



DAM PLASTICS LTD

1.0

**Ag. EXD**

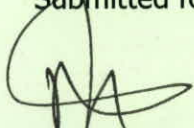
The approved project has fulfilled the investment requirements, which are: -

- (a) Minimum finance investment threshold has been exceeded, the project expects to invest ..... us\$ 1.23m .....
- (b) Legal entity has been incorporated under certificate

No. .... 88383 ..... of ..... 01/03/2012 .....

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

Submitted for signature.



N. A. Senzia  
**DIF**  
5<sup>th</sup> March, 2012

2.0


**EXD**

In response to the TIC letter of registration dated ..... 5<sup>th</sup> March 2012 .....

the project has submitted the required documents namely: -

- (a) Company Board Resolution.
- (b) Reference letter/Financing from ..... Stanbic Bank .....
- (c) ..... Lease Agreement .....

With the above submission EXD is requested to sign Certificate of Incentives No. .... 042181 ..... herein attached.

  
As DIF  
08/03/2012

MINUTE

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

# DAM PLASTICS LIMITED.

P.O. BOX 42445,  
DAR ES SALAAM.

5

Ref: DSM/DPL/5/2012

22th May 2012

The Commissioner for Custom and Excise  
P.O.Box 9053  
**DAR ES SALAAM.**

UFS  
Executive Director  
Tanzania Investment Centre  
P.O.BOX 938  
**DAR ES SALAAM**



Dear Sir,

**RE: APPLICATION FOR DUTY/VAT EXEMPTION ON CAPITAL/DEEMED  
CAPITAL GOODS, WITH CERTIFICATE NO..042181.**

We are writing with the above-mentioned in reference.

Dam Plastics Ltd was granted Certificate of Incentive No. **042181** to engage in the plastics manufacturing unit.

The attached hereunder please find a comprehensive list of items we intend to import in completion of our mission and certified copy of the TIC certificate are for your approval.

We look forward to receive your earliest response.

Yours truly,

**For: Dam Plastics Ltd.**

A handwritten signature in blue ink, appearing to read "Mbaraka S Bawazir".

**Mbaraka S Bawazir.**  
**MANAGING DIRECTOR.**

**TICC/PP.10/042181/6**

**28/05/2012**

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

Dear Sir,

**RE: DUTY/ VAT REMISSIONS ON CAPITAL/ DEEMED CAPITAL  
GOODS – CERTIFICATE OF INCENTIVES No: 042181**

**M/S DAM Plastics Ltd** is a TIC registered company with certificate of incentives **No. 042181** which is valid up to **March 2015**

The company has been registered with objectives of establishing modern plastics manufacturing facility project

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

Yours sincerely

**TANZANIA INVESTMENT CENTRE**



Revocatus Arbogast

**FOR: EXECUTIVE DIRECTOR**

# DAM PLASTICS LIMITED


P.O. BOX 42445, DAR ES SALAAM

## LIST OF ITEMS

S/NO	ITEMS	QTY
1	EXTRUDERS	20
2	CUTTING MACHINE	10
3	PUNCH MACHINE	8
4	SIDE DEALING	6
5	RECYCLING PLANT FOR PLASTIC MATERIAL	3
6	PRINTER 2 COLOURS	2
7	PRINTER 4 COLOURS	2
8	RAW MATERIAL FOR HDPE	1000 TONS
9	RAW MATERIAL FOR LDPE	1000 TONS
10	IPS MANUFACTURE PLANTS	2
11	IPS MACHINES	6
12	RAW MATERIAL FOR IPS	1000 TONS
13	AGGLOMERATION	4
14	SIMPLE MIXTURES	4
15	COMPRESSOR	2
16	SCALE	2
17	COOLING TANK	2
18	PALETIZER	2
19	PANEL BOARD	3
20	HEAVY DUTY SCRAP GRINDER	2
21	MULTI FILAMENT SPIN DRAW WIND LINE	2
22	CIRCULAR LOOMS	40
23	BAG CONVERSION SYSTEM	2
24	TAPE STRETCHING LINES	2
25	TAPE WINDERS	2
26	EXTRUSION COATING MACHINE	2
27	SOLO PRINT	2
28	TUBE EXTRUSION PLANT	2
29	HEAVY TRUCK	5
30	TRUCK LIGHT	10
31	PICK UPS	4
32	MINI BUSES	2
33	GENERATORS (KVA 220)	2
34	WAGON (CLOSED)	3
35	COMPLETE SECURITY CAMERAS	4
36	COMPLETE SECURITY ALARMS	4

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:—

- |    | Shareholders       | Nationality | Shareholding (%) |
|----|--------------------|-------------|------------------|
| 1. | Dahir M. Bawazir   | Tanzanian   | 10               |
|    | Antar M. Bawazir   | Tanzanian   | 10               |
|    | Mbaraka S. Bawazir | Tanzanian   | 80               |
2. Proposed Activities : To establish a modern plastics manufacturing facilities
3. Sector: Manufacturing Subsector Plastics
4. Investment cost: Foreign — Local USD 1.23m. Total USD 1.23m
5. Project Financing: Equity USD 0.23m. Loans USD 1m. Total USD 1.23m
6. Source, terms and conditions of loan.....
7. Assets to be invested:
- | Capital items: | Foreign  | Local             | Total             |
|----------------|----------|-------------------|-------------------|
|                | <u>—</u> | <u>USD 1.23m.</u> | <u>USD 1.23m.</u> |
8. Technology Agreement ..... None
9. Date of TIC Registration: ..... 8th March 2012
10. Implementation period ..... March 2012 - February 2015
11. Operative date..... March 2015
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            | <u>And VAT as per Customs Tariff Act, 1976 &amp; VAT Act, 1997</u> |
| (ii)  | Applicable with-holding Tax       | <u>As per Income Tax Act, 2004 (as amended)</u>                    |
| (iii) | Eligibility of Capital Allowances | <u>As per Income Tax Act, 2004 (as amended)</u>                    |
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

*J. Bayley*  
Signature  
Date: 08/03/2012  
For: Executive Director  
Tanzania Investment Centre



00218540

THE UNITED REPUBLIC OF TANZANIA

# Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

No: 042181

**This is to certify that**

DAM PLASTICS LIMITED

of address P.O. BOX 42445

DAR ES SALAAM

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

DAM PLASTICS LIMITED

Which is located at PLOT NO.78, BLOCK E SUNGWI,

TEMEKE - DAR ES SALAAM

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

*J. Bayley*  
Ag. Executive Director

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

Dated 8TH MARCH 2012

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 (%)
Dahir M. Bawazir	Tanzanian	10
Antar M. Bawazir	Tanzanian	10
Mbaraka S. Bawazir	Tanzanian	80
  
2. Proposed Activities : To establish a moern plastics manufacturing facilities
  
3. Sector: Manufacturing Subsector Plastics
  
4. Investment cost: Foreign - Local USD 1.23m. Total USD 1.23m
  
5. Project Financing: Equity USD 0.23m. Loans USD 1m. Total USD 1.23m
  
6. Source, terms and conditions of loan.....
  
7. Assets to be invested:
 

	Foreign	Local	Total
Capital items:	<u>-</u>	<u>USD 1.23m.</u>	<u>USD 1.23m.</u>
  
8. Technology Agreement ..... None
  
9. Date of TIC Registration: ..... 8th March 2012
  
10. Implementation period ..... March 2012 - February 2015
  
11. Operative date..... March 2015
  
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   
Ag Executive Director



00218540

THE UNITED REPUBLIC OF TANZANIA

# Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

No: 042181

## This is to certify that

DAM PLASTICS LIMITED

of address P.O. BOX 42445

DAR ES SALAAM

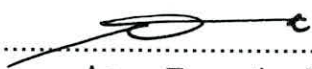
has been granted a Certificate of Incentives to invest in a new, ~~rehabilitation/extension~~ ~~XXXXXXXXXX~~ enterprise known as

DAM PLASTICS LIMITED

Which is located at PLOT NO.78, BLOCK E SUNGWI,

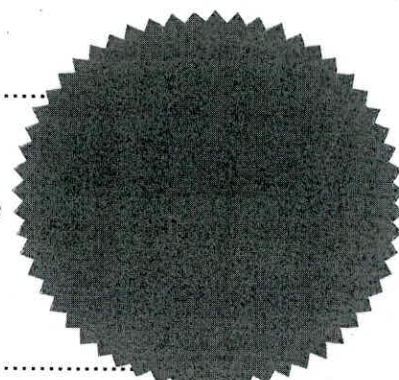
TEMEKE - DAR ES SALAAM

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

  
Ag. Executive Director

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

Dated 8TH MARCH 2012



## TANZANIA



## Certificate of Incorporation

Section 15

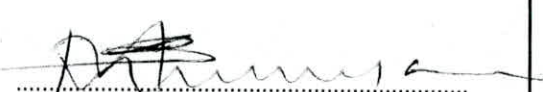
No 88383

I HEREBY CERTIFY THAT

**DAM 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 **3RD** day of **JANUARY****TWO THOUSAND AND TWELVE.**  
Asst. Registrar of Companies



**DAM PLASTICS LIMITED.**

P.O. BOX 42445,  
DAR ES SALAAM.

---

EXTRACT OF THE RESOLUTION PASSED IN THE EXTRA ORDINARY  
GENERAL MEETING OF M/S PAM PLASTICS LIMITED HELD ON 29<sup>th</sup>  
January, 2012 AT 10:00 HOURS.

**PRESENT:**

Mbaraka Bawazir  
Antar M.Bawazir  
Dahir M.Bawazir

**“RESOLVED** that the company should apply to Tanzania Investment Centre (TIC) in order to obtain the approval for the project. Mr. Mbaraka Bawazir was authorized to prepare and submit all required documents to TIC to get the Certificate of Approval”

**CERTIFIED TRUE COPY**



\_\_\_\_\_  
SIGNATURE

①

**DAM PLASTICS LIMITED.**

P.O. BOX 42445,  
DAR ES SALAAM.

---

7<sup>th</sup> Feb 2012.

The Executive Director,  
Tanzania Investment Centre,  
No. 9a&b Shaaban Robert Street,  
P.O. Box 938,  
DAR ES SALAAM.



**RE: APPLICATION FOR TIC CERTIFICATE OF INCENTIVES.**

Please refer to the above heading. We as local investors;

- We are planning to establish modern Plastics products Manufacturing unit.

Attached herewith please find a revised Business plan and application form dully filled, Certificate of incorporation, Memorandum and articles of association, bank reference, and evidence of land, for your necessary consideration.

We remain,

Yours faithfully,  
**DAM PLASTICS LTD.**

A handwritten signature in black ink, appearing to read "Mbaraka Bawazir".

Mbaraka Bawazir.  
Managing Director.



## TIC Evaluation Report

**Name of the Company**  
**Dam Plastics Ltd.**

Post Box	Sungwi, Plot No. 78	COI Number	88383	Contact	Mr. Mbaraka S. Bawazir
Post Office	42445	COI Date	01/03/2012	Designation	Managing Director
Region	Dar Es Salaam	Application F. No	09823	Phone	0
Country	Tanzania	Status	New	Direct Phone	0
		Sector	Manufacturing	Cell Phone	0653 77 89 92
		Sub Sector	Plastics	Fax	0
		File No	042181	E-Mail Address	Mbarakasbawaris@Yahoo.Co m

Project Location		Investment Finance Plan in Millions USD										
Plot/Block	Plot No. 78	<table border="1" style="width: 100%;"> <tr> <th>Foreign Equity</th> <th>Local Equity</th> <th>Foreign Loan</th> <th>Local Loan</th> </tr> <tr> <td style="text-align: center;">0</td> <td style="text-align: center;">0.23</td> <td style="text-align: center;">0</td> <td style="text-align: center;">1</td> </tr> </table>	Foreign Equity	Local Equity	Foreign Loan	Local Loan	0	0.23	0	1		
Foreign Equity	Local Equity		Foreign Loan	Local Loan								
0	0.23		0	1								
Street	Sungwi											
District	Temeke											
Region	Dar es Salaam											

Shareholders Detail			Investment Breakdown (USD Million)	
Name	Nationality	(%)	Land/Building	
Dahir M. Bawazir	Tanzanian	10	Plant	0.95
Antar M. Bawazir	Tanzanian	10	Vehicles	0.15
Mbaraka S. Bawazir	Tanzanian	80	Furniture & Fittings	0.02
			Pre-expenses	0.01
			Others	0
			Working Capital	0.05
			Total	1.23

Employment	45	Evaluated By	wf officer4
Capacity	xxxxx	Drawn By	wf regist3
Project Turn Over		Project Type	Local

**Description**

To establish a modern plasitics manufacturing facilities

**Recomendations**

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

**Decision**

Approved

  
 Ag EXT  
 27/02/12

TICC/PP.10/042181/3

5<sup>th</sup> March, 2012

Managing Director,  
Dam Plastics Ltd.,  
P.O. Box 42445,  
**DAR ES SALAAM**

**RE: CERTIFICATE OF INCENTIVES FOR INVESTMENT IN THE ESTABLISHMENT OF MODERN PLASITICS MANUFACTURING FACILITIES**

We wish to acknowledge receipt of your project proposal to establish a modern plastics manufacturing facilities as presented in the TIC P.A. 1 Form No. 09823 and Feasibility Study with a projected investment of USD 1.23m.

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

- Bank Reference for equity funding or a letter from Bank/Financial Institution that a loan is granted or is under consideration as required by Section 17(3) (f) of Tanzania Investment Act,1997.

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

.../2

TICC/PP.10/042181/3

5<sup>th</sup> March, 2012

*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**

  
B.D. Chonjo

**For: 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**

**Industrial Branch**  
Quality Plaza Building  
Nyerere Road,  
P.O. Box 9992,  
Dar es Salaam  
Fax: 2865364  
Telephone: (255-22) 2865362/3

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

Date  
05<sup>rd</sup> March, 2012

Direct Telephone  
Number  
2552865362/3

In reply please quote  
our reference  
STB/IND/JUN

your reference

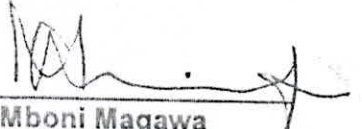
Dear Sir

**RE: CERTIFICATE OF REFERENCE M/S DAM PLASTICS.**

At the request of our customer M/S DAM PLASTICS , we confirm that the said customer maintains a Tanzania Shillings current account number 0140010996701 with our bank for more than ten years.

**Kindly note that this information is given in strict confidence and without any liability on the part of the bank or any of its officers.**

Yours faithfully,

  
**Mboni Magawa**  
Branch Manager



*Handwritten signature and date: 24 March 2012*

Stanbic Bank Tanzania Limited  
Directors: (Chairman/Non-Executive), H.K. Senkoro (Non-Executive), A.A Mufuruki (Non-Executive), B. Awale \*\*\* (Managing Director), N.Naidoo \*\* (Executive)

\*\*South African, \*\*\* Kenyan.



## TANZANIA INVESTMENT CENTRE

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

RECEIPT REC006404

No. 001148

Received from : DAM PLASTICS LTD

Address P.O. Box Dar Es Salaam

Received the sum of (In words): SEVEN HUNDRED FIFTY AND 00 CENTS ONLY

Being payment in respect of : CERTIFICATE OF INCENTIVES FEES

Amount : USD 750.00

Cash / Cheque No: D/deposit 07/3

Date : 07-Mar-2012

Buisso

Receiving Officer



For Executive Director  
Tanzania Investment Centre

(P)



# TANZANIA INVESTMENT CENTRE

## REGISTRATION FORM

FOR

# CERTIFICATE OF INCENTIVES

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

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

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

UNITED REPUBLIC OF TANZANIA

THE TANZANIA INVESTMENT ACT

(No. 26 of 1997)

APPLICATION FOR REGISTRATION

(Made under Regulation 42)

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

1. I/We MBARAKA S. BAWAZIR  
(director/directors/agent of DAM PLASTICS LIMITED  
(name of business enterprise) apply for registration of Tanzania Investment Centre  
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 A Mandela Express Highway

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 Mandela Exp.
4. The Principal Officers of the Company are .....
5. Auditors of the Company are to be appointed
6. The authorized share capital of the Company is Tshs./US\$ 10,000,000/-

7. The intended capital investment of the Company in terms of Section 2(2) of the Act is Tsh. 1,230,000/-
8. The month and day of the financial year end is 31<sup>st</sup> Dec

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

I enclose a cheque/cash made payable to the Tanzania Investment Centre for Tsh. 1,230,000/-  
*100/-* Being the Registration Fees. *In the event this application is unsuccessful we understand that this fee will not be refunded.*

I, Mbaraka Bwazir of Post Office Number 42445, Dar  
es Salaam do solemnly and sincerely declare that I am a director/duly authorized agent of DAM PLASTICS LIMITED.


