

TULLIP STEEL AND

ENGINEERING LTD



MINUTE SHEET

Dokezo
No.

1.2

EXD

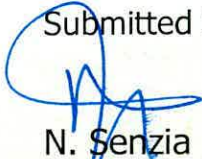
The approved project has fulfilled the investment requirements, which are: -

- (a) Minimum finance investment threshold has been exceeded, the project expects to invest US\$ 4.6m
- (b) Legal entity has been incorporated under certificate

No. 105 227 of 17/01/2014

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

31st January, 2014



2.0

EXD

In response to the TIC letter of registration dated 29th January 2014 the project has submitted the required documents namely: -

- (a) Company Board Resolution.
- (b) Reference letter/Financing from Exim Bank LTD
- (c) Lease Agreement to Sweden plant

With the above submission EXD is requested to sign Certificate of Incentives No. 042598 herein attached.

14/03/2014



DIF

MINUTE SHEET

Dokezo
No.



TIC Evaluation Report

Name of the Company
Tulip Steel And Engineering Ltd.

Post Box	Mbozi Road, Plot No. 175	COI Number	105227	Contact	Mr. Kaushal Joshi
Post Office	42631	COI Date	17/01/2014	Designation	Director
Region	Dar Es Salaam	Application F. No	11651	Phone	0
Country	Tanzania	Status	New	Direct Phone	0
		Sector	Manufacturing	Cell Phone	0717 392004
		Sub Sector	Steel	Fax	0
		File No	042595	E-Mail Address	0

Project Location		Investment Finance Plan in Millions USD			
Plot/Block	Plot No. 175, Chang'ombe Area	Foreign Equity	Local Equity	Foreign Loan	Local Loan
Street	Mbozi Road	0	0.78	0	1.2
District	Temeke				
Region	Dar es Salaam				

Shareholders Detail			Investment Breakdown (USD Million)	
Name	Nationality	(%)	Land/Building	0.9
Nitinkumar Chhabanbhai Lad	Indian	50	Plant	1.3
Kaushal Hasmukhbhai Joshi	Indian	50	Vehicles	0.2
			Furniture & Fittings	0.05
			Pre-expenses	0.03
			Others	0.02
			Working Capital	0.1
			Total	2.6

Employment	42	Evaluated By	wf officer4
Capacity	320 tons of steel pa.	Drawn By	wf registry1
Project Turn Over		Project Type	Local

Description

To establish steel mill and iron mill project

Recommendations

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

Decision



TULIP STEEL AND ENGINEERING LIMITED

P O Box 42631
DAR ES SALAAM

1

Ref.No: TSEL/TIC/JAN/2014

22nd January 2014

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



Dear Sir,

RE: APPLICATION FOR TIC CERTIFICATE OF INCENTIVES

We are incorporated company created for purposes of establishing a Project of Steel mill and Iron mill . The Proposed project will be in Dar es Salaam . It is due to this reasons that we hereby submit our application for TIC Certificate of Incentives to facilitate implementation of the project.

Attached herewith please find the following basic documents for you kind approval:

1. A completed and signed application form
2. A copy of our certificate of Incorporation
3. A copy of the Company's Memorandum and Articles of Association
4. A certified copy of Title deed.
5. Company Board Resolution to register with TIC
6. A copy of our Feasibility study showing the implementation Period,

Thank you for your kind consideration

Yours Sincerely,


.....
DIRECTOR

GENERAL MEETING OF SHAREHOLDERS

HELD ON 20th January 2014

Agenda

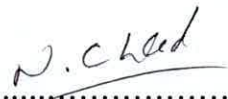
- i) Registration with Tanzania Investment Centre
- ii) AOB

At 10.00 a.m. on January 20th, 2014 the shareholders of **M/S TULIP STEEL AND ENGINEERING LIMITED** held a meeting to discuss the agenda above. It was unanimously agreed that **M/S TULIP STEEL AND ENGINEERING LIMITED** would register with Tanzania Investment Centre for Project of Steel mill and Iron mill.

There being no other business to discuss. The meeting was closed at 10.30 a.m.



.....
Kaushal H. Joshi
Chairman



.....
Nitinkumar C.Lad
Secretary



**EXIM
BANK**

DATE: 20TH JANUARY 2014

EX/NYR 03/2014,
Dear Patron.
P.O. Box ,
Dar es Salaam.

Tanzania.

RE: INTRODUCTION TO OUR ESTEEMED CLIENT NITINKUMAR CHHAGANBHAI LAD.

We refer to our customer's request regards to reference letter with your good office dated 18TH January 2014.

This is to confirm that Mr.**NITINKUMAR CHHAGANBHAI LAD** has been maintaining TZS account number **0141008771** with us for good faithfully and satisfactory till date.

Please assist them on getting **TIN NO, BUSINESS LICENCE and TIC.**

Kindly you may extend your necessary assistance to the mentioned name above since he is financially stable and have good reputation as customer and in society as well.

However, we issued this letter as per customer's request without any liability to the bank or any official sign this letter. The bank or undersign will not be responsible for any liabilities which may arise in the course of using this reference.

You're truly,

For and behalf of,

EXIM BANK TANZANIA LIMITED

Neema Fimbo

Ass.Branch manager

Jackline Luanda

OPM

Exim Bank (Tanzania) Ltd.

Nyerere Branch
P.O.Box 1431, Dar es salaam.
Tel:+255 22 2861512/13/14 Fax +255 22 2861516.
E-mail: abmnyerere@eximbank-tz.com / eximnyerere@eximbank-tz.com.
Website:www.eximbank-tz.com

TANZANIA



Certificate of Incorporation

Section 15

No 105227

I HEREBY CERTIFY THAT

TULIP STEEL AND ENGINEERING 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 17TH day of JANUARY**TWO THOUSAND AND FOURTEEN.**
.....
Asst. Registrar of Companies

**THE COMPANIES ACT NO.12 [R.E. 2002]
(CAP. 212)**

COMPANY LIMITED BY SHARES

MEMORANDUM

AND

ARTICLES OF ASSOCIATION

OF

TULIP STEEL AND ENGINEERING LIMITED

**Drawn by:
Heritage Attorneys
P.o.Box 14105
Dar es Salaam**

THE COMPANIES ACT, CAP 212 [RE: 2002]

COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

OF

TULIP STEEL AND ENGINEERING LIMITED

1. The name of the company is **TULIP STEEL AND ENGINEERING LIMITED**
2. The registered office of the company is situated in the United Republic of Tanzania.
3. The objects for which the Company is established are to carry on any trade or business whatsoever as a general commercial company, including but not limited to the following: -
 - (a) To carry on the business of steel mills, iron founders, iron masters, iron and steel converter, mechanical engineers, manufacturers of steel sheets, iron sheets, iron bars, iron, beams, pipes, guarders, nuts, bolts, screws, agricultural implements and all kinds of machinery parts, cycle parts, tool makers, brass founders, metal workers, boiler makers, mill-weights, mill stores, wood workers, painters, metal lurgists, electrical engineers, gas generators, framers printers, carriers and merchants and to buy, sell, manufacture, repair, convert, alter, let on hire, and deal in machinery implements, rolling stocks, and hardwares of all kinds and to carry on any other allied business as permissible under the law
 - (b) To set up, steel and re-rolling mills, and to carry on the business of iron founders, iron re-rolling and milling products, iron masters, iron and steel converters, manufacturers of all kinds of steel and iron items/products including steel sheets, steel/tin ingots, iron sheets, iron bars, iron, beams, pipes, guarders, nuts, bolts, screws, agricultural implements and all kinds of machinery parts, cycle parts, tool makers, brass founders, metal workers, boiler makers, mill-weights, mill stores, gas generators etc., subject to permissions/licences/approvals as required under the law.

- (c) To carry on the business of import, export, buy, sell, repair, convert, alter, distribute, store and deal in all kinds of iron and steel products and its bye-products, machinery implements, rolling stocks, and hardware of all kinds and to carry on any other allied business as permissible under law.
- (d) To set up and install furnaces for the manufacture of iron and steel products of all kinds and to buy, sell and deal in all kinds of metal scrap, plates, sheets and other metal and steel products.
- (e) To manufacture, import, assemble, export, buy sell, let on hire, exchange, alter, improve, manipulate, prepare for market and/or otherwise deal in or distribute all kinds of, machineries, machine parts, tools, apparatus, utensils, raw material and substances necessary or convenient for carrying on any of the business of the company and other allied marketable commodities.
- (f) To establish, maintain and operate mill or mills to undertake the production of ferrous and nonferrous metals and alloys. Casting and forgings, machinery and apparatus of all types including iron, steel and non-ferrous castings, M.S. Bars, TMT Bars, MS Angles, ingots, billets, tools, dies and refractories etc.
- (g) To install mills and factories to achieve the above ends.

To manufacture, import, assemble, export, buy sell, let on hire, exchange, alter, improve, manipulate, prepare for market and/or otherwise deal in or distribute all kinds of plants, machineries, machine parts, tools, apparatus, utensils, raw material and substances necessary or convenient for carrying on any of the above specified business or other allied marketable commodities.
- (h) To sell the finished products and buy raw materials.
- (i) To carry on the business or businesses of acquiring, constructing, owning, managing, setting up or operating various industries such as iron and steel mills, engineering works, mechanical works, cardboard, hardboard and straw board mills, paper and paper products mills, glass factories, sugar mills, ghee mills, oil mills, flour mills, cement factories, gas cylindering and purifying mills, acid factories, manufacturers of electrical goods, appliances and machinery for industrial purposes.

- (j) To carry on the business of industrial managements consultants, town planners, land developers, builders, contractors, designers architectures, engineers, technical and mechanical engineers, surveyors, valuers, appraisers, decorators, furnishers, furniture makers, merchants and dealers in cement, steel, iron, wood, coal, timber and other building requisites and job contractors.
- (k) To carry on in conjunction with each other or as separate and distinct undertakings, all or any of the following business; engineering design and project management of a diverse range of electrical and mechanical engineering systems and building services for high technology and complex engineering systems in modern buildings, health care and educational facilities, medical gas equipment systems design commission, specification and procurement of medical equipment, the design of IT data/communication centers, and fuel storage and dispensing facilities.
- (l) To promote the design, analysis, specification implementation and application and use of appropriate technologies and renewable technology such as solar, wind and hydro power. The practice will primarily focus on the promotion, design and application of clean burning alternative fuels such as Bio-diesel, methane and biomass.
- (m) To promote Facilities Maintenance/Management to ensure the sustainability of the structures and engineering systems designed and built by the consultancy firm, through planned maintenance strategies.
- (n) To operate and maintain engineering services for offices, specialist facilities and health care facilities and laboratories.
- (o) To carry on the business of manufacturing and supply of bricks, cement, sand, electronic equipments, computer and accessories, taxicab, omnibus and other public and private conveyance proprietors, haulage contractors, job masters, minibus, motorcar, lorry, motor-cycles, other vehicles and dealers and repairers of all kinds, motor and mechanical engineers, dealers, dealers and exporters, dealers and repairers of tractors, agricultural implements, importers and exporters, dealers and repairers of accessories, plant and machinery of every kind.
- (p) To carry on the business of transporters, haulers, haulage contractors and general carriers and conveyors of passengers and goods by land,

air, sea and inland waters and to purchase, charter or otherwise acquire motor vehicles, aircrafts, ships of all types for carrying out the purpose aforementioned. To carry on the business of transporters of public general cargo, haulers, agents removal contractors or agents, hirers and proprietors of vehicles of all kinds however propelled.

- (q) To purchase, take on lease or by any other means acquire any lands, shops, buildings, offices, foundries, furnaces, factories, mills, works, wharves and any real or personal property or rights whatsoever. To manufacture, fabrication, electronic equipments, put up and use telephones, telegraphs (wireless or other) photographs, dynamos, accumulators, lamps and all apparatus now known or that may hereafter be invented, connected with telecommunications or any method of communication by sound or vision, including all cables, wires or appliances for connecting apparatus at a distance with other apparatus and including the formation of exchanges or centers. To carry on the business as communication engineers generally, electronics and software engineers and to act as consultants in communications engineering and electronics engineering in all fields including radio and Television communications, telecommunications, electronic mechanical control of every description whether industrial or otherwise.
- (r) To acquire any such investments or property aforesaid by subscription, tender, purchase, exchange or otherwise and whether fully paid or not and to sell, exchange or otherwise dispose off, deal with, develop and turn to account any of such investments or property. To purchase or by any other means acquire any freehold, leasehold or other property for any estate or interest whatsoever and any rights, privileges, or easements over or in respect of any property and any buildings, factories, mills, works, automobile garages, workshops, filling stations, wharves, roads, railway, tramways, machinery, engines, rolling stock, plant, live and dead stock, barges, vessel or things and any real and personal property or rights whatsoever.
- (s) To build, construct, maintain, alter, enlarge, pull down, and remove or replace any buildings, factories, mills offices, automobile garage, workshops, filling stations, works, wharves, roads, railways, tramways, machinery, engines, wall, fences, dams, sluices or water courses and to clear sites for the same or to joint with any person, firm or company in doing any of the things aforesaid and to work, manage and control the same or joint with others in so doing. To

apply for, purchase or by other means acquire and protect, prolong and renew, whether in Tanzania or elsewhere, any patents, patent rights, brevets, inventions, licenses, protections and concessions which may appear likely to be advantageous or useful to the company and to use and turn to account and to manufacture under or grant licenses or privileges in respect of the same, and to expend money in experimenting upon and testing and in improving or seeking to improve any patents, inventions, or rights which the company may acquire or propose to acquire.

