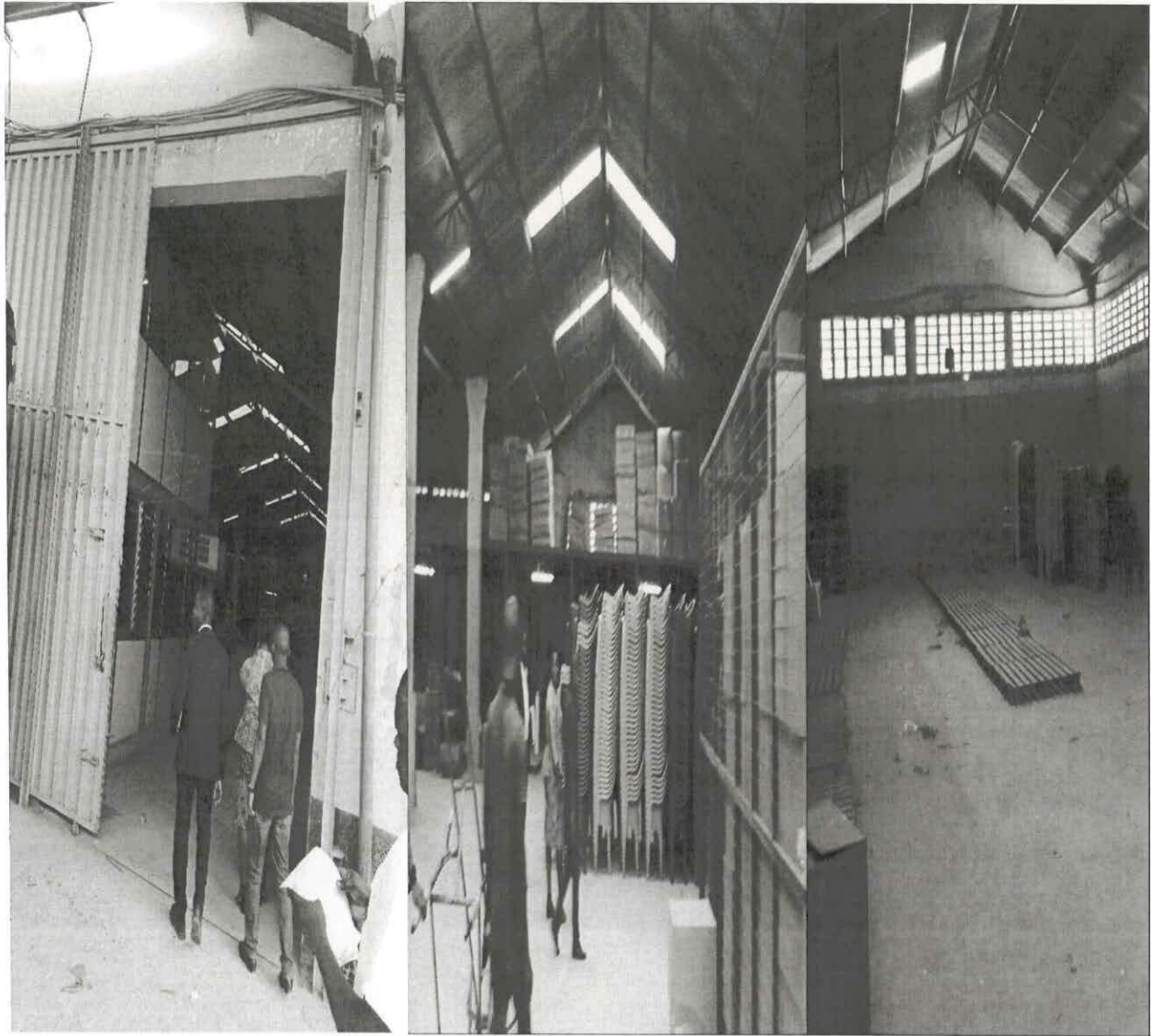


Photo 2-Warehouse 1 – Office space, storage space and empty storage space ready for expansion of products

SITE VERIFICATION PHOTOGRAPHS

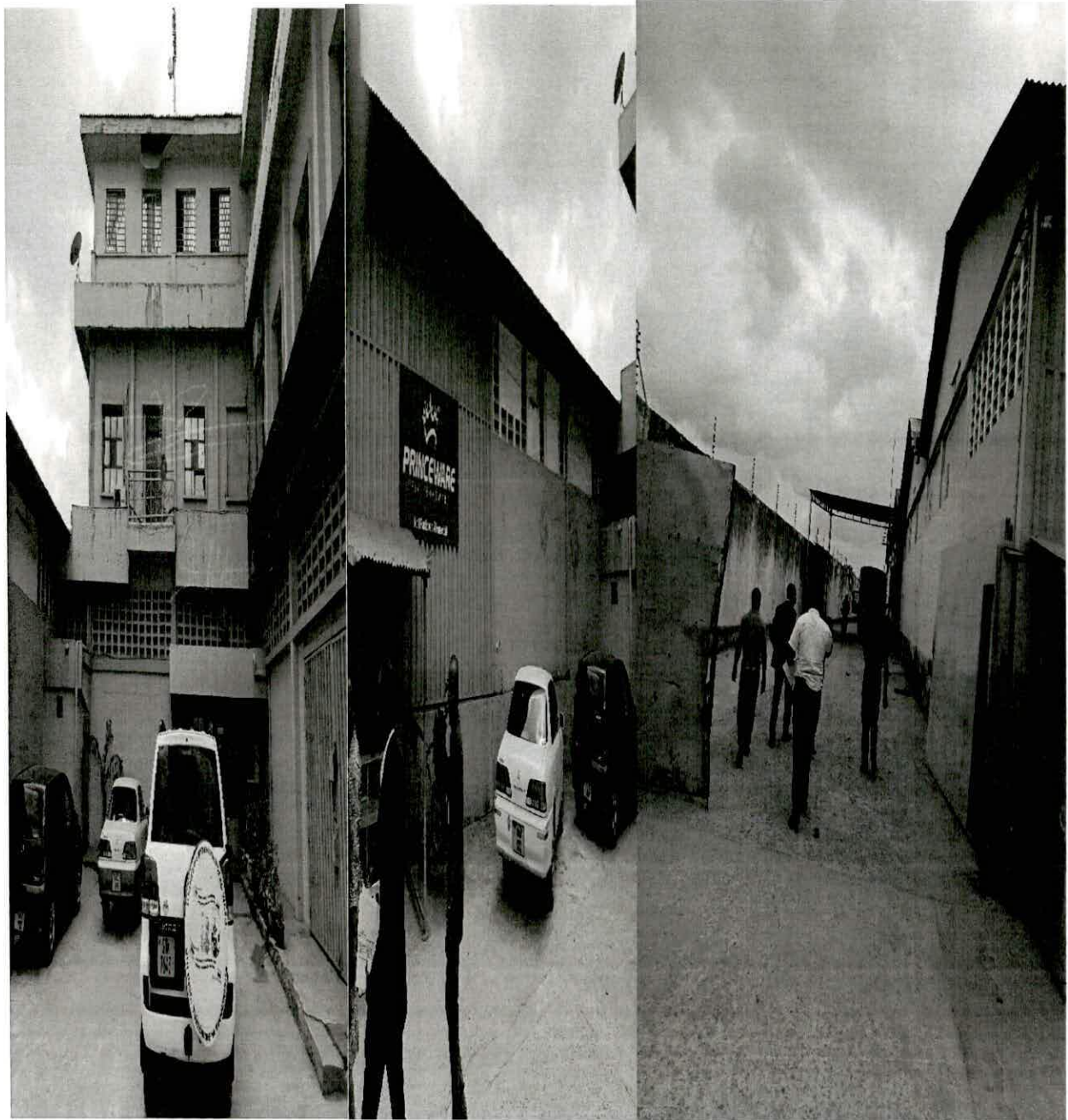
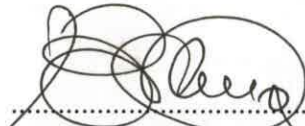


Photo 1-Frontage of the factory – From left Office building, parking space and loading/unloading Space

So we now recommend for the extension of certificate of incentive so as to meet their production targets.

We submit for your guidance



.....
Joseph S Batinamani



.....
Zabura M Bakari



.....
Jabir A Saleh

9.0 LOCATION.

The factory is located on Plot No.129/130 Kipawa along Pugu Road on the right hand side of the road from the City Centre i.e directly opposite the newly constructed Terminal III at Julius Nyerere International Airport.

10. FIELD FINDINGS AND ANALYSIS.

Through site inspection and some inquiries made to the company directors the following information in relation to the above aspects were gathered;

- i The land/site is fully developed for the purpose it was earmarked
- ii The premise consists of 3 storey building and 2 warehouses
- iii The factory has employed 204 workers and 11 foreign experts as employees
- iv Currently the factory is using 4 tons per month of raw materials imported from India which is approximately 65% of its full capacity.
- v The company plans to import new blow stretching machines that will enable it to expand production and use up to 16 tons of raw materials per month in order to reach 100% of its production capacity.
- vi The Company plans to use its own source of money (selling their products), support from mother company and loans from banks to expand production so as to meet local and foreign markets.
- vii The factory faces stiff competition when it comes to production of plastic products from both local and foreign factories such as Cello, Jambo, Avante, Cotex and Manish.

11. GENERAL OBSERVATIONS.

The visiting team found the factory to be operational and there is ample space to expand the production.

We also found out that the level of labour standards to be low and production space must be separated from the packaging space.

12. CONCLUSION AND RECOMMENDATIONS

The physical visit shows that the company has capability to expand production hence it is vital to renew the Certificate of Incentive from Tanzania Investment Centre.

BRIEF PROJECT VISIT REPORT CONDUCTED ON 23RD AUGUST 2018 IN RESPECT OF PRINCE AFRICA LTD.

1.0 INTRODUCTION

We have been instructed by the Executive Director of Tanzania Investment Centre to carry out inspection of PRINCE AFRICA LTD Industrial Building located on Plot No.129/130 Kipawa Industrial Area for the sole purpose of ascertaining the status of the factory and hence thereforth give advice on the requested consent for extension of Certificate of Incentive No.041680-01.

2.0 SECTOR.

Manufacturing

3.0 SUB-SECTOR.

Plastic Manufacturing

4.0 DATE OF VISIT.

The factory was physically visited on the 23rd August 2018

6.0 OBJECTIVE OF THE VISIT.

The main objective of the PVV was to verify the status of the factory so as to give advice to the Executive Director accordingly

7.0 ASPECTS TAKEN INTO ACCOUNT DURING THE VISIT.

- i Development status of the site
- ii Verify the status of the operations of the factory

8.0 PARTICIPANTS.

Joseph S Batinamani	-PLO	-Min of Lands	-	TIC
Zabura M Bakari	-LO II	-Min of Labour	-	TIC
Jabir A Saleh	-Ass.Inspector	-Immigration Dept	-	TIC
Bernadetta Shoo	-HR & ADMN Manger- Prince Africa Ltd			
Abdallah Bendera	-Logistics Manager - Prince Africa Ltd			

TANZANIA INVESTMENT CENTRE

DIRECTORATE OF INVESTMENT FACILITATION



EASTERN ZONE

**REPORT ON THE VISIT TO PRINCE AFRICA COMPANY LIMITED ON 23TH
AUGUST, 2018**

AUGUST, 2018

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

1. Shareholders

	Nationality	Shareholding (%)
Neelkanth Tanzania Ltd.	Tanzanian	50
Princeware International Private Limited	Indian	49
Rakesh Chheda	Indian	1

2. Proposed Activities: **To Expand Facilities For Manufacturing Plastic Products**

3. Sector: **Manufacturing** Subsector: **Plastic Products**

4. Investment cost: Foreign **-** Local **USD 6.75m.** Total **USD 6.75m.**

5. Project Financing:

Equity USD 0.39m.	Loans USD 6.35m.	Total USD 6.75m.
--------------------------	-------------------------	-------------------------

6. Source, terms and conditions of loan.....

7. Assets to be invested:

Capital items:	Foreign	Local	Total
	-	USD 6.74m.	USD 6.75m.

8. Technology Agreement **None**

9. Date of TIC Registration: **11th June 2014**

10. Implementation period **June 2014 - May 2018**

11. Operative date **June 2018**

12. Investment Incentive Grade: As defined in part III Section 19(1), (2) and Section 20 of the Tanzania Investment Act, 1997
 - (i) Applicable Import Duty **And VAT as per Customs Tariff Act, 1976 & VAT Act, 2014**
 - (ii) Applicable with-holding Tax **As per Income Tax Act, 2004 (as amended)**
 - (iii) Eligibility of Capital Allowances **As per Income Tax Act, 2004 (as amended)**

13. Protection of Investment, Arbitration and Transfer of Foreign Currency: as defined in part III Section 21, 22 and 23 of the Act.

14. Conditions attached to this Certificate of Incentives
 - (i) Date of Commencement of investment has to be notified to the Centre.
 - (ii) Certificate not to be transferred, assigned or amended
 - (iii) Failure to commence implementation within two years invalidates Certificate
 - (iv) Failure to operate investment must be notified to the Centre
 - (v) Changes in shareholding, project activities and level of invested capital must be notified to the Centre

15. Additional conditions attached to Certificate

Finished Goods are Not Allowed Under This Certificate

Signed 
 AG. Executive Director

Certified as True Copy
of the Original
Signature: *[Signature]*
Date: 27/03/2017



0223037

For Executive Director THE UNITED REPUBLIC OF TANZANIA
Tanzania Investment Centre

Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

THIS CERTIFICATE REPLACES THE EXTEND PREVIOUS ONE NO. 041680-01 ISSUED ON 11/06/2014 *[Signature]* AMENDMENT ON CHANGE COMPANY NAME AND SECTION 10&11 HAVE BEEN EFFECTED No: 041680-01 *[Signature]*

This is to certify that

PRINCE AFRICA LIMITED

of address: P.O. BOX 5838

DAR ES SALAAM

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

PRINCE AFRICA LIMITED

Which is located at PLOT NO. 129/130 VINGUNGUTI

DAR ES SALAAM

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

[Signature]

Ag. Executive Director

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

24TH MARCH 2017

Dated





4. Project Financing:

Our Project is financed by Equity and mother Company Loans, Bank Term Loans, working Capital loans and Overdraft facilities from banks.

5. Problems and Solutions

Problem:

Currently the market is very competitive and moving slowly as compared to last period before six months

Solution

Create a friendly environment where requirement and supply should have equal ration.

6. Future Plans:

We wish to increase market share in locally and in exports. For this, if required, we wish to expand production.

7. Recommendations and any other comments:

N. A.

8. ETC:

N. A.

PRINCE AFRICA LTD

P.O.Box 5838, Dar es salaam Tanzania.
Tel: +255 758 822 236, 758 822 246

tzsales@princewareafrica.net
www.princewareafrica.net



PRINCEWARE

FINE HOMEWARE

PRINCE AFRICA LTD

PROGRESS REPORT

Prince Africa Ltd is a plastic furniture and home ware manufacturing Company which is located at Kipawa, Nyerere Road and is a sister Company of Prince Corp. Pvt. Ltd of India.

Prince Africa Ltd markets its products in Tanzania and neighboring countries in Eastern, central and Southern Africa. Prince Africa Ltd has a range of products, all made from virgin plastic materials with strength and quality checked at each stage of production.

Planned Activities for the period

1. Planned activities of the period:

To increase production as per market demand for both Local and Export.

2. Achievements made on the project implementation to date:

Prince Africa Ltd has increased its Production after new machine installed.

Factory Building is on lease. We have installed new plant and expanded the production capacity.

3. Project Financial Expenditure to date:

	Foreign	Local	Total
Land and Buildings (Leased)			118,309,000
Plant and machinery+Mould			3,888,413,000
Vehicles			63,953,000
Furniture			24,944,000
Office equipment +IT equipment			43,553,000
Insurance Cover (sum insured 4,057,221,234)			14,462,564
Pre-operational expenses	3,024,792,000		
Electrical installation			87,428,000
Working sub-total capital			
GRAND TOTAL			4,226,600,000

PRINCE AFRICA LTD

P.O.Box 5838, Dar es salaam Tanzania.
Tel: +255 758 822 236, 758 822 246

tzsales@princewareafrica.net
www.princewareafrica.net



PRINCEWARE

FINE HOMEWARE

Date 18th July, 2018

(11)

The Director General
Tanzania Investment Centre,
Dar es Salaam



Re- Application for TIC Certificate Extension


The heading above refers;

I hereby request for your consideration on the extension of our expired TIC Certificate ref. 041680-01 for the next one year. Having us keep good record based on your terms and regulation, I believe will be eligible for the extension of the same

I thank you in advance and requesting your office for consideration to grant us with the same.

Yours Sincerely;

Prince Africa Ltd


PRINCE AFRICA LTD.
P. O. Box 5838
DAR-ES-SALAAM

HR & ADMN- Manager



PRINCE AFRICA LTD

P.O.Box 5838, Dar es salaam Tanzania.
Tel: +255 758 822 236, 758 822 246

tzsales@princewareafrica.net
www.princewareafrica.net



No 00215823

THE UNITED REPUBLIC OF TANZANIA

Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

THIS CERTIFICATE REPLACES
THE PREVIOUS ONE NO.
041680 ISSUED ON
22/04/2009

No: 041680

AMENDMENT OF COMPANY NAME
AND LOCATION HAVE BEEN
EFFECTED

[Signature]

[Signature]

This is to certify that

PRINCEWARE AFRICA LTD

of address P.O. BOX 11908

DAR ES SALAAM

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

PRINCEWARE AFRICA LTD

Which is located at PLOT NO. 129/130, VINGUNGUTI,

DAR ES SALAAM

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

[Signature]

Executive Director

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

Dated 5TH AUGUST 2009



Princeware Africa Limited

Tanzania Investment - Additional List of Machinery and Moulds to be invested

Item No.	Item Name	Unit Measurement	Qty	Item Group	Item Price, USD per pc	Item Price, USD total	TIN	Exemption Reference No.	Exemption Date
MACHINES & MOLDS									
1	Ferrromatic Injection moulding Machines - Omega 350 and it Accessories	Pcs	3	Machinery			107-808-493		
2	Air Compressor/dryer/receiver tank	set	3	Machinery			107-808-493		
3	Blow Stretching Machine	Pcs	2	Machinery			107-808-493		
4	Moulds of different houseware, furniture & insulated plastic products & components thereof	Pcs	300	Machinery			107-808-493		
Total						0			

To India

Note: For Chiller and Mould, per unit price is average price. It will vary from piece to piece depending upon size and specifications.

Handwritten signature

Our Ref: PAL/TIC/02/2010

Date : 14th September , 2010

To : **Commissioner for Customs and Excise,
Customs and Excise Department,,
P.O. Box 9053,
DAR ES SALAAM.**



**u.f.s. Executive Director,
Tanzania Investment Centre,
P.O.Box 938,
DAR ES SALAAM.**

REG : LIST OF CAPITAL GOODS

Reference is made to the above mentioned subject.

We are TIC approved projects dealing in Manufacturing and selling of Plastic Thermoware and Houseware. We intend to purchase the attached list of machineries for the easy implementation of our project.

We are therefore submitting the additional item list to be deemed capital goods for the exemption of import duty and VAT deferment.

We trust that our request will meet your highest consideration and approve the appended list.

We advance our thanks and look forward to your co-operation to the success of our projects.

Thanking you,

Yours faithfully,

PRINCEWARE AFRICA LIMITED


DIRECTOR

**PRINCEWARE AFRICA LIMITED
P.O. Box 11908
DAR-ES-SALAAM
TANZANIA**



TANZANIA REVENUE AUTHORITY

07 October 2010

TRA/CE/C/P.20/8/749

✓ The Director,
Princeware Africa Limited,
P. O. Box 11908,
Dar es salaam

Dear Sir,

**RE: DUTY AND VAT EXEMPTION ON CAPITAL GOODS VIDE CERTIFICATE
OF INCENTIVES NO. 041680 OF 05TH AUGUST 2009 AND
TIN NO. 107-808-473**

Reference is made to your letter ref. PAL/TIC/01/2010 of 14th September 2010 as supported by the letter ref. TICC/PP.10/041680/11 of 22 September 2010 regarding the captioned subject.

We hereby confirm and approve a **single-page** list of items as capital goods for establishment of the project with certificate of incentives mentioned above.

The approved goods will be assessed at 0% import duty and VAT relief under the Third Schedule to the VAT Act Cap. 148 upon completion of form Vat 224 duly approved by the Commissioner for Customs and Excise.

Sincerely yours,

Said Athumani

For: COMMISSIONER FOR CUSTOMS AND EXCISE

GK
c.c. Manager- Customs Service Centre
c.c. Manager – Tax Exemption
c.c. Manager - Wharf

Executive Director,
Tanzania Investment Centre,
Dar es salaam



09th JANUARY, 2017

Tanzania Investment Centre,
Dar es Salaam.

Dear Sir

RE: CHANGE OF NAME FROM PRINCEWARE AFRICA LTD TO PRINCE AFRICA LTD AND EXTENTION PERIOD

This is with reference to above heading.

We would like to inform you that we have changed our Company name from Princeware Africa Ltd to **PRINCE AFRICA LTD**. We are enclosing herewith the copy of the Certificate issued by the BRELA.

In this regard, you are kindly requested please make the necessary amendments in your records and also we are requesting your kind favour for the EXTENTION of the Implementation period.

Attached please find **ORIGINAL – CERTIFICATE OF INCENTIVE No. 041680-01** issued on 11th JUNE, 2014 which is returned to you for issuing an NEW CERTIFICATE

Please acknowledge receipt on this copy of this letter.

Thanking you

Yours Sincrely,



Authorized Signatory

PRINCE AFRICA LTD.
P.O. Box 5838
DAR-ES-SALAAM



PRINCE AFRICA LTD

P.O.Box 5838, Dar es Salaam Tanzania.
Tel : +255 758 822 236, 758 822 246

tzsales@princewareafrica.net

www.princewareafrica.net

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

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3. Sector: **Manufacturing** Subsector: **Plastic Products**

4. Investment cost: Foreign **-** Local **USD 6.75m.** Total **USD 6.75m.**

5. Project Financing:

Equity USD 0.39m.	Loans USD 6.35m.	Total USD 6.75m.
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6. Source, terms and conditions of loan.....

7. Assets to be invested:

Capital items:	Foreign	Local	Total
	-	USD 6.74m.	USD 6.75m.

8. Technology Agreement **None**

9. Date of TIC Registration: **11th June 2014**

10. Implementation period **June 2014 - May 2018**

11. Operative date..... **June 2018**

12. Investment Incentive Grade: As defined in part III Section 19(1), (2) and Section 20 of the Tanzania Investment Act, 1997
 - (i) Applicable Import Duty **And VAT as per Customs Tariff Act, 1976 & VAT Act, 2014**
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15. Additional conditions attached to Certificate

Finished Goods are Not Allowed Under This Certificate

Signed 
 Ag. Executive Director



0223037

THE UNITED REPUBLIC OF TANZANIA

Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

THIS CERTIFICATE REPLACES AMENDMENT ON CHANGE COMPANY
 THE EXTEND PREVIOUS ONE NO. NAME AND SECTION 10&11 HAVE
 041680-01 ISSUED ON No: 041680-01 BEEN EFFECTED
 11/06/2014 *uJandu* *uJandu*

This is to certify that

PRINCE AFRICA LIMITED

of address..... .P.O. BOX 5838

DAR ES SALAAM

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

PRINCE AFRICA LIMITED

Which is located at PLOT NO. 129/130 VINGUNGUTI

DAR ES SALAAM

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

uJandu

Ag. Executive Director

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

Dated 24TH MARCH 2017



**PROJECT FOR EXTENSION OF
IMPLEMENTATION PERIOD**

9

Name of the Project: PRINCE AFRICA LTD

Project Description: Certificate No: **041680-01**

To expand facilities for manufacturing plastic products

Approval Date: 11th June, 2014.

Implementation Period Expiry: June, 2014 – May, 2017

Number of Previous Extensions: NIL

Reasons for this Extension:

To accomplish the implementation of the project

Recommendations:

I recommend the project implementation period be extended for One year

Decision:

APPROVED BY EXI	
Sign:.....	<i>[Signature]</i>
Date:.....	22/2/2017



TANZANIA INVESTMENT CENTRE

Robert Street, P.O. Box 938, Dar Es Salaam, Tel. +255 22 2116328-31, Fax: +255 22 2118253

RECEIPT REC029886

No. 023151

Received from : PRINCE AFRICA LIMITED

Address P. O. Box Dar Es Salaam.

Received the sum of (In words): ONE THOUSAND AND ZERO CENTS ONLY

Being payment in respect of : CERTIFICATE FEE

Amount USD 1,000.00

Cash / Cheque No: D/DEPOSIT 10/01

Date : 10-Jan-2017

B. Uisso

Receiving Officer



09th JANUARY, 2017

Tanzania Investment Centre,
Dar es Salaam.

Dear Sir

RE: CHANGE OF NAME FROM PRINCEWARE AFRICA LTD TO PRINCE AFRICA LTD

This is with reference to above heading.

We would like to inform you that we have changed our Company name from Princeware Africa Ltd to **PRINCE AFRICA LTD**. We are enclosing herewith the copy of the Certificate issued by the BRELA.

In this regard, you are kindly requested please make the necessary amendments in your records and also we are requesting your kind favour for the EXTENTION of the Implementation period.

Attached please find **ORIGINAL – CERTIFICATE OF INCENTIVE No. 041680-01** issued on 11th JUNE, 2014 which is returned to you for issuing an NEW CERTIFICATE

Please acknowledge receipt on this copy of this letter.

Thanking you

Yours Sincerely,

PRINCE AFRICA LTD.
P.O. Box 5838
DAR-ES-SALAAM

Authorized Signatory

PRINCE AFRICA LTD

P.O.Box 5838, Dar es Salaam Tanzania.
Tel : +255 758 822 236, 758 822 246

tzsales@princewareafrica.net
www.princewareafrica.net

4. Project Financing:

Our Project is financed by Equity and mother Company Loans, Bank Term Loans, working Capital loans and Overdraft facilities from banks.

5. Problems and Solutions

Problem:

Currently the market is very competitive and moving slowly as compared to last period before six months

Solution

Create a friendly environment where requirement and supply should have equal ration.

6. Future Plans:

We wish to increase sales and in turn the market share locally and in exports. For this, if required, we wish to expand production capacity by adding more machines.

7. Recommendations and any other comments:

N. A.

8. ETC:

N. A.

PROGRESS REPORT

Prince Africa Ltd is a plastic furniture and home ware manufacturing Company which is located at Kipawa, Nyerere Road and is a sister Company of Prince Corp. Pvt. Ltd of India.

Prince Africa Ltd markets its products in Tanzania and neighboring countries in Eastern, central and Southern Africa. Prince Africa Ltd has a range of products, all made from virgin plastic materials with strength and quality checked at each stage of production.

Planned Activities for the period

1. Planned activities of the period:

To increase production as per market demand for both Local and Export.
Also we are planning to purchase vehicles for supplying to local market.
We may add new machines and moulds as per market demand.

2. Achievements made on the project implementation to date:

Prince Africa Ltd has increased its Production capacity after installing new machines.

Factory Building is on lease. We have installed new plant and expanded the production capacity.

3. Project Financial Expenditure todate:

	Foreign	Local	Total
Land and Buildings (Leased)			118,309,000
Plant and machinery+Mould			3,888,413,000
Vehicles			63,953,000
Furniture			24,944,000
Office equipments +IT equipments			43,553,000
Insurance Cover (sum insured 4,057,221,234)			14,462,564
Pre-operational expenses	3,024,792,000		
Electrical installation			87,428,000
Working sub-total capital			
GRAND TOTAL			4,226,600,000

PRINCE AFRICA LTD

P.O.Box 5838, Dar es Salaam Tanzania.
Tel : +255 758 822 236, 758 822 246

tzsales@princewareafrica.net
www.princewareafrica.net

CTIN: 0786539



TANZANIA REVENUE AUTHORITY

CERTIFICATE OF REGISTRATION FOR TAXPAYER IDENTIFICATION NUMBER (TIN)

(ISSUED UNDER SECTION 23 OF THE TAX ADMINISTRATION ACT 2015)

THIS IS TO CERTIFY THAT
MR. RAAKESH KISHORE CHHEDA

HAS BEEN REGISTERED WITH THE TANZANIA REVENUE AUTHORITY
AND ASSIGNED THE TAXPAYER IDENTIFICATION NUMBER

107-808-337

WITH EFFECT FROM: **17 March 2009**

TRA LOCATION: **TEMEKE**

TAX OFFICE: **TEMEKE**

PHYSICAL LOCATION: **PLOT No. 129/130**

STREET / AREA: **KIPAWA-NYERERE ROAD**



ELIJAH G. MWANDUMBYA

COMMISSIONER FOR DOMESTIC REVENUE

OFFICIAL SEAL

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

4

CTIN: 0786536



TANZANIA REVENUE AUTHORITY

CERTIFICATE OF REGISTRATION FOR TAXPAYER IDENTIFICATION NUMBER (TIN)

(ISSUED UNDER SECTION 23 OF THE TAX ADMINISTRATION ACT 2015)

THIS IS TO CERTIFY THAT
PRINCE AFRICA LIMITED.

HAS BEEN REGISTERED WITH THE TANZANIA REVENUE AUTHORITY
AND ASSIGNED THE TAXPAYER IDENTIFICATION NUMBER

107-808-493

WITH EFFECT FROM: 17 March 2009

TRA LOCATION: ILALA

TAX OFFICE: BUGURUNI

PHYSICAL LOCATION: PLOT No. 129/130

STREET / AREA: KIPAWA

ELIJAH G. MWANDUMBYA

COMMISSIONER FOR DOMESTIC REVENUE

OFFICIAL SEAL

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



TANZANIA REVENUE AUTHORITY

Certificate of Registration for Value Added Tax (VAT)

(ISSUED UNDER SECTION 20 OF THE VALUE ADDED TAX ACT NO. 24 OF 1997)

THIS IS TO CERTIFY THAT

PRINCE AFRICA LIMITED.

WHOSE TAXPAYER IDENTIFICATION NUMBER (TIN) IS

107-808-493

HAS BEEN REGISTERED FOR VALUE ADDED TAX (VAT)

AND ASSIGNED VAT REGISTRATION NUMBER (VRN)

40-003761-F

**FOR BUSINESS LOCATED AT VINGUNGUTI 129/130
DAR ES SALAAM**

WITH EFFECT FROM 29 June 2009

GIVEN UNDER MY HAND

THIS 19th DAY OF December 2014


R. N. Kassera
COMMISSIONER FOR VAT



CTIN.: 00947552

ISO 9001 : 2008 Certified



TANZANIA REVENUE AUTHORITY

CERTIFICATE OF REGISTRATION

FOR

TAXPAYER IDENTIFICATION NUMBER (TIN)

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

THIS IS TO CERTIFY THAT

.....PRINCE AFRICA LIMITED.....

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

.....107-808-493.....

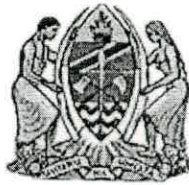
with effect from1-7-03-2009.....

A handwritten signature in black ink, appearing to read 'P. N. Kassera', is written over a rectangular stamp area.

P. N. Kassera

OFFICIAL SEAL

COMMISSIONER FOR DOMESTIC REVENUE



THE UNITED REPUBLIC OF TANZANIA

The National Industries (Licensing and Registration) Act, 1967
(Sections 11, 12, 15)

INDUSTRIAL LICENSE

License No 00002160

ISIC Class No 2220/07/20161026

Issued at DAR ES SALAAM

Name of firm and address PRINCE AFRICA LIMITED
P.OBOX 5838
DAR ES SALAAM

The License permits operating a factory to manufacture for sale
PLASTIC PRODUCTS (i.e furniture, coolers and household utensils) =====

Subject to the following conditions

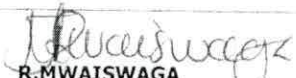
- (i) That the bearer is obliged to submit annual progress reports on the project
- (ii) That the product produced shall conform to the standards accepted by Tanzania Bureau of Standard

(iii) Others: 1.THAT LOCALLY AVAILABLE INPUTS MUST BE USED
2.THAT MUST BE REGISTERED FOR EIA FROM NATIONAL ENVIRONMEN

MANAGEMENT COUNCIL

Location of the factory VINGUNGUTI PLOT NO.129/130,NYERERE ROAD, INDUSTRIAL
AREA
ILALA MUNICIPAL -DAR ES SALAAM

12th OCTOBER, 2016


R.MWAISWAGA

Asst. Registrar of Industries: Ministry of Industry, Trade and Investment



THE UNITED REPUBLIC OF TANZANIA

The National Industries (Licensing and Registration) Act, 1967

(Sections 28(f))

INDUSTRIAL LICENSE

License No **00002160**
ISIC Class No **3560/02/20110601**
Issued at **DAR ES SALAAM**
Name of firm and address **PRINCEWARE AFRICA LIMITED**
P.O. BOX 11908
DAR ES SALAAM

The License permits operating a factory to manufacture for sale
PLASTIC FURNITURES, PLASTIC COOLERS, WATER JUGS AND PLASTI

HOUSE WARE ITEMS =====

Subject to the following conditions

- (i) that the bearer is obliged to submit annual progress reports on the project
- (ii) that the product shall conform to the standards accepted by National standards Institute

(iii) Others: **1. THAT LOCALLY AVAILABLE INPUTS MUST BE USED.**
2. THAT MUST BE APPROVED BY NATIONAL ENVIRONMENT
MANAGEMENT COUNCIL.