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

*(Signature)*  
 Applicant

Declared at Dar es Salaam }  
 The 31<sup>st</sup> day of Feb 2012 }

Before me:

*(Signature)*  
 Commissioner for Investment



APPLICATION SUMMARY

Company Name: DAM PLASTICS LIMITED Status: New  
 Certificate of Incorporation Number: 88383  
 Certificate of Incorporation Date: 3rd January 2012

Post Box: 42445

Town: DAR ES SALAM Sub-Sector: Textiles Manufacturing  
 Sector: Manufacturing

Investment Financing Plan in Million US\$/Tshs.

Foreign Equity	Local Equity	Foreign Loan	Local Loan
.....	<u>280,000/-</u>	.....	<u>1,000,000/-</u>

Project Objectives: Establishment of a modern plastic manufacturing units

Capacity: 800,000 bags  
 Employment: Foreign: 4 Local: 41 Total: 45  
 Implementation Period: 3 Yrs.

Project Location  
 Site/Plot/Block No.: 78  
 Street: Sungwi District: Temeke Region: Dar es Salaam  
 (Attach sketch map showing project location)

Shareholders	Nationality	%
<u>Mberaka S. Bawaizi</u>	<u>Tanzanian</u>	<u>80</u>
<u>Antar M. Bawaizi</u>	<u>"</u>	<u>10</u>
<u>Dahir M. Bawaizi</u>	<u>"</u>	<u>10</u>

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

Land/Building	50,000/-
Plant	950,000/-
Vehicles	150,000/-
Furniture & Fittings	20,000/-
Pre-expenses	10,000/-
Others	-
Working Capital	50,000/-
<b>TOTAL</b>	<b>1,230,000/-</b>

**Contact Details:**

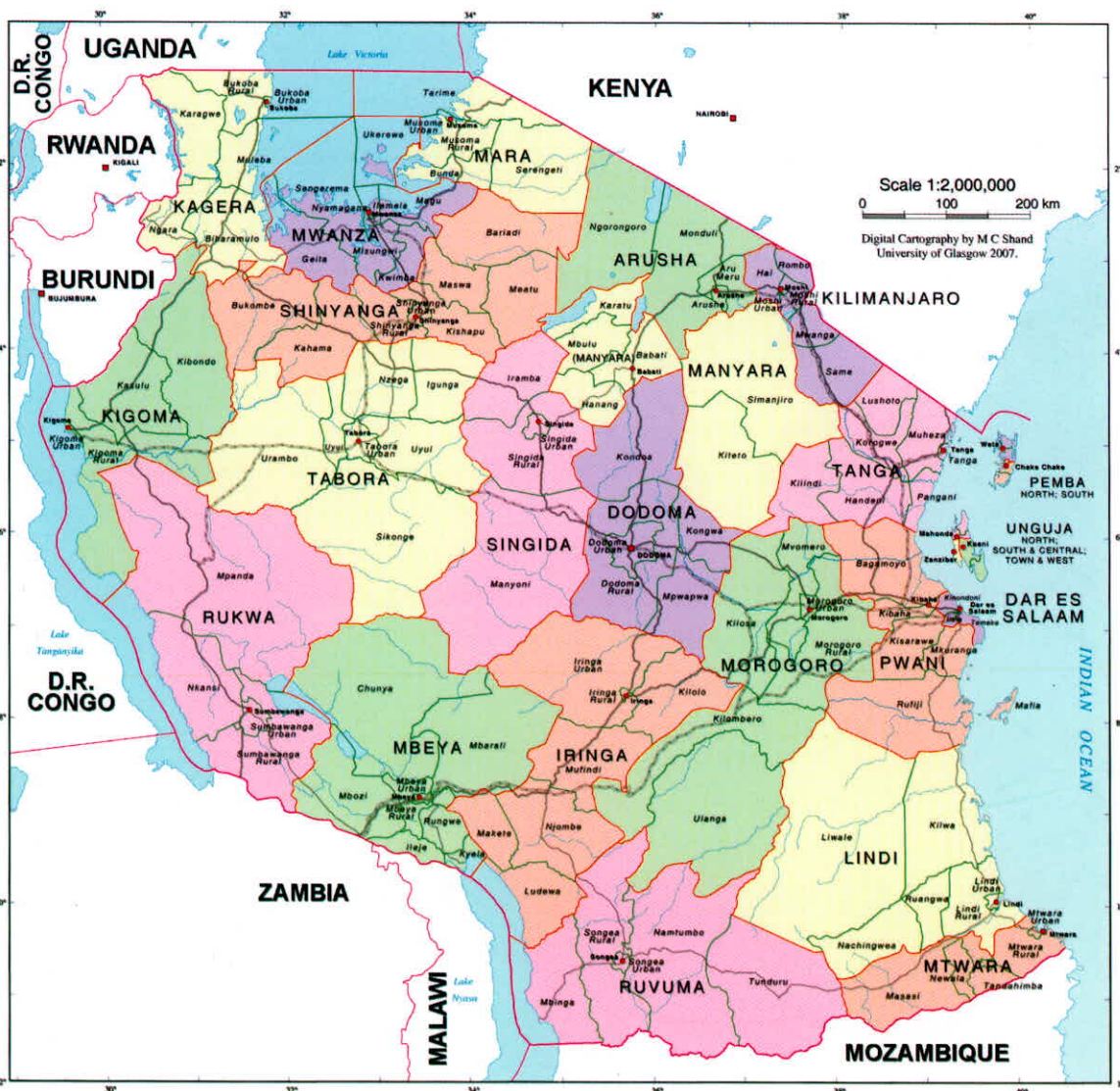
Name: MBARAKA S. BANIRIA      Title: Director Manager  
Telephone: 07 0653 77 8992      Fax: -  
Email: mbarakasbaniria@yahoo.com

**Payments to be made payable to:**

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

**SKETCH MAP SHOWING PROJECT LOCATION**





**DAM PLASTICS LTD.**

P.O. BOX 42445,  
DAR ES SALAAM.

Feasibility Study Report

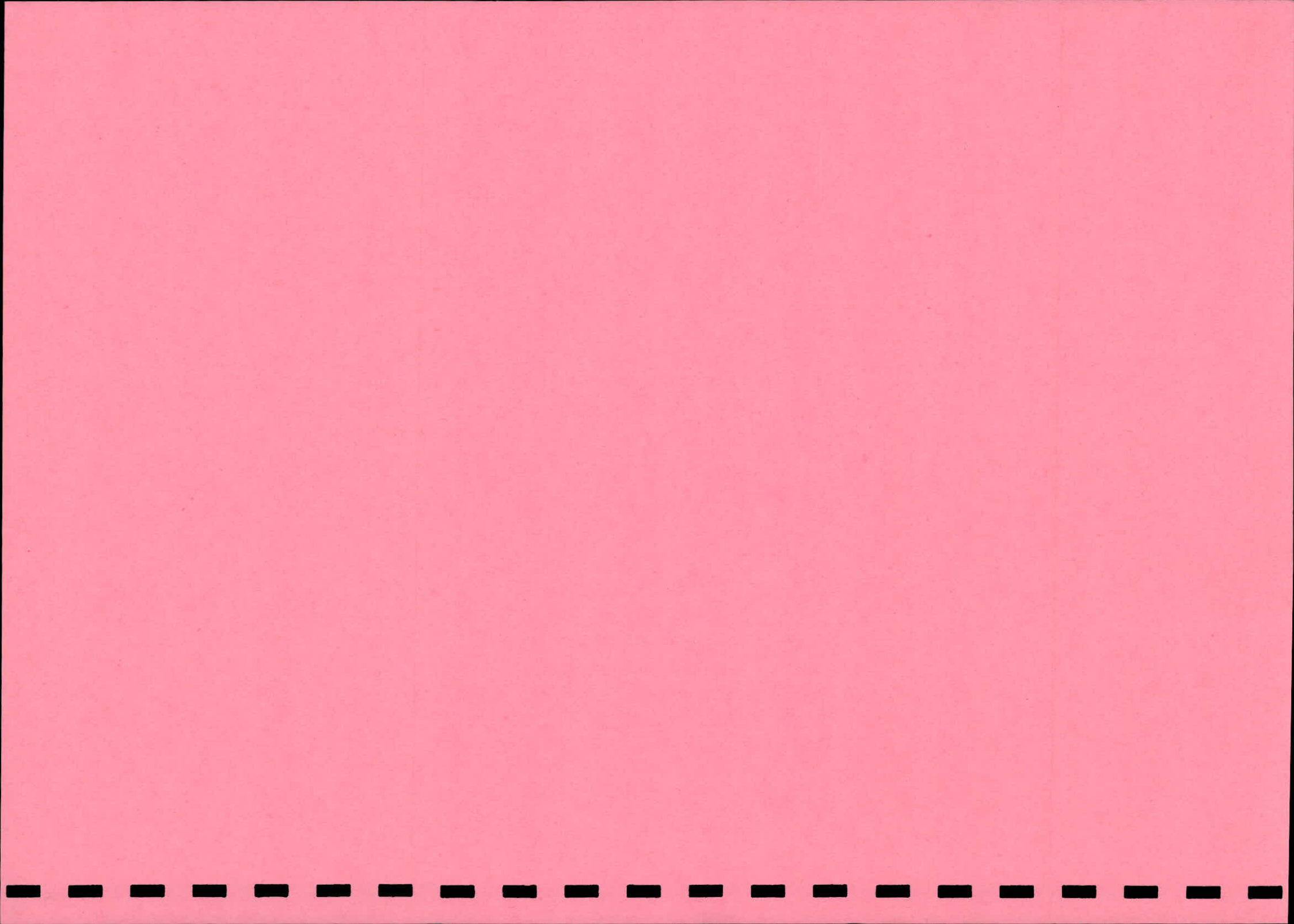
On

Establishment of Plastic Products  
Manufacturing Unit

in

Dar es Salaam, Tanzania

DRAWN BY:  
BAWAZIR,  
P.O. Box 42445,  
DAR ES SALAAM.



**DAM PLASTICS LTD.**

P.O. BOX 42445,  
DAR ES SALAAM.

Feasibility Study Report

On

Establishment of Plastic Products  
Manufacturing Unit

in

Dar es Salaam, Tanzania

DRAWN BY:  
BAWAZIR,  
P.O. Box 42445,  
DAR ES SALAAM.

# DAM PLASTICS LTD.

P.O. BOX 42445,  
DAR ES SALAAM.

## Index

S/No	Subject	Page NO. 1
1	Introduction	01
2	Company Details	02
3.	The Project	04
4.	Project Location & Inputs	06
5.	The Market & Demand	08
6.	Promoters & Management	10
7	Manufacturing Process & Technology	11
8	Manpower	14
9	Cost of the Project & Means of Finance	16
10.	Project Implementation Schedule	19
11.	Project Financials	21
12.	Social & Development Benefits	26
13.	Conclusion & Recommendations	29

### List of Appendices:-

- ◆ Cost of the Project & Means of Finance
- ◆ Projected Five Years Profit & Loss Account
- ◆ Project Five Years Balance Sheet
- ◆ Projected Five Years Funds Flow Statement
- ◆ Projected Taxation Schedule
- ◆ Projected Depreciation Statement (Phase I)
- ◆ Projected Depreciation Statement (Phase II)
- ◆ Chart on Projected Profits for Five Years
- ◆ Chart on Cash-Profits for Five Years
- ◆ Implementation Schedule ( Phase I)
- ◆ Implementation Schedule (Phase II)

## 0.1 Introduction

The following project report sets out proposals that demonstrate financial economic and marketing viability of creation or installation of a Plastic Bags Factory within Dar es Salaam, Temeke area at Sungwi, plot 78, Temeke Dar es Salaam region.

The project aims at producing quality bags unlike those being produced by other companies these will be well processed as per the Bureau of Standards requirements to suit domestic needs in Tanzania and neighbour countries to be named later.

Since Dar es Salaam city is growing tremendously where by its population by itself is coming to about 5 million, there is a need therefore to improve some of the daily basic needs urgently needed by the residents of this City.

The establishment of quality Plastic Bags factory in Dar es Salaam is set to become a major business investment that will combine development of a quality factory and elegantly designed one to match with other international factories thus creating greater chances of having a good number of customers due:

To the expected quality production.

The modern machines that shall be installed will produce the recommended quality Bags.

The re-cycling process shall assist other Tanzanians to have employment by means of selling the waste bags waste bathes to the factory for recycling.

Tanzania or Dar es Salaam City Centre is a business centre to most of east and Central African Countries and that so many business people or companies are visiting this centre on business trips therefore with this factory in Dar es Salaam taking into consideration that so many business companies are still importing these plastic bags, the move will make them decide to order bags from us rather than import these bags as this will cut down their total costs and improve their profit margin.

The efforts the Tanzania Government is making on the business links with other neighbour countries together with the improvement of making construction of good paved roads to Dar es Salaam will also enhance business contacts with our factory.

## 02. Company Details: Object Clause

M/s DPL(Dam Plastics Ltd) has been registered with the Registrar of Companies on 3<sup>rd</sup> of January 2012 as a limited liability company with a paid- up share capital of T.shs 10,000,000/= 1,000 shares each of T.shs 10,000/= shillings). The Authorized share capital of the company is same as the paid-up share capital. The registration number of the company is 88383.

Object Clause:

“To carry on the business of all kinds of Plastic materials and manufacturers of all kinds of plastics but not limited to rubber gaskets, adhesive stickers, PVC plastics and indoor decorations made of plastics etc. and also to include manufacturing of allied products as well”

### PROJECT DESCRIPTION

The plastic bags factory at Temeke Sungwi plot 78, Temeke area is expected to produce 3 tons raw material plastic bags daily.

The Dam Plastics Ltd whom herein-after shall also be referred to as the promoters, shall provide expert factory management for the project for professional operations and management of the factory for smooth production of the products as per targets.

### MAJOR INSTALLATIONS ACQUISITIONS OF THE MACHINERY

The project requires judicial mobilization of investment funds that is required for meeting the complex estimated at USD. 1,230,000 to be raised by Shareholders and self generated funds from other Shareholders business.

### FINANCIAL VIABILITY

Based on set of assumptions given here in the projects demonstrate a profitable trend in its future operations. The project IRR works at 30% where cost of borrowing is assumed at 15% p.a.

The projects proforma Income Statement Sheet and Cash Flow indicate that the project would be to recoup the planned investment funds within the first 3 years. This indicates that the project is financially viable.

### THE IMPLEMENTATION PLAN

It is planned that the project will take 6 months from time the management contract is awarded to install the machinery to the time the project commences commercial services/production at full swing.

Dam Plastics Ltd, shall appoint a term of Engineers who are competent with these type of machines and that the consultant shall be in consultation with this term to ensure that the project is implemented as planned.

### DEVELOPMENT LINKAGES:

Upon completion of the installation of the machinery DPL shall be capable of creating the following:-

- Increase availability of quality Plastic Bags.

- Generate foreign exchange income by sells of its products to neighbour countries. As demand is very high.
- Create employment for the Tanzania people and also Tanzanians shall gain more experience knowledge and education from the few expatriates to be employed in the few professional positions.
- The country shall benefits from levies and taxes to be paid by the project.
- Reasonable return on local shareholders investment funds.

#### LEGAL STATUS AND OWNERSHIP

DAM PLASTICS LTD has been incorporated as a Limited Liability Company and it has been registered under the Company Act 2002. The Company has authorized capital and paid up capital of 10,000,000.

The Shareholders of DPL are as under:

Name of the Share Holder	Nationality	No. of Shares Held	% Holding
Mr. Mbaraka S. Bawazir Box 42445, Dar es Salaam.	Tanzanian	800	80
Antar M.Bawazir Box 42445 Dar es Salam.	Tanzanian	100	10
Dahir M.Bawazir Box 42445 Dar es Salaam.	Tanzanian	100	10

The first directors of the company are:

1. Mr. Mbaraka Salum Bawazir
2. Antar Mbaraka Bawazir

#### **01. The Project:**

##### Location of the Proposed Factory:

The project site is located at Temeke Sungwi plot 78, Temeke Dar es Salaam.

This provides a unique and strategically located prime space for the business.

Furthermore this site rented US\$ 1,000 p.m. is already installed with all the necessary requirements such as water, electricity, roads, telephones and road access to other places without problems.

Therefore this makes the site exclusively suitable for the Plastic Bags project.

*Registered Office Address:*

DAM PLASTICS LTD,  
P.O. Box 42445,  
**DAR ES SALAAM.**

PROBLEM ANALYSIS

At one time the Directors and shareholders of Dam Plastics Ltd carried out a preliminary problem analysis on the plastic bag.

The survey outlined drew a comprehensive coverage on areas for improvement and copex in the business especially the type of machinery required to produce the earmarked quality plastic bags as per the Tanzania Bureau of Standards recommendations in Tanzania. Therefore the study indentified the following key areas for solving this problem.

- Poor standard of plastic bags produced.
- Inadequate of raw materials for production of such low standard plastic bags.
- Poor and lack of genuine machinery to produce quality bags
- \nadequate information technology relevant for production of quality for transporting goods products to Regions and neighbour countries.

