

PRIME INDUSTRIES LTD

MINUTE SHEET

Dokezo
No.

MINUTE SHEET

Dokezo
No.

1.0

EXD

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

- (a) Minimum finance investment threshold has been exceeded, the project expects to invest US\$ 1.15 m
- (b) Legal entity has been incorporated under certificate

No. 10.2019 of 09/02/2013

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

Submitted for signature.



N. Senzia

DIF

11th December, 2013

2.0

EXD

In response to the TIC letter of registration dated 11 December 2013

the project has submitted the required documents namely: -

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

With the above submission EXD is requested to sign Certificate of Incentives No. 042572 herein attached.

20/12/2013

APPROVED BY EXD	
Sign: 	
Date: <u>23/12/13</u>	



DIF



TIC Evaluation Report

Name of the Company
Prime Industries Ltd.

Post Box	Chamanzi Vikuna Area, Msufini Street, Plot No. 216	COI Number	102019	Contact	Mr. Ashir Abbass Versi
Post Office	20819	COI Date	09/02/2013	Designation	Director
Region	Dar Es Salaam	Application F. No	11556	Phone	0
Country	Tanzania	Status		Direct Phone	0
		Sector	Manufacturing	Cell Phone	0765 613 726
		Sub Sector	Plastics	Fax	0
		File No	042572	E-Mail Address	0

Project Location		Investment Finance Plan in Millions USD			
Plot/Block	Plot No. 216, Chamanzi Vikuna Area	Foreign Equity	Local Equity	Foreign Loan	Local Loan
Street	Msufini	0	1.195	0	0
District	Temeke				
Region	Dar es Salaam				

Shareholders Detail		
Name	Nationality	(%)
Alli Hussein M. Versi	Tanzanian	25
Ashiq Abbass Versi	Tanzanian	25
Joseph Anthony Gonsalves	Tanzanian	25
Fauz Mansoor S. Tamim	Tanzanian	25

Investment Breakdown (USD Million)	
Land/Building	0.6
Plant	0.325
Vehicles	0.24
Furniture & Fittings	0.02
Pre-expenses	0.01
Others	0
Working Capital	0
Total	1.195

Employment	34	Evaluated By	,wf officer3
Capacity	xxxxx	Drawn By	wf regist3
Project Turn Over		Project Type	Local

Description

To establish a plant for pastic good products

Recomendations

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

Decision

Versi

[Handwritten signature]

TICC/PP.10/042572/6

12/02/2014

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

Dear Sir,

**RE: DUTY/VAT REMISSIONS ON THE CAPITAL/DEEMED
CAPITAL GOODS OF CERTIFICATE OF INCENTIVES NO.
042572**

M/S Prime Industries Limited is a TIC registered company with certificate of incentives **No. 042572** which is valid up to **November 2016**

The company has been registered with objectives of establishing manufacturing facilities for plastics products.

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

Yours sincerely

TANZANIA INVESTMENT CENTRE



N.A. Senzia

FOR: EXECUTIVE DIRECTOR

TIC

(S)

PRIME INDUSTRIES LIMITED
P.O.BOX 20819
DAR-ES-SALAAM, TANZANIA

Commissioner of Customs & Excise
Tanzania Revenue Authority,
P.O.BOX 9053
DAR ES SALAAM

Date: February 03, 2014

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



Received on
10/2/2014

M
TIC

Dear Sir,

**RE: DUTY & VAT EXEMPTION ON CAPITAL/DEEMED CAPITAL GOODS FOR
CERTIFICATE OF INCENTIVES NO: 042572**

We are TIC approved with certificate of Incentives No:042572
which is valid up to December 2016.

The company has been registered with objectives of Manufacturing Plastic Goods.

Attached herewith please find a list of Capital/Deemed Capital Goods for Duty/VAT
exemption approved.

Yours Sincerely,

A handwritten signature in black ink, appearing to be "Alex".

Managing Director





00220502

THE UNITED REPUBLIC OF TANZANIA

Signature of The Originator
Date 24/12/2013
For: Executive Director
Tanzania Investment Centre

Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

No: 042572

This is to certify that

PRIME INDUSTRIES LIMITED

P.O. BOX 20819

of address

DAR ES SALAAM

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

PRIME INDUSTRIES LIMITED

PLOT NO. 216 CHAMANZI - VIKUTA

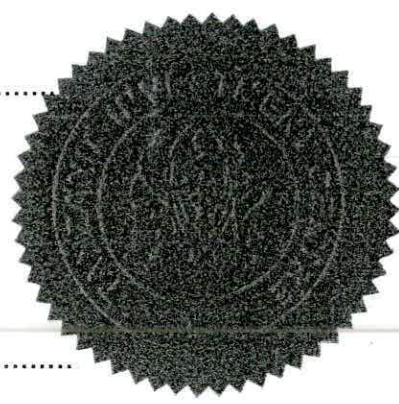
Which is located at

TEMEKE - DAR ES SALAAM

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

Executive Director

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



Dated 17TH DECEMBER 2013

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

1. Shareholders

Shareholders	Nationality	Shareholding (%)
Fauz Mansoor S. Tamim	Tanzanian	25
Joseph Anthony Gonsalves	Tanzanian	25
Ashiq Abbas Versi	Tanzanian	25
Alhussein M. Versi	Tanzanian	25
2. Proposed Activities : **To establish manufacturing facilities for plastics goods products**
3. Sector: **Manufacturing** Subsector: **Plastics**
4. Investment cost: Foreign **—** Local **USD 1.195m.** Total **USD 1.195m.**
5. Project Financing: Equity **USD 1.195m.** Loans **—** Total **USD 1.195m.**
6. Source, terms and conditions of loan.....
7. Assets to be invested:

Capital items:	Foreign	Local	Total
	—	USD 1.195m.	USD 1.195m.
8. Technology Agreement **None**
9. Date of TIC Registration: **11th December 2013**
10. Implementation period **December 2013 - November 2016**
11. Operative date..... **December 2016**
12. Investment Incentive Grade: As defined in part III Section 19 (1), (2) and Section 20 of the Tanzania Investment Act, 1997 **And VAT as per Customs Tariff Act, 1976 & VAT Act, 1997**
 - (i) Applicable Import Duty **As per Income Tax Act, 2004 (as amended)**
 - (ii) Applicable with-holding Tax **As per income Tax Act, 2004 (as amended)**
 - (iii) Eligibility of Capital Allowances
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

CTIN. 1156079

ISO 9001:2008 Certified



TANZANIA REVENUE AUTHORITY

CERTIFICATE OF REGISTRATION FOR TAXPAYER IDENTIFICATION NUMBER (TIN)

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

THIS IS TO CERTIFY THAT

.....
PRIME INDUSTRIES LIMITED
.....

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

.....
122-284-468
.....

with effect from 22-10-2013

P. N. Kassera

OFFICIAL SEAL

COMMISSIONER FOR DOMESTIC REVENUE

LIST OF MACHINERIES		
Serial No	Description of Machines	Quantity No.
1	PVC pipe Extrusion line complete	4
2	PVC pipe moulds	50
3	Injection Machine	12
4	Injection Machine moulds PVC	100
5	HDPE pipe Extrusion line complete	4
6	HDPE pipe moulds	20
7	Hose pipe Extrusion line complete	2
8	Hose pipe moulds	20
9	PPR & IPS pipe Extrusion line complete	4
10	PPR & IPS pipe moulds	20
11	PPR Fittings Moulds	30
12	IPS fittings Moulds	40
13	Blow Machine for HDPE	8
14	Blow Machine moulds	15
15	Pet bottle plant machine (sets)	2
16	Pet bottle plant machine complete	2
17	Pet bottle moulds	50
18	PVC Crusher	4
19	HDPE Crusher	2
20	Milling Machine	3
21	Screening Machine	2
22	PVC Socket /beiling machine	4
23	PVC Socket/beiling moulds	50
24	Industrial Generator	4
25	Leath machine for work	3
26	Compressor	5

ELECTRICAL ITEMS		
Serial No	Description of Machines	Quantity No.
1	Power Factor	1
2	Transformer 500 KVA	2
3	Panel Board	4
4	Contactors	50
5	Relays	50
6	Mother Boards	20
7	Heaters	100
8	Thermo couples	200
9	Cable wires:-	
	a) 90MM 4core	100
	b) 60MM 4core	100
	c) 32MM 4core	200
	d) 16MM 4core	300
	e) 10MM 4core	200
	f) 95MM 4core	100
	g) 80MM 4core	100
	h) 70MM 4core	100
	i) 50MM 4core	300
	j) 35MM 4core	300
	k) 25MM 4core	400
	l) 16MM 4core	400
	m) 10MM 4core	500

LIST OF MOTOR VEHICLE		Quantity No.
Serial No	Description of Machines	
1	Loading Truck 3TONS	3
2	Fork lift	1
3	Truck 10TONS	1
LIST OF BUILDING MATERIALS		Quantity No.
Serial No	Description of Machines	
1	Complete steel structure of 1200 square metres each, including beam,columns and roofing structure	2



00220502

THE UNITED REPUBLIC OF TANZANIA

Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

No: 042572

This is to certify that

PRIME INDUSTRIES LIMITED

of address P.O. BOX 20819

DAR ES SALAAM

has been granted a Certificate of Incentives to invest in a new, ~~XXXXXXXXXXXXXXXXXXXX~~
~~XXXXXXXXXXXX~~ enterprise known as

PRIME INDUSTRIES LIMITED

Which is located at PLOT NO. 216 CHAMANZI - VIKUTA

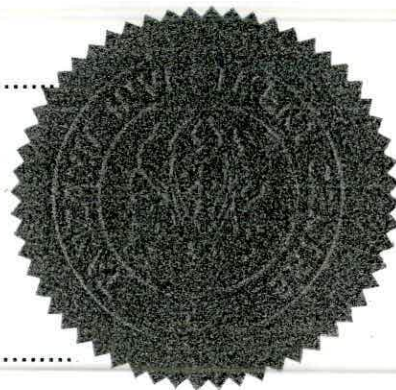
TEMEKE - DAR ES SALAAM

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

Executive Director

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

Dated 17TH DECEMBER 2013



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

1. Shareholders

Shareholders	Nationality	Shareholding (%)
Fauz Mansoor S. Tamim	Tanzanian	25
Joseph Anthony Gonsalves	Tanzanian	25
Ashiq Abbas Versi	Tanzanian	25
Alhoussein M. Versi	Tanzanian	25
2. Proposed Activities : **To establish manufacturing facilities for plastics goods products**
3. Sector: **Manufacturing** Subsector: **Plastics**
4. Investment cost:

Foreign	-	Local	USD 1.195m.	USD 1.195m.
Total				
5. Project Financing:

Equity	USD 1.195m.	Loans	-	USD 1.195m.
Total				
6. Source, terms and conditions of loan.....
7. Assets to be invested:

Capital items:	Foreign	Local	Total
	-	USD 1.195m.	USD 1.195m.
8. Technology Agreement **None**
9. Date of TIC Registration: **11th December 2013**
10. Implementation period **December 2013 - November 2016**
11. Operative date..... **December 2016**
12. Investment Incentive Grade: As defined in part III Section 19 (1), (2) and Section 20 of the Tanzania Investment Act, 1997

And VAT as per Customs Tariff Act, 1976 & VAT Act, 1997

 - (i) Applicable Import Duty **As per Income Tax Act, 2004 (as amended)**
 - (ii) Applicable withholding Tax **As per income Tax Act, 2004 (as amended)**
 - (iii) Eligibility of Capital Allowances
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

Unclaimed refund beyond three years will be forfeited



TANZANIA INVESTMENT CENTRE

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

RECEIPT REC013828

No.007772

Received from : PRIME INDUSTRIES LIMITED

Address P.O. BOX 20819 Msufini Street, Chamanz, Tembeke District, Dar Es Salaam

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

Being payment in respect of CERTIFICATE OF INCENTIVES FEES

Amount : USD 1,000.00

Cash / Cheque No: D/deposit 16/12

Date : 16-Dec-2013

Buisso
Receiving Officer



*For Executive Director
Tanzania Investment Centre*



Director General

Date: _____
Case No: _____



**INVESTMENT CENTRE
FOR EXPORTS
DIRECTOR**

INVESTMENT CENTRE



TICC/PP.10/042572/3

11th December, 2013

Managing Director,
Prime Industries Limited
P.O. Box 25782
DAR ES SALAAM

**RE: CERTIFICATE OF INCENTIVES FOR MANUFACTURING OF
PLASTICS GOODS PRODUCTS**

We wish to acknowledge receipt of your project proposal to establish and operate facility for manufacturing of plastics goods products as presented in the TIC P.A. 1 Form No. 11556 and Feasibility Study with a projected investment amounting to USD 1.195m.

We are pleased to inform you that your investment proposal is now officially registered by TIC and therefore the project will be granted a Certificate of Incentives under authority conferred upon TIC under Part III, Section 17 (1-8) of the Tanzania Investment Act, 1997.

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

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

.../2

TICC/PP.10/042572/3

11th December, 2013

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

Yours sincerely,

Tanzania Investment Centre



Juliet R. Kairuki

EXECUTIVE DIRECTOR

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

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

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



TIC Evaluation Report

Name of the Company
Prime Industries Ltd.

Post Box	Chamanzi Vikuna Area, Msufini Street, Plot No. 216	COI Number	102019	Contact	Mr. Ashir Abbass Versi
Post Office	20819	COI Date	09/02/2013	Designation	Director
Region	Dar Es Salaam	Application F. No	11556	Phone	0
Country	Tanzania	Status	New	Direct Phone	0
		Sector	Manufacturing	Cell Phone	0765 613 726
		Sub Sector	Plastics	Fax	0
		File No	042572	E-Mail Address	0

Project Location		Investment Finance Plan in Millions USD			
Plot/Block	Plot No. 216, Chamanzi Vikuna Area	Foreign Equity	Local Equity	Foreign Loan	Local Loan
Street	Msufini	0	1.195	0	0
District	Temeke				
Region	Dar es Salaam				

Shareholders Detail			Investment Breakdown (USD Million)	
Name	Nationality	(%)	Land/Building	0.6
Alli Hussein M. Versi	Tanzanian	25	Plant	0.325
Ashiq Abbass Versi	Tanzanian	25	Vehicles	0.24
Joseph Anthony Gonsalves	Tanzanian	25	Furniture & Fittings	0.02
Fauz Mansoor S. Tamim	Tanzanian	25	Pre-expenses	0.01
			Others	0
			Working Capital	0
			Total	1.195

Employment	34	Evaluated By	wf officer3
Capacity	xxxxx	Drawn By	wf regist3
Project Turn Over		Project Type	Local

Description


To establish a plant for pastic good products

Recommendations

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

Decision

APPROVED BY EXD

Sign: 

Date: 10/12/13

PRIME INDUSTRIES LTD
P.O.BOX 20819
DAR-ES-SALAAM

DATE: 26th NOVEMBER, 2013

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



Madam / Sir,

**APPLICATION FOR A CERTIFICATE OF INCENTIVES FOR THE PURPOSE OF
SETTING UP A PLASTIC PRODUCTS MANUFACTURING PROJECT BY PRIME
INDUSTRIES LIMITED.**

I have the pleasure to submit my application to you with respect to the above heading.

Sir, I am attaching the following documents as per your directive:

1. Two copies of project profile;
2. Two duly filled copies of TIC Application Forms;
3. A copy of Memorandum and Articles of Association of the company ;
4. Certified copy of Certificate of Incorporation NO. 102019 issued on 2nd September 2013
5. Board of Directors Resolution recommending to invest under TIC;
6. Bank Letter.
7. A renewable Lease Agreement entered into between Prime Industries Limited, the Lease and Mr. Mehboob H. Versi, the Lessor.

Sir, I am looking forward to your positive and expeditious approval of my application,

Yours Sincerely,

A handwritten signature in blue ink, appearing to read "Ashiqabbas Versi", written over a dotted line.

Ashiqabbas Versi

DIRECTOR





TANZANIA INVESTMENT CENTRE

REGISTRATION FORM

FOR

CERTIFICATE OF INCENTIVES

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

Tanzania Investment Centre
9A & B Shaaban Robert Street
P. O. Box 938
DAR ES SALAAM
Tel. 022 2116328
Fax. 022 2118253
e-mail: information@tic.co.tz
Website: 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 ASHIQ ABBASS VERSI
(director/directors/agent of PRIME INDUSTRIES LIMITED
(name of business enterprise) apply for registration of TIC CERTIFICATE OF INCENTIVES
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 PN 216 MSUFUNI STREET,
CHAMANZI VIKUNA TEMEKE DISTRICT, DAR ES SALAAM REGION.