- (t) To improve manage, cultivate develop, exchange, let on lease or otherwise mortgage, charge, sell dispose off, turn to account, grant rights and privilege in respect of or otherwise deal with all or any part of the property and rights of the company.
- (u) To purchase, construct, hire, take on lease or in exchange, hirer otherwise acquire in movable and immovable property, heavy earth moving machinery caterpillars, tractors, tippers, silos, abattoir, hatchery, cold room storage, dry store, warehouse and every right and privilege which the company may think necessary or convenient for the purpose of its business which may enhance the value of any other property suitable for the purpose of this company.
- (v) To acquire and undertake the whole or any part of the business property and liabilities of any person, firm or company carrying on any business which the company authorized to carry on or posses any of the property suitable for the purpose of this company.
- (w) To enter into any arrangement with any Government Authorities (Supreme, Municipal, Local or otherwise) or any corporation, company or person having objects that may seem conducive to the company's objects and authority in respect of any contracts, decrees, rights privileges and commission which the company may thin desirable and to carry out, exercise and comply with any such contracts, decrees, rights, privileges and concessions.
- (x) To enter into partnership or any arrangement for sharing profits, union of interests, corporation, joint ventures, reciprocities, concessions or otherwise with any persons, firm, corporation or company carrying on or engaged in or about to carry on any business or transaction capable of being conducted so as directly or indirectly to benefit this company, and to lend money to guarantee the contracts of, or otherwise assists any such person, firm or company, and

securities of any such company and to sell, hold, reissue with or without guarantee, or otherwise deal with the same.

- (y) To invest and deal with money of the of the company not immediately required upon each security and in such manner as may from time to time be determined.
- (z) To guarantee, grant indemnities in respect of, support or secure, whether by personal covenant or by mortgaging or charging all or any part of the undertaking, property and assets (present and future) and uncalled capital of the company or by both such methods, the performance of the contracts or obligations and the repayment or payment of the principal and premium of and interest and dividends on any securities or obligations of any company whether having objects or engaged or intending to engage in business similar to those of the company or not, notwithstanding the fact that the company may not receive any consideration or advantage, direct or indirect, from entering into any such guarantee or other arrangement or transaction contemplated herein;
- (aa) To adopt such means of making known the products of the company as may seem expedient and in particular by advertising in the press, publication of books and periodicals and by granting prizes, rewards and donations.
- (bb) To lend and advance money or give credit to such persons, firms or companies and on such terms as may seem expedient, and in particular to customer sand other persons having dealings with the company and to give guarantees to become sureties for any persons, firms or companies for the due payment of money for the performance of any obligations.
- (cc) To draw, accept, make, endorse, discount, execute and issue promissory notes, bills of exchange, bill of lading, warrants, debentures and other negotiable or transferable instruments.
- (dd) To receive money on deposit or loan and to borrow or raise money in such manner as the company shall deem fit and in particular by the issue of debentures or debenture stock, (perpetual or otherwise) and to secure the repayment of any money borrowed, raised or owing by mortgage, charge or lien upon all or any of the property or assets of the company (both present and future) including its uncalled capital, also by a similar mortgage or lien to secure and guarantee the performance by the company or any other person as the case may be.

- (ee) To sell or otherwise dispose of the whole or any part of the business or property of the company, either together or in portion, for such consideration as the company thinks fit, and in particular for shares, debentures or securities of any company purchasing the same.
- (ff) To establish agencies and local boards in Tanzania and elsewhere and to regulate and discontinue the same.
- (gg) To seek for and secure openings for the employment of capital in any part of the world, and with a view thereto to prospect, inquire, examine, explore and test and to employ and to dispatch expeditions, commissions, experts and agents.
- (hh) To do all or any of the above things either alone or as a member of a partnership, trading group or consortium, and in any part of the world
- (ii) To carry on any other business or activity of any nature whatsoever which may seem to the Directors to be capable of being conveniently or advantageously carried on, in connection or conjunction with, any business of the Company hereinbefore or hereinafter authorized or otherwise utilizing the Company's assets, skills, know-how or expertise as the Directors consider fit;
- (jj) To do all such other things as are incidental or the Company may think conducive or incidental to the attainment of the above objects and to obtain all powers and authorities necessary to carry out or extend the above objects;



AND it is hereby declared that:-

- (i) The objects set forth in this clause shall not, except when the context expressly so required, be in any way limited or restricted by reference to or inference from the terms of any sub-clause or any name of the Company. None of such sub-clause or the objects therein specified or the powers thereby conferred shall be deemed subsidiary or auxiliary merely to the object mentioned in the first sub-clause of this clause and the Company shall have full power to exercise all or any of the powers conferred by any part of this clause in any part of the world and notwithstanding that the business undertaking, property or acts proposed to be transacted, acquired, dealt with or performed do not fall within the objects of the first sub-clause of this clause.
- (ii) The word "Company" in this clause, shall be deemed to include any partnership or other body or persons, whether incorporated, and whether domiciled in the United Republic of Tanzania or elsewhere and the intention is that the objects specified in each paragraph of

this clause shall except where otherwise expressed in such paragraph, be an independent main object and be in no way limited or restricted by reference to or inference from the terms of any other paragraph or the name of the Company and may be carried out in as full and ample manner and construed in as wide a sense as if each of the said paragraphs defined the object of a separate and distinct company..

4. The Liability of the members is Limited.
5. The authorized share capital of the company is Tanzania shillings Three Hundred Fifty million (Tsh. 350,000,000/-) divided into Thirty Five Thousand (35,000) shares of Shillings Ten Thousand (Tsh 10,000/-) 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 conditions of issue shall otherwise expressly declare every issue of shares, whether declared to be preference or otherwise, shall be subject to the power hereinbefore contained

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

Name, Address and Description of Subscribers	Number of Shares Taken by each Subscriber	Signature of Subscribers
KAUSHAL HASMUKHBHAI JOSHI. P. O. BOX 42631 DAR ES SALAAM	15,000	
NITINKUMAR CHHAGANBHAI LAD P. O. BOX 42631 DAR ES SALAAM	15,000	

Dated at Dar es Salaam this.....17.....day of January 2014

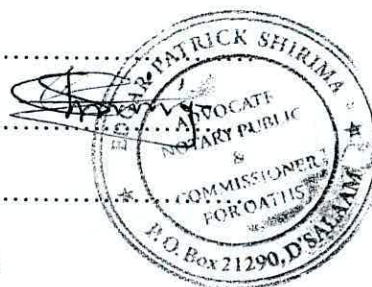
WITNESS TO THE ABOVE SIGNATURE

Full Name:

Signature:

Postal Address:

Qualification : Notary Public



40822
17/01/2014
[Signature]

THE COMPANIES ACT
(CAP. 212)

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

40822
17/01/2014
[Signature]

TULIP STEEL AND ENGINEERING LIMITED

PRELIMINARY

The regulations in Table A in the First Schedule to the Company Act 2002 shall not apply to the Company, except so far as the same are repeated or contained in these Articles.

INTERPRETATION

In these Articles, unless the subject or context otherwise requires, the words standing in the first column of the table next hereinafter contained shall bear the meanings set opposite to them respectively in the second column thereof:

WORDS AND MEANINGS

“Articles”: these Articles of Association as originally framed or as altered from time to time by Special Resolution;

“A Shareholder”: any holder from time to time of the Shares;

“Associate”: a company which is a subsidiary or holding company of that company, a subsidiary of a holding company of that company, or in relation to any person a company where not less than 20% of its issued share capital is owned by that person;

“Directors”: the directors for the time being of the Company present at a duly convened meeting of the directors at which a quorum is present;

“Office”: the registered office for the time being of the Company;

“Act”: the Companies Act 2002 and every statutory modification and re-enactment thereof for the time being in force;

“Tanzania”: the mainland of the United Republic of Tanzania;

Writing shall include printing and lithography and any other mode or modes of representing or reproducing words in a visible form.

Words importing the singular number only shall include the plural number, and vice versa.

Words importing the masculine gender only shall include the feminine gender; And

Subject as aforesaid, any words or expression defined in the Act shall, except where the subject or context forbids, bear the same meanings in these Articles.

PRIVATE COMPANY

- 1 The Company is a Private Company and accordingly:
 - i. The right to transfer shares is restricted in the manner hereinafter prescribed;
 - ii. The number of members 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 of the Company, and have continued, after the termination of such employment, to be members of the Company) is limited to fifty.

Provided that where two or more persons hold one or more shares in the Company jointly they shall for the purpose of this Regulations be treated as a single member;
 - iii. The company shall not have power to issue share warrants to bearer;
 - iv. Any invitation to the public to subscribe for any shares or debenture of the Company is prohibited.

SHARES

- 2 The authorized share capital of the company is Tanzania shillings Three Hundred Fifty million (Tsh. 350,000,000/-) divided into Thirty Five Thousand (35,000) shares of Shillings Ten Thousand (Tsh 10,000/-) each.
- 3 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 or capital or otherwise as the Company may from time to time by special resolution determine.
- 4 Subject to the provisions of Section 47 of the Act, the redeemable preference shares will be issued on the terms that they are, or at the option of the Company are liable to be, redeemed in accordance with Article 124 and have the rights in a winding up as set out in Article 126.
- 5 The Company may pay to any person a commission in consideration of his subscribing or agreeing to subscribe, whether absolute or conditional, for any shares in the Company: provided that such commission shall not exceed 10 per cent of the price at which such shares are issued, or an amount equivalent to such percentage; and the requirements of Section 56 of the Act shall be observed.
- 6
 - a. The Directors may subject to Article 48 hereof allot, grant options over or otherwise deal with or dispose of any relevant securities of the Company in accordance with the provisions of these Articles and the Act to such persons and generally on such terms and conditions as the Directors think proper.
 - b. The general authority conferred by paragraph (a) of this article shall be conditional upon due compliance with Article 48 hereof and shall extend to the amount of the authorized share capital of the Company upon its incorporation.
 - c. The Directors shall be entitled under the general authority conferred by paragraph (a) of this Article to make at any time before the expiry of such authority any offer or agreement which will or might require relevant securities of the Company to be allotted after the expiry of such authority.
- 7 If two or more persons are registered as joint holders of any share, any one of such persons may give effectual receipts for any dividends or other moneys payable in respect of such share.

- 8 No person shall be recognized by the Company as holding any share upon any trust, and the Company shall not be bound by or required to recognize and equitable, contingent, future or partial interest in any share or any right whatsoever in respect of any share other than an absolute right to the entirety thereof in the registered holder, except as by these Articles otherwise expressly provided or as required by law.
- 9 Every member shall be entitled, without payment, to receive within two months after allotment or lodgment of transfer (unless the conditions of issue provide for a longer interval) one certificate (under the Company's common seal or for all the shares registered in his or its name, specifying the number and (where necessary) denoting numbers of the shares in respect of which it is issued and the amount paid up thereon; Provided that in the case of joint holders the Company shall not be bound to issue more than one certificate to all the joint holders, and delivery of such certificate to any one of them shall be sufficient delivery to all. Every certificate shall be signed by one Director and countersigned by the Secretary or by an assistant or Deputy Secretary. Where only part of the shares comprised in a certificate is transferred, the member transferring shall be entitled without payment to a certificate for the balance thereof.
- 10 If any share certificate shall be defaced, worn out, destroyed or lost, it may be renewed on such terms (if any) as to evidence and indemnity and payment of the expenses reasonably incurred by the Company investigating the evidence as the Directors shall require but otherwise free of charge and (in case of defacement or wearing out) on deliver up of the old certificate.

LIEN

- 11 The Company shall have a first and paramount lien upon all shares (whether fully paid or not) registered in the name of any member, either alone or jointly with any other person, for his or its debts, liabilities and engagements, whether solely or jointly with any other person, for his or its debts, liabilities and engagements, whether solely or jointly with any other person, to or with the Company, whether the period for the payment, fulfillment or discharge thereof shall have actually arrived or not, and such lien shall extend to all dividends from time to time declared in respect of such shares. But the Directors may at any time declare any share to be exempt, wholly or partially, from the provision of this Article.
- 12 The Directors may sell the share subject to any such lien at such time or times and in such time or times and in such manner as they think fit, but no sale shall be made until such time as the monies in respect of which such lien exists or some part thereof are or is presently payable or the liability or engagement in respect of which such lien exists is liable to be presently fulfilled or discharged, and until a

demand and notice in writing stating the amount due to specifying the liability or engagement and demanding payment or fulfillment or discharge thereof and giving notice of intention to sell in default shall have been served on such member or the person (if any) entitled by transmission to the shares, and default in payment, fulfillment or discharge shall have been made by him or them for fourteen days after such notice.