Location of the factory **VINGUNGUTI PLOT NO. 129/130 NYERERE ROAD,**
ILALA DISTRICT, DAR ES SALAAM

1ST JUNE, 2011
Date

dak


G. L. BinaMungu

Asst. Registrar of Industries Ministry of Industry, Trade



THE UNITED REPUBLIC OF TANZANIA

The National Industries (Licensing and Registration) Act, 1967
(Sections 28(f))

TEMPORARY INDUSTRIAL LICENSE

License No **0000423**

ISIC Class No **3560/02/09**

Issued at **DAR ES SALAAM**

Name of firm and address **M/S SERENGETI PLASTICS LIMITED**
P.O. BOX 11908
DAR ES SALAAM

The License permits operating a factory to manufacture for sale
PLASTIC WARE ITEMS =====

Subject to the following conditions

- (i) that the bearer is obliged to submit annual progress reports on the project
- (ii) that the product shall conform to the standards accepted by National standards Institute

- (iii) Others: **1. That locally available inputs must be used**
2. That be approved by the National Environment

Management Council

Location of the factory **Plot No. 115 Changómbe Industrial Area Temeke**
District Dar es Salaam.

17th April, 2009

Date

/DAK

G. BinaMungu

Registrar Ministry of Industry, Trade and Marketing

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

1. Shareholders

	Nationality	Shareholding (%)
Neelkanth Tanzania Ltd.	Tanzanian	50
Prince ware International Private Limited	Indian	49
Rakesh Chheda	Indian	1
2. Proposed Activities : To expand facilities for manufacturing plastic products
3. Sector: Manufacturing Subsector: Plastic Products
4. Investment cost: Foreign - Local USD 6.75m. Total USD 6.75m.
5. Project Financing: Equity USD 0.39m. Loans USD 6.35m. Total USD 6.75m.
6. Source, terms and conditions of loan.....
7. Assets to be invested:

	Foreign	Local	Total
Capital items:	-	USD 6.74m.	USD 6.75m
8. Technology Agreement None
9. Date of TIC Registration: 11th June 2014
10. Implementation period June 2014 - May 2017
11. Operative date June 2017
12. Investment incentive Grade: As defined in part III Section 19 (1), (2) and Section 20 of the Tanzania Investment Act, 1997
 - (i) Applicable Import Duty And VAT as per Customs Tariff Act, 1976 & VAT Act, 1997
 - (ii) Applicable with-holding Tax As per Income Tax Act, 2004 (as amended)
 - (iii) Eligibility of Capital Allowances As per Income Tax Act, 2004 (as amended)
13. Protection of Investment, Arbitration and Transfer of Foreign Currency: as defined in part III Section 21, 22 and 23 of the Act.
14. Conditions attached to this Certificate of Incentives
 - (i) Date of Commencement of investment has to be notified to the Centre.
 - (ii) Certificate not to be transferred, assigned or amended
 - (iii) Failure to commence implementation within two years invalidates Certificate
 - (iv) Failure to operate investment must be notified to the Centre
 - (v) Changes in shareholding, project activities and level of invested capital must be notified to the centre
15. Additional conditions attached to Certificate
Finished goods are not allowed under this Certificate

Signed 



10

00221027

THE UNITED REPUBLIC OF TANZANIA

Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

No: 041680-01

This is to certify that

PRINCEWARE AFRICA LTD

of address P.O. BOX 5838

DAR ES SALAAM

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

PRINCEWARE AFRICA LTD

Which is located at PLOT NO. 129/130 VINGUNGUTI

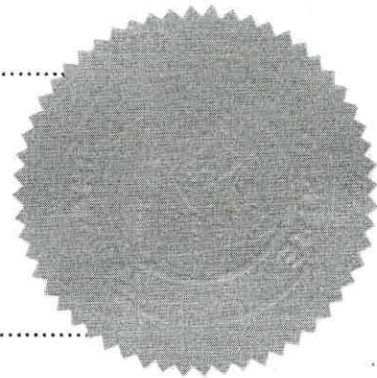
DAR ES SALAAM

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

Executive Director

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

Dated 11TH JUNE 2014



TANZANIA



Certificate of Incorporation

Section 15

No 69682

I HEREBY CERTIFY THAT

SERENGETI PLASTICS 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 **10TH** day of **FEBRUARY**

TWO THOUSAND AND NINE

Assist. Registrar of Companies

THE UNITED REPUBLIC OF TANZANIA



Certificate of Change of Name

No 69682

I HEREBY CERTIFY THAT

SERENGETI PLASTICS ===== Limited

having, with sanction of a special Resolution of the said Company, and with the approval of the Registrar signified in writing Changed its name, is now called the **PRINCEWARE AFRICA ===== Limited**

and I have entered such new name on the Register accordingly.

Given under my hand at Dar es salaam

this 10TH day of JULY

Two thousand and NINE


.....
Asst. Registrar of Companies

(Handwritten initials in a circle)

C.1

UNITED REPUBLIC OF TANZANIA



Certificate of Change of Name

No 69682

I HEREBY CERTIFY THAT

PRINCEWARE AFRICA LIMITED

having, with sanction of a special Resolution of the said company, and with the approval of the Registrar signified in writing Changed its name, is now called

PRINCE AFRICA LIMITED

and I have entered such new name on the Register accordingly.

this **16TH** day of **OCTOBER**
TWO THOUSAND AND FOURTEEN.

(Handwritten signature)

(Handwritten signature)
Asst. Registrar of Companies



RENEW TFN. 226
CI-69682 (Rev. 2/96)
Box 5838
DSM

JAMHURI YA MUUNGANO WA TANZANIA

022-284 3094

LESENI YA BIASHARA

B 2231288

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

*Futa isiyotakiwa.

1. Ofisi iliyotolewa..... **MINISTRY OF INDUSTRY TRADE & INVESTMENT 107-808-493**
 2. Nambari ya Ushuru wa mapato.....
 3. Leseni imetolewa kwa..... **PRINCE AFRICA LIMITED**
kuendesha biashara ya..... **EXPORT OF PLASTICS ITEMS**
katika Wilaya/Kanda ya..... **ILALA Mtaa NYERERE RD**
 4. Ni ya Shina/Tawi.....
Ada Sh..... **400,000/-** Nambari ya Stakabadhi..... **11352068**
ya tarehe..... **19/07/2016**
 5. Mpya inaendeleza* muda wa leseni Na..... **2023527**
ya tarehe..... **01/07/2015**
- (ii) Muda wa leseni hii utaishia 30 Juni, 20**17**.

Tarehe..... **15/07/2016**

Sahibi na Muhuri wa Mtoaji Leseni
REACTOR FOR INTERNATIONAL TRADE



KENKW
 CI-69682 TPN. 226
 (Rev. 2/96)
 Box 5838
 DSM

JAMHURI YA MUUNGANO WA TANZANIA

022-284-3094

LESENI YA BIASHARA

B 2231286

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

*Futa isiyotakiwa.

1. Ofisi iliyotolewa MINISTRY OF INDUSTRY, TRADE & INVESTMENT
 2. Nambari ya Ushuru wa mahato 107-808-493
 3. Leseni imetolewa kwa PRINCE AFRICA LTD
 kuendesha biashara ya IMPORT & SALE OF PLASTICS ITEMS AND RAW MATERIALS
 katika Wilaya/Kanda* ya ILALA Mtaa NYERERE RD
 4. Ni ya Shina/Tari*
 Ada Sh. 400,000/- Nambari ya Stakabadhi 11352068
 ya tarehe 14/07/2016
 5. Mpya inaendeleza* muda wa leseni Na 2023526
 ya tarehe 01/07/2015
- (ii) Muda wa leseni hii utaishia 30 Juni 20 17

Tarehe 15/07/2016

Salmi na Mhuzi wa Mtoaji Leseni
SECTOR FOR INTERNAL TRADE



RENEW
 CI-69682
 BOX 5838
 DSM

IFN. 226
 (Rev. 2/96)

JAMHURI YA MUUNGANO WA TANZANIA

022-2843094

LESENI YA BIASHARA

B 2231285

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

*Futa isiyotakiwa.

1. Ofisi iliyotolewa..... **MINISTRY OF INDUSTRY, TRADE & INVESTMENT**
 2. Nambari ya Ushuru wa mapato..... **107 - 808 - 493**
 3. Leseni imetolewa kwa..... **PRINCE AFRICA LIMITED**
 kuendesha biashara ya..... **MANUFACTURING AND SELLING OF PLASTICS MOULDED ITEMS**
 katika Wilaya/Kanda ya..... **ILALA** Mtaa..... **NYERERE ROAD**
 PLOT NO. 129/ **KIPAWA**
 4. Ni ya Shina/Tawi*..... **130.**
 Ada Sh. **600000/=** Nambari ya Stakabadi..... **11352068**
 ya tarehe..... **14/07/2016**
 5. Mpya inaendeleza* muda wa leseni Na..... **2023525**
 ya tarehe..... **01/07/2015**
- (ii) Muda wa leseni hii utaishia 30 Juni, 20 **17**

Tarehe..... **15/07/2016**

[Signature]

Sahihi na Muhuri wa Mtoaji Leseni

DIRECTOR FOR INTERNAL TRADE













TIC Evaluation Report

Name of the Company
Princeware Africa Limited

Post Box		COI Number	69682-02	Contact	Prestic Runu
Post Office	5838	COI Date	07/10/2009	Designation	Managing Director
Region	Dar Es Salaam	Application F. No	11989	Phone	
Country	Tanzania	Status	Expansion	Direct Phone	
		Sector	Manufacturing	Cell Phone	0762454626
		Sub Sector	Plastic Manufacturing	Fax	
		File No	041680-01	E-Mail Address	

Project Location		Investment Finance Plan in Millions USD										
Plot/Block	Plot no. 129/130	<table border="1"> <tr> <th>Foreign Equity</th> <th>Local Equity</th> <th>Foreign Loan</th> <th>Local Loan</th> </tr> <tr> <td>0</td> <td>0.39</td> <td>0</td> <td>6.305</td> </tr> </table>	Foreign Equity	Local Equity	Foreign Loan	Local Loan	0	0.39	0	6.305		
Foreign Equity	Local Equity		Foreign Loan	Local Loan								
0	0.39		0	6.305								
Street	Vingunguti											
District	Ilala											
Region	Dar es Salaam											

Shareholders Detail			Investment Breakdown (USD Million)	
Name	Nationality	(%)		
Neelkunth Tunzurill	Tanzania	50	Land/Building	0.15
princeware International	India	49	Plant	4.15
Rukesh Cheedu	India	1	Vehicles	0.1
			Furniture & Fittings	0.12
			Pre-expenses	0.22
			Others	0
			Working Capital	2
			Total	6.74

Employment	165	Evaluated By	wf officer4
Capacity	350 Mt P.M.	Drawn By	wf registry2
Project Turn Over		Project Type	Local

Description

To expand manufacturing of plastic products

Recommendations

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

Decision



TICC/PP.10/041680-01/3

11/06/2014

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

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

Yours sincerely,
Tanzania Investment Centre



Juliet R. Kairuki
EXECUTIVE DIRECTOR

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

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

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

TICC/PP.10/041680-01/3

11/06/2014

Managing Director,
Princeware Africa Ltd
P.O. Box 5838
DAR ES SALAAM

RE: CERTIFICATE OF INCENTIVES FOR EXPANDING PLASTIC PRODUCTS MANUFACTURING PROJECT IN DAR ES SALAAM.

We wish to acknowledge receipt of your project proposal to expand plastic products manufacturing project in Dar es Salaam as presented in the TIC P.A. 1 Form No.11989 and Feasibility Study with a projected investment amounting to USD 6.74m.

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

- Certified document showing evidence of Land ownership for the location of the project(Lease agreement to be certified as true copy of original)

Also be informed that you will have to submit a project implementation Progress Report on the implementation of the project in every six months for centre's information and review. Guidelines for the preparation of the report are contained in annexure attached to this letter. Please do not hesitate to contact the Centre for any clarification if the need arises. Also note that a facilitation fee equivalent to US\$ 1000.00 is payable at the ruling exchange rate prior issuance of the Certificate of Incentives. Please make deposit direct to the bank as per bank details below:-

... /2

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

1. Shareholders	Nationality	holding (%)
Neelkanth	India	50
Prince war	Tanzania	49
Private Lin		
Rakesh Chhe		1
2. Proposed Activities		g plastic products
3. Sector: Manufacturing		Products
4. Investment cost:		al USD 6.75m.
5. Project Financing: Equity US		USD 6.75m.
6. Source, terms and co		
7. Assets to be invested:		
Capital items:		Total USD 6.75m
8. Technology Agreement		
9. Date of TIC Registration		
10. Implementation period		
11. Operative date		
12. Investment Incentive Grant		the Tanzania Investment Act, 1997
(i) Applicable Import		76 & VAT Act, 1997
(ii) Applicable with-hold		is amended)
(iii) Eligibility of Capita		is amended)
13. Protection of Investment,		21, 22 and 23 of the Act.
14. Conditions attached to this		
(i) Date of Commence		
(ii) Certificate not to be		
(iii) Failure to commence		
(iv) Failure to operate in		
(v) Changes in shareh		the centre
15. Additional conditions attach		
Finished goods a		

Signed _____
Executive Director



00221027

THE UNITED REPUBLIC OF TANZANIA

Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

No: 041680-01

This is to certify that

PRINCEWARE AFRICA LTD

of address P.O. BOX 5838

DAR ES SALAAM

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

PRINCEWARE AFRICA LTD

Which is located at PLOT NO. 129/130 VINGUNGUTI

DAR ES SALAAM

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

Executive Director

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

Dated 11TH JUNE 2014



Unclaimed refund beyond three years will be for



TANZANIA INVESTMENT CENTRE

Shaaban Robert Street, P.O. Box 938, Dar Es Salaam, Tel. +255 22 2116328-31, Fax: +255 22 2118253

RECEIPT REC015880

No. 009727

Received from : PRINCEWARE AFRICA LTD

Address P. O. Box 5838, Dar Es Salaam

Received the sum of (In words): ONE THOUSAND AND ZERO CENTS ONLY

Being payment in respect of: CERTIFICATE OF INCENTIVES

Amount USD 1,000.00

Cash / Cheque No: D/Deposit.

Date: 12-Jun-2014

Buisso

Receiving Officer

(7)

Aug '11

53980

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

1. Shareholders

Shareholders	Nationality	Shareholding (%)
Neelkanth Tanzania Ltd.	Tanzanian	50
Prince ware International Private Limited	Indian	49
Rakesh Chheda	Indian	1
2. Proposed Activities : To expand facilities for manufacturing plastic products
3. Sector: Manufacturing Subsector Plastic Products
4. Investment cost: Foreign — Local USD 6.75m. Total USD 6.75m.
5. Project Financing: Equity USD 0.39m. Loans USD 6.35m. Total USD 6.75m.
6. Source, terms and conditions of loan.....
7. Assets to be invested:

Capital items:	Foreign	Local	Total
	<u>—</u>	<u>USD 6.74m.</u>	<u>USD 6.75m</u>
8. Technology Agreement None
9. Date of TIC Registration: 11th June 2014
10. Implementation period June 2014 - May 2017
11. Operative date..... June 2017
12. Investment Incentive Grade: As defined in part III Section 19 (1), (2) and Section 20 of the Tanzania Investment Act, 1997
 - (i) Applicable Import Duty And VAT as per Customs Tariff Act, 1976 & VAT Act, 1997
 - (ii) Applicable with-holding Tax As per Income Tax Act, 2004 (as amended)
 - (iii) Eligibility of Capital Allowances As per Income Tax Act, 2004 (as amended)
13. Protection of Investment, Arbitration and Transfer of Foreign Currency: as defined in part III Section 21, 22 and 23 of the Act.
14. Conditions attached to this Certificate of Incentives
 - (i) Date of Commencement of investment has to be notified to the Centre.
 - (ii) Certificate not to be transferred, assigned or amended
 - (iii) Failure to commence implementation within two years invalidates Certificate
 - (iv) Failure to operate investment must be notified to the Centre
 - (v) Changes in shareholding, project activities and level of invested capital must be notified to the centre
15. Additional conditions attached to Certificate
Finished goods are not allowed under this Certificate

Signed 
Executive Director



00221027

THE UNITED REPUBLIC OF TANZANIA

Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

No: 041680-01

This is to certify that

PRINCEWARE AFRICA LTD

of address P.O. BOX 5838

DAR ES SALAAM

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

PRINCEWARE AFRICA LTD

Which is located at PLOT NO. 129/130 VINGUNGUTI

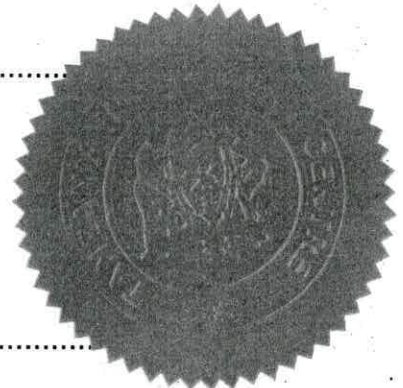
DAR ES SALAAM

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

Executive Director

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

Dated 11TH JUNE 2014



PRINCEWARE AFRICA LTD

Tanzania Investment - Additional List of Machinery & Moulds to be invested

Item No.	Item Name	HS Code	Unit Measurement	Quantity	Item Group	Item Price	Total Price	TIN	Exemption Reference No.	Exemption Date
	Machine & Moulds									
1	Ferromatic Injection moulding Machines - Omega 350 and it Accessories	8480.79.00	Pcs	3	Machinery			107-808-493		
2	Air Compressor	8414.40.00	Set	1	Machinery			107-808-493		
3	Dryer	8419.39.00	Set	1	Machinery			107-808-493		
4	Receiver Tank	7309.00.00	Set	1	Machinery			107-808-493		
5	Blow Stretching Machine	8477.30.00	Pcs	2	Machinery			107-808-493		
6	Moulds of different houseware, furniture & insulated plastic products & components thereof	8480.79.00	Pcs	300	Machinery			107-808-493		

Note: For Chiller and Mould, per unit price is average price. It will vary from piece to piece depending upon size and specifications



TANZANIA REVENUE AUTHORITY

CERTIFICATE OF REGISTRATION

TAXPAYER IDENTIFICATION NUMBER (TIN)

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

THIS IS TO CERTIFY THAT

.....PRINCEWARE AFRICA LIMITED:.....

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

.....107-808-493

with effect from17-03-2009...


JOANNES N. A. MALLY

COMMISSIONER FOR DOMESTIC REVENUE

OFFICIAL SEAL

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

Handwritten signature
20/6/2014
For: Executive Director
Tanzania Investment Centre



00221027

THE UNITED REPUBLIC OF TANZANIA

Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

No: 041680-01

This is to certify that

PRINCEWARE AFRICA LTD

of address P.O. BOX 5838

DAR ES SALAAM

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

PRINCEWARE AFRICA LTD

Which is located at PLOT NO. 129/130 VINGUNGUTI

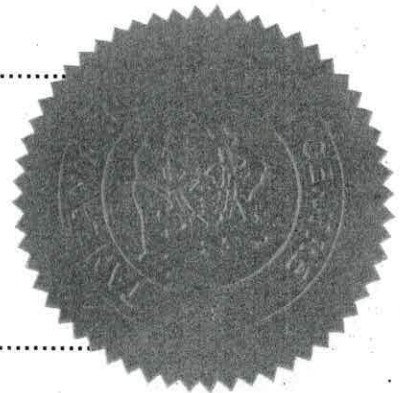
DAR ES SALAAM

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

Executive Director

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

Dated 11TH JUNE 2014



Tic



FINE HOMEWARE

Received on
09/07/2014

08/07/2014.

Tic

Ref: PAM/TIC/005/08/07/14.

THE EXECUTIVE DIRECTOR,
TANZANIA INVESTMENT CENTRE,
P O BOX 938,
DAR ES SALAAM,
TANZANIA.

Dear Sir,

RE: RENEWAL OF DUTY AND VAT EXEMPTION ON GOODS VIDE CERTIFICATE OF INCENTIVES NO. 041680-01 OF 11th JUNE 2014- MAY 2017 FOR TRA EXEMPTION LETTER AND APPROVAL LIST.

The above subject, refers to us requesting your kind office to request TRA to renew our TRA EXEMPTION LETTER REF: TRA/CE/C/P.20/8/749 of 07 OCT 2010 and APPROVAL LIST dated 07 OCTOBER 2010 which has expired.

We attach copies of TIC CERTIFICATE NO. 041680-01 FOR 2014, expired TRA EXEMPTION LETTER and APPROVAL LIST for your further reference.

Your kind and calm consideration is our great appreciation.

Thanking your kind office in advance.

Yours faithfully

PRINCEWARE AFRICA LTD.

P.O. Box 5838

DAR-ES-SALAAM

AUTHORIZED SIGNATORY.



CC: COMMISSIONER FOR CUSTOMS & EXCISE
(TANZANIA REVENUE AUTHORITY)

PRINCEWARE AFRICA LTD

P.O.Box 5838, Dar-Es-salaam Tanzania.

Tel : +255-758822236 , 758822246

tzsales@princewareafrica.net

www.princewareafrica.net

6

TICC/PP.10/041680-01/6

14/07/2014

Commissioner for Customs & Excise,
Tanzania Revenue Authority,
P.O. Box 9053,
DAR ES SALAAM

Dear Sir,

**RE: DUTY/VAT REMISSIONS ON THE CAPITAL/DEEMED
CAPITAL GOODS OF CERTIFICATE OF INCENTIVES NO.
041680-01**

M/S Princeware Africa Limited is a TIC registered company with certificate of incentives **No. 041680-01** which is valid up to **May 2017**

The company has been registered with objectives of expanding facilities for manufacturing plastic products.

Attached herewith please find a list of Capital/ Deemed Capital Goods for Duty and VAT remissions approval.

Yours sincerely

TANZANIA INVESTMENT CENTRE


N.A. Senzia

FOR: EXECUTIVE DIRECTOR

1



FINE HOMEWARE

Date : 28 May, 2014

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

Dear Sir/Madam,

RE: COVERING LETTER

Please find attached list of documents as part of requirements of application for certificate of incentives.

1. 1 copy of the project's Business Plan/Feasibility Study
2. A dully filled TIC application forms (registration form)
3. In case of expansion/rehabilitation (*remove if not applicable*) a copy of audited account for the past three years.
4. A copy of the company's Memorandum and Articles of Association.
5. A certified copy of the Certificate of company Incorporation
6. Evidence of sufficient finance capital available to implement the project
7. Evidence of land ownership for the location of the project (*depending on the project, certified lease agreement of minimum of 3 years or certified copy of title deed*).
8. Company Board Resolution to register the project with TIC.

Thank you in advance.

Yours faithfully,

FOR PRINCEWARE AFRICA LIMITED


GENERAL MANAGER



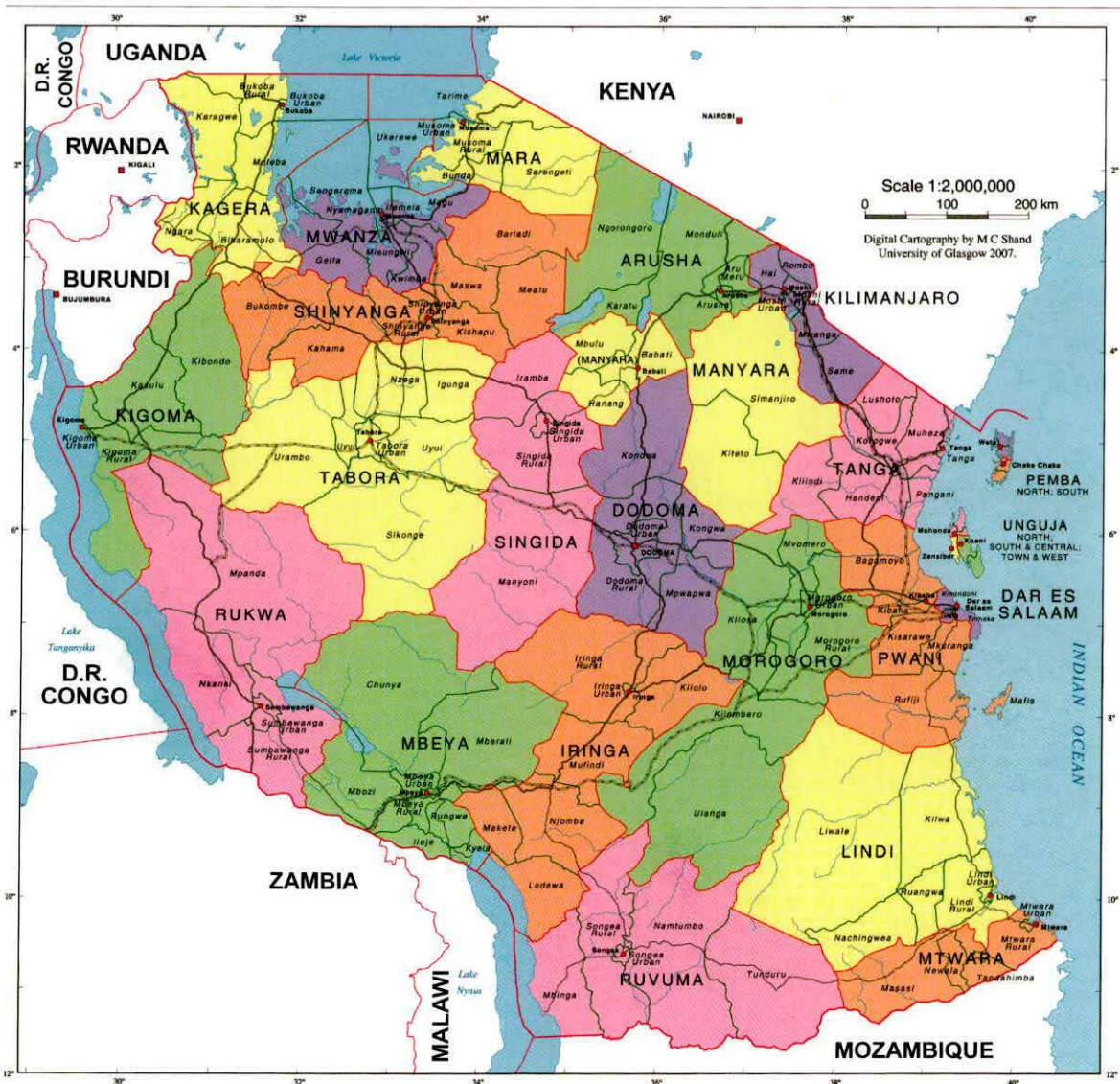
PRINCEWARE AFRICA LTD

P.O.Box 5838, Dar-Es-salaam Tanzania.

Tel : +255-758822236 , 758822246

tzsales@princewareafrica.net

www.princewareafrica.net



Scale 1:2,000,000
0 100 200 km
Digital Cartography by M C Shand
University of Glasgow 2007.

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

Land/Building 150,000/-
Plant 4,150,000/-
Vehicles 100,000/-
Furniture & Fittings 120,000/-
Pre-expenses 220,000/-
Others -
Working Capital 2,000,000/-
TOTAL **6,740,000/-**

Contact Details:

Name: Pratik Runu Title: Import manager
Telephone: 0762-454-626 Fax: -
Email: Pratik@Princemure.net

Payments to be made payable to:

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

APPLICATION SUMMARY

Company Name: Princemare Africa LTD.

Certificate of Incorporation Number: 69682 Status: ETP/Registered

Certificate of Incorporation Date: 10th July 2009

Post Box: P.O. Box 5838

Town: Dar-Es-Salaam

Sector: Manufacturing Sub-Sector: Plastic manufacturer

Investment Financing Plan in Million US\$/Tshs.

Foreign Equity	Local Equity	Foreign Loan	Local Loan
.....	<u>0.435</u>	<u>6.305</u>

Project Objectives: To Expand manufacturing facilities for plastic product

Capacity: 350mT P.M.

Employment: Foreign: 15 Local: 150 Total: 165

Implementation Period: 3 years

Project Location

Site/Plot/Block No.: plot No. 129/130

Street: Vinguyuti District: Ilulu Region: DAR-ES-SALAAM
 (Attach sketch map showing project location)

Shareholders	Nationality	%
<u>Neelkanth Tanzania LTD</u>	<u>Tanzanian</u>	<u>50</u>
<u>Princemare International</u>	<u>Indian</u>	<u>49</u>
<u>Rakesh Chedra</u>	<u>Indian</u>	<u>01</u>
.....
.....

7. The intended capital investment of the Company in terms of Section 2(2) of the Act

is Tshs./US\$ 6,740,000/-

8. The month and day of the financial year end is ... 31st March

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

I/We enclose a cheque/cash made payable to the **Tanzania Investment Centre** for Tshs./US\$

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

I, Patrick Remy of Post Office Number P.O. Box 5838

D.S.M. do solemnly and sincerely declare that I am a director/duly

authorized agent of Panceure Africa L.T.D.

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 29th day of May 2014 }

Applicant
Patrick Remy

Before me:

Mercy Godlay Jilala
MERCY GODLAY JILALA
Advocate, Notary Public &
Commissioner for Oaths
P.O.Box 11591, D.S.M.

.....
Commissioner for Oaths

UNITED REPUBLIC OF TANZANIA

THE TANZANIA INVESTMENT ACT
(No. 26 of 1997)

APPLICATION FOR REGISTRATION
(Made under Regulation 42)

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

1. I/We Rakesh Cheeda
(director/directors/agent of Princetone Africa LTD
(name of business enterprise) apply for registration of Certificate of Incorporation
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 Vingungu T.I.

Copies of the following documents are attached to this application:

- (i) The Memorandum and Articles of Association/or partnership agreement
 - (ii) Certificate of Incorporation/Registration
 - (iii) A copy of the Project Profile or Feasibility Study showing the implementation period, programme of implementation and operative date
 - (iv) Evidence of financing and evidence of land ownership for the project
3. The Head Office of the Company will be situated at Plot No. 229/130, Vingungu T.I.
4. The Principal Officers of the Company are Rakesh Cheeda,
Santay choudhary
5. Auditors of the Company are Baker Tilly DTP & Co.
6. The authorized share capital of the Company is Tshs./US\$ 1,00,000,000/-



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
Website: www.tic.co.tz

(Please fill the form in duplicate)



FINE HOMEWARE

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED AT THE MEETING OF THE BOARD OF DIRECTORS OF PRINCEWARE AFRICA LIMITED HELD ON MONDAY, 26 MAY, 2014 AT 11.00 A.M. AT THE REGISTERED OFFICE OF THE COMPANY AT P.O BOX NO. 5838, DAR ES SALAAM, TANZANIA.

“RESOLVED THAT the Company will apply to TIC for exemption for its Plastic Product Manufacturing Unit project in Dar es Salaam, Tanzania for the entire duration of the project

Certified to be true copy

For PRINCEWARE AFRICA LIMITED

GENERAL MANAGER

PRINCEWARE AFRICA LTD

P.O.Box 5838, Dar-Es-salaam Tanzania.

Tel : +255-758822236 , 758822246

tzsales@princewareafrica.net

www.princewareafrica.net

6.0 Cost of the Project & Means of Finance:-

A. Cost of the Project:-

Sr. NO.	Details	US \$
1	Land & Building (as described later)	150,000
2.	Plant & Machinery (as per list below)	4,150,000
3.	Furniture, Computers & Fixtures	120,000
4.	Vehicles	100,000
5.	Pre-operating Costs	220,000
6.	Initial working capital	2,000,000
	Total Cost of the Project	6,740,000

. Means of Finance:-

Sr. NO.	Details	US \$
1	Equity Funds	435,000
2	Promoters' Loan	3,405,000
3	Bank Loan	2,900,000
	Total Means of finance	6,740,000

7.0 ECONOMIC EVALUATION

7.1. Employment

The project is looking at providing direct employment to 200 people. Five of these workers will be expatriate staff from India who will train the rest of the workers during the first years of operation. Thereafter all production supervision will be taken over by local Tanzanians who by then will be expected to have acquired adequate experience in the operations and management of the project.

7.2. Transfer of Technology

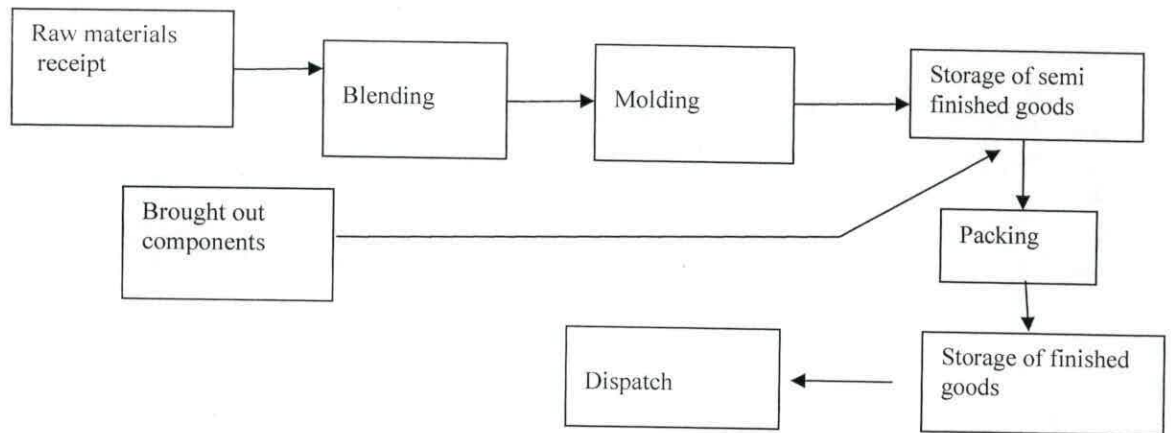
The technology of manufacturing plastics products by Injection Molding Process as well as computerized designing of all kinds of plastic products will be acquired by Tanzanians

7.3. Economic Linkages.

The project will act as a stimulus to the development of other economic activities. Also the project will link Tanzania Economy with the rest of Africa

Process lay out from the receipt of raw materials till dispatch of the finished good

Injection molded items



Flow chart diagrams of the manufacturing process

Injection molding

- blending of raw material with master batches in required proportion
- feeding into the machine through hopper
- blend heated, homogenized and conveyed through the heated barrel into the mould
- molten blend takes the shape of the mould
- the molding is cured
- mould opened
- Product removed and molding cycle repeated.

5.0 Manpower:-

Princeware Africa Limited created total of 200 manpower directly and more than 1000 indirectly. Once the second and the final stage is completed the manpower required will increase to 500

Princeware Africa Ltd shall endeavor to promote local staff as much as possible to ensure better employment opportunities to the local population.