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 P.N. 2229, AVALON HOUSE, ZANAKI STREET
DSM

4. The Principal Officers of the Company are 1. FAUZ MANSOOR SALLI TAMIM,
2. JOSEPH ANTHONY GONCALVES 3. ASHIQ ABBASS
VERSI 4. ALI HUSSEIN M. VERSI

5. Auditors of the Company are TO BE APPOINTED

6. The authorized share capital of the Company is Tshs./US\$ 200,000,000/= [TWO
HUNDRED MILLION SHILLINGS DIVIDED INTO 100 SHARES @
WORTH TZS 2,000,000/=]

7. The intended capital investment of the Company in terms of Section 2(2) of the Act is Tshs./US\$ 1,195,000

8. The month and day of the financial year end is DECEMBER 31ST

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

TIC RECEIPT NO. DD7534 OF 22/11/2013 Being the Registration Fees. *In the event this application is unsuccessful we understand that this fee will not be refunded.*

I, ASHIA ABBASS VERSI of Post Office Number 20819 DAR ES

SALAAM do solemnly and sincerely declare that I am a director/duty

authorized agent of PRIME INDUSTRIES 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 }

..... }

Theday of 20..... }

Applicant

Before me:

Commissioner for Oaths

SULEIMAN KHAMIS HAJI
ADVOCATE, NOTARY PUBLIC
& COMMISSIONER FOR OATHS
P. O. BOX 21139, DAR ES SALAAM

APPLICATION SUMMARY

Company Name: PRIME INDUSTRIES LIMITED

Certificate of Incorporation Number: 102019 Status: NEW

Certificate of Incorporation Date: 2ND SEPTEMBER 2013

Post Box: 20819

Town: DAR ES SALAAM

Sector: MANUFACTURING Sub-Sector: PLASTICS MANUFACTURING

Investment Financing Plan in Million US\$/Tshs. 1,195,000

Foreign Equity	Local Equity	Foreign Loan	Local Loan
—	<u>1,195,000</u>	—	—

Project Objectives: PRODUCTION AND SALE OF PLASTIC PRODUCTS - RESIN PIPES, PVC FITTINGS & HDPE

Capacity: ANNUAL REVENUE US\$ 1,491,325

Employment: Foreign: 3 Local: 31 Total: 34

Implementation Period: 3 YEARS

Project Location

Site/Plot/Block No.: 216

Street: CHAMANZI VIKUNA MSUFINI STREET District: TEMEKE Region: DAR ES SALAAM
 (Attach sketch map showing project location)

Shareholders	Nationality	%
<u>FAUZ MANSOUR S. TAMIM</u>	<u>TANZANIAN</u>	<u>25</u>
<u>JOSEPH ANTHONY GONSALVES</u>	<u>TANZANIAN</u>	<u>25</u>
<u>ASHIQ ABBASS VERSI</u>	<u>TANZANIAN</u>	<u>25</u>
<u>ALLI HUSSEIN M. VERSI</u>	<u>TANZANIAN</u>	<u>25</u>

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

Land/Building	..... 600,000
Plant	..... 325,000
Vehicles	..... 240,000
Furniture & Fittings	..... 20,000
Pre-expenses	..... 10,000
Others -
Working Capital -
TOTAL	..... 1,195,000

Contact Details:

Name: ASHIA ABBASS VERSI Title: DIRECTOR

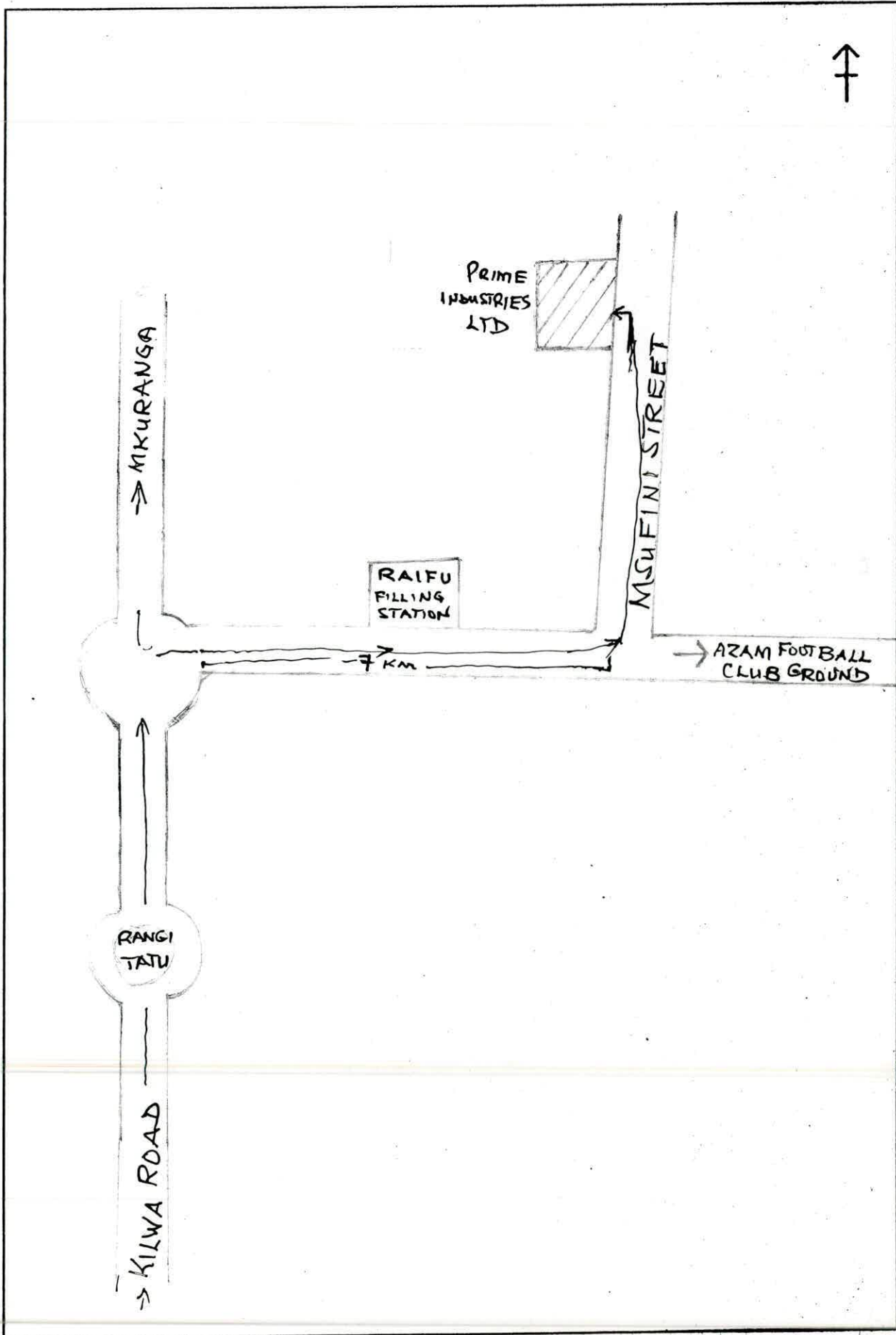
Telephone: +255 765 613 726 Fax:

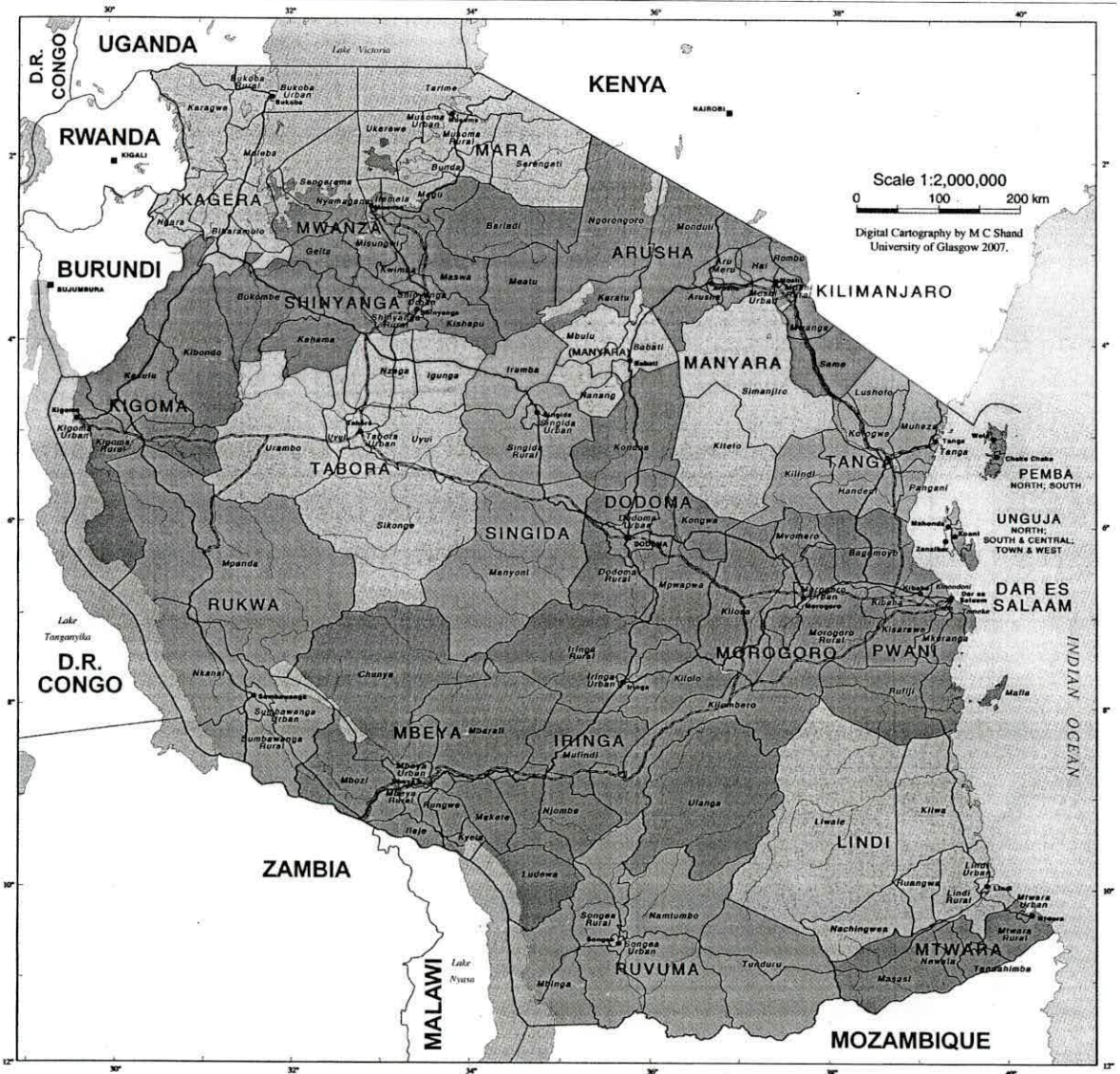
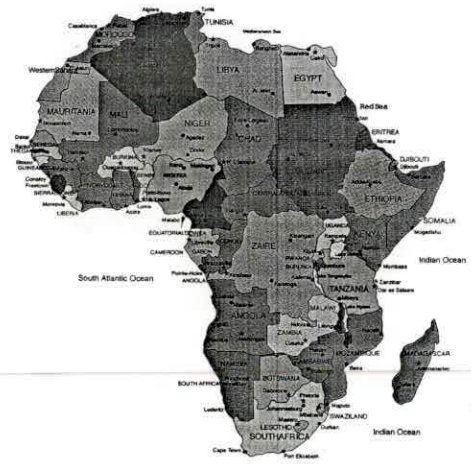
Email: ashia.versis@gmail.com

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







TANZANIA INVESTMENT CENTRE

REGISTRATION FORM

FOR

CERTIFICATE OF INCENTIVES

(Tanzania Investment Act 1997, Section 17 and 18,
and the Investment Regulations:
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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
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(Please fill the form in duplicate)

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P. O. Box 938
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VERSI 4. ALI HUSSEIN M. VERSI

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HUNDRED MILLION SHILLINGS DIVIDED INTO 100 SHARES @
WORTH TZS 2,000,000/=]

7. The intended capital investment of the Company in terms of Section 2(2) of the Act is Tshs./US\$ 1,195,000

8. The month and day of the financial year end is DECEMBER 31ST

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

TIC RECEIPT NO. 007534 OF 22/11/2013 Being the Registration Fees. *In the event this application is unsuccessful we understand that this fee will not be refunded.*

I, ASHIA ABBASS VERSI of Post Office Number 20819 DAR ES

SALAAM do solemnly and sincerely declare that I am a director/duty

authorized agent of PRIME INDUSTRIES 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 day of 20..... }

Applicant

Before me:

Commissioner for Oaths

SULEIMAN KHAMIS HAJI
ADVOCATE, NOTARY PUBLIC
& COMMISSIONER FOR OATHS
P. O. BOX 21139, DAR ES SALAAM

APPLICATION SUMMARY

Company Name: PRIME INDUSTRIES LIMITED

Certificate of Incorporation Number: 102019 Status: NEW

Certificate of Incorporation Date: 2ND SEPTEMBER 2013

Post Box: 20819

Town: DAR ES SALAAM

Sector: MANUFACTURING

Sub-Sector: PLASTICS MANUFACTURING

Investment Financing Plan in Million US\$/Tshs. 1,195,000

Foreign Equity	Local Equity	Foreign Loan	Local Loan
<u>-</u>	<u>1,195,000</u>	<u>-</u>	<u>-</u>

Project Objectives: PRODUCTION AND SALE OF PLASTIC PRODUCTS - RESIN PIPES, PVC FITTINGS & HDPE

Capacity: ANNUAL REVENUE US\$ 1,491,325

Employment: Foreign: 3 Local: 31 Total: 34

Implementation Period: 3 YEARS

Project Location

Site/Plot/Block No.: 216

CHAMANZI VIKUNA
Street: MSUFINI STREET District: TEMEKE Region: DAR ES SALAAM
(Attach sketch map showing project location)

Shareholders	Nationality	%
<u>FAUZ MANSOOR S. TAMIMI</u>	<u>TANZANIAN</u>	<u>25</u>
<u>JOSEPH ANTHONY GONSALVES</u>	<u>TANZANIAN</u>	<u>25</u>
<u>ASHIQ ABBASS VERSI</u>	<u>TANZANIAN</u>	<u>25</u>
<u>ALLI HUSSEIN M. VERSI</u>	<u>TANZANIAN</u>	<u>25</u>

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

Land/Building	..... 600,000
Plant	..... 325,000
Vehicles	..... 240,000
Furniture & Fittings	..... 20,000
Pre-expenses	..... 10,000
Others -
Working Capital -
TOTAL	..... 1,195,000

Contact Details:

Name: ASHIQ ABBASS VERSI Title: DIRECTOR

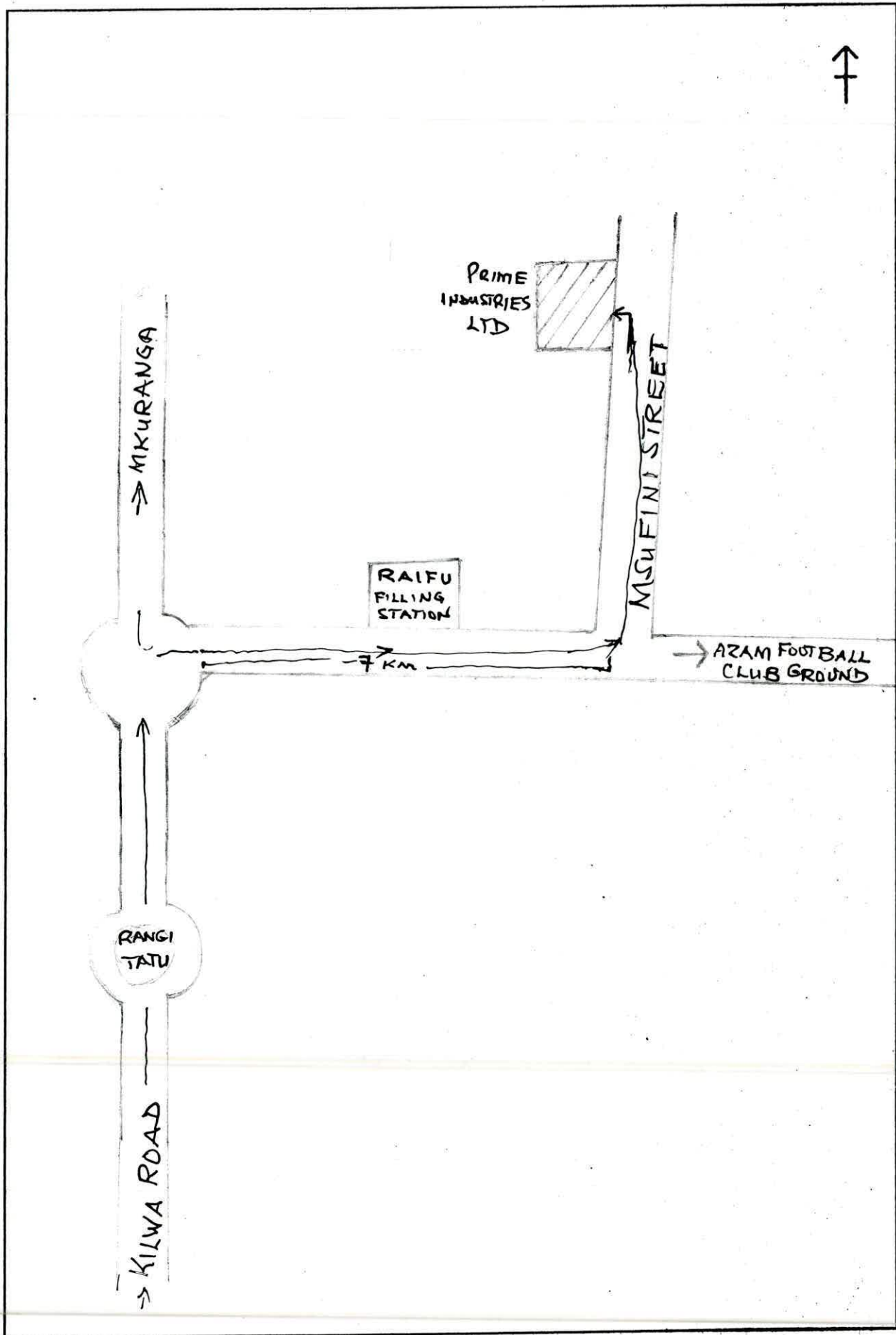
Telephone: + 255 765 613 726 Fax:

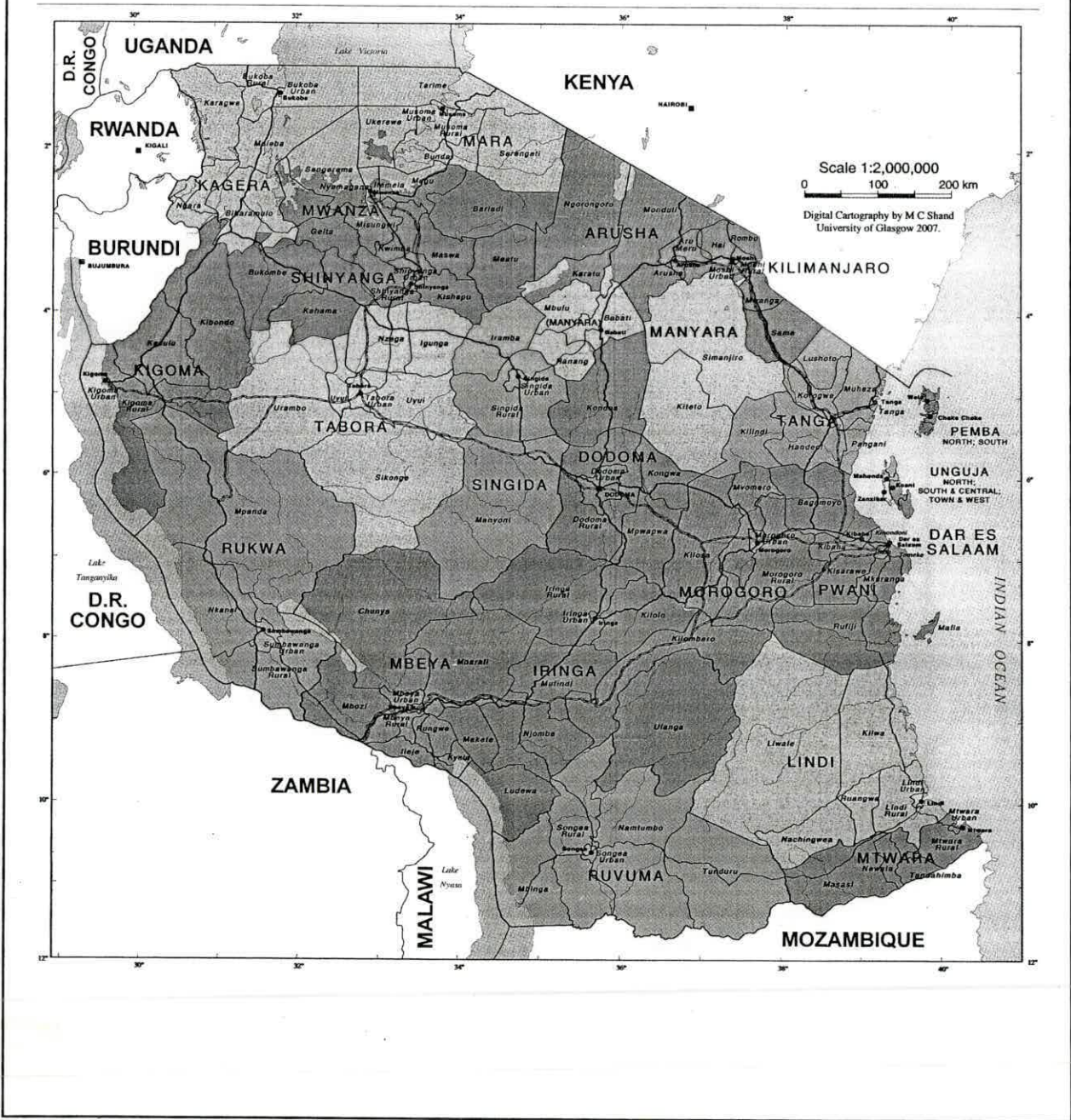
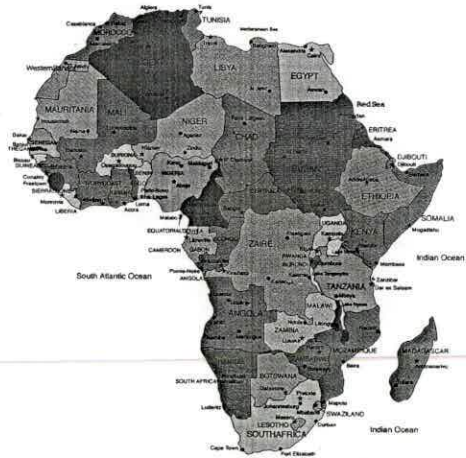
Email: ashiq.versis@gmail.com

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







TANZANIA INVESTMENT CENTRE

REGISTRATION FORM

FOR

CERTIFICATE OF INCENTIVES

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

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

(Please fill the form in duplicate)

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 ASHIQ ABBASS VERSI
(director/directors/agent of PRIME INDUSTRIES LIMITED
(name of business enterprise) apply for registration of TIC CERTIFICATE OF INCENTIVES
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 PN 216 MSUFUNI STREET,
CHAMANZI VIKUNA, TEMEKE DISTRICT, DAR ES SALAAM REGION.

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 PN 2229, AVALON HOUSE ZANAKI STREET
DSM
4. The Principal Officers of the Company are 1. FAUZ MANSOOR SALLI TAMIM,
2. JOSEPH ANTHONY GONSALVES 3. ASHIQ ABBASS
VERSI 4. ALI HUSSEIN M. VERSI
5. Auditors of the Company are TO BE APPOINTED
6. The authorized share capital of the Company is Tshs./US\$ 200,000,000/= [TWO
HUNDRED MILLION SHILLINGS DIVIDED INTO 100 SHARES @
WORTH TZS 2,000,000/=]

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

is Tshs./US\$ 1,195,000

8. The month and day of the financial year end is DECEMBER 31ST

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

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authorized agent of PRIME INDUSTRIES 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 }
..... }
Theday of 20..... }

Applicant

Before me:

.....
Commissioner for Oaths

**SULEIMAN KHAMIS HAJI
ADVOCATE, NOTARY PUBLIC
& COMMISSIONER FOR OATHS
P. O. BOX 21139, DAR ES SALAAM**

APPLICATION SUMMARY

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Certificate of Incorporation Number: 102019 Status: NEW

Certificate of Incorporation Date: 2ND SEPTEMBER 2013

Post Box: 20819

Town: DAR ES SALAAM

Sector: MANUFACTURING

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Working Capital -
TOTAL 1,195,000

Contact Details:

Name: ASHIA ABBASS VERSI Title: DIRECTOR

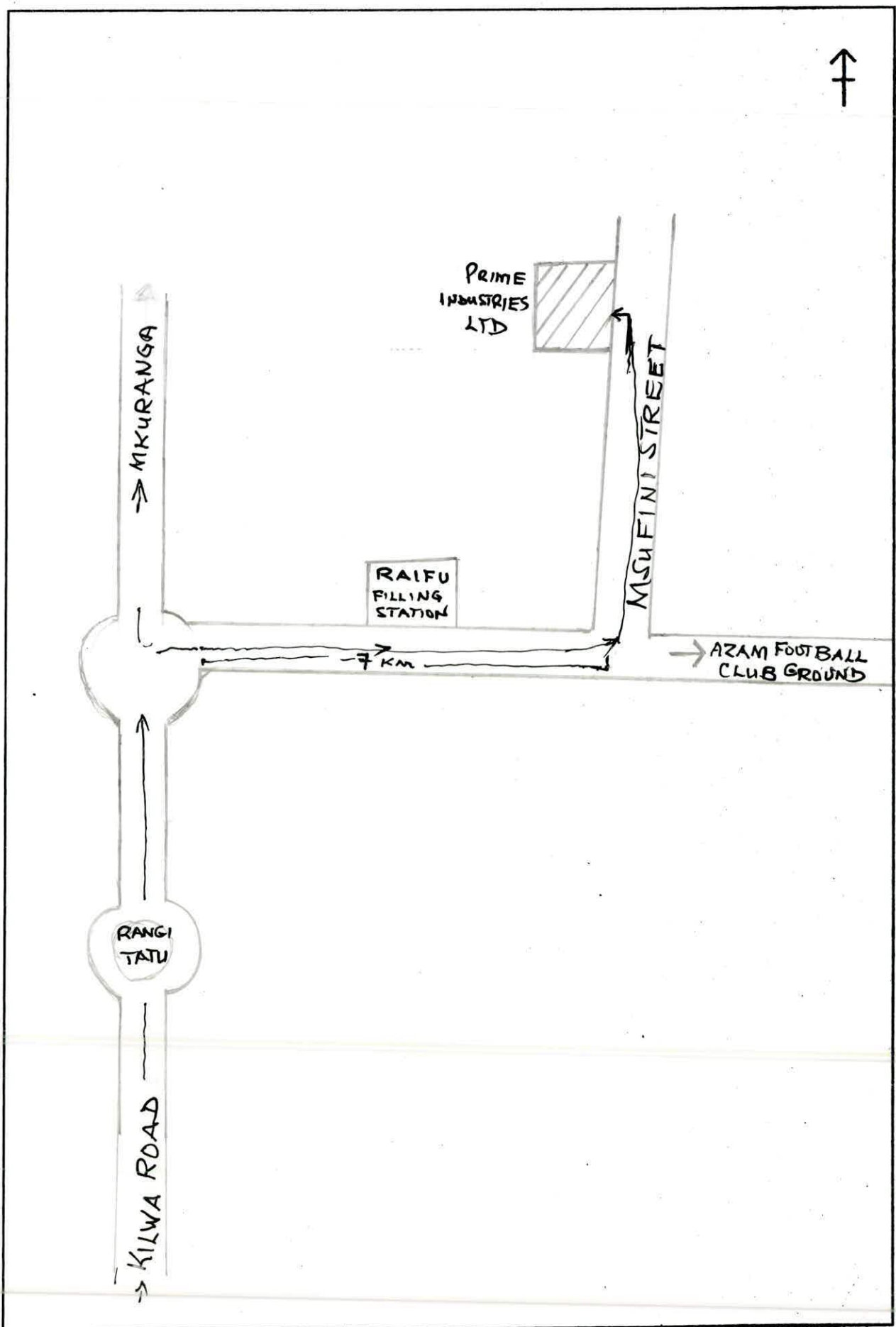
Telephone: +255 765 613 726 Fax:

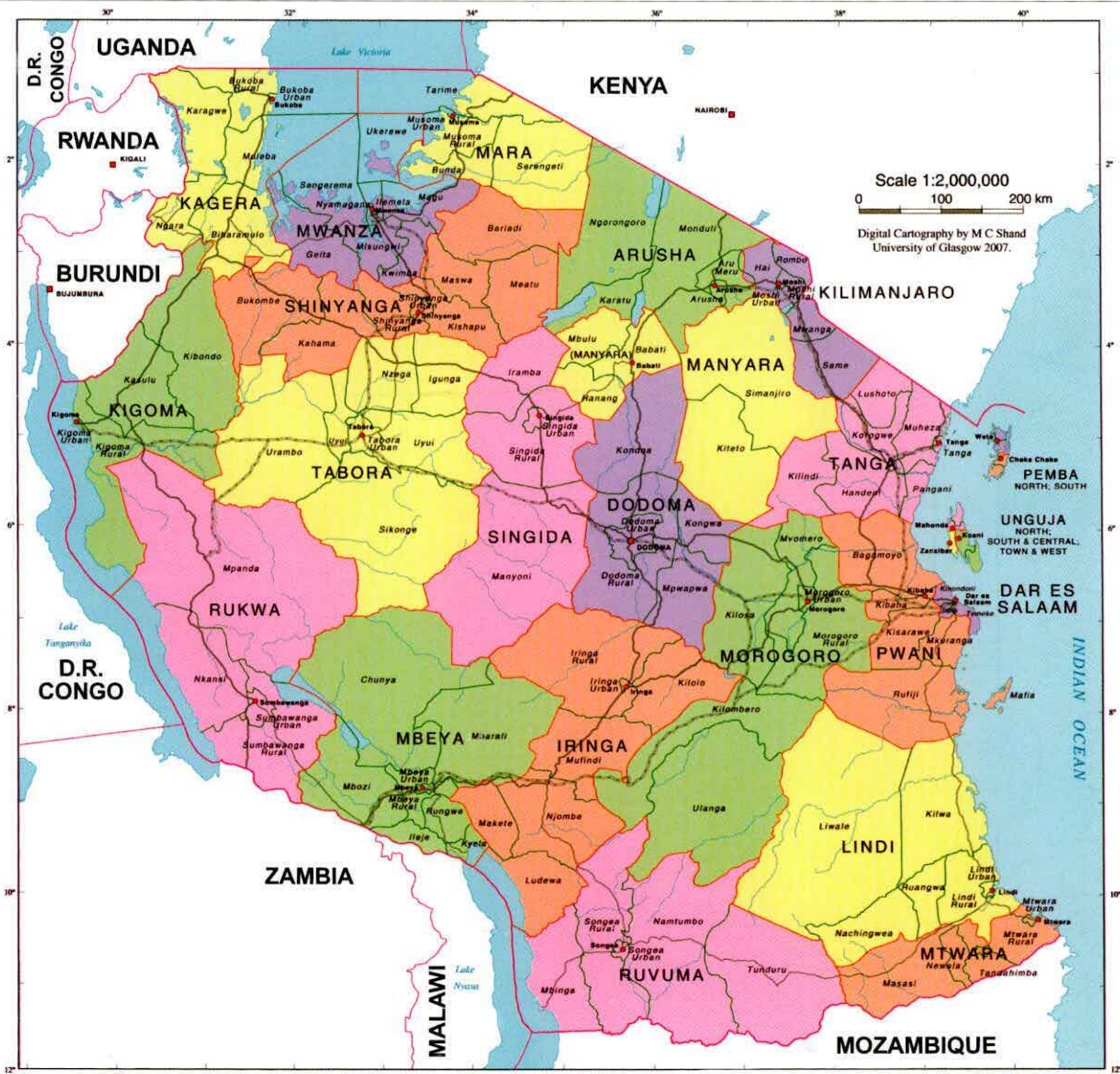
Email: ashia.versis@gmail.com

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







UBTL/CS/AAD/006/2013

November 26th 2013.

TO WHOM IT MAY CONCERN

This is to certify that PRIME INDUSTRIES LTD of P.O.BOX 20819 located along Zanaki Street, Plot No. 2229/41, is in the process of opening the following accounts with us:

Tanzania Shilling Current account
U.S. Dollar Current account

This certificate has been issued at the request of the customer without engagement or responsibility on the part of the bank or any of its officers.

Regards,

Sajjad Hussain Baluch
Branch Manager.



PRIME INDUSTRIES LIMITED

P.O. Box 20819
Dar Es Salaam, Tanzania

BOARD RESOLUTION

PRESENT:

1. Ashiq Abbas Versi – Chairman
2. Joseph Anthony Gonsalves - Member
3. Fauz Mansoor Said Tamim - Member
4. Alihussein Mehboob Versi - Member

AGENDA :

1. ESTABLISHING A PLASTICS PRODUCTS MANUFACTURING PROJECT.
2. IMPLEMENTING THE PROJECT UNDER THE AUSPICES OF TIC.
3. PROJECT FINANCING: EQUITY.

BOARD RESOLUTIONS

At the end of the meeting held at Company's Head offices, in Dar es Salaam the Board of Directors resolved as follows:

1. Have unanimously resolved to set up a plastics products making project in the country .
2. The project will be undertaken under the Tanzania Investment Act , 1997 with the view of taking advantage of the Investment protection and the other various incentives offered to investors.
3. The shareholders have unanimously resolved to undertake the project using their own funds which will be sourced from their various business ventures.

Confirmed as true record of the resolutions


.....
Ashiqabbas Versi
Chairman





TANZANIA REVENUE AUTHORITY
TRA RECEIPT

155

DEPARTMENT

PAYMENT NOTICE AND DEPOSIT SLIP 02688795 /13-14

PART 1: TAX PAYMENT NOTICE

1. Taxpayer Name and Address:

MCHBOOB, H. VERA
P.O. Box 20819 DSM

2. TIN:

109 257 672

4. Tax Region

Tengeru

3. Tax Debit No.

5. Total Tax Payment TZS

660,500/-

6. Type of Tax

Salary & W/TAX

GFS CODE	Amount	Tax Period	GFS CODE	Amount	Tax
11131000	660,000/-	2013			

PART 2: TAX PAYMENT DEPOSIT SLIP

7. Name of Bank

EXIM Bank

Branch

TENGERU

8. Payment

Cash:	Denomination	Amount (TZS)	Cents
	Notes: 10000/-x	66	660,000/-
	5000/-x		
	2000/-x		
	1000/-x		
	500/-x	1	500/-
	Coins 200/-x		
	100/-x		
	50/-x		
	20/-x		
	10/-x		
	5/-x		
	Total Cash TZS		660,500/-

Date, Tellers Stamp and Signature

Cheques:

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

SULEIMAN KHAMIS HAJI
ADVOCATE, NOTARY PUBLIC
& COMMISSIONER FOR OATHS
P.O. BOX 21139, DAR ES SALAAM

Certified true
Copy of the Original
200.
28.11.2013

9. Amount in words

Six hundred sixty thousand five hundred only.

10. Taxpayer's Signature

[Signature]

Date

09/10/2013

LEASE AGREEMENT

This LEASE AGREEMENT is made at Dar es Salaam this 01 day of OCTOBER, 2013.

Between:

MEHBOOB H. V GESI of P O Box 20819, Dar es Salaam (hereinafter referred to as the "Lessor" which expression shall, where the context so admits, include its successors and assigns) OF THE ONE PART.

And:

PRIME INDUSTRIES LIMITED of P O Box 20819, Dar es Salaam, (hereinafter referred to as the "Lessee" which expression where the context admit shall include its successors and assigns) OF THE OTHER PART.

PREAMBLE

WHEREAS the Lessor is the lawful owner of an office/shop (herein after referred to as "the premises") described herein below:-

Apartment No.
Plot No. 216.
Street:
Area: CHAMANZI - VIKUTA.
Municipality: Temece.
City: DAR-ES-SALAAM.