**03. Project Concept & Inputs:-**

PROJECT CONCEPT

The project entails carrying on the installation of new machinery for the production of quality bags thus transforming it to a uniquely top class plastic bags factory within Dar es Salaam City Centre.

In summary the proposed project entails implementation of the following strategic investment task:

Installation of new machinery:

- (a) "AMBICA" 100 m.m. extrude having screw and barrel made from out from alloy steel and fully nitridng, hard chrome planting, heavy duty bearing housing Helical Gearbox and Heaters.
- (b) Machine size 90 m.m
- (c) Gear Box Helical
- (d) Ele Motor: 25 H.P. STANDER Make, LIKE Crompton Kirlosker
- (e) L/D Ratio: 24:1
- (f) No of Heater 11 no (S.S Ceramic Heater)

- (g) Pulley size 14" Gear Box X 5' (Motor)
- (h) Die head size 10.5 X 10.5 X 2 (inch)
- (i) Die Hole: 4 m.m (13 Hole)

#### COOLING TANK

Fabricated from S.S. sheets with its stand  
Tank size 84" X 23" (inch).

#### PALETIZER

With 2 H.P. A.C. Electrical Motor with fully covered 6 blades are running 1 blade is fix. Blade size are 9".

#### PANEL BOARD

Panel Board with 6 zone Pyro control with Thermocouple wires.

#### PRODUCTION CAPACITY

80 kgs/hr to 130 kgs/hr

#### POWER REQUIREMENTS

40 H.P. (approx)

#### AGGLOMETER

M.S. make mixing drum size 600 X 600 m.m

M.S. Body and stand

Six Fix and Four Rotational Scraping Blades

30 H.P. Motor Vehicle A.C. Motor (Crompton Make)

Control Panel

Suitable for HM/LD/HD/PP&PVC Film and HD/PP Raffia

#### HEAVY DUTY SCRAP GRINDER

"AMBICA" heavy duty scrap grinder is made out from Heavy duty plates or C.I. Castic Body. Grinder having three rotating and two stationery blades.

Rotor made film solid heavy duty M.S. bar

Blades made out from special category cutting steel duty hardened

Heavy flywheel for impact rotational force will be provided

Electrical motor will be fixed on rail with belt tightening facility

Pulleys will; be provided with the grinder

Motor: 12.5 H.P. (CROMTON MAKE)

Blade: Three blades are running and two blades are fixing. Blade six are 16"

Suitable for: Grinding the HM.LD/HD/PP

Scrap like bucket pipes an articles after that you can use this material as raw material for produce.

#### QUOTATION FOR "AMIBCA" HM/HDRE/LDPE

#### BLOWN FILM PLANT

#### EXTRUDER

'AMBICA' 50 m.m extruder having screw and barrel made out form alloy steel duly nitride and Helical gear with In built thrust bearing housing driven by 15 HP AC Motor and all required heaters.

Two heating zone will be provided for heating and cooling with 0.25 H.P blower on barrel

Heating load on barrwl 5 KW.

DIE

Spiral type die for HM HDPE made of alloy steel ground polished plates the lip size is 85 m.m or 100 m.m

Heating zone 3

We also provide one DIE for LDPE will be provided for LDPE bags with insert

#### CANDLE FILTER

One special candle filter would be provided. This would ensure filter changes overtime reduced by 100%.

#### AIR COOLING RING

One aluminum cast dual lips air cooling ring with suitable inserts for supplied Die

#### TAKE OFF TOWER

Take off tower with pressure nip rollers of 32" inch size one hard chrome plated and one rubber coated driven by reduction gear and 1.5 HP AC Motor Height of the tower will be 10 feet and equipped with platform staircase and wooden flatted board pressured of the nip roller are controlled by pneumatic system.

#### GUSSET ATTACHMENT

One universal gusset unit made out form wood suitable for this plant.

#### AIR RING

A variable height and variable diameter ring is fixed over the tower for holding the bubble property.

#### BLOWER

One blower with 2 HP AC Motor with air regulator valve.

#### AIR COMPRESSOR

One 1.5 HP air compressor will be provided for the above plant.

#### WINDER

One surface type winder with changeover facility along with two winding shaft. The drive is through 0.4. H.P torque motor.

#### PANEL BOARD

6 Zone Panel Board constructed by M.S crc sheet.

Panel is powder coated.

All switchgears are of standard make voltmeter with voltage selector switch for incoming voltage.

Temperature controllers with thermocouple and all necessary items.

#### A.C. DRIVES

14 hp ac Frequency drive.

For main motor.

1.5 HP AC Drive for take up unit.

Push button started for main blower

Rotary switch for winder

Main switch for complete panel board.

## TECHNICAL DATA

### MODEL

Screw Dia (m.m)  
Gear Box  
Main Motor H.P  
Spiral Die

### AMBFP-50

50  
Helical Inbuilt thrust housing  
15 A.C  
1 Die for HM HDPE  
1 Die for LDPE LLDPE  
V Belt – Pulley  
Nip Roll – Pulley  
Surface Type Single Station  
6 ZONE  
Upto 25 (inch)  
50 to 55  
30 (Approx)  
2000 (Approx)

Dive Mechanism

Take up Tower

Winder

Panel Board

Size to be manufactured

Production Capacity kgs/hr

Power Requirements (KW)

Weight (kg)

### EXTRA SPARE WITH THE BLOW FILM PLANT

1. One complete spare Heater for barrel head and die
2. One cooling dower for barrel colling.
3. One set of die bolt with pin (4 nos)
4. One digital temperature controller.
5. One thermocouple.
6. One candle filter will be provided for change the screw.
7. One magnet for Hopper made our from SS
8. One complete set of v belt for complete plant.

Total weight of the total plant approx 2,000 kgs with packing.

Total number of packaging will be five wooden boxes.

### INITIAL PROJECT INSTALLATION

It is estimated that the total investment cost shall be 350 mil this would cover mainly importation of the above named machineries as per figures above.

Project Engineering and business consultancy whereby two Engineers shall come from India to mount and install the machinery system. Raw material for the production of the plastic bags shall be imported only at 40% requirements while the remaining 60% shall be purchased locally within Dar es Salaam and neighbour region.

### MATERIAL AVAILABILITY

The management has decided to shall install these machineries as they are an advantage for the raw materials needed.

As seen in the machinery data at 3.1 above there is heavy duty scrap Grinder Machine whereby all waste plastic materials within Dar es Salaam and neighbour regions shall be purchased from petty traders at a price of 500 shillings per kg.

### PRODUCTION TARGETS

The machineries to be installed can be produce 80 kgs to 120 kgs bundles of plastic products per hour but in our case we have decided to start production at 3 ton raw material daily.

### PRODUCTION PRICES

The plastic bags shall be produced and sold at whole sale i.e bundles. One bundles of plastic bags weights 20 kgs and is sold at 105, 000/= . We expect to produce 150 bundles every day to be sold at a rate of 15.75 million Tshs.

#### PRODUCTION COSTS PER DAY

RAW MATERIALS	4.650
LABOUR COSTS	1.255
ELECTRICITY	0.450
EXPATRIATES	0.545
TOTAL COST PER DAY	

## 0.4 THE MARKET & DEMAND:-

### MARKET AND MARKETING ASPECTS

#### PREAMBLE

Tanzanians and Africans a whole used to carry small items or requirements from shops and markets by means of buckets or bags made of paper.

But as time went, Tanzania and other African countries started importing plastic bags from other Developed countries like Europe and America.

Tanzania and other African countries focus was centered on improvement of carrying requirement from shops/markets as a potential source of economic growth. Hence there is an opportunity for the Tanzanian investors to grasp this business potential towards consolidating the great achievement that the country can make compared to the past few years.

#### PLASTIC BAGS

Recent years have witnessed rapid changes taking place in the style of living in Tanzania and neighbour countries:

Like other sectors of the economy. Liberation of the economy has given this sector a rapid transformation resulting in the following:-

- Increased waste plastic bags almost in all places of Dar es Salaam City and others.
- Increased demand of such facilities as it is not possible to carry buckets or other containers at all time.
- The need to stock market and shop requirements is good custody.
- Urgent need to have quality bags, the ones that can survive to carry two to give tags weight.

### **THE DEMAND FOR THESE BAGS:**

The main source of demand for these bags shall be generated from the following customers within Dar es Salaam Township:

- Shops, Hotels, Markets, Petty traders.
- Hospitals
- In terms of employment the sector shall contribute direct employment of an esteemed 200 to 2,000 directly engaged in the production machinery department.
- Tanzanians shall eventually have advanced knowledge on the production machinery within few years to come.
- Neighbour countries demands for such bags is at a very high demand at the moment, i.e. Burundi, Rwanda, Malawi, Zambia, Zanzibar and Pemba Comoro Islands too.

Therefore Dam Plastics Ltd had decided to install the plastic bags factory for strengthening the company's position in the market through venturing in an International business of producing quality plastic bags.

- It shall also be an opportunity for developing private indigenous staff and entrepreneur who are experienced in managing plastic bags business to invest in global endeavor.

### **SOURCE OF ATTRACTION IN TANZANIA/DAR ES SALAAM**

Dar es Salaam town is within easy reach of superb Hotels and peaceful atmosphere, climate, and good relationship with other surrounding countries and that Tanzania itself is a country of peace.

The Dar es Salaam town offers a wide range of activities including good business relationship whereby essential commodities are available at a reasonable price for all neighbour countries named above.

### **MARKET STRATEGIES**

Plastic Bags factory business programme aims at taking advantage of the growing enabling business environment with increased opportunities in factories investments of plastic bags needs and business leisure that demands increased availability of quality bags to be supplied in East and Central African countries and many others into consideration that this factory shall be of its own kind in this East African Region, therefore the management has designed and started to implement a marketing strategy which includes the following:

### **WEBSITE DOMAIN**

A pro-active marketing strategy by way of distribution of brochures through tour operations and travel agents and potential corporate customers is being established.

## ADVERTISEMENT

The same to cover the local media namely Television, radio programme and newspapers advertisements including those of neighbour countries of Uganda, Burundi, Rwanda, Malawi, Zambia, Zanzibar and Comoro.

## ENVIRONMENT

The initial development and installation of this factory shall have to be approved by the Tanzania Bureaucracy of Standard (TBS) authority.

The factory development has aimed at introducing plastics waste materials at every centre, this means there shall be centres whereby waste plastic materials shall be dumped and later the factory authority shall collect the same for re-production.

Generally this shall minimize the environment impact.

### 0.5. Manpower:-

#### 5.1 Management Organisation Aspects

Plastic Bags Factory policy would aim at maintaining a quality composition of staff who are highly productive.

Therefore the manpower levels would be taken care gradually over the years to come with respect to technology development in respect of the business development and expansion and that the Factory would pay appropriate benefits to the staff.

#### 5.2 Staff Salary Structure

The salary structure shall be reviewed to be designed to fit the company's salary and that of the Tanzania Government policy for achieving high Labour productivity and proper remuneration of skilled staff.

The salary level shall reflect the degree of experience and productivity of each individual. Such a policy shall motivate the workforce and shall result in greater productivity and efficiency.

#### 5.3 Staff Development Programme

The companies shareholders shall be committed to introduce a comprehensive training programme for the Technical staff so as to improve quality production and operational skills.

#### 5.4 Staff Strength Positions

#### Expected Employment

1. GENERAL MANAGER	1
2. OPERATIONS MANAGER	2
3. PLANT ENGINEER	1
4. TECHNICAL MANAGER	1
5. ENGINEERS	3

6. FOREMAN	3
7. TECHNICIANS	6
8. ASSISTANT TECHNICIANS	3
9. MACHINE OPERATORS	10
10. ELECTRICIANS	3
11. MECHANICS	3
12. LABOURERS	9
13. CLEANERS	9
<b>TOTAL</b>	<b>= 54</b>

## 6.0 Cost of the Project & Means of Finance:-

### A. Cost of the Project:-

Sr. NO.	Details	US \$
1	Land & Building ( as described later)	50,000/=
2.	Plant & Machinery ( as per list below)	950,000/=
3.	Furniture, Computers & Fixtures	20,000/=
4.	Vehicles ( 3 nos).	150,000/=
5.	Pre-operating Costs	10,000/=
6.	Initial working capital	50,000/=
	<b>Total Cost of the Project</b>	<b>1,230,000/=</b>

### B. Means of Finance:-

Sr. NO.	Details	US \$
1	Equity Funds	230,000/=
2	Promoters' Loan	1,000,000/=
	<b>Total Means of finance</b>	<b>1,230,000/=</b>

The total cost of the project consisting of both the phases has been estimated at US \$ 1,230,000/= As can be seen from the above chart, majority of the expenses involved will be on plant and machinery. Nearly 73.33%. Besides considerable money will be required in the starting up of the unit which has been grouped under the head pre-operating and initial working capital costs.

Phase I will be implemented within a span of three months and the second and the final phase will be completed within a span of nearly 21 months from the date of the completion of the first phase.

### 7.0. Project Implementation Schedule:-

As has been stated in the earlier paragraphs the entire project will be implemented in two phases within a period of 24 months. The first phase is expected to be completed within a span of nearly two to three months and the next phase is expected to be completed in another 21 months. The initial capacity shall be 100 cubic meters a day and after completion of the second phase the manufacturing capacity shall be 450 cubic meters a day.

Considering March 2012 as the first month, the first phase is expected to be completed by June 2012 and commercial operations expected from June 2014. Where as the increased production from 100 cubic meters a day to 450 cubic meters a day will be achieved gradually, however optimum capacity will be reached within 24 months.

The project implementation schedule is shown in form of a table hereunder : (PHASE I).

Sr. No	Activity	Completion Period
01	Company Formation, Registrering with statutory authorities, like Income tax, VAT NSSF, etc., securing TIC certificate of incentive Industrial license etc.	Feb 2012 & April 2012
02	Site identification, purchasing the same, designing of plant layout and commencing of construction of factory shed.	March/April 2012
03	Order placement for various machineries, recruitment of key personnel.	March/April 2012
04	Installation of Machines	April/June 2012
05	Procurement of logs for initial trial runs as also for future.	April/June 2012
06	Commencement of Trial Runs	April 2012
07	Commencement of commercial Operations.	April/June 2012

The project implementation schedule is shown in form of a table hereunder(PHASE II)

Sr. NO.	Activity	Completion Period
01	Site Mobilization & Factory Construction	Oct. 2013 & November 2013
02	Factory Shed Complete & Plant Layout finalized for implementation.	November 2013 & December 2013
03	Order placement for various machineries, recruitment of key personnel	January 2014 & February 2014.
04	Installation of Plant & Machines	March/April 2014

05	Procurement of logs for initial trial runs and plant commissioning.	April/May 2014
06	Commencement of Trial Runs	May/June 2014
07	Commencement of Commercial Operations.	May/June 2014.

The second phase implementation will begin immediately after twelve months and it is expected that within a span of another nine months major expansion as envisaged will be completed. Improvements will be introduced in the next phase based on the experiences of the first phase.

#### 0.7 PROJECT FINANCIALS:-

##### 0.7.1 PROJECTED FINANCIAL VIABILITY PROFITABILITY AND ECONOMIC ANALYSIS

##### 0.7.2 Assumptions and Consideration

A set of cost and operating assumptions of the proposed project appears in Annex G whereas schedule H present summary of financial analysis as projected.

The financial analysis indicates that the proposed project would be a profitable venture.

##### 0.7.3 Projected Profit and Loss Accounts

The project is expected to make a profit after Tax of Tshs. 12 million in its first years of operation to Tshs. 20 millions at the end of the projected period. Raining 17 earnings are expected to be Tshs. 42 millions at the end of the 3<sup>rd</sup> year of operation Annex "P".

##### 0.7.4 Projected Cash flow (Annex "G")

The projected cash flow show that the project would be able to honour is financial obligations as they fall due throughout the projects economic life and still remain with reserve of cumulative cash that would be re-invested in the project.

Accumulated cash balances rise to Tshs. 42 million at the end of the three years lease period.

##### 0.7.5 Projected balanced Sheet (Annex "A - C")

Balance sheet projection indicates that the projects net ass. Values shall rise from Tshs. 130 million in the first year of operation to Tshs. 193 at the end of the projected period.

##### 0.7.6 Discounted Cash Flow and IRR (Annex "J")

The internal rate of return of the project works at 26% and this is reasonable.

The same indicates that the proposed project would be financially viable.

0.7.7 Break even Analysis (Annex "J")

The proposed projects break-even analysis based on year 2 operations is 26% at a break-even sales of Tshs. 21 million that can be adequate stained even before that year.

0.7.8 Projected Recoupment Period (Annex "H")

The project recoups total capital costs within the years. This is considered adequate, considered the relatively large sum of capital investment in this project.

8.0 **Social & Development Benefits:-**

- ◆ Impact on forests and vegetation and consequent impact on environment.