Princeware Africa Ltd shall run simultaneously a small in-house training house, where the experts will provide training to the new recruits before they are put on the jobs for on-job training. Princeware Africa Ltd believes that a motivated and skilled manpower can for sure bring in immense benefits to the industry and can ensure peaceful co-existence of all concerned.

Mould

Mold or die are the common terms used to describe the tooling used produce plastic parts molding.

Traditionally, molds have been expensive to manufacture. They were usually only used in mass production where thousands of parts were being produced. Molds are typically constructed from hardened steel, pre-hardened steel, aluminum, and/ or beryllium-copper alloy. The choice of material to build a mold from is primarily one of economics, steel molds generally cost more to construct, but their longer lifespan will offset the higher initial cost over a higher number of parts made before wearing out. Pre-hardened steel molds are less wear resistant and are for lower volume requirements or larger components. The steel hardness is typically 38-45 on the Rockwell-C scale. Hardened steel molds are heat treated after machining. These are by far the superior in terms of wear resistance and lifespan (HRC). Aluminum molds can cost substantially less, and when designed and machined with modern computerized equipment, can be economical for molding tens or even hundreds of thousands of parts. Beryllium copper is used in areas of the mold which require fast heat removal or areas that see the most shear heat generated. The molds can be manufactured by either CNC machining or by using electrical discharge machining processes.

Design

Molds separate into two sides at a parting line, the A side and the B side, to permit the part to be extracted. Plastic resin enters the mold through a sprue in the A plate, branches out between the two sides through channels called runners, and enters each part cavity through one or more specialized gates. Inside each cavity, the resin flows around protrusions (called cores) and conforms to the cavity geometry to form the desired part.

Broughtout components

Steel bowls, lids, glass, handles, gasket, rubber etc, these items were have to procure from outside as broughtout components to complete the manufacturing of some of items like casserole, flask etc.

3.2 Distribution Networks

The promoters will establish a solid distribution network in Southern & western Africa. They further plan to open own shops as well as appointing local agents in almost every country in Southern Africa. For the first year, Exports to Malawi, Zambia, Mozambique and DRC is assumed to be 85% of annual production.

4.0 Manufacturing Process & Technology:-

Description of the Injection Molding Process.

Injection molding is a manufacturing process for producing parts from both thermoplastic and thermosetting plastic materials. Molten plastic is injection at high pressure into a mold, which is the inverse of the product's shape. After a product is designed, usually by an industrial designer or an engineer, molds are made by a mold maker (or toolmaker) from metal, usually either steel or aluminum and precision- machined to form the features of the desired part. Injection molding is widely used for manufacturing a variety of parts, from the smallest component to entire body panels of cars. Injection molding is the most common method of production, with some commonly made items including bottle caps and outdoor furniture.

The most commonly used thermoplastic materials are polystyrene (low cost, lacking the strength and longevity of other materials), ABS or acrylonitrile butadiene styrene (a ter-polymer or mixture of compounds used for everything from Lego parts to electronic housing), polyamide (chemically resistant, heat resistant,, tough and flexible – used for combs), polypropylene (tough and flexible – used for containers), polyethylene and polyvinyl chloride of PVC (more common in extrusion as extrusions as used for pipes, window frames or as the insulation on wiring where it is rendered flexible by the inclusion of a high proportion of plasticizer). Plastics reinforced with short fibers also can be injection molded.

Injection molding machines, also known as presses, hold the molds in which the components are shaped. Presses are rated by tonnage which expresses the amount of clamping force that the machine can exert. This force keeps the mold closed during the injection process. Tonnage can vary from less than 5 tons to 6000 tons, with the higher figures used in determined by the materials used and the size of the part, large parts require higher force.

2.1.5. Pre – Operational Expenses:

Under pre–operational expenses are considered costs like pre–feasibility studies, company formation and legal fees, feasibility study preparation costs, travelling expenses, initial recruitment and training expenses. This item is budgeted at US\$ 220,000.

2.1.6. Initial Working Capital

This item will mainly cover initial imports of raw materials estimated to last for the first three months of operations.

Otherwise, raw materials will generally be maintained at one month's stock and debtors at two month's sales volume constitute the biggest portion of current assets. This item is budgeted at US\$ 2,000,000.

2.2. Project Financing

The whole project costs, including fixed and working capital will be financed by equity contribution, promoters Loan and Bank Loan.

Project Implementation

Full implementation of the project including expansion is planned to take one (1) year from September 2011. Machineries, moulds and motor vehicles will be imported in two phases, each phase covering six months.

2.3. The Sponsors

The project is being promoted by M/s Princeware Africa Ltd of P.O. Box 5838 Dar es Salaam. The company comprises of two (2) shareholders, namely:-

Name of the Share Holder	Holding
Princeware Global Holding Ltd	288
Princeware International Pvt. Ltd	312
Total	600

3.0 The Markets and Distribution Channels

3.1 Target Market

It is the intention of this project to produce quality products and sell at less market prices to ensure that all the ordinary people can afford to buy within both SADC and EAC region with main focus in Malawi, Zambia, Mozambique and DRC where the project promoters have established solid business contacts.

2.0 THE PROJECT PROPOSAL

2.1 CAPITAL INVESTMENT

The estimated investment cost of the project is US\$ \$ 6,740,000 out of which US\$ 4,520,000 will be fixed capital investment. Preproduction expenses are budgeted at US\$ \$ 220,000 and working capital at US\$ \$ 2,000,000 which will mainly cover initial importation of raw materials requirements. Details of investment costs are provided under **Appendix I** as highlighted below:

2.1.1. Land & Building.

The premises in which the project will be established on a leased property at, plot No. 129/130 Pugu Road, Kipawa, Dar es Salaam. The location has adequate area to contain all the manufacturing operations, materials storage, and stockyard and office space; given that production. A total of US\$ 150,000 has been budgeted for development, associated civil works structures. This budget covers both the temporary and future project locations.

2.1.2. Machinery, Mould & Equipment

The projects machineries, Moulds and equipment will be sourced from India and china which are estimated to cost US\$ \$ 4,150,000. These cost assumptions are C.I.F Dar es Salaam and include installation, commissioning, consultancy, port charges and transport to the project site.

Other equipment to be imported are office machines such as computers and communication systems, telephone equipment, photocopy machine etc.

2.1.3. Motor Vehicles.

The trucks will also be of great importance in hauling project raw materials and components from the port to the project site. Similarly, the minibuses will be used to transport staff to and from work, and at times to collect local raw materials as well as carrying out other administrative assignments.

Total budget for this item is put at US\$ 100,000

2.1.4. Furniture & Fittings.

This cost item includes the purchase of various office furniture; tables, chairs cabinets, safes, telecommunication gadgets, firefighting equipment, air conditioners etc. Total budget for this item is put at US\$ 120,000

All individual country unit is managed by a country head who is responsible for sales, marketing and operations of that country. Warehouses are located or being located at strategic locations and necessary commercial staff are being deputed to manage the warehouse and accounting operations.

Africa companies are all 100% subsidiaries of PIPL, India. Mr. Rakesh Chheda is the managing director of the group and Mr. Bhavesh Chheda is another director of the group companies. Apart from these two shareholders, the individual group companies are run professionally through professionals but yet having benefits of a closely controlled family business house.

The company "PRINCEWARE AFRICA LTD"

Princeware Africa Limited is a manufacturing company registered in Tanzania with a certificate of Incorporation No. 69682 registered on 26th February 2009.

The production will take place in Dar es Salaam, Tanzania and 80% of products of will be sold in Mozambique, DRC, Zambia, Malawi, Sudan, Kenya, Uganda, Rwanda and Burundi etc., where there is a well established market, at the same time the long term plan our sales and marketing strategies will be focused to the SADC, East & West African markets.

Ownership is divided among the two the principal shareholders who are putting up the initials investment. These include Princeware Global Holding Ltd, Princeware International Pvt. Ltd.

The Shareholders of Princeware Africa Ltd are as under:

Name of the Share Holder	Holding
Princeware Global Holding	288
Princeware International Pvt. Ltd	3512
Total	3800

Location of the Proposed Factory:

The site for the factory is plot No. 129/130 Pugu Road, Kipawa, Dar es Salaam.

PRINCEWARE AFRICA LIMITED

P.O. Box 5838

Dar es salaam

0.1 Introduction

Princeware International Private Limited is the flagship company of Princeware group of companies. Princeware group of companies are the owners of "Princeware" and "Prince" brands across the globe. Today Princeware brand is synonymous with high quality and high aesthetics.

The company was established in 1970. Presently, Princeware International Private Limited (PIPL), India is highest exporter of plastic consumer products from India and this status is being maintained from record last 29 consecutive years! The Indian company has a turnover of close to Indian Rs. 250 crores (US\$ 55 Million) and growing at a rate of over 20% per year. PIPL is in to several product categories – food containers, ice boxes, insulated products like casseroles / water bottles etc, PET fridge bottles and jars, furniture items, bathroom accessories, water storage drums and basins, laundry baskets and almost entire range of household crates. PIPL has a huge manufacturing facility at Daman, spread over five manufacturing units.

We have our own product design and mould making company named as Prism Design and Tooling Technology Limited (based at India) which makes designs and moulds for General Motors, TATA, Mahindra and Mahindra etc., apart from our group companies.

The company is also diversifying its product range into luggage, glassware and melamine-ware and also owns the brands of "PWI", "Pronto" & "Grande"

At Africa, we have group companies at Tanzania (Princeware Africa Limited), Kenya (Princeware Africa (Kenya) Limited), South Africa (Princeware Africa South Africa Limited) and Uganda (Princeware Africa Uganda Limited). Plus we have distribution arrangements in Zambia, Malawi, Mozambique, Rwanda, Burundi, Congo, South Sudan etc. and, also we are quickly expanding to other markets of Western and Southern Africa.

At Africa, our manufacturing is centrally located at Dar-Es-Salaam and we cater to all countries of African continents from there. At Africa, we make furniture products, bathroom accessories, ice boxes, casseroles, some variety of crates and are also getting in to fridge bottles. Kenya Company was established two years back and Tanzania Company was established a year back, and, South Africa and Uganda are recent additions. We are targeting to reach USD 1.5M sales per month for Africa operations by the end of this financial year (year of ending March 2015).

PRINCEWARE AFRICA LIMITED

P.O. BOX 5838
DAR ES SALAAM

Business plan

On
Plastic Product Manufacturing Unit

in

Dar es Salaam, Tanzania

Prepared by:
M/s Princeware Africa Limited,
P.O. Box 5838
Dar es salaam
Tanzania

14. Existing Liability:

The borrower and the Guarantors hereby acknowledge that the borrower is indebted to the Bank as of the close of business on the 06th day of March 2014 as follows.

Type of Facility	Outstanding Liability	Maturity
OD	USD 1,278,096.40	31.08.2013
Bill Avalized	USD 189,637	05.10.2014
OD	TZS 982,081,297.28	31.08.2013
TL	USD 796,391	30.04.2016

Acceptance of offer:

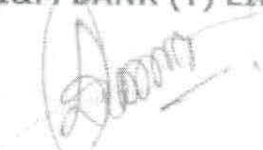
The above offer is open for acceptance for a period of ten days from the date of this letter. If this offer is not accepted within the time stipulated, it will be deemed to have been withdrawn.

Kindly signify your acceptance of the foregoing terms and conditions by signing and returning to us the duplicate copy of this letter.

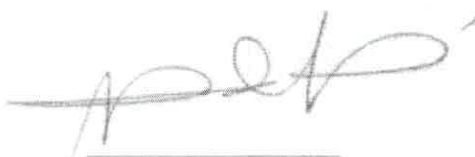
Thanking You,

Yours truly,

For and on behalf of
I&M BANK (T) LIMITED



A. DUREHA
CHIEF EXECUTIVE OFFICER



C. KAGOYE
HEAD OF CREDIT

Initials: _____

M/S Princeware Africa Limited
IMI/PW/082/2014

Initials: _____

I&M Bank (T) Ltd.

compliance by you with all the other terms and conditions of this letter.

- vi) In the event of your failure to draw-down the facility for any reason whatsoever, whether within your control or not, within thirty days of the date of acceptance of this offer, this approval shall automatically lapse.
- vii) All sums of money payable by you to us under terms of this letter of offer including documentation costs and other charges as aforesaid shall be paid and discharged by you in full prior to the commencement of the facility failing which we reserve the right to debit the same from your account with us.
- viii) Premature liquidation of these facilities will require three months notice otherwise interest in lieu of the notice period will be charged.
- ix) You have to make available your various registers to our officials during their inspection of your business at any point of time during the pendency of this facility to their satisfaction.
- x) You hereby expressly agree to allow us to debit your operative account/s for the recovery of any of your outstanding dues with us.
- xi) Mortgage of Land, Building or other property offered by way of security for the Bank shall be valued by Bank's approved valuer and the cost incurred by the Bank shall be borne by you. Further, the Bank, as per its extant policy from time to time, will seek revaluation of such security in case of continuance of the credit facilities beyond three years. The cost of such revaluation will also be borne by you

Initials: _____

M/S Princesware Africa Limited
IMI/PW 082/2014

Initials: _____

i&M Bank (T) Ltd.

12. **Customer Consent Clause:**

In terms of the provisions of the Banking and Financial Institutions Act, 2006 as amended, you agree and authorize the bank to:

- (a) make inquiries from any bank, financial institution or approved Credit Reference Bureau in Tanzania to confirm any information provided by yourself.
- (b) seek information from any bank, financial institution or approved Credit Reference Bureau when assessing you at any time during the existence of the your account.
- (c) disclose to approved Credit Reference Bureau information relating to the account maintained at the bank or financial institution.

13. **Other conditions:**

- i) The availability of the facility is at all times subject to your compliance with any restrictions, rules and regulations of the Bank of Tanzania or relevant government authority from time to time in force.
- ii) We may at any time and without notice to you combine or consolidate all or any of your accounts with us and liabilities to us and set off or transfer any sum or sums outstanding to the credit of any one or more such accounts in or towards satisfaction of your liabilities to us on any other account or in any other aspect whether such liabilities be actual or contingent, primary or collateral, joint or several, existing or future.
- iii) Without prejudice to any equitable right of consolidation it is hereby expressly declared that no property of yours which now is or it may hereafter be subject to a mortgage or charge or lien in favour of or vested in us shall be redeemed except on payment not only of all moneys thereby secured but also of all moneys hereby secured.
- iv) You hereby expressly agree that in respect of your liability hereunder, we shall have a lien on all securities belonging to you now or hereafter held by us whether in safe custody or otherwise howsoever and also on all moneys now or hereafter stand to your credit with us.
- v) Disbursement of your facilities will be allowed only upon completion and receipt by us of all the related security documents and full

Initials: _____

M/S Princeware Africa Limited
IMT/PW/082/2014

Initials: 
i&M Bank (T) Ltd.

- iii) The Company will have to maintain its debt to equity ratio at maximum of 1.
- iv) 50% of the shareholders/directors loan to the company will be subordinated to the debt with us.
- v) The Company will ensure that the SBLC in favour of the bank is renewed before expiry date ie: 16/08/2014 or else the bank will be forced to invoke the same provided the company will still be indebted to us.
- vi) The company will ensure to furnish to the bank its quarterly management accounts.
- vii) The company will ensure to route its entire forex transactions with us.

8. **Documentation:**

All legal documents shall be prepared by our Legal Counsel or us and shall contain in addition to the terms herein contained all our standard loan conditions. **All Legal documentation, charge creation charges will be debited to your operative account with us.**

9. **Submission of Financial Information:**

On an annual basis you have to submit your audited accounts not later than four months from the financial year-end. In the like manner the Bank may request additional information from the borrower and the borrower shall be obliged to comply with the bank's request.

10. **Board Resolution:**

An original and properly executed extract Board Resolution authorizing the company's borrowing must be submitted to the Bank. The resolution should be dated, signed by authorized signatories according to the company's Memorandum and Articles of Association and the same should be duly sealed with the respective company seal.

11. **Filing of Annual Returns:**

The company must produce a copy of up to date Annual Return filed with the Registrar of Companies as provided for under section 108 (i) of the Companies Ordinance CAP 212.

Initials: _____

M/S Pricewater Africa Limited
IMT/PW/082/2014

Initials: _____


I&M Bank (T) Ltd.

expired overdrafts limits will attract additional interest of 5% p.a. which rate shall be over and above the rate as mentioned in paragraph 3 above.

6. **Security:**

- i) SBLC for USD 380,000 from Bank of India (Public Sector)
- ii) Existing Floating Debenture on all the Fixed and Floating assets of the Company.(to be upstamped to the tune of USD.3,906,000)
- iii) Corporate Guarantee by Pricewater International Pvt Ltd of India. (Fresh guarantee will be obtained)
- iv) Personal Guarantee from the Directors of the company
 - Rakesh Chheda
 - Nina R. Chheda (Fresh guarantee will be obtained)


Any change in the direct or indirect ownership and/or control of the applicant to whom these facilities are accorded or any such change in respect of any surety for the said applicant's indebtedness to the Bank must be advised to I&M Bank (T) Ltd by the applicant in writing as soon as the proposed or actual change becomes known to the applicant.

7. **Other Covenants:**

- i) An all risk insurance cover policy for full value on all assets under the debenture charge offered as security, where all the benefits are to be ceded to I&M Bank (T) Ltd. The original insurance cover policy is to be submitted to us together with the original copy of the subsequent renewals. In case the bank does not receive the renewed policy 15 days before the expiry of the said policy, the bank reserves the right to take or renew insurance policy on your behalf and the costs incurred in doing so shall be charged to your account.
- ii) You will be charged a **1% p.a** of the total amount of the facility as Loan processing and administration charges and you will bear any other additional or incidental costs. The existing facilities ie: OD of TShs. 1 B and OD of \$1,180,000 will be additionally charged 1% p.a on pro rata basis for 4 months since the same had expired on 31/08/2013.

Initials: _____

M/S Pricewater Africa Limited
IMT/PW/082/2014

Initials:  _____
I&M Bank (T) Ltd.

3. **Interest and commission:**

Interest on the facilities will be charged as follows:

- i) USD Overdraft facility will be charged at the Bank's USD PLR minus 1% effective **8%** per annum.
- ii) TZS Overdraft facility will be charged at the Bank's TZS Prime Lending Rate minus 1% effective **18%** per annum
- iii) Avalisation facility will be charged a commission of **1% per quarter** or part thereof plus all other applicable charges as per the Bank's tariffs enclosed.

Both on daily product basis and will be debited to your account at the end of every month. We reserve the right to vary the interest rate as and when required by giving 7 days' notice. Interest shall accrue day to day and will be calculated on the basis of the actual number of days elapsed and a 365 -day year for TZS facilities and 360- day year for USD facilities, will be debited to your account with us monthly in arrears and will be compounded in the event of not being punctually paid with monthly rests. Further, the rates are subject to change depending on market conditions.

4. **Repayment Period:**

The Overdraft facility shall be tenable till **31/01/2015**, after which it may be renewed for another period of one year subject, however, to your performance during the term of the facility and further subject to the consent of both parties. Note that the facility is repayable on demand and can be recalled any time. In case, the company will be planning to renew this facility then all documents required to facilitate the renewal process should be furnished to the bank two (2) months before expiry date.

Further more, the overdraft accounts should reflect pronounced swings, which means more transactions in the account, failure to which would attract surcharge on the outstanding limit amount and at our discretion revocation of the aforementioned facility.

5. **Default:**

In the event of any default or deviation from the purpose of utilisation of the facility as stated in paragraph 2 above, the Overdraft facility limit remain expired and all the amount outstanding will become due and, on demand, payable immediately. Any arrears amount in case of Term loan and any

Initials: _____

M/S Pricewater Africa Limited
IME/PW/082/2014

Initials: 

I&M Bank (T) Ltd.

Our Ref.: IMT/PW/082/2014,

Date: 07th March, 2014,

**The Directors,
M/S PRINCEWARE AFRICA LTD,
P. O. BOX 11908,
DAR ES SALAAM.**

I & M BANK (T) LIMITED
Corporate Office,
Maklaba Street,
P.O. Box 1505,
Dar es Salaam, Tanzania.

Tel: + 255 (22) 2127330-4
Fax: + 255 (22) 2127356
E-mail: invest@imbank.co.tz
Website: www.imbank.co.tz

Dear Sirs,

SUB: YOUR APPLICATION FOR THE RENEWAL AND GRANT OF CREDIT FACILITIES

We are pleased to advise you that your application for the renewal and grant of credit facilities has been approved by us subject to the availability of funds and subject to your securities hereunder mentioned proving satisfactory and acceptable to us and further subject to creation of all the charges and also to your acceptance and compliance with the following terms and conditions:

1. **The Credit Facility:**

The maximum amount of the facility shall be:

- i) USD. 1,650,000/- (United States Dollars One Million Six Hundred Fifty Thousand Only) as Overdraft facility increased from USD.1,180,000/- (United States Dollars One Million One Hundred Eighty Thousand Only).
- ii) TZS. 250,000,000/- (Tanzanian Shillings Two Hundred Fifty Million Only) as Overdraft Facility reduced from TZS.1,000,000,000/- (Tanzanian Shillings One Billion Only).
- iii) USD. 500,000/- (United States Dollars Five Hundred Thousand Only) as New Avalisation facility.

2. **Purpose:**

- i) The Overdraft facilities are to be used to meet the working capital requirements of the company.
- ii) Avalisation facility will be used to guarantee the Company on meeting the repayments of maturing bills on imports.

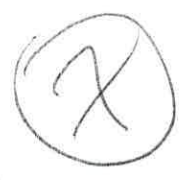
Initials: _____

M/S Princeware Africa Limited
IMT/PW/082/2014

Initials: _____

I & M Bank (T) Ltd.

Form No: 101 (1) 2008
 Acc Name: CYM FOR DOMESTIC REM-DEF-MAIN A/T
 Amount: TZS 1,620,000.00
 Amount in words: Shillings ONE MILLION SIX HUNDRED TWENTY THOUSAND ONLY
 Cheque No: _____



TANZANIA REVENUE AUTHORITY
DEPARTMENT
PAYMENT NOTICE AND DEPOSIT SLIP

1,620,000.00
0712974 /08-09

PART 1: TAX PAYMENT NOTICE

1. Taxpayer Name and Address: PRINCEWARE AFRICA LTD
Box 11908 Dsm
 2. TIN:

1	0	7	8	0	8	4	9	3
---	---	---	---	---	---	---	---	---

 3. Tax Debit No. _____
 4. Tax Region TEMEKE
 5. Total Tax Payment TZS 1,620,000/=
 6. Type of Tax STAMP DUTY

GFS CODE	Amount	Tax Period	GFS CODE	Amount	Tax Period

PART 2: TAX PAYMENT DEPOSIT SLIP

7. Name of Bank _____ Branch _____
 8. Payment _____

Cash:	Denomination	Amount (TZS)	Cents
	Notes: 1000/-x 122	1,220,000	=
	500/-x 80	400,000	=
	2000/-x		
	1000/-x		
	500/-x		
	Coins 200/-x		
	100/-x		
	50/-x		
	20/-x		
	10/-x		
	5/-x		
	Total Cash TZS	1,620,000	=

Cheques:

Cheque Number	Drawer's Name	Bank and Branch	TZS	Cents
TOTAL CHEQUES				

9. Amount in words ONE MILLION SIX HUNDRED TWENTY THOUSAND ONLY
 10. Taxpayer's Signature [Signature] Date 22/7/09
 Original: Taxpayer Duplicate: TRA Triplicate: Bank

3. Should the Tenant desire to renew the lease of the demised premises for a further term, then the Tenant shall give **THREE** months notice to the Landlord before the expiry of this Contract and the Landlord may agree to renew the Contract for a period and rent to be agreed by the parties.

IN WITNESS WHEREOF the parties hereto have duly executed these presents on the day and in the manner hereinafter appearing.

Handed over by:

JE JE INDUSTRIES LIMITED
P O Box 633
Dar Es Salaam

JE JE INDUSTRIES LTD.
P.O. Box 633
T: 130471 - 2/114957/138448
DAR ES SALAAM - TANZANIA
(Sign)

Witness:

Name:

Address:

Date:

RASEMU KALAGA
P.O. Box 633 Dar Es Salaam

(Sign)

Rasemu Kalaga

Received On Behalf Of:

PRINCEWARE AFRICA LIMITED
P O Box 11908
Dar Es Salaam

PRINCEWARE AFRICA LIMITED
P.O. Box 11908
DAR-ES-SALAAM
TANZANIA
(Sign)

Witness:

Name: Dhiten Bhorakataria

Address: P O Box 11908 Dar Es Salaam

Date:

(sign)

Dhiten

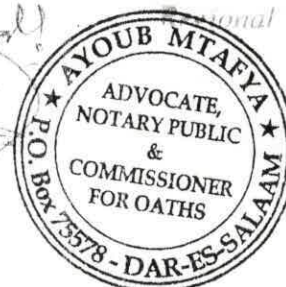
STAMP DUTY

Shs. 1,620,000/- collector

Receipt No. 0712974 Date 22/6/2014

Certified as a True Copy of the Original

Before me
[Signature]
ILDEFONCE LUNILI NDEMELA
Advocate, Notary Public & Commissioner for Oaths
16/6/2014



Regional Revenue Officer - Tembe

THE LANDLORD COVENANTS WITH THE TENANT as follows:-

1. To pay all existing and future land rent and property taxes, rates and other outgoings, that may be imposed upon the demised premises.
2. The **Tenant** having occupied the said property and observing and performing the several covenants on his part, shall peacefully hold and enjoy the said property without any interruptions from the **Landlord** or his agents.
3. Either party shall be at liberty to terminate this lease before the expiration of the said term by giving the other party **THREE** month's notice in writing. If the termination is at the prompting of the Landlord, the notice of termination shall accompany with a firm commitment to refund the balance if any of the unconsumed rent.
4. This Agreement shall bind on the heirs, administrators, assignee, legal personal representatives and/or successors of the parties.

This Agreement is deemed to have commenced on **October 1, 2009**

PROVIDED ALWAYS AND IT IS HEREBY AGREED AND DECLARED as follows:-

1. In the event of the demised premises or any part thereof being rendered unfit for occupation by accidental fire or any cause whatsoever, then the Landlord shall reimburse the Tenant rent proportionate to the unexpired period of the lease.
2. That it shall be lawful for the Tenant at anytime during the term hereby granted, to remove and take away for his own benefit from the demised premises the fixture, fittings articles and things which the Tenant may at anytime during the tenancy have attached, placed or set up in, up on or about the demised premises, provided than any damage caused to the premises in the course of removal of such fixtures, fittings, or things, shall be made good to the satisfaction of the Landlord.

2. At all times to keep the interior of said property and the appearances thereof all fixtures and any apparatus thereof in good substantial repair and condition.
3. That alterations and additions carried out by the **Tenant** with the written or oral consent of the **Landlord** before and after occupation will be at the cost of the **Tenant** and shall become the property of the **Landlord**.
4. That the said property will be free for occupation as from the Effective date.
5. Not to assign, sublet or part with the possession of the said premises without prior written consent of the **Landlord**, such consent however not to be unreasonably withhold.
6. To use the said property for manufacturing and storage purposes only.
7. Not to use the said property in a way that would create annoyance or nuisance or any danger to the public and neighbors.
8. To permit the **Landlord** and/or his agents at the business hours the prior notification to enter upon the said property for the purposes to inspect the said property.
9. Not to carry on any offensive/unlawful trade on the said property.
10. On the expiration or soon after the determination of the term hereby granted to deliver up the said property to the **Landlord** with all that fixtures found in the said property to the **Landlord** complete in good tenantable repair and condition.

PROVIDED ALWAYS AND IT IS HEREBY AGREED as follows:-

- (a) If any covenant on the **Tenant's** part herein contained shall not be performed or observed, it shall be lawful for the **Landlord** at any time thereafter to re-enter upon the said property or any part thereof in the name of the whole and thereupon this Lease shall absolutely be determined without prejudice to the right of action of the **Landlord** in respect of any breach of the **Tenant's** covenants herein contained.

Handwritten mark

LEASE AGREEMENT

THIS AGREEMENT DATED July 10, 2009 made between

JE JE INDUSTRIES LIMITED of P.O. Box 633, DAR ES SALAAM (hereinafter referred to as the said "**Landlord**" of one part)

AND

PRINCEWARE AFRICA LIMITED of P.O. BOX 11908, DAR ES SALAAM (hereinafter referred to as the said "**Tenant**" of the other part).

WHEREAS

- A.** The **Landlord** is the Owner of Plot no 129/130, Vinguguti, Dar es Salaam, City, (hereinafter referred to as the "property") and is desirous to lease part of the said property to the **Tenant**;
- B.** The **Tenant** is desirous of renting the property for a period of 10 years on the terms and conditions stipulated hereunder at a monthly rent of US\$ 10,000 (United States Dollar Ten Thousand Only) plus VAT at prevailing rate (The Current rate of VAT is 18%).
- C.** Rent will be reviewed every two years and to be agreed mutually between the parties.

NOW THIS AGREEMENT WITNESSETH as follows:

- 1. In consideration of the monthly rent of \$10,000/- (US Dollars Ten Thousand only) plus VAT at prevailing rate (The Current rate of VAT is 18%).
- 2. The Lease covenants hereinafter reserved and contained the **Landlord** hereby demises unto the **Tenant** ALL THAT property herein above referred to as the said "**property**" **TO USE** for manufacturing and storage purposes the premises unto the Lease, for a term of TEN years effective from October 1, 2009 (hereinafter referred to as "**effective date**") thereof to September 30, 2019.

THE TENANT COVENANTS WITH THE LANDLORD

- 1. To pay the landlord USD 10,000 (US Dollars Ten thousand only) per month plus VAT at applicable rate.
- Handwritten mark*

TANZANIA



Certificate of Incorporation

Section 15

No **69682**

I HEREBY CERTIFY THAT

SERENGETI PLASTICS 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 **10TH** , day of **FEBRUARY**

TWO THOUSAND AND NINE

A handwritten signature in dark ink, appearing to be 'J. M. M.', written over a dotted line.

Assist. Registrar of Companies

/MM

THE UNITED REPUBLIC OF TANZANIA



Certificate of Change of Name

No 69682

I HEREBY CERTIFY THAT

SERENGETI PLASTICS ===== Limited

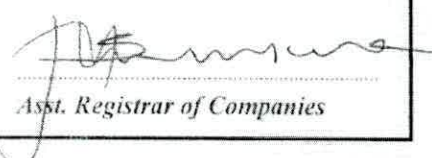
having, with sanction of a special Resolution of the said Company, and with the approval of the Registrar signified in writing Changed its name, is now called the PRINCEWARE AFRICA ===== Limited

and I have entered such new name on the Register accordingly.

Given under my hand at Dar es salaam

this 10TH day of JULY

Two thousand and NINE


Asst. Registrar of Companies

COMPUTATION FOR INCOME TAX

Profit/(Loss) as per Accounts

- Add: Disallowable Items
- Postage, Telephone & Internet (10%)
- Motor Vehicle Fuel & Repairs Expenses (10%)
- Travelling Expenses (10%)
- Public Relation Expenses (50%)
- Donations
- Permit & Visa fees
- Bad Debts
- Loss on Sale of Fixed Assets
- W/off : Renovation to Leased Premises
- Depreciation

- Less: Wear & Tear
 - Renovation to lease hold premises
- Taxable Income for the Year**
Loss Brought Forward
NET TAXABLE INCOME / (LOSS)

Tax @ 30%

	2010-2011 Tshs (9 Months)	2009-2010 Tshs (18 Months)
Profit/(Loss) as per Accounts	(469,699,892)	(602,040,661)
Add: Disallowable Items	2,728,304	1,823,366
Postage, Telephone & Internet (10%)	4,390,970	2,308,122
Motor Vehicle Fuel & Repairs Expenses (10%)	10,425,224	7,827,330
Travelling Expenses (10%)	315,000	1,145,500
Public Relation Expenses (50%)	900,000	602,000
Donations	24,554,310	11,730,590
Permit & Visa fees	-	13,742,000
Bad Debts	372,700	10,954,776
Loss on Sale of Fixed Assets	15,351,308	221,563,679
W/off : Renovation to Leased Premises	470,747,019	(330,343,299)
Depreciation	60,084,943	-
	<u>1,330,726,592</u>	<u>1,811,128,125</u>
	85,622,717	109,547,756
	<u>(1,356,264,365)</u>	<u>(2,251,019,180)</u>
	<u>(2,251,019,180)</u>	<u>-</u>
	<u>(3,607,283,545)</u>	<u>(2,251,019,180)</u>

WEAR & TEAR SCHEDULE

- W.D.V. as at 01.01.2009
- Add: Additions
- Add: Plant & Machinery
- Less: Disposal

- Wear & Tear**
- Wear & Tear at normal rates
- Wear & Tear @ 50%

- W.D.V. as at 30.06.2010
- Add: Additions
- Add: Transfer Class II to I
- Add: Transfer III to II
- Add: Plant & Machinery
- Less: Disposal

- Wear & Tear**
- Wear & Tear at normal rates
- Wear & Tear @ 50%

W.D.V. as at 31.03.2011

	CLASS I	CLASS II	CLASS III	Total
W.D.V. as at 01.01.2009	-	-	-	1,302,049,314
Add: Additions	80,551,166	45,000,000	1,176,498,148	2,596,174,670
Add: Plant & Machinery	-	-	2,596,174,670	-
Less: Disposal	-	-	-	-
	<u>80,551,166</u>	<u>45,000,000</u>	<u>3,772,672,818</u>	<u>3,898,223,984</u> #
Wear & Tear				
Wear & Tear at normal rates	30,206,690	11,250,000	471,584,100	513,040,790
Wear & Tear @ 50%	30,206,690	11,250,000	1,298,087,335	1,298,087,335
	<u>60,413,380</u>	<u>22,500,000</u>	<u>1,769,671,435</u>	<u>1,811,128,125</u>
W.D.V. as at 30.06.2010	50,344,476	33,750,000	2,003,001,383	2,087,095,859
Add: Additions	29,891,812	1,143,047,925	18,689,803	1,191,629,540
Add: Transfer Class II to I	33,750,000	(33,750,000)	-	-
Add: Transfer III to II	-	1,968,744,135	(1,968,744,135)	-
Add: Plant & Machinery	-	1,920,606,724	-	1,920,606,724
Less: Disposal	(35,500,000)	-	-	(35,500,000)
	<u>78,486,288</u>	<u>5,032,398,784</u>	<u>52,947,051</u>	<u>5,163,832,123</u>
Wear & Tear				
Wear & Tear at normal rates	22,074,270	583,461,010	4,963,790	610,499,070
Wear & Tear @ 50%	22,074,270	720,227,522	4,963,790	720,227,522
	<u>44,148,540</u>	<u>1,303,688,532</u>	<u>9,927,580</u>	<u>1,330,726,592</u>
W.D.V. as at 31.03.2011	56,412,018	3,728,710,253	47,983,261	3,833,105,532

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2011 (COND)

<u>Related Party Disclosure:</u>		2010-2011 Tshs (9 Months)	2009-2010 Tshs (18 Months)
(v) Loan Received			
Kumar Pujara (Director)	*	-	468,016,780
Vishnu Wadhwan (Director)	*	-	488,625,000
Rakesh Chheda (Director)		-	945,000
Neelkanth Tanzania Ltd (Share Holder)	*	32,500,000	45,990,027
<u>Common Directors:</u>			
NGL Holdings Ltd.	*	-	801,000,000
Princeware Global Holdings Ltd.		1,018,921,000	275,600,000
Princeware International Pvt Ltd (Share Holder)		3,795,867,500	1,319,621,600
(vi) Compensation to key management personnel			
Short term employee benefits		10,384,699	-
(vii) Balance Payable at the year end			
Kumar Pujara (Director)	**	NIL	236,372,696
Princeware Africa (Kenya) Ltd		NIL	8,183,193
Princeware International Pvt Ltd		4,037,165,104	814,044,482
Prism Design and Tooling Technology Pvt Ltd		587,528,550	145,070,800
Rakesh Chheda (Director)		1,066,289	986,192
Princeware Global Holdings Ltd.		1,325,085,993	275,800,000
(viii) Balance Receivable at the year end			
Neelkanth Tanzania Ltd (Share Holder)	**	NIL	258,891,738
Pramukh Distributors Ltd	**	NIL	201,373,536
Princeware Africa (Kenya) Ltd		636,086,627	NIL
Princeware Africa (Mozambique) Lda		1,513,365	NIL

Note:

Column marked as * indicates transactions pertaining to the period starting from 1st July 2010 upto 7th January 2011. Because of changes in ownership during the period on 7th January 2011.