WHEREAS the Lessee intends to take on lease of an office premises in the building described above.

WHEREAS the Lessee is desirous and willing to take on lease the premises described above.

WHEREAS the Lessor is willing to let the premises described above to the Lessee for a fixed term of 3 YEARS.

WHEREAS the Lessor and the Lessee are both desirous and willing to enter into a landlord and tenant relationship at the terms and conditions stated herein below.

NOW THEREFORE, IN CONSIDERATION of the premises and the mutual covenants of the Parties hereto as set forth hereinafter, it is mutually agreed as follows:-

1.0 BINDING NATURE OF THE PREMISES.

That the premises set-out in the preamble hereinabove are integral, inseparable and enforceable parts of this Agreement.

Lessee for a fixed term of 34 YEARS, at the rate, terms and conditions agreed herein.

3.0 RENT

That the reserved rent for the lease of the premises shall be 500,000/- =
(say, TANZANIAN THIRTY FIVE HUNDRED) only per month payable in cash for 34 yrs.
THOUSAND

4.0 PAYMENT

That the rent for the full term of the lease shall be paid in lump sum at the execution hereof.

5.0 COMMENCEMENT & EXPIRATION

That the date of commencement of this lease shall be 01/10/2013; and that this lease shall expire on 30/09/2016.

6.0 PURPOSE

6.1 That the Lessee shall use the premises for office purposes only.

7.0 RESTRICTIONS

7.1 That the Lessee shall not place nor suffer or permit to be placed on the demised premises any matter or thing of an inherently dangerous, explosive, corrosive, combustible or environmentally degrading character.

7.2 That the Lessee shall not do, permit or suffer to be done on the demised premises anything that shall amount to nuisance to the public and to neighbours and occupiers of neighbouring premises.

7.3 That the Lessee shall not use the premises or permit or suffer the premises to be used for any unlawful or immoral purpose or act.

7.4 The Lessee shall not assign or mortgage the demised premises or any part thereof.

7.5 The Lessee shall not sublet or part with possession of the demised premises or any part thereof without the prior written consent of the Lessor. The Lessor shall not be obliged to accept proposal by the Lessee for subletting of the premises.

8.0 PAYABLE CHARGES

8.2 That the Lessee shall be obliged to pay electricity bills as per luku meter as well as garbage and or water bills if any.

9.0 RESTORATION OF THE PREMISES

9.1 That the Lessee shall maintain the demised premises in a habitable and tenable condition and shall leave the premises upon expiry of the lease term or termination of this lease Agreement in a condition comparable to that which existed when received by the Lessee except for reasonable and ordinary wear and tear/or except for damage caused by the elements of weather or circumstances over which the Lessee had no control such as earthquake, floods, fire, hurricane, war and any *force majeure* event.

9.2 That the responsibility for damage to the demised premises caused by negligence or misuse by the **Lessee** shall be borne by the **Lessee** and the **Lessee** shall promptly repair or make good any loss in respect thereof before leaving the demised premises.

10.0 REPAIRS AND MAINTENANCE

10.1 That the **Lessee** is responsible for carrying out repairs and regular maintenance of the demised premises such as to maintain it in good tenable condition during the whole period of the lease Agreement.

10.2 The **Lessee** shall bear its own cost of maintenance and repairs and of any permitted renovations and alterations.

10.3 That the **Lessor** shall be responsible for repairs to the exterior and structure of the building except for damage caused by the **Lessee's** negligence or neglect.

11.0 NO ALTERATION OF THE PREMISES

That the **Lessee** shall not make any structural alteration or modification of the premises without the prior written consent of the **Lessor**. The **Lessor** shall not be bound to accept any proposal for the alteration or reconstruction of the premises.

12.0 RIGHT OF ENTRANCE BY THE LESSOR

12.1 That the **Lessor** or his agents or representatives shall have the right to enter the demised premises at reasonable time of day for inspection, repair or maintenance and may make such entry accompanied workmen.

12.2 In case any want of repair or maintenance is noticed at such inspection referred to at 12.1 above the **Lessor** shall issue to the **Lessee** notice of the existence of the same sufficiently describing the same.

12.3 Upon such notice the **Lessee** shall effect the required repair or maintenance within sixty (60) days on receipt of the notice. In default to do so within the prescribed time the **Lessor** shall have the right to enter the premises himself or by his agent or representative alone or accompanied by workmen and carryout such repair or maintenance and shall charge the cost thereof to the **Lessee** who shall settle the same within thirty (30) days of receipt of the **Lessor's** demand.

13.0 PEACEFUL ENJOYMENT

That the **Lessee** paying the rent reserved in a manner aforesaid and performing and observing all the covenants herein contained shall peaceably hold and enjoy the demised premises during the term granted without any undue interference or disturbance from the **Lessor** or any person lawfully claiming through or in trust for the **Lessor**.

14.0 RENEWAL

14.1 That the premises are let for a fixed term of _____ only. The **Lessee** shall vacate the premises forthwith upon expiry of the granted term unless a new lease is granted.

14.2 That if a new lease is granted, if at all, it shall be subject to upward review of rent as shall be assessed by the **Lessor**.

14.3 That subject to sub-clauses 14.1 and 14.2 above, if the **Lessee's** conduct as a tenant during the granted term is, to the **Lessor's** satisfaction, good, then the **Lessor** may offer the **Lessee** a new term.

15.0 IMPLEMENTATION OF AGREEMENT

Each of the Parties undertakes to take all steps necessary for the implementation of this Agreement and to do, or to see that there is done, all that which is considered necessary in order to fulfill the object of this Agreement and in order to give full effect to all its provisions.

16.0 NOTICE

Any notice under this Agreement shall be in writing delivered by hand or by registered mail.

17.0 TERMINATION

That the **Lessor** shall have the right to terminate this Agreement by serving a notice of termination on the **Lessee** where –

17.1 Any rent is unpaid for one month after the due date for payment whether or not a demand in writing for payment has been made by the **Lessor**.

17.2 The **Lessee** has failed for a period of one month to observe or perform any condition, covenant or other term, the observance or performance of which has been assumed by the **Lessee** expressly or impliedly in this Agreement.

17.3 This Agreement may also be terminated by mutual consensus between the Parties.

17.4 Either party may terminate this agreement by giving a thirty (30) days written notice to the other.

17.5 In case of termination by the **Lessor**, then the **Lessor** shall refund any balance of unutilized rent. And in case of termination by the **Lessee**, then the **Lessee** shall not be eligible for refund of the balance of rent except if the **Lessor** shall secure a new tenant to utilize the unexpired term.

IN WITNESS WHEREOF the Parties hereto have executed these presents on the day and year first hereinabove written:

SIGNED and DELIVERED by MEHBOOB VERSI

For and on behalf of _____)

_____ who is known to me)

personally/identified to me by _____)

this 1st day of October 2013)

Signature: [Signature])

Postal Address: P.O. Box 21139 Dsm

Qualification: Advocate)

[Signature]

LESSOR

SIGNED and DELIVERED by ASHIQ ABBAS VERSI

For and on behalf of PRIME INDUSTRIES LTD

_____ who is known to me personally/)

identified to me by _____)

this 1st day of October 2013)

Signature: [Signature])

Postal Address: P.O. Box 21139 Dsm

Qualification: Advocate)

[Signature]

LESSEE

STAMP DUTY
60,000/-
Receipt No. 02658745 Dated 27/10/13
Regional Revenue Officer - Dar es Salaam

PREPARED BY:
SULEIMAN KHAMIS HAJI (ADVOCATE)
P.O. BOX 21139
DAR ES SALAAM - TANZANIA.

Please collect
Stamp duty = 500,000 x 12% = 60,000
W/Tax = 500,000 x 12% = 60,000
60,000
600,000
660,000/-
[Signature]
27/10/13

Certified true copy of
the Original
[Signature]
28-11-2013

SULEIMAN KHAMIS HAJI
ADVOCATE, NOTARY PUBLIC
& COMMISSIONER FOR OATHS
P.O. BOX 21139, DAR ES SALAAM

TANZANIA



Certificate of Incorporation

Section 15

No 102019

I HEREBY CERTIFY THAT

PRIME INDUSTRIES 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 2ND day of SEPTEMBER**TWO THOUSAND AND THIRTEEN**

Certified true copy of the Original

SULEIMAN KHAMIS HAJI
ADVOCATE, NOTARY PUBLIC
& COMMISSIONER FOR OATHS
P. O. BOX 21139, DAR ES SALAAM

[Signature]
28.11.2013

[Signature]
Asst.Registrar of Companies

THE COMPANIES ACT 2002

COMPANY LIMITED BY SHARES

MEMORANDUM

AND

ARTICLES OF ASSOCIATION

OF

PRIME INDUSTRIES

LIMITED.

INCORPORATED THIS _____ DAY OF _____ 2013.

PREPARED BY:

SULEIMAN KHAMIS HAJI (ADVOCATE)

P.O.BOX 21139

DAR ES SALAAM – TANZANIA.

Certified true copy of the original

SULEIMAN KHAMIS HAJI
ADVOCATE, NOTARY PUBLIC
& COMMISSIONER FOR OATHS
P. O. BOX 21139, DAR ES SALAAM

S.H.

28.11.2013

TANZANIA
5000/=
37316 29/8/13
[Signature]

COMPANY LIMITED BY SHARES
MEMORANDUM OF ASSOCIATION
OF
PRIME INDUSTRIES LIMITED.

2500/=
37316 29/8/13
[Signature]

1. The name of the Company is PRIME INDUSTRIES LIMITED.
2. The registered office of the Company will be situated in the United Republic of Tanzania.
3. The objects for which the Company is incorporated are:
 - a) To carry on the business of manufacturers and dealers in plastic pipes of all kinds, cellulose, acetate, vinyl resins, polystyrenes, acrylic resins and the synthetic materials, goods and articles of all kinds there form and all or any materials and things used for or in connection with the manufacture of same by patent or other process and all or any article and things from time to time usually made or sold as associated with or auxiliary to the business of such manufacturers and dealers of the aforesaid or for which the machinery, plant and staff of the company as such manufacturers as afore said may be conveniently used.
 - b) To engage on such other business of whole sale and retail, import and export of any goods and services, dealing on gold mining and refineries, dealing on any other kind of precious metals such as copper, tanzanite, diamond and the like, agriculture industry and processing, sugar industry, ethanol industry, plastic industry, fishing industry, livestock, poetry industry and any other business allowed by laws of the land.
 - c) To carry on the business in Tanzania to take on lease, rent, hire and to construct, build, establish, erect, promote, undertake, acquire, own operate, equip, manage, remove, recondition, turn to account, maintain and to run warehouses, godowns, open platform, refrigeration houses, stores and other similar establishment.
 - d) To manufacture and carry on the business of all kind copper, iron sheets manufacturer as well as dealing in all kind of mining industry.

Certified true copy of the Original
[Signature]
[Signature]
28.11.2013

HELEMAN KHAMIS M.A.
ADVOCATE, NOTARY PUBLIC
& COMMISSIONER FOR OATHS
P.O. BOX 21139, DAR ES SALAAM

- e) To carry on the business of dealing in farming, mining industry, gold and other mining refinery, manufacture, packing, marketing, importing, exporting, stocking, buying, selling, tendering, suppliers whether by wholesale or retail of various kind of merchandise, goods, commodities and act as commission agents and manufacturers representatives in all their field.
- f) To carry on the business of selling, importing, produce and deal in processing fruits, food products, meat, fish groceries, fruits, buy sell manufacture and deal in refreshments and consumable shares of all kind.
- g) To carry on the business of hotel, restaurant, conference centre, motel, holiday camp, leisure centre, caravan site and apartment house proprietor, equip and furnish any property for the purpose of letting it to the visitors or guest, whether in single rooms, site chattels, caravan, movable structure, cottages or otherwise.
- h) To act as contractors, engage and otherwise carry on activities such as construction, erection, maintain, alter any buildings, roads, machinery, plant or to use any machinery and to carry out any ancillary or other work comprised in such.
- i) To engage and or otherwise carry on the business as engineers, land developers, road contractors, to deal in rental apartment, property development, property investments, developer of real estates, to act as agents for any person or corporation in the acquisition or disposal or any lands or properties and in the erection thereon of any buildings whatsoever.
- j) To erect and construct of houses, flats, offices, buildings, to construct roads or works of every description whether for the company or for the persons or person on any land of the company or upon any other lands or property, and to pull down, rebuild, enlarge, alter and improve existing house, flats, offices, building or works thereon, and to convert appropriate and use any such land or for roads, squares, garden and pleasure grounds and other conveniences, and generally to deal with the improvement of the property of the company, having rooms hotel services.
- k) To carry on the business of transport contractors, road haulage contractors and to own and operate heavy duty vehicles including trucks lorries, trailers and to transport, haul and store goods and general cargo

including manufactured goods, agricultural produce, livestock and all kinds and description whatsoever

- l) To carry on business of importers, exporters, wholesalers, retailers, general merchants of hardware, electric goods, household, electronics, clearing and forwarding agents and general merchandise.
- m) To carry on the business of all kinds of exports and imports marketing surrounding neighboring countries, and marketing for Tanzania products and manufacture goods earning foreign exchange for the country.
- n) To acquire and undertake the whole or any part of the business, good will, and assets of any person, from any company carrying on or proposing to carry on any of the business which this company is authorized to carry on, and as part of the consideration for such acquisition to undertake all or any of the liabilities of such person arrangement for sharing profits, or for co-operation, or for limiting competition or for mutual assistance with any such person firm or company and to give or accept by way of consideration for any acts or things aforesaid or property acquired, any shares, mortgage, and deal with any shares, debentures, debenture stock or securities that may be agreed upon, and to hold and retain, or sell, mortgage, and deal with any shares, debentures, debenture stock or securities so received.
- o) To carry on the business of importers and exporters, dealers in hires, repairs, storing, warehousing of hardware sanitary ware, electrical goods, electronic gadgets, motor spares and motor cycles of all sorts and spares and accessories of them.
- p) To deal oil and gas, petrol station and motor engineers to construct erect and carry on motor and bicycle garages, workshop motor coach stations, patrol stations with all usual and convenient building petrol and oil pumps plant machinery articles and things.
- q) To enter into any arrangements and contracts with the Government or Authorities (central, municipal or local or otherwise) or any corporations, companies, persons, having objects that may seem conducive to the companies objects or any of them and to obtain from such Government, Authority, corporation, company or person any characters, contracts, decree rights privileges and concessions.
- r) To establish deposit and agencies in different parts of the world for the purpose of carrying on any or all of the business of the company.

- s) To carry on the business of general merchants, general store-keepers universal providers, importers, exporters and wholesaler and or retail traders of or otherwise dealers of an in cotton, silk and woolens goods and textiles fabrics of all kinds.
- t) To acquire by purchase, exchange or otherwise, either in deemed or registered, whether in possession or in reversion, and whether vested or contingent, any lands, houses, buildings, tenements and premises of any tenure, whether subject or not to any charge or encumbrances, and to hold or sell, let, alienate, mortgage, charge or otherwise deal with all or any of such lands, tenements, buildings, or premises and to grant easement, profits a pre-order or any other rights in, over, or under the said lands and to acquire such right in, over, or under any adjoining property.
- u) To erect and construct roads, house, building or work of every description on any land of the company, or upon any other lands or property, and to pull down, rebuild, enlarge, alter and improve existing houses, building or works thereon, to convert and appropriate any such land into and for roads, streets, squares, gardens, pleasure ground to deal with and improve the property of the company and any, to let on lease any premises or part thereof and to provide such facilities for the occupiers or tenants thereof as are commonly provided in residential house and flats or in business offices or hotels.
- v) To purchase and sell for any persons any ~~prop~~erty, building or lands, or any share or shares, interest or interests therein, and to transact on commission or otherwise the general business of a land agent.
- w) To undertake or direct the management of the property, buildings, lands and estates (of any tenure or kind) of any persons, whether members of the company or not, in the capacity of stewards or receivers or otherwise.
- x) To combine with any company or companies for development of business opportunities in any field. To manufacture any elements associated with the operations of the company.
- y) To act as formulators and vendors of franchise agreements for any proprietary operation relating to any of the companies operation.
- z) To carry out transportation of goods and personnel in accordance with the requirements of the company.

- aa) To carry on the business of agriculturist, to plant, grow, import-export, manufacture, blend, cure, process and in any way deal in maize, wheat, flour, gee, oils, linseeds, copra, coconuts, cashew nuts, cotton, kapok, sugar, tea, coffee, cocoa, rice, corn, cashewnuts, vegetables, fruits, and other produce and all its products and preparations and to carry on business as planters, farmers, dairymen, fritters, timber merchants, and to deal in articles of all kinds commonly deal in by persons carrying on any of such business and to purchase acquire and or establish and carry on such business.
- bb) To carry on the business of transporters, clearing and forwarding, warehousing, road haulage, chartering, air charter/freight container operators, marine and or general insurance brokers, farmers, cattle reamers, dairymen, livestock and poultry breeders.
- cc) To carry on business of heavy vehicle like buses, vans, minibuses, campers, pick-ups etc. for commutation of passengers and members of the public at large, transportation of member of the staff, employees, working personnel, laborers of all parastatalorganisation, private and public bodies, companies, hotels and other industrial, social, cultural, educational, and economical organizations.
- dd) To carry on the business of interior decorations, plumbing, electrical, general contractors, building maintenance, real estate agents and to acquire and hold property.
- ee) To carry on the business of dealing in, farming, mining industry, manufacture, packing, marketing, importing, exporting, stocking, buying, selling, tendering, suppliers whether by whole sale or retail of various kinds of merchandise, goods, commodities and act as commission agents and manufacturers representatives in all their fields.
- ff) And lease it and to act as agents and to undertake and perform sub-contractors work and to carry on the business of buying, selling, import, and export of building materials, electronic products, electrical appliances and equipments and to deal in any type of business in connection with the above etc.
- gg) To employ any individual, firm or corporation or manage, in whole or in part, the affairs of the company and to employ expert to investigate and examine into the conditions, prospects, value, character and circumstances of any business concern and undertaking and generally of any assets, property or rights.

description and to invest in any other industry or industries and to carry on its business or businesses thereof in these respects also which the company may deem fit.