- 13 The net proceeds of any such sale shall be applied in or towards satisfaction of the amount due to the Company, or of the liability or engagement, as the case may be, and the balance (if any) shall be paid to the member or the persons (if any) entitled by transmission to the shares so sold.
- 14 Upon any such sale as aforesaid, the Directors may authorize some persons to execute an instrument of transfer of the shares sold to the purchaser and may enter the purchaser's name in the register as holder of the shares, and the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
- 15 No member shall be entitled to receive any dividend or to exercise any privilege as a member until he shall have paid all calls for the time being due and payable on every share held by him, whether alone or jointly with any person, together with interest and expenses (if any).

CALLS ON SHARES

- 16 The Directors may, subject to the provisions of these Articles, from time to time make such calls upon the members in respect of all monies unpaid on their shares as they think fit, provided that fourteen days' notice at least is given of each call and each member shall be liable to pay the amount of every call so made upon him to the persons, by the installments (if any) and at the times and places appointed by the Directors.
- 17 ~~A call shall be deemed to have been made at the time when the resolution of the Directors authorizing such call was passed.~~
- 18 The joint holders of a share shall be jointly and severally liable for the payment of all calls and installments in respect thereof.
- 19 If before or on the day appointed for payment thereof a call or installment payable in respect of a share is not paid, the person from whom the same is due shall pay interest on the amount of the call or installment at such rate not exceeding 20 per cent per annum as the Directors shall fix from the day appointed for payment thereof to the time of actual payment, but the Directors may waive payment of such interest wholly or in part.

- 20 Any such which by the terms of allotment of a share is made payable upon allotment or at any fixed date, whether on account of the amount of the share or by way of premium, shall for all purposes of these Articles, be deemed to be a call duly made and payable on the date fixed for payment, and in case of non-payment the provisions of these Articles as to payment of interest and expenses, forfeiture and the like, and all other relevant provisions of these Articles, shall apply as if such sum were a call duly made and notified as hereby provided.
- 21 The Directors may, from time to time, make arrangements on the issue of shares for a difference between the holders of such shares in the amount of calls to be paid and in the time of payment of such calls.
- 22 The Directors may, if they think fit, receive from any member willing to advance the same all or any part of the monies due upon his shares beyond the sums actually called up thereon, and upon the monies so paid in advance, or so much thereof as exceeds the amount for the time being called up on the shares in respect of which such advance has been made, the Directors may pay or allow such interest as may be agreed between them and such member, in addition to the dividend payable upon such part of the share in respect of which such advance has been made as is actually called up.

TRANSFER OF SHARES

- 23 Subject to the restrictions of these Articles, shares shall be transferable, but every transfer must be in writing and must be left at the registered office, accompanied by the certificate of the shares to be transferred and such other evidence (if any) as the Directors may require to prove the title of the intending transferor.
- 24 This instrument of transfer of a share shall be executed by the transferor and, when the share is not fully paid, by 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.
- 25 Any share may be transferred at any time by a member to his or her father or mother, or to any lineal descendant of such father or mother, or to his or her wife or husband; and any share of a deceased member may be transferred by his executors or administrators to the widow or widower of any such relative as aforesaid of such deceased member, being a *cestui que* trust or specific legatee thereof, and shares standing in the name of any deceased member may be transferred to or placed in the names of the executors or trustees of his will, and upon any change of trustees may be transferred to the trustees for the time being of such will. Any member may transfer all, but not part only, of its shares to its wholly owned subsidiary but on terms that

immediately upon such transferee ceasing to be the transferor's wholly owned subsidiary such shares shall be transferred to the transferor or another of its wholly owned subsidiaries. The holders of the shares between themselves.

- 26 No share shall in any circumstances be issued or transferred to any infant, bankrupt, person of unsound mind or any Specific Competitor.
- 27 Subject to the provisions of these Articles a member may sell shares PROVIDED THAT it is a sale of its entire holding of shares or a holding of shares which represents 10 per cent of the ordinary shares in issue (or an integral multiple thereof) and 10 per cent of the redeemable preference shares in issue (or an integral multiple thereof) and the rights of first refusal conferred of the other members under these Articles shall have been exhausted.
- 28 Any member who wishes to sell any shares (a "Vendor") shall give notice in writing to the Company and the other members of such wish (a "Transfer Notice") identifying:
- i. the person (not being a Specified Competitor, to whom it proposes to sell its Shares is they are not purchased by the other Shareholders pursuant to the provisions of these Articles (the "Proposed Transferee");
 - ii. the number of the Proposed Transferee's ultimate parent company and controlling shareholders, if any,
 - iii. the number of shares to be sold which shall either be his entire holding of shares or a holding of shares which represents 10 per cent of the ordinary shares in issue or in integral multiple thereof) and 10 percent of the redeemable preference shares in issue (or an integral multiple thereof);
 - iv. the price per share offered by the proposed transferee (the Prescribed Price) and other terms of the proposed sale.

The Transfer Notice shall not be effective if it does not contain such information. The Transfer Notice shall constitute the Company the Vendor's agent for the sale of all, but not some only, of the shares held by the Vendor specified in the transfer Notice (the "Sale Shares") to the other members at the Prescribed Price. The Transfer Notice shall be accompanied by the vendor's share certificates in respect of the Sale Shares and a duly executed transfer in blank in respect thereof and (save as hereinafter provided) may not be withdrawn.

- (a) Within 14 business days of receipt of the Transfer Notice by the Company, the Company shall give notice in writing to the other

members specifying the number of Shares and the Prescribed Price thereof and offering the Sale Shares for sale to the other members at the Prescribed Price. Such notice shall require the other members to state in writing within 21 days of the date of the notice:

- i. that it is willing to purchase all of the Sale Shares at the prescribed Price; or
 - ii. that if it consents to the sale of all the Sale Shares within 14 days then such other members shall be deemed to have served a notice pursuant to Article 30 (a) (ii) at the end of such 21 day period.
- (b) In the event that a notice is served by only one member pursuant to Article 30 (a) (i) in respect of all of the Sale Shares, such member shall within 14 days thereafter complete the purchase from the Vendor of such number of Sale Shares as shall be determined by multiplying the total number of Sale Shares by a percentage of which the numerator shall be the number of ordinary shares and redeemable preference shares in issue in the capital of the Company held by such member and the denominator shall be the total number of ordinary shares and redeemable preference shares in issue in the capital of the Company held by all the members serving a notice pursuant to Article 30 (a) (i). The Vendor shall be bound to transfer all the Sale Shares at the Prescribed Price, and if it makes default in so doing the Company may receive the purchase money and the Directors appointed by the other members may authorize some person to execute a transfer and assignment, as appropriate of the relevant number of Sale Shares in favour of the other members (the "Shareholder Purchasers") and the Company shall hold the purchase money in trust for the Vendor. The receipt by the Company of the purchase money shall be a good discharge to the Shareholder Purchasers and after its name has been entered in the Company's Register of members in exercise of the aforesaid power, the validity of the proceedings shall not be questioned by any person. If such purchase is not completed (for any reason other than the Vendor's default) within such period of 14 days, then the certificates and duly completed transfer and assignment in respect of the Sale Shares shall be returned to the Vendor and consent shall be deemed to have been given pursuant to Article 30 (a) (ii) and the provisions of Article 30 shall apply.
- (c) In the even that a notice is given or deemed to be given by the other members pursuant to Article 30 (a) (ii) the Vendor shall be at liberty to sell all of the Sale Shares at any time within 14 days after the date of such notice (or, if no actual notice is given

pursuant to article 30 (a), the expiry of the period of 21 days provided for under Article 30 (a) to the Proposed Transferee at the Prescribed Price and otherwise upon no more favorable terms than those offered to the other members and as stated in the Transfer Notice.

- 29 The Directors shall refuse to register the transfer of any share other than a transfer permitted under these Articles and may, in their absolute discretion and without assigning any reason thereof, decline to register any transfer of any share whether or not it is a fully paid share.
- 30 If the Directors refuse to register a transfer of any shares they shall within two months after the date on which the transfer was lodged with the Company sent to the transferee notice of the refusal, as required by section 80 (i) of the Act. The registration of transfers may be suspended and the register of members closed during the fourteen days immediately preceding every Annual General Meeting of the Company, and at such other times (if any) and for such period as the Directors may from time to time determine, provided always that the register shall not be closed for more than thirty days in any year.
- 31 If any shares are required to be transferred through a compulsory acquisition in accordance with any agreement between the members and the Directors certify that such a transfer cannot be effected pursuant to that procedure because a member defaults in taking any required action then the Directors may authorize some person to execute a transfer and assignment, as appropriate of the relevant number of shares as certified by the Directors and the exercise of the power as aforesaid and the validity of the proceedings shall not be questioned by any person. Any transfer pursuant to this Article shall not be subject to the rights of first refusal contained elsewhere in these Articles.

TRANSMISSION OF SHARES

- 32 In the case of the death of a member, the survivors or survivor, where the deceased was a joint holder, and the executors or administrators of the deceased, where he was a sole or only surviving holder, shall be the only persons recognized by the Company as having any title to his shares, but nothing herein contained shall release the state of a deceased joint holder from any liability in respect of any share jointly held by him.
- 33 Any person becoming entitled to a share in consequence of the death or bankruptcy of any member may, upon producing such evidence of title as the Directors shall require, be registered himself as holder of the share, or, subject to the provisions as to transfers herein

contained (which shall apply as if the death or bankruptcy of the member had not occurred) transfer the same to some other person.

- 34 A person entitled to a share by transmission shall be entitled to receive, and may give a discharge for, any dividends or other monies payable in respect of the share, but he shall not be entitled in respect of it to receive notice of, or to attend or vote at meetings of the Company or, save as aforesaid, to exercise any of the rights of privilege of a member, unless and until he shall become a member in respect of the share.

FORFEITURE OF SHARES

- 35 If any member fails to pay the whole or any part of any call or installment of a call on or before the day appointed for the payment thereof, the Directors may at any time thereafter, during such time as the call or installment or any part thereof remains unpaid, serve a notice on him or on the person entitled to the share by transmission requiring him to pay such call or installment, or such part thereof as remains unpaid, together with interest at such rate not exceeding 10 percent per annum as the Directors shall determine, and any expenses that may have accrued by reason of such non payment.
- 36 The notice shall name a further day (not earlier than the expiration of fourteen days from the date of the notice) on or before which such call or installment, or such part as aforesaid, and all interest expenses that have accrued by reason of such non-payment, are to be paid. It shall also name the place where payment is to be made, and shall state that, in the event of non-payment at or before the time and at the place appointed, the shares in respect of which such call was made will be liable to be forfeited.
- 37 If the requisition of any such notice as aforesaid is not complied with, any share in respect of which such notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Directors to that effect. A forfeiture of shares shall include all dividends in respect of the shares not actually paid before the forfeiture, notwithstanding that they shall have been declared.
- 38 When any share has been forfeited in accordance with these Articles, notices of the forfeiture shall forthwith be given to the holder of the share or to the person entitled to the share by transmission, as the case may be, and an entry of such notice having been given, and of the forfeiture with the date thereof, shall forthwith be made in the register of members opposite to the share; but the provisions of this Article are directory only, and no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.

- 39 Notwithstanding any such forfeiture as aforesaid, the Directors may, at any time before the forfeited share has been otherwise disposed of, annual the forfeiture, upon the terms of payments of all calls and interest due thereon and all expenses incurred in respect of the share and upon such further terms (if any) as they shall see fit.
- 40 Every share which shall be forfeited may be sold, re-allotted, or otherwise disposed of, either to the person who was before forfeiture the holder thereof, or entitled thereto, or to any other person, upon such terms and in such manner as the Directors shall think fit, and the Directors may, if necessary, authorize some person to transfer the same to such other person as aforesaid.
- 41 A shareholder whose shares have been forfeited shall, notwithstanding, be liable to pay to the Company all calls made and not paid on such shares to the time of forfeiture, and interest thereon to the date of payment, in the same manner in all aspects as if the shares had not been forfeited, and to satisfy all (if any) the claims and demands which the Company might have enforced in respect of the shares at the time of forfeiture without any deduction or allowance for the value of the shares at the time of forfeiture.
- 42 The forfeiture of a share shall involve the extinction at the time of forfeiture of all interest in and all claims and demands against the Company in respect of the share, and all other rights and liabilities incidental to the share as between the shareholder whose share is forfeited and the Company, except only such of those rights and liabilities as are by these Articles expressly saved, or as are by the Act given or imposed in the case of past members.
- 43 A statutory declaration in writing that the declarant is a Director of the Company, and that a share has been duly forfeited in pursuance of these Articles, and stating the date upon which it was forfeited shall, as against all persons claiming to be entitled to share adversely to the forfeiture thereof, be conclusive evidence of the facts therein stated, and such declaration shall constitute a good title to the share, and (subject to the execution of any necessary transfer) such person shall be registered as the holder of the share and shall be discharged from all calls made prior to such sale or disposition and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any act, omission or irregularity relating to or connected with the proceedings in reference to the forfeiture, sale re-allotment or disposal of the share.