Column marked as ** indicates NIL Closing Balance as on 31st March 2011, since change in ownership on 7th January 2011.

PRINCEWARE AFRICA LTD, P. O. BOX 5838, DAR-ES-SALAAM

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2011 (COND)

	2010-2011 Tshs (9 Months)	2009-2010 Tshs (18 Months)
20 Related Party Disclosure:		
(i) Sale of Goods & Services		
	*	2,072,901
Kumar Pujara (Director)	792,200	1,199,509,738
Neelkanth Tanzania Ltd (Share Holder)	174,699,312	
	*	
<u>Common Directors:</u>		
Pramukh Distributors Ltd	104,632,269	435,617,638
Princeware Africa (Kenya) Ltd	1,779,573,789	126,133,323
	*	
(ii) Purchases of Goods & Services		
	*	119,291,097
<u>Common Directors:</u>		128,653,770
Pramukh Distributors Ltd		
Princeware Africa (Kenya) Ltd	155,541,807	
	*	
Princeware International Pvt Ltd (Share Holder)	3,365,770	
(iii) Capital Goods Purchased		
	*	5,777,500
<u>Common Directors:</u>		140,652,400
Pramukh Distributors Ltd	425,676,500	
Prism Design and Tooling Technology Pvt Ltd	1,896,018,375	
Princeware Africa (Kenya) Ltd	189,612,252	333,947,207
	*	
Princeware International Pvt Ltd (Share Holder)		
(iv) Loan Repayment / Given		
	*	231,644,084
Kumar Pujara (Director)	236,372,696	488,625,000
Vishnu Wadhwan (Director)		45,990,027
Neelkanth Tanzania Ltd (Share Holder)	32,500,000	
	*	
<u>Common Directors:</u>		801,000,000
NGL Holdings Ltd.		
Princeware Global Holdings Ltd.	3,000,000	
Princeware Africa (Mozambique) Lda	1,513,365	
	*	
Princeware International Pvt Ltd (Share Holder)	877,060,000	275,800,800

PRINCEWARE AFRICA LTD, P. O. BOX 5838, DAR-ES-SALAAM

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2011 (COND)

	2010-2011 Tshs (9 Months)	2009-2010 Tshs (18 Months)
17 Tax expense		
Current Tax	(127,915,826)	(168,213,879)
Deferred tax expense relating to the origination and reversal of temporary differences	(127,915,826)	(168,213,879)
	(469,699,892)	(602,040,661)
	(140,909,968)	(180,612,198)
<u>Reconciliation of book profit and taxable profit</u>		
Net Profit as per Income Statement		547,010
Tax @ 30%	818,491	692,437
Adjustment for	1,317,291	2,348,199
Postage, Telephone & Internet (10%)	3,127,567	343,650
Motor Vehicle Fuel & Repairs Expenses (10%)	94,500	180,600
Travelling Expenses (10%)	270,000	3,519,177
Public Relation Expenses (50%)	7,366,293	4,122,600
Donations	-	-
Permit & Visa fees	-	644,647
Bad Debts	-	(168,213,879)
Loss on Sale of Fixed Assets	(127,915,826)	-
Permanant difference in value of motor vehicle	675,305,754	675,305,754
	406,879,309	675,305,754
	1,082,185,063	
18 Deferred Tax Assets		
Opening Balance	507,091,875	507,091,875
Charge for the year	278,963,484	507,091,875
Closing Balance	786,055,359	
19 Deferred Tax Liabilites		
Opening Balance	507,091,875	507,091,875
Charge for the year	278,963,484	507,091,875
Closing Balance	786,055,359	
<u>Deferred Tax Liability</u>		
-Accelerated depreciation	As at 01/07/10 Op Bal	As at 31/03/2011
	507,091,875	786,055,359
	Charge to P & L	
	278,963,484	786,055,359
	507,091,875	786,055,359
<u>Deferred Tax Asset</u>		
- Carried forward losses	As at 01/07/10 Op Bal	As at 31/03/2011
	675,305,754	1,082,185,063
	Charge to P & L	
	406,879,309	1,082,185,063
	675,305,754	1,082,185,063
Net Current Asset / (Liability)	127,915,826	

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2011 (COND)

	2010-2011	2009-2010
	Tshs	Tshs
	(9 Months)	(18 Months)
15 SELLING & DISTRIBUTION EXPENSES		
Advertisement Expenses.	15,600,275	17,684,608
Carriage Outward	2,138,734	9,498,996
City Service Levy	5,103,678	4,939,860
Delivery Vehicle Fuel	9,188,429	5,958,236
Discount Allowed	24,016,112	511,131
Free Samples	2,148,893	5,745,748
Loading Charges on Outward Material	9,563,030	2,171,050
Research & Development Expenses	373,800	465,642
Sales Promotion Exp	1,500,100	-
Rounding Off Difference	34,454	20,818
Shop Rent	1,878,000	1,252,000
Godown Rent	12,858,000	
Trade Fair Expenses	12,717,996	5,020,543
Vehicle Hiring Charges	15,982,936	14,744,550
	<u>113,104,437</u>	<u>68,013,181</u>
16 FINANCE COSTS		
Bank Charges and Commission	70,641,313	40,832,193
Interest on Overdraft	145,064,061	84,539,998
Interest on Term Loan	73,094,242	41,026,659
	<u>288,799,616</u>	<u>166,398,850</u>

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2011 (COND)

	2010-2011 Tshs (9 Months)	2009-2010 Tshs (18 Months)
14 ADMINISTRATIVE & ESTABLISHMENT EXPENSES		
Courier Charges	2,268,863	1,480,472
Consultancy Charges	3,880,375	
Telephone / Fax / Internet Expenses	27,283,036	18,233,655
Factory Inspection Expenses	510,000	
Insurance	14,154,268	13,496,434
Filing Fees	156,000	67,500
Guest House Maintenance	2,045,000	3,840,100
Legal & Professional Charges	9,437,500	7,292,986
Membership Fee & Annual Subscription Fee	1,352,000	1,690,000
Miscellaneous Expenses	20,156,343	6,259,404
Printing & Stationery / Books & Periodicals	11,658,470	6,754,346
Public Relation Expenses	630,000	2,291,000
Security Charges	34,213,667	34,364,033
Stamp Duty	72,000	2,014,200
Repairs to Building	-	13,127,769
Repairs to Other Assets	-	9,498,888
Conveyance & Travelling Expenses	104,252,245	78,273,303
Motor Vehicle Fuel Charges	30,251,125	12,800,900
Motor Vehicle Repairs & Other Exp	13,658,578	10,280,319
Donation A/c.	900,000	602,000
Rent & Service Charges (Administrative)	13,106,000	36,757,500
Electricity (Administrative)	4,515,375	6,037,814
Depreciation	20,902,062	12,162,234
Salary & Other Related Expenses	149,475,465	115,825,086
Staff Welfare Expenses	77,384,421	33,994,318
Recruitment Expenses	28,262,140	14,266,750
Permit & Visa Fees	24,554,310	11,730,590
Audit Fees	5,964,000	5,516,000
Bad Debts	-	13,742,000
	<u>601,043,243</u>	<u>472,399,601</u>

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2011 (COND)

	2010-2011 Tshs (9 Months)	2009-2010 Tshs (18 Months)
9 SECURED LOANS		
BOI USD Term Loan	-	901,210,561
I & M USD Term Loan	2,447,103,750	-
	<u>2,447,103,750</u>	<u>901,210,561</u>

The Above Loan and Bank Overdraft from I & M Bank have been Secure against:

- * Floating debentures on all the Fixed and Floating Assets of the company.
- * Personal Guarantee from Mr. Rakesh Chheda and Mr. Bhavesh Chheda, the directors of the Company.
- * Corporate Guarantee by Princeware International Pvt Ltd- India.

The Maximum amount of the facility shall be

- * USD 1,625,000 as Term Loan.
- * USD 500,000 as overdraft cum avalization of import documents cum LC facility.
- * Tshs 1,000,000,000 as overdraft facility.

10 UNSECURED LOANS FROM ASSOCIATES

Princeware International Pvt Ltd	3,815,018,822	804,919,639
Princeware Global Holdings Ltd	1,325,085,993	275,800,000
Kumar Pujara	-	236,372,696
Rakesh Chheda	1,066,289	986,192
	<u>5,141,171,104</u>	<u>1,318,078,527</u>

11 BANK OVERDRAFT

Bank of India Tshs	-	790,662,526
Bank of India USD	-	103,878,663
I & M Bank Tsh	1,117,848,889	-
I & M Bank USD	1,172,783,534	-
(Refer Note 9)	<u>2,290,632,423</u>	<u>894,541,189</u>

12 PROVISIONS

City Service Levy Payable	-	3,033,879
NSSF Payable	367,600	881,092
PAYE Payable	(257,909)	3,751,052
PPF Payable	3,069,170	1,980,140
Provision for Expenses	1,040,000	7,450,000
SDL Payable	11,075	1,742,368
Audit Fees Payable	11,928,000	5,516,000
Salary Payable	3,597,050	-
Withholding tax Payable	626,720	1,329,674
	<u>20,381,706</u>	<u>25,684,205</u>

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2011 (COND)

	2010-2011 Tshs (9 Months)	2009-2010 Tshs (18 Months)
4 INVENTORIES		
Raw Materials	756,451,218	298,046,313
Finished Goods	1,371,403,388	680,852,442
Packing Materials	75,389,423	13,538,868
Consumables	90,896,707	-
Engineering Spare	48,639,000	-
	<u>2,342,779,736</u>	<u>992,437,623</u>
5 OTHER RECEIVABLES		
Deposits (Sayona Drinks)	72,034	72,034
Deposit with Celtel T Ltd	300,000	-
Deposit with Zabbar Builders	745,500	-
Deposit with Shivani Kakkad	1,789,200	-
Advance for Imports	22,745,375	-
Imprest IOU	19,088,250	8,989,331
PPF Refundable to Employee	-	480,000
Staff Loan	100,000	300,000
Travel Advance	9,578,172	3,226,351
VAT Refund	899,761,682	282,235,557
Prepaid Expenses	29,036,206	-
Prepaid Insurance	-	4,009,987
Prepaid Legal & Professional Fees	-	2,340,000
Advance to Suppliers	79,668,524	-
	<u>1,062,884,943</u>	<u>301,653,260</u>
6 INCOME TAX		
Income Tax 2009-2010	200,000	200,000
	<u>200,000</u>	<u>200,000</u>
7 CASH & CASH EQUIVALENTS		
Cash in Hand	30,679,856	7,191,136
Cash at Bank	43,798,799	7,118,439
	<u>74,478,654</u>	<u>14,309,575</u>
8 SHARE CAPITAL		
Authorized Capital		
600 Ordinary Shares of Tshs 1,000,000/- each	600,000,000	600,000,000
Issued and Fully Paid up Capital		
600 Ordinary Shares of Tshs 1,000,000/- each	600,000,000	600,000,000
	<u>600,000,000</u>	<u>600,000,000</u>

PRINCEWARE AFRICA LTD, P. O. BOX 5838, DAR-ES-SALAAM

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2011 (COND)

3 **FIXED ASSETS**

Sr. No.	Particulars	Opening Bal.	Additions	(Disposals) / Transfer	As at	Opening Bal.	Depreciation for the year				
		01.07.2010			31.03.2011	01.07.2010	Charged in current period	Disposals Reversal	As at 31.03.2011	WDV as at 31.03.2011	WDV as at 30.06.2010
		Tshs.	Tshs.	Tshs.	Tshs.	Tshs.	Tshs.	Tshs.	Tshs.	Tshs.	Tshs.
1	Computers & Printers	16,911,784	7,591,812		24,503,596	1,534,629	2,515,999		4,050,628	20,452,968	15,377,155
2	Electric Installations	79,012,927	21,567,500	22,000,000	122,580,427	2,659,677	4,922,720		7,582,397	114,998,030	76,353,250
3	Furniture & Fixtures	19,436,193	10,689,399		30,125,592	673,011	1,155,494		1,828,505	28,297,087	18,763,182
4	Motor Vehicles	156,639,382	22,300,000	(38,712,500)	140,226,882	8,152,441	9,468,436	(2,839,800)	14,781,077	125,445,805	148,486,941
5	Moulds	1,058,334,083	1,099,480,425		2,157,814,508	75,344,590	182,714,284		258,058,874	1,899,755,634	982,989,493
6	Office Equipments	19,714,945	8,000,404		27,715,349	1,802,153	2,839,413		4,641,566	23,073,783	17,912,792
7	Plant & Machinery	2,596,174,670	1,920,606,724		4,516,781,394	131,397,178	267,130,673		398,527,851	4,118,253,543	2,464,777,492
	TOTAL	3,946,223,984	3,090,236,264	(16,712,500)	7,019,747,748	221,563,679	470,747,019	(2,839,800)	689,470,898	6,330,276,849	3,724,660,305
8	Capital Work in Progress	22,000,000		(22,000,000)	-		-			-	22,000,000

	Renovation to	Opening Bal.	Additions		As at	Opening Bal.	Charged in		As at	WDV as at	WDV as at
	Leased Premises	01.07.2010			31.03.2011	01.07.2010	current period		31.03.2011	31.03.2011	30.06.2010
9	Lease Premises Building	109,547,756	85,622,717		195,170,473	10,954,776	15,351,308		26,306,084	168,864,389	98,592,980

N. PROVISIONS

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Where the Company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

O. FINANCIAL RISK MANAGEMENT

The Companies activities expose it to a variety of financial risks: foreign currency risk, credit risk, commodity price fluctuation risk and cash flow interest-rate risk. The Company's overall risk management programme seeks to minimize potential adverse effects on the financial performance. Risks management is carried out by the management on behalf of the Board of Directors.

Credit risk

The Company has no significant concentrations of credit risk. It has policies in place to ensure that the goods are sold to customers with an appropriate credit history.

Foreign currency risk

As and when the need arises, the Company enters into transactions denominated in foreign currencies (primarily United States Dollars ("US\$")). In addition, the Company has assets and liabilities denominated in United States Dollars ("US\$"). As a result, the Company is subject to transaction and translation exposure from fluctuations in foreign currency exchange rates.

Exposure to foreign currency risk is mitigated by the fact that (i) majority of purchases of Raw Materials and Packing Materials are imported, (ii) Balances due to suppliers on account of purchase of Property, Plant & Equipments which are imported like Plant & Machineries and Moulds and (iii) Balances of Loan outstanding which is obtained from Related Parties for fulfilling working capital requirements / payment to capex creditors and (iv) Term Loan / Overdraft facility from Bank for working capital requirements / payment to capex creditors are in hard currencies (US dollars). The Company exports its goods, at a marginal percent as compared to the Total Turnover the Company.

Interest rates and liquidity risk

Fluctuation in interest rates impacts on the operating activities. In the ordinary course of business, the Company receives cash from its operations and is required to fund working capital and capital expenditure requirements. Funding deficits for the Company operations have mainly been financed through cash advance from sister companies within the Group, bank borrowings and overdrafts from financial institutions.

P. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances.

Figures of previous year have been regrouped wherever necessary so as to make them comparable with the current year's figures.

I. CASH AND CASH EQUIVALENTS

Cash & Cash equivalents comprise of cash held by the company and current accounts operated with banks for companies normal trade transactions. The carrying amount of these assets approximates their fair value.

J. BORROWINGS

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost and any difference between proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

The Company has no default of Principal repayment or interest payment for loan granted by the Bank during the current period under audit.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

K. DEFERRED INCOME TAXES

Income tax expense is the aggregate of the charge to the profit and loss account in respect of current income tax and deferred income tax. Current income tax is the amount of income tax payable on the taxable profit for the year determined in accordance with the Tanzania Income Tax Act, 2004.

Deferred income tax is provided in full using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted at the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that the directors consider that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is recognised as income tax benefit or expense in the year in which it arises.

L. INTANGIBLE ASSETS

There are no Intangible assets generated or acquired by the company during the period under audit.

M. EMPLOYEES BENEFITS

The Company has defined benefits contributions plans. Under defined contribution plan, the Company contributions to publicly administered pension plans (NSSF or PPF) on a mandatory basis. The Company has no further payment obligations once the contributions have been paid.

using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

ii) Reversal of impairment

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment has been recognized.

F. OPERATING & FINANCE LEASES

The company is having no finance lease transaction during the period. The company has operating lease agreement during the period. Operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

There is no future commitments arising out of operating lease agreements as on the date of balance sheet since all such agreements requires payments to be made in advance and the same have been disclosed under deposits and advance.

G. INVENTORIES

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the weighted average cost method and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Net realisable value is the estimated selling price in the open market less applicable selling expenses. Stores and consumables are stated at cost less any provision for obsolescence.

H. ACCOUNTS RECEIVABLE

Receivables are initially recognised at fair value and subsequently measured at their amortised costs using effective interest method. A provision for impairment trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the carrying amount and the expected cash flows discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

D. PROPERTY, PLANT AND EQUIPMENT

All property, plant and equipment are shown at cost, less accumulated depreciation and impairment, if any. Cost includes expenditure directly attributable to the acquisition of the items. Subsequent costs are included in asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be reliably measured.

Depreciation on all the property, plant and equipment is calculated using the written down value method to allocate the cost of each asset to its residual value over the estimated useful life. The Rates of Depreciation are as follows:

<u>Particulars</u>	<u>Rate</u>
Computer & Printers	16.21%
Electric Installations	6.33%
Furniture & Fixtures	6.33%
Motor vehicles	9.50%
Moulds	16.21%
Office Equipments	13.91%
Plant & machinery	10.34%

Major renovations are depreciated over the remaining useful life of the related asset or to the date of the next major renovation, whichever is sooner. All other repairs and maintenance expenditures are charged to the profit and loss account during the financial period in which they are incurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gain or losses on disposals are determined by comparing the disposal proceeds with the carrying amount and are included in the profit and loss account.

E. IMPAIRMENT OF ASSETS

Assets that have an indefinite useful life are not subjected to amortization and are tested annually for impairment. Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separable identifiable cash flows (cash-generating units).

i) Calculation of recoverable amount

Trade and other receivables with a short duration are not discounted to determine the recoverable amount. The recoverable amount of other assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2011

The Financial Statements incorporate Financial Statements of the Company Only.

The Financial Statements are made from 1st July 2010 till the date of reporting date of 31st March 2011 that is for 9 months period. These Financial Statements are prepared for (9) nine months period. The change of closing date of reporting as on 31st March has been chosen by the company to coincide with the reporting date of its Parent Company "Princeware International Private Limited"

Financial statements for the previous year are prepared for 18 (Eighteen) months period starting from 10th February, 2009 and ending on 30th June, 2010.

The policies set out below have been consistently applied to all the years presented except for those relating to the classification and measurement of financial instruments. These financial statements have been prepared under the historical cost convention. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying company's accounting policies. The areas involving a high degree of judgement or complexity, on where assumptions and estimates are significant to the financial statement are disclosed in Note 3.2

B. REVENUE RECOGNITION

Revenue comprises of the fair value of the consideration received or receivable for good sold in the ordinary course of company's activities. Revenue is shown net of value-added tax.

Revenue from Sale of goods is recognised when the goods are delivered and title has passed.

C. FOREIGN CURRENCY TRANSLATION

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional currency for the company is the Tanzania Shillings.

(ii) Transactions and balances

Foreign currency transactions are translated into Tanzania Shillings using the exchange rate prevailing at the dates of the transactions. Monetary assets and liabilities at the balance sheet date, which are expressed in foreign currencies, are translated into Tanzania Shillings at rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the profit and loss account.

1 GENERAL INFORMATION

Princeware Africa Limited is incorporated in Tanzania under the Companies Ordinance as a limited liability company and it is domiciled in Tanzania. The Company was incorporated on 10th February 2009 as "Serengeti Plastics Limited". The Company changed its name to "**PRINCEWARE AFRICA LIMITED**" vide Certificate of change of Name dated 10th July 2009. The principal activities of the company are disclosed in the Directors Report and in Note 2. The new address of its registered office and its principal places of business is Plot No. 129/130, Pugu Road Kipawa, P O Box 5838, Dar es Salaam – Tanzania.

2 ADOPTION OF NEW AND REVISED STANDARDS & INTERPRETATIONS

During the current period, the company has applied following amendments and interpretations to the International Financial Reporting Standards and International Accounting standards.

- a) IFRIC-18- Transfer of Assets from Customers (effective from transfers on or after 1st July 2009);
- b) IFRS 3- Business Combinations (effective from 1st July 2009);
- c) IFRS 5 (Amendment) – Non Current Assets held for Sale and Discontinued Operations (effective from 1st July 2009);
- d) IAS 27 (Amendment)- Consolidated and Separate Financial Statements (effective from 1st July 2009);
- e) IAS 39 (Amendment)- Financial Instruments (effective from 1st July 2009);
- f) IFRIC 9 (Amendment)- Reassessment of Embedded Derivatives (effective from 1st July 2009);
- g) IFRIC 17 – Distribution of non cash assets to owners (effective from 1st July 2009);

The application of these interpretations has not had a significant effect on the 2009-10 results, nor has it required any restatement of prior period results.

Following interpretations and amendments to the accounting standards have been introduced in the current year and applicable to the company, but shall be adopted by the company in future years. The management of the company has not opted to go for early adoption of these standards.

- a) IFRS 9 – Financial Instruments (effective from 1st January 2013);
- b) IAS 24 (Revised)- Related Party Disclosures (effective from 1st January 2011);
- c) IFRIC 19- Extinguishing Financial liabilities with equity instruments (effective from 1st July 2010);

The adoption of these interpretations and the relevant standards has not led to any change in the accounting policies of the company.

A. BASIS OF PREPARATION

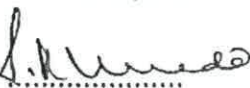
These financial statements have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board (IASB). The financial statements are presented in the functional currency, Tanzania Shillings (TShs).

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31ST MARCH, 2011

	2010-2011 Tshs (9 Months)	2009-2010 Tshs (18 Months)
Profit before tax	(469,699,892)	(602,040,661)
Adjustment for Depreciation	470,747,019	221,563,679
Loss on Sale of Fixed Assets	372,700	
W/off : Renovation to Leased Premises	15,351,308	10,954,776
Cash Flows before Working Capital Changes	<u>16,771,135</u>	<u>(369,522,206)</u>
(Increase)/Decrease in Inventories	(1,350,342,113)	(992,437,623)
(Increase)/Decrease in Trade & Other Receivables	(1,270,682,537)	(296,316,903)
(Increase)/Decrease in Due from Associates	(177,334,718)	(460,265,274)
(Increase)/Decrease in Other Receivables	(761,231,683)	(301,653,260)
Increase/(Decrease) in Bank Overdraft	1,396,091,234	894,541,189
Increase/(Decrease) in Trade Payable	(669,045,927)	2,610,583,263
Increase/(Decrease) in Due to Associates	630,444,818	162,378,836
Increase/(Decrease) in Others Payable	22,174,586	-
Increase/(Decrease) in Provisions	(5,302,499)	25,684,205
	<u>(2,185,228,839)</u>	<u>1,642,514,433</u>
Cash Generated from Operations	(2,168,457,704)	1,272,992,227
Less: Income Tax Expense	-	(200,000)
NET CASH FROM OPERATING ACTIVITIES	A <u>(2,168,457,704)</u>	<u>1,272,792,227</u>
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
Increase / (Decrease) in Secured Loans	1,545,893,189	901,210,561
Increase / (Decrease) in Unsecured Loans	3,823,092,577	1,318,078,527
Increase in Share Capital	-	600,000,000
NET CASH FROM FINANCING ACTIVITIES	B <u>5,368,985,766</u>	<u>2,819,289,088</u>
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
Purchases of Assets	(3,112,236,264)	(3,946,223,984)
Sale of Fixed Assets	35,500,000	-
Capital Work In Progress	22,000,000	(22,000,000)
Renovation to Leased Premises	(85,622,717)	(109,547,756)
NET CASH USED IN INVESTING ACTIVITIES	C <u>(3,140,358,981)</u>	<u>(4,077,771,740)</u>
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENT (A+B+C)	60,169,081	14,309,575
Cash & Cash Equivalent as at Beginning of the year	<u>14,309,575</u>	<u>-</u>
Cash & Cash Equivalent as at End of the year	<u><u>74,478,654</u></u>	<u><u>14,309,575</u></u>

The financial statements on pages 6 to 9 were approved by the Board of Directors and were signed on their behalf by:-

Notes on Pages 10 - 24 form an integral part of these Financial Statements



Director

Date: - 21 SEP 2011



Director

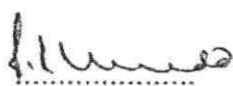
Date: - 21 SEP 2011

STATEMENT OF CHANGE IN EQUITY FOR YEAR ENDED ON 31ST MARCH 2011

PARTICULARS	SHARE CAPITAL	RETAINED EARNINGS	Total
	Tshs	Tshs	Tshs
Balance as at 10th February 2009			
Issue of shares	600,000,000		600,000,000
Profit / (Loss) for the period	-	(433,826,782)	(433,826,782)
Balance as at 30th June 2010	600,000,000	(433,826,782)	166,173,218
Balance as at 1st July 2010	600,000,000	(433,826,782)	166,173,218
Issue of shares			
Profit / (Loss) for the period		(341,784,066)	(341,784,066)
Balance as at 31st March 2011	600,000,000	(775,610,849)	(175,610,849)


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Director

Date: - 21 SEP 2011



Director

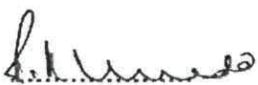
Date: - 21 SEP 2011

STATEMENT OF COMPREHENSIVE INCOME FROM 1ST JULY 2010 TO 31ST MARCH 2011

	<u>NOTE</u>	2010-2011 Tshs (9 Months)	2009-2010 Tshs (18 Months)
SALE OF GOODS		5,509,959,453	2,519,971,401
LESS : COST OF SALES			
Opening Stock of Finished Goods		680,852,442	-
Add : Cost of Production	13	5,614,628,918	2,902,743,379
		6,295,481,360	2,902,743,379
Less : Closing Stock of Finished Goods		1,371,403,388	680,852,442
TOTAL COST OF SALES		4,924,077,972	2,221,890,937
GROSS PROFIT		585,881,481	298,080,464
OTHER INCOME			
Insurance Claim Received & Other Income		64,155,486	36,700,650
Amounts Written back		271,491,749	-
Exchange Gain / (Loss)		(387,908,613)	(230,010,143)
		533,620,103	104,770,971
Administrative and Establishment Expenses	14	601,043,243	472,399,601
Selling & Distribution Expenses	15	113,104,437	68,013,181
Finance Costs	16	288,799,616	166,398,850
Loss on Sale of Fixed Assets		372,700	-
		1,003,319,995	706,811,632
PROFIT/(LOSS) FOR THE YEAR BEFORE TAX		(469,699,892)	(602,040,661)
Less : Tax Expense	17	(127,915,826)	(168,213,879)
PROFIT/(LOSS) FOR THE YEAR AFTER TAX		(341,784,066)	(433,826,782)
RETAINED PROFITS/(LOSS) CARRIED FORWARD		(341,784,066)	(433,826,782)

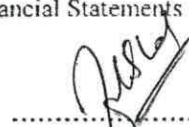
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Director

Date: - 21 SEP 2011



Director

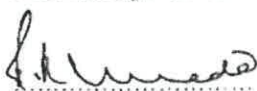
Date: - 21 SEP 2011

STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2011


ASSETS	NOTE	2010-2011 Tshs (9 Months)	2009-2010 Tshs (18 Months)
<u>NON - CURRENT ASSETS</u>			
Fixed Assets	3	6,330,276,849	74,660,305
Capital Work in Progress	3		22,000,000
Renovation to Leased Premises	3	168,864,389	98,592,980
Deferred Tax Assets	18	1,082,185,063	675,305,754
		<u>7,581,326,302</u>	<u>4,520,559,039</u>
<u>CURRENT ASSETS</u>			
Inventories	4	2,342,779,736	992,437,623
Trade Receivables		8,80384 1,566,999,440	296,316,903
Due from Associates		637,599,992	460,265,274
Other Receivables	5	1,062,884,943	301,653,260
Income Tax	6	200,000	200,000
Cash and Cash Equivalents	7	74,478,654	14,309,575
		<u>5,684,942,765</u>	<u>2,065,182,635</u>
Total		<u><u>13,266,269,069</u></u>	<u><u>6,585,741,674</u></u>
FINANCED BY:			
<u>EQUITY</u>			
Share Capital	8	600,000,000	600,000,000
Profit & Loss Account		(775,610,849)	(433,826,782)
		<u>(175,610,849)</u>	<u>166,173,218</u>
<u>NON - CURRENT LIABILITIES</u>			
Secured Loans	9	2,447,103,750	901,210,561
Unsecured Loans from Associates	10	5,141,171,104	1,318,078,527
Deferred Tax Liabilities	19	786,055,359	507,091,875
		<u>8,374,330,213</u>	<u>2,726,380,963</u>
<u>CURRENT LIABILITIES</u>			
Bank Overdraft	11	2,290,632,423	894,541,189
Trade Payables		1,911,537,336	2,610,583,263
Due to Associates		792,823,654	162,378,836
Others Payable		8,81384 22,174,586	
Provisions	12	20,381,706	25,684,205
		<u>5,067,549,705</u>	<u>3,693,187,493</u>
TOTAL NET LIABILITIES		<u><u>13,266,269,069</u></u>	<u><u>6,585,741,674</u></u>

The financial statements on pages 6 to 9 were approved by the Board of Directors and were signed on their behalf by:-

Notes on Pages 10 - 24 form an integral part of these Financial Statements



Director
Date: - 21 SEP 2011


Director
Date: - 21 SEP 2011

Opinion

In our opinion, the accompanying financial statements, give a true and fair view of the state of financial affairs of the Company as at 31st March, 2011 and of its cash flows for the year then ended in accordance with International Financial Reporting Standards and the Companies Act 2002.

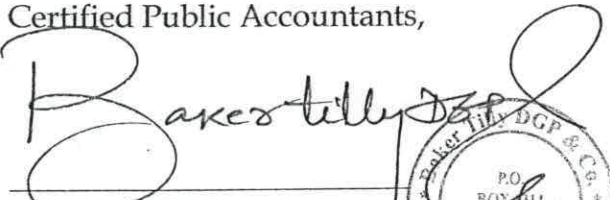
Report on other Legal and Regulatory Requirements

This report, including our opinion, has been prepared for, and only for, the Company's members as a body in accordance with the Companies Act 2002 and for no other purpose.

As required by the Companies Act 2002, we report to you, based on our audit that:

- i. We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.;
- ii. In our opinion, proper books of accounts have been kept by the Company, so far as appears from our examination of those books;
- iii. The director's report is consistent with the financial statements;
- iv. Information specified by the law regarding director's remuneration and transactions with the company is disclosed; and
- v. The Company's balance sheet and income statement are in agreement with the books of accounts.