- ii) To lend and advance money or give credit on such terms as may seem expedient and with or without security to customers and others, to enter into guarantees, contracts of indemnity and suretyships of all kinds, to receive money or deposit or loan upon such terms as the company may approve and to become security for any persons, firms or companies.
- jj) To borrow and raise money in such manner as the company shall think fit and to secure the repayment of any money borrowed, raised or owing by mortgage, charge, lien or other security upon the whole or any part of the company's property or assets (whether present or future) including its uncalled capital, and also by a similar mortgage, charge, lien or security to secure and guarantee the performance by the company of any obligation or liability it may undertake or which may become binding on it.
- kk) To draw, make, accept, endorse, discount negotiate execute and issue promissory notes, bills of exchange, bills of lading, warrants, debentures and other or negotiable transferable instrument.
- ll) To act as agents or brokers and as trustees for any persons, firm or company and to undertake and perform sub-contract and also to act in any of the business of the company through or by means of agent, brokers, sub-contractors or others.
- mm) To sell or otherwise dispose off the whole or any part of the business or property of the company, either together or in options, for such consideration as the company may think fit and in particular for shares, debentures or securities of any company purchasing the same.
- nn) To invest and deal with the moneys of the company not immediately required in such manner as any form time to time be determined and to hold, sell or otherwise deal with any investments made.
- oo) To procure the company to be registered or recognized in any part of the world.
- pp) To do all or any of the things or matters aforesaid in any part of the world and either as principals, agents, contractors or otherwise and by or

through agents or otherwise and either alone or in conjunction with others.

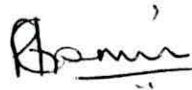


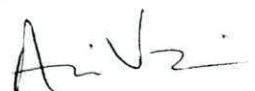
qq) To do all such other things as may be deemed incidental or conducive to the attainment of the above objects or any of them.

AND it is hereby declared that the word "Company" in this clause, except where used to the reference to the company, shall be deemed to include 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 wise be limited or restricted (except where otherwise expressed in such paragraph) by reference to or inference to or inference from the terms of any other paragraph of the name of the company.


4. The liability of the members is limited
5. The share capital of the company is Tanzania Shillings Two hundred Million only (Tshs.200,000,000/=) divided into One Hundred (100)ordinary shares of Tanzania Shillings Two Million only (Tshs.2,000,000/=) each, with power for the company to increase or reduce the said capital and to issue any part of its capital, original or increased, with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions, and so that unless the condition of issue shall otherwise expressly declared, every issue of shares, whether declared to be preference or otherwise, shall be subject to the powers contained herein.

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


NAMES, ADRESSESS AND DESCRIPTION OF SUBSCRIBER	NUMBER OF SHARES TAKEN	SIGNATURE
FAUZ MANSOOR SAID TAMIM P.O. BOX 15685 DAR ES SALAAM	25	
JOSEPH ANTHONY GONSALVES P.O. BOX 71971 DAR ES SALAAM.	25	
ASHIQ ABBASS VERSI P.O. BOX 20819 DAR ES SALAAM	25	
ALIHUSSEIN MEHBOOB VERSI P.O. BOX 20819 DAR ES SALAAM	25	

Dated this 28 day of August 2013.

WITNESS to the above signature.

SIGNATURE 
 POSTAL ADDRESS P.O. Box 21139 Dsm
 QUALIFICATION Advocate.

**SULEIMAN KHAMIS HAJ
 ADVOCATE, NOTARY PUBLIC
 & COMMISSIONER FOR OATHS
 P. O. BOX 21139, DAR ES SALAAM**

Certified true copy of the signed

 28. 11. 2013.

Stamp Duty 500/= 5000/=
PAID ON ORIGINAL
37316 29/8/13
[Signature]

COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
PRIME INDUSTRIES LIMITED

TANZANIA
2500/= 25000/=
37316 29/8/13
[Signature]

PRELIMINARY:

1. In these presents, if not inconsistent with the subject or content;
- (a) "The Act" means the Companies Act 2002 of the Laws of Tanzania as amended from time to time.
 - (b) "The company" means PRIME INDUSTRIES LIMITED.
 - (c) "These presents" means these Articles of Association as originally framed or as from time to time altered by special resolution.
 - (d) "The office" means the registered office of the company.
 - (e) "The Board" means the Board of Directors of the company.
 - (f) "The Seal" means the common seal of the company.
 - (g) "Month" means calendar month.
 - (h) "Year" means a year from 1st January to 31st December both inclusive.
 - (i) "Paid up" means paid up shares or credited as paid up.
 - (j) "The Secretary" includes a temporary or assistant secretary and any person appointed by the Board to perform any of the duties of the secretary of the company.
 - (k) "Dividend" includes a bonus.
 - (l) Words importing the singular form shall include plural and vice versa.
 - (m) Words importing the masculine gender to include the feminine gender.
 - (n) Words importing persons shall include corporations.
 - (o) Expressions referring to writing shall be construed as including references to printing, lithograph, photograph, and other modes of representing or reproducing words in a visible form.

Certified true copy of the original
10
[Signature]
SULEIMAN KHAMIS HAJI
ADVOCATE, NOTARY PUBLIC
& COMMISSIONER FOR OATHS
P. O. BOX 21139, DAR ES SALAAM

28-11-2013

Save as aforesaid, words or expressions contained in these presents shall, if not inconsistent with the subject or context, bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these presents 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 the manner hereunder prescribed.
 - (b) The number of members for the time being of the company (exclusive of persons who are in the employment of the company and of persons who, having been formerly in the employment of the company, were while in such employment and have continued after the determination of such employment to be members of the company) is not to exceed fifty.

Provided that for the purposes of these provisions where two or more persons hold one or more shares in the company jointly they shall be treated as a single member.

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

SHARES

3. (a) The original share capital of the company is Tanzania Shillings Two hundred Million only (Tshs.200,000,000/=) divided into One Hundred (100) ordinary shares of Tanzania Shillings Two million only (Tshs.2,000,000/=) each with power for the company to increase or reduce the said capital and to issue any part of its capital, original or increased, with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions, and so that unless the condition of issue shall otherwise expressly declared, every issue of shares, whether declared to be preference or otherwise, shall be subject to the powers contained herein.
- (b) Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, any share in the company may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise, as the company may from time to time by special resolution determine.

TRANSFER OF SHARES

4. The instrument of transfer of any shares shall be executed by or on behalf of the transferor and the transferee, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect thereof.
5. Subject to such of the restrictions of these presents as may be applicable, any member may transfer all or any of his shares by instrument in writing in any usual or common form, or any other form which the Board may approve.
6. The Board may, in its absolute discretion and without assigning any person any reason thereof, decline to register any transfer of any share, whether or not it is a fully paid share.
7. The Board may also decline to recognize any instrument of transfer unless it is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transfer to make the transfer, and the instrument of transfer is in respect of only one class of share.
8. If the Board refuses to register it shall, within two months after the date on which the transfer was lodged with the company, send to the transferee notice of the refusal.

ALTERATION OF CAPITAL

9. The company may from time to time by ordinary resolution increase its share capital by such sum, to be divided into shares of such amount as the resolution shall prescribe.
10. The company may from time to time by ordinary resolution;
 - (a) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares.
 - (b) Subdivide its existing shares or any of them, into shares of smaller amount than those fixed by the Memorandum of Association subject, nevertheless, to the provisions of the Act.
 - (c) Cancel any shares which, at the date of passing of the resolution have not been taken or agreed to be taken by any person.

11. The company by special resolution reduces its share capital, any capital redemption, reserve fund or any share premium account in any manner and with and subject to any incident authorized and consent required by law.

GENERAL MEETINGS

12. An ordinary general meeting of the company shall be held once in every calendar year at such a time (not being more than fifteen months after the holding of the last preceding ordinary general meeting) and place as the Board shall appoint. Each such meeting shall be specified as an ordinary general meeting in the notices calling it and shall be held in addition to any other general meetings in that year.
13. All general meetings other than ordinary general meetings shall be called extraordinary general meetings.
14. The Board may, whenever it thinks fit, convene an extraordinary meeting and extraordinary meeting shall also be convened on such requisition or in default, may be convened by such requisition as provided by the Act. If at any time there are not within Tanzania sufficient Directors capable of acting to form a quorum, any two Members of the company may convene an extraordinary general meeting in the same manner as nearly as possible as that in which meetings may be convened by the Board.

NOTICE OF GENERAL MEETINGS

15. Table "A" shall apply subject to the following variations;
- (a) A general meeting, ordinary or extraordinary may with the consent in writing of all members, be convened on a shorter notice than seven days or without notice.
 - (b) Two members, present either personally or by proxy shall form a quorum.
 - (c) Any ordinary resolution of the company determined without any general meeting and evidenced by writing under the hands of majority of the Directors and or the members of the company holding three votes of the issued share capital of the company shall be valid and effectual as an ordinary resolution duly passed at a general meeting of the company.

DIRECTORS

- 16 (a) Until otherwise determined by the company in General Meeting the Directors shall not be less than 2 and not more than 7 in number.

(b) The following persons shall be the first Directors of the company;

- (i). FAUZ MANSOOR SAID TAMIM
 - (ii). JOSEPH ANTHONY GONSALVES
 - (iii). ASHIQ ABBASS VERSI
 - (iv). ALIHUSSEIN MEHBOOB VERSI
17. The share holding qualification for the Directors may be fixed by the company in General Meeting and unless and until so fixed no qualification shall be required.
 18. The quorum of Directors for transaction of business shall unless otherwise fixed by the Directors be 2.
 19. A resolution in writing signed by all the Directors then in Tanzania shall be as valid and effectual as if it has been passed at a meeting of Directors duly called and constituted.
 20. The Directors may from time to time borrow or raise any moneys for the purpose of the company which may exceed the issued share capital of the company.

BORROWING POWERS

21. The Directors may borrow or raise for the purpose of the company's business such sum or sums of money as they may think fit and they may secure the repayment of or raise any such sum or sums as aforesaid by mortgage or charge upon the whole or part of the property and assets of the company, present and future, including its uncalled or unused capital or by the issue, at such price as they may think fit, or bonds or debentures, either charged upon the whole or any part of the property and assets of the company, or not charged, or in such other way as the Directors may think expedient.

ALTERNATE DIRECTORS

22. Each Director may nominate a person who shall be approved of in writing by the other Directors, to act as alternate in his place during his absence from Tanzania or inability to act as Director. Such alternate Director shall be subject in all other respect to the terms and conditions existing with reference to the Directors of the company and such alternate Directors when acting shall exercise and discharge all duties and functions of the Director who he represents and in the case of an alternate Director being unable to act during the absence or inability

to act as Director whom he represents he may subject to the approval of the other Directors appoint a duly qualified person to act in his place.

SECRETARY

23. The Secretary shall be appointed by the Board of Directors for such terms at such remuneration and upon such conditions as it may think fit, and any secretary so appointed may be removed by the Board.

WINDING UP

24. With the sanction of a special resolution of the share holders, any part of the assets of the company including any shares in other companies may be divided between the members of the company or may be vested in Trustees for the benefit of such members and the liquidation of the company may be closed and the company dissolved so that no member shall be compelled to accept any shares or securities where upon there is a liability.

INDEMNITY

25. Every Director, Managing Director, agent, Auditor, Secretary and officers for the time being of the company shall be indemnified out of the assets of the company against all actions, costs, charges, losses, damages and expenses which they or any of their personal representatives shall or may incur or sustain by reason of any act done, concurred in or about the execution of the duty or supposed duty in their respective offices, except such, if any as they shall incur or sustain through their own willful neglect or default respectively.

ALTERATION OR ADDITION

26. Subject to the provisions of the Act and to those contained in the Memorandum of Association of the company, may by special resolution make an alteration or addition, an alteration or addition so made shall be as valid and effectual as if originally contained in these Articles and be subject in like manner to alteration by special resolution.

NAMES, ADRESSESS AND DESCRIPTION OF SUBSCRIBER	NUMBER OF SHARES TAKEN	SIGNATURE
FAUZ MANSOOR SAID TAMIM P.O. BOX 15685 DAR ES SALAAM	25	* <u>Ramani</u>
JOSEPH ANTHONY GONSALVES P.O. BOX 71971 DAR ES SALAAM.	25	* <u>[Signature]</u>
ASHIQ ABBASS VERSI P.O. BOX 20819 DAR ES SALAAM	25	<u>[Signature]</u>
ALIHUSSEIN MEHBOOB VERSI P.O. BOX 20819 DAR ES SALAAM	25	<u>AiVz</u>

Dated this 28th day of August 2013.

WITNESS to the above signature.

SIGNATURE [Signature]
 POSTAL ADDRESS P.O. Box 21139 Dsm
 QUALIFICATION Advocate



Certified true copy of the
 Original
[Signature]
 28.11.2013

MULEIMAN KHAMIS HA
ADVOCATE, NOTARY PUBLIC
& COMMISSIONER FOR OATHS
P. O. BOX 21139, DAR ES SALAAM

PRIME INDUSTRIES LIMITED

BUSINESS PLAN FOR OPERATING

A

PLASTIC GOODS MANUFACTURING PROJECT

**[FOR MAKING AND DISTRIBUTING INDUSTRIALLY APPROVED PVC
PIPES AND FITTINGS, HDPE PIPES AND BLOW FITTINGS, ETC]**

**PREPARED BY
PRIME INDUSTRIES LTD
P.O.BOX 20819.
DAR ES SALAAM
TANZANIA**

NOVEMBER 2013

PRIME INDUSTRIES LIMITED

BUSINESS PLAN FOR OPERATING

A PLASTIC GOODS MANUFACTURING PROJECT

**[FOR MAKING AND DISTRIBUTING INDUSTRIALLY APPROVED PVC
PIPES AND FITTINGS, HDPE PIPES AND BLOW FITTINGS, ETC]**

**PREPARED BY
PRIME INDUSTRIES LTD
P.O.BOX 20819.
DAR ES SALAAM
TANZANIA**

NOVEMBER 2013

EXECUTIVE SUMMARY

1.1 INTRODUCTION

MS Prime Industries Limited is a Company that has been recently registered in the country bearing Certificate of Incorporation No. 102019 issued on 2nd September, 2013.

MS Prime Industries Limited has been incorporated with a number of objectives to undertake, and its number one objective which is the current concern is:

“To carry on the business of manufacturers and dealers in plastic pipes of all kinds, cellulose, acetate, vinyl resins, polystyrenes, acrylic resins and synthetic materials, goods and articles of all kinds there from and all or any other materials and things used for or in connection with the manufacture of same by patent or other process and all or any article and things from time to time usually made or sold as associated with or auxiliary to the business of such manufacturers and dealers of the aforesaid or for which the machinery, plant and staff of the Company as such manufacturers as aforesaid may be conveniently used”.

Quoted from the Company’s Memorandum and Articles of Association.

The Directors of the Company who are at the same time the project promoters and the Management of the project are all fully positioned for this undertaking.

1.2 LOCATION

The project is located on Plot No. 216 along Msufini Street in Chamanzi Vikuna Area, in Temeke District, Dar es Salaam. The place is easily accessible throughout the year and very convenient for handling raw material inputs and processed product outputs. .

1.3 PROJECT PROMOTERS

The project promoters are four having equal number of shares, 25 shares each and are all Tanzanian nationals namely Mr. Fauz Mansoor Said Tamim, Mr. Joseph Anthony Gonsalves, Mr. Ashiq Abbas Versi and Mr. Alihussein Mehboob Versi.

The Company’s authorized share capital is 200,000,000/= [shillings two hundred million divided into 100 shares each share being worth TZS 2,000,000/=].

1.4 INVESTMENT REQUIREMENT TZS 1,923,950,000/=

This investment aspect of the project will require an investment amounting to TZS 1,923,950,000/= or US \$ 1,195,000 all of which will be financed by the investors themselves.

ITEM	LOCAL	FOREIGN	TOTAL
Land & Buildings	600,000	0	600,000
Machineries & Equipment	5,000	320,000	325,000
Motor Vehicles	20,000	220,000	240,000
Furniture	20,000	0	20,000
Total fixed	645,000	540,000	1,185,000
Pre operating costs	10,000	0	10,000
Total Investment US \$	655,000	540,000	1,195,000
Total Investment TZS	1,054,550,000	869,400,000	1,923,950,000

1.5 PROJECT IMPLEMENTATION

The official implementation of the plastics manufacturing project will start immediately after the project has been awarded the Certificate of Incentives which will enable the Company to qualify for tax incentives (i.e. import duty and VAT exemption) on capital goods and deemed capital goods.

All project implementation activities will be carried out in a period of three years and these activities are chronologically listed in the Implementation schedule chart under 4.0

1.6 PROJECT'S ECONOMIC BENEFITS

There are many benefits to be attributed to this project once it is fully operational, as:

- employment opportunities to 25 people thus contributing to the scheme of poverty alleviation
- earning foreign currency for the country by selling finished products to customers outside the country
- the Company will be faithfully contributing to the Government coffers revenue in the form of corporate taxes and employees' personal income taxes
- the plant's process of plastics making will impart plastics making skills to Tanzanians

1.7 CONCLUSION AND RECOMMENDATION

The Company's project as per this analysis is financially viable, technically attainable and economically feasible thus making it deserve outright support for implementation by all concerned Government investment facilitating ministries and their respective agencies and departments.

DETAILED PARTICULARS OF THE PROJECT

2.0 INTRODUCTION:

MS Prime Industries Limited project of plastics making is one of the several investments undertaken by local investors whose products will be used in many sectors of the economy, e.g. water plumbing works, roads, buildings, in agricultural activities like farm irrigations in the country, etc.