ALTERATIONS OF CAPITAL

- 44 The Company may from time to time by ordinary Resolution:

- (a) consolidate and divide its share capital into shares of larger amount than its existing shares, or
- (b) cancel any shares not taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled;
- (c) Divide its share capital or any part thereof into shares of smaller amounts than is fixed by its Memorandum of Association by sub-division of its existing shares or any of them, subject nevertheless to the provisions of the Act.

And by Special Resolution:

- (a) Reduce its share capital or any capital redemption reserve or share premium account in any manner authorised and subject to any conditions prescribed by the Act.
45. (1) The Company in General Meeting may from time to time whether all the shares for the time being authorised shall have been issued or all the shares for the time being issued shall have been fully called up or not, increase its share capital by the creation of new shares, such new capital to be of such amount and to be divided into shares of such respective amounts and (subject to any special rights for the time being attached to any existing class of shares) to carry such preferential, deferred or other special rights (if any), or to be subject to such conditions or restrictions (if any), in regard to dividend, return of capital, voting or otherwise, as the General Meeting resolving upon such increase directs.
- (2) Subject to the provisions of Section 61 of the Act the Company may:
- (i) issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or the shareholder on such terms and in such manner as shall satisfy the conditions in section 61 of the Act.
 - (ii) purchase its own shares (including any redeemable shares):
 - (iii) make a payment in respect of any such redemption or purchase of any of its own shares otherwise than out of distributable profits of the Company or the proceeds of a fresh issue of shares.
46. Subject to any discretion to the contrary that may be given by the Company in General Meeting all shares authorised pursuant to Article 8 hereof to be allotted shall be offered to the members in proportion to

the existing shares held by them and such offer shall be made by notice in writing specifying the number of the shares to which the member is entitled and limiting a time (being not less than 21 days) within which the offer if not accepted will be deemed to have been declined, and after the expiry of such time or upon receipt of an intimation from the member to whom such notice is given that he declines to accept the share offered, the Directors may, subject to these Articles, allot or otherwise dispose of the same to such persons and upon such shares as aforesaid which, by reason of the proportion borne by them to the number of persons entitled to any such offer as aforesaid or by reason of any other difficulty in apportioning the same, cannot in the opinion of the Directors be conveniently offered in the manner herein before provided.

47. Except so far as otherwise provided by or pursuant to these Articles or by the conditions of issue, any new share capital shall be considered as part of the original ordinary share capital of the Company, and shall be subject to the same provisions with reference to the payment of calls, lien, transfer, transmission, forfeiture and otherwise as the original share capital.

MODIFICATION OF RIGHTS

48. Subject to the provisions of the Act if at any time the share capital of the Company is divided into different classes of shares, the rights or privileges for the time being attached to any class of shares may (notwithstanding that the Company may be or be about to be in liquidation) be varied or abrogated with the consent writing to the holders of three-fourths in nominal value of the issued shares of that class. To any such separate general meeting all the provisions of these Articles relating to General Meetings shall apply provided always that the necessary quorum at any such meeting other than an adjourned meeting shall be two persons holding or representing by proxy at least one-third in nominal value of the issued shares of the class in question and at an adjourned meeting one person holding shares of the class in question or his proxy and provided that any holder of shares of the class in question present in person or proxy may demand a poll.

GENERAL MEETINGS

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

Provided that so long as the Company shall hold its first annual general meeting within eighteen months of its incorporation, it need not hold it in the year of its incorporation or in the following year. The

annual general meeting shall be held at such time and place as the Directors shall appoint.

50. All General Meetings other than annual general meetings shall be called extraordinary general meetings.
51. The Directors may, whenever they think fit, convene an extraordinary general meeting, and extraordinary general meetings shall also be convened on such requisition, or, in default, may be convened by such requisitions, as provided by Section 134 of the Act.

NOTICE OF GENERAL MEETINGS

52. Every general meeting will be called by twenty-one days' notice in writing at the least. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, the day and the hour of the meeting and the nature of any special business that is to be transacted, and shall be given, in manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the company in general meeting, to such persons as are, under the regulations of the Company, entitled to receive such notices from the Company.

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

- (a) in the case of a meeting called as the annual general meeting, by all the members entitled to attend and vote thereat: and
 - (b) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than 95 percent in nominal value of the shares giving that right.
53. ~~The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.~~

PROCEEDINGS AT GENERAL MEETINGS

54. All business shall be deemed special that is transacted at an Extraordinary General Meeting, and all that is transacted at an Annual General Meeting shall also be deemed special, with the exception of declaring a dividend, the consideration of the accounts and balance sheets and the reports of the Directors and Auditors, and any other documents accompanying or annexed to the balance sheets, the election of Directors in place of these retiring and the appointment and fixing of the remuneration of the Auditors.

55. No business shall be transacted at any General Meeting unless a quorum is present when the meeting proceeds to business. Save as herein otherwise provided, two members present in person or by proxy shall be a quorum.
56. If within half an hour from the time appointed for the holding of a General Meeting, a quorum is not present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week at the same time and place or to such time and place as the Directors may determine and if at such adjourned meeting a quorum is not present within half an hour from the time appointed for holding the meeting, the members present shall be a quorum.
57. The Chairman (if any) of the Board of Directors shall preside at every General Meeting, but if there be no such Chairman, or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding the same, or shall be present but unwilling to act as Chairman, the members present shall choose some Director, or if no Director be present, or if all the Directors decline to take the chair, they shall choose some member present to be Chairman of the Meeting.
58. The Chairman of any meeting at which a quorum is present may, with the consent of the meeting, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place as the meeting shall determine. Whenever a meeting is adjourned for fourteen days or more, notice of the adjourned meeting shall be given in the same manner as in the case of an original meeting. Save as aforesaid, no member shall be entitled to any notice of an adjournment or of the business to be transacted at an adjourned meeting. No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.
59. At all General Meetings a resolution put to the vote of the meeting shall be decided on a show of hands, unless before or upon the declaration of the result of the show of hands a poll be demanded by the Chairman or by at least two persons for the time being entitled to vote rights of all the members having the right to vote at the meeting, or by a member or members holding shares conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.
60. Subject as provided in Article 61, if a poll be demanded in manner aforesaid, it shall be taken in such manner, as the Chairman shall

direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

61. No poll shall be demanded on the election of a Chairman of a meeting, or on any question of adjournment.
62. In the case of any equality of votes, whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to a casting vote in addition to any other vote he may have.
63. The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business, other than the question on which a poll has demanded.

VOTES OF MEMBERS

64. Subject to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hands every member present in person shall have one vote, and on a poll every member shall have one vote for each share of which he is the holder.
65. A member in respect of whom an order has been made by any Court having jurisdiction (whether in Tanzania or elsewhere) in matters concerning mental disorder may vote whether on a show of hands or on a poll by his receiver, curator bonis or other person authorised in that behalf appointed by that Court, and such last-mentioned persons may give their votes either personally or by proxy.
66. If two or more persons are jointly entitled to a share, then in voting upon any question the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other holders of the share, and for this purpose seniority shall be determined by the order in which the names stand in the register of members.
67. Save as herein expressly provided, no member other than a member duly registered who shall have paid everything for the time being due from and payable to the Company in respect of his shares shall be entitled to vote on any question either personally or by proxy, or to be reckoned in a quorum at any General Meeting.
68. Votes may be given either personally or by proxy. On a show of hands a member (other than a corporation) present only by proxy shall have no vote, but a proxy for or representative of a corporation may vote on a show of hands. A proxy need not be a member.
69. The instrument appointing a proxy shall be in writing under the hand of appointer or of his attorney duly authorised in writing, or if such appointer is a corporation under its common seal, if any, and, if none,

then under the hand of some officer duly authorised in that behalf. An instrument appointing a proxy to vote at a meeting shall be deemed to include the power to demand or concur in demanding a poll on behalf of the appointer.

70. The instrument appointing a proxy, together with the power of attorney (if any) under which it is signed or a notarially certified or office copy thereof, shall be deposited at the office at least forty eight hours before the time appointed for holding the meeting or adjourned meeting at which the person named in such instrument proposes to vote, or in the case of a poll not less than twenty-four hours before the appointed for taking the poll and in default the instrument of proxy shall not be treated as valid.

71. Any instrument appointing a proxy shall be in the following form with such variations (if any) as circumstances may require or the Directors may approve:

“..... LIMITED”

I, of....., a member ofLIMITED, Hereby appoint ofto vote for me and on my behalf at the [Annual, Extraordinary or Adjourned, as the case may be] General Meeting of the Company to be held on theday of and at Every adjournment thereof.

As witness my hand thisday of20...”.

72. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the Chairman whose decision shall be final and conclusive.

73. A vote given or poll demanded by proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice of the determination was received by the Company at the Registered Office before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.

74. Subject to the provisions of the Act, a resolution in writing signed by all the members for the time being entitled to receive notice of and to attend and vote at General Meetings (or being corporations by their duly authorised representatives) shall be as valid and effective as if the same had been passed at a General Meeting of the Company duly

convened and held and may consist of several instruments in the like form each executed by or on behalf of one or more members.

DIRECTORS

75. Unless and until otherwise determined by the Company in General Meeting, the number of the Directors shall not be less than two.
76. The remuneration of the Directors shall from time to time be determined by the Company in General Meeting. Unless otherwise directed by the resolution by which it is voted, any such remuneration shall be divided amongst the Directors as they may agree, or, failing agreement, equally. The Directors shall also be entitled to be repaid all traveling, hotel and other expenses properly incurred by them respectively in or about the performance of their duties as Directors, including their expenses of traveling to or from Board Meetings. If by arrangement with other Directors any Director shall perform or render any special duties or services outside his ordinary duties as a Director, the Directors may pay him special remuneration, in addition to his ordinary remuneration, and such special remuneration may be by way of salary, commission or participation in profits, or by any or all of those modes, or otherwise as may be arranged.
77. The office of a Director shall be vacated:
- (a) If he ceases to be a Director by virtue of any provision of the Act or he becomes prohibited by law from being a Director.
 - (b) If a receiving order is made against him or he makes any arrangement or composition with his creditors.
 - (c) If he becomes of unsound mind and either he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Diseases Act (Cap.98) or an order is made by a Court having jurisdiction (whether in the Tanzania or elsewhere) in matter concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs.
 - (d) If he absents himself from the meetings of the Board during a continuous period of six months without special leave of absence from the Directors, and they pass a resolution that he has by reason of such absence vacated his office.
 - (e) If by notice in writing given to the Company he resigns his office.

POWERS AND DUTIES OF DIRECTORS

78. The business of the Company shall be managed by the Directors, who may pay all such expenses of and preliminary and incidental to the promotion, formation, establishment and registration of the Company as they think fit, and may exercise all such powers of the Company, and do on behalf of the Company all such acts as may be exercised and done by the Company, and as are not by the Act or these Articles required to be exercised or done by the Company in General Meeting subject nevertheless to any regulations of this Articles, to the provisions of the Act to any directors given by special resolution but no alteration of the Articles and no such direction shall invalidate any prior act of the Directors which would have been valid if such alteration had not been made or that direction had not been give.
79. The Directors may borrow or raise from time to time for the purpose of the Company or secure the payment of such sums as they think fit, and may secure the repayment or payment of any such sums by mortgage or charge upon all or any of the property or assets of the Company or subject (in the case of any security convertible into shares) to the provisions of Article 8, by the issue of debentures, debenture stock and other securities as they may think fit. (Provided that the amount for the time being remaining undischarged of monies borrowed, raised or secured by the Directors shall not at any time exceed (twice the nominal amount of the issued share capital for the time being of the Company) without the sanction of the Company in General Meeting; but no lender shall be bound to see that this limit is observed.
80. Subject to the provisions of the Act, the Directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any Director or former Director who has held any executive office or employment with the Company or to his widow or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.
81. The continuing Directors may act at any time notwithstanding any vacancy in their body; provided always that in case the Directors shall at any time be reduced in number to less than the minimum number prescribed by or in accordance with these Articles, it shall be lawful for them to act as Directors for the purpose of filling up vacancies in their body, or of summoning a General Meeting of the Company, but not for any other purpose.
82. (a) Subject to the provisions of the Act a Director notwithstanding his office may contract with, be a party to, or otherwise interested in any contract or proposed contract or arrangement with the Company or in which the company is otherwise interested and shall not be liable to account for any profit or

other benefit derived by him by reason of any such matter and no such contract, proposed contract, transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit. Provided that the nature and extent of the interest of the Director be declared at a meeting of the Directors in full compliance with section 209 of the Act.

- (b) For the purposes of paragraph (a) a general notice given to the Directors at such meeting by a Director to the effect either that he is a member of a specified company or firm and is to be regarded as interested in any contract, transaction or arrangement which may, after the date of the notice, be made with the specified person who is connected with him shall be sufficient declaration of interest in relation to any such contract, transaction or arrangement.
- (c) A Director may vote at a meeting of the Directors or of a committee of Directors upon any resolution concerning a contract, proposed contract, transaction or arrangement in which he has, whether directly or indirectly, an interest or upon any matter arising therefrom, and if he shall so vote his vote shall be counted and he shall be taken into account in determining whether a quorum is present at such meeting.