For Baker Tilly DGP & Co.
Certified Public Accountants,


K.S. Bhattbhatt
Partner



Place : Dar Es Salaam

Dated : 21 SEP 2011



**BAKER TILLY
DGP & CO**
Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PRINCEWARE AFRICA LIMITED

2nd Floor, Mahavir Building,
Opp. Econo Lodge, Off Libya Street
P. O. Box - 1314, Dar es Salaam
Tanzania
Tel: +255 22 2112128, 2125597
Fax: +255 22 2122300
Email: info@bakertillydgp.com
www.bakertillydgp.com

We have audited the accompanying financial statements of **PRINCEWARE AFRICA LIMITED**, set out herewith, which comprises of Statement of Financial Position as at 31st March 2011, Statement of Comprehensive Income for the period 1st July 2010 to 31st March, 2011, Statement of change in equity and Statement of Cash flows for the year then ended, summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

As described in the Directors' report, the company's Board of Directors is responsible for the preparation of the financial statements in accordance with the International Financial Reporting Standards and in compliance with Companies Act 2002. This responsibility includes: design, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

DIRECTORS REPORT TO THE MEMBERS OF THE COMPANY FOR THE YEAR ENDED ON 31ST MARCH 2011

6. Directors

The Directors of the Company at the date of this report, unless otherwise stated are:

Name	Nationality	Position	Remark
1) Mr. Rakesh Chheda	Indian	Director	Continuing 1.7.2010 to 31.3.2011
2) Mr. Bhayesh Chheda	Indian	Director	Continuing 1.7.2010 to 31.3.2011
3) Mr. Vijay Rai	Indian	Director	Newly Appointed on 7.1.2011
4) Mr. Falgun Shah	Indian	Director	Newly Appointed on 7.1.2011
5) Mr. Kumar Pujara	Tanzanian	Director	Resigned on 8.1.2011
6) Mr. Vishnu Wadhwan	Indian	Director	Resigned on 8.1.2011

7. Future Development of Companies Activities

The Company is in process of expanding its activity of Manufacturing with bring new machineries & moulds will increase the production capacity and also with introduction of new product range.

8. Related Party Transactions

The details of Related Party Transactions are disclosed in notes to the accounts.

9. Employee Welfare

The Company thrust towards ensuring its employees health and welfare has been continuing. The Company also committed towards protecting the environment and the eco system, ultimately leading to a safe working place for the workers.

10. Solvency

The Directors present this report ongoing basis and assure the members about the capability and soundness of the company for the future growth and progress in nature on financial condition.

11. Auditors

The auditors, Baker Tilly DGP & Co., (Formerly known as D. G. Patel & Co.) have expressed their willingness to continue in office and are eligible for re-appointment. A resolution proposing the re-appointment of Baker Tilly DGP & Co. as auditors of the Bank for the year 2011-2011 will be put to the Annual General Meeting.

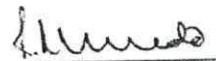
12. Gratitude

The Board of Directors expresses its sincere gratitude to the Government of the Union Republic of Tanzania, Bank of Tanzania, and Tanzania Investment Centre, valued clients, staff and well wishers for their co-operation.

BY ORDER OF THE BOARD

Date: 21 SEP 2011

Place : Dar Es Salaam



Director



Director

DIRECTORS REPORT TO THE MEMBERS OF THE COMPANY FOR THE YEAR ENDED ON 31ST MARCH 2011

1. Introduction

The Board of Directors express pleasure in presenting the Second Annual Report of your Company together with Audited Financial Statements for the year ended 31st March, 2011 (9 Months)

Princeware Africa Limited a Company incorporated under the Companies Act 2002 on 10th February, 2009 (previously known as "Serengeti Plastics Limited" change of name on 10th July 2009). The company commenced business on 1st July, 2009.

2. Principal Activities

The Company engages in the business of Manufacture & Trading of Plastic Products.

3. Dividend

The Directors do not recommend the declaration of a dividend for the year.

4. Statement of Directors responsibility

The Companies Act 2002 requires the directors to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the company as at the end of the financial period and of its profit or loss. It also requires the directors to ensure that the company keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the company. The directors are also responsible for safeguarding the assets of the company.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and the requirements of the Companies Ordinance, CAP 212. The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company and of their profit or loss. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

5. Shares Holding

Name of Share Holder	Nationality / Country of Incorporation	No. of Shares held as on 31.3.2011	Remark
Princeware Global Holding Ltd	Mauritius	300	Brought from Neelkanth Tanzania Ltd on 8.1.02011
Princeware International Pvt. Ltd	India	297	
Rakesh Chheda	Indian	3	
Neelkanth Tanzania Ltd	Tanzania	Nil	Sold to Princeware Global Holding Ltd on 8.1.02011

PRINCEWARE AFRICA LIMITED, P.O.BOX 5838, DAR-ES-SALAAM

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST
MARCH 2011.

CORPORATE INFORMATION:-

BOARD OF DIRECTORS

1) Mr. Rakesh Chheda	Indian	Director
2) Mr. Bhavesh Chheda	Indian	Director
3) Mr. Falgun Shah	Indian	Director
4) Mr. Vijay Rai	Indian	Director

REGISTERED OFFICE OF THE COMPANY

Plot No. 129/130, Pugu road, Kipawa,
Julius Nyere Road,
P.O. Box 5838, Dar Es Salaam
Tanzania.

AUDITORS

BAKER TILLY DGP & CO.
Certified Public Accountants
P.O.Box-1314
Dar Es Salaam
Tanzania

PRINCIPAL BANKER

I & M Bank (T) Ltd,
Main Branch,
P.O.BOX 1509,
Dar Es Salaam
Tanzania

PRINCEWARE AFRICA LIMITED, P.O.BOX 5838, DAR-ES-SALAAM

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST
MARCH 2011.

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5. Statement of Comprehensive Income	7
6. Statement of Changes in Equity	8
7. Statement of Cash Flow	9
8. Notes to the accounts	10-24



BAKER TILLY
DGP & CO
Certified Public Accountant

PRINCEWARE AFRICA LIMITED
P.O. Box 5838,
Dar es Salaam
Annual Report 2010-11



an independent member of
BAKER TILLY
INTERNATIONAL

PRINCEWARE AFRICA LTD, P. O. BOX 5838, DAR-ES-SALAAM

	2011-2012 Tshs	2010-2011 Tshs (9 Months)
COMPUTATION FOR INCOME TAX		
Profit/(Loss) as per Accounts	(872,575,653)	(469,699,892)
Add: Disallowable Items		
Postage, Telephone & Internet (10%)	6,040,350	2,728,304
Motor Vehicle Fuel & Repairs Expenses (10%)	6,702,196	4,390,970
Travelling Expenses (10%)	16,117,295	10,425,224
Public Relation Expenses (50%)		315,000
Donations	-	900,000
Permit & Visa fees	44,523,226	24,554,310
Penalties and Fines	3,075,000	-
Loss on Sale of Fixed Assets	13,937,503	372,700
Interst Expense	668,660,753	-
W/off : Renovation to Leased Premises	58,200,051	15,351,308
Depreciation	822,109,582	470,747,019
	<u>766,790,304</u>	<u>60,084,943</u>
Less: Wear & Tear	1,290,783,748	1,330,726,592
Deductible Interst under thin Capitalisation U/s. 12	668,660,753	
Renovation to lease hold premises	142,854,066	85,622,717
Taxable Income for the Year	<u>(1,335,508,263)</u>	<u>(1,356,264,366)</u>
Loss Brought Forward	<u>(3,607,283,545)</u>	<u>(2,251,019,180)</u>
NET TAXABLE INCOME / (LOSS)	<u><u>(4,942,791,808)</u></u>	<u><u>(3,607,283,545)</u></u>
Tax @ 30%	-	-

WEAR & TEAR SCHEDULE

	<u>CLASS I</u>	<u>CLASS II</u>	<u>CLASS III</u>	<u>Total</u>
W.D.V. as at 31.03.2011	56,412,018	3,728,710,253	47,983,261	3,833,105,532
Add: Additions	8,217,458	669,063,764	5,361,858	682,643,080
Add: Plant & Machinery		338,963,956		338,963,956
Less: Disposal	(24,122,472)			(24,122,472)
	<u>40,507,004</u>	<u>4,736,737,972</u>	<u>53,345,119</u>	<u>4,830,590,095</u>
Wear & Tear				
Wear & Tear at normal rates	15,190,130	1,099,443,500	6,668,140	1,121,301,770
Wear & Tear @ 50%		169,481,978		169,481,978
	<u>15,190,130</u>	<u>1,268,925,478</u>	<u>6,668,140</u>	<u>1,290,783,748</u>
W.D.V. as at 31.03.2012	<u><u>25,316,874</u></u>	<u><u>3,467,812,494</u></u>	<u><u>46,676,979</u></u>	<u><u>3,539,806,347</u></u>

PRINCEWARE AFRICA LTD, P. O. BOX 5838, DAR-ES-SALAAM

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012 (COND)

20 RELATED PARTY DISCLOSURES	2011-2012	2010-2011
	Tshs	Tshs
		(9 Months)
<u>Shares Issued during the year</u>		
Princeware International Pvt. Ltd.	3,200,000,000	-
<u>Payments during the year</u>		
Princeware International Pvt. Ltd.	209,475,039	-
Prism Design and Tooling Technology Pvt. Ltd.	1,040,830,702	-
Princeware Africa (Kenya) Ltd.	50,355,001	-
Princeware Africa (Mozambique) Lda	14,093,000	1,506,260
<u>Receipts during the year</u>		
Princeware International Pvt. Ltd.	116,948,401	-
Princeware Africa (Kenya) Ltd.	1,115,430,583	1,292,875,873
<u>Forex Loss/(Gain) during the year</u>		
Princeware International Pvt. Ltd.	6,925,658	3,192,240
Princeware International Pvt. Ltd. Loan A/c	243,024,204	91,291,684
Prism Design and Tooling Technology Pvt. Ltd.	69,907,755	16,781,250
Rakesh Chheda (Director)	55,781	80,097
Princeware Global Holdings Ltd.	63,520,394	33,364,993
Princeware Africa (Kenya) Ltd.	(15,655,384)	(12,469,277)
Princeware Africa (Mozambique) Lda	(107,170)	(7,105)
<u>Balance Payable at the year end</u>		
Princeware International Pvt. Ltd.	640,073,126	205,295,104
Princeware International Pvt. Ltd. Loan A/c	2,675,738,913	3,815,018,822
Prism Design and Tooling Technology Pvt. Ltd.	107,862,474	587,528,550
Rakesh Chheda (Director)	1,122,070	1,066,289
Princeware Global Holdings Ltd.	1,080,606,387	1,325,085,993
<u>Balance Receivable at the year end</u>		
Princeware Africa (Kenya) Ltd.	151,054,220	636,086,627
Princeware Africa (Mozambique) Lda	15,713,535	1,513,365

PRINCEWARE AFRICA LTD, P. O. BOX 5838, DAR-ES-SALAAM

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012 (COND)

20 RELATED PARTY DISCLOSURES	2011-2012 Tshs	2010-2011 Tshs (9 Months)
<u>Sale of Goods & Services</u>		
<u>Common Directors</u>		
Princeware Africa (Kenya) Ltd.	572,187,517	1,779,573,789
Princeware International Pvt. Ltd. (Shareholder)	110,258,648	-
<u>Purchase of Goods & Services</u>		
<u>Common Directors</u>		
Princeware Africa (Kenya) Ltd.	7,799,726	155,541,807
Princeware International Pvt. Ltd. (Shareholder)	217,265,885	3,365,770
<u>Capital Goods Purchased</u>		
<u>Common Directors</u>		
Princeware Africa (Kenya) Ltd.	-	1,896,018,375
Prism Design and Tooling Technology Pvt. Ltd.	491,256,871	425,676,500
Princeware International Pvt. Ltd. (Shareholder)	413,371,765	189,612,252
<u>Loan Repayment/Given</u>		
<u>Common Directors</u>		
Princeware Global Holdings Ltd.	308,000,000	3,000,000
Princeware Africa (Mozambique) Lda	14,200,170	1,513,365
Princeware International Pvt. Ltd. Loan A/c (Shareholder)	-	877,060,000
<u>Loan Received</u>		
<u>Common Directors</u>		
Princeware Global Holdings Ltd.	-	1,018,921,000
Princeware International Pvt. Ltd. Loan A/c (Shareholder)	1,817,695,887	3,795,867,500

PRINCEWARE AFRICA LTD, P. O. BOX 5838, DAR-ES-SALAAM

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012 (COND)

	2011-2012		2010-2011
	Tshs		Tshs
			(9 Months)
17 Tax expense			
Current Tax			
Deffered tax expense relating to the origination and reversal of temporary differences	(225,079,924)		(127,915,826)
	<u>(225,079,924)</u>		<u>(127,915,826)</u>
<u>Reconciliation of book profit and taxable profit</u>			
Net Profit as per Income Statement	(872,575,653)		(469,699,892)
Tax @ 30%	(261,772,696)		(140,909,968)
<i>Adjustment for;</i>			
Postage, Telephone & Internet (10%)	1,812,105		818,491
Motor Vehicle Fuel & Repairs Expenses (10%)	2,010,659		1,317,291
Travelling Expenses (10%)	4,835,188		3,127,567
Public Relation Expenses (50%)			94,500
Donations	-		270,000
Permit & Visa fees	13,356,968		7,366,293
Penalties and Fines	922,500		-
Temporary Difference on Sale of Asset	9,574,101		-
Loss on Sale of Fixed Assets	4,181,251		-
	<u>(225,079,924)</u>		<u>(127,915,826)</u>
18 Deferred Tax Assets			
Opening Balance	1,082,185,063		675,305,754
Charge for the year	400,652,479		406,879,309
Closing Balance	<u>1,482,837,542</u>		<u>1,082,185,063</u>
19 Deferred Tax Liabilites			
Opening Balance	786,055,359		507,091,875
Charge for the year	175,572,556		278,963,484
Closing Balance	<u>961,627,915</u>		<u>786,055,359</u>
	As at 01/04/11	Charge to P	As at
<u>Deferred Tax Liability</u>	Op Bal	& L	31/03/2012
-Accelerated depreciation	786,055,359	175,572,556	961,627,915
	<u>786,055,359</u>	<u>175,572,556</u>	<u>961,627,915</u>
	As at 01/04/11	Charge to P	As at
<u>Deferred Tax Asset</u>	Op Bal	& L	31/03/2012
- Carried forward losses	1,082,185,063	400,652,479	1,482,837,542
	<u>1,082,185,063</u>	<u>400,652,479</u>	<u>1,482,837,542</u>
Net Current Asset / (Liability)		225,079,924	

PRINCEWARE AFRICA LTD, P. O. BOX 5838, DAR-ES-SALAAM

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012 (COND)

	2011-2012	2010-2011
	Tshs	Tshs
15 SELLING & DISTRIBUTION EXPENSES		(9 Months)
Advertisement Expenses.	13,577,072	15,600,275
City Service Levy	12,646,079	5,103,678
Free Samples	-	2,148,893
Loading Charges on Outward Material	15,696,075	9,563,030
Research & Development Expenses	66,000	373,800
Business Promotion Exp	74,594,974	1,500,100
Rounding Off Difference	16,391	34,454
Shop Rent	-	1,878,000
Godown Rent	-	12,858,000
Trade Fair Expenses	44,945,647	12,717,996
Vehicle Fuel and Hiring Charges	52,823,705	27,310,099
	<u>214,365,943</u>	<u>89,088,325</u>
16 FINANCE COSTS		
Bank Charges and Commission	97,649,257	70,641,313
Interest on Overdraft	476,501,800	145,064,061
Interest on Term Loan	192,158,953	73,094,242
	<u>766,310,010</u>	<u>288,799,616</u>

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012 (COND)

	2011-2012	2010-2011
	Tshs	Tshs
14 ADMINISTRATIVE & ESTABLISHMENT EXPENSES		(9 Months)
Postage & Courier Charges	5,695,004	2,268,863
Consultancy Charges	-	3,880,375
Tele Communication Expenses	60,403,501	27,283,036
Licence & Renewals	2,505,000	510,000
Insurance	31,474,606	14,154,268
Filing Fees	78,000	156,000
Legal & Professional Charges	28,562,248	9,437,500
Membership Fee & Annual Subscription Fee	14,662,200	1,352,000
Office Expenses	11,760,017	20,786,343
Printing & Stationery / Books & Periodicals	15,244,658	11,658,470
Security Charges	59,390,628	34,213,667
Stamp Duty	-	72,000
Repairs & Maintenance	24,431,393	2,045,000
Conveyance & Travelling Expenses	161,172,949	104,252,245
Motor Vehicle Fuel Charges	48,785,587	30,251,125
Motor Vehicle Repairs & Other Exp	18,236,376	13,658,578
Donation A/c.	-	900,000
Rent & Service Charges	79,151,564	13,106,000
Electricity & Water	22,685,534	4,515,375
Depreciation	25,680,837	20,902,062
Salary & Other Related Expenses	187,130,563	149,475,465
Staff Welfare Expenses	70,723,636	77,384,421
Medical Expense	18,320,169	
Recruitment Expenses	5,148,595	28,262,140
Permit & Visa Fees	44,523,226	24,554,310
Audit Fees	6,884,000	5,964,000
Taxes and Penalties	3,075,000	-
	<u><u>945,725,291</u></u>	<u><u>601,043,243</u></u>

PRINCEWARE AFRICA LTD, P. O. BOX 5838, DAR-ES-SALAAM

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012 (COND)

	2011-2012 Tshs	2010-2011 Tshs (9 Months)
12 PROVISIONS		
City Service Levy Payable	4,342,411	-
NSSF Payable	367,600	367,600
PAYE Payable	2,860,377	(257,909)
PPF Payable	3,429,286	3,069,170
Provision for Expenses	1,711,794	1,040,000
SDL Payable	2,219,601	11,075
Audit Fees Payable	6,276,000	11,928,000
Salary Payable	-	3,597,050
Withholding tax Payable	(295,350)	626,720
	20,911,720	20,381,706
13 COST OF PRODUCTION		
<u>Material Cost</u>		
Op.St.of Raw Materials, Packing Materials, Consumables & S	971,376,348	311,585,181
Add: Purchases & Related Costs	9,348,982,180	4,775,697,983
	10,320,358,528	5,087,283,164
Less Cl. St.of Raw & Packing Materials, Consumables & Spa	2,438,234,643	971,376,348
	7,882,123,885	4,115,906,816
<u>Direct Labour and Factory Overheads</u>		
Labour Cost	377,011,226	203,935,136
Staff Welfare	62,717,185	69,371,884
Rent & Service Charges on Factory	175,329,000	117,954,000
Carriage Inward	24,542,837	24,402,585
Clearing Charges on Import RM/Consumables/FG	448,351,653	305,204,928
Diesel for Generator and Fork Lift	-	731,000
Electricity Charges	352,993,836	187,013,458
Import Duty on FG / Consumables	164,008,394	77,534,032
Repairs & Maintenance	70,326,917	39,220,879
Unloading Charges for Finished Goods & Materials	11,588,819	6,980,735
Water Charges	7,913,844	80,000
Printing Work on Finsihed Goods	-	1,097,200
W/off : Renovation to Leased Premises	58,200,051	15,351,308
Depreciation on Plant and Machinery & Moulds	796,428,745	449,844,957
Total Direct Labour and Factory Overheads	2,549,412,507	1,498,722,102
Add: Opening Stock of Work In Progress	-	-
	2,549,412,507	1,498,722,102
Less: Closing Stock of Work In Progress	-	-
	2,549,412,507	1,498,722,102
TOTAL COST OF PRODUCTION	10,431,536,392	5,614,628,917

PRINCEWARE AFRICA LTD, P. O. BOX 5838, DAR-ES-SALAAM

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012 (COND)

	2011-2012 Tshs	2010-2011 Tshs (9 Months)
9 SECURED LOANS		
I & M USD Term Loan #	2,567,881,005	2,447,103,750
	<u><u>2,567,881,005</u></u>	<u><u>2,447,103,750</u></u>

The Above Term Loan and Bank Overdraft from I & M Bank (Tz) have been Secure against:
Floating debentures on all the Fixed and Floating Assets of the company.
Personal Guarantee from Mr. Rakesh Chheda and Mr. Bhavesh Chheda, the directors of the Company.
Corporate Guarantee by Princeware International Pvt Ltd- India.

The Maximum amount of the facility shall be
USD 1,625,000 as Term Loan.

USD 800,000 as overdraft cum avalization of import documents cum LC facility. (Rate of Interest 8% p.a.)
Tshs 1,000,000,000 as overdraft facility. (Rate of interest 15% p.a.)

The Term Loan and Bank Overdraft from I & M Bank (Kenya) have been Secure against:
Personal Guarantee and Indeminties for USD 1,102,000 each, executed by Rakesh Kishor Chheda and Bhavesh Kishor Chheda.

Corporate Guarantee and Indeminty of Princeware International Private Limited, India for USD 1,102,000.

Corporate Guarantee and Indeminty of Princeware Africa (Kenya) Limited, for USD 1,102,000.

Stanby Letter of Credit issued by Citibank N.A. for USD 1,000,000.

The Maximum amount of the facility shall be

***Letters of Credit 1 Cum Term Loan 1	USD 571,908 (Sanctioned Limit)
**Forward Foreign Exchange Cover	USD 1,000,000 (Sanctioned Limit)
**Overdraft	USD 1,550,000 (Sanctioned Limit) (Int. rate 8.5% p.a.)
***Letter of Credit 2 Cum Bill Avalisation	USD 800,000 (Sanctioned Limit)
***Letter of Credit 3 Cum Term Loan 2	USD 750,000 (Sanctioned Limit)

**Expires on 31 August 2012

***Upon maturity of L/C it will be converted into term Loan.

10 UNSECURED LOANS FROM ASSOCIATES

Princeware International Pvt Ltd	2,675,738,914	3,815,018,822
Princeware Global Holdings Ltd	1,080,606,387	1,325,085,993
Rakesh Chheda	1,122,070	1,066,289
	<u><u>3,757,467,371</u></u>	<u><u>5,141,171,104</u></u>

11 BANK OVERDRAFT

BOI USD##	548,724,691	-
I & M Bank Tsh #	999,453,478	1,117,848,889
I & M Bank USD #	4,622,221,282	1,172,783,534
(Refer Note 9)	<u><u>6,170,399,451</u></u>	<u><u>2,290,632,423</u></u>

Overdraft Facility from Bank of India is secured against Personal guarantee of mr. rakesh Chheda

The Maximum amount of the facility shall be USD 350,000 (rate of interest 8% p.a.)

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012 (COND)

	2011-2012 Tshs	2010-2011 Tshs (9 Months)
4 INVENTORIES		
Raw Materials	1,947,099,327	756,451,218
Finished Goods	1,876,293,986	1,371,403,388
Packing Materials	179,662,593	75,389,423
Consumables	186,262,597	90,896,707
Engineering Spare	125,210,126	48,639,000
	<u>4,314,528,629</u>	<u>2,342,779,736</u>
5 OTHER RECEIVABLES		
Deposits (Sayona Drinks)	72,034	72,034
Deposit (Mobile)	1,100,000	300,000
Deposit with Zabbar Builders	784,500	745,500
Deposit with Shivani Kakkad	-	1,789,200
Deposit-Oilcom	1,000,000	-
Other Deposits	3,338,000	-
Advance for Imports	-	22,745,375
Imprest IOU	11,122,615	19,088,250
PPF Refundable to Employee	1,446,081	-
Staff Loan	909,300	100,000
Other Loans	12,000,000	-
Salary Advances	500,475	-
Travel Advance	350,087	9,578,172
VAT Refund	1,826,939,371	899,761,682
Prepaid Expenses	-	29,036,206
Advance to Suppliers	21,824,178	79,668,524
	<u>1,881,386,642</u>	<u>1,062,884,943</u>
6 INCOME TAX		
Income Tax	200,000	200,000
	<u>200,000</u>	<u>200,000</u>
7 CASH & CASH EQUIVALENTS		
Cash in Hand	8,952,628	30,679,856
Cash at Bank	18,875,571	43,798,799
	<u>27,828,199</u>	<u>74,478,654</u>
8 SHARE CAPITAL		
Authorized Capital		
1300 Ordinary Shares of Tshs 1,000,000/- each	1,300,000,000	600,000,000
(Previous Year 600 Ordinary Shares of Tshs 1,000,000/- each)		
Issued and Fully Paid up Capital		
1300 Ordinary Shares of Tshs 1,000,000/- each	1,300,000,000	600,000,000
	<u>1,300,000,000</u>	<u>600,000,000</u>
(Previous Year 600 Ordinary Shares of Tshs 1,000,000/- each)		

PRINCEWARE AFRICA LTD, P. O. BOX 5838, DAR-ES-SALAAM

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012 (COND)

3 FIXED ASSETS

Sr. No.	Particulars	Depreciation for the year									
		Opening Bal. 01.04.2011 Tshs.	Additions Tshs.	(Disposals) / Transfer Tshs.	As at 31.03.2012 Tshs.	Opening Bal. 01.04.2011 Tshs.	Charged in current period Tshs.	Disposals Reversal Tshs.	As at 31.03.2012 Tshs.	WDV as at 31.03.2012 Tshs.	WDV as at 31.03.2011 Tshs.
1	Computers & Printers	24,503,596	8,217,458	(9,289,290)	23,431,764	4,050,628	3,727,947	(2,134,359)	5,644,216	17,787,548	20,452,968
2	Electric Installations	122,580,427	6,115,385		128,695,812	7,582,397	7,525,891		15,108,288	113,587,524	114,998,030
3	Furniture & Fixtures	30,125,592	3,372,704		33,498,296	1,828,505	1,881,924		3,710,429	29,787,867	28,297,087
4	Motor Vehicles	140,226,882		(35,192,500)	105,034,382	14,781,077	9,161,788	(4,287,454)	19,655,411	85,378,971	125,445,805
5	Moulds	2,157,814,508	662,948,379		2,820,762,887	258,058,874	351,877,896		609,936,770	2,210,826,117	1,899,755,634
6	Office Equipments	27,715,349	1,989,154		29,704,503	4,641,566	3,383,287		8,024,853	21,679,650	23,073,783
7	Plant & Machinery	4,516,781,394	338,963,956		4,855,745,350	398,527,851	444,550,849		843,078,700	4,012,666,650	4,118,253,543
	TOTAL	7,019,747,748	1,021,607,035	(44,481,790)	7,996,872,993	689,470,898	822,109,582	(6,421,813)	1,505,158,667	6,491,714,326	6,330,276,849
	Renovation to	Opening Bal.	Additions		As at	Opening Bal.	Charged in		As at	WDV as at	WDV as at
	Leased Premises	01.04.2011			31.03.2012	01.04.2011	current period		31.03.2012	31.03.2012	31.03.2011
8	Lease Premises Building	195,170,473	142,854,066		338,024,539	26,306,084	58,200,051		84,506,135	253,518,404	168,864,389

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012

management programme seeks to minimize potential adverse effects on the financial performance. Risks management is carried out by the management on behalf of the Board of Directors.

Credit risk

The Company has no significant concentrations of credit risk. It has policies in place to ensure that the goods are sold to customers with an appropriate credit history.

Foreign currency risk

As and when the need arises, the Company enters into transactions denominated in foreign currencies (primarily United States Dollars ("US\$")). In addition, the Company has assets and liabilities denominated in United States Dollars ("US\$"). As a result, the Company is subject to transaction and translation exposure from fluctuations in foreign currency exchange rates.

Exposure to foreign currency risk is mitigated by the fact that (i) majority of purchases of Raw Materials and Packing Materials are imported, (ii) Balances due to suppliers on account of purchase of Property, Plant & Equipments which are imported like Plant & Machineries and Moulds and (iii) Balances of Loan outstanding which is obtained from Related Parties for fulfilling working capital requirements / payment to capex creditors and (iv) Term Loan / Overdraft facility from Bank for working capital requirements / payment to capex creditors are in hard currencies (US dollars). The Company exports its goods, at a marginal percent as compared to the Total Turnover the Company.

Interest rates and liquidity risk

Fluctuation in interest rates impacts on the operating activities. In the ordinary course of business, the Company receives cash from its operations and is required to fund working capital and capital expenditure requirements. Funding deficits for the Company operations have mainly been financed through cash advance from sister companies within the Group, bank borrowings and overdrafts from financial institutions.

P. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances.

Figures of previous year have been regrouped wherever necessary so as to make them comparable with the current year's figures.

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012

and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

The Company has no default of Principal repayment or interest payment for loan granted by the Bank during the current period under audit.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

K. DEFERRED INCOME TAXES

Income tax expense is the aggregate of the charge to the profit and loss account in respect of current income tax and deferred income tax. Current income tax is the amount of income tax payable on the taxable profit for the year determined in accordance with the Tanzania Income Tax Act, 2004.

Deferred income tax is provided in full using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted at the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that the directors consider that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is recognised as income tax benefit or expense in the year in which it arises.

L. INTANGIBLE ASSETS

There are no Intangible assets generated or acquired by the company during the period under audit.

M. EMPLOYEES BENEFITS

The Company has defined benefits contributions plans. Under defined contribution plan, the Company contributions to publicly administered pension plans (NSSF or PPF) on a mandatory basis. The Company has no further payment obligations once the contributions have been paid.

N. PROVISIONS

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Where the Company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

O. FINANCIAL RISK MANAGEMENT

The Companies activities expose it to a variety of financial risks: foreign currency risk, credit risk, commodity price fluctuation risk and cash flow interest-rate risk. The Company's overall risk

ii) Reversal of impairment

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment has been recognized.

F. OPERATING & FINANCE LEASES

The company is having no finance lease transaction during the period. The company has operating lease agreement during the period. Operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

There is no future commitments arising out of operating lease agreements as on the date of balance sheet since all such agreements requires payments to be made in advance and the same have been disclosed under deposits and advance.

G. INVENTORIES

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the weighted average cost method and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Net realisable value is the estimated selling price in the open market less applicable selling expenses. Stores and consumables are stated at cost less any provision for obsolescence.

H. ACCOUNTS RECEIVABLE

Receivables are initially recognised at fair value and subsequently measured at their amortised costs using effective interest method. A provision for impairment trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the carrying amount and the expected cash flows discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

I. CASH AND CASH EQUIVALENTS

Cash & Cash equivalents comprise of cash held by the company and current accounts operated with banks for companies normal trade transactions. The carrying amount of these assets approximates their fair value.

J. BORROWINGS

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost and any difference between proceeds (net of transaction costs)

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012

when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be reliably measured.

Depreciation on all the property, plant and equipment is calculated using the written down value method to allocate the cost of each asset to its residual value over the estimated useful life. The Rates of Depreciation are as follows:

<u>Particulars</u>	<u>Rate</u>
Computer & Printers	16.21%
Electric Installations	6.33%
Furniture & Fixtures	6.33%
Motor vehicles	9.50%
Moulds	16.21%
Office Equipments	13.91%
Plant & machinery	10.34%

Major renovations are depreciated over the remaining useful life of the related asset or to the date of the next major renovation, whichever is sooner. All other repairs and maintenance expenditures are charged to the profit and loss account during the financial period in which they are incurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gain or losses on disposals are determined by comparing the disposal proceeds with the carrying amount and are included in the profit and loss account.

E. IMPAIRMENT OF ASSETS

Assets that have an indefinite useful life are not subjected to amortization and are tested annually for impairment. Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separable identifiable cash flows (cash-generating units).

i) Calculation of recoverable amount

Trade and other receivables with a short duration are not discounted to determine the recoverable amount. The recoverable amount of other assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value

using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012

A. BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board (IASB). The financial statements are presented in the functional currency, Tanzania Shillings (TShs).

The Financial Statements incorporate Financial Statements of the Company Only.

Financial statements for the previous year are prepared for 9 (Nine) months period starting from 1st July, 2010 and ending on 31st March, 2011.

The policies set out below have been consistently applied to all the years presented except for those relating to the classification and measurement of financial instruments. These financial statements have been prepared under the historical cost convention. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying company's accounting policies. The areas involving a high degree of judgement or complexity, on where assumptions and estimates are significant to the financial statement are disclosed in Notes.

B. REVENUE RECOGNITION

Revenue comprises of the fair value of the consideration received or receivable for good sold in the ordinary course of company's activities. Revenue is shown net of value-added tax.

Revenue from Sale of goods is recognised when the goods are delivered and title has passed.

C. FOREIGN CURRENCY TRANSLATION

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional currency for the company is the Tanzania Shillings.

(ii) Transactions and balances

Foreign currency transactions are translated into Tanzania Shillings using the exchange rate prevailing at the dates of the transactions. Monetary assets and liabilities at the balance sheet date, which are expressed in foreign currencies, are translated into Tanzania Shillings at rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the profit and loss account.

D. PROPERTY, PLANT AND EQUIPMENT

All property, plant and equipment are shown at cost, less accumulated depreciation and impairment, if any. Cost includes expenditure directly attributable to the acquisition of the items. Subsequent costs are included in asset's carrying amount or recognized as a separate asset, as appropriate, only

1 GENERAL INFORMATION

Princeware Africa Limited is incorporated in Tanzania under the Companies Ordinance as a limited liability company and it is domiciled in Tanzania. The Company was incorporated on 10th February 2009 as "Serengeti Plastics Limited". The Company changed its name to "PRINCEWARE AFRICA LIMITED" vide Certificate of change of Name dated 10th July 2009. The principal activities of the company are disclosed in the Directors Report and in Note 2. The new address of its registered office and its principal places of business is Plot No. 129/130, Pugu Road Kipawa, P O Box 5838, Dar es Salaam – Tanzania.

2 ADOPTION OF NEW AND REVISED STANDARDS & INTERPRETATIONS

During the current period, the company has applied following amendments and interpretations to the International Financial Reporting Standards and International Accounting standards.

- a) IFRS 7 – Financial Instruments: Disclosures (Amendment) (effective 1 July 2011);
- b) IAS 12 – Income Taxes (Amendment) effective from 1 January 2012);
- c) IAS 24 (Revised)- Related Party Disclosures (effective from 1st January 2011);
- d) IFRIC 14 – Prepayments of Minimum Funding Requirement (amendment) (effective from 1 January 2011);
- e) IFRS 1 – First Time Adoption of International Reporting Standards (amendments) (effective from 1 January 2011).

The application of these interpretations has not had a significant effect on the 2011-12 results, nor has it required any restatement of prior period results.

Following interpretations and amendments to the accounting standards have been introduced in the current year and applicable to the company, but shall be adopted by the company in future years. The management of the company has not opted to go for early adoption of these standards.