2.1 THE PROJECT OBJECTIVE

The company is undertaking this project with the sole objective of making plastic products for multipurpose uses. A wide range of plastic products are planned and these will include items like PVC resin pipes and fittings; HDPE pipes and blow fittings all being important in water plumbing works, roads, buildings, in irrigation agricultural activities in the country, etc.

2.2 THE PROMOTERS

The table below shows the four promoters of the project who are at the same time the main shareholders of Prime Industries Limited which was incorporated on 2nd September 2013 and was issued Certificate of Incorporation No. 102019.

	NAME	NATIONALITY	ADDRESS	SHARES
1.	Fauz Mansoor Said Tamim	Tanzanian	P.O. Box 15685, Dar es Salaam	25%
2.	Joseph Anthony Gonsalves	Tanzanian	P.O. Box 71971 Dar es Salaam	25%
3	Ashiq Abbass Versi	Tanzanian	P.O. Box 20819 Dar es Salaam	25%
4	Allihussein Mehboob Versi	Tanzanian	P.O. Box 20819 Dar es Salaam	25%

The promoters of this project are locally based businessmen with a lot of business experiences in many other economic sectors. The Company is currently owned by the above listed shareholders; however, if need arises shares selling/buying could be floated to other interested subscribers.

2.3 INVESTMENTS AND FINANCING

This is a project whose implementation has already started and because of this its current investment requirement will cover certain aspects only as explained under 2.3.1 below.

All in all, total investment is TZS 1,923,950,000/= or US \$ 1,195,000 which will all be contributed by the investors themselves.

2.3.1 INVESTMENT OUTLAY TZS 1,923,950,000/= or US \$ 1,195,000

Listed below is the break down of the various investment aspects of the project. It is worthy noting that investments in some of these aspects have already been undertaken such as site acquisition and its development since this one is rented from its owner thus no amount will be spent on this aspect.

2.3.1.1 BUILDINGS/FACTORY/OFFICE US \$ 600,000 or TZS 966,000,000/=

Most of the project buildings such as factory, office and some residential buildings are already in place, and these have an estimated total value of US \$ 150,000 or TZS 241,500,000/=. However 3 prefabricated steel structures will be put up by the project to provide storage facility for both the project's raw materials inputs and finished products. These warehouses are planned to cost US \$ 450,000 or TZS 724,500,000/=. Total buildings investment requirement is US \$ 600,000 or TZS 966,000,000/=

2.3.1.2 Machinery and Equipment: US \$ 325,000 or TZS 523,250,000/=

The project will need some specific factory machines for making industrially acceptable plastic pipes, resins, fittings, and for HDPE pipes and blow fittings, etc. All the machines earmarked for this project are estimated to cost US \$ 250,000 or TZS 402,500,000/=

The project will require having a heavy duty standby generator to act as source of power for production due to the unreliable power supply existing in the country. This generator will cost US \$ 75,000 or TZS 120,750,000/=.

2.3.1.3 Motor Vehicles: US\$ 240,000 or TZS 386,400,000/=

The Company in the course of its operations will need 2 units of 7-ton Canter lorry for conveying factory raw materials from the port to the factory site and similarly for delivering finished plastic goods to customers. These vehicles/trucks will be assisted by 2 single cabin pick ups each with a carrying capacity of 2 tons.

Each 7-ton canter lorry will cost US \$ 80,000 while each 2-ton pick up is estimated to cost US \$ 40,000, thus all vehicles will cost the company US \$ 240,000

2.3.1.4 Office Furniture and Equipment: US\$ 20,000 OR TZS 32,500,000/=

Office furniture and equipment worthy US \$ 20,000 or TZS 32,500,000/= is needed. This investment cost item includes items like computers and their accessories, office tables, chairs, telephone; fax machines, file cabinets and cash safes, sofa chairs etc.

2.3.1.5 Pre- Operational Expenses: US \$ 10,000 OR TZS 16,100,000/=

This cost item covers issues like TIC registration expenses, consultancy expenses, employee recruitment costs, advertisements, etc.

SUMMARY OF INVESTMENT IN US \$

ITEM	LOCAL	FOREIGN	TOTAL
Land & Buildings	600,000	0	600,000
Machineries & Equipment	5,000	320,000	325,000
Motor Vehicles	20,000	220,000	240,000
Furniture	20,000	0	20,000
Total fixed	645,000	540,000	1,185,000
Pre operating costs	10,000	0	10,000
Total Investment US \$	655,000	540,000	1,195,000
Total Investment TZS	1,054,550,000	869,400,000	1,923,950,000

2.3.2.0 PROJECT FINANCING

The project will require a total investment of US \$ 1,195,000,000 or TZS 1,923,950,000/=. This whole amount will be financed by the project promoters themselves.

2.4 PROJECTED DEPRECIATION SCHEDULE

Business assets and property lose value with time as they are continually put in use. To acknowledge this fact, the loss in value of such assets is spread over a number of years, and is deducted annually as a part of the cost with respect to machinery, equipment, buildings, vehicles, and furniture.

ITEM/YEAR	Rate %	1	2	3	4	5
Buildings		600,000	600,000	600,000	600,000	600,000
	4 SLM	24,000	24,000	24,000	24,000	24,000
Machines		325,000	260,000	208,000	166,400	133,120
	20 DVM	65,000	52,000	41,600	33,280	26,624
Vehicles		240,000	180,000	135,000	101,250	75,937
	25 DVM	60,000	45,000	33,750	25,313	18,984
Furniture		20,000	20,000	20,000	20,000	20,000
	12.5 SLM	2,500	2,500	2,500	2,500	2,500
Total fixed Depr.		151,500	123,500	101,850	85,093	72,108
Startup cost		10,000	10,000	10,000	10,000	10,000
	20 SLM	2,000	2,000	2,000	2,000	2,000
Total Depreciation		153,500	125,500	103,850	87,093	74,108
In TZS' 000		247,135	202,055	167,199	140,220	119,314

3.0. TECHNICAL ASPECTS

3.1. Location

The project's location is Dar es Salaam Region where project activities will be carried out on Plot No: 216 Msufini Street in Chamanzi Vikuna Area, Temeke District, and the plot is legally leased as per the lease agreement entered into between project promoters and the site owner. This lease agreement is renewable and is attached. The premises have adequate space for handling all the project's anticipated activities.

3.2 Source of Technology

All the current project assets are likely to be sourced from those countries that are reputed for manufacturing and supplying high quality plastics making machines as will be jointly decided by the project promoters.

4.0 IMPLEMENTATION

The official implementation of the plastics manufacturing project will start immediately after the project has been awarded the Certificate of Incentives which will enable the Company to qualify for tax incentives on capital and deemed capital goods.

Actual project implementation has already started beginning with the joint agreement between the promoters themselves to undertake this project, next stage was the acquisition of site lease agreement between the site owner, the tenor and Prime Industries limited. The following stage is the submission and acquisition of TIC Certificate of Incentives together with TRA approval of capital/deemed capital goods list; importation and clearing of project imported machines, equipment, etc; installation of machines and trial operations, and finally official commercial operations.

The major project investment aspect is the procurement of various plant machineries and vehicles, machineries' installations, trial runs and finally full plant operations.

All these activities are expected to be accomplished within 36 months, and if time allows project management will embarking on the fruit juice making aspect of the project.

IMPLEMENTATION SCHEDULE

	DESCRIPTION OF INVESTMENT ACTIVITY	PERIOD
1	Directors Joint Agreement to set up a Company to operate a Plastics making project and Lease Agreement	June – October 2013
2	Applying for TIC Certificate and TRA Approval of Capital/Deemed Capital Goods List	November 2013 – January 2014
3	Ordering of Plant Machineries, Generator and vehicles	January – May 2014
4	Receive and install project machines	March – June 2014
5	Trial runs operations	July - September
6	Full scale operations	October 2016

The project will manufacture plastics in stages, starting with PVC resin pipes , followed by resin fittings and finally with HDPEs and the acquisition of their manufacturing machines will also be acquired in stages thus allowing the project to reach full scale project operations by October 2016 .

5.0 MANPOWER AND ORGANIZATION STRUCTURE

Project promoters will be responsible for all the management of the project. They are responsible for all aspects of the project implementation such as funds mobilization, acquisition of plant machinery; overseeing all machinery installations and will also be responsible for the recruitment of key personnel especially the General Manager and the Production Manager.

The Company's Board of Directors will be versed with the responsibility of managing the Company itself while the appointed General Manager assisted with well qualified and experienced departmental personnel will be responsible for the day to day operations at the project.

5.1 STAFF

The project at full scale operations will be capable of employing at least 34 people. It is expected that the Production Manager will be an expert in plastic pipes making and related aspects so as to be able to train the employed staff in this line of business and ensure that the plant is well maintained and high quality plastic products are produced.

6.0 PROJECT OPERATING COSTS

In order to realize its intended objective the project will have to meet the following operating costs.

6.1.1 LABOUR - WORKERS SALARIES AND WAGES US TZS114, 000,000/=

At full-scale operation which is expected in year 2016, the project will have the capacity of directly employing 34 people all being Tanzanians except three. The breakdown of work force requirement and their pay rates are stated in the table below.

	COST CATEGORY	2013	MONTHLY	ANNUAL COST
			@	
A	SALARIES			
1	CEO/ Man. Director	1	1,000,000	12,000,000
2	Production Manager	1	850,000	10,200,000
3	Factory Shift Supervisor	1	750,000	9,000,000
4	Purchasing/Salesmen Officers	1	450,000	5,400,000
5	Electrical Supervisor	1	450,000	5,400,000
6	Machine operators	1	300,000	3,600,000
7	Factory Shift Workers	15	200,000	36,000,000
8	Drivers	4	200,000	9,600,000
9	Secretary/Cashier	1	350,000	4,200,000
10	Watchmen/Security	7	150,000	12,600,000
11	Accounts Controller	1	500,000	6,000,000
	TOTAL	34		114,000,000

This number of people employed by the project excludes the large numbers of other people who will be indirectly earning their income through the existence of this project, such as food vendors selling food to project workers, etc.

6.1.2 RAW MATERIALS TZS 1,655,885,000/= or US \$ 1,028,500

The production of the various plastics products will require different raw material inputs. The Company project will start with the production of PVC Resin pipes whose raw material requirement is 40 tons per month at the cost of US \$ 1,200 per ton, thus costing US \$ 576,000 per year. At the same time 2 tons of chemicals are required annually at the cost of US \$ 3,500 per ton or US \$ 7,000 annually. Therefore, total raw material cost for producing PVC Resin pipes is US \$ 583,000 or TZS 938,630,000/= annually.

Raw materials for the production of PVC Resin fittings will be 150 tons per year at the cost of US \$ 1,250 per ton or US \$ 187,500 per year while chemicals needed will be 3 tons each at US \$ 7,500 or US \$ 22,500 thus altogether costing US \$ 210,000 or TZS 338,100,000/= annual raw material requirement for PVC fittings.

HDPE products on the other hand will require 150 tons of raw materials annually at US \$ 1,500 per ton or US \$ 225,000 annually, chemicals required will be 3 tons @ US \$ 3,500 thus adding up to US \$ 10,500; the two items add up to US \$ 235,500 or TZS 378,350,000/= annual raw material cost for the HDPE products.

6.1.3 UTILITIES TZS 64,000,000/=

Project operations will be done by using electricity, thus the need of a reliable supply of power is inevitable and for this annual electrical bill of TZS 40,000,000/= will be set aside.

Water is one of the indispensable items for the project's operations. Water is needed at different stages of production and for the general use of plant workers. Water annual bill is projected at TZS 24,000,000/=.

6.1.4 FUEL AND OIL FOR VEHICLES, MACHINES, ETC TZS 120,000,000/=

A provision has to be made for running project motor vehicles, and the standby generator.

6.1.5 MAINTENANCE AND REPAIRS TZS 60,000,000/=

Project assets such as vehicles, machines and the generator will require maintenance and repairing. This has annually been assumed at TZS 60,000,000/= at full scale operations.

6.1.6 MARKETING AND ADMINISTRATION EXPENSES TZS 25,000,000/=

The administration costs considered here include issues like purchase of stationery and postage, telephone, postage, traveling, advertising and marketing expenses. This cost item also includes issues like entertainment and Public Relations which means charity donations and contributions to local community development projects.

6.1.8 INSURANCE TZS 60,000,000/=

Insurance provision has been made against fire on all project tangible assets.

ANNUAL OPERATING COSTS: SUMMARY

	CATEGORY/YEAR	YEAR 1	YEAR 2	YEAR 3	YEAR 4
(i)	Salaries & wages	90,000,000	102,000,000	114,000,000	114,000,000
(ii)	Raw Materials	938,630,000	1,276,730,000	1,655,885,000	1,655,885,000
(iii)	Utilities	28,000,000	40,000,000	64,000,000	64,000,000
(iv)	Fuel & lubricants	100,000,000	120,000,000	180,000,000	180,000,000
(v)	Spares /maintenance	30,000,000	45,000,000	60,000,000	60,000,000
(vi)	Administrative Costs	25,000,000	25,000,000	25,000,000	25,000,000
(viii)	Insurance, third party	40,000,000	50,000,000	60,000,000	60,000,000
	TOTAL COSTS	1,251,630,000	1,658,730,000	2,158,885,000	2,158,885,000

7.0 PROJECT REVENUE SOURCES ASSUMPTIONS

The project will have three product items for outright sale to customers namely: PVC Resin pipes; PVC Resin fittings and HDPE products.

Revenue expected to be realized from the sale of the produced plastic products is 1.45% of the raw material input. In this regard, in year one only PVC Resin pipes will be produced thus making annual revenue to be US \$583,000 x 1.45 = US 845,350 or TZS 1,361,013,500/=

In the second year with the introduction of PVC Fittings annual revenue will be US \$ 845,350 + US \$ 304,500 = US \$1,149,850 or TZS 1,851,258,500/=.

From the third year onwards annual revenue with the production of HDPE in place will be US \$ 845,350 + US \$ 304,500 + US \$ 341,475= US \$ 1,491,325.

	PRODUCT ITEM/YEAR	YEAR 1	YEAR 2	YEAR 3
1	PVC Resin Pipes	845,350	845,350	845,350
2	PVC Fittings	0	304,500	304,500
3	HDPE Products	0	0	341,475
	TOTAL US \$	845,350	1,149,850	1,491,325
	TZS ' 000	1,361,013,500	1,851,258,500	2,401,033,250

8.0 FINANCIAL ASPECTS OF THE PROJECT

All major financial indicators below show the project to be financially viable.

8.1 PROJECTED PROFIT AND LOSS STATEMENT

The revenue and operating cost assumptions have been summarized and presented in the Profit and Loss Accounts below. The project's income will accrue from the sale of the three plastics products listed above as per the assumptions.

PROJECTED INCOME STATEMENTS TZS

Item/year	1	2	3	4	5
REVENUE:					
1. Resin pipes	845,350	845,350	845,350	845,350	845,350
2. Fittings	0	304,500	304,500	304,500	304,500
3. HDPE	0	0	341,475	341,475	341,475
US \$	845,350	1,149,850	1,491,325	1,491,325	1,491,325
TZS'	1,361,013,500	1,851,258,500	2,401,033,250	2,401,033,250	2,401,033,250
Operating costs					
Salaries/ wages	90,000,000	102,000,000	114,000,000	114,000,000	114,000,000
Raw Materials	938,630,000	1,276,730,000	1,655,885,000	1,655,885,000	1,655,885,000
Utilities	28,000,000	40,000,000	64,000,000	64,000,000	64,000,000
Fuel, lubricants	75,000,000	100,000,000	120,000,000	120,000,000	120,000,000
Spares, etc	30,000,000	45,000,000	60,000,000	60,000,000	60,000,000
Admin. Costs	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000
Insurance,	40,000,000	50,000,000	60,000,000	60,000,000	60,000,000
Operating costs	1,226,630,000	1,638,730,000	2,098,885,000	2,098,885,000	2,098,885,000
Op. Profit	134,383,500	212,528,500	302,148,250	302,148,250	302,148,250
Less Charges					
Depreciation	247,135,000	202,055,000	167,198,000	140,220,000	119,314,000
PBT	- 112,751,500	10,473,500	134,950,000	161,928,000	182,834,000
Taxable Income	-112,751,500	- 102,278,000	32,671,000	161,928,000	182,834,000
Corp. tax 30%	0	0	9,801,000	48,578,400	54,850,200
PAT	0	0	22,870,000	113,349,600	127,983,800
R/EARNINGS	0	0	22,870,000	136,219,600	264,203,400

In the first year the project realizes an operating profit of TZS 134,383,500/= which after the subtraction of Depreciation charges renders the project to have a negative PBT, profit before tax amounting to TZS 112,751,500/= thus making the Company to pay no tax during this year. Because of the Loss carry over allowance, the Company will be bound to pay corporate tax from the third year onwards when the three products are produced; the project starts realizing profits a fact which subjects the project to be duty bound to pay the corporate taxes without any problems. Based on the conservative figures used in this analysis, the project's profit realized from year three up to year five accumulates up to TZS 264,203,400/= and under the same period the project will have paid TZS 113,229 600/= as corporate tax.

8.2 PROJECTED CASH FLOWS.

The table below presents the projected Cash flows of the project and this shows the project at the end of the first year realizes a cash collection of TZS 134,383,000/= .For the five years under review the project will build up substantial cash surplus accumulating to about TZS 1,140,118,000/= by the fifth year of operation. This liquidity position confirms that the project is financially sound, and will be able to meet all financial obligations.