It should also be mentioned here that the species to be used will be of high quality. These species have never been used for manufacture of rubber mats, rubber and PVC plastics or plastic products. This is also an advantage of this project from the viewpoint of impact on undertaking of major packaging workshops on plastics products.

- ◆ Employment creation

As has been observed earlier this project will provide direct employment opportunities to more than 1,000/= locals inclusive of skilled, semi- skilled and unskilled class. Few expatriates will also be employed as per the requirement of the project.

This direct employment of more than 1,000 individuals will generate indirect employment for more than 10,000 individuals. In nutshell it can be concluded that this project will have a very positive impact on the level of employment in the country and will be welcome change.

- ◆ Transfer of technology

This project being a manufacturing project will usher in the country technology. Although the technology is simple the advantages to the country are quite significant. The country will get the advantage of value addition due to such incoming technology. Further the country can reduce its dependence on imports for the finished products manufactured by this project. Local employees will get on-the-job training from the experts (expatriate) employed and in long run will improve the technical competence of the local population.

- ◆ Inflow of foreign exchange

Majority of the output will be exported out of the country. This will have tow positive effects on the foreign exchange reserves of the country. IN the first place

the imports of the output will be reduced which will enable the country to save on the outgo of foreign currency and secondly the output produced will be exported which will bring in the country foreign currency.

Thus this project will provide positive impact on the foreign currency reserves of the country.

◆ ***Lowering of construction cost.***

As the Plastic products and all allied kinds of products will be available from within the country the country will get the benefit of lower cost of manufacture. In a very small way this will have a positive bearing on the cost of manufacture of various items using rubber or Plastic Containers as a part of its manufacturing process and also for all other factories and business houses using rubber and Plastic products as a part and parcel of its day to day working life.

◆ ***Contribution to the exchequer.***

This project will contribute substantially to the society in general and to the exchequer in particular. As has been observed the total turnover at 100% utilization will be in the range of US \$ 40 million. This will result into VAT outflow of substantial amounts. Besides the company will be contributing tremendously in terms of PAYE and NSSF. In addition the company will also be contributing in terms of corporate taxation from the year 2015 onwards.

◆ ***Positive cascading impact on the nation's economy.***

This project will have overall positive impact on the society. It will not only save the precious foreign currency reserves of the country by producing import substitute products, and by exporting the final product, but will also generate direct employment to more than 1000 individuals and will provide means of livelihood to more than 10,000 individuals. The cascading positive impact on the society will be too great. This project will lead to creation of national wealth. Its contribution to the exchequer will also be quite significant in terms of NSSF, PAYE, VAT and direct taxation apart from skills and development levy.

One more advantage of this project is its location. Since it is located at Dar es Salaam, which is commercially expanding and develop. This project will thus result into regional development. This project will thus held the government to further its own objective of promoting regional development.

**9.0 Conclusion & Recommendation:-**

The foregoing write-up indicates following benefits to the country, which in turn pleads for immediate acceptance of this project as a feasible project.

- ◆ The country will get a manufacturing unit, which will add to its scarce manufacturing base. As on date the country's manufacturing base is very low with

contribution of 9% to the GDP and thereby making the economy pre-dominantly agriculture oriented.

- ◆ The project will bring in latest technology in the relevant field and will ensure training or development of skilled labour force in the country. The labour force will get on -job training and will thus make them more and more competent.
- ◆ All products envisaged to be manufactured are basically import substitute and will therefore save the scarce foreign currency for the country. Apart from that the country will save in terms of lowering of cost of manufacture and lower construction cost which will again lead to lower cost of other manufactured items.
- ◆ The project when implemented in full over a period of 24 months will ensure that there will be a direct flow of foreign currency in the country to the tune of US \$ 2,000,000/= which is considerable by any standard.
- ◆ The project will lead to regional development besides Dar es salaam as it will be located in Dar es Salaam Region. This advantage has many other advantages running parallel. There will be tremendous boost to the economic development in the region. It will arrest migration of individuals and will also alleviate the problem of congestion and concentration of working force in Dar es salaam region.
- ◆ It will generate employment to 1,000/= locals at the expiry of 24 months. Further this direct employment generation will lead to creation of employment opportunities of nearly 10,000 individuals.
- ◆ It will provide cascading positive impact on the economic situation in Dar es Salaam region.

There are many other benefits direct and indirect of this project and therefore we conclude that this project is feasible technically as well as economically.

*We also therefore recommend that this project be supported in totality, as it will be in favor of the nation on a whole.*

DAM PLASTICS LTD  
INVESTMENT COST

	FOREIGN	LOCAL	TOTAL
LAND AND BUILDINGS			
PLANT AND MACHINERY		50,000	50,000
MOTOR VEHICLES		950,000	950,000
OTHERS		150,000	150,000
FURNITURE AND FITTING		0	0
WORKING CAPITAL		20,000	20000
PRE-OPERATIONAL EXPENSES		50,000	50000
PRE-OPERATIONAL EXPENSES		10,000	10,000
<b>TOTAL INVESTMENT COST</b>			<b>1,230,000</b>

**DAM PLASTICS LTD  
DEPRECIATION SCHEDULE**

	USD 000		1	2	3	4	5	6	7	8	9	10
Land and Building	50	4%	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
Plant and Machinery	950	12.5%	11,750	10,281	8,924	7,881	6,896	6,034	5,237	4,625	4,047	3,541
Working capital	0											
Motor vehicle	150	25%	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Furniture & equipment	20	12.5%	31,250	27,343	23,926	20,935	18,318	16,028	14,025	12,272	10,738	9,395
Pre -Operational expenses	10	12.5%	11,750	10,281	8,924	7,881	6,896	6,034	5,237	4,625	4,047	3,541
Others	0	20%	1,000	1,000	1,000	1,000	1,000					
	<b>1,180</b>		<b>267,750</b>	<b>260,905</b>	<b>254,774</b>	<b>249,697</b>	<b>245,110</b>	<b>240,096</b>	<b>236,499</b>	<b>233,522</b>	<b>230,832</b>	<b>228,477</b>

DAM PLASTICS LTD  
FINANCING PATTERN

USD

	FOREIGN	LOCAL	TOTAL
EQUITY		1,230,000	1,230,000
TOTAL	0	1,230,000	1,230,000

DAM PLASTICS LTD  
BREAK-DOWN OF VEHICLES TO BE PURCHASED

	UNITS	USD
<b>1</b> <b>MOTOR VEHICLES</b>		
Light Trucks	2	
Wagon/Bus	2	
4x4 Pickup	2	
<b>TOTAL VEHICLES TO BE PURCHASED</b>	<b>6</b>	<b>150,000</b>

DAM PLASTICS LTD  
OPERATING COSTS

Appendix V

	1	2	3	4	5	6	7	8	9	10	USD
Repair & Maintenance	31,700	56,600	56,600	56,600	56,600	56,600	56,600	56,600	56,600	56,600	56,600
Fuel Oil	25,400	28,950	28,950	28,950	28,950	28,950	28,950	28,950	28,950	28,950	28,950
Tyres & Tubes replacement	32,600	39,700	39,700	39,700	39,700	39,700	39,700	39,700	39,700	39,700	39,700
Administration	8,860	8,600	8,600	8,600	8,600	8,600	8,600	8,600	8,600	8,600	8,600
Insurance	4,800	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500
Direct Fees	9,050	11,050	11,050	11,050	11,050	11,050	11,050	11,050	11,050	11,050	11,050
Other directs costs	5,300	6,800	6,800	6,800	6,800	6,800	6,800	6,800	6,800	6,800	6,800
Utilities	42,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000
Salaries and Wages	58,000	62,000	62,000	62,000	62,000	62,000	62,000	62,000	62,000	62,000	62,000
<b>Total Operating Costs</b>	<b>217,710</b>	<b>268,200</b>	<b>268,200</b>	<b>268,200</b>	<b>268,200</b>	<b>268,200</b>	<b>268,200</b>	<b>268,208</b>	<b>268,200</b>	<b>268,200</b>	<b>268,200</b>

## DAM PLASTICS LTD

### WORKING CAPITAL

Appendix VI

YEAR	Assump.	USD									
		1	2	3	4	5	6	7	8	9	10
<b>Stock</b>											
Pllasticworks	3 months	125	141	157	157	157	157	157	157	157	157
	essential										
	packs										
Tyres and Tubes	1 months	29	33	37	37	37	37	37	37	37	37
	requirement										
Utilities	2 months	8	8	8	8	8	8	8	8	8	8
Cash	1 months	12	12	12	12	12	12	12	12	12	12
		174	194	214	214	214	214	214	214	214	214
<b>Debtors</b>											
5% income		387	434	484	484	484	484	484	484	484	484
<b>Creditors</b>											
1 month overheads		32	36	40	40	40	40	40	40	40	40
<b>Total Creditors</b>		32	36	40	40	40	40	40	40	40	40
Net Working Capital		355	398	444	444	444	444	444	444	444	444
<b>Charge in Working Capital</b>											
		355	43	46							

DAM PLASTICS LTD  
SALARIES AND WAGES

	NOS.	SALARY PER MONTH	SALARY PER ANNUM USD
Executive1	1	500	6,000
Executive2	2	350	1,050
Accountants	3	150	1,500
Drivers	3	70	1,750
Mechanics	13	90	1,800
Office Attendants	2	65	260
Security Guard	3	65	650
<b>Total Salaries</b>	<b>27</b>		<b>13,010</b>



**DAM PLASTICS LTD**  
**PROJECTED PROFIT AND LOSS ACCOUNTS**

Appendix XI

	USD 000									
	1	2	3	4	5	6	7	8	9	10
Capacity Utilisation	80	90	100	110	120	130	140	150	160	170
Sales Revenue	7,784	8,716	9,685	9,685	9,685	9,685	9,685	9,685	9,685	9,685
<b>Operating Expenses</b>										
Overhead Expenses	887	1,352	1,501	1,501	1,501	1,501	1,501	1,501	1,501	1,501
Salaries and Wages	1301	148	148	148	148	148	148	148	148	148
Total Operating Expenses	1,480	1,500	1,649	1,649	1,649	1,649	1,649	1,649	1,649	1,649
Total Operating Profit	5,174	7,216	8,036	8,036	8,036	8,036	8,036	8,036	8,036	8,036
<b>Financial and Capital Charges</b>										
Depreciation	563	537	553	549	545	540	537	534	533	531
Profit before Tax	4,162	6,659	7,483	7,487	7,491	7,496	7,499	7,502	7,503	7,505
Profit after Tax	2,913									
Capital Allowance	3,251	6,659	7,483	7,487	7,491	7,496	7,499	7,502	7,503	7,505
Taxation 30%	975	1,998	2,245	2,246	2,247	2,249	2,250	2,251	2,251	2,257
Profit after Tax	5,174	4,441	5,238	5,241	5,244	5,247	5,249	5,251	5,252	5,248
Profit Brought Forward	-	2,276	6,937	12,175	17,416	22,660	27,907	33,156	38,407	43,659
<b>Total Revenue</b>	<b>5,174</b>	<b>6,937</b>	<b>12,175</b>	<b>17,416</b>	<b>22,660</b>	<b>27,907</b>	<b>33,156</b>	<b>38,407</b>	<b>43,659</b>	<b>48,907</b>

**DAM PLASTICS LTD  
PROJECTED PROFIT CASHFLOW**

Appendix XII

	0	1	2	3	4	5	6	7	8	9	10
<b>CASH INFLOW</b>											<b>USD '000</b>
Capital inflow											
Equity	1,230										
<b>OPERATIONAL INFLOW</b>											
Profit before Tax		6,150	6,659	7,483	7,487	7,491	7,496	7,499	7,502	7,503	7,505
Depreciation		563	557	553	549	545	540	537	534	533	531
Total Cash Inflow	1,230	6,713	7,216	8,036	8,036	8,036	8,036	8,036	8,036	8,036	8,036
<b>CASH INFLOW</b>											
Investment	1,230	-	-	-	-	-	-	-	-	-	-
Re-Investment	0	-	-	-	-	-	-	-	-	-	-
<b>OUTFLOW</b>											
Taxation	230	1,998	2,245	2,46	2,247	2,249	2,250	2,251	2,251	2,251	2,251
Increase in W/C	1,000	43	46								
Total Cash Outflow	1,230	1,330	2,041	2,291	2,240	2,247	2,249	2,250	2,251	2,251	2,251
<b>Net Cash Outflow</b>	0	5,353	5,175	5,745	5,790	5,789	5,787	5,786	5,785	5,785	5,785
Opening Balance	-	-	5,383	10,558	16,303	22,093	27,882	33,669	39,455	45,240	51,025
Closing Balance	-	5,383	10,558	16,303	22,093	27,882	33,669	39,455	45,240	51,025	56,810

**DAM PLASTICS LTD.**

P.O. BOX 42445,  
DAR ES SALAAM.

Feasibility Study Report

On

Establishment of Plastic Products  
Manufacturing Unit

in

Dar es Salaam, Tanzania

DRAWN BY:  
BAWAZIR,  
P.O. Box 42445,  
DAR ES SALAAM.

# DAM PLASTICS LTD.

P.O. BOX 42445,  
DAR ES SALAAM.

## Index

S/No	Subject	Page NO. 1
1	Introduction	01
2	Company Details	02
3.	The Project	04
4.	Project Location & Inputs	06
5.	The Market & Demand	08
6.	Promoters & Management	10
7	Manufacturing Process & Technology	11
8	Manpower	14
9	Cost of the Project & Means of Finance	16
10.	Project Implementation Schedule	19
11.	Project Financials	21
12.	Social & Development Benefits	26
13.	Conclusion & Recommendations	29

### List of Appendices:-

- ◆ Cost of the Project & Means of Finance
- ◆ Projected Five Years Profit & Loss Account
- ◆ Project Five Years Balance Sheet
- ◆ Projected Five Years Funds Flow Statement
- ◆ Projected Taxation Schedule
- ◆ Projected Depreciation Statement (Phase I)
- ◆ Projected Depreciation Statement (Phase II)
- ◆ Chart on Projected Profits for Five Years
- ◆ Chart on Cash-Profits for Five Years
- ◆ Implementation Schedule ( Phase I)
- ◆ Implementation Schedule (Phase II)

## 0.1 Introduction

The following project report sets out proposals that demonstrate financial economic and marketing viability of creation or installation of a Plastic Bags Factory within Dar es Salaam, Temeke area at Sungwi, plot 78, Temeke Dar es Salaam region.

The project aims at producing quality bags unlike those being produced by other companies these will be well processed as per the Bureau of Standards requirements to suit domestic needs in Tanzania and neighbour countries to be named later.

Since Dar es Salaam city is growing tremendously where by its population by itself is coming to about 5 million, there is a need therefore to improve some of the daily basic needs urgently needed by the residents of this City.

The establishment of quality Plastic Bags factory in Dar es Salaam is set to become a major business investment that will combine development of a quality factory and elegantly designed one to match with other international factories thus creating greater chances of having a good number of customers due:

To the expected quality production.

The modern machines that shall be installed will produce the recommended quality Bags.

The re-cycling process shall assist other Tanzanians to have employment by means of selling the waste bags waste bathes to the factory for recycling.

Tanzania or Dar es Salaam City Centre is a business centre to most of east and Central African Countries and that so many business people or companies are visiting this centre on business trips therefore with this factory in Dar es Salaam taking into consideration that so many business companies are still importing these plastic bags, the move will make them decide to order bags from us rather than import these bags as this will cut down their total costs and improve their profit margin.

The efforts the Tanzania Government is making on the business links with other neighbour countries together with the improvement of making construction of good paved roads to Dar es Salaam will also enhance business contacts with our factory.

## 02. Company Details: Object Clause

M/s DPL(Dam Plastics Ltd) has been registered with the Registrar of Companies on 3<sup>rd</sup> of January 2012 as a limited liability company with a paid- up share capital of T.shs 10,000,000/= 1,000 shares each of T.shs 10,000/= shillings). The Authorized share capital of the company is same as the paid-up share capital. The registration number of the company is 88383.

Object Clause:

"To carry on the business of all kinds of Plastic materials and manufacturers of all kinds of plastics but not limited to rubber gaskets, adhesive stickers, PVC plastics and indoor decorations made of plastics etc. and also to include manufacturing of allied products as well"

### PROJECT DESCRIPTION

The plastic bags factory at Temeke Sungwi plot 78, Temeke area is expected to produce 3 tons raw material plastic bags daily.

The Dam Plastics Ltd whom herein-after shall also be referred to as the promoters, shall provide expert factory management for the project for professional operations and management of the factory for smooth production of the products as per targets.

### MAJOR INSTALLATIONS ACQUISITIONS OF THE MACHINERY

The project requires judicial mobilization of investment funds that is required for meeting the complex estimated at USD. 1,230,000 to be raised by Shareholders and self generated funds from other Shareholders business.