- a) IFRS 1 – Government Loans (Amendments) (effective from 1 January 2013);
- b) IFRS 7 Disclosures - Offsetting Financial Assets and Financial Liabilities (Amendments) (effective from 1 January 2013);
- c) IFRS 9 – Financial Instruments (effective from 1st January 2013);
- d) IFRS 10 – Consolidated Financial Statements (effective from 1 January 2013);
- e) IAS 27 – Separate Financial Statements (effective from 1 January 2013);
- f) IFRS 11 – Joint Arrangements (effective from 1 January 2013);
- g) IAS – 28 Investments in Associates and Joint Ventures (effective from 1 January 2013);
- h) IFRS 12 – Disclosure of Interests in other entities (effective from 1 January 2013);
- i) IFRS 13 – Fair Value Measurement (effective from 1 January 2013);
- j) IAS 1 – Presentation of Items of other comprehensive Income (Amendments) (effective from 1 July 2012);
- k) IAS 19 – Employee Benefits (Revised) (effective from 1 January 2013);
- l) IAS 32 – Offsetting Financial Assets and Financial Liabilities (Amendments) (effective from 1 January 2014);
- m) IFRIC 20 – Stripping costs in Production Phase of a surface mine (effective 1 January 2013);

The adoption of these interpretations and the relevant standards has not led to any change in the accounting policies of the company.

PRINCEWARE AFRICA LTD, P. O. BOX 5838, DAR-ES-SALAAM

STATEMENT OF CASH FLOWS FOR THE TEAR ENDED ON 31ST MARCH, 2012

	2011-2012 Tshs	2010-2011 Tshs (9 Months)
Profit before tax	(872,575,653)	(469,699,892)
Prior Period (Expenses) / Income	2,885,639	
Adjustment for Depreciation	822,109,582	470,747,019
Loss on Sale of Fixed Assets	13,937,503	372,700
Theft Loss	7,122,472	
W/off : Renovation to Leased Premises	58,200,051	15,351,308
Cash Flows before Working Capital Changes	<u>31,679,594</u>	<u>16,771,135</u>
(Increase)/Decrease in Inventories	(1,971,748,893)	(1,350,342,113)
(Increase)/Decrease in Trade & Other Receivables	(1,682,009,900)	(1,270,682,537)
(Increase)/Decrease in Due from Associates	470,832,237	(177,334,718)
(Increase)/Decrease in Other Receivables	(903,031,417)	(761,231,683)
Increase/(Decrease) in Bank Overdraft	3,879,767,028	1,396,091,234
Increase/(Decrease) in Trade Payable	(627,216,948)	(669,045,927)
Increase/(Decrease) in Due to Associates	(44,888,054)	630,444,818
Increase/(Decrease) in Others Payable	9,823,465	22,174,586
Increase/(Decrease) in Provisions	530,014	(5,302,499)
	<u>(867,942,468)</u>	<u>(2,185,228,839)</u>
Cash Generated from Operations	(836,262,874)	(2,168,457,704)
Less: Income Tax Expense	-	-
NET CASH FROM OPERATING ACTIVITIES	A (836,262,874)	(2,168,457,704)
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
Increase / (Decrease) in Secured Loans	120,777,255	1,545,893,189
Increase / (Decrease) in Unsecured Loans	(1,383,703,733)	3,823,092,577
Increase in Share Capital	700,000,000	-
Increase in Redeemable Preference Shares	2,500,000,000	-
NET CASH FROM FINANCING ACTIVITIES	B 1,937,073,522	5,368,985,766
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
Purchases of Assets	(1,021,607,035)	(3,112,236,264)
Sale of Fixed Assets	17,000,000	35,500,000
Capital Work In Progress	-	22,000,000
Renovation to Leased Premises	(142,854,066)	(85,622,717)
NET CASH USED IN INVESTING ACTIVITIES	C (1,147,461,101)	(3,140,358,981)
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENT (A+B+C)	(46,650,453)	60,169,081
Cash & Cash Equivalent as at Beginning of the year	74,478,654	14,309,575
Cash & Cash Equivalent as at End of the year	<u>27,828,199</u>	<u>74,478,654</u>

The financial statements on pages 6 to 9 were approved by the Board of Directors and were signed on their behalf by:-

Report of Auditor on Page 4 & 5



Director

Date: - 27 DEC 2012



Director

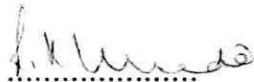
Notes on Pages 10 - 24 form an integral part of these Financial Statements

STATEMENT OF CHANGE IN EQUITY FOR YEAR ENDED ON 31ST MARCH 2012

PARTICULARS	SHARE CAPITAL	RETAINED EARNINGS	Total
	Tshs	Tshs	Tshs
Balance as at 1st July 2010	600,000,000	(433,826,782)	166,173,218
Issue of shares	-	-	-
Profit / (Loss) for the period	-	(341,784,066)	(341,784,066)
Balance as at 31st March 2011	600,000,000	(775,610,848)	(175,610,848)
Balance as at 1st April 2011	600,000,000	(775,610,848)	(175,610,848)
Issue of shares	700,000,000		700,000,000
Profit / (Loss) for the period	-	(647,495,729)	(647,495,729)
Prior period (expense) / Income		2,885,639	2,885,639
Balance as at 31st March 2012	1,300,000,000	(1,420,220,938)	(120,220,938)

The financial statements on pages 6 to 9 were approved by the Board of Directors and were signed on their behalf by:-

Report of Auditor on Page 4 & 5



Director

Date: -

27 DEC 2012



Director

Notes on Pages 10 - 24 form an integral part of these Financial Statements

PRINCEWARE AFRICA LTD, P. O. BOX 5838, DAR-ES-SALAAM

**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED ON
31ST MARCH 2012**

	<u>NOTE</u>	2011-2012 Tshs	2010-2011 Tshs (9 Months)
<u>SALES</u>			
Sales of Goods		12,005,552,923	5,509,959,453
Less: Discounts allowed		(465,464,045)	(24,016,112)
Net Sales		<u>11,540,088,878</u>	<u>5,485,943,341</u>
<u>LESS : COST OF SALES</u>			
Opening Stock of Finished Goods		1,371,403,388	680,852,442
Add : Cost of Production	13	10,431,536,392	5,614,628,917
		<u>11,802,939,780</u>	<u>6,295,481,359</u>
Less : Closing Stock of Finished Goods		1,876,293,986	1,371,403,388
TOTAL COST OF SALES		<u>9,926,645,794</u>	<u>4,924,077,972</u>
GROSS PROFIT		1,613,443,084	561,865,369
<u>ADD : OTHER INCOME</u>			
Insurance Claim Received & Other Income		13,810,697	64,155,486
Amounts Written back		-	271,491,749
Miscellaneous Income		852,236	-
Exchange Gain / (Loss)		(560,342,923)	(387,908,613)
		<u>1,067,763,094</u>	<u>509,603,991</u>
<u>LESS: EXPENSES</u>			
Administrative and Establishment Expenses	14	945,725,291	601,043,243
Selling & Distribution Expenses	15	214,365,943	89,088,325
Finance Costs	16	766,310,010	288,799,616
Loss on Sale of Fixed Assets		13,937,503	372,700
		<u>1,940,338,747</u>	<u>979,303,883</u>
PROFIT/(LOSS) FOR THE YEAR BEFORE TAX		(872,575,653)	(469,699,892)
Less : Tax Expense	17	(225,079,924)	(127,915,826)
PROFIT/(LOSS) FOR THE YEAR AFTER TAX		(647,495,729)	(341,784,066)
RETAINED PROFITS/(LOSS) CARRIED FORWARD		(647,495,729)	(341,784,066)

The financial statements on pages 6 to 9 were approved by the Board of Directors and were signed on their behalf by:-

Report of Auditor on Page 4 & 5


.....
Director

Date: - 27 DEC 2012


.....
Director

Notes on Pages 10 - 24 form an integral part of these Financial Statements

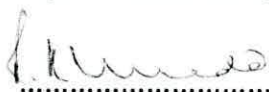
PRINCEWARE AFRICA LTD, P. O. BOX 5838, DAR-ES-SALAAM

STATEMENT OF FINACIAL POSITION AS AT 31ST MARCH 2012

ASSETS	NOTE	2011-2012 Tshs	2010-2011 Tshs (9 Months)
<u>NON - CURRENT ASSETS</u>			
Fixed Assets	3	6,491,714,326	6,330,276,849
Renovation to Leased Premises	3	253,518,404	168,864,389
Deferred Tax Assets	18	1,482,837,542	1,082,185,063
		8,228,070,272	7,581,326,301
<u>CURRENT ASSETS</u>			
Inventories	4	4,314,528,629	2,342,779,736
Trade Receivables		3,249,009,340	1,566,999,440
Due from Associates		166,767,755	637,599,992
Other Receivables	5	1,881,386,642	1,062,884,943
Income Tax	6	200,000	200,000
Cash and Cash Equivalents	7	27,828,199	74,478,654
Interest Receivable		84,529,718	-
		9,724,250,283	5,684,942,765
Total		17,952,320,555	13,266,269,069
FINANCED BY:			
<u>EQUITY</u>			
Share Capital	8	1,300,000,000	600,000,000
Redeemable Preference shares		2,500,000,000	-
Profit & Loss Account		(1,420,220,938)	(775,610,848)
		2,379,779,062	(175,610,848)
<u>NON - CURRENT LIABILITIES</u>			
Secured Laons	9	2,567,881,005	2,447,103,750
Unsecured Loans from Associates	10	3,757,467,371	5,141,171,104
Deferred Tax Liabilities	19	961,627,915	786,055,359
		7,286,976,291	8,374,330,213
<u>CURRENT LIABILITIES</u>			
Bank Overdraft	11	6,170,399,451	2,290,632,423
Trade Payables		1,314,320,387	1,941,537,335
Advance from Customers		31,998,045	-
Due to Associates		747,935,600	792,823,654
Others Payable		-	22,174,586
Provisions	12	20,911,720	20,381,706
		8,285,565,202	5,067,549,704
TOTAL NET LIABILITIES		17,952,320,555	13,266,269,069

The financial statements on pages 6 to 9 were approved by the Board of Directors and were signed on their behalf by:-

Report of Auditor on Page 4 & 5


.....

Director

Date: - 21 DEC 2012


.....

Director

Notes on Pages 10 - 24 form an integral part of these Financial Statements

Report on other Legal and Regulatory Requirements

This report, including our opinion, has been prepared for, and only for, the Company's members as a body in accordance with the Companies Act 2002 and for no other purpose.

As required by the Companies Act 2002, we report to you, based on our audit that:

- i. We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.;
- ii. In our opinion, proper books of accounts have been kept by the Company, so far as appears from our examination of those books;
- iii. The director's report is consistent with the financial statements;
- iv. Information specified by the law regarding director's remuneration and transactions with the company is disclosed; and
- v. The Company's balance sheet and income statement are in agreement with the books of accounts.

For Baker Tilly DGP & Co.
Certified Public Accountants,


Kailas K. Bhattbhatt
Partner

Place : Dar Es Salaam

Dated : 28/12/2012





**BAKER TILLY
DGP & CO**

Certified Public Accountants

2nd Floor, Mahavir Building,
Kiwanja Street, Off Libya Street
P. O. Box - 1314, Dar es Salaam,
Tanzania

T: +255 (0)22 2112128, 2125597
F: +255 (0)22 2122300

info@bakertillydgp.com
www.bakertillydgp.com

INDEPENDENT AUDITOR'S REPORT

**TO THE MEMBERS OF
PRINCEWARE AFRICA LIMITED**

We have audited the accompanying financial statements of **PRINCEWARE AFRICA LIMITED**, set out herewith, which comprises of Statement of Financial Position as at 31st March 2012, Statement of Comprehensive Income for the year ended 31st March, 2012, Statement of change in equity and Statement of Cash flows for the year then ended, summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

As described in the Directors' report, the company's Board of Directors is responsible for the preparation of the financial statements in accordance with the International Financial Reporting Standards and in compliance with Companies Act 2002. This responsibility includes: design, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements, give a true and fair view of the state of financial affairs of the Company as at 31st March, 2012 and of its cash flows for the year then ended in accordance with International Financial Reporting Standards and the Companies Act 2002.

PRINCEWARE AFRICA LIMITED, P.O.BOX 5838, DAR-ES-SALAAM

**DIRECTORS REPORT TO THE MEMBERS OF THE COMPANY FOR THE YEAR ENDED
ON 31ST MARCH 2012**

9. Employee Welfare

The Company thrust towards ensuring its employees health and welfare has been continuing. The Company also committed towards protecting the environment and the eco system, ultimately leading to a safe working place for the workers.

10. Solvency

The Directors present this report ongoing basis and assure the members about the capability and soundness of the company for the future growth and progress in nature on financial condition.

11. Auditors

The auditors, Baker Tilly DGP & Co., (Formerly known as D. G. Patel & Co.) have expressed their willingness to continue in office and are eligible for re-appointment. A resolution proposing the re-appointment of Baker Tilly DGP & Co. as auditors of the Company for the year 2012-2013 will be put to the Annual General Meeting.

12. Gratitude

The Board of Directors expresses its sincere gratitude to the Government of the Union Republic of Tanzania, Bank of Tanzania, and Tanzania Investment Centre, valued clients, staff and well wishers for their co-operation.

BY ORDER OF THE BOARD

Date: 27 DEC 2012

Place: Dar Es Salaam



Director

Director

PRINCEWARE AFRICA LIMITED, P.O.BOX 5838, DAR-ES-SALAAM

DIRECTORS REPORT TO THE MEMBERS OF THE COMPANY FOR THE YEAR ENDED ON 31st MARCH 2012

Princeware International Pvt. Ltd	India	1012	12 Shares Tfd from Princeware Global Holdings Ltd. on 03/06/2011 and 3 shares Tfd from Mr. Rakesh Chheda on 12/05/2011. Additional 700 shares allotted on 15 th March 2012
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(b) Preference Shares:

Name of Share Holder	Nationality / Country of Incorporation	No. of Shares held as on 31.3.2012	Remark
Princeware International Pvt. Ltd	India	2,500	2,500 shares allotted on 23 rd March 2012

6. Directors

The Directors of the Company at the date of this report, unless otherwise stated are:

Name	Nationality	Position	Remark
1) Mr. Rakesh Chheda	Indian	Director	Continuing from 1 April 2011
2) Mr. Bhavesh Chheda	Indian	Director	Continuing from 1 April 2011
3) Mr. Vijay Rai	Indian	Director	Continuing from 1 April 2011
4) Mr. Falgun Shah	Indian	Director	Resigned on 11.10.2011

7. Future Development of Companies Activities

The Company is in process of expanding its activity of Manufacturing with bringing new machineries & moulds will increase the production capacity and also with introduction of new product range.

8. Related Party Transactions

The details of Related Party Transactions are disclosed in notes to the accounts.

DIRECTORS REPORT TO THE MEMBERS OF THE COMPANY FOR THE YEAR ENDED ON 31ST MARCH 2012

1. Introduction

The Board of Directors express pleasure in presenting the Second Annual Report of your Company together with Audited Financial Statements for the year ended 31st March, 2012.

Princeware Africa Limited a Company incorporated under the Companies Act 2002 on 10th February, 2009 (previously known as "Serengeti Plastics Limited" change of name on 10th July 2009). The company commenced business on 1st July, 2009.

2. Principal Activities

The Company engages in the business of Manufacture & Trading of Plastic Products.

3. Dividend

The Directors do not recommend the declaration of a dividend for the year.

4. Statement of Directors responsibility

The Companies Act 2002 requires the directors to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the company as at the end of the financial period and of its profit or loss. It also requires the directors to ensure that the company keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the company. The directors are also responsible for safeguarding the assets of the company.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and the requirements of the Companies Ordinance, CAP 212. The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company and of their profit or loss. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

5. Shares Holding

(a) Ordinary Shares:

Name of Share Holder	Nationality / Country of Incorporation	No. of Shares held as on 31.3.2012	Remark
Princeware Global Holding Ltd	Mauritius	288	

PRINCEWARE AFRICA LIMITED, P.O.BOX 5838, DAR-ES-SALAAM

**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST
MARCH 2012.**

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2. Auditors' Report.	4-5
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4. Statement of Comprehensive Income	7
5. Statement of Changes in Equity	8
6. Statement of Cash Flow	9
7. Notes to the accounts	10-24

PRINCEWARE AFRICA LIMITED, P.O.BOX 5838, DAR-ES-SALAAM

**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST
MARCH 2012.**

CORPORATE INFORMATION:-

BOARD OF DIRECTORS

1) Mr. Rakesh Chheda	Indian	Director
2) Mr. Bhavesh Chheda	Indian	Director
3) Mr. Vijay Rai	Indian	Director

REGISTERED OFFICE OF THE COMPANY

Plot No. 129/130, Pugu road, Kipawa,
Julius Nyere Road,
P.O. Box 5838, Dar Es Salaam
Tanzania.

AUDITORS

BAKER TILLY DGP & CO.
Certified Public Accountants
P.O.Box-1314
Dar Es Salaam
Tanzania

PRINCIPAL BANKER

I & M Bank (T) Ltd,
Main Branch,
P.O.BOX 1509,
Dar Es Salaam
Tanzania



BAKER TILLY

DGP & CO

Certified Public Accountant

PRINCEWARE AFRICA LIMITED

P.O. Box 5838,

Dar es Salaam

Annual Report 2011-12



an independent member of

**BAKER TILLY
INTERNATIONAL**

PRINCEWARE AFRICA LTD, P. O. BOX 5838, DAR-ES-SALAAM

	2012-2013 Tshs	2011-2012 Tshs
<u>COMPUTATION FOR INCOME TAX</u>		
Profit/(Loss) as per Accounts	(433,587,650)	(872,575,653)
Add: Disallowable Items		
Postage, Telephone & Internet (10%)	5,193,990	6,040,350
Motor Vehicle Fuel & Repairs Expenses (10%)	8,756,830	6,702,196
Travelling Expenses (10%)	14,273,478	16,117,295
Unrealised Foreign Currency loss	99,074,846	
Donations	-	-
Permit & Visa fees	43,480,985	44,523,226
Penalties and Fines	-	3,075,000
Loss on Sale of Fixed Assets	4,674,766	13,937,503
Interst Expense	918,216,274	668,660,753
W/off : Renovation to Leased Premises	33,802,454	58,200,051
Depreciation	806,688,540	822,109,582
	<u>1,500,574,513</u>	<u>766,790,304</u>
Less: Wear & Tear	934,227,490	1,290,783,748
Deductible Interst under thin Capitalisation U/s. 12	918,216,274	668,660,753
Renovation to lease hold premises	-	142,854,066
Taxable Income for the Year	(351,869,251)	(1,335,508,263)
Loss Brought Forward	(4,942,791,808)	(3,607,283,545)
NET TAXABLE INCOME / (LOSS)	<u>(5,294,661,060)</u>	<u>(4,942,791,808)</u>
Tax @ 30%	-	-

WEAR & TEAR SCHEDULE

	<u>CLASS I</u>	<u>CLASS II</u>	<u>CLASS III</u>	<u>Total</u>
W.D.V. as at 31.03.2012	25,316,874	3,467,812,494	46,676,979	3,539,806,347
Add: Additions	82,991,580	199,986,434	2,565,929	285,543,943
Add: Plant & Machinery		-		-
Less: Disposal	(26,315,400)	(78,500,000)	-	(104,815,400)
	<u>81,993,054</u>	<u>3,589,298,928</u>	<u>49,242,908</u>	<u>3,720,534,890</u>
<u>Wear & Tear</u>				
Wear & Tear at normal rates	30,747,400	897,324,730	6,155,360	934,227,490
Wear & Tear @ 50%		-		-
	<u>30,747,400</u>	<u>897,324,730</u>	<u>6,155,360</u>	<u>934,227,490</u>
W.D.V. as at 31.03.2013	<u>51,245,654</u>	<u>2,691,974,198</u>	<u>43,087,548</u>	<u>2,786,307,400</u>

PRINCEWARE AFRICA LTD, P. O. BOX 5838, DAR-ES-SALAAM

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2013 (COND)

20 RELATED PARTY DISCLOSURES	2012-2013	2011-2012
	Tshs	Tshs
<u>Shares Issued during the year</u>		
Princeware International Pvt. Ltd.	-	3,200,000,000
<u>Payments during the year</u>		
Princeware International Pvt. Ltd.	1,207,481,515	209,475,039
Prism Design and Tooling Technology Pvt. Ltd.	107,942,066	1,040,830,702
Princeware Africa (Kenya) Ltd.	-	50,355,001
Princeware Africa (Mozambique) Lda	-	14,093,000
Princeware Africa Trading (SA)	108,263,642	-
<u>Receipts during the year</u>		
Princeware International Pvt. Ltd.	-	116,948,401
Princeware Africa (Kenya) Ltd.	43,945,000	1,115,430,583
Prism Design and Tooling Technology Pvt. Ltd.	79,885,350	
<u>Forex Loss/(Gain) during the year</u>		
Princeware International Pvt. Ltd.	13,307,189	6,925,658
Princeware International Pvt. Ltd. Loan A/c	13,938,433	243,024,204
Prism Design and Tooling Technology Pvt. Ltd.	1,272,747	69,907,755
Rakesh Chheda (Director)	15,733	55,781
Princeware Global Holdings Ltd.	15,151,906	63,520,394
Princeware Africa (Kenya) Ltd.	(5,341,588)	(15,655,384)
Princeware Africa (Kenya) Ltd. Loan	(3,150,000)	-
Princeware Africa (Mozambique) Lda	(220,330)	(107,170)
Princeware Africa Trading (SA)	(3,361,063)	-
<u>Balance Payable at the year end</u>		
Princeware International Pvt. Ltd.	143,200,485	640,073,126
Princeware International Pvt. Ltd. Loan A/c	781,110,169	2,675,738,913
Prism Design and Tooling Technology Pvt. Ltd.	117,216,925	107,862,474
Rakesh Chheda (Director)	1,137,804	1,122,070
Princeware Global Holdings Ltd.	1,095,758,293	1,080,606,387
<u>Balance Receivable at the year end</u>		
Princeware Africa (Kenya) Ltd.	602,908,495	151,054,220
Princeware Africa (Mozambique) Lda	15,933,865	15,713,535
Princeware Africa (Kenya) Ltd. Loan	249,018,600	-
Princeware Africa Trading (SA)	112,712,804	-
Princeware Africa Trading (SA)	153,445,380	-

PRINCEWARE AFRICA LTD, P. O. BOX 5838, DAR-ES-SALAAM

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2013 (COND)

20 RELATED PARTY DISCLOSURES	2012-2013	2011-2012
	Tshs	Tshs
		0
<u>Sale of Goods & Services</u>		
<u>Common Directors</u>		
Princeware Africa (Kenya) Ltd.	404,525,006	572,187,517
Prism Tooling & Design technology	79,834,500	-
Princeware International Pvt. Ltd.	-	110,258,648
Princeware Africa Tradin (SA)	151393479	-
<u>Purchase of Goods & Services</u>		
<u>Common Directors</u>		
Princeware Africa (Kenya) Ltd.	-	7,799,726
Princeware International Pvt. Ltd. (Shareholder)	580,712,322	217,265,885
<u>Capital Goods Purchased</u>		
<u>Common Directors</u>		
Princeware Africa (Kenya) Ltd.	-	-
Prism Design and Tooling Technology Pvt. Ltd.	115,968,870	491,256,871
Princeware International Pvt. Ltd. (Shareholder)	82,674,368	413,371,765
<u>Loan Repayment/Given</u>		
<u>Common Directors</u>		
Princeware Global Holdings Ltd.	-	308,000,000
Princeware Africa (Mozambique) Lda	-	14,200,170
Princeware Africa (Kenya) ltd	245,868,600	-
Princeware International Pvt. Ltd. Loan A/c (Shareholder)	8,426,068,978	-
<u>Loan Received</u>		
<u>Common Directors</u>		
Princeware Global Holdings Ltd.	-	-
Princeware International Pvt. Ltd. Loan A/c (Shareholder)	6,075,546,800	1,817,695,887

PRINCEWARE AFRICA LTD, P. O. BOX 5838, DAR-ES-SALAAM

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2013 (COND)

	2012-2013 Tshs	2011-2012 Tshs	
17 Tax expense			
Current Tax			
Deffered tax expense relating to the origination and reversal of temporary differences	(47,717,303)	(225,079,924)	
	<u>(47,717,303)</u>	<u>(225,079,924)</u>	
<u>Reconciliation of book profit and taxable profit</u>			
Net Profit as per Income Statement	(433,587,650)	(872,575,653)	
Tax @ 30%	(130,076,295)	(261,772,696)	
<i>Adjustment for;</i>			
Postage, Telephone & Internet (10%)	1,558,197	1,812,105	
Motor Vehicle Fuel & Repairs Expenses (10%)	2,627,049	2,010,659	
Travelling Expenses (10%)	4,282,043	4,835,188	
Public Relation Expenses (50%)	-		
Unrealised foreign currency loss	29,722,524	-	
Permit & Visa fees	13,044,296	13,356,968	
Penalties and Fines	-	922,500	
Temporary Difference on Sale of Asset		9,574,101	
Loss on Sale of Fixed Assets	1,402,430	4,181,251	
	<u>(77,439,756)</u>	<u>(225,079,924)</u>	
Unrealised Foreign currency loss	<u>(29,722,453)</u>		
Balance as above	<u>(47,717,303)</u>		
18 Deferred Tax Assets			
Opening Balance	1,482,837,542	1,082,185,063	
Charge for the year	104,158,276	400,652,479	
Closing Balance	<u>1,586,995,818</u>	<u>1,482,837,542</u>	
19 Deferred Tax Liabilities			
Opening Balance	961,627,915	786,055,359	
Charge for the year	26,718,519	175,572,556	
Closing Balance	<u>988,346,434</u>	<u>961,627,915</u>	
<u>Deferred Tax Liability</u>	As at 01/04/12 Op Bal	Charge to P & L	As at 31/03/13 Bal
-Accelerated depreciation	961,627,915	26,718,519	988,346,434
DTL on unrealised loss		29,722,454	
	<u>961,627,915</u>	<u>56,440,973</u>	<u>988,346,434</u>
<u>Deferred Tax Asset</u>	As at 01/04/12 Op Bal	Charge to P & L	As at 31/03/13 Bal
- Carried forward losses	1,482,837,542	104,158,276	1,586,995,818
	<u>1,482,837,542</u>	<u>104,158,276</u>	<u>1,586,995,818</u>
Net Current Asset / (Liability)		47,717,303	

PRINCEWARE AFRICA LTD, P. O. BOX 5838, DAR-ES-SALAAM

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2013 (COND)

	2012-2013 Tshs	2011-2012 Tsh
15 SELLING & DISTRIBUTION EXPENSES		
Advertisement Expenses.	9,964,080	13,577,072
City Service Levy	13,259,048	12,646,079
Free Samples	-	-
Loading Charges on Outward Material	13,148,950	15,696,075
Export expenses	261,200,412	-
Research & Development Expenses	-	66,000
Business Promotion Exp	3,225,780	74,594,974
Rounding Off Difference	14,542	16,391
Incentive	17,118,266	-
Commission on Debt Collection	1,998,000	-
Trade Fair Expenses	33,701,271	44,945,647
Vehicle Fuel and Hiring Charges	48,932,840	52,823,705
	402,563,190	214,365,943
16 FINANCE COSTS		
Bank Charges and Commission	120,576,169	97,649,257
Interest on Overdraft	483,821,323	476,501,800
Interest on Term Loan	434,394,951	192,158,953
	1,038,792,443	766,310,010

PRINCEWARE AFRICA LTD, P. O. BOX 5838, DAR-ES-SALAAM

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2013 (COND)

	2012-2013	2011-2012
	Tshs	Tshs
14 ADMINISTRATIVE & ESTABLISHMENT EXPENSES		
Postage & Courier Charges	5,358,392	5,695,004
Consultancy Charges	4,722,000	-
Tele Communication Expenses	51,939,898	60,403,501
Licence & Renewals	4,000,000	2,505,000
Insurance	47,504,433	31,474,606
Filing Fees	280,000	78,000
Legal & Professional Charges	38,747,300	28,562,248
Membership Fee & Annual Subscription Fee	1,782,750	14,662,200
Office Expenses	3,561,323	11,760,017
Printing & Stationery / Books & Periodicals	11,688,912	15,244,658
Security Charges	44,882,500	59,390,628
Stamp Duty	-	-
Repairs & Maintenance	29,881,126	24,431,393
Conveyance & Travelling Expenses	142,734,783	161,172,949
Motor Vehicle Fuel Charges	57,550,062	48,785,587
Motor Vehicle Repairs & Other Exp	30,018,236	18,236,376
Donation A/c.	-	-
Rent & Service Charges	19,073,000	79,151,564
Electricity & Water	21,729,446	22,685,534
Depreciation	24,833,982	25,680,837
Salary & Other Related Expenses	432,103,472	187,130,563
Staff Welfare Expenses	198,524,807	70,723,636
Medical Expense	21,685,671	18,320,169
Recruitment Expenses	-	5,148,595
Permit & Visa Fees	43,480,985	44,523,226
Audit Fees	7,557,250	6,884,000
Taxes and Penalties	-	3,075,000
	<u>1,243,640,329</u>	<u>945,725,291</u>

PRINCEWARE AFRICA LTD, P. O. BOX 5838, DAR-ES-SALAAM**NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2013 (COND)**

	2012-2013	2011-2012
	Tshs	Tshs
12 PROVISIONS		
City Service Levy Payable	-	4,342,411
Electricity charges Payable	37,247,447	-
NSSF Payable	58,794	367,600
PAYE Payable	4,438,819	2,860,377
PPF Payable	4,551,944	3,429,286
Provision for Expenses	9,700,700	1,711,794
SDL Payable	2,678,846	2,219,601
Audit Fees Payable	7,557,250	6,276,000
Withholding tax Payable	2,664,372	(295,350)
	<u>68,898,172</u>	<u>20,911,720</u>
13 COST OF PRODUCTION		
<u>Material Cost</u>		
Op.St.of Raw Materials, Packing Materials, Consumables & :	2,438,234,643	971,376,348
Add: Purchases & Related Costs	4,162,330,109	9,348,982,180
	<u>6,600,564,752</u>	<u>10,320,358,528</u>
Less Cl. St.of Raw & Packing Materials, Consumables & Spa	1,493,253,548	2,438,234,643
	<u>5,107,311,204</u>	<u>7,882,123,885</u>
<u>Direct Labour and Factory Overheads</u>		
Labour Cost	130,632,827	377,011,226
Staff Welfare	176,050,300	62,717,185
Rent & Service Charges on Factory	171,657,000	175,329,000
Carriage Inward	6,009,603	24,542,837
Clearing Charges on Import RM/Consumables/FG	144,596,476	448,351,653
Diesel for Generator and Fork Lift	-	-
Electricity Charges	412,859,471	352,993,836
Import Duty on FG / Consumables	180,314,325	164,008,394
Repairs & Maintenance	14,095,114	70,326,917
Unloading Charges for Finished Goods & Materials	86,884,375	11,588,819
Water Charges	3,479,657	7,913,844
Printing Work on Finsihed Goods	34,560	-
W/off : Renovation to Leased Premises	33,802,454	58,200,051
Depreciation on Plant and Machinery & Moulds	781,854,558	796,428,745
Total Direct Labour and Factory Overheads	<u>2,142,270,721</u>	<u>2,549,412,507</u>
Add: Opening Stock of Work In Progress	-	-
	<u>2,142,270,721</u>	<u>2,549,412,507</u>
Less: Closing Stock of Work In Progress	41,590,902	-
	<u>2,100,679,819</u>	<u>2,549,412,507</u>
TOTAL COST OF PRODUCTION	<u>7,207,991,023</u>	<u>10,431,536,392</u>

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2013 (COND)

	2012-2013	2011-2012
	Tshs	Tshs
9 SECURED LOANS		
I & M USD Term Loan # & Bank of India Term loan	7,349,103,066	2,567,881,005
	<u>7,349,103,066</u>	<u>2,567,881,005</u>

The Above Term Loan and Bank Overdraft from I & M Bank (Tz) have been Secure against:
 Floating debentures on all the Fixed and Floating Assets of the company.
 Personal Guarantee from Mr. Rakesh Chheda and Mr. Bhavesh Chheda, the directors of the Company.
 Corporate Guarantee by Princeware International Pvt Ltd- India.

The Maximum amount of the facility shall be
 USD 1,625,000 as Term Loan.
 USD 800,000 as overdraft cum avalization of import documents cum LC facility. (Rate of Interest 8% p.a.)
 Tshs 1,000,000,000 as overdraft facility. (Rate of interest 15% p.a.)

The Term Loan and Bank Overdraft from I & M Bank (Kenya) have been Secure against:
 Personal Guarantee and Indeminites for USD 1,102,000 each, executed by Rakesh Kishor Chheda and Bhavesh Kishor Chheda.
 Corporate Guarantee and Indeminity of Princeware International Private Limited, India for USD 1,102,000.
 Corporate Guarantee and Indeminity of Princeware Africa (Kenya) Limited, for USD 1,102,000.
 Stanby Letter of Credit issued by Citibank N.A. for USD 1,000,000.

The Maximum amount of the facility shall be
 ***Letters of Credit 1 Cum Term Loan 1 USD 571,908 (Sanctioned Limit)
 **Forward Foreign Exchange Cover USD 1,000,000 (Sanctioned Limit)
 **Overdraft USD 1,550,000 (Sanctioned Limit) (Int. rate 8.5% p.a.)
 ***Letter of Credit 2 Cum Bill Avalisation USD 800,000 (Sanctioned Limit)
 ***Letter of Credit 3 Cum Term Loan 2

**Expires on 31 August 2012
 ***Upon maturity of L/C it will be converted into term Loan.

10 UNSECURED LOANS FROM ASSOCIATES		
Princeware International Pvt Ltd	781,110,169	2,675,738,914
Princeware Global Holdings Ltd	1,095,758,293	1,080,606,387
Rakesh Chheda	1,137,804	1,122,070
	<u>1,878,006,265</u>	<u>3,757,467,371</u>
11 BANK OVERDRAFT		
BOI USD##	564,079,249	548,724,691
I & M Bank Tsh #	987,831,596	999,453,478
I & M Bank USD #	2,260,245,559	4,622,221,282
(Refer Note 9)	<u>3,812,156,404</u>	<u>6,170,399,451</u>

Overdraft Facility from Bank of India is secured against Personal guarantee of Mr. Rakesh Chheda

The Maximum amount of the facility shall be USD 350,000 (rate of interest 8% p.a.)