ITEM/YEAR	0	1	2	3	4	5
INFLOWS						
Equity ' 000	1,923,950					
Depreciation		247,135	202,055	167,198	140,220	119,314
Profit before Tax		- 112,752	10,473	134,950	161,928	182,834
Total Inflows	1,923,950	134,383	212,528	302,148	302,148	302,148
OUTFLOWS						
Investment	1,923,950					
Corporation Tax		0	0	9,801	48,578	54,850
Total Outflows	1,923,950	0	0	9,801	48,578	54,850
NETFLOWS	0	134,383	212,528	292,347	253,570	247,290
Acc. Cash	0	134,383	346,911	639,258	892,828	1,140,118

9.0 ECONOMIC AND SOCIAL ASPECTS OF THE PROJECTS

There will be many major benefits associated with this project as shown below:

9.1 EMPLOYMENT OPPORTUNITIES

The project is expected to provide direct employment to 34 people at the time of full operations in year 2016. This provision of direct employment to over 30 Tanzanians will be assisting the national scheme of poverty alleviation

9.2 REVENUE TO THE GOVERNMENT

The project with effect from the third year onwards will be eligible to pay corporate taxes both to the central government and to the municipal authority in which it is located; and for this the project will be one of the sources of revenue for the government coffers. It will also be contributing indirectly in the way of income tax through taxes paid by its employees. Company taxes for the first five years of the project's existence will amount to TZS 113,229,600/=.

9.3 FOREIGN EXCHANGE EARNING

From the third year onwards it is assumed that initially 20% of the project's products will be sold outside the country which is equivalent to US \$ 257,125; of course this amount is expected to rise/increase as the company gains experience and expands its capacity of operations, thus earning more foreign currency for the country and bringing into the country the much desired foreign currency.

10.0 CONCLUSION AND RECOMMENDATION:

The foregoing analysis indicates following benefits to the country, which in turn pleads for immediate acceptance and approval of this project as a feasible project.

- The project will bring in latest plastic making technology into the country that will ensure training or development of skilled labor force in the country. The labor force will get on -job training and will thus make them more and more competent.
- The plastics products to be manufactured by the project are basically import substitute and will therefore save the scarce foreign currency for the country. The project will ensure a considerable conservation of the country's foreign currency because its products are currently sourced from outside the country; given time and after acquiring the required experience it will be one of the major sources for earning foreign currency for the country through the sale of its products outside the country.
- It will generate permanent employment opportunities to 34 people, the majority of whom are Tanzanian nationals.

There are many other benefits, both direct and indirect to be derived from this project thus making this project to be feasible technically as well as economically.

PRIME INDUSRIES LIMITED

TABLES

PRIME INDUSTRIES LIMITED

APPENDIX 1: SUMMARY OF INVESTMENT IN TZS '000

ITEM	LOCAL	FOREIGN	TOTAL
Land & Buildings	600,000	0	600,000
Machineries & Equipment	5,000	320,000	325,000
Motor Vehicles	20,000	220,000	240,000
Furniture	20,000	0	20,000
Total fixed	645,000	540,000	1,185,000
Pre operating costs	10,000	0	10,000
Total Investment US \$	655,000	540,000	1,195,000
Total Investment TZS	1,054,550,000	869,400,000	1,923,950,000

APPENDIX II

IMPLEMENTATION SCHEDULE

IMPLEMENTATION SCHEDULE

	DESCRIPTION OF INVESTMENT ACTIVITY	PERIOD
1	Directors Joint Agreement to set up a Company to operate a Plastics making project and Lease Agreement	June – October 2013
2	Applying for TIC Certificate and TRA Approval of Capital/Deemed Capital Goods List	November 2013 – January 2014
3	Ordering of Plant Machineries, Generator and vehicles	January – May 2014
4	Receive and install project machines	March – June 2014
5	Trial runs operations	July - September
6	Full scale operations	October 2016

PRIME INDUSTRIES LIMITED

APPENDIX III

PROJECTED INCOME STATEMENTS '000/=

Item/year	1	2	3	4	5
REVENUE:					
1. Resin pipes	845,350	845,350	845,350	845,350	845,350
2. Fittings	0	304,500	304,500	304,500	304,500
3. HDPE	0	0	341,475	341,475	341,475
US \$	845,350	1,149,850	1,491,325	1,491,325	1,491,325
TZS'	1,361,013,500	1,851,258,500	2,401,033,250	2,401,033,250	2,401,033,250
Operating costs					
Salaries/ wages	90,000,000	102,000,000	114,000,000	114,000,000	114,000,000
Raw Materials	938,630,000	1,276,730,000	1,655,885,000	1,655,885,000	1,655,885,000
Utilities	28,000,000	40,000,000	64,000,000	64,000,000	64,000,000
Fuel, lubricants	75,000,000	100,000,000	120,000,000	120,000,000	120,000,000
Spares, etc	30,000,000	45,000,000	60,000,000	60,000,000	60,000,000
Admin. Costs	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000
Insurance,	40,000,000	50,000,000	60,000,000	60,000,000	60,000,000
Operating costs	1,226,630,000	1,638,730,000	2,098,885,000	2,098,885,000	2,098,885,000
Op. Profit	134,383,500	212,528,500	302,148,250	302,148,250	302,148,250
Less Charges					
Depreciation	247,135,000	202,055,000	167,198,000	140,220,000	119,314,000
PBT	- 112,751,500	10,473,500	134,950,000	161,928,000	182,834,000
Taxable Income	-112,751,500	- 102,278,000	32,671,000	161,928,000	182,834,000
Corp. tax 30%	0	0	9,801,000	48,578,400	54,850,200
PAT	0	0	22,870,000	113,349,600	127,983,800
R/EARNINGS	0	0	22,870,000	136,219,600	264,203,400
TAXES	0	0	9,801,000	58,379,400	113,229,600

PRIME INDUSTRIES LIMITED

APPENDIX IV: PROJECTED CASH FLOWS

ITEM/YEAR	0	1	2	3	4	5
INFLOWS						
Equity ' 000	1,923,950					
Depreciation		247,135	202,055	167,198	140,220	119,314
Profit before Tax		- 112,752	10,473	134,950	161,928	182,834
Total Inflows	1,923,950	134,383	212,528	302,148	302,148	302,148
OUTFLOWS						
Investment	1,923,950					
Corporation Tax		0	0	9,801	48,578	54,850
Total Outflows	1,923,950	0	0	9,801	48,578	54,850
NETFLOWS	0	134,383	212,528	292,347	253,570	247,290
Acc. Cash	0	134,383	346,911	639,258	892,828	1,140,118

The table shows the projected Cash flows of the project for the first five years at the end of which it realizes a cash collection of TZS 134,383,000/= .For the five years under review the project will build up substantial cash surplus accumulating to about TZS 1,140,118,000/= by the end of the fifth year of operation. This liquidity position confirms that the project is financially sound, and will be able to meet all financial obligations.

PRIME INDUSTRIES LIMITED

BUSINESS PLAN FOR OPERATING

A PLASTIC GOODS MANUFACTURING PROJECT

**[FOR MAKING AND DISTRIBUTING INDUSTRIALLY APPROVED PVC
PIPES AND FITTINGS, HDPE PIPES AND BLOW FITTINGS, ETC]**

**PREPARED BY
PRIME INDUSTRIES LTD
P.O.BOX 20819.
DAR ES SALAAM
TANZANIA**

NOVEMBER 2013

PRIME INDUSTRIES LIMITED

BUSINESS PLAN FOR OPERATING

A

PLASTIC GOODS MANUFACTURING PROJECT

**[FOR MAKING AND DISTRIBUTING INDUSTRIALLY APPROVED PVC
PIPES AND FITTINGS, HDPE PIPES AND BLOW FITTINGS, ETC]**

**PREPARED BY
PRIME INDUSTRIES LTD
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DAR ES SALAAM
TANZANIA**

NOVEMBER 2013

EXECUTIVE SUMMARY

1.1 INTRODUCTION

MS Prime Industries Limited is a Company that has been recently registered in the country bearing Certificate of Incorporation No. 102019 issued on 2nd September, 2013.

MS Prime Industries Limited has been incorporated with a number of objectives to undertake, and its number one objective which is the current concern is:

“To carry on the business of manufacturers and dealers in plastic pipes of all kinds, cellulose, acetate, vinyl resins, polystyrenes, acrylic resins and synthetic materials, goods and articles of all kinds there from and all or any other materials and things used for or in connection with the manufacture of same by patent or other process and all or any article and things from time to time usually made or sold as associated with or auxiliary to the business of such manufacturers and dealers of the aforesaid or for which the machinery, plant and staff of the Company as such manufacturers as aforesaid may be conveniently used”.

Quoted from the Company’s Memorandum and Articles of Association.

The Directors of the Company who are at the same time the project promoters and the Management of the project are all fully positioned for this undertaking.

1.2 LOCATION

The project is located on Plot No. 216 along Msufini Street in Chamanzi Vikuna Area, in Temeke District, Dar es Salaam. The place is easily accessible throughout the year and very convenient for handling raw material inputs and processed product outputs.

1.3 PROJECT PROMOTERS

The project promoters are four having equal number of shares, 25 shares each and are all Tanzanian nationals namely Mr. Fauz Mansoor Said Tamim, Mr. Joseph Anthony Gonsalves, Mr. Ashiq Abbas Versi and Mr. Alihussein Mehboob Versi.

The Company’s authorized share capital is 200,000,000/= [shillings two hundred million divided into 100 shares each share being worth TZS 2,000,000/=].

1.4 INVESTMENT REQUIREMENT TZS 1,923,950,000/=

This investment aspect of the project will require an investment amounting to TZS 1,923,950,000/= or US \$ 1,195,000 all of which will be financed by the investors themselves.

ITEM	LOCAL	FOREIGN	TOTAL
Land & Buildings	600,000	0	600,000
Machineries & Equipment	5,000	320,000	325,000
Motor Vehicles	20,000	220,000	240,000
Furniture	20,000	0	20,000
Total fixed	645,000	540,000	1,185,000
Pre operating costs	10,000	0	10,000
Total Investment US \$	655,000	540,000	1,195,000
Total Investment TZS	1,054,550,000	869,400,000	1,923,950,000

1.5 PROJECT IMPLEMENTATION

The official implementation of the plastics manufacturing project will start immediately after the project has been awarded the Certificate of Incentives which will enable the Company to qualify for tax incentives (i.e. import duty and VAT exemption) on capital goods and deemed capital goods.

All project implementation activities will be carried out in a period of three years and these activities are chronologically listed in the Implementation schedule chart under 4.0

1.6 PROJECT'S ECONOMIC BENEFITS

There are many benefits to be attributed to this project once it is fully operational, as:

- employment opportunities to 25 people thus contributing to the scheme of poverty alleviation
- earning foreign currency for the country by selling finished products to customers outside the country
- the Company will be faithfully contributing to the Government coffers revenue in the form of corporate taxes and employees' personal income taxes
- the plant's process of plastics making will impart plastics making skills to Tanzanians

1.7 CONCLUSION AND RECOMMENDATION

The Company's project as per this analysis is financially viable, technically attainable and economically feasible thus making it deserve outright support for implementation by all concerned Government investment facilitating ministries and their respective agencies and departments.

DETAILED PARTICULARS OF THE PROJECT

2.0 INTRODUCTION:

MS Prime Industries Limited project of plastics making is one of the several investments undertaken by local investors whose products will be used in many sectors of the economy, e.g. water plumbing works, roads, buildings, in agricultural activities like farm irrigations in the country, etc.

2.1 THE PROJECT OBJECTIVE

The company is undertaking this project with the sole objective of making plastic products for multipurpose uses. A wide range of plastic products are planned and these will include items like PVC resin pipes and fittings; HDPE pipes and blow fittings all being important in water plumbing works, roads, buildings, in irrigation agricultural activities in the country, etc.

2.2 THE PROMOTERS

The table below shows the four promoters of the project who are at the same time the main shareholders of Prime Industries Limited which was incorporated on 2nd September 2013 and was issued Certificate of Incorporation No. 102019.

	NAME	NATIONALITY	ADDRESS	SHARES
1.	Fauz Mansoor Said Tamim	Tanzanian	P.O. Box 15685, Dar es Salaam	25%
2.	Joseph Anthony Gonsalves	Tanzanian	P.O. Box 71971 Dar es Salaam	25%
3	Ashiq Abbass Versi	Tanzanian	P.O. Box 20819 Dar es Salaam	25%
4	Allihusein Mehboob Versi	Tanzanian	P.O. Box 20819 Dar es Salaam	25%

The promoters of this project are locally based businessmen with a lot of business experiences in many other economic sectors. The Company is currently owned by the above listed shareholders; however, if need arises shares selling/buying could be floated to other interested subscribers.

2.3 INVESTMENTS AND FINANCING

This is a project whose implementation has already started and because of this its current investment requirement will cover certain aspects only as explained under 2.3.1 below.

All in all, total investment is TZS 1,923,950,000/= or US \$ 1,195,000 which will all be contributed by the investors themselves.

2.3.1 INVESTMENT OUTLAY TZS 1,923,950,000/= or US \$ 1,195,000

Listed below is the break down of the various investment aspects of the project. It is worthy noting that investments in some of these aspects have already been undertaken such as site acquisition and its development since this one is rented from its owner thus no amount will be spent on this aspect.

2.3.1.1 BUILDINGS/FACTORY/OFFICE US \$ 600,000 or TZS 966,000,000/=

Most of the project buildings such as factory, office and some residential buildings are already in place, and these have an estimated total value of US \$ 150,000 or TZS 241,500,000/=. However 3 prefabricated steel structures will be put up by the project to provide storage facility for both the project's raw materials inputs and finished products. These warehouses are planned to cost US \$ 450,000 or TZS 724,500,000/=. Total buildings investment requirement is US \$ 600,000 or TZS 966,000,000/=

2.3.1.2 Machinery and Equipment: US \$ 325,000 or TZS 523,250,000/=

The project will need some specific factory machines for making industrially acceptable plastic pipes, resins, fittings, and for HDPE pipes and blow fittings, etc. All the machines earmarked for this project are estimated to cost US \$ 250,000 or TZS 402,500,000/=

The project will require having a heavy duty standby generator to act as source of power for production due to the unreliable power supply existing in the country. This generator will cost US \$ 75,000 or TZS 120,750,000/=.

2.3.1.3 Motor Vehicles: US\$ 240,000 or TZS 386,400,000/=

The Company in the course of its operations will need 2 units of 7-ton Canter lorry for conveying factory raw materials from the port to the factory site and similarly for delivering finished plastic goods to customers. These vehicles/trucks will be assisted by 2 single cabin pick ups each with a carrying capacity of 2 tons.

Each 7-ton canter lorry will cost US \$ 80,000 while each 2-ton pick up is estimated to cost US \$ 40,000, thus all vehicles will cost the company US \$ 240,000

2.3.1.4 Office Furniture and Equipment: US\$ 20,000 OR TZS 32,500,000/=

Office furniture and equipment worthy US \$ 20,000 or TZS 32,500,000/= is needed. This investment cost item includes items like computers and their accessories, office tables, chairs, telephone; fax machines, file cabinets and cash safes, sofa chairs etc.

2.3.1.5 Pre- Operational Expenses: US \$ 10,000 OR TZS 16,100,000/=

This cost item covers issues like TIC registration expenses, consultancy expenses, employee recruitment costs, advertisements, etc.

SUMMARY OF INVESTMENT IN US \$

ITEM	LOCAL	FOREIGN	TOTAL
Land & Buildings	600,000	0	600,000
Machineries & Equipment	5,000	320,000	325,000
Motor Vehicles	20,000	220,000	240,000
Furniture	20,000	0	20,000
Total fixed	645,000	540,000	1,185,000
Pre operating costs	10,000	0	10,000
Total Investment US \$	655,000	540,000	1,195,000
Total Investment TZS	1,054,550,000	869,400,000	1,923,950,000

2.3.2.0 PROJECT FINANCING

The project will require a total investment of US \$ 1,195,000,000 or TZS 1,923,950,000/=. This whole amount will be financed by the project promoters themselves.

2.4 PROJECTED DEPRECIATION SCHEDULE

Business assets and property lose value with time as they are continually put in use. To acknowledge this fact, the loss in value of such assets is spread over a number of years, and is deducted annually as a part of the cost with respect to machinery, equipment, buildings, vehicles, and furniture.

ITEM/YEAR	Rate %	1	2	3	4	5
Buildings		600,000	600,000	600,000	600,000	600,000
	4 SLM	24,000	24,000	24,000	24,000	24,000
Machines		325,000	260,000	208,000	166,400	133,120
	20 DVM	65,000	52,000	41,600	33,280	26,624
Vehicles		240,000	180,000	135,000	101,250	75,937
	25 DVM	60,000	45,000	33,750	25,313	18,984
Furniture		20,000	20,000	20,000	20,000	20,000
	12.5 SLM	2,500	2,500	2,500	2,500	2,500
Total fixed Depr.		151,500	123,500	101,850	85,093	72,108
Startup cost		10,000	10,000	10,000	10,000	10,000
	20 SLM	2,000	2,000	2,000	2,000	2,000
Total Depreciation		153,500	125,500	103,850	87,093	74,108
In TZS' 000		247,135	202,055	167,199	140,220	119,314

3.0. TECHNICAL ASPECTS

3.1. Location

The project's location is Dar es Salaam Region where project activities will be carried out on Plot No: 216 Msufini Street in Chamanzi Vikuna Area, Temeke District, and the plot is legally leased as per the lease agreement entered into between project promoters and the site owner. This lease agreement is renewable and is attached. The premises have adequate space for handling all the project's anticipated activities.

3.2 Source of Technology

All the current project assets are likely to be sourced from those countries that are reputed for manufacturing and supplying high quality plastics making machines as will be jointly decided by the project promoters.

4.0 IMPLEMENTATION

The official implementation of the plastics manufacturing project will start immediately after the project has been awarded the Certificate of Incentives which will enable the Company to qualify for tax incentives on capital and deemed capital goods.