PROCEEDINGS OF DIRECTORS

- 83. The Directors may meet together for the dispatch of business, adjourn and regulate their meetings in accordance with these Articles and otherwise as they think fit.
- 84. The Directors may, and on the request of a Director the Secretary shall, at anytime summon a meeting of the Directors, Notice of a meeting of Directors shall be given to all Directors.
- 85. The Board shall act by majority vote only.
- 86. The Chairman shall be one and shall not have a casting vote.
- 87. At any Board Meeting the Directors present shall each be entitled to cast one vote each.
- 88. (a) A Director (other than an alternate Director) may from time to time by notice in writing to the Company appoint any Director or any person approved by his co-Directors to act as an alternate Director at any meeting of the Board from which he is himself absent, and may in like manner remove any person so appointed from office.

- (b) An alternate Director appointed under this Article shall not be entitled to any remuneration from the Company, but he shall be entitled, while holding office as such, to receive notice of all meetings of Directors and of all meetings of committees of Directors of which his appointer is a member and to attend and vote thereat in place of and in the absence of the Director appointing him.
 - (c) Such alternate Director shall cease to be an alternate Director if his appointer ceases to be a Director; but if a Director retires by rotation or otherwise but is re-appointed or deemed to have been re-appointed at the meeting at which he retires, an appointment of an alternate Director may by him which was in force immediately prior to his retirement shall continue after his re-appointment.
 - (d) An alternate Director shall be deemed for all purposes (save for the appointment of an alternate Director under this Article) a Director and shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the Director appointing him.
 - (e) A person who holds office only as an alternate Director shall, if his appointer is not present, be taken into account in reckoning a quorum at any meeting of the Directors or any committee of the Directors.
89. The Directors may delegate any of their powers to committees consisting of such member or members of their body, as they think fit. Any committees so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Directors.
90. The Directors shall cause proper minutes to be made of all General Meetings of the Company and proper records to be kept of all Written Resolutions (and of signatures) and also of all appointments of officers, and of proceedings of all meetings of Directors and committees, and of the attendances thereat, and all business transacted at such meetings. All such minutes and records (and signatures) shall be entered in books provided for the purpose. Any such record of a Written Resolution (and of the signatures) purporting to be signed by a Director or by the Secretary shall be evidence of the proceedings in agreeing to a Written Resolution and until the contrary is proved the requirements of the Act with respect to those proceedings shall be deemed to be complied with and any such minutes of any such meeting, if purporting to be signed by the Chairman of such meeting, shall be conclusive evidence without any further proof of the facts therein stated.

91. A resolution in writing signed by all the Directors for the time being entitled to receive notice of a meeting of the Directors or of a committee of Directors shall be as valid and effective for all purposes as a resolution passed at a meeting of the Directors or (as the case may be) a committee of Directors duly convened, held and constituted and may consist of several documents in the like form each signed by one or more Directors.

THE COMMON SEAL

92. The Company's common seal shall not be affixed to any instrument except by the authority of a resolution of the Board of Directors, and in the presence of at least one Director and of the Secretary, and such Director and the Secretary shall sign every instrument to which the common seal shall be affixed in their presence, and in favour of any purchaser or person bona fide dealing with the Company such signatures shall be conclusive evidence of the fact that the common seal has been properly affixed.

SECRETARY

93. The Secretary shall be appointed by the Directors for such term, at such remuneration and upon such conditions as they may think fit, and any Secretary so appointed may be removed by them.
94. No person shall be appointed or hold office as Secretary who is:
- (a) the sole Director of the Company; or
 - (b) a corporation the sole Director of which is the sole Director of the Company;
 - (c) the sole Director of a corporation which is the sole Director of the Company.
- ~~95. A provision of the Act or these presents requiring or authorizing a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, the Secretary.~~

DIVIDENDS AND RESERVE FUNDS

96. Subject to any rights or privileges for the time being attached to any shares in the capital of the Company have preferential, deferred or other special rights in regard to dividends, the profits of the Company which it shall from time to time be determined to distribute by way of dividend shall be applied in payment of dividends upon the shares of the Company in proportion to the amounts paid up thereon respectively otherwise than in advance of calls.

97. If any share is issued on terms providing that it shall rank for dividend as from a particular date that share rank for dividend accordingly.
98. Subject to the provisions of the Act, the Company in General Meeting may from time to time declare dividends, but no such dividend shall exceed the amount recommended by the Directors.
99. Subject to the provisions of the Act, the Directors may pay interim dividends if it appears to them that they are justified by the profits of the Company available for distribution. If the share capital is divided into different classes of shares, the Directors may pay interim dividend on shares which confer deferred or non-deferred rights with regard to dividend as well as on shares which confer preferential rights with regard to dividends, but no interim dividend shall be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrears. The Directors may also pay at intervals settled by them any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment. Provided the Directors act in good faith they shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any shares having deferred or non-deferred rights.
100. With the sanction of a General Meeting, dividends may be paid wholly or in part in specie, and may be satisfied in whole or in part by the distribution amongst the members in accordance with their rights of fully paid shares, stock or debentures or any other property or assets suitable for distribution as aforesaid. The Directors shall have full liberty to make all such valuations, adjustments and arrangements, and to issue all such certificates or documents of title as may in their opinion be necessary or expedient with a view to facilitating the equitable distribution amongst the members of any dividends or portions of dividends to be satisfied as aforesaid or to giving them the benefit of their proper shares and interests in the property, and no valuation, adjustment or arrangement so made shall be questioned by any member.
101. The Directors may, before recommending any dividend set aside out of the profits of the company such sums as they think proper to a reserve fund or reserve account, which shall at the discretion of the Directors be applicable for any purpose for which the profits of the Company may lawfully be applied. The Directors may also from time carry forward such sums, as they may deem expedient in the interests of the Company.
102. The Directors may deduct from any dividend or other monies payable in respect of any shares held by a member, either alone or jointly with any other member, all such sums of money (if any) as may be due and

payable by him either alone or jointly with any other person to the Company on account of calls or otherwise in relation to the shares of the Company.

103. Any dividend, installment or dividend or interest in respect of any shares may be paid by cheque or warrant payable to the order of the member entitled thereto, or (in the case of joint holders) of that member whose name stands first on the register in respect of the joint holding.
104. Every such cheque or warrant shall (unless otherwise directed) be sent by post to the last registered address of the member entitled thereto, and the receipt of the person whose name appears on the register of members as the holder of any share, or, in the case of joint holders, of any one of such holders, or of his or their agent duly appointed in writing, shall be a good discharge to the Company for all dividends or other payments made in respect of such share. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.
105. No dividend or other monies payable in respect of a share shall bear interest as against the Company unless otherwise provided by the rights attached to the share.
106. Any dividend which has remained unclaimed for twelve years from the date when it became due for payment shall, if the Directors so resolve, be forfeited and cease to remain owing by the Company.

CAPITALISATION OF RESERVES, ETC.

107. The Company in General Meeting may upon the recommendation of the Directors resolve that it is desirable to capitalize any undivided profits of the Company (not being required for the payment or provision of any fixed preferential dividend) standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution and accordingly that such sum ~~beset free for distribution amongst the members who would have been entitled thereto if the same had been distributed by way of dividend and in the same proportions on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such members respectively or paying up in full unissued shares or debentures of the Company to be allotted and distributed credited as fully paid up to and amongst such members in the proportion aforesaid, or partly in the one way and partly in the other and the Directors shall give effect to such resolution. Provided always that an amount standing to the credit of a share premium account or capital redemption reserve may, for the purposes of this Article, only be~~

applied in the paying up of unissued shares to be allotted to members of the Company as fully paid bonus shares.

108. The Company in General Meeting may upon the recommendations of the Directors resolve that it is desirable to capitalize any part of the amount for the time being standing to the credit of any reserve account of the Company or its profit and loss account which is not available for distribution by applying such sum in paying up in full unissued shares to be allotted as fully paid bonus shares to those members of the Company who would have been entitled to that sum if it were distributed by way of dividend and in the same proportions and the Directors shall give effect to such resolution.
109. Whenever a resolution is passed in pursuance of Article 109 or 110 the Directors shall make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid shares or debentures, if any, and generally shall do all acts and things required to give effect thereto. Where any difficulty arises in respect of any such distribution the Directors shall settle the same as they think expedient, and in particular they may issue fractional certificates, fix the value for distribution of any fully paid up shares or debentures, make cash payments to any shareholders on the footing of the value so fixed in order to adjust rights, and vest any such shares or debentures in trustees upon such trusts for or for the benefit of the persons entitled to share in the appropriation and distribution as may seem just and expedient to the Directors. When deemed requisite the Directors may authorize any person to enter on behalf of all the members concerned into an agreement with the Company providing for the allotment to them respectively, credited as fully paid, if any shares or debentures to which they are entitled upon such capitalization, any agreement made under such authority being binding on all such members.

ACCOUNTS

110. The Directors shall cause accounting records to be kept in accordance with the provisions of the Act.
111. The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounting records of the Company, or any of them, shall be open to the inspection of members, and no member (other than an officer of the Company) shall have any right of inspecting any of the accounting records of the Company except as conferred by the Act authorised by the Directors or by a resolution of the Company in General Meeting. The Company's accounting records shall at all times be open to inspection by the officers of the Company.

112. The Directors shall from time to time in accordance with the provisions of the Act cause to be prepared and to be laid before the Company in General Meeting such Profit and Loss Accounts, Balance Sheets, Group Accounts (if any) and reports as required by the Act.
113. A copy of every Balance Sheet (including every document required by law to be annexed thereto) which is to be laid before the Company in General Meeting, together with a copy of the auditors' report, shall not less than twenty-one days before the date of the meeting be sent to all persons entitled to receive notices of General Meetings of the Company.

AUDIT

114. Once at least in every year the accounts of the Company shall be examined, and the correctness of the Profit and Loss Account and Balance Sheet ascertained by one or more properly qualified Auditor or Auditors.
115. The appointment, powers, rights, remunerations and duties of the Auditors shall be regulated by the provisions of the Act relating thereto.

NOTICES

116. Any notice to be given pursuant to these Articles shall be in writing and may be served by the Company upon any member either personally or by sending it through the post in a prepaid letter addressed to such member at his registered address as appearing in the register of members or by leaving at that address.
117. All notices directed to be given to the members shall, with respect to any share to which persons are jointly entitled, be given to whichever of such persons is named first in the register of members, and any notice so given shall be sufficient notice to the holders of such share.
118. Any member described in the register of members by an address not within Tanzania, who shall from time to time give the Company an address within Tanzania at which notices may be served upon him, shall be entitled under these Articles if he had a registered address within Tanzania, but, save as aforesaid, and as provided by the Act, only those members who are described in the register of members by an address within Tanzania shall be entitled to receive notices from the Company.
119. Every person who becomes entitled to a share shall be bound by any notice in respect of that share which, before his name is entered in the Register of Members, has been duly given to a person from whom he derives his title.

120. A notice may be given by the Company to the persons entitled to any share in consequence of the death or bankruptcy of a member by sending it through the post in a prepaid letter addressed to them by name or by the title of representatives or trustees of such deceased or bankrupt member, at the address (if any) in Tanzania supplied for the purpose by such persons as aforesaid, or (until such an address has been supplied) by giving the notice in the manner in which the same would have been given if the death or bankruptcy had not occurred.
121. Any notice or other document, if served or sent by post, shall be deemed to have been served or delivered at the expiration of 48 hours from the time when the envelope containing the same was posted and in any other case at the time at which the letter would be delivered in the ordinary course of post.

REDEMPTIONS

122. (1) The Company may, at any time, give to each member not less than two weeks' notice of its intention to redeem any part (but not all) of the redeemable preference shares then in issue (a "Redemption Notice").
- (2) Any Redemption Notice shall be in writing and shall specify the date fixed for redemption ("the Redemption Date"), the number of redeemable preference shares of each holder to be redeemed on the Redemption Date and the amount payable on redemption of each redeemable preference share to be redeemed.
- (3) The amount payable on redemption in respect of each redeemable preference share to be redeemed shall be such amount as shall be determined by the Directors.
- (4) If any share certificates have been issued in respect of redeemable preference shares to be redeemed then, on each Redemption Date the holders of the redeemable preference shares to be redeemed who have share certificates in respect of such redeemable preference shares shall be bound to deliver to the Company the certificate of such redeemable preference shares for cancellation, and thereupon the Company shall pay to (or to the order of) such holders the amounts payable in respect thereof and such payment shall be made through a bank if the Company shall think fit. If any certificate delivered to the Company shall include redeemable preference shares not redeemed on the occasion for which it is so delivered, the Company shall forthwith issue without charge a fresh certificate for such redeemable preference shares.
- (5) Redemption of redeemable preference shares shall be made pro-rata to the holdings of the holders of redeemable preference

shares and the amounts payable on redemption shall be provided out of the share premium account of the Company and/or the profits and reserves of the company which may lawfully be utilized to redeem the redeemable preference shares or the proceeds of a fresh issue of shares. Such profits shall not include unrealized capital profits.

- (6) Redeemable preference shares shall not be redeemable at the option of the holders of such redeemable preference shares.