PRINCEWARE AFRICA LTD, P. O. BOX 5838, DAR-ES-SALAAM

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2013 (COND)

	2012-2013 Tshs	2011-2012 Tshs
4 INVENTORIES		
Raw Materials	379,286,433	1,947,099,327
Work in Progress	41,590,902	-
Finished Goods	1,553,006,194	1,876,293,986
Packing Materials	988,756,990	179,662,593
Consumables	-	186,262,597
Engineering Spare	125,210,126	125,210,126
	<u>3,087,850,644</u>	<u>4,314,528,629</u>
5 OTHER RECEIVABLES		
Deposits (Sayona Drinks)	72,034	72,034
Deposit (Mobile)	1,250,000	1,100,000
Deposit with Zabbar Builders	-	784,500
Deposit with Nyota Tanzania Ltd	4,743,000	-
Deposit-Oilcom	-	1,000,000
Other Deposits	1,145,500	3,338,000
Advance for Imports	15,910,000	-
Imprest IOU	9,391,129	11,122,615
PPF Refundable to Employee	828,430	1,446,081.18
Staff Loan	1,996,490	909,300
Other Loans	12,000,000	12,000,000
Salary Advances	611,395	500,475
Prepaid Expenses	68,609,011	-
Travel Advance	1,199,272	350,087
VAT Refund	1,908,694,716	1,826,939,371
Advance to Suppliers	16,270,050	21,824,178
	<u>2,042,721,027</u>	<u>1,881,386,642</u>
6 INCOME TAX		
Income Tax	200,000	200,000
	<u>200,000</u>	<u>200,000</u>
7 CASH & CASH EQUIVALENTS		
Cash in Hand	1,288,763	8,952,628
Cash at Bank	11,868,890	18,875,571
	<u>13,157,653</u>	<u>27,828,199</u>
8 SHARE CAPITAL		
Authorized Capital		
1300 Ordinary Shares of Tshs 1,000,000/- each (Previous Year 1300 Ordinary Shares of Tshs 1,000,000/- each)	<u>1,300,000,000</u>	<u>1,300,000,000</u>
Issued and Fully Paid up Capital		
1300 Ordinary Shares of Tshs 1,000,000/- each (Previous Year 1300 Ordinary Shares of Tshs 1,000,000/- each)	<u>1,300,000,000</u>	<u>1,300,000,000</u>

PRINCEWARE AFRICA LTD, P. O. BOX 5838, DAR-ES-SALAAM

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2013 (COND)

3 FIXED ASSETS		Depreciation for the year									
Sr. No.	Particulars	Opening Bal. 01.04.2012	Additions	(Disposals) / Transfer	As at 31.03.2013	Opening Bal. 01.04.2012	Charged in current period	Disposals Reversal	As at 31.03.2013	WDV as at 31.03.2013	WDV as at 31.03.2012
		Tshs.	Tshs.	Tshs.	Tshs.	Tshs.	Tshs.	Tshs.	Tshs.	Tshs.	Tshs.
1	Computers & Printers	23,431,764	2,186,580		25,618,344	5,644,216	3,107,669		8,751,885	16,866,459	17,787,548
2	Electric Installations	128,695,812			128,695,812	15,108,288	7,190,090		22,298,378	106,397,434	113,587,524
3	Furniture & Fixtures	33,498,296	2,032,031		35,530,327	3,710,429	1,981,960		5,692,389	29,837,938	29,787,867
4	Motor Vehicles	105,034,382	80,805,000	(44,455,000.00)	141,384,382	19,655,411	9,505,260	(7,390,324.00)	21,770,347	119,614,035	85,378,971
5	Moulds	2,820,762,887	199,986,434	(54,477,022.60)	2,966,272,298	609,936,770	369,287,181	(4,704,895.00)	974,519,056	1,991,753,242	2,210,826,117
6	Office Equipments	29,704,503	533,898.31		30,238,401	8,024,853	3,049,003		11,073,856	19,164,545	21,679,650
7	Plant & Machinery	4,855,745,350		(28,863,864.00)	4,826,881,486	843,078,700	412,567,377	(6,210,502.00)	1,249,435,575	3,577,445,911	4,012,666,650
	TOTAL	7,996,872,993	285,543,943	(127,795,887)	8,154,621,049	1,505,158,667	806,688,540	(18,305,721)	2,293,541,486	5,861,079,563	6,491,714,326
	Previous Year	7,019,747,748	1,021,607,035	(44,481,790)	7,996,872,993	689,470,898	822,109,582	(6,421,813)	1,505,158,667	6,491,714,326	6,330,276,849
	Renovation to	Opening Bal.	Additions		As at	Opening Bal.	Charged in	Disposal/	As at	WDV as at	WDV as at
	Leased Premises	01.04.2012			31.03.2013	01.04.2012	current period	Reversal	31.03.2013	31.03.2013	31.03.2012
8	Lease Premises Building	338,024,539			338,024,539	84,506,135	33,802,454		118,308,589	219,715,950	253,518,404
	Previous Year	195,170,473	142,854,066		338,024,539	26,306,084	58,200,051		84,506,135	253,518,404	168,864,389

settle the obligation; and the amount has been reliably estimated. Where the Company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

O. FINANCIAL RISK MANAGEMENT

The Companies activities expose it to a variety of financial risks: foreign currency risk, credit risk, commodity price fluctuation risk and cash flow interest-rate risk. The Company's overall risk management programme seeks to minimize potential adverse effects on the financial performance. Risks management is carried out by the management on behalf of the Board of Directors.

Credit risk

The Company has no significant concentrations of credit risk. It has policies in place to ensure that the goods are sold to customers with an appropriate credit history.

Foreign currency risk

As and when the need arises, the Company enters into transactions denominated in foreign currencies (primarily United States Dollars ("US\$")). In addition, the Company has assets and liabilities denominated in United States Dollars ("US\$"). As a result, the Company is subject to transaction and translation exposure from fluctuations in foreign currency exchange rates.

Exposure to foreign currency risk is mitigated by the fact that (i) majority of purchases of Raw Materials and Packing Materials are imported, (ii) Balances due to suppliers on account of purchase of Property, Plant & Equipments which are imported like Plant & Machineries and Moulds and (iii) Balances of Loan outstanding which is obtained from Related Parties for fulfilling working capital requirements / payment to capex creditors and (iv) Term Loan / Overdraft facility from Bank for working capital requirements / payment to capex creditors are in hard currencies (US dollars). The Company exports its goods, at a marginal percent as compared to the Total Turnover the Company.

Interest rates and liquidity risk

Fluctuation in interest rates impacts on the operating activities. In the ordinary course of business, the Company receives cash from its operations and is required to fund working capital and capital expenditure requirements. Funding deficits for the Company operations have mainly been financed through cash advance from sister companies within the Group, bank borrowings and overdrafts from financial institutions.

P. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances.

Figures of previous year have been regrouped wherever necessary so as to make them comparable with the current year's figures.

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2013

J. BORROWINGS

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost and any difference between proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

The Company has no default of Principal repayment or interest payment for loan granted by the Bank during the current period under audit.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

K. DEFERRED INCOME TAXES

Income tax expense is the aggregate of the charge to the profit and loss account in respect of current income tax and deferred income tax. Current income tax is the amount of income tax payable on the taxable profit for the year determined in accordance with the Tanzania Income Tax Act, 2004.

Deferred income tax is provided in full using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted at the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that the directors consider that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is recognised as income tax benefit or expense in the year in which it arises.

L. INTANGIBLE ASSETS

There are no Intangible assets generated or acquired by the company during the period under audit.

M. EMPLOYEES BENEFITS

The Company has defined benefits contributions plans. Under defined contribution plan, the Company contributions to publicly administered pension plans (NSSF or PPF) on a mandatory basis. The Company has no further payment obligations once the contributions have been paid.

N. PROVISIONS

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2013

using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

ii) Reversal of impairment

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment has been recognized.

F. OPERATING & FINANCE LEASES

The company is having no finance lease transaction during the period. The company has operating lease agreement during the period. Operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

There is no future commitments arising out of operating lease agreements as on the date of balance sheet since all such agreements requires payments to be made in advance and the same have been disclosed under deposits and advance.

G. INVENTORIES

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the weighted average cost method and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Net realisable value is the estimated selling price in the open market less applicable selling expenses. Stores and consumables are stated at cost less any provision for obsolescence.

H. ACCOUNTS RECEIVABLE

Receivables are initially recognised at fair value and subsequently measured at their amortised costs using effective interest method. A provision for impairment trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the carrying amount and the expected cash flows discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

I. CASH AND CASH EQUIVALENTS

Cash & Cash equivalents comprise of cash held by the company and current accounts operated with banks for companies normal trade transactions. The carrying amount of these assets approximates their fair value.

D. PROPERTY, PLANT AND EQUIPMENT

All property, plant and equipment are shown at cost, less accumulated depreciation and impairment, if any. Cost includes expenditure directly attributable to the acquisition of the items. Subsequent costs are included in asset's carrying amount or recognized as a separate asset,

as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be reliably measured.

Depreciation on all the property, plant and equipment is calculated using the written down value method to allocate the cost of each asset to its residual value over the estimated useful life. The Rates of Depreciation are as follows:

<u>Particulars</u>	<u>Rate</u>
Computer & Printers	16.21%
Electric Installations	6.33%
Furniture & Fixtures	6.33%
Motor vehicles	9.50%
Moulds	16.21%
Office Equipments	13.91%
Plant & machinery	10.34%

Major renovations are depreciated over the remaining useful life of the related asset or to the date of the next major renovation, whichever is sooner. All other repairs and maintenance expenditures are charged to the profit and loss account during the financial period in which they are incurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gain or losses on disposals are determined by comparing the disposal proceeds with the carrying amount and are included in the profit and loss account.

E. IMPAIRMENT OF ASSETS

Assets that have an indefinite useful life are not subjected to amortization and are tested annually for impairment. Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separable identifiable cash flows (cash-generating units).

i) Calculation of recoverable amount

Trade and other receivables with a short duration are not discounted to determine the recoverable amount. The recoverable amount of other assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2013

- q. Amendments to IAS 39 – Financial instruments – with respect to Novation of Derivatives and continuation of Hedge accounting. (Applicable to annual periods beginning on or after 1st January, 2014)
- r. IFRIC 21 – Levies. When to recognize liability for a levy imposed by government in accordance with IAS 37. (Applicable to annual periods beginning on or after 1st January, 2014)

The adoption of these interpretations and the relevant standards has not led to any change in the accounting policies of the company.

A. BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board (IASB). The financial statements are presented in the functional currency, Tanzania Shillings (TShs).

The Financial Statements incorporate Financial Statements of the Company Only.

The policies set out below have been consistently applied to all the years presented except for those relating to the classification and measurement of financial instruments. These financial statements have been prepared under the historical cost convention. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying company's accounting policies. The areas involving a high degree of judgement or complexity, on where assumptions and estimates are significant to the financial statement are disclosed in Notes.

B. REVENUE RECOGNITION

Revenue comprises of the fair value of the consideration received or receivable for good sold in the ordinary course of company's activities. Revenue is shown net of value-added tax.

Revenue from Sale of goods is recognised when the goods are delivered and title has passed.

C. FOREIGN CURRENCY TRANSLATION

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional currency for the company is the Tanzania Shillings.

(ii) Transactions and balances

Foreign currency transactions are translated into Tanzania Shillings using the exchange rate prevailing at the dates of the transactions. Monetary assets and liabilities at the balance sheet date, which are expressed in foreign currencies, are translated into Tanzania Shillings at rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the profit and loss account.

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2013

1 GENERAL INFORMATION

Princeware Africa Limited is incorporated in Tanzania under the Companies Ordinance as a limited liability company and it is domiciled in Tanzania. The Company was incorporated on 10th February 2009 as "Serengeti Plastics Limited". The Company changed its name to "PRINCEWARE AFRICA LIMITED" vide Certificate of change of Name dated 10th July 2009. The principal activities of the company are disclosed in the Directors Report and in Note 2. The new address of its registered office and its principal places of business is Plot No. 129/130, Pugu Road Kipawa, P O Box 5838, Dar es Salaam – Tanzania.

2 ADOPTION OF NEW AND REVISED STANDARDS & INTERPRETATIONS

a) Standards, Amendments to the standards and Interpretations effective in the year 2012/13

The following new interpretations issued by the IFRIC are mandatory for the accounting periods beginning on or after 1st January 2012:-

- a. Amendments to IAS 12 – Deferred Tax: Recovery of underlying assets (effective from 1 January 2012)

The adoption of these interpretations and the relevant standards has not led to any change in accounting policy of the company.

b) Standards, Amendments and Interpretations issued, but not yet effective

A number of new standards, amendments to standards and interpretations are effective for forthcoming periods and the company had not adopted any of these Standards, Amendments of interpretations from an early date. The management does not foresee any major change in the accounting policies of the company due to such amendments.

- a. IFRS 9 – Financial Instruments (effective from 1st January 2015);
- b. Amendments to IFRS 9 and IFRS 7 – Mandatory Effective date of IFRS 9 and Transition Disclosures (effective from 1 January 2015)
- c. IFRS 10 – Consolidated Financial Statements (effective from 1 January 2013)
- d. IFRS 11 – Joint Arrangements (effective from 1 January 2013)
- e. IFRS 12 – Disclosure of Interest in other entities (effective from 1 January 2013)
- f. IFRS 10 – Consolidated Financial Statements, IFRS 11 – Joint Arrangements and IFRS 12 – Disclosure of Interest in other entities: Transition guidance (effective from 1 January 2013)
- g. IAS 27 – Separate Financial Statements (as revised in 2011) (effective from 1 January 2013)
- h. IAS 28 – Investments in Associates and Joint Ventures (as revised in 2011) (effective from 1 January 2013)
- i. IFRS 13 – Fair Value Measurement (effective from 1 January 2013)
- j. IAS 19 – Employee benefits (as revised in 2011) (effective from 1 January 2013)
- k. Amendments to IFRS 1 – Government Loans (effective from 1 January 2013)
- l. Amendments to IFRS 7 Disclosures – Offsetting Financial Assets and Financial Liabilities (effective from 1 January 2013)
- m. Amendments to IAS 1 – Presentation of items of Other Comprehensive income (effective from 1 July 2012)
- n. Amendments to IAs 32 Offsetting Financial Assets and Financial Liabilities (effective from 1 January 2014)
- o. IFRIC 20 Stripping Costs in the Production of Phase of a surface mine Amendments to IFRS 7 Disclosures – Offsetting Financial Assets and Financial Liabilities (effective from 1 January 2013)
- p. Amendments to IAS 36 Impairment of Assets – with respect to Recoverable Amount Disclosures for Non – Financial Assets . (Applicable to annual periods beginning on or after 1st January, 2014)


PRINCEWARE AFRICA LTD, P. O. BOX 5838, DAR-ES-SALAAM

STATEMENT OF CASH FLOWS FOR THE TEAR ENDED ON 31ST MARCH, 2013

	2012-2013 Tshs	2011-2012 Tshs
Profit before tax	(385,870,347)	(872,575,653)
Prior Period (Expenses) / Income	(206,796,666)	2,885,639
Adjustment for Depreciation	806,688,540	822,109,582
Profit/Loss on Sale of Fixed Assets	(18,305,721)	13,937,503
Tax Expense	(47,717,303)	7,122,472
W/off : Renovation to Leased Premises	33,802,454	58,200,051
Cash Flows before Working Capital Changes	<u>181,800,957</u>	<u>31,679,594</u>
(Increase)/Decrease in Inventories	1,226,677,985	(1,971,748,893)
(Increase)/Decrease in Trade & Other Receivables	(520,167,341)	(1,682,009,900)
(Increase)/Decrease in Due from Associates	(210,897,514)	470,832,237
(Increase)/Decrease in Other Receivables	(161,334,385)	(903,031,417)
Increase/(Decrease) in Bank Overdraft	(2,358,243,047)	3,879,767,028
Increase/(Decrease) in Trade Payable	(447,532,531)	(627,216,948)
Increase/(Decrease) in Due to Associates	(516,774,021)	(44,888,054)
Increase/(Decrease) in Others Payable	-	9,823,465
Increase/(Decrease) in Provisions	47,986,453	530,014
	<u>(2,940,284,401)</u>	<u>(867,942,468)</u>
Cash Generated from Operations	(2,758,483,444)	(836,262,874)
Less: Income Tax Expense	-	-
NET CASH FROM OPERATING ACTIVITIES	A <u>(2,758,483,444)</u>	(836,262,874)
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
Increase / (Decrease) in Secured Loans	4,781,222,060	120,777,255
Increase / (Decrease) in Unsecured Loans	(1,879,461,106)	(1,383,703,733)
Increase in Share Capital	-	700,000,000
Increase in Redeemable Preference Shares	-	2,500,000,000
NET CASH FROM FINANCING ACTIVITIES	B <u>2,901,760,955</u>	1,937,073,522
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
Purchases of Assets	(285,543,943)	(1,021,607,035)
Sale of Fixed Assets	127,795,887	17,000,000
Capital Work In Progress	-	-
Renovation to Leased Premises	-	(142,854,066)
NET CASH USED IN INVESTING ACTIVITIES	C <u>(157,748,056)</u>	(1,147,461,101)
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENT (A+B+C)	(14,470,546)	(46,650,453)
Cash & Cash Equivalent as at Beginning of the year	27,828,199	74,478,654
Cash & Cash Equivalent as at End of the year	<u>13,357,652</u>	<u>27,828,199</u>

The financial statements on pages 6 to 9 were approved by the Board of Directors and were signed on their behalf by:-

Report of Auditor on Page 4 & 5



Director

Date: - 26 DEC 2013



Director

Notes on Pages 10 - 24 form an integral part of these Financial Statements

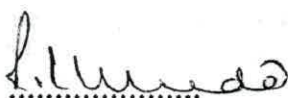
PRINCEWARE AFRICA LTD, P. O. BOX 5838, DAR-ES-SALAAM

STATEMENT OF CHANGE IN EQUITY FOR YEAR ENDED ON 31ST MARCH 2013

PARTICULARS	SHARE CAPITAL	RETAINED EARNINGS	Total
	Tshs	Tshs	Tshs
Balance as at 1st April 2011	600,000,000	(775,610,848)	(175,610,848)
Redeemable preference shares	2,500,000,000		
Issue of shares	700,000,000		700,000,000
Profit / (Loss) for the period	-	(647,495,729)	(647,495,729)
Prior period (expense) / Income		2,885,639	2,885,639
Balance as at 31st March 2012	3,800,000,000	(1,420,220,938)	(120,220,938)
Balance as at 1st April 2012	3,800,000,000	(1,420,220,938)	2,379,779,062
Prior year taxes paid		(206,796,666)	(206,796,666)
Issue of shares	-	-	-
Profit / (Loss) for the period	-	(385,870,347)	(385,870,347)
Balance as at 31st March 2013	3,800,000,000	(2,012,887,951)	1,787,112,046

The financial statements on pages 6 to 9 were approved by the Board of Directors and were signed on their behalf by:-

Report of Auditor on Page 4 & 5



Director

Date: - 26 DEC 2013



Director

Notes on Pages 10 - 24 form an integral part of these Financial Statements

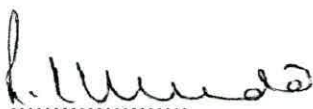
PRINCEWARE AFRICA LTD, P. O. BOX 5838, DAR-ES-SALAAM

**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED ON
31ST MARCH 2013**

	<u>NOTE</u>	2012-2013 Tshs	2011-2012 Tshs
SALES			
Sales of Goods		10,188,700,269	12,005,552,923
Less: Discounts allowed		(311,702,440)	(465,464,045)
Net Sales		<u>9,876,997,829</u>	<u>11,540,088,878</u>
LESS : COST OF SALES			
Opening Stock of Finished Goods		1,876,293,986	1,371,403,388
Add : Cost of Production	13	7,207,991,023	10,431,536,392
		<u>9,084,285,009</u>	<u>11,802,939,780</u>
Less : Closing Stock of Finished Goods		1,553,006,194	1,876,293,986
TOTAL COST OF SALES		<u>7,531,278,815</u>	<u>9,926,645,794</u>
GROSS PROFIT		2,345,719,015	1,613,443,084
ADD : OTHER INCOME			
Insurance Claim Received & Other Income		18,448,296	13,810,697
Miscellaneous Income		47,730,000	852,236
Exchange Gain / (Loss)		(155,814,232)	(560,342,923)
		<u>2,256,083,078</u>	<u>1,067,763,094</u>
LESS: EXPENSES			
Administrative and Establishment Expenses	14	1,243,640,329	945,725,291
Selling & Distribution Expenses	15	402,563,190	214,365,943
Finance Costs	16	1,038,792,443	766,310,010
Loss on Sale of Fixed Assets		4,674,766	13,937,503
		<u>2,689,670,728</u>	<u>1,940,338,747</u>
PROFIT/(LOSS) FOR THE YEAR BEFORE TAX		(433,587,650)	(872,575,653)
Less : Tax Expense	17	(47,717,303)	(225,079,924)
		<u>(385,870,347)</u>	<u>(647,495,729)</u>
PROFIT/(LOSS) FOR THE YEAR AFTER TAX		(385,870,347)	(647,495,729)
OPENING Balance of Profit/(Loss)		(1,420,220,938)	(772,725,209)
RETAINED PROFITS/(LOSS) CARRIED FORWARD		(1,806,091,285)	(1,420,220,938)

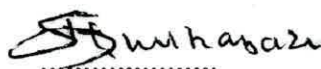
The financial statements on pages 6 to 9 were approved by the Board of Directors and were signed on their behalf by:-

Report of Auditor on Page 4 & 5



Director

Date: - 26 DEC 2013



Director

Notes on Pages 10 - 24 form an integral part of these Financial Statements

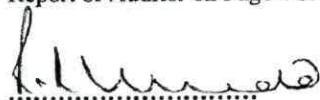
PRINCEWARE AFRICA LTD, P. O. BOX 5838, DAR-ES-SALAAM

STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2013

ASSETS	NOTE	2012-13 Tshs	2011-2012 Tshs
<u>NON - CURRENT ASSETS</u>			
Property, Plant & Equipment	3	5,861,079,563	6,491,714,326
Renovation to Leased Premises	3	219,715,950	253,518,404
Deferred Tax Assets	18	1,586,995,818	1,482,837,542
		<u>7,667,791,331</u>	<u>8,228,070,272</u>
<u>CURRENT ASSETS</u>			
Inventories	4	3,087,850,644	4,314,528,629
Trade Receivables		3,853,906,399	3,249,009,340
Due from Associates		377,665,269	166,767,755
Other Receivables	5	2,042,721,027	1,881,386,642
Income Tax	6	200,000	200,000
Cash and Cash Equivalents	7	13,157,653	27,828,199
Interest Receivable		-	84,529,718
		<u>9,375,500,992</u>	<u>9,724,250,283</u>
Total		<u><u>17,043,292,323</u></u>	<u><u>17,952,320,555</u></u>
FINANCED BY:			
<u>EQUITY</u>			
Share Capital	8	1,300,000,000	1,300,000,000
Redeemable Preference shares		2,500,000,000	2,500,000,000
Profit & Loss Account		(2,012,887,951)	(1,420,220,938)
		<u>1,787,112,049</u>	<u>2,379,779,062</u>
<u>NON - CURRENT LIABILITIES</u>			
Secured Loans	9	7,349,103,066	2,567,881,005
Unsecured Loans from Associates	10	1,878,006,265	3,757,467,371
Deferred Tax Liabilities	19	1,018,068,888	961,627,915
		<u>10,245,178,219</u>	<u>7,286,976,291</u>
<u>CURRENT LIABILITIES</u>			
Bank Overdraft	11	3,812,156,404	6,170,399,451
Trade Payables		866,787,856	1,314,320,387
Advance from Customers		2,742,214	31,998,045
Due to Associates		260,417,410	747,935,600
Provisions	12	68,898,172	20,911,719
		<u>5,011,002,055</u>	<u>8,285,565,202</u>
TOTAL NET LIABILITIES		<u><u>17,043,292,323</u></u>	<u><u>17,952,320,555</u></u>

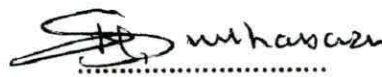
The financial statements on pages 6 to 9 were approved by the Board of Directors and were signed on their behalf by:-

Report of Auditor on Page 4 & 5



Director

Date: - 26 DEC 2013



Director

Notes on Pages 10 - 24 form an integral part of these Financial Statements



Report on other Legal and Regulatory Requirements

This report, including our opinion, has been prepared for, and only for, the Company's members as a body in accordance with the Companies Act 2002 and for no other purpose.

As required by the Companies Act 2002, we report to you, based on our audit that:

- i. We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.;
- ii. In our opinion, proper books of accounts have been kept by the Company, so far as appears from our examination of those books;
- iii. The director's report is consistent with the financial statements;
- iv. Information specified by the law regarding director's remuneration and transactions with the company is disclosed; and
- v. The Company's balance sheet and income statement are in agreement with the books of accounts.

For Baker Tilly DGP & Co.
Certified Public Accountants,



Kailas K. Bhattbhatt
Partner

Place : Dar Es Salaam

Dated :

27 DEC 2013



BAKER TILLY DGP & CO

Certified Public Accountants

Office 10-2, Level 10, IT Plaza,
Garden Avenue / Ohio Street,
P. O. Box - 1314, Dar es Salaam
Tanzania

T: +255 (0)22 2112128, 2125597
F: +255 (0)22 2122300

info@bakertillydgp.com
www.bakertillydgp.com

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PRINCEWARE AFRICA LIMITED

We have audited the accompanying financial statements of **PRINCEWARE AFRICA LIMITED**, set out herewith, which comprises of Statement of Financial Position as at 31st March 2013, Statement of Comprehensive Income for the year ended 31st March, 2013, Statement of changes in equity and Statement of Cash flows for the year then ended, summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

As described in the Directors' report, the company's Board of Directors is responsible for the preparation of the financial statements in accordance with the International Financial Reporting Standards and in compliance with Companies Act 2002. This responsibility includes: design, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements, give a true and fair view of the state of financial affairs of the Company as at 31st March, 2013 and of its cash flows for the year then ended in accordance with International Financial Reporting Standards and the Companies Act 2002.

PRINCEWARE AFRICA LIMITED, P.O.BOX 5838, DAR-ES-SALAAM

**DIRECTORS REPORT TO THE MEMBERS OF THE COMPANY FOR THE YEAR ENDED ON
31st MARCH 2013**

7. Future Development of Companies Activities

The Company is in process of expanding its activity of Manufacturing with bringing new machineries & moulds will increase the production capacity and also with introduction of new product range.

8. Related Party Transactions

The details of Related Party Transactions are disclosed in notes to the accounts.

9. Employee Welfare

The Company thrust towards ensuring its employees health and welfare has been continuing. The Company also committed towards protecting the environment and the eco system, ultimately leading to a safe working place for the workers.

10. Solvency

The Directors present this report ongoing basis and assure the members about the capability and soundness of the company for the future growth and progress in nature on financial condition.

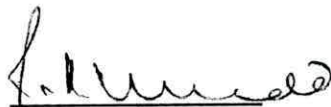
11. Auditors

The auditors, Baker Tilly DGP& Co., (Formerly known as D. G. Patel & Co.) have expressed their willingness to continue in office and are eligible for re-appointment. A resolution proposing the re-appointment of Baker Tilly DGP & Co. as auditors of the Company for the year 2013-2014 will be put to the Annual General Meeting.

12. Gratitude

The Board of Directors expresses its sincere gratitude to the Government of the Union Republic of Tanzania, Bank of Tanzania, and Tanzania Investment Centre, valued clients, staff and well wishers for their co-operation.

BY ORDER OF THE BOARD



Director



Director

Date:

Place: 26 DEC 2013

PRINCEWARE AFRICA LIMITED, P.O.BOX 5838, DAR-ES-SALAAM

**DIRECTORS REPORT TO THE MEMBERS OF THE COMPANY FOR THE YEAR ENDED ON
31ST MARCH 2013**

5. Shares Holding

(a) Ordinary Shares:

Name of Share Holder	Nationality / Country of Incorporation	No. of Shares held as on 31.3.2013	Remark
Princeware Global Holding Ltd	Mauritius	288	
Princeware International Pvt. Ltd	India	1012	12 Shares Tfd from Princeware Global Holdings Ltd. on 03/06/2011 and 3 shares Tfd from Mr. Rakesh Chheda on 12/05/2011. Additional 700 shares allotted on 15 th March 2012

(b) Preference Shares:

Name of Share Holder	Nationality / Country of Incorporation	No. of Shares held as on 31.3.2012	Remark
Princeware International Pvt. Ltd	India	2,500	2,500 shares allotted on 23 rd March 2012

6. Directors

The Directors of the Company at the date of this report, unless otherwise stated are:

Name	Nationality	Position	Remark
1) Mr. Rakesh Chheda	Indian	Director	Continuing from 1 April 2011
2) Mr. Vijay Rai	Indian	Director	Continuing from 1 April 2011
3) Mr Nathalal S Dudhagara	Indian	Director	Appointed from 1 Dec 2012

PRINCEWARE AFRICA LIMITED, P.O.BOX 5838, DAR-ES-SALAAM

DIRECTORS REPORT TO THE MEMBERS OF THE COMPANY FOR THE YEAR ENDED ON 31ST MARCH 2013

1. *Introduction*

The Board of Directors express pleasure in presenting the Third Annual Report of your Company together with Audited Financial Statements for the year ended 31st March, 2013.

Princeware Africa Limited a Company incorporated under the Companies Act 2002 on 10th February, 2009 (previously known as "Serengeti Plastics Limited" change of name on 10th July 2009). The company commenced business on 1st July, 2009.

2. *Principal Activities*

The Company engages in the business of Manufacture & Trading of Plastic Products.

3. *Dividend*

The Directors do not recommend the declaration of a dividend for the year.

4. *Statement of Directors responsibility*

The Companies Act 2002 requires the directors to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the company as at the end of the financial period and of its profit or loss. It also requires the directors to ensure that the company keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the company. The directors are also responsible for safeguarding the assets of the company.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and the requirements of the Companies Act. The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company and of their profit or loss. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

PRINCEWARE AFRICA LIMITED, P.O.BOX 5838, DAR-ES-SALAAM

**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31ST MARCH 2013.**

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2. Auditors' Report.	4-5
3. Statement of Financial Position	6
4. Statement of Comprehensive Income	7
5. Statement of Changes in Equity	8
6. Statement of Cash Flow	9
7. Notes to the accounts	10-24

PRINCEWARE AFRICA LIMITED, P.O.BOX 5838, DAR-ES-SALAAM

**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31ST MARCH 2013.**

CORPORATE INFORMATION:-

BOARD OF DIRECTORS

1) Mr. Rakesh Chheda	Indian	Director
2) Mr. Vijay Rai	Indian	Director
3) Mr. Nathalal S Dudhagara	Indian	Director

REGISTERED OFFICE OF THE COMPANY

Plot No. 129/130, Pugu road, Kipawa,
Julius Nyere Road,
P.O. Box 5838, Dar Es Salaam
Tanzania.

AUDITORS

BAKER TILLY DGP & CO.
Certified Public Accountants
P.O.Box-1314
Dar Es Salaam
Tanzania

PRINCIPAL BANKER

I & M Bank (T) Ltd,
Main Branch,
P.O.BOX 1509,
Dar Es Salaam
Tanzania



BAKER TILLY
DGP & CO
Certified Public Accountants

PRINCEWARE AFRICA LIMITED
P.O. Box 5838,
Dar es Salaam
Annual Report 2012-13



an independent member of
BAKER TILLY
INTERNATIONAL

NAME ADDRESS AND DESCRIPTION OF SUBSCRIBERS	NUMBER OF SHARES TAKEN	SIGNATURE
NEELKANTH TANZANIA LIMITED PO BOX 11908 DAR ES SALAAM TANZANIA	50	<i>[Signature]</i>
PRINCEWARE INTERNATIONAL PRIVATE LIMITED 51/3, MAROL CO-OPERATIVE INDUSTRIAL AREA M V ROAD, ANDHERI EAST, MUMBAI INDIA	49	<i>[Signature]</i>
RAKESH CHHEDA 51/3, MAROL CO-OPERATIVE INDUSTRIAL AREA M V ROAD, ANDHERI EAST, MUMBAI INDIA	1	<i>[Signature]</i>

Dated this 2nd day of FEBRUARY 2009

Witness to the above Signatories

Name : SURENDRA M. MAWJI
Signature : *[Signature]*
Postal Address : P.O. BOX 763, DAR-ES-SALAAM
Qualification : (CHARTERED) PATENT ATTORNEY.



118. Save as hereinabove provided, notice of every General Meeting shall be given to every member of the Company.

INDEMNITY

119. Save and except so far as the provisions of this Article shall be avoided by any provisions of the Statutes, the Directors, Auditors and Secretary and other Officers for the time being of the Company and the trustees, if any, for the time being acting in relation to any of the officers of the Company shall be indemnified out of its assets against all costs, charges, expenses, losses and liabilities sustained or incurred by him in the conduct of the Company's business or in the discharge of his duties.

ARBITRATION

120. If and wherever any difference shall arise between the Company and any of the members or of their representatives touching the construction of any of the Articles herein confined or any act or thing made or done or to be done or to be made or done or omitted or in regard to the liabilities and rights arising there under or arising out of the relation existing between the parties by reason of these Articles or of the Companies Ordinance, such difference shall, forthwith, be referred to two arbitrators to be appointed by each party in difference or an umpire, to be chosen by the arbitrators before entering on the consideration of the matters referred to them and every such reference shall be conducted in accordance with the Law of arbitration for the time being force in Singapore.