### FINANCIAL VIABILITY

Based on set of assumptions given here in the projects demonstrate a profitable trend in its future operations. The project IRR works at 30% where cost of borrowing is assumed at 15% p.a.

The projects proforma Income Statement Sheet and Cash Flow indicate that the project would be to recoup the planned investment funds within the first 3 years. This indicates that the project is financially viable.

### THE IMPLEMENTATION PLAN

It is planned that the project will take 6 months from time the management contract is awarded to install the machinery to the time the project commences commercial services/production at full swing.

Dam Plastics Ltd, shall appoint a term of Engineers who are competent with these type of machines and that the consultant shall be in consultation with this term to ensure that the project is implemented as planned.

### DEVELOPMENT LINKAGES:

Upon completion of the installation of the machinery DPL shall be capable of creating the following:-

- Increase availability of quality Plastic Bags.

- Generate foreign exchange income by sells of its products to neighbour countries. As demand is very high.
- Create employment for the Tanzania people and also Tanzanians shall gain more experience knowledge and education from the few expatriates to be employed in the few professional positions.
- The country shall benefits from levies and taxes to be paid by the project.
- Reasonable return on local shareholders investment funds.

#### LEGAL STATUS AND OWNERSHIP

DAM PLASTICS LTD has been incorporated as a Limited Liability Company and it has been registered under the Company Act 2002. The Company has authorized capital and paid up capital of 10,000,000.

The Shareholders of DPL are as under:

Name of the Share Holder	Nationality	No. of Shares Held	% Holding
Mr. Mbaraka S. Bawazir Box 42445, Dar es Salaam.	Tanzanian	800	80
Antar M.Bawazir Box 42445 Dar es Salam.	Tanzanian	100	10
Dahir M.Bawazir Box 42445 Dar es Salaam.	Tanzanian	100	10

The first directors of the company are:

1. Mr. Mbaraka Salum Bawazir
2. Antar Mbaraka Bawazir

#### **01. The Project:**

##### Location of the Proposed Factory:

The project site is located at Temeke Sungwi plot 78, Temeke Dar es Salaam.

This provides a unique and strategically located prime space for the business.

Furthermore this site rented US\$ 1,000 p.m. is already installed with all the necessary requirements such as water, electricity, roads, telephones and road access to other places without problems.

Therefore this makes the site exclusively suitable for the Plastic Bags project.

*Registered Office Address:*

DAM PLASTICS LTD,  
P.O. Box 42445,  
DAR ES SALAAM.

PROBLEM ANALYSIS

At one time the Directors and shareholders of Dam Plastics Ltd carried out a preliminary problem analysis on the plastic bag.

The survey outlined drew a comprehensive coverage on areas for improvement and copex in the business especially the type of machinery required to produce the earmarked quality plastic bags as per the Tanzania Bureau of Standards recommendations in Tanzania. Therefore the study indentified the following key areas for solving this problem.

- Poor standard of plastic bags produced.
- Inadequate of raw materials for production of such low standard plastic bags.
- Poor and lack of genuine machinery to produce quality bags
- \nadequate information technology relevant for production of quality for transporting goods products to Regions and neighbour countries.

**03. Project Concept & Inputs:-**

PROJECT CONCEPT

The project entails carrying on the installation of new machinery for the production of quality bags thus transforming it to a uniquely top class plastic bags factory within Dar es Salaam City Centre.

In summary the proposed project entails implementation of the following strategic investment task:

Installation of new machinery:

- (a) "AMBICA" 100 m.m. extrude having screw and barrel made from out from alloy steel and fully nitridng, hard chrome planting, heavy duty bearing housing Helical Gearbox and Heaters.
- (b) Machine size 90 m.m
- (c) Gear Box Helical
- (d) Ele Motor: 25 H.P. STANDER Make, LIKE Crompton Kirlosker
- (e) L/D Ratio: 24:1
- (f) No of Heater 11 no (S.S Ceramic Heater)

- (g) Pulley size 14" Gear Box X 5' (Motor)
- (h) Die head size 10.5 X 10.5 X 2 (inch)
- (i) Die Hole: 4 m.m (13 Hole)

#### COOLING TANK

Fabricated from S.S. sheets with its stand  
Tank size 84" X 23" (inch).

#### PALETIZER

With 2 H.P. A.C. Electrical Motor with fully covered 6 blades are running 1 blade is fix. Blade size are 9".

#### PANEL BOARD

Panel Board with 6 zone Pyro control with Thermocouple wires.

#### PRODUCTION CAPACITY

80 kgs/hr to 130 kgs/hr

#### POWER REQUIREMENTS

40 H.P. (approx)

#### AGGLOREMETER

M.S. make mixing drum size 600 X 600 m.m

M.S. Body and stand

Six Fix and Four Rotational Scraping Blades

30 H.P. Motor Vehicle A.C. Motor (Cronton Make)

Control Panel

Suitable for HM/LD/HD/PP&PVC Film and HD/PP Raffia

#### HEAVY DUTY SCRAP GRINDER

"AMBICA" heavy duty scrap grinder is made out from Heavy duty plates or C.I. Castic Body. Grinder having three rotating and two stationery blades.

Rotor made film solid heavy duty M.S. bar

Blades made out from special category cutting steel duty hardened

Heavy flywheel for impact rotational force will be provided

Electrical motor will be fixed on rail with belt tightening facility

Pulleys will; be provided with the grinder

Motor: 12.5 H.P. (CROMTON MAKE)

Blade: Three blades are running and two blades are fixing. Blade six are 16"

Suitable for: Grinding the HM.LD/HD/PP

Scrap like bucket pipes an articles after that you can use this material as raw material for produce.

#### QUOTATION FOR "AMIBCA" HM/HDRE/LDPE

#### BLOWN FILM PLANT

#### EXTRUDER

'AMBICA' 50 m.m extruder having screw and barrel made out form alloy steel duly nitride and Helical gear with In built thrust bearing housing driven by 15 HP AC Motor and all required heaters.

Two heating zone will be provided for heating and cooling with 0.25 H.P blower on barrel

Heating load on barrwl 5 KW.

DIE

Spiral type die for HM HDPE made of alloy steel ground polished plates the lip size is 85 m.m or 100 m.m

Heating zone 3

We also provide one DIE for LDPE will be provided for LDPE bags with insert

#### CANDLE FILTER

One special candle filter would be provided. This would ensure filter changes overtime reduced by 100%.

#### AIR COOLING RING

One aluminum cast dual lips air cooling ring with suitable inserts for supplied Die

#### TAKE OFF TOWER

Take off tower with pressure nip rollers of 32" inch size one hard chrome plated and one rubber coated driven by reduction gear and 1.5 HP AC Motor Height of the tower will be 10 feet and equipped with platform staircase and wooden flatted board pressured of the nip roller are controlled by pneumatic system.

#### GUSSET ATTACHMENT

One universal gusset unit made out form wood suitable for this plant.

#### AIR RING

A variable height and variable diameter ring is fixed over the tower for holding the bubble property.

#### BLOWER

One blower with 2 HP AC Motor with air regulator valve.

#### AIR COMPRESSOR

One 1.5 HP air compressor will be provided for the above plant.

#### WINDER

One surface type winder with changeover facility along with two winding shaft. The drive is through 0.4. H.P torque motor.

#### PANEL BOARD

6 Zone Panel Board constructed by M.S crc sheet.

Panel is powder coated.

All switchgears are of standard make voltmeter with voltage selector switch for incoming voltage.

Temperature controllers with thermocouple and all necessary items.

#### A.C. DRIVES

14 hp ac Frequency drive.

For main motor.

1.5 HP AC Drive for take up unit.

Push button started for main blower

Rotary switch for winder

Main switch for complete panel board.

## TECHNICAL DATA

<u>MODEL</u>	<u>AMBFP-50</u>
Screw Dia (m.m)	50
Gear Box	Helical Inbuilt thrust housing
Main Motor H.P	15 A.C
Spiral Die	1 Die for HM HDPE 1 Die for LDPE LLDPE
Dive Mechanism	V Belt – Pulley
Take up Tower	Nip Roll – Pulley
Winder	Surface Type Single Station
Panel Board	6 ZONE
Size to be manufactured	Upto 25 (inch)
Production Capacity kgs/hr	50 to 55
Power Requirements (KW)	30 (Approx)
Weight (kg)	2000 (Approx)

### EXTRA SPARE WITH THE BLOW FILM PLANT

1. One complete spare Heater for barrel head and die
2. One cooling dower for barrel colling.
3. One set of die bolt with pin (4 nos)
4. One digital temperature controller.
5. One thermocouple.
6. One candle filter will be provided for change the screw.
7. One magnet for Hopper made our from SS
8. One complete set of v belt for complete plant.

Total weight of the total plant approx 2,000 kgs with packing.

Total number of packaging will be five wooden boxes.

### INITAL PROJECT INSTALLATION

It is estimated that the toal investment cost shall be 350 mil this would cover mainly importation of the aboe named machineries as per figures above.

Project Engineering and business consultancy whereby two Engineers shall come from India to mount and install the machinery system. Raw material for the production of the plastic bags shall be imported only at 40% requirements while the remaining 60% shall be purchased locally within Dar es Salaam and neighbour region.

### MATERIAL AVAILABILITY

The management has decided to shall install these machineries as they are an advantage for the raw materials needed.

As seen in the machinery data at 3.1 above there is heavy duty scrap Grinder Machine whereby all waste plastic materials wihin Dar es Salaam and neighbour regions shall be purchased from petty traders at a price of 500 shillings per kg.

### PRODUCTION TARGETS

The macineries to be installed can be produce 80 kgs to 120 kgs bundles of plastic products per hour but in our case we have decided to start production at 3 ton raw material daily.

### PRODUCTION PRICES

The plastic bags shall be produced and sold at whole sale i.e bundles. One bundles of plastic bags weights 20 kgs and is sold at 105, 000/=. We expect to produce 150 bundles every day to be sold at a rate of 15.75 million Tshs.

#### PRODUCTION COSTS PER DAY

RAW MATERIALS	4.650
LABOUR COSTS	1.255
ELECTRICITY	0.450
EXPATRIATES	0.545
TOTAL COST PER DAY	

### 0.4 THE MARKET & DEMAND:-

#### MARKET AND MARKETING ASPECTS

##### PREAMBLE

Tanzanians and Africans a whole used to carry small items or requirements from shops and markets by means of buckets or bags made of paper.

But as time went, Tanzania and other African countries started importing plastic bags from other Developed countries like Europe and America.

Tanzania and other African countries focus was centered on improvement of carrying requirement from shops/markets as a potential source of economic growth. Hence there is an opportunity for the Tanzanian investors to grasp this business potential towards consolidating the great achievement that the country can make compared to the past few years.

##### PLASTIC BAGS

Recent years have witnessed rapid changes taking place in the style of living in Tanzania and neighbour countries:

Like other sectors of the economy. Liberation of the economy has given this sector a rapid transformation resulting in the following:-

- Increased waste plastic bags almost in all places of Dar es Salaam City and others.
- Increased demand of such facilities as it is not possible to carry buckets or other containers at all time.
- The need to stock market and shop requirements is good custody.
- Urgent need to have quality bags, the ones that can survive to carry two to give tags weight.

### **THE DEMAND FOR THESE BAGS:**

The main source of demand for these bags shall be generated from the following customers within Dar es Salaam Township:

- Shops, Hotels, Markets, Petty traders.
- Hospitals
- In terms of employment the sector shall contribute direct employment of an esteemed 200 to 2,000 directly engaged in the production machinery department.
- Tanzanians shall eventually have advanced knowledge on the production machinery within few years to come.
- Neighbour countries demands for such bags is at a very high demand at the moment, i.e. Burundi, Rwanda, Malawi, Zambia, Zanzibar and Pemba Comoro Islands too.

Therefore Dam Plastics Ltd had decided to install the plastic bags factory for strengthening the company's position in the market through venturing in an International business of producing quality plastic bags.

- It shall also be an opportunity for developing private indigenous staff and entrepreneur who are experienced in managing plastic bags business to invest in global endeavor.

### **SOURCE OF ATTRACTION IN TANZANIA/DAR ES SALAAM**

Dar es Salaam town is within easy reach of superb Hotels and peaceful atmosphere, climate, and good relationship with other surrounding countries and that Tanzania itself is a country of peace.

The Dar es Salaam town offers a wide range of activities including good business relationship whereby essential commodities are available at a reasonable price for all neighbour countries named above.

### **MARKET STRATEGIES**

Plastic Bags factory business programme aims at taking advantage of the growing enabling business environment with increased opportunities in factories investments of plastic bags needs and business leisure that demands increased availability of quality bags to be supplied in East and Central African countries and many others into consideration that this factory shall be of its own kind in this East African Region, therefore the management has designed and started to implement a marketing strategy which includes the following:

### **WEBSITE DOMAIN**

A pro-active marketing strategy by way of distribution of brochures through tour operations and travel agents and potential corporate customers is being established.

## ADVERTISEMENT

The same to cover the local media namely Television, radio programme and newspapers advertisements including those of neighbour countries of Uganda, Burundi, Rwanda, Malawi, Zambia, Zanzibar and Comoro.

## ENVIRONMENT

The initial development and installation of this factory shall have to be approved by the Tanzania Bureaucracy of Standard (TBS) authority.

The factory development has aimed at introducing plastics waste materials at every centre, this means there shall be centres whereby waste plastic materials shall be dumped and later the factory authority shall collect the same for re-production.

Generally this shall minimize the environment impact.

### 0.5. Manpower:-

#### 5.1 Management Organisation Aspects

Plastic Bags Factory policy would aim at maintaining a quality composition of staff who are highly productive.

Therefore the manpower levels would be taken care gradually over the years to come with respect to technology development in respect of the business development and expansion and that the Factory would pay appropriate benefits to the staff.

#### 5.2 Staff Salary Structure

The salary structure shall be reviewed to be designed to fit the company's salary and that of the Tanzania Government policy for achieving high Labour productivity and proper remuneration of skilled staff.

The salary level shall reflect the degree of experience and productivity of each individual. Such a policy shall motivate the workforce and shall result in greater productivity and efficiency.

#### 5.3 Staff Development Programme

The companies shareholders shall be committed to introduce a comprehensive training programme for the Technical staff so as to improve quality production and operational skills.

#### 5.4 Staff Strength Positions

#### Expected Employment

1. GENERAL MANAGER	1
2. OPERATIONS MANAGER	2
3. PLANT ENGINEER	1
4. TECHNICAL MANAGER	1
5. ENGINEERS	3

6. FOREMAN	3
7. TECHNICIANS	6
8. ASSISTANT TECHNICIANS	3
9. MACHINE OPERATORS	10
10. ELECTRICIANS	3
11. MECHANICS	3
12. LABOURERS	9
13. CLEANERS	9
<b>TOTAL</b>	<b><u>54</u></b>

## 6.0 Cost of the Project & Means of Finance:-

### A. Cost of the Project:-

Sr. NO.	Details	US \$
1	Land & Building ( as described later)	50,000/=
2.	Plant & Machinery ( as per list below)	950,000/=
3.	Furniture, Computers & Fixtures	20,000/=
4.	Vehicles ( 3 nos).	150,000/=
5.	Pre-operating Costs	10,000/=
6.	Initial working capital	50,000/=
	<b>Total Cost of the Project</b>	<b>1,230,000/=</b>

### B. Means of Finance:-

Sr. NO.	Details	US \$
1	Equity Funds	230,000/=
2	Promoters' Loan	1,000,000/=
	<b>Total Means of finance</b>	<b>1,230,000/=</b>

The total cost of the project consisting of both the phases has been estimated at US \$ 1,230,000/= As can be seen from the above chart, majority of the expenses involved will be on plant and machinery. Nearly 73.33%. Besides considerable money will be required in the starting up of the unit which has been grouped under the head pre-operating and initial working capital costs.

Phase I will be implemented within a span of three months and the second and the final phase will be completed within a span of nearly 21 months from the date of the completion of the first phase.

## 7.0. Project Implementation Schedule:-

As has been stated in the earlier paragraphs the entire project will be implemented in two phases within a period of 24 months. The first phase is expected to be completed within a span of nearly two to three months and the next phase is expected to be completed in another 21 months. The initial capacity shall be 100 cubic meters a day and after completion of the second phase the manufacturing capacity shall be 450 cubic meters a day.

Considering March 2012 as the first month, the first phase is expected to be completed by June 2012 and commercial operations expected from June 2014. Where as the increased production from 100 cubic meters a day to 450 cubic meters a day will be achieved gradually, however optimum capacity will be reached within 24 months.

The project implementation schedule is shown in form of a table hereunder : (PHASE I).