UNTRACEABLE MEMBERS

123. (1) The Company shall be entitled to sell at the best price reasonably obtainable any share of a member or any share to which a person is entitled by transmission on death or bankruptcy if and provided that:
- (a) for a period of six years no cheque or warrant sent by the Company through the post in a pre-paid letter addressed to the member or to the person so entitled to the share at his address in the Register or otherwise the last known address given by the member or the person entitled by transmission to which cheques and warrants are to be sent has been cashed and no communication has been received by the Company from the member or the person so entitled provided that in any such period of six years the Company has paid at least three dividends whether interim or final;
 - (b) the Company has at the expiration of the said period of six years by advertisement in two national daily newspapers and in a newspaper circulating in the area in which the address referred to in paragraph (1) above is located given notice of its intention to sell such share;
 - ~~(c) the Company has not during the period of three months after the date of the advertisement and prior to the exercise of the power of sale received any communication from the member or person so entitled: and~~
 - (d) if any part of the share capital of the Company is quoted on any stock exchange of the Company has given notice in writing to the quotations department of such stock exchange of its intention to sell such shares.
- (2) To give effect to any such sale the Directors may appoint any person to execute as transferor an instrument of transfer of the said shares and such instrument of transfer of the said shares

shall be as effective as if it had been executed by the registered holder of, or person entitled by transmission to, such shares and the title of the purchaser or other transferee shall not be effected by any irregularity or invalidity in the proceedings relating thereto. The net proceeds of sale shall belong to the company which shall be obliged to account to the former member or other person previously entitled as aforesaid for an amount equal to such proceeds and shall enter the name of such former member or other person in the books of the Company as a creditor for such amount. No trust shall be created in respect of the debt, no interest shall be payable in respect of the same and the company shall not be required to account for any money earned on the net proceeds, which may be employed in the business of the Company or invested in such investments (other than shares of the Company or its holding company if any) as the Board may from time to time think fit.

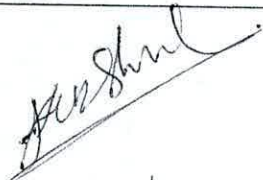

WINDING UP

124. (1) If the Company shall be wound up the liquidator shall apply the assets of the Company in satisfaction of creditors' claims in such manner and order as he thinks fit.
- (2) The assets available for distribution among the members shall then be applied in the following priority:
- (a) First, in the payment to the holders of redeemable preference shares in respect of each redeemable preference share held by them of a sum equal to the nominal value and share premium paid on each redeemable preference share at the time of allotment to the extent that there are sufficient assets available to enable such payment to be made;
 - (b) Second, in the payment to the holders of the ordinary shares ~~in respect of each ordinary share held by them of a sum equal to the nominal value of each such ordinary share to the extent that there are sufficient assets available to enable such payment to be made; and~~
 - (c) Third, the surplus assets of the Company (if any) shall be divided among the members.
125. If the Company shall be wound up the liquidator may, with the sanction of an extraordinary resolution of the Company and any other sanction required by the Act, divide amongst the members in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose set such value as he deems fair upon any property to be

divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, shall think fit, but so that no member shall be compelled to accept, any shares or other securities whereon there is any liability.

INDEMNITY

Subject to the provisions of the Act but without prejudice to any indemnity to which a Director may otherwise be entitled, every Director or other officer or Auditor of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgment is given in his favour or in which he is acquitted or in connection with any application in which relief is granted to him by the Court from liability for negligence, default, breach of trust in relation to the affairs of the Company.

Name, Address and Description of Subscribers	Number of Shares Taken by each Subscriber	Signature of Subscribers
KAUSHAL HASMUKHBHAI JOSHI. P. O. BOX 42631 DAR ES SALAAM	15,000	
NITINKUMAR CHHAGANBHAI LAD P. O. BOX 42631 DAR ES SALAAM	15,000	

Dated at Dar es Salaam this.....¹².....day of January 2014

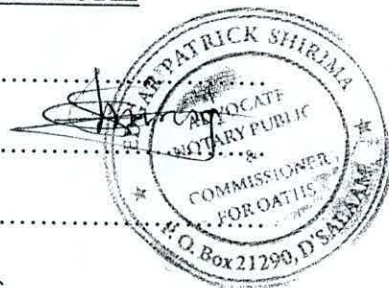
WITNESS TO THE ABOVE SIGNATURE

Full Name:

Signature:

Postal Address:

Qualification : Notary Public



TULIP STEEL AND ENGINEERING LIMITED

A BUSINESS PLAN PROJECT FOR STEEL MILL AND IRON MILL

Prepared by:
TULIP STEEL AND ENGINEERING LIMITED
DAR ES SALAAM

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1. INTRODUCTION

1.1 FOREWORD

A tile is a manufacture piece of hard- wearing material such as ceramic, stone, matel, or even glass. Tiles are generally used for covering roofs, floors and walls, showers, or other objectives such as tabletops. Alternatively, tile can sometimes refer to similar units made from lightweight material such as perlite, wood and mineral wool, typically used for wall and ceiling applications. Less precisely, the modern term can refer to any sort of construction tile or similar object, such as rectangular counters used in playing games. The word is derived from the French word tuile, which is in turn from the Latin word tegula, meaning a roof tile composed of baked clay.

Tiles are often used to form wall and floor coverings, and can from simple square tiles to complex mosaics. Tiles are most often made from ceramic, with a hard glaze finish, but other materials are also commonly used, such as glass, marble, granite, slate and reformed ceramic slurry, which is cast in a mould and fired.

Roof tiles are designed mainly to keep out rain, and are traditionally made from locally available material such as clay or slate. Modern materials such as concrete and plastics are also used and some clay tiles have a waterproof glaze. A large number of shapes (or 'profiles') of roof tiles have evolved. These include

- Flat tiles- the simplest type , which is laid in regular overlapping rows, .The profile of flat tiles is suitable for stone and wooden, tiles and most recently, solar cells.
- Imbrex and tegula, an ancient Roman patten of curved and flat tiles that make rain channels on a roof.
- Roman tiles- flat in the middle , with a concave curve at one end a convex curve at the other to allow interlocking
- Pantiles with an S-shaped profile, allowing adjacent tiles to interlock. These result in a ridged pattern resembling a ploughed field
- Mission or barrel tiles are semi-cylindrical tiles made by forming clay around a curved surface, often a log or one's thigh, and laid in alternating columns of convex and concave tiles.

Roof tiles are 'hung' from the framework of roof by fixing them with nails, The tiles are usually hung in parallel rows, with each row overlapping the row below it to exclude rainwater and to cover the nails that hold the row below. These are also roof tiles for special positions, particularly where the planes of the several pitches meet .They include ridge, hip and valley tiles.

The most important part of any home or building is the roof over one's head. Pre- painted , galvanized steel Roofing .Tiles comprise a core of galvanized steel with polyester paint coating offering the appearance of traditional; clay tiles and thus enhancing the beauty of any property. This is applicable in

various areas such as residential villas, beach houses and factories. Such tiles provide following advantages to users:

- Extremely strong despite its light weight
- Resembling traditional clay roofing tiles
- Suitable for both commercial and residential applications
- Availability in different colours
- Paint will not crack, peel or blister
- Exceptional durability
- Easy Installation
- Low maintenance

1.2 OBJECTIVES OF THE STUDY

The purpose of this Feasibility Study is to work out the technical and commercial details and the financial viability for the establishment of steel mill and iron mill at location within Dar es Salaam Region

1.3 PROJECT PROMOTERS

The following sponsors are promoting the proposed project

S/NO	NAME AND ADDRESS OF SHAREHOLDER	SHERES HELD	% SHARE HOLDING
1	KAUSHAL HASMUKHBHAI JOSHI P O BOX 42631 DAR ES SALAAM	15,000	50
2	NITINKUMAR CHHAGANBHAI LAD P O BOX 42631 DAR ES SALAAM	15,000	50

The current shareholders of the Company have a wealth of experience managing businesses in various sectors including transportation. They are keen to exploit such experience to make this project a success.

EXECUTIVE SUMMARY

2.1 INTRODUCTION

The Study examines the possibility of establishing a project to establish a steel mill and iron mill and initially cater for the local Market in Tanzania. The promoters target to achieve status of being world leaders in steel production and technology .The Company's product range will include a variety of roof profiles to complement much different home style. Recognition of market needs and demands will be the hallmark of the anticipated success in provision of roofing solutions.

The project will be property developed using leading edge techno to enable the Haut International (Tanzania) Ltd to enjoy rapid expansion in all target markets as more and more homeowners continue to appreciate the benefits of its roof. The company will develop the capability to produce roof styles to suit every market.

Achieving a good looking product is not enough in competitive markets. It is innovative design and consistency in the manufacturing process that will earn the company's roofing systems an international reputation for excellence. Development of specialized surface coatings and pressing technology is expected to contribute in positioning the company as leader in steel roof tiles. All operations will have latest ISO accreditation, reassuring customers of products designed to meet all their needs and produces to consistently high quality standards

Founders of Haut, International (Tanzania) Limited have enjoyed a proud history and the future looks even brighter for the proposes project. The new company intends to lead in the worldwide trend towards using steel as a roofing substrate as we progress through the 21st century.

Selecting any building product is process fraught with potential problems. Not only does one need to satisfy oneself that the product is valid for the application, one must also be totally confident that the product is reputable, reliable and well established. The Company that its products will evolve into one of the sturdiest and most attractive roofing system available on the market .The following are reasons why one should select the company's roofing tiles and products

- **Strong Foundations**

A Strict code of professionalism, quality and service will place the company at the top of the roofing business, and our regulation will be steadily extended through the obvious satisfaction of builders and homeowners alike.

- **Strong On Looks**

The Company will manufacture several roofing system. Its range of roof tiles will of superb structural integrity and immaculate appearance .The factory will maintain high quality standards certified to universally recognized criteria.

- **Strong in Design**

Each steel based tile will be designed and manufactured for strength. The unique overlapping system and fixing technique will provide not only a leak proof roof, but also a form of burglar proofing. All tiles will be available in galvanized mild steel substrate or alternatively in Alu- Zinc coated mild steel for added long term corrosion resistance

- **Durable**

Through On- going research the acrylic coating which was developed in 1970, can now withstand high ultra- violet levels and most adverse weather conditions. The small stone granules bonded to the surface result in a truly durable finish which is unaffected by extensive weathering such as gale force winds, pelting rain and hailstorms.

- **Maintenance Free**

The tiled roof will be maintenance free, which means buyers will not have the inconvenience of fixing leaks, replacing broken tiles or repainting every few years.

- **Versatility**

The roofing product will also be superb for re-roofing easily turning your house into a prize home in just two to three days.

- **Strong on Savings**

A one- ton roof could weigh up to eight tons more in concrete ordinary tiles. This excellent weight- to- strength ratio means that, with the proposed tiles, a client will invest money in tiles and not unnecessary structure.

- **Weatherproof**

The durable, steel- based tile can withstand the impact of all the elements including the several of hailstorms. The Alu- Zinc tile option is the combination of structural protection of aluminum, and this allows for superior performance to galvanized coatings in some environments .Alu- Zine properties also provide a cooler roof material, as it is less hear absorbent

2.2 MARKET AND MARKETING ASPECTS

2.3.1 Market Demand of the Product

The steel roofing tiles we intend to manufacture will mainly support of construction industry in Tanzania. The country's construction industry, which grew by 10.5 per cent was third main driver of the economy during 2008/09. It is important to note that construction and infrastructure development activities are increasing at high pace in Tanzania

At present there are only a few companies in Tanzania which manufacture steel roofing tiles. Many of the companies are unable to deliver quality product. Our company will produce quality products, at every reasonable price. Based on our market survey, our products have a huge demand and we intend to deliver a quality product and at a reasonable price to cater to the rising demand of the products mentioned above.

2.3.2 Market Segmentation & Targets

The company will focus its market offering on two major customer groups:

- Companies with large construction projects
- Individuals constructing residential commercial buildings

Our Market survey shows that the above referred customer segments are the most demanding in terms of provision of quality roofing products and technical support. The company is particularly very strong in these areas and will utilize our capabilities to serve these clients

2.3.3 Competition & buying Patterns

Initial market survey shows presence of few companies in Tanzania which manufacture steel roofing tiles. Their weaknesses however are lack technical ability, lack of knowledge to design and develop new products and finally poor pricing. We believed that a customer will choose our product based on the following criteria.

- **Quality of Product:** The steel roofing tiles we intend to manufacture and supply will be of superior quality and complying with various international standards
- **Pricing;** The roofing tiles will be competitively priced, thus helping customer reduce their overall operating cost.
- **Performance;** The product we intend to supply will be of superior quality and will last for longer duration, which in turn will reduce maintenance cost
- **Delivery:** We will provide on time delivery, thereby reducing customer inventory and overall operating cost

2.3.4 Marketing Strategy

The company's marketing strategy will be to continue to promote sales of its produce utilizing internal and external sales tactics. By continuously interacting with customer, knowing their demand and seeking new accounts. We plan to leverage our expertise to acquire companies with product line that complement our manufacturing operations .the company's goal in next five years is to continue with our 'value added scheme' and embark on an acquisition program that will see the company take over key industry players existing in the market.