ACCOUNTS

109. The Directors shall cause proper books of accounts to be kept with respect to:
- a) All sums of money received and expended by the Company and the matters in respect of 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.
110. The books of accounts 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.
111. 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 Directors or by ordinary resolution of the Company.
112. The Directors from time to time, in accordance with sections 150, 153 and 155 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.
113. 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 Auditor's report 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 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

114. Auditors shall be appointed and their duties regulated in accordance with sections 170 to 179 of the Act.

NOTICES

115. Any notice or document may be served by the Company upon any member, either personally or by sending it through the post in a prepaid letter, envelope or wrapper, addressed to such member at his registered place of address.
116. Any member whose registered place of address is not in Tanzania may from time to time notify in writing to the Company address in Tanzania which shall be deemed his registered place of address within the meaning of the last preceding Articles. If he shall not have named such an address, he shall not be entitled to any notices.
117. Any notice or document sent by post shall be deemed to have been served within three days of the day following that on which the letter, envelope or wrapper containing the same is posted, and in providing such service it shall be sufficient to prove that the letter, envelope, or wrapper containing the notice was properly stamped, addressed and put into the post office.

by such members respectively, or in paying up in full unissued shares, debentures or securities of the Company of nominal amount equal to such profits, such shares, debentures or securities to be allotted and distributed, credited as fully paid up, to and amongst the members in the proportion aforesaid, or partly in one way and partly in the other; provided that a share premium account and a capital redemption reserve fund may, for the purposes of this Article, only be applied in the paying up of unissued shares to be issued to the members of the company as fully paid bonus shares.

104. Whenever such resolution as aforesaid shall have been passed, the Directors shall make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issue of fully paid shares, debentures or securities, if any, and generally shall do all acts and things required to give effect thereto with full power to the directors to make such provisions by issue of fractional certificates or by payment in cash or otherwise as they think fit for the case of shares, debentures or securities becoming distributable in fractions, and also where necessary to deliver a proper contract for registration as required by the Statutes to authorize any person to enter on behalf of all members interested into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares to which they may be entitled upon such capitalization, and any agreement made under such authority shall be effective and binding on all such members.

105. A General Meeting may resolve that any surplus moneys arising from the accretion of any capital assets of the Company, or any investments representing the same, or any other undistributed profits of the Company not subject to charge for income tax, be distributed among the members of the footing that they receive the same as capital.

SECRETARY

106. 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.

107. 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

108. The seal shall only be used by the authority of Directors or of a Committee of the Directors authorized by 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.

holders thereto preferential right with regard to dividend such interim dividends as appear to the Directors to be justified by the profits of the Company, and provided that the Directors act bona fide they shall not incur any responsibility to the holders of shares conferring a preference for any damage that they may suffer by reason of the payment of interim dividend on any shares giving deferred rights. The Directors may also pay yearly or at other suitable intervals to be settled by them any dividend which may be payable at a fixed rate if they are of the opinion that profits justify the payments.

99. The Directors may deduct from dividend or bonus payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise.
100. The Directors may retain any dividends and bonuses payable on shares on which the Company has alien and may apply the same in or towards satisfaction of the liability in respect of which the lien exists.
101. No unpaid dividend, bonus or interest shall bear interest against the Company.

RESERVES

102. The Directors may before recommending any dividends whether preferential or otherwise, carry to reserve out of profits of the Company such sums as they think proper and may also carry to reserve any premiums received upon issue of shares, securities or obligations of the Company. All sums standing to reserve may be applied from time to time at the discretion of the Directors for meeting depreciation or contingencies or for special dividends or bonuses, or for equalizing dividends or for repairing, improving or maintaining any of the property of the Company, or such other purposes as the Directors may think conducive to the objects of the Company or any of them, and pending such application may at the like discretion either be employed in the business of the Company or be invested in such investments as the Directors think fit. The Directors may divide the reserve into such special funds as they think fit, and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been divided as they think fit. The Directors may also without placing the same to reserve carryover any profits which they may think it not prudent to divide.

CAPITALISATION OF PROFITS AND RESERVES

103. Subject to all necessary sanctions and consents, if any, being obtained, the Company in General Meeting may, upon the recommendation of the Directors, resolve that it is desirable to capitalize any undivided profits of the Company not required for paying the fixed dividends on any preference shares (including profits carried and standing to the credit or any reserve or reserves or other special account), and accordingly that the Directors be authorized and directed to appropriate the profits resolved to be capitalized to the members who would have been entitled to receive the same had such sums been distributed in cash in accordance with their rights, and to apply such profits on their behalf, either in or towards paying up amounts, if any, for the time being unpaid on any shares held

DIVIDENDS

93. The profits of the Company available for Dividend and resolved to be distributed shall be applied in the payment of Dividends to the members in accordance with their respective rights and properties. The Company in General Meeting may declare dividends accordingly.
94. No dividend shall be payable except out of profits of the Company or in excess of the amount recommended by the Board.
95. Where any asset, business or property is brought by the Company as from a past date (whether such date be before or after the incorporation of the Company) upon the terms and the Company shall as from that date take the profits and bear the losses thereof, such profits or losses as the case may be shall, at the discretion of the Board, be credited or debited wholly or in part, to the revenue account, and in that case the amount so credited or debited shall, for the purpose of ascertaining the funds available for dividend, be treated as profit or loss arising from the business of the Company and available for dividend accordingly. If any shares or securities are purchased cum-dividend or interest, such dividend or interest when paid may at the discretion of the Directors be treated as revenue and shall not be obligatory to capitalize the same or any part thereof.
96. Sums representing appreciations over cost prices or written down book values, realized on the sale or disposal by the Company of any of its capital assets, fully paid bonus shares received by the Company in respect of shares in other companies held by it, and any other accretions to capital assets of the Company may be distributed by the Board, either in cash or (as regards shares in other companies or other assets capable of being distributed in specie) in specie amongst the shareholders by way of special capital bonus or accretion to the capital of the ordinary shares in the Company held by them, and in proportion to the amounts paid up on those shares. Provided no such distribution shall be made unless:
- a) It shall have been sanctioned by resolution of The Company in General Meeting:
 - b) The Directors are satisfied that the assets of the Company exclusive of the sum or assets proposed to be distributed, are of a value at least equal to the aggregate amount of the Company's debts and liabilities and its paid-up share capital.
97. All dividends shall be declared and paid according to the amounts paid on the shares in respect whereof the dividend is paid, but (for the purposes of this Article only) no amount paid on a share in advance of calls shall be treated as on the share. All dividends shall be apportioned and paid pro rata according to the amounts paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividend as from a particular date, such share shall rank for dividend accordingly.
98. The Directors may if they think fit from time to time pay to the members in respect of those shares in the capital of the Company which confer on the holders thereof deferred rights as well as in respect of those shares which confer on the

Directors to that number, or summoning a General Meeting of the Company, but for no other purpose.

84. The Board may delegate any of its powers, other than its power to borrow and make calls, to committees, consisting of such number or numbers of its body as it thinks fit, and committees so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Directors.
85. The meetings and proceedings of any such committee consisting of two or more members shall be governed by the provisions of these Articles regulating the meetings and proceedings of the Directors, so far as the same are applicable and are not superseded by any regulations made by the Directors under the last pending Article.
86. All acts done by any meeting of the Board or Committee of Directors, or by any person acting as a Director, shall, as regards all persons dealing in good faith with the Company, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Director or person acting as aforesaid, in that they or any of them were disqualified from holding office, or hand vacated office, or were not entitled to vote, be as valid as if every such other person had been duly appointed and was qualified and had continued to be a Director and was entitled to vote.
87. 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.
88. 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 contract of service between him and the Company.
89. The Company may by ordinary resolution appoint another person in the place of a Director removed from office under the immediately preceding Article. Without prejudice to the powers of the Directors, the Company in General Meeting may appoint any person to be a Director to fill the vacancy or as an additional Director.
90. A Director shall not vote in respect of any contract in which he is interested or any matter arising out thereat, and if he does so vote shall not be counted.
91. 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 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 of the Directors.
92. A meeting of the Directors at which a quorum is present shall be competent to exercise all powers and discretions for the time being exercisable by Directors.

- f) If he 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;
- g) If by Extraordinary Resolution, he may be removed from office.
- h) A Director shall be deemed to have resigned should the shareholder who appointed him pursuant to Article 70 (mentioned above) ceases to hold share or, as the case may be, hold shares of a number less than twenty five per cent (25%) of Voting Shares provided that in the case where a Shareholder has appointed more than one (1) Director to the Board and that Shareholder's percentage shareholding in the Company is reduced so that such Shareholder's entitlement to appoint Directors to the Board in accordance with Article 70 (mentioned above) falls below the number of Directors actually appointed by it one or more (as required to bring the number of directors appointed by the Shareholder in conformity with such Shareholder's rights in Article 70 mentioned above) of that Shareholder's appointed Directors (as selected by that Shareholder and in default of such selection as nominated by the other Directors on the Board) shall be deemed to have resigned from the Board with effect from the date upon which the Shareholder's shareholding is so reduced.

ALTERNATE DIRECTORS

79. Any Director who is unable for any reason whatsoever to carry out his duties as a Director may with the approval of the Directors appoint any person as his alternate to act for him. Such alternate shall in all respects be bound by the rules and regulation affecting the Directors in the same manner as the Director for whom he acts is bound. The alternate Director shall hold office till the original Director would have held the office. Such alternate Director shall automatically vacate his office if the original Director who nominated him ceases to be a Director.

PROCEEDINGS OF DIRECTORS

80. The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings, as they think fit. Questions arising at any meeting shall be decided by majority votes. A Director may, and the Secretary on the requisition of a Director shall at any time summon a meeting of the Board.
81. The quorum necessary for transaction of the business of the Board may be fixed by the Board, and unless so fixed be three.
82. The Directors may appoint one of their members to be the Chairman of the Board of Directors and determine the period of which he is to hold office. Unless he is willing to do so, the Director so appointed shall preside at every meeting of Directors at which he is present. 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 members to be the Chairman of the meeting.
83. The continuing directors may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the number fixed by or pursuant to the regulations of the Company as the necessary quorum of Directors, the continuing Directors may act for the purpose of increasing the number of

persons, whether nominated directly or indirectly by the Board, for such purposes and with such powers, authorities and directions (not being those vested in or exercisable by the Board under these Articles) and for such period and subject to such conditions as they may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit and may also authorize any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him.

75. The Directors may arrange that any branch of business carried on by the Company or any other business in which the Company may be interested shall be carried on through one or more subsidiary companies, and they may, on behalf of the Company make such arrangements as they think advisable for taking the profits or bearing the loss of any branch or business so carried on or for financing, assisting or subsidizing any such subsidiary company or guaranteeing its contract, obligations or liabilities, and it may appoint, remove and re-appoint any persons (whether members of its own body or not) to act as Directors, Managing Directors or Managers of any such Company or any other Company in which the Company may be interested and may determine the remuneration (whether by way of salary, commission on profits or otherwise) of any person so appointed and any Directors of the Company may retain any remuneration so payable to them.
76. 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 the case may be, in such a manner as the Directors shall from time to time by resolution determine.
77. 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 all the names of the Directors present at each meeting of the Director and of any committee of Directors; and
 - c) Of all resolutions and proceedings of General Meetings and of Meetings of Directors and Committees.

DISQUALIFICATION OF DIRECTORS

78. The office of a Director shall ipso facto be vacated:
- a) Without the consent of the Company in General Meeting if he holds any other profit under the Company;
 - b) If he becomes bankrupt or compounds with his creditors;
 - c) If he be found lunatic or becomes unsound mind;
 - d) If by notice in writing to the Company he resigns his office;
 - e) Ceases to be a Director by virtue of any provision of the Act or becomes prohibited by law from being a Director;

68. Shareholders having requisite number of voting shares shall have the right to appoint one or more Directors in the Company and shall have the right from time to time to remove such Directors so appointed by it from the Board as it may deem fit and to appoint replacement. The number of Directors that a Shareholder may appoint shall depend on the percentage of the Voting Shares held by that Shareholder. Where a shareholder holds:
- a) Under 25% of Voting Shares he shall not be entitled to appoint a Director;
 - b) Above 25% and below 50% of Voting Shares he shall be entitled to appoint two Directors; and
 - c) Above 50% of Voting Shares he shall be entitled to appoint three Directors.
69. The remuneration of the Directors shall from time to time be determined by the Company in General Meeting. Such remuneration shall be determined to accrue from day to day.
70. The Directors shall also be paid all travelling, hotel and other expenses properly incurred by them in and about the business of the Company including their expenses of travelling to and from Board and Committee Meetings or General Meetings.
71. If any Director, being willing, shall be called upon to perform extra services for the purposes of the Company, the Company shall remunerate such Director by a fixed sum or percentage or profits, or otherwise, as may be determined by the Board and such remuneration may either in addition to, or in substitution for, his remuneration above provided.

BORROWING POWERS

72. The Directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property and uncalled capital 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 of any third party, if approved by all Directors.

POWERS OF DIRECTORS

73. 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 general powers given by this Article shall not be limited or restricted by any special authority or power given to the Board by another article.
74. The Directors may from time to time and at any time by power of attorney under the seal appoint any company, firm or persons or any fluctuating body of

61. 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 hereto as circumstances admit:-

* Limited
I/We.....of.....,being a member/members of the
above named Company, hereby appointof or failing him
..... of As my/our proxy to vote for me/us on my/our
behalf at the Annual or Extraordinary General Meeting of the Company to be held on
the.....day of.....20..., and at any adjournment thereof.

Signed thisday of 20.....*

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

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

63. A vote given in accordance with the terms of an instrument of proxy, or poll demanded by proxy, or by the duly 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.

64. 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, or at any meeting of any class of members 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

65. 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 three.

66. The first Directors shall be

- 1. RAKESH CHHEDA**
- 2. BHAVESH CHHEDA**
- 3. KUMAR PUJARA**
- 4. VISHNU WADHWAN**

67. There shall be no share qualification for Directors.

VOTES OF MEMBERS

- 53. On a show of hands every member present in person shall have one vote for this purpose and a person who is present as a representative of a corporation shall be treated as if he was a member present in person and on poll every member present in person or by proxy shall have one vote for each share of which he is the holder.
- 54. No member shall be entitled to be present or to vote at any General Meeting, either personally or by a proxy, or as a proxy for another member, or to exercise any privilege as a member, unless all calls or other sums payable by him in respect of shares in a Company have been paid, whether such shares are held by him alone or jointly with any other person or persons.
- 55. A member in respect of whose estate a manager has been appointed under section 26 of the Mental Diseases Ordinance, may vote, whether on show of hands or on a poll, by his said manager, and any such manager may, on a poll, vote by proxy.
- 56. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote is objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the meeting, whose decision shall be final and conclusive.
- 57. On a poll of votes may be given either personally or by proxy.
- 58. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorized in writing, or, if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorized. A proxy need not be a member of the Company.
- 59. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a notarized certified copy of that power or authority shall be deposited at the office not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and in default, the instrument of proxy shall not be treated valid.
- 60. 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 appointof or failing him
..... of As my/our proxy to vote for me/us on my/our
behalf at the Annual or Extraordinary General Meeting of the Company to be held on
the.....day of.....20..., and at any adjournment thereof.

Signed thisday of 20.....*

not present within fifteen minutes after the time appointed for the meeting or is unwilling to act as Chairman, the Directors present shall choose one of their members to act, or if one Director only present he shall preside as Chairman.

47. 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 members to be chairman of the meeting.
48. The Chairman may with the consent of any meeting at which a quorum is not 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 left unfinished at the meeting from which the adjournment took 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.
49. At any general Meeting a resolution put to the vote of the meeting shall be decided of show of hands, unless a poll is before or on declaration of the results of the show of hands, demanded by:-
- a) The Chairman; or
 - b) At least three members present in person or by proxy; or
 - c) Any member or members present in person or by proxy and representing not less than one-tenth of total voting rights of all the members having the right to vote at the meeting.

Unless a poll is 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 not carried by a particular majority or lost, and an entry to that 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 of proportion of the votes recorded in favour of or against such resolution.

50. If the poll is demanded it shall be taken in such a 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 is demanded. A demand for poll may be withdrawn at any time before the next business is proceeded with.
51. A poll demanded on the election of a Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the Chairman of the meeting Directs, not being more than fourteen days from the date of the meeting and any business other than upon which a poll has been demanded may be proceeded with pending the taking of the poll.
52. 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 it had been passed at a General Meeting duly convened and held, and consist of several instruments in the like from each executed by or on behalf of one or more member.

40. The Directors may, whenever they think fit, convene an extraordinary General Meeting and they shall, on the request in writing of the holders of not less than one-tenth of the issue capital of the Company upon which all calls or other sums then due have been paid, forthwith proceed to convene the Extraordinary General Meeting.

NOTICE OF GENERAL MEETINGS

41. Every General Meeting shall be called by twenty-one clear days' notice (exclusive of the day on which the notice is served or deemed to be served, but inclusive of the day for which the notice is given) 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 business.

Provided that a meeting of the Company shall, notwithstanding that 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 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 majority in number of members having a right to attend and vote at the meeting, being a majority together representation not less than ninety-five percent of total voting rights at that meeting of all the members.
42. Subject to the provisions of the Articles, the notice shall be given to all persons entitled to share in consequence of the death or bankruptcy of a member and the Directors and auditors. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by any member shall not invalidate the proceedings of at the meeting.

PROCEEDING AT GENERAL MEETINGS

43. All business shall be deemed special that is transacted at an Extraordinary General Meeting, and also that is transacted at an Annual General Meeting, with the exception of declaration and sanctioning of a dividend, the consideration of Accounts, Balance Sheet and the reports Directors and Auditors, the election of Directors and other officers in the place of those retiring by rotation, and the appointment and fixing of the remuneration of the Auditors.
44. 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.
45. a 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 such other time and place as the Directors may determine.
46. The Chairman, if any, of the Board of Directors or in his absence some other Director nominated by the Directors shall preside as a Chairman at every General Meeting of the Company. If there is no such Chairman or if, at any meeting, he is

INCREASE OF CAPITAL

33. The Company may from time to time by Ordinary Resolution increase the share capital by such sums, to be divided into shares of such amount as the resolution shall prescribe.
34. The Company by the resolution increasing the capital may direct that new shares or any of them offered in the issuance either at par or at a premium or (subject to the provisions of section 38 of the ordinance) at a discount to all the holders for the time being of shares of any class or classes in proportion to the number of such shares held by them respectively or may make any other provisions as to the issue of the new shares. In default of any such direction or so far as the same shall not extend the new shares shall be at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons and on such terms as it shall think fit.
35. Unless otherwise stated in the terms of the issue of the new shares shall be subject to the same provisions with reference to the payment of calls, lien, transfer, transmission, forfeiture and otherwise as the original share capital.

ALTERATION OF CAPITAL

36. The Company may by Ordinary Resolution:
- a) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; or
 - b) Sub-divide its existing shares, or any of them, into shares of smaller amount than is fixed by the Memorandum of Association subject, nevertheless, to the provisions of Section 51(1) (d) of the Ordinance;
 - c) Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person, and diminish the amount of its capital by the amount of shares so cancelled.
37. The Company may by Special Resolution reduce its share capital and any capital redemption fund in any manner and with and subject to any incident authorized and consent required by law.

GENERAL MEETINGS

38. General Meetings shall be held once at least in every calendar year and such time not being more than fifteen months after the holding of the last preceding General Meeting and at such place as may be determined by the Board. Provided that so long as the Company holds its first Annual General Meetings within eighteen months of its incorporations, it need not hold in the year of its incorporation or in the following year.
39. All general Meetings other than Annual General Meetings shall be called Extraordinary General Meeting.

26. A forfeiture of shares under the preceding Article shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.
27. Where any share has been forfeited in accordance with these Articles, notice of the forfeiture shall forthwith be given to the holder of the shares, or the person entitled to be holder of the shares, by transmission, as the case may be, and an entry of such notice having been given, and of the forfeiture with the date thereof, shall forthwith be made in the register opposite to the entry of the share; but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.
28. Notwithstanding any such forfeiture as aforesaid, the Directors may, at any time before the forfeited share has been otherwise disposed of, permit the share so forfeited to be redeemed upon the terms of payment of all calls and interest due upon and expenses incurred in respect of the share, and upon any further or other terms they may think fit.
29. Every share which shall be forfeited shall thereupon become the property of the Company, and may be either cancelled or sold, or re-allocated or otherwise disposed of either to the person who was before the forfeiture the holder thereof, or entitled thereto, or to any other person, upon such terms and in such manner as the Board shall think fit, and whether with or without all or any part of the amount previously paid on the share being credited as paid. The Directors may, if necessary, authorize some persons to transfer a forfeited share to any such other person as aforesaid.
30. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding, remain liable to pay to the Company all money which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares, with interest thereon at such rate as the Directors may determine, but his liability shall cease if and when the Company receives payment in full of the nominal amount of the shares.
31. A statutory declaration in writing that the declarant is a Director of the Company and that a share in the Company has been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The Company may receive the consideration, if any, given for the above on any sale or disposition thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of and he shall thereupon be registered as the holder of the share, and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
32. The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any such which, by the time of issue of shares, becomes payable at a fixed time, whether on account of the amount of the share, or by way of premium, as if the same had been payable by virtue of a call duly made and modified.

TRANSMISSION OF SHARES

19. In case of death of a shareholder the survivors or survivor where the deceased was a joint holder, and the executors or administrators of the deceased where he was a sole or only surviving holder, shall be the only persons recognized by the Company as having any title to his shares, but nothing herein contained shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share solely or jointly held by him.
20. Subject to any other provisions of the Articles, any person becoming entitled to a share in consequence of the death or bankruptcy of a member any, upon such evidence as to this title being produced as may from time to time be required by the Directors, and subject as hereinafter provided, be registered himself as a holder of the share or elect to have some person nominated by him registered as the transferee thereof.
21. Subject to any other provisions of the Articles, if the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have his nominee registered he shall testify his election by executing to his nominee a transfer of such share. All the limitations, restrictions and provisions of these Articles, relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the member had not occurred and the notice of such transfer executed by such manner.
22. A person becoming entitled to a share in consequence of the death or bankruptcy of a member shall be entitled to receive and may give a good discharge for all dividends and other moneys payable in respect thereof, but shall not be entitled to receive notices of or to attend or vote at meetings of the Company, or. Save as aforesaid, to any of the rights or privileges of a member until he shall have become a member in respect of the share.

FOREFEITURE OF SHARES

23. If any member fails to pay the whole or any part of any call on or before the day appointed for the payment thereof the Directors may at any time thereafter during such time as the call, or any part thereof, remains unpaid, serve a notice on him requiring him to pay such call, or such part thereof as remains unpaid together with accrued interest, and any expenses incurred by the Company by reason of such non-payment.
24. The notice shall name a further day (not being less than fourteen days from the date of the notice) on or before which such call, or any part thereof as aforesaid, and all such interest and expenses as aforesaid, are to be paid. It shall also name the place where payment is to be made, and shall state that in the event of non-payment, at or before the time and at the place appointed, the shares in respect of which such calls was made will be liable to be forfeited.
25. If the requirement of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of such calls, interest and expenses due in respect thereof has been made, be forfeited by a resolution of the Directors to that effect.

10. If any such certificate shall be worn out, defaced, destroyed or lost, it may be renewed on such evidence being produced as the Directors shall require, and in the case of defacement on delivery of the old certificate and in case of destruction or loss on execution of indemnity. In case of destruction or loss, the member to whom such renewed certificate is given shall also bear and pay the Company all expenses incidental to the investigation by the Company of the evidence of such destruction or loss and to such indemnity.

LIEN

11. The company shall have a first and paramount lien on every share for all moneys (whether currently payable or not) called or payable at a fixed time in respect of that share, and the Company's lien, if any, on a share shall extend to all dividends payable thereon.

CALLS ON SHARES

12. The Directors may, subject to the provisions of these Articles and to any conditions of allotment, from time to time make such calls up on the shareholders in respect of all moneys unpaid on their shares as they think fit.

TRANSFER OF SHARES

13. All transfers of shares may be affected by transfer in writing in the usual common form under hand only.
14. The instrument of transfer of a share shall be signed by or on behalf of the transferor and transferee and the transferor shall be deemed to remain the holder of the shares until the name of the transferee is entered in the register in respect thereof.
15. The Directors may, in their absolute discretion, and without specifying any ground, refuse to register a transfer of any share to any person whom in its opinion is undesirable to the interest of the Company to admit to membership. No transfer shall be registered if by reason thereof the number of members would exceed the limit hereinabove prescribed.
16. The Directors may refuse to register any transfer of a share where the company has a lien on the share.
17. If the Directors refuse to register a transfer they shall within two months after the date on which the transfer was lodged with the Company send the transferee notice of such refusal.
18. The Directors may decline to recognize any instrument of transfer unless the instrument of transfer is deposited at the office or such other place as the Directors may appoint, accompanied by the certificate of the shares to which it relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer.

3. 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 employment of the Company and of the persons who have been formerly in the employment of the Company while in such employment to be the member of the Company) is limited to fifty; PROVIDED THAT where two or more persons hold one or more shares in the Company Jointly, they shall for the purpose of this Article be treated as a single member;
 - c) Any invitation to the Public to prescribe any shares or debentures of the Company is prohibited;
 - d) The Company shall not have powers to issue share warrants to bearer;
4. The number of members with which the Company is proposed to be registered is two but the Directors may from time to time register an increase of members.
5. The Subscribers to the Memorandum of Association and such other persons as the directors shall admit to membership shall be members of the Company.

CAPITAL

6. The share capital of the Company is at the date of registration of these Articles of Association is Shilling 100,000,000/- divided into 100 shares of shilling 1,000,000 each.
7. Without prejudice to any special rights previously conferred on the holder of any existing shares or class of shares, any share in the Company may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise, as the Company may from time to time by ordinary resolution determine.
8. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

CERTIFICATES

9. Every person whose name is entered as a member in the register shall, without payment, be entitled to receive within two months after allotment or lodgment of transfer, or within such other period as the conditions of issue shall provide, a certificate under the common seal specifying the shares allotted or transferred to him and the amount paid thereon, provided that in the case of joint holders, the Company shall not be bound to issue more than one certificate to the joint holders, and delivery of such certificate to any one of them shall be sufficient delivery at all.

THE COMPANIES ACT, 2002
COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
SERENGETI PLASTICS LIMITED

INTERPRETATION

1. In these articles:-

"The Act" means the Companies Act;

"The Articles" means the articles of the Company;

"The Board" Means the Board of Directors for the time being of the Company;

"Clear Days" in relation to the period of 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;

"Dividend" includes bonus;

"Member" means the registered holder of a share or shares of the Company;

"The Seal" Means the Common Seal of the Company;

"Secretary" means any person appointed to perform the duties of the Secretary of the Company;

Words denoting the singular include the plural and vice-versa and words denoting masculine gender include the feminine gender. Words denoting persons include corporations, companies, co-operative societies and the like.

Expressions referring to writing shall, unless the contrary appears, be construed as including references to printing, lithography, photograph and other modes of representing or reproducing words in 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 modifications thereof in force at the date at which these articles become binding on the Company.

2. The Regulations contained in Table A of the First Schedule of the Companies Act shall not apply to the Company.

TANZANIA
Stamp Duty Shs. 5000/-
Receipt No. 34467596.02-2-209
Stamp Duty Shs. 2500/-
Receipt No. 34467596.02-2-209

TANZANIA
Stamp Duty Shs. 2500/-
Receipt No. 34467596.02-2-209

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.

NAME ADDRESS AND DESCRIPTION OF SUBSCRIBERS	NUMBER OF SHARES TAKEN	SIGNATURE
NEELKANTH TANZANIA LIMITED PO BOX 11908 DAR ES SALAAM TANZANIA	50	<i>[Signature]</i>
PRINCEWARE INTERNATIONAL PRIVATE LIMITED 51/3, MAROL CO-OPERATIVE INDUSTRIAL AREA M V ROAD, ANDHERI EAST, MUMBAI INDIA	49	<i>[Signature]</i>
RAKESH CHHEDA 51/3, MAROL CO-OPERATIVE INDUSTRIAL AREA M V ROAD, ANDHERI EAST, MUMBAI INDIA	1	<i>[Signature]</i>

Dated this *2nd*day of *FEBRUARY*2009

Witness to the above Signatories

Name : SURENDRA M MAWJI
 Signature : *[Signature]*
 Postal Address : P.O. BOX 763, DAR-ES-SALAAM.
 Qualification : CHARTERED PATENT ATTORNEY



(tt) 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 here by 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 domicile 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 100,000,000/= divided into 100 shares of Shillings 1,000,000/= 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.

- (ii) 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.
- (jj) To accept for safe custody and keep for customers of the company all kinds of securities valuables and things.
- (kk) 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.
- (ll) 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 term of years of any freehold or leasehold property upon such terms and condition as the company may think fit.
- (mm) 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.
- (nn) 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.
- (oo) To draw, make, accept, endorse, discount execute and issue promissory notes, bills of exchange, warrants, debentures and negotiable or transferable instruments.
- (pp) To act as agent 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.
- (qq) To obtain any provisional order, ordinance or act of Parliament for enabling the company to carry any of it is 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.
- (rr) 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.
- (ss) 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.

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.

- (z) 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.
- (aa) 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.
- (bb) 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 sell let or lease exchange or otherwise dispose of or grant rights over any immovable property, belong to the company.
- (cc) To purchase, take or lease or in exchange, hire or otherwise acquire and hold any state or interest in any lands, buildings, easements, rights, licenses secret processes, machinery, plant, stock in trade and real or personal property of any kind.
- (dd) To accept payment for any property or right 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 right.
- (ee) 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.
- (ff) To act as agents for the sale and purchase of any stocks shares or securities or for any other monetary or mercantile transactions.
- (gg) To act as executors and trustees of wills and settlements made by customers and others and undertake and execute trusts or all kinds.
- (hh) 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 through agents, sub-contractors, trustees and otherwise.

- (s) 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 material, spare parts and maintenance, tyres, tubes, tools and accessories for all type of automotive, motor vehicles, scrapers, agricultural machinery, implements, equipment, all kind of industrial projects machinery and equipment, timber, fishing gears, groceries, computers, office equipment, cooking oils, salts, foodstuffs, cosmetics, paints, spirits sheets, hinges, screws, iron monger, textiles piece goods, all types of leather goods, shoes, bags and other similar goods.
- (t) To carry on the business of export and or import of bird, carvings, artworks, woodworks, guiding aids, artistic and or demonstration tools business promotion apparatus and or tools, wood and or timber products, forest produce, designers of arts and representations thereof, dealers in carvings of all kinds, types and description whatsoever.
- (u) To promote tourism in Tanzania and elsewhere in Africa, to carry on business of travel and tourist agent and tour operators, to promote facilitate travelling 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 kinds.
- (v) To carry on the business of big game hunter, trapping and collection of wild, live birds for sale and export within and 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.
- (w) 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.
- (x) 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 provide food and catering service to individuals, private and public institutions and to business concerns.
- (y) 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,

- (l) 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, organizers and operators and to equip, organize and arrange hunting, finishing, game and other safaris and expeditions of all kinds and description whatsoever.
- (m) 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, merchants, traders and manufacturers and dealers in and agent and representative for merchandise, materials furniture, furnishings appliances, equipment, machinery, stores, products, provisions, commodities, substances and effects of kinds and to establish factories for the manufacture of any of them.
- (n) 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, flat and box makers, cardboard manufactures, type founders, of card dealers in playing, visiting, festival invitation, dealers in or manufacturers or any other articles or things or character similar or analogous to the foregoing or any of them or connected therewith and to deal in the manufacturer of and sell by wholesale or retail of school chalks, and secretarial services.
- (o) To carry on the business of services, consultancy, types of information technologies, computer system, conference system, telecommunication systems, security systems, public address systems, data communication and to train, research, install and after sale services of electronic systems, voice & data networks and any other system or components which the company may think fit, necessary or incidental to this business.
- (p) 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.
- (q) To provide consultancy on construction, architecture, structural designs and engineering, construction labour management, estate plans and soil testing.
- (r) To carry on the business of miners and mining in all their branches 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 any undertaking connected therewith.

the Company, engage in and or otherwise carry on the business as transporters and transport agents, freight forwarders.

- (e) 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 passengers, 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 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.
- (f) To establish workshops for training of heavy duty construction equipment handling and safety measures, high of construction equipment, construction labour and general advisory services.
- (g) To engage and/or carry on the business of general civil works, engineering, buildings, road construction renovations, office partitions, decorators, 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, saw millers and suppliers of all kinds of timber to be hardware and building materials suppliers, manufactures of electrical equipments and suppliers.
- (h) To carry on the business of management of all kind of construction works and construction management, real estate and related works thereto.
- (i) To carry on the business of building contractors, masonry and general construction contractors and among other things to construct, execute, carry out, equip, improve, work and advertise railways, tramways, docks harbours, 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.
- (j) 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.
- (k) 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.

TANZANIA
Stamp Duty No. 5000/-
Receipt No. 34467596.02-2-201

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

TANZANIA
Stamp Duty No. 7500/-
Receipt No. 34467596.02-2-201

1. The name of the Company **"SERENGETI PLASTICS 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 business of manufacturers and trading of all kind of injection moulded, blow moulded, extrusion plastic products, PVC pipes and fittings and be general traders, importers & exporters of building materials, hardware, bricks, tiles, corrugated iron, metal materials, machines and material for road, rail making and other related equipments for building purposes of all kinds.
 - (b) To carry on the business of importers, export, general merchants, general storekeepers, 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, chemicals, 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.
 - (c) 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, television sets, video cassettes, telefax, telex and accessories, computers, office equipments, stationery, and domestic appliances.
 - (d) 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, tourists 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 neighbouring countries and in such other place or places as may from time to time determined by

THE COMPANIES ACT 2002
COMPANY LIMITED BY SHARES

MEMORANDUM

AND

ARTICLES OF ASSOCIATION

OF

SERENGETI PLASTICS LIMITED

Incorporated at this day of..... 2009.

DRAWN BY:
R CHHEDA
(SUBSCRIBER)
P.O.BOX 11908
DAR ES SALAAM