Sr. No	Activity	Completion Period
01	Company Formation, Registrering with statutory authorities, like Income tax, VAT NSSF, etc., securing TIC certificate of incentive Industrial license etc.	Feb 2012 & April 2012
02	Site identification, purchasing the same, designing of plant layout and commencing of construction of factory shed.	March/April 2012
03	Order placement for various machineries, recruitment of key personnel.	March/April 2012
04	Installation of Machines	April/June 2012
05	Procurement of logs for initial trial runs as also for future.	April/June 2012
06	Commencement of Trial Runs	April 2012
07	Commencement of commercial Operations.	April/June 2012

The project implementation schedule is shown in form of a table hereunder(PHASE II)

Sr. NO.	Activity	Completion Period
01	Site Mobilization & Factory Construction	Oct. 2013 & November 2013
02	Factory Shed Complete & Plant Layout finalized for implementation.	November 2013 & December 2013
03	Order placement for various machineries, recruitment of key personnel	January 2014 & February 2014.
04	Installation of Plant & Machines	March/April 2014

05	Procurement of logs for initial trial runs and plant commissioning.	April/May 2014
06	Commencement of Trial Runs	May/June 2014
07	Commencement of Commercial Operations.	May/June 2014.

The second phase implementation will begin immediately after twelve months and it is expected that within a span of another nine months major expansion as envisaged will be completed. Improvements will be introduced in the next phase based on the experiences of the first phase.

#### 0.7 PROJECT FINANCIALS:-

##### 0.7.1 PROJECTED FINANCIAL VIABILITY PROFITABILITY AND ECONOMIC ANALYSIS

##### 0.7.2 Assumptions and Consideration

A set of cost and operating assumptions of the proposed project appears in Annex G whereas schedule H present summary of financial analysis as projected.

The financial analysis indicates that the proposed project would be a profitable venture.

##### 0.7.3 Projected Profit and Loss Accounts

The project is expected to make a profit after Tax of Tshs. 12 million in its first years of operation to Tshs. 20 millions at the end of the projected period. Raining 17 earnings are expected to be Tshs. 42 millions at the end of the 3<sup>rd</sup> year of operation Annex "P".

##### 0.7.4 Projected Cash flow (Annex "G")

The projected cash flow show that the project would be able to honour its financial obligations as they fall due throughout the projects economic life and still remain with reserve of cumulative cash that would be re-invested in the project.

Accumulated cash balances rise to Tshs. 42 million at the end of the three years lease period.

##### 0.7.5 Projected balanced Sheet (Annex "A – C")

Balance sheet projection indicates that the projects net ass. Values shall rise from Tshs. 130 million in the first year of operation to Tshs. 193 at the end of the projected period.

##### 0.7.6 Discounted Cash Flow and IRR (Annex "J")

The internal rate of return of the project works at 26% and this is reasonable.

The same indicates that the proposed project would be financially viable.

0.7.7 Break even Analysis (Annex "J")

The proposed projects break-even analysis based on year 2 operations is 26% at a break-even sales of Tshs. 21 million that can be adequate stained even before that year.

0.7.8 Projected Recoupment Period (Annex "H")

The project recoups total capital costs within the years. This is considered adequate, considered the relatively large sum of capital investment in this project.

8.0 **Social & Development Benefits:-**

- ◆ Impact on forests and vegetation and consequent impact on environment.

It should also be mentioned here that the species to be used will be of high quality. These species have never been used for manufacture of rubber matts, rubber and PVC plastics or plastic products. This is also an advantage of this project form the viewpoint of impact on undertaking of major packaging workshops on plastics products.

- ◆ Employment creation

As has been observed earlier this project will provide direct employment opportunities to more than 1,000/= locals inclusive of skilled, semi- skilled and un-skilled class. Few expatriates will also be employed as per the requirement of the project.

This direct employment of more than 1,000 individuals will generate indirect employment for more than 10,000 individuals. In nutshell it can be concluded that this project will have a very positive impact on the level of employment in the country and will be welcome change.

- ◆ Transfer of technology

This project being a manufacturing project will usher in the country technology. Although the technology is simple the advantages to the country are quite significant. The country will get the advantage of value addition due to such incoming technology. Further the country can reduce its dependence on imports for the finished products manufactured by this project. Local employees will get on-the-job training from the experts (expatriate) employed and in long run will improve the technical competence of the local population.

- ◆ Inflow of foreign exchange

Majority of the output will be exported out of the country. This will have tow positive effects on the foreign exchange reserves of the country. IN the first place

the imports of the output will be reduced which will enable the country to save on the outgo of foreign currency and secondly the output produced will be exported which will bring in the country foreign currency.

Thus this project will provide positive impact on the foreign currency reserves of the country.

◆ *Lowering of construction cost.*

As the Plastic products and all allied kinds of products will be available from within the country the country will get the benefit of lower cost of manufacture. In a very small way this will have a positive bearing on the cost of manufacture of various items using rubber or Plastic Containers as a part of its manufacturing process and also for all other factories and business houses using rubber and Plastic products as a part and parcel of its day to day working life.

◆ *Contribution to the exchequer.*

This project will contribute substantially to the society in general and to the exchequer in particular. As has been observed the total turnover at 100% utilization will be in the range of US \$ 40 million. This will result into VAT outflow of substantial amounts. Besides the company will be contributing tremendously in terms of PAYE and NSSF. In addition the company will also be contributing in terms of corporate taxation from the year 2015 onwards.

◆ *Positive cascading impact on the nation's economy.*

This project will have overall positive impact on the society. It will not only save the precious foreign currency reserves of the country by producing import substitute products, and by exporting the final product, but will also generate direct employment to more than 1000 individuals and will provide means of livelihood to more than 10,000 individuals. The cascading positive impact on the society will be too great. This project will lead to creation of national wealth. Its contribution to the exchequer will also be quite significant in terms of NSSF, PAYE, VAT and direct taxation apart from skills and development levy.

One more advantage of this project is its location. Since it is located at Dar es Salaam, which is commercially expanding and develop. This project will thus result into regional development. This project will thus held the government to further its own objective of promoting regional development.

## 9.0 Conclusion & Recommendation:-

The foregoing write-up indicates following benefits to the country, which in turn pleads for immediate acceptance of this project as a feasible project.

- ◆ The country will get a manufacturing unit, which will add to its scarce manufacturing base. As on date the country's manufacturing base is very low with

- contribution of 9% to the GDP and thereby making the economy pre-dominantly agriculture oriented.
- ◆ The project will bring in latest technology in the relevant field and will ensure training or development of skilled labour force in the country. The labour force will get on -job training and will thus make them more and more competent.
  - ◆ All products envisaged to be manufactured are basically import substitute and will therefore save the scarce foreign currency for the country. Apart from that the country will save in terms of lowering of cost of manufacture and lower construction cost which will again lead to lower cost of other manufactured items.
  - ◆ The project when implemented in full over a period of 24 months will ensure that there will be a direct flow of foreign currency in the country to the tune of US \$ 2,000,000/= which is considerable by any standard.
  - ◆ The project will lead to regional development besides Dar es salaam as it will be located in Dar es Salaam Region. This advantage has many other advantages running parallel. There will be tremendous boost to the economic development in the region. It will arrest migration of individuals and will also alleviate the problem of congestion and concentration of working force in Dar es salaam region.
  - ◆ It will generate employment to 1,000/= locals at the expiry of 24 months. Further this direct employment generation will lead to creation of employment opportunities of nearly 10,000 individuals.
  - ◆ It will provide cascading positive impact on the economic situation in Dar es Salaam region.

There are many other benefits direct and indirect of this project and therefore we conclude that this project is feasible technically as well as economically.

*We also therefore recommend that this project be supported in totality, as it will be in favor of the nation on a whole.*

DAM PLASTICS LTD  
INVESTMENT COST

	FOREIGN	LOCAL	USD
LAND AND BUILDINGS			
PLANT AND MACHINERY		50,000	50,000
MOTOR VEHICLES		950,000	950,000
OTHERS		150,000	150,000
FURNITURE AND FITTING		0	0
WORKING CAPITAL		20,000	20000
PRE-OPERATIONAL EXPENSES		50,000	50000
TOTAL INVESTMENT COST		10,000	10,000
			1,230,000

DAM PLASTICS LTD  
DEPRECIATION SCHEDULE

	USD 000		1	2	3	4	5	6	7	8	9	10
Land and Building	50	4%	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
Plant and Machinery	950	12.5%	11,750	10,281	8,924	7,881	6,896	6,034	5,237	4,625	4,047	3,541
Working capital	0											
Motor vehicle	150	25%	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Furniture & equipment	20	12.5%	31,250	27,343	23,926	20,935	18,318	16,028	14,025	12,272	10,738	9,395
Pre -Operational expenses	10	12.5%	11,750	10,281	8,924	7,881	6,896	6,034	5,237	4,625	4,047	3,541
Others	0	20%	1,000	1,000	1,000	1,000	1,000					
	<b>1,180</b>		<b>267,750</b>	<b>260,905</b>	<b>254,774</b>	<b>249,697</b>	<b>245,110</b>	<b>240,096</b>	<b>236,499</b>	<b>233,522</b>	<b>230,832</b>	<b>228,477</b>

DAM PLASTICS LTD  
FINANCING PATTERN

USD

	FOREIGN	LOCAL	TOTAL
EQUITY		1,230,000	1,230,000
TOTAL	0	1,230,000	1,230,000

DAM PLASTICS LTD  
BREAK-DOWN OF VEHICLES TO BE PURCHASED

	UNITS	USD
<b>1</b> <b>MOTOR VEHICLES</b>		
Light Trucks	2	
Wagon/Bus	2	
4x4 Pickup	2	
<b>TOTAL VEHICLES TO BE PURCHASED</b>	<b>6</b>	<b>150,000</b>

DAM PLASTICS LTD  
OPERATING COSTS

Appendix V

	1	2	3	4	5	6	7	8	9	10	USD
Repair & Maintenance	31,700	56,600	56,600	56,600	56,600	56,600	56,600	56,600	56,600	56,600	56,600
Fuel Oil	25,400	28,950	28,950	28,950	28,950	28,950	28,950	28,950	28,950	28,950	28,950
Tyres & Tubes replacement	32,600	39,700	39,700	39,700	39,700	39,700	39,700	39,700	39,700	39,700	39,700
Administration	8,860	8,600	8,600	8,600	8,600	8,600	8,600	8,600	8,600	8,600	8,600
Insurance	4,800	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500
Direct Fees	9,050	11,050	11,050	11,050	11,050	11,050	11,050	11,050	11,050	11,050	11,050
Other directs costs	5,300	6,800	6,800	6,800	6,800	6,800	6,800	6,800	6,800	6,800	6,800
Utilities	42,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000
Salaries and Wages	58,000	62,000	62,000	62,000	62,000	62,000	62,000	62,000	62,000	62,000	62,000
<b>Total Operating Costs</b>	<b>217,710</b>	<b>268,200</b>	<b>268,200</b>	<b>268,200</b>	<b>268,200</b>	<b>268,200</b>	<b>268,200</b>	<b>268,208</b>	<b>268,200</b>	<b>268,200</b>	<b>268,200</b>



DAM PLASTICS LTD  
SALARIES AND WAGES

	NOS.	SALARY PER MONTH	SALARY PER ANNUM USD
Executive1	1	500	6,000
Executive2	2	350	1,050
Accountants	3	150	1,500
Drivers	3	70	1,750
Mechanics	13	90	1,800
Office Attendants	2	65	260
Security Guard	3	65	650
<b>Total Salaries</b>	<b>27</b>		<b>13,010</b>

**DAM PLASTICS LTD  
SALES REVENUE SCHEDULE**

Appendix X

	1	2	3	4	5	6	7	8	9	10
Gross Revenue	8,162	8,716	9,685	9,685	9,685	9,685	9,685	9,685	9,685	9,685
80%Plastics sales	5,064.00	5,229	5,881	5,881	5,881	5,881	5,881	5,881	5,881	5,881
10%Rubber income	1,549	1,743	1,176	1,176	1,176	1,176	1,176	1,176	1,176	1,176
10% other income	1,549	1,743	1,176	1,176	1,176	1,176	1,176	1,176	1,176	1,176
<b>Total Gross Revenue</b>	<b>7,748</b>	<b>8,716</b>	<b>9,685</b>	<b>9,685</b>	<b>9,685</b>	<b>9,685</b>	<b>9,685</b>	<b>9,685</b>	<b>9,685</b>	<b>9,685</b>

usd 000

**DAM PLASTICS LTD**  
**PROJECTED PROFIT AND LOSS ACCOUNTS**

USD 000

	1	2	3	4	5	6	7	8	9	10
Capacity Utilisation	80	90	100	110	120	130	140	150	160	170
Sales Revenue	7,784	8,716	9,685	9,685	9,685	9,685	9,685	9,685	9,685	9,685
<b>Operating Expenses</b>										
Overhead Expenses	887	1,352	1,501	1,501	1,501	1,501	1,501	1,501	1,501	1,501
Salaries and Wages	1301	148	148	148	148	148	148	148	148	148
Total Operating Expenses	1,480	1,500	1,649	1,649	1,649	1,649	1,649	1,649	1,649	1,649
Total Operating Profit	5,174	7,216	8,036	8,036	8,036	8,036	8,036	8,036	8,036	8,036
<b>Financial and Capital Charges</b>										
Depreciation	563	537	553	549	545	540	537	534	533	531
Profit before Tax	4,162	6,659	7,483	7,487	7,491	7,496	7,499	7,502	7,503	7,505
Profit after Tax	2,913									
Capital Allowance	3,251	6,659	7,483	7,487	7,491	7,496	7,499	7,502	7,503	7,505
Taxation 30%	975	1,998	2,245	2,246	2,247	2,249	2,250	2,251	2,251	2,257
Profit after Tax	5,174	4,441	5,238	5,241	5,244	5,247	5,249	5,251	5,252	5,248
Profit Brought Forward	-	2,276	6,937	12,175	17,416	22,660	27,907	33,156	38,407	43,659
<b>Total Revenue</b>	<b>5,174</b>	<b>6,937</b>	<b>12,175</b>	<b>17,416</b>	<b>22,660</b>	<b>27,907</b>	<b>33,156</b>	<b>38,407</b>	<b>43,659</b>	<b>48,907</b>

**DAM PLASTICS LTD  
PROJECTED PROFIT CASHFLOW**

Appendix XII

	0	1	2	3	4	5	6	7	8	9	10
<b>CASH INFLOW</b>											USD '000
Capital inflow											
Equity	1,230										
<b>OPERATIONAL INFLOW</b>											
Profit before Tax		6,150	6,659	7,483	7,487	7,491	7,496	7,499	7,502	7,503	7,505
Depreciation		563	557	553	549	545	540	537	534	533	531
Total Cash Inflow	1,230	6,713	7,216	8,036	8,036	8,036	8,036	8,036	8,036	8,036	8,036
<b>CASH INFLOW</b>											
Investment	1,230	-	-	-	-	-	-	-	-	-	-
Re-Investment	0	-	-	-	-	-	-	-	-	-	-
<b>OUTFLOW</b>											
Taxation	230	1,998	2,245	2,46	2,247	2,249	2,250	2,251	2,251	2,251	2,251
Increase in W/C	1,000	43	46								
Total Cash Outflow	1,230	1,330	2,041	2,291	2,240	2,247	2,249	2,250	2,251	2,251	2,251
<b>Net Cash Outflow</b>	0	5,353	5,175	5,745	5,790	5,789	5,787	5,786	5,785	5,785	5,785
Opening Balance	-	-	5,383	10,558	16,303	22,093	27,882	33,669	39,455	45,240	51,025
Closing Balance	-	5,383	10,558	16,303	22,093	27,882	33,669	39,455	45,240	51,025	56,810

**THE COMPANIES ACT, 2002**

**COMPANY LIMITED BY SHARES**

**MEMORANDUM**

**AND**

**ARTICLES OF ASSOCIATION**

**OF**

**DAM PLASTICS LIMITED**

**Incorporated this .....day of.....2011**

**DRAWN BY:**  
**MBARAKA S. BAWAZIR**  
**(SUBSCRIBER)**  
**P.O. BOX 42445**  
**DAR ES SALAAM.**

TANZANIA  
Stamp Duty Stk. 5000/-  
PAID IN ORIGINAL  
Receipt No. 21205  
11/21/82  
11/21/82

TANZANIA  
Stamp Duty Stk. 5000/-  
PAID IN ORIGINAL  
Receipt No. 25008  
11/21/82  
11/21/82

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

1. The name of the company "DAM 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 manufacture, import and supply all kinds and different types of plastic for different usage, disposable and recycling plastic material, building gears, such as plastic tanks, plastic pipes, rubber sheets, plumbing pipes, window frames, plastic flooring, drainage pipes
  - (b) To full engage in the business of plastics and plastic goods, general manufacturers, production, importing, promotion and offering for sale or otherwise dealing with general merchandise of every description of plastic materials and products.
  - (c) To carry on the business of all kinds of plastic materials and product such as rubber sheets, rubber mats, rubber gasket, and indoor decorations made of plastics, adhesive stickers, PVC plastics and all types of plastic used to make pipes, window frames and clothes.
  - (d) To undertake major packing workshops on plastic products made and initiating good products for sale or buying of plastic products.
  - (e) To undertake conducive plastics for electrical purposes, the electronic equipment cases such as electrical circuit board, fridge liners, computer monitors, printers, keyboards, microwavable packaging.
  - (f) To provide quality product and efficient production, sell, distribute, export and trade so as to meet or surpass different and personal requirements of plastic packaging needs such as supermarkets bags, disposable cups, disposable plates, boxes, containers, vending cups of both industrial, healthcare packaging to better services.
  - (g) To offer import and prompt assistance on common plastics found in motor vehicles, such as rear light covers for vehicles, bumpers, bushing and bearing.
  - (h) To buy, sell, export and deal in manufactured goods an commodities of any plastic product, acting as general merchants and traders both wholesale and retail and to do all kinds of activities either as principles or agents.