2.3.5 Sales Strategy

Haul International (Tanzania) Limited sales plan is to seek business that will advance the company's quest to vertically integrate and become a stronger force in this industry. The company will continue to strive towards procuring sales of its products and enhancing manufacturing capacity. The company will use direct sales force and relationship selling to reach its markets.

2.3 PROCESS AND TECHNOLOGY

Steel Tile metal roofing systems combine the versatility of refinished steel with the classic look of clay tile. The company's roofs will be built to withstand even the harshest climates from hurricanes to blizzards. The high- tech paint system will preserve their colour with minimal fading year after year. The tiles 'water channel seam will be designed to provide virtually leak – proof for generations to come.

2.4 LOCATION

As mentioned earlier the factory will be located at a suitable location within Dar es Salaam Region.

2.5 MANPOWER REQUIREMENTS

The whole project will comprise of a total permanent work force of 43 people and several other temporary employees. Maximum employment will be given to the local work force. The factory will be organized into three major areas namely:

Production, Marketing, Finance and Administration

2.6 IMPLEMENTATION

The project is planned to undergo two phases

Phases I: Major activities to be involved registration of the project and approvals by the Tanzania Investment Centre (TIC) and mobilization of funds from sponsors. Other activities include identification of appropriate technology, sourcing of

machinery and equipment, construction of buildings, staff recruitment and training of core personnel, Production will commence in these phases.

Phases II Will involve farther expansion of production operations and employment of staff.

2.7 PROJECT ECONOMIS

2.7.1 Capital Investment Requirements

COST STRUCTURE

PARTICULAR	AMOUNT USD
Land and Building	900,000
Plant & Machinery & Equipment	1,300,000
Motor Vehicle	200,000
Furniture & Fixture	50,000
Pre Expense	30,000
Others	20,000
Working Capital	100,000
TOTAL	2,600,000

US\$ 1- TSH 1596

2.9.2 Expenditure on basic materials and profitability

The major expenditure item is the purchase of various raw materials which are major inputs in manufacturing operations undertaken by the company. Project revenue will secure from undertaking manufacturing activities explained earlier. Based on projected revenues at sustainable levels of production the project is quite profitable

2,8 RECOMMENDATIONS

The study shows establishment of manufacturing facilities outlined is both technically and financially a feasible undertaking. Furthermore, it will create local employment for the national benefit. In view of the findings, the project is recommended for implementation.

2. INDUSTRIAL SECTOR IN TANZANIA

In the end of the 20th Century, manufacturing activities in Tanzania have exemplified a steady growth, registering average annual growth of over 4 percent, Nevertheless, manufacturing activities in Tanzania , are relatively small and at an infancy stage. Its contribution to GDP has average 8% over the last decade, with most activities concentrated on manufacture of simple consumer goods-food, beverages, tobacco, textiles and furniture and wood allied products.

Most of the present industries were established in the light of import substitution strategy, whereas production focused in substituting previously important goods in view of saving the country's meager foreign exchange.

The government decision to liberalize trade and investment policies, affected since 1986, witnessed a number of firms even those believed to be as strong, clumping down as they could barely withstand competition from important manufactures. A number of measures were taken in view of revamping competitiveness of the local industries and enhancing their penetration into export markets.

The governments starting in the early 1990s launched a deliberate programmer to restricting and privatize publicly owned enterprises .Out of this programmer some sheds of hope are now emerging. The overall utilization of installed industries capacities is improving, rising from an average of 20% in 1990 to around 50% at the turn of the 21st Century. Some of the recently industries have undergone intensive rehabilitations- improving their capital structure, production technologies and management and marketing system as well as retrenched workers to match with production levels and improved quality and lower costs of production.

The manufacturing sector is of significant importance in the Tanzania's economy, Up to 1999, the sector employed about 140,000 people or about 48% of total monthly wage earners, making it the largest urban employer. It remains to be the most reliable source of government revenue in terms of import, sales corporate and income taxes. It accounts for over half of government annual revenue collection. Though manufacturing export has been in a declining trend, yet it earns the country a fifth of total foreign exchange earnings to become a third important sector coming after agriculture and tourism. Moreover, it is the industrial sector that provides reliable field to practice invention, innovation and nurturing modern technologies for production and service provision

3.1 SECTOR GROWTH

The growth rate of manufacturing activities was 9.9 percent in 2008 compared to 8.7 percent in 2007. The growth was attributed to increase in industrial production of food and milk, chemical and printing and increased production of goods for export. The contribution of manufacturing activities to the Gross Domestic Product (GDP) increased to 9.4 percent in 2008 from 9.2 percent in 2007.

3.2 SMALL ENTERPRISES

In 2008, sensitization and dissemination of 19 new technologies to small enterprises was carried out, and lead to manufacturing of 118 machines and 1,780 spare parts. The technologies disseminated to owners of small enterprises among other included, food processing, reduction

of consumption trees and woods products for energy, packaging of processes foods, production of construction materials particularly bricks, manufacturing of lime and chalk, grinding of cooking oil from palm tree and manufacturing of soap and skin and hide processing.

In 2008, advisory services related to business development and production activities were provided to a total of 6,139 entrepreneurs. Likewise 770 entrepreneurs were provided training in the following areas, processing of skin chalk, cashew nuts, animal foods, bamboo, pottery and processing and preservation of foods. Out of those 373 entrepreneurs were trained on food processing and 178 skin processing. Training on skin processing was undertaken in regions of Mara, Mwanza, Shinyanga, Tabora ,Singida, Manyara, Arusha , Kagera and Morogoro .In addition a total of six entrepreneurs exhibitions were undertaken in 2008 whereby 1,269 entrepreneurs displayed and sell products worth shs 528 million. Likewise 1,854 entrepreneurs obtained loan worth Shs. 1.2 billion providing a total of 3,669 new employments.

3.3 PRODUCTION COST

The cost of manufacturing production increased to Sh 1,747,229 million in 2012 from Shs 1,712,247 million in 2011, equivalent to an increase of 2.0 percent. The increase was due to rise in the cost of production particularly fuel

3.4 PRODUCTION IN SELECTED INDUSTRIES

Generally, production in selected industries declined in 2008. The decline was due to rise in production cost, and suspension of production in steel, textile, and skin and hide industries. In 2008 production of corrugated iron sheets decreased from 36,492 tons to 31,743 tons in 2007, equivalent to a decrease of percent. Production of steel and steel products decrease from 52,163 tons in 2007 to 39,969 tons in 2008, equivalent to a decrease of 23.4 percent .Production of sisal ropes declined from 7,783 tons in 2007 to 7012 in 2008, equivalent to a decrease of 11 percent .However, production of cement increased from 1,630 million tons in 2007 to 1,756 million in 2008 equivalent to an increase of 7.7 percent.

Production of wheat flour decreased from 406,336 tons in 2007 to 287,928 million litres in 2008, equivalent to decrease of 34.6 percent .Production of Kibuku brew declined from 10,320 million litres in 2008, equivalent to a decrease of 0.8 percent. Production of Konyagi to a decrease of 28 percent .However, production of cigarette increases from 5,821 million in 2007 to 6,101 million in 2008, equivalent to an increase of 4.8 percent.

3.5 INTERNAL TRADE

In 2008 trade economic activities which comprise wholesale, retail and repair grew by 10.0 percent from 9.8 percent in 2007. The share of this sub activity to GDP was 14.1 percent in 2008 compared to 13.8 percent in 2007.

3.6 DAR ES SALAAM INTERNATIONAL TRADE FAIR (DITF)

In 2011 a total of 1,930 exhibitors participated at the Dar es Salaam International Trade Fair-Mwalimu Nyerere Trade Fair ground compared to 1,866 in 2010, equivalent to an increase of 3.4 percent. Sale of goods was Shs 24.8 billion in 2009 compared to Shs 27.2 billion in 2008 equivalent to a decrease of 9.7 percent. The decline was due to many participants opted to promote their products instead of selling and forming joint venture with local traders. Exhibitor participated in 2008 trade fair include, 27 countries, 328 foreign companies, 1,602 local participants and 15 Government representatives from foreign countries .

Export inquiries valued USD 199.8 were received in 2008 compared to USD 197.3 in 2007, equivalent to an increase of 1.3 percent. The increase was attributed to improved products manufactured by participating companies. Purchase of goods decreased to USD 135.1 million in 2008 from USD 140 million in 2007 equivalent to a decrease of 3.5 percent. The decline was caused by increase in cost of domestic raw materials and technology used in production.

4 PRODUCTION PROCESS AND TECHNOLOGY

4.1 BASIC PROCESS

Steel Tile metal roofing system combine the versatility of prefinished steel with the classic look of clay Tile. The Company's roof will be built to withstand even the harshest climates from hurricanes to blizzards. The high-tech paint system will preserve their colour with minimal fading year after year. The tile's water channel seam will be designed to provide virtually leak – proof for generations to come. The company will acquire state of the art machinery, equipment and other inputs including Steel Tile Forming Machine, Plate Shear and Pre- painted Steel Coil.

4.2 QUALITY CONTROL SYSTEM

Required quality control measures will be pursued to ensure that best quality steel roofing tiles are produced to cater initially for the local market and later for export market.

4.3. ENVIRONMENT PROTECTION

Our aim is to make this project environment friendly. Appropriate action will be taken to ensure that manufacturing operation cause no harm to the environment. By taking such measures, we can protect the country's environment in particular and global environment in general.

5 MACHINERY EQUIPMENT AND CIVIL WORKS

5.1 MACHINERY & EQUIPMENT

The company will use state of the art processing technology since it is obliged to maintain international manufacturing standards. The technology to be used will be modern to achieve desired effectiveness and efficiency in the manufacturing processes.

5.2 PLANT LOCATION AND CIVIL WORKS

i. Site and Location

The plant shall be located on a suitable location within the city of Dar es Salaam. This location takes, into consideration such important factor like accessibility, availability of reliable power and water.

ii. Production Building Required

The built up area required for production will be medium sized taking into consideration the kind of operations to be undertaken

iii. Office Building

An office block to accommodate the administrative and clerical staff also be required.

5.3 UTILITY SERVICES

iv. Water

Water supply from Dar es Salaam Water & Sewerage Corporation (DAWASCO) will be necessary. A water reservoir of capacity 10,000 liters is recommended to be constructed at factory premises.

v. Electricity

The Tanzania Electric Supply Company Ltd (TANESCO) has no problem in providing the required amount of electricity from the national grid

6. RAW MATERIALS AND OTHER PRODUCTION INPUTS REQUIREMENTS AND AVAILABILITY

6.1 RAW MATERIALS

The main Raw material for the manufacture of steel roofing tiles will be repainted steel coils to be imported from overseas particularly China

6.2 UTILITIES

I Water

Water supply to the factory premises is required .A water reservoir of capacity 10,000 lites is also recommended to be constructed

li Power

As said earlier in this report, the source of energy for the proposed project will be electric power. A standby power generator has also been budgeted for to avoid inconveniences caused by frequent power cuts.

7. **MANPOWER AND PLANT ORGANIZATION**

The proposed project will have three independent departments, namely,

- Production
- Sales and Marketing
- Administrative and Finance

7.1 **ORGANIZATION**

The Board of Directors of the Company shall manage the project at policy level. The top most person in the day to day running of the company will be the Managing Director. Under the Chief Executive's office be the three Departments mentioned above. Each will be under a Manager and will comprise a number of Sections each headed by a Sections Head as follows

PRODUCTION DEPARTMENT

Sections

- Operations
- Maintenance

SALES AND MARKETING DEPARTMENT

Sections

- Research & Promotion
- Sales

ADMINISTRATION AND FINANCE DEPARTMENT

Sections

- Humana Research, Training & Administration
- Finance & Accounts

Each Department will be manned by a number of personnel with varying education levels and work experiences

The Management team of M/S Haut International (Tanzania) Limited will comprise the Managing Director, Production Manager , Finance & Administration Manager and Sales& Marketing Manager

7.2 RESPONSIBILITIES

Responsibilities will be as follows:

i Production Department

The Manager will be responsible for production planning and overseeing daily production activities being carried out. He will further be responsible for repair and maintenance of company assets and research and development activities. The Department will comprise Sections, namely;

- The Production Section which would be responsible of overseeing manufacturing activities .A n expatriate will be employed to train the local technicians in this aspect of operations
- Maintenance Section which will manage the factory plant and machinery maintenance

II Finance and Administration Department

Finance & Administrative Manager will head the Department. He –will be responsible for the administration of the Company as well as overseeing the financial aspects of the company. The following important units will be under the Department.

- The personnel and administration unit which be responsible for the general administrative matters of the company as well as personnel issue such as recruitment and training
- The finance unit, which will be responsible for the purchase of raw materials, spare parts and equipment .This section will also be responsible for the receipt, storage and issue of purchased materials.

III Sales and Marketing Department

This Department will be headed by the Sales and Marketing Manager who will be responsible for the development of a sustainable sales and distribution network. This will involve developing distribution network and recruitment and training of qualified and well-motivated, marketing and sales personnel.