Actual project implementation has already started beginning with the joint agreement between the promoters themselves to undertake this project; next stage was the acquisition of site lease agreement between the site owner, the tenor and Prime Industries limited. The following stage is the submission and acquisition of TIC Certificate of Incentives together with TRA approval of capital/deemed capital goods list; importation and clearing of project imported machines, equipment, etc; installation of machines and trial operations, and finally official commercial operations.

The major project investment aspect is the procurement of various plant machineries and vehicles, machineries' installations, trial runs and finally full plant operations.

All these activities are expected to be accomplished within 36 months, and if time allows project management will embarking on the fruit juice making aspect of the project.

IMPLEMENTATION SCHEDULE

	DESCRIPTION OF INVESTMENT ACTIVITY	PERIOD
1	Directors Joint Agreement to set up a Company to operate a Plastics making project and Lease Agreement	June – October 2013
2	Applying for TIC Certificate and TRA Approval of Capital/Deemed Capital Goods List	November 2013 – January 2014
3	Ordering of Plant Machineries, Generator and vehicles	January – May 2014
4	Receive and install project machines	March – June 2014
5	Trial runs operations	July - September
6	Full scale operations	October 2016

The project will manufacture plastics in stages, starting with PVC resin pipes , followed by resin fittings and finally with HDPEs and the acquisition of their manufacturing machines will also be acquired in stages thus allowing the project to reach full scale project operations by October 2016 .

5.0 MANPOWER AND ORGANIZATION STRUCTURE

Project promoters will be responsible for all the management of the project. They are responsible for all aspects of the project implementation such as funds mobilization, acquisition of plant machinery; overseeing all machinery installations and will also be responsible for the recruitment of key personnel especially the General Manager and the Production Manager.

The Company's Board of Directors will be versed with the responsibility of managing the Company itself while the appointed General Manager assisted with well qualified and experienced departmental personnel will be responsible for the day to day operations at the project.

5.1 STAFF

The project at full scale operations will be capable of employing at least 34 people. It is expected that the Production Manager will be an expert in plastic pipes making and related aspects so as to be able to train the employed staff in this line of business and ensure that the plant is well maintained and high quality plastic products are produced.

6.0 PROJECT OPERATING COSTS

In order to realize its intended objective the project will have to meet the following operating costs.

6.1.1 LABOUR - WORKERS SALARIES AND WAGES US TZS114, 000,000/=

At full-scale operation which is expected in year 2016, the project will have the capacity of directly employing 34 people all being Tanzanians except three. The breakdown of work force requirement and their pay rates are stated in the table below.

	COST CATEGORY	2013	MONTHLY @	ANNUAL COST
A	SALARIES			
1	CEO/ Man. Director	1	1,000,000	12,000,000
2	Production Manager	1	850,000	10,200,000
3	Factory Shift Supervisor	1	750,000	9,000,000
4	Purchasing/Salesmen Officers	1	450,000	5,400,000
5	Electrical Supervisor	1	450,000	5,400,000
6	Machine operators	1	300,000	3,600,000
7	Factory Shift Workers	15	200,000	36,000,000
8	Drivers	4	200,000	9,600,000
9	Secretary/Cashier	1	350,000	4,200,000
10	Watchmen/Security	7	150,000	12,600,000
11	Accounts Controller	1	500,000	6,000,000
	TOTAL	34		114,000,000

This number of people employed by the project excludes the large numbers of other people who will be indirectly earning their income through the existence of this project, such as food vendors selling food to project workers, etc.

6.1.2 RAW MATERIALS TZS 1,655,885,000/= or US \$ 1,028,500

The production of the various plastics products will require different raw material inputs. The Company project will start with the production of PVC Resin pipes whose raw material requirement is 40 tons per month at the cost of US \$ 1,200 per ton, thus costing US \$ 576,000 per year. At the same time 2 tons of chemicals are required annually at the cost of US \$ 3,500 per ton or US \$ 7,000 annually. Therefore, total raw material cost for producing PVC Resin pipes is US \$ 583,000 or TZS 938,630,000/= annually.

Raw materials for the production of PVC Resin fittings will be 150 tons per year at the cost of US \$ 1,250 per ton or US \$ 187,500 per year while chemicals needed will be 3 tons each at US \$ 7,500 or US \$ 22,500 thus altogether costing US \$ 210,000 or TZS 338,100,000/= annual raw material requirement for PVC fittings.

HDPE products on the other hand will require 150 tons of raw materials annually at US \$ 1,500 per ton or US \$ 225,000 annually, chemicals required will be 3 tons @ US \$ 3,500 thus adding up to US \$ 10,500; the two items add up to US \$ 235,500 or TZS 378,350,000/= annual raw material cost for the HDPE products.

6.1.3 UTILITIES TZS 64,000,000/=

Project operations will be done by using electricity, thus the need of a reliable supply of power is inevitable and for this annual electrical bill of TZS 40,000,000/= will be set aside.

Water is one of the indispensable items for the project's operations. Water is needed at different stages of production and for the general use of plant workers. Water annual bill is projected at TZS 24,000,000/=.

6.1.4 FUEL AND OIL FOR VEHICLES, MACHINES, ETC TZS 120,000,000/=

A provision has to be made for running project motor vehicles, and the standby generator.

6.1.5 MAINTENANCE AND REPAIRS TZS 60,000,000/=

Project assets such as vehicles, machines and the generator will require maintenance and repairing. This has annually been assumed at TZS 60,000,000/= at full scale operations.

6.1.6 MARKETING AND ADMINISTRATION EXPENSES TZS 25,000,000/=

The administration costs considered here include issues like purchase of stationery and postage, telephone, postage, traveling, advertising and marketing expenses. This cost item also includes issues like entertainment and Public Relations which means charity donations and contributions to local community development projects.

6.1.8 INSURANCE TZS 60,000,000/=

Insurance provision has been made against fire on all project tangible assets.

ANNUAL OPERATING COSTS: SUMMARY

	CATEGORY/YEAR	YEAR 1	YEAR 2	YEAR 3	YEAR 4
(i)	Salaries & wages	90,000,000	102,000,000	114,000,000	114,000,000
(ii)	Raw Materials	938,630,000	1,276,730,000	1,655,885,000	1,655,885,000
(iii)	Utilities	28,000,000	40,000,000	64,000,000	64,000,000
(iv)	Fuel & lubricants	100,000,000	120,000,000	180,000,000	180,000,000
(v)	Spares /maintenance	30,000,000	45,000,000	60,000,000	60,000,000
(vi)	Administrative Costs	25,000,000	25,000,000	25,000,000	25,000,000
(viii)	Insurance, third party	40,000,000	50,000,000	60,000,000	60,000,000
	TOTAL COSTS	1,251,630,000	1,658,730,000	2,158,885,000	2,158,885,000

7.0 PROJECT REVENUE SOURCES ASSUMPTIONS

The project will have three product items for outright sale to customers namely: PVC Resin pipes; PVC Resin fittings and HDPE products.

Revenue expected to be realized from the sale of the produced plastic products is 1.45% of the raw material input. In this regard, in year one only PVC Resin pipes will be produced thus making annual revenue to be US \$583,000 x 1.45 = US 845,350 or TZS 1,361,013,500/=

In the second year with the introduction of PVC Fittings annual revenue will be US \$ 845,350 + US \$ 304,500 = US \$1,149,850 or TZS 1,851,258,500/=.

From the third year onwards annual revenue with the production of HDPE in place will be US \$ 845,350 + US \$ 304,500 + US \$ 341,475= US \$ 1,491,325.

	PRODUCT ITEM/YEAR	YEAR 1	YEAR 2	YEAR 3
1	PVC Resin Pipes	845,350	845,350	845,350
2	PVC Fittings	0	304,500	304,500
3	HDPE Products	0	0	341,475
	TOTAL US \$	845,350	1,149,850	1,491,325
	TZS ' 000	1,361,013,500	1,851,258,500	2,401,033,250

8.0 FINANCIAL ASPECTS OF THE PROJECT

All major financial indicators below show the project to be financially viable.

8.1 PROJECTED PROFIT AND LOSS STATEMENT

The revenue and operating cost assumptions have been summarized and presented in the Profit and Loss Accounts below. The project's income will accrue from the sale of the three plastics products listed above as per the assumptions.

PROJECTED INCOME STATEMENTS TZS

Item/year	1	2	3	4	5
REVENUE:					
1. Resin pipes	845,350	845,350	845,350	845,350	845,350
2. Fittings	0	304,500	304,500	304,500	304,500
3. HDPE	0	0	341,475	341,475	341,475
US \$	845,350	1,149,850	1,491,325	1,491,325	1,491,325
TZS'	1,361,013,500	1,851,258,500	2,401,033,250	2,401,033,250	2,401,033,250
Operating costs					
Salaries/ wages	90,000,000	102,000,000	114,000,000	114,000,000	114,000,000
Raw Materials	938,630,000	1,276,730,000	1,655,885,000	1,655,885,000	1,655,885,000
Utilities	28,000,000	40,000,000	64,000,000	64,000,000	64,000,000
Fuel, lubricants	75,000,000	100,000,000	120,000,000	120,000,000	120,000,000
Spares, etc	30,000,000	45,000,000	60,000,000	60,000,000	60,000,000
Admin. Costs	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000
Insurance,	40,000,000	50,000,000	60,000,000	60,000,000	60,000,000
Operating costs	1,226,630,000	1,638,730,000	2,098,885,000	2,098,885,000	2,098,885,000
Op. Profit	134,383,500	212,528,500	302,148,250	302,148,250	302,148,250
Less Charges					
Depreciation	247,135,000	202,055,000	167,198,000	140,220,000	119,314,000
PBT	- 112,751,500	10,473,500	134,950,000	161,928,000	182,834,000
Taxable Income	-112,751,500	- 102,278,000	32,671,000	161,928,000	182,834,000
Corp. tax 30%	0	0	9,801,000	48,578,400	54,850,200
PAT	0	0	22,870,000	113,349,600	127,983,800
R/EARNINGS	0	0	22,870,000	136,219,600	264,203,400

In the first year the project realizes an operating profit of TZS 134,383,500/= which after the subtraction of Depreciation charges renders the project to have a negative PBT, profit before tax amounting to TZS 112,751,500/= thus making the Company to pay no tax during this year. Because of the Loss carry over allowance, the Company will be bound to pay corporate tax from the third year onwards when the three products are produced; the project starts realizing profits a fact which subjects the project to be duty bound to pay the corporate taxes without any problems. Based on the conservative figures used in this analysis, the project's profit realized from year three up to year five accumulates up to TZS 264,203,400/= and under the same period the project will have paid TZS 113,229 600/= as corporate tax.

8.2 PROJECTED CASH FLOWS.

The table below presents the projected Cash flows of the project and this shows the project at the end of the first year realizes a cash collection of TZS 134,383,000/= .For the five years under review the project will build up substantial cash surplus accumulating to about TZS 1,140,118,000/= by the fifth year of operation. This liquidity position confirms that the project is financially sound, and will be able to meet all financial obligations.

ITEM/YEAR	0	1	2	3	4	5
INFLOWS						
Equity ' 000	1,923,950					
Depreciation		247,135	202,055	167,198	140,220	119,314
Profit before Tax		- 112,752	10,473	134,950	161,928	182,834
Total Inflows	1,923,950	134,383	212,528	302,148	302,148	302,148
OUTFLOWS						
Investment	1,923,950					
Corporation Tax		0	0	9,801	48,578	54,850
Total Outflows	1,923,950	0	0	9,801	48,578	54,850
NETFLOWS	0	134,383	212,528	292,347	253,570	247,290
Acc. Cash	0	134,383	346,911	639,258	892,828	1,140,118

9.0 ECONOMIC AND SOCIAL ASPECTS OF THE PROJECTS

There will be many major benefits associated with this project as shown below:

9.1 EMPLOYMENT OPPORTUNITIES

The project is expected to provide direct employment to 34 people at the time of full operations in year 2016. This provision of direct employment to over 30 Tanzanians will be assisting the national scheme of poverty alleviation

9.2 REVENUE TO THE GOVERNMENT

The project with effect from the third year onwards will be eligible to pay corporate taxes both to the central government and to the municipal authority in which it is located; and for this the project will be one of the sources of revenue for the government coffers. It will also be contributing indirectly in the way of income tax through taxes paid by its employees. Company taxes for the first five years of the project's existence will amount to TZS 113,229,600/=.

9.3 FOREIGN EXCHANGE EARNING

From the third year onwards it is assumed that initially 20% of the project's products will be sold outside the country which is equivalent to US \$ 257,125; of course this amount is expected to rise/increase as the company gains experience and expands its capacity of operations, thus earning more foreign currency for the country and bringing into the country the much desired foreign currency.

10.0 CONCLUSION AND RECOMMENDATION:

The foregoing analysis indicates following benefits to the country, which in turn pleads for immediate acceptance and approval of this project as a feasible project.

- The project will bring in latest plastic making technology into the country that will ensure training or development of skilled labor force in the country. The labor force will get on -job training and will thus make them more and more competent.
- The plastics products to be manufactured by the project are basically import substitute and will therefore save the scarce foreign currency for the country. The project will ensure a considerable conservation of the country's foreign currency because its products are currently sourced from outside the country; given time and after acquiring the required experience it will be one of the major sources for earning foreign currency for the country through the sale of its products outside the country.
- It will generate permanent employment opportunities to 34 people, the majority of whom are Tanzanian nationals.

There are many other benefits, both direct and indirect to be derived from this project thus making this project to be feasible technically as well as economically.

PRIME INDUSTRIES LIMITED

TABLES

PRIME INDUSTRIES LIMITED

APPENDIX 1: SUMMARY OF INVESTMENT IN TZS '000

ITEM	LOCAL	FOREIGN	TOTAL
Land & Buildings	600,000	0	600,000
Machineries & Equipment	5,000	320,000	325,000
Motor Vehicles	20,000	220,000	240,000
Furniture	20,000	0	20,000
Total fixed	645,000	540,000	1,185,000
Pre operating costs	10,000	0	10,000
Total Investment US \$	655,000	540,000	1,195,000
Total Investment TZS	1,054,550,000	869,400,000	1,923,950,000

APPENDIX II

IMPLEMENTATION SCHEDULE

IMPLEMENTATION SCHEDULE

	DESCRIPTION OF INVESTMENT ACTIVITY	PERIOD
1	Directors Joint Agreement to set up a Company to operate a Plastics making project and Lease Agreement	June – October 2013
2	Applying for TIC Certificate and TRA Approval of Capital/Deemed Capital Goods List	November 2013 – January 2014
3	Ordering of Plant Machineries, Generator and vehicles	January – May 2014
4	Receive and install project machines	March – June 2014
5	Trial runs operations	July - September
6	Full scale operations	October 2016

PRIME INDUSTRIES LIMITED

APPENDIX III

PROJECTED INCOME STATEMENTS '000/=

Item/year	1	2	3	4	5
REVENUE:					
1. Resin pipes	845,350	845,350	845,350	845,350	845,350
2. Fittings	0	304,500	304,500	304,500	304,500
3. HDPE	0	0	341,475	341,475	341,475
US \$	845,350	1,149,850	1,491,325	1,491,325	1,491,325
TZS'	1,361,013,500	1,851,258,500	2,401,033,250	2,401,033,250	2,401,033,250
Operating costs					
Salaries/ wages	90,000,000	102,000,000	114,000,000	114,000,000	114,000,000
Raw Materials	938,630,000	1,276,730,000	1,655,885,000	1,655,885,000	1,655,885,000
Utilities	28,000,000	40,000,000	64,000,000	64,000,000	64,000,000
Fuel, lubricants	75,000,000	100,000,000	120,000,000	120,000,000	120,000,000
Spares, etc	30,000,000	45,000,000	60,000,000	60,000,000	60,000,000
Admin. Costs	25,000,000	25,000,000	25,000,000	25,000,000	25,000,000
Insurance,	40,000,000	50,000,000	60,000,000	60,000,000	60,000,000
Operating costs	1,226,630,000	1,638,730,000	2,098,885,000	2,098,885,000	2,098,885,000
Op. Profit	134,383,500	212,528,500	302,148,250	302,148,250	302,148,250
Less Charges					
Depreciation	247,135,000	202,055,000	167,198,000	140,220,000	119,314,000
PBT	- 112,751,500	10,473,500	134,950,000	161,928,000	182,834,000
Taxable Income	-112,751,500	- 102,278,000	32,671,000	161,928,000	182,834,000
Corp. tax 30%	0	0	9,801,000	48,578,400	54,850,200
PAT	0	0	22,870,000	113,349,600	127,983,800
R/EARNINGS	0	0	22,870,000	136,219,600	264,203,400
TAXES	0	0	9,801,000	58,379,400	113,229,600

PRIME INDUSTRIES LIMITED

APPENDIX IV: PROJECTED CASH FLOWS

ITEM/YEAR	0	1	2	3	4	5
INFLOWS						
Equity ' 000	1,923,950					
Depreciation		247,135	202,055	167,198	140,220	119,314
Profit before Tax		- 112,752	10,473	134,950	161,928	182,834
Total Inflows	1,923,950	134,383	212,528	302,148	302,148	302,148
OUTFLOWS						
Investment	1,923,950					
Corporation Tax		0	0	9,801	48,578	54,850
Total Outflows	1,923,950	0	0	9,801	48,578	54,850
NETFLOWS	0	134,383	212,528	292,347	253,570	247,290
Acc. Cash	0	134,383	346,911	639,258	892,828	1,140,118

The table shows the projected Cash flows of the project for the first five years at the end of which it realizes a cash collection of TZS 134,383,000/= .For the five years under review the project will build up substantial cash surplus accumulating to about TZS 1,140,118,000/= by the end of the fifth year of operation. This liquidity position confirms that the project is financially sound, and will be able to meet all financial obligations.