- (i) To engage and or carry on the business of general civil works, engineering, buildings, road constructions renovations, office partitioners, decoratories, maintainers of dilapidated buildings, plumbing, furniture manufactures, suppliers and exporters, residential and office furnishers and general to be designers and fabricators of all kinds of gadgets whatsoever, to be timber processors, sawmillers and suppliers of all kinds of timber to be hardware and building materials suppliers, manufactures of electrical equipments and suppliers.
- (j) To carry on the business of management of all kind of construction works and construction management, property management, real estate and any related works thereto.
- (k) To carry on the business of building contractors, mansory and general construction contractors and among other things to construct, execute, carry out, equip, improve, work and advertise railways, tramways, docks harbours, sharves, canals, water-courses, irrigations, reclamations, sewage, drainage and other sanitary works, water, gas, electric and other supply works, houses building and erections of every kind.
- (l) To carry on all or any of the business of transport, carriage and haulage contractors, owners and charter of road vehicles, aircraft and ships and boats of every description and carriers of goods and passenger by road, rail, water or air and to establish, acquire, maintain and operate transport service of every description both public and private and all services ancillary thereto and for such purposes or as independent undertakings to purchase, take in exchange, charter, hire, build, contract or otherwise acquire and to own, operate, work, manage, maintain, repair, service and deal with and in road vehicles, aircraft and vessels of every supplies therefore and to conduct any such business within the country or any other state in Africa or Europe or Asia and or any other foreign country.
- (m) To engage in and carry out the business of proprietors and managers of hotels, restaurants, cafes, road houses, motels, safari and holiday camps, caravan sites, guest houses, apartment housekeepers, refreshment and tea rooms, milk and snacks bars, tavern, beer house and lodging housekeepers and to provide food and catering services to individuals, private and public institutions and to industrial and business concerns.
- (n) To promote tourism in Tanzania and elsewhere in Africa, to carry on business of travel and tourist agents and tour operators, to promote facilitate traveling to organize hunting, tented-camps, fishing and diving expeditions, safari promoters and undertakers generally and in particular to arrange and manager hunting safaris, photo safaris adventure tours, fishing trips, handling of game trophies and animal skins, catching, harbouring, transporting, wildlife and marine products of all kind.
- (o) To establish and carry on the business of farming, ranching and keeping cattle, sheep, pigs, goats, poultry, bee products game, fish, prawns and other livestock of every description, and to sell, breed, export, import, improve, prepare, deal and trade in stock of every description whether live or dead and generally to carry on the business as fisherman, cow-keepers, farmers, millers and market gardeners, and as manufacturers of all kinds. To carry on business as professional hunters, safari contractors, organisers and operators and to equip, organise and arrange hunting, finishing, game and other safaris and expeditions of all kinds and description whatsoever.

- (p) To carry on the business of importers, exports, general merchants, general store-keepers, universal providers, wholesale and/or retail traders, dealers of weighing scales, inkjet technology, moisture analysis, lab equipment, solar technology, hardware, piece wood, paints, glassware, crockery, cutlery, ironmongery, turners and other household fittings and requirements, other articles and commodities of personal, household use and consumption provisions, textiles, groceries, medicines, drugs, wines spirits, liquors, chemical, surgical, option, photographic and other instruments, apparatus and materials, motor vehicles, automobiles and generally in all manufactured goods of all types and merchandise of all kinds.
- (q) To carry on the business of importers, exporters provisional merchants, stockists, wholesalers, retailers, buyers, sellers and dealers in all types of agricultural machinery, implements and equipments, plants and machinery, buses, motor cars, trucks spare parts, tyres and tubes, tools and accessories for all types of automotives, motor vehicles and all kinds of industrial project machinery and equipments, electrical goods, electronic goods, leather goods, televisions sets, video cassettes, telefax, telex and accessories, computers, office equipments, stationery and domestic appliances.
- (r) To carry on the business of clearing and forwarding agents, commission agents, transporters, freighters, haulers, customs bonded warehouse and godown keepers, cargo and travel agents, insurance agents, tourist agents, manufacturers' representatives, road contractors, cargo superintendents, packers, machinery haulage specialists, warehousemen, engineers, electricians, motor cars, cabs, omnibus, lorries, oil tank and coach proprietors and transporters, civil transport contractor and transporters by any means of conveyance of people and goods in Tanzania and the neighboring countries and in such other place or places as may from time to time determined by the company, engage in and or otherwise carry on the business as transporters and transport agents, freight forwarders.
- (s) 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.
- (t) 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.
- (u) , To carry business on all or any of the business of manufacturers, representatives, importers, exporters, buyers and sellers (both wholesale and retail) insurance agents, land agents, general merchants, traders and manufacturers and dealers in and agent and representatives for goods, merchandise, materials, furniture, furnishings appliances, equipment, machinery, stores, products, provisions, commodities, substances and effects of all kinds and to establish factories for the manufacture of any of them.

- (v) To carry on all or any of the business of stationers, printers, lithographers, stereotypes, electrotypes, engravers, photographic, printer, photo lithographers, typesetting machines operators, die sinker, envelope makers, book binders, account book manufacturers, machine, rulers numerical printers, paper makers, paper baffles and account book makers, box makers, flax and box file makers, cardboard manufactures, type founders, of dealers in playing, visiting, railways, festival invitation, dealers in or manufacturers or any other articles or things or character similar or analogous to the foregoing or any of them or connected therewith and to deal in the manufacture of and sell by wholesale or retail of school chalks, and secretarial services.
- (w) To carry on the business of services, consultancy, types of information technologies, computer systems, conference systems, telecommunication systems, security systems, public address systems, data communication and to train, research, install and after sale services of electronic systems, voice and data networks and any other systems or components which the company may think fit, necessary or incidental to this business.
- (x) To carry on the business of miners and mining in all their branches and for the said purpose to peg, purchase, take on lease, or exchange or otherwise acquire concessions, grants, easements, options, claims, properties, cassettes- and effects supposed to contain minerals, diamonds, or other precious stones, and any interest therein, and to explore, mine, work, excise develop and turn to account mines and mining rights and any undertaking connected therewith.
- (y) To carry on the business as traders, suppliers, general merchants, importers, exporters, stockists, wholesalers, retailers and dealers in all types of electrical goods, hardware, building materials, spare parts and maintenance, tyres, tubes, tools and accessories for all types of automotive, motor vehicles, scrapers, agricultural machinery, implements, equipment, all kinds of industrial projects machinery and equipment, timber, fishing gears, groceries, computers, office equipments, cooking oils, salts, foodstuffs, cosmetics, oils, paints, spirits sheets, hinges, screws, iron mongery, textiles piece goods, all types of leather goods, shoes, bags and other similar goods.
- (z) To carry on the business of big game hunter, trapping and collection of Wild, live birds for sale and export within outside Tanzania, to sell, improved export, and imports, prepare, deal and trade in carvings, painting, curios, export, and provide game sanctuary facilities and to organize of safaris and expeditions. Discover, hunt, shoot, photograph, capture animals, birds, game and fish of all kinds including reptiles, marine products, pottery crafts, crustacean, salt, mangrove sea shells, groceries, vegetables, cereals goods, fruits and all allied products of every description.
- (aa) 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.
- (bb) To carry on the business of garage proprietors and service station for motor vehicles of all kinds, to carry on the safe keeping, cleaning, repairing, refueling, panel beating, spraying and the general care of motor vehicles, aircraft, machinery, equipment and plant whether moved by mechanical power or not, implements, utensils, appliances, apparatus, fuel for internal combustion engines, lubricants, cements, solutions, batteries and accessories and

all things capable of being used in connection with the said businesses or in the manufacture or maintenance of such vehicles, machinery, equipment and plant.

- (cc) To purchase, take on lease and otherwise acquire for investment or resale any estate, land, buildings, easements and other rights and interests in immovable property or any tenure in Tanzania and elsewhere and to sell let or lease exchange or otherwise dispose of or grant rights over any immovable property, belong to the company.
- (dd) To purchase, take or lease or in exchange, hire or otherwise acquire and hold any state or interest in any lands buildings, casements, rights, licenses secret processes, machinery, plants, stock, in trade and real or personal property of any kind.
- (ee) To act as agents for the sale and purchase of any stocks shares or securities or for any other monetary or mercantile transactions.
- (ff) To act as executors and trustees of wills and settlements made by customers and others and undertake and execute trusts of all kinds.
- (gg) To do all or any of the above things in any part of the world and either as principals, agents, trustees, contractors or otherwise, and either alone or in conjunction with others and either or though agents, sub-contractors, trustees and otherwise.
- (hh) To remunerate any person, firm or company rendering services to this company, whether by cash payments or by allotment to him or them of shares or securities of the Company credited and paid in full or in part, otherwise.
- (ii) To accept for safe custody and keep for customers of the company all kinds of securities valuables and things.
- (jj) To lend money on any terms that may thought fit, and particularly to customers or other person or corporations having dealing with societies and to give any guarantees that may be expedient..
- (kk) To advance money to shareholders in the company, and other to the purpose of enabling the person borrowing the same erect or purchase, or enlarge or repair any house or building or to purchase the fee simple or any less estate or interest in, or to take a demise for any term or terms of years of any freehold or leasehold property upon such terms and conditions as the company may think fit.
- (ll) To invest and deal with the moneys of the Company not immediately required, upon such securities and in such manner as may from time to time be determined.
- (mm) To distribute among the members in pieces any property of the company, or any proceeds of sale or disposal of any property of the company.
- (nn) To draw, make, accept, endorse, discount execute and issue promissory notes, bills of lading, warrants, debentures and negotiable or transferable instruments.

- (oo) To act as agents or brokers, and as trustees for any person firm or company, and to undertake and perform sub-contracts and also to act in any other business of the company through or by means of agents, brokers, sub-contractors or others.
- (pp) To obtain any provisional order, ordinance or act of Parliament for enabling the Company to carry any of its objects into effect, or for affecting any modification of the Company's constitution, or any other purpose which may seem expedient, and to oppose any proceedings or applications which may seem calculated, directly or indirectly to prejudice the company's interest.
- (qq) To take or otherwise and hold shares in any other company having objects altogether or in part similar to this company, or carrying on any business capable of being conducted so as directly or indirectly to benefit the company.
- (rr) To transact or carry on all kinds of Agency business and in particular in relation to the investment of money, the sale of property, and the collection and receipt of money.
- (ss) To do all other things as may be deemed incidental or conducive to the attainment of the objects or any of them.

And it is hereby declared that:-




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

The objects specified in each of the paragraphs 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 paragraphs defined the objects of the separate and distinct company.

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 10,000,000/= divided into 1000 shares of Shillings 10,000/= each. The Company shall have powers to increase its capital and to divide the shares in its capital for the time being into several classes of stock or shares and to attach thereto respectively such preferential, deferred or special rights, privileges, or conditions as may be determined by or in accordance with the Articles of Association of the Company.

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

NAMES, ADDRESSES, AND DESCRIPTION OF SUBSCRIBERS	NUMBER OF SHARES TAKEN	SIGNATURE
MBARAKA SALUM BAWAZIR P.O. BOX 42445 DAR ES SALAAM.	800	
ANTAR MBARAKA BAWAZIR P.O. BOX 42445 DAR ES SALAAM.	100	
DAHIR MBARAKA BAWAZIR P.O. BOX 42445 DAR ES SALAAM.	100	

Dated at D'salaam this 28<sup>th</sup> day of December 2011

**Witness to the above signatures**

Name : Andrew Tawete  
 Signature : [Handwritten Signature]  
 Postal Address : 62297, D'salaam  
 Qualification : Advocate



THE COMPANIES ACT, 2002  
COMPANY LIMITED BY SHARES  
ARTICLES OF ASSOCIATION  
OF  
DAM PLASTICS LIMITED  
INTERPRETATION

1. In these articles:-

"the Act" means the Companies Act;

"the articles" means the articles of the company;

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

"the seal" means the common seal of the company;

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

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

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

**PRIVATE COMPANY**

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

- (a) The right to transfer shares is restricted in manner hereinafter prescribed.
- (b) The number of members of the company (exclusive of persons who are in the employment of the Company and of 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 regulation be tested as a single member.
- (c) Any invitation to the public to subscribe for any shares or debentures of the Company is prohibited.
- (d) The Company shall not have power to issue share warrants to bearer

## MEMBERS

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

## GENERAL MEETINGS

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

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

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

## NOTICE OF GENERAL MEETINGS

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

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

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

## PROCEEDING AT GENERAL MEETINGS

10. All business shall be deemed special that is transacted at an extraordinary general meeting, and also all that is transacted at an annual general meeting, with the exception of declaring a dividend, the consideration of the accounts, balance sheets, and the reports of the directors and auditors, the election in the place of those retiring and the appointment of, and the fixing of the remuneration of the auditors.
11. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business; two persons, entitled to vote on the business to be transacted, each being a member or a proxy for a member or a duly authorized representative of a corporation, shall be a quorum.
12. If within half an hour from the time appointed for the meeting quorum is not present, or if during the course of a meeting a quorum is not present, the meeting shall stand adjourned to the same day in the next week, at the same time and place, or to such other day and at such other time and place as the directors may determine.
13. The Chairman, if any, of the board of directors or in his absence some other director nominated by the directors shall preside as chairman of the general meeting, but if neither the chairman nor such other director (if any) be present within fifteen minutes after the time appointed for the holding of the meeting and willing to act, the directors present shall elect one of their members to be chairman of the meeting and, if there is only one director and willing to act, he shall be chairman.
14. If at any meeting no director is willing to act as chairman or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their member to be a chairman of the meeting.
15. The Chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen days or more, at least seven clear days notice of the adjourned meeting shall be given specifying the time and place of the meeting and the general nature of the business to be transacted. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
16. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands demand):-
  - (a) by the chairman; or
  - (b) by at least (three) members present in person or by proxy; or
  - (c) by any member or members present in person or by proxy and representing not less than one – tenth of the total voting rights of all the members having the right to vote at the meeting.

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

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

17. Except as provided in article 18, if a poll is duly demand it shall be taken in such manner as the chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demand.
18. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to a second or casting vote.
19. A poll demanded on the election of a chairman, or on a question of adjournment, shall be taken immediately. A poll demanded on any other question shall be taken either immediately or at such time as the chairman of the meeting directs, and any business other than upon which a poll has been demanded may be proceeded with pending the taking of the poll.
20. A resolution in writing executed by or on behalf of each member who would have been entitled to vote upon it if it had been proposed at a general meeting at which he was present shall have effect as if it had been passed at a general meeting duly convened and held, and consist of several instruments in the like form each executed by or on behalf of one or more member.

#### VOTE OF MEMBERS

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

before the time for holding the meeting of adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

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

" ..... Limited

I/We ..... of ....., being a member/ members of the above – named company, hereby appoint ..... of or failing him ..... of ....., as my/our proxy to vote for me/us on my/or behalf at the {annual or extraordinary, as the case maybe} general meeting of the company to be held on the ..... day of .....201....., and at any adjournment thereof.

Signed this ..... day of, .....201 ....."

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

" ..... Limited

I/We ..... of ....., being a member/members of the above named company, hereby appoint of ..... of ..... or failing him ..... of ....., as my/our proxy to vote for me/us on my/our behalf at the {annual or extraordinary, as the case may be} general meeting of the company to be held on the ..... day of .....201....., and at any adjournment thereof.

Signed this ..... day of, ..... 201 ....."

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

\*Strike out which ever is not desire"

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

30. A vote given in accordance with the terms of an instrument of proxy, or poll demanded by proxy, or by the 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.

## CORPORATIONS ACTING BY REPRESENTATION AT MEETINGS

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

## DIRECTORS

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

## BORROWING POWERS

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

## POWERS AND DUTIES OF DIRECTORS

36. Subject to the provisions of the Act, the memorandum and the articles and to any directions given by special resolution, the directors, who may exercise all the powers of the company, shall manage the business of the company. No alteration of the memorandum or articles and no such directions shall invalidate any prior act of the directors, which would otherwise have been valid. The powers given by this article shall not be limited by any special power given to the directors by the articles and a meeting of directors at which a quorum is present may exercise all powers exercisable by the directors.
37. The directors may by power of attorney appoint any person to be the attorney or agent of the company for such purposes and on such conditions as they determine, including authority for the attorney or agent to delegate all or any of his powers.

38. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for moneys paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, in such manner as the directors shall from time to time by resolution determine.
39. The directors shall cause minutes to be made in books provided for the purpose:-
- (a) of all appointments of officers made by the directors;
  - (b) of the names of the directors present at each meeting of the directors and of any committees of the directors;
  - (c) of all resolutions and proceedings at all meetings of the company, and of the directors, and of committees of directors.

#### DISQUALIFICATION OF DIRECTORS

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

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

41. The company may by ordinary resolution appoint a person who is willing to act as director to fill a vacancy or be an additional director.
42. The directors may appoint a person who is to act to be a director, either to fill a vacancy or as an additional director, but so that the total number of directors shall not at anytime exceed the number fixed by or in accordance with these articles. Any director so appointed shall hold office only until the next following annual general meeting, and shall then be eligible for re-election.
43. The company may by ordinary resolution, of which special notice had been given in accordance with section 144 of the Act, remove any director before the expiration of his period of office notwithstanding anything in the article or any agreement between the company and such director. Such removal shall be without prejudice to any claim such director may have for damages for breach of any contract of service between him and the company.
44. The company may by ordinary resolution appoint another person in place of a director removed from office under the immediately preceding article. Without prejudice to the powers of the directors under article 40 the company in general meeting may appoint any person to be a director either to fill a vacancy or as an additional director.

45. Subject to the provisions of the articles, the directors may regulate their meetings as they think fit. Questions arising at a meeting shall be decided by a majority of votes. In case of an equality of votes, the chairman shall have a second or casting vote. A director may, and the secretary at the request of a director shall, call a meeting of the directors. It shall not be necessary to give notice of a meeting of directors to any directors who are absent from Tanzania.
46. The quorum necessary for the transaction of the business of the directions may be fixed by the directors, and unless so fixed shall be two.
47. The continuing directors may act notwithstanding any vacancy but, if and so long as their number is reduced below the number fixed by or pursuant to the articles of the act for the purpose of increasing the number of directors to that number, or summoning a general meeting of the company, but for no other purpose.
48. The directors may appoint one of their members to be the chairman of the board of directors and determine the period of which he is to hold office. Unless he is unwilling to do so, the director so appointed shall preside at every meeting of directors at which he is present. But if no such chairman is appointed, or if he is unwilling to preside, or if at any meeting the chairman is not present within five minutes after the time appointed for holding the same, the directors present may choose one of their member to be chairman of the meeting.
49. The directors may delegate any of their powers to any committee consisting of one or more directors; any committees so formed shall in the exercise of the powers so to any such regulations, the proceedings of a committee with two or more members shall be governed by the articles regulating the proceedings of directors so far as they are capable of applying.
50. All act done by a meeting of the directors or of a committee of directors or by a person acting as a director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such director, or that any of them were disqualified from holding office, or hand vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a director and was entitled to vote.
51. A resolution in writing signed by all the directors entitled to receive notice of a meeting of the directors, or of a committee of directors, shall be as valid and effectual as if it had been passed at a meeting of the directors or {as the case may be} a committee of directors duly convened and held, and may consist of several documents in the like form each signed by one or more directors.

#### **SECRETARY**

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

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

### THE SEAL

54. The seal shall only be used by the authority of the directors or of a committee of the directors authorized by the directors. The directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a director and by the secretary or by a second director.
55. The directors shall cause proper books of account to be kept with respect to:-
- (a) all sums of money received and expended by the company and the matters in respect to which the receipt and expenditure takes place;
  - (b) all sales and purchase of goods by the company; and
  - (c) the assets and liabilities of the company.

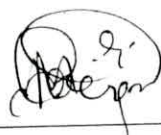


Property books shall not be deemed to be kept if there are not kept such books of account as are necessary to give a true and air view of the state of the company's affairs and to explain its transactions.

56. The books of account shall be kept at the registered officer of the company, or subject to section 151 (4) of the Act, at such other place or places as the directors think fit, and shall always be open to the inspection of the directors.
57. No member shall (as such) have right of inspecting any accounting records or other book or document of the company except as conferred by statue or authorized by the directories or by ordinary resolution of the company.
58. The directors shall from time to time in accordance with sections 153,155 and 150 of the Act, cause to be prepared and to be laid before the company in general meeting, such profit and loss accounts, balance sheets, group accounts (if any) and reports as are referred to in those sections.
59. In accordance with section 164 of the Act, the copy of the company's annual accounts to be laid before the company in general meeting together with a copy of the directors' report and the auditors shall not less than twenty – one days before the date of the meeting be sent to every member of, and every holder of debentures of, the company. Provided that this regulation shall not require a copy of those documents to be sent to any person of whose address the company is not aware or to more than one of the joint holders of any debentures.

### AUDIT

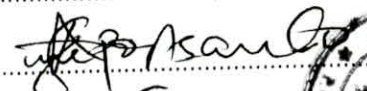
60. Auditors shall be appointed and their duties regulated in accordance with sections 170 to 179 of the Act.

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

NAMES, ADDRESSES, AND DESCRIPTION OF SUBSCRIBERS	NUMBER OF SHARES TAKEN	SIGNATURE
MBARAKA SALUM BAWAZIR P.O. BOX 42445 DAR ES SALAAM.	800	
ANTAR MBARAKA BAWAZIR P.O. BOX 42445 DAR ES SALAAM.	100	
DAHIR MBARAKA BAWAZIR P.O. BOX 42445 DAR ES SALAAM.	100	

Dated at D'Salaam this 28<sup>th</sup> day of December 2011

Witness to the above signatures

Name : Andrew Tawele  
 Signature :   
 Postal Address : 2297, D'Salaam  
 Qualification : Advocate



LEASE

THIS AGREEMENT is made on this 03 day of January, 2012

**BETWEEN**

**JULIUS LEMNGE** P. O. Box 4210 Dar es Salaam (hereinafter referred to as "the Landlord") which expression in so far as the context admits, shall include assigns, representative, heirs and successors in title, of the one part.

**AND**

**DAM PLASTICS LTD** of Post Office Box 42445 Dar es Salaam – TANZANIA (hereinafter referred to as "the Tenant") of the other part.

**NOW THIS AGREEMENT WITNESSETH** as follows:-

1. The Lessor hereby agrees to lease his house located at **BLOCK "E" Sungwi, Plot No. 78** within the Temeke Municipality, Dar es Salaam called the Leased premises to the Lessee for a term of Fifteen years commencing on 03<sup>rd</sup> Jan, 2012 for a monthly rent USD 250 per month, payable six months in advance.
2. That, the tenant shall pay USD\$1500 at the time of entering unto the demised premises.
3. **THE TENANT HEREBY CONVENANTS WITH THE LANDLOARD** as following:-
  - (i) To pay the reserved rent on the days and in the manner aforesaid.
  - (ii) To keep the interior of the demised premises and all additions thereto and the Landlord's fixtures, fittings and furniture there-in, in good and tenantable repair and condition.
  - (iii) To permit the Landlord or his agents with a without workmen or others at the reasonable times and after arranging an appointment to enter upon the demised premises and to view the condition thereof and upon notice given by the Landlord to repair any defects in accordance therewith pursuant to the covenant in that behalf here-in-before contained.
  - (iv) Not to assign this lease or sub-let the demised premises or any part thereof without the consent of the Landlord.
  - (v) To use and occupy the demised premises for the purpose of residential purposes only.
  - (vi) Not to effect structural or other alterations or additions to the demised premises without the prior written consent of the Landlord.
  - (vii) To pay and discharge all charges for electric light, power of water in the demised premises.

- (viii) To yield up the demised premises with the fixtures, fittings theretok, at the expiration of the term in good tenantable repair and condition in accordance with the covenants here in contained.

4. **THE LANDLORD HEREBY CONVENANTS WITH THE TENANT** as follows:-

- (i) To pay all existing rates taxes duties assessments impositions and outgoings whatsoever payable in respect of the premises of which the demised premises forms part.
- (ii) To keep the exterior of the demised premises, together with the roof and the main structure, walls, electrical wiring and fittings there-of, all water taps, pipes, sinks and tanks used in connection with the water installation in good tenantable repair and condition.
- (iii) In the case of the demised premises being damaged or destroyed other than by or in consequence of the act or omission of the Tenant or any of his servants or agents so as to be unfit for se then so much of the rent hereby reserved and duly paid in advance by the Tenants as aforesaid or a fair proportion thereof according to the nature and extent the damage sustained shall be refunded by the Landlord to the Tenant for the period until the demised premises shall be fit for habitation and use, and likewise in the event of destruction or damage occurring as aforesaid after the period of respect of which advance rent has been paid unto the Tenant of this Lease, then so much of the rent hereby reserved shall be suspended; and dispute concerning the amount of refund or of abatement so to be made or of the rent so to be suspended shall be referred to arbitration in accordance with the Law relating to arbitration for the time being in force in Tanzania.
- (iv) That the Tenant performing his obligations here-under shall peacefully hold and enjoy the demised premises during the said term or any further term granted in pursuance of the immediately proceeding sub-clause hereof without any interruption by the Landlord or any person rightfully claiming under or in trust for him.
- (v) That the Landlord will on the written request of the Tenant made at least three months before the expiration of the term hereby created and if there shall not at the time of such request be any existing breach or non observance of any of the covenants on the part of the Tenant grant to him a lease of the demises from the expiration of the said term created herein at such rent as the Landlord shall consider to be a fair and economic rent and containing in all other respects the like covenants and conditions as are herein contained.

5. **PROVIDED ALWAYS** that if the rent hereby reserved or any part thereof shall be unpaid for twenty-one days after becoming payable (whether formally demanded or not) or if any covenant on the Tenants' part herein contained shall not be performed or observed or if the Tenant or other person in whom for the time being the term hereby created becomes bankrupt then and in any of the said cases it shall be lawful for the Landlord at any time thereafter to re-enter upon the demised premises or any part thereof in the name of the whole and thereupon this demise

shall absolutely determine but without prejudice to any right of action of the Landlord in respect of any breach of the Tenant's covenants herein contained.

IN WITNESS WHEREOF the parties hereto have agree to the terms hereinabove appearing by signifying their signatures of the day and year herein below appearing.

SIGNED and DELIVERED by the said  
JULIUS LEMNGE

Julius Lemnge

Who is known to me personally, at Temeke, Dar es Salaam

LANDLORD

This 3<sup>rd</sup> day of January 2012

SIGNED and DELIVERED by

Mbaraka Salun

Bawazir

[Signature]

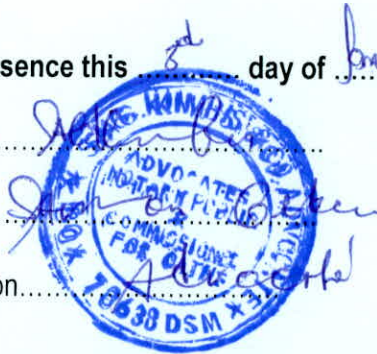
TENANT

In my presence this 3<sup>rd</sup> day of Jan 2012

Signature.....

Name.....

Designation.....





# **TANZANIA INVESTMENT CENTRE**

## **REGISTRATION FORM**

**FOR**

## **CERTIFICATE OF INCENTIVES**

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

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

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

UNITED REPUBLIC OF TANZANIA

THE TANZANIA INVESTMENT ACT  
(No. 26 of 1997)

APPLICATION FOR REGISTRATION  
(Made under Regulation 42)

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

1. I/we MBARICA S. BAWAZIR  
(director/directors/agent of DAM PLASTICS LIMITED  
(name of business enterprise) apply for registration of Tanzania Investment Centre  
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 at Mandela express Highway

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 Mandela Exp.
4. The Principal Officers of the Company are .....
5. Auditors of the Company are to be appointed
6. The authorized share capital of the Company is Tshs./US\$ 10,000,000/-



7. The intended capital investment of the Company in terms of Section 2(2) of the Act is Tshs./US\$ 1,230,000/-
8. The month and day of the financial year end is 31<sup>st</sup> Dec

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, Nbaraha Bawazir of Post Office Number 42445, Dar

es Salaam do solemnly and sincerely declare that I am a director/duly

authorized agent of DAM PLASTICS LIMITED.

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

Declared at Dar es Salaam }  
 ..... }  
 The 2<sup>nd</sup> day of Feb 2012 }

  
 Applicant

Before me:

  
  
 Commissioner for Oaths

APPLICATION SUMMARY

Company Name: DAM PLASTICS LIMITED

Certificate of Incorporation Number: 88383 Status: New

Certificate of Incorporation Date: 3rd January 2012

Post Box: 42445

Town: DAR ES SALAAM

Sector: Manufacturing Sub-Sector: Plastics Manufacturing

Investment Financing Plan in Million US\$/Tshs.

Foreign Equity Local Equity Foreign Loan Local Loan
230,000/- 1,000,000/-

Project Objectives: Establishment of a modern plastics manufacturing units.

Capacity: 8000000 bags

Employment: Foreign: 4 Local: 41 Total: 45

Implementation Period: 3 yrs.

Project Location

Site/Plot/Block No.: 78

Street: Sanguni District: Tembe Region: Dar es Salaam
(Attach sketch map showing project location)

Table with 3 columns: Shareholders, Nationality, %
Mbaraha S. Bawazir Tanzanian 80
Antar M. Bawazir 10
Dahir M. Bawazir 10

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

Land/Building	50,000/-
Plant	950,000/-
Vehicles	150,000/-
Furniture & Fittings	20,000/-
Pre-expenses	10,000/-
Others	-
Working Capital	50,000/-
<b>TOTAL</b>	<b>1,230,000/-</b>

**Contact Details:**

Name: Mbaraka S. Bawaria	Title: Director Managers
Telephone: 07 0653 778992	Fax: -
Email: mbarakabawaria@yahoo.com	

**Payments to be made payable to:**

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

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

Land/Building	50,000/-
Plant	950,000/-
Vehicles	150,000/-
Furniture & Fittings	20,000/-
Pre-expenses	10,000/-
Others	-
Working Capital	50,000/-
<b>TOTAL</b>	<b>1,230,000/-</b>

**Contact Details:**

Name: MBARAKA S. BANIRIA Title: Director Manager  
Telephone: 07 0653 77 8992 Fax: -  
Email: mbarakasbaniria@yahoo.com

**Payments to be made payable to:**

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

### APPLICATION SUMMARY

Company Name: DAM PLASTICS LIMITED

Certificate of Incorporation Number: 88383 Status: New

Certificate of Incorporation Date: 3rd January 2012

Post Box: 42445

Town: DAR ES SALAM

Sector: Manufacturing

Sub-Sector: Plastic Manufacturing

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

Foreign Equity	Local Equity	Foreign Loan	Local Loan
	<u>230,000,-</u>		<u>1,000,000,-</u>

Project Objectives: Establishment of a modern plastic manufacturing units.

Capacity: 8000000 bags

Employment: Foreign: 4 Local: 41 Total: 45

Implementation Period: 3 yrs.

**Project Location**

Site/Plot/Block No.: 78

Street: Sungwi District: Temehe Region: Dar es Salaam  
 (Attach sketch map showing project location)

Shareholders	Nationality	%
<u>Mbaraka S. Bawazir</u>	<u>Tanzanian</u>	<u>80</u>
<u>Antar M. Bawazir</u>	<u>"</u>	<u>10</u>
<u>Dahir M. Bawazir</u>	<u>"</u>	<u>10</u>
.....	.....	.....
.....	.....	.....

7. The intended capital investment of the Company in terms of Section 2(2) of the Act is ~~Tsh~~ US\$ 1,230,000/-

8. The month and day of the financial year end is 31<sup>st</sup> Dec

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

I enclose a cheque/cash made payable to the Tanzania Investment Centre for ~~Tsh~~ US\$ 100/- Being the Registration Fees. *In the event this application is unsuccessful we understand that this fee will not be refunded.*


1. Tharaha Sawazir of Post Office Number 42445 Dar es Salaam do solemnly and sincerely declare that I am a director/duly authorized agent of DAM PLASTICS LIMITED.

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

Declared at Dar es Salaam )  
The 1<sup>st</sup> day of Feb 2012 )

  
Applicant

Before me:

  
S. Kimbis  
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 MBARAKA S. BAWAZIR  
(director/directors/agent of DAM PLASTICS LIMITED  
(name of business enterprise) apply for registration of Tanzania Investment Centre  
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 Mandela Express Highway

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 Mandela Exp.

4. The Principal Officers of the Company are .....

5. Auditors of the Company are to be appointed

6. The authorized share capital of the Company is Tshs./US\$ 10,000,000/-



# 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](mailto:information@tic.co.tz)  
Website: [www.tic.co.tz](http://www.tic.co.tz)

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