7.3 MANPOWER REQUIREMENT

The permanent manpower requirement for running the propose plant at full operation is 43, with the breakdown mentioned as shows in attached schedules. Several other employees will be contracted on temporary basis

7.4 SOURCE OF MANPOWER AND WAGE BILL

Manpower for proposed project will be employed from local sources, except for a few expatriates who would basically be engaged in the training of local staff. The workers will be given on the job training for familiarize them with the proposed machinery and equipment

SALARIES & WAGES

NO	EMPLOYEE DESIGNATION	NO	SALARY PER MONTH	SUBTOTAL MONTHLY SALARY	ANNUAL GROSS SALARY
1	Managing Director	1	2500	2500	30,000
2	Production Manager	1	2000	2000	24,000
3	Marketing Manager	1	2000	2000	24,000
4	Chief Accountant	1	2000	2000	24,000
5	Assistant Accountants	2	1000	2000	24,000
6	Machine Operators & Technicians	12	700	8400	100,800
7	Other technical Officer	8	700	5600	67,200
8	Stores Officers	4	700	2800	33,600
9	Drivers	5	400	2000	24,000
10	Secretary	3	400	1200	14,400
11	Office Attendants	2	200	400	4,800
12	Security Guards	3	200	600	7,200
		43	12,800	31,500	378,000

After the initial 2 years, depending on the result of the training, local counter parts will replace the expatriates

The total wage bill per annum will be US\$ 378,000 as shown in schedule showing wages and salaries.

8. INVESTMENT AND FINANCING

8.1 ASSUMPTIONS

The financial projections to determine the viability of the project by M/s TULIP STEEL AND ENGINEERING LIMITED are based on the following key assumptions

- Installation of manufacturing facilities will start immediately. Thereafter production will commence
- The company target market will initially be the local market while export market will be considered during expansion phase

- Financial calculations are based on current market prices and costs are assumed constant throughout the operations period under view on the assumption that if operation costs change, selling prices will change proportionally preserve the profit margins

8.2 SUMMARY OF CAPITAL COSTS

On completion of project implementation, the total investment will reach to US\$ 2.6 Million

8.3 BUILDING AND CIVIL WORKS COSTS

The main civil works required involves construction of factory buildings in which the machinery will be installed .Other civil works will be partitioning, electrocution and water supply, tank installation etc. Total investment on land and buildings is estimated at US\$ 1,300,000/=

8.4 PLANT MACHINERY AND EQUIPMENT COSTS

The main machinery for the envisaged project will be those for outlined manufacturing operations. Other supporting equipment various tool, accessories, etc., will be required as explained earlier

The total investment in machinery and equipment is based on quotation received from major suppliers for main production machinery and amount US\$900,000 approximately

8.5 MOTOR VEHICLES

For company work, the promoters intend to procure various vehicles at total cost of US\$200,000

8.6 PRE- PRODUCTION CAPITAL EXPENDITURES

These include project development cost for feasibility study and start up expenses. A budget of US\$30,000 is considered adequate for this item

8.7 INITIAL WORKING CAPITAL

Initial net working capital requirement at maximum for the proposed project works out at about US\$ 100,000.This is mainly for the procurement of initial stocks of raw materials. Rest of the requirement of the working capital will be raised from commercial banks as and when the need arises. This will fluctuate as per stocks in hand.

8.8 FINANCING PATTERN

The financing of the project will be from equity as well as bank loans .The financing of the project will take the following form

	EQUITY (US\$)	LOAN (US\$)
FOREIGN		
LOCAL	780,000	1,820,000

9. COST OF OPERATIONS

Some of the anticipated costs for operations the project are detailed in the following sections and summarized in attached schedules. The summarized costs are based on the fifth year of operation.

9.1 UTILITIES

A total of US\$ 29,780 will be required as water bills and for the purchase of electric power at sustainable production level.

9.2 VEHICLE RUNNING EXPENSES

Vehicle running expenses include fuel, lubricants road licenses etc. The cost has been estimated at US\$ 9,724

9.3 SALARIES AND WAGES

The number of employees, along with their incomes, is shown in attached schedule .The total annual wage package is estimated at US\$459,461 including fringe benefits and related taxes

9.4 MARKETING

The marketing costs are estimated at US\$ 31,907 per annum as per attached schedule

9.5 DEPRECIATION

The following is depreciation schedule for major assets to be employed in manufacturing operations of the project

	YEAR 1 USD	YEAR 2 USD	YEAR 3 USD	YEAR 4USD	YEAR 5 USD
Land and Buildings	39,000	39,000	39,000	39,000	39,000
Machinery, tools & Equipment	297,000	297,000	297,000	297,000	297,000
Motor Vehicles	40,000	40,000	40,000	40,000	40,000
Furniture & Fixtures	5,000	5,000	5,000	5,000	5,000
ANNUAL DEPRCIATION	381,000	381,000	381,000	381,000	381,000

10. FINANCIAL ANALYSIS

10.1 INCOME AND EXPENDITURE

10.1.1 Income

The proposed project by M/S TULIP STEEL AND ENGINEERING LIMITED expects to earn its income through revenue generated through manufacturing operations, the total sales are expected to stand at US\$ 2,127,136

10.1.2 Expenditure

Some project costs have been discussed in Chapter 9 and are summarized in detail in attached schedule

10.2 NET INCOME STATEMENT HIGHLIGHTS

The projects annual after tax net income during the fifth year of production is estimated to reach US\$ 113,140 as presented in the Income Statement of the financial statements appendix.

10.3 CASH FLOW HIGHLIGHTS

This is shown in the financial statements. The project has a positive end of the year cash flow from year 1 of operation to the 5th year as shown hereunder

1 st Year	406,100.00
2 nd Year	684,700.00
3 rd Year	979,050.00
4 th Year	1,292,735.00
5 th Year	1,625,722.00

10.4 BALANCE SHEET

The project Balance sheet of the project is shown in the financial statements under same heading .Net worth of the project increase from US\$820,810.00 in the first year of operation to US\$1,157,656.00 in the 5 the Year.

1 st Year	820,810.00
2 nd Year	877,633.00
3 rd Year	951,268.00

4th Year 1,044,516.00

5th Year 1,157,656.00

11.1 ASSUMPTIONS AND CONSIDERATIONS

The basic assumptions underlying economic benefits and costs are:

11.1.1 Taxes and capital costs have been considered

11.1.2 Conversion factors have been used to determine economic costs and benefits:

11.2 ECONOMIC BENEFITS OF THE PROJECT

The successful operation of the project will contribute significant economic benefits to Tanzania. In summary the benefits which will be realized are as follows:

- This project will support investment in manufacturing which is important for the economy, contributing to research and other skills development
- Employment opportunities for at least 43 permanent staff when the project is fully operational
- The direct income for the workers, combined with other social benefits that the Management of M/s TULIP STEEL AND ENGINEERING LIMITED will provide, will help in overall efforts or alleviation of poverty in the Region
- Provision of a market for goods and services demanded by expanded tax base to the Treasury and Local Government Authorities and generation of substantial income to the Government

12. RECOMMENDATIONS

The project is technically feasible, financially and economically viable and environmental friendly. A fast implementation of the project is highly recommended to avoid cost overrun and for the project to be able to realize the benefits outlined above, especially at this juncture when the Government is making effort to boost investment in various sectors in the economy.

In view of the above it is further strongly recommended that the project be approved by Tanzania Investment Centre and be granted the TIC Certificate of Incentives with its associated privileges and benefits as provided for under Tanzania Investment Act, 1997 to facilitate smooth implementation.

FINANCIAL STATEMENTS

PROJECTED INCOME STATEMENT

		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEARS5
Sales Revenue		1,750,000	1,837,500	1,929,375	2,025,844	2,127.14
Cost of Sales		700,000	735,000	771,750	810,338	850,854
Gross Profit		1,050,500	1,102,500	1,157,625	1,215,506	1,276,282
Operating Expenses						
Administrative Overhead						
Costs		105,000	110,250	115,763	121,551	127,628
Motor Vehicle running						
Expenses		8,000	8,400	8,820	9,261	9,724
Salaries and Wages		378,000	396,900	416,745	437,582	459,461
Depreciation		381,000	381,000	381,000	381,000	381,000
Marketing Costs		26,500	27,563	28,941	30,388	31,907
Utility Costs		24,500	25,725	27,011	28,362	29,780
Insurance		49,000	51,450	54,023	54,023	54,023
Interest on Loan		18,200	18,200	18,200	18,200	18,200
Communication		1,750	1,838	1,029	1,929	2,929
Total Expenses		991,700	1,021,325	1,052,431	1,082,295	1,114,652
Profit before Tax		58,300	81,175	105,194	133,211	161,629
Tax (30%)		17,490	24,353	31,558	39,963	48,489
Profit After Tax		40,810	56,823	73,636	93,248	113,140

PROJECT BALANCE SHEET

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Fixed Assets	2,450,000	2,069,000	1,688,000	1,307,000	926,000
Long term Assets					
Depreciation	381,000	381,000	381,000	381,000	381,000
Total long term assets	2,069,00	1,688,000	1,307,000	926,000	544,000
Current Assets					
Cash	406,100	684,700	979,050	1,292,735	1,625,723
Account Receivable	105,000	110,250	216,535	421,763	527,628
Inventory	214,710	376,383	438,469	402,292	467,493
Total Current Assets	725,810	1,171,333	1,634,053	2,116,790	2,620,844
Total Assets	2,794,810	2,859,333	2,941,053	3,042,790	3,164,844
Current Liabilities					
Accounts Payable	84,000	88,200	92,610	97,241	102,103
Other Current Liablit	70,000	73,500	77,175	81,034	85,085
Subtotal Current Liabi	154,000	1,616,700	169,785	178,274	187,188
Long term Liabilities					
Long term Liabilitie	1,820,000	1,820,000	1,820,000	1,820,000	1,820.00
Total Liabilities	1,974,000	1,981,700	1,989,785	1,998,274	2,007,188
Net Assets	820,810	877,633	951,268	1,044,516	1,157,656
Captil and Reserves					
Owners Contribution	780,000	780,000	780,000	780,000	780,000
Retained Earning	40,810	97,633	171,268	264,516	377,656
Total Capital	820,810	877,633	951,268	1,044,516	1,157,656

PROJECTED CASHFLOW

		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Cashflow from Operations		1,400,000	1,378,125	1,447,031	1,519,383	1,595,352
Cash Sales						
VAT Receipt		350,000	367,500	385,875	405,169	425,427
Subtotal Cash Received		1,750,000	1,745,625	1,832,906	1,924,552	2,020.78
Expenditures from Operations						
Purchases		630,000	661,500	694,575	729,304	765,769
Interest and Loan		18,200	18,200	18,200	18,200	18,200
Additional Cash Spent		610,700	640,325	671,431	701,295	733,652
VAT Payments		105,000	147,000	154,350	162,068	170,171
Subtotal Cash Payment		1,363,900	1,467,025	1,538,556	1,610,866	1,687,792
Cash from Operations		386,,100	278,600	294,350	313,685	332,987
Cash flow from Investments						
Purchases of Assets		2,450,000				
Pre Expenses		30,000				
Working Capital Requirment		100,000				
Cash flow from financing						
Loan		1,820,000				
Owners Contributio		780,000				
Cash Flow from Financing		2,600,000				
Net Casflow for period		406,100	278,600	294,350	313,685	332,987
Cashflow at start of year			406,100	684,700	979,050	1,292,735
Cashflow at the end of year		406,100	684,700	979,050	1,292,735	1,625,722

SCHEDULE AND TABLES

SCHEDULE 1

REVENUE PROJECTION

	YEARS				
Sales	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Sales	1,750,000	1,837,500	1,929,375	32,025,844	2,127,136
	1,750,000	1,837,500	1,929,375	2,025,844	2,127,136

SCHEDULE 2

OTHER OPERATING COST

Other Operations Cost	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Motor Vehicle running expens	8,000	8,400	8,820	9,261	9,724
Salaries and Wages	378,000	396,900	416,745	437,582	459,461
Depreciation	381,000	381,000	381,000	381,000	381,000
Administrative Overhead Costs	105,000	110,250	115,763	121,551	127,628
Marketing Costs	26,250	27,653	28,941	30,388	31,907
Utility Costs	24,500	25,725	27,011	28,362	29,780
Insurance	49,000	51,450	54,023	54,023	54,023
Interest on Loan	18,200	18,200	18,200	18,200	18,200
Communication Exepnses	1,750	1,838	1,929	1,929	1,929
Total Costs	991,700	1,021,325	1,052,431	1,082,295	1,113,652

SCHEDULE 3

COST STRUCTUR		AMOUNTS USD	
PARTICULAR			
Land and Buildings		900,000	
Plant & Machinery & Equipments		1,300,000	
Motor Vehicles		200,000	
Furniture & Fixtures		50,000	
Pre Expenses		30,000	
Others		20,000	
Working Capital		100,000	
TOTAL		2,600,000	

SCHEDULE 4**FIXED ASSETS SCHEDULE**

NAME OF ASSETS	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Land and Buildings	1,300,000	1,262,000	1,222,000	1,183,000	1,144,000
Plant & Machinery /Equipment	900,000	603,000	306,000	9,000	288,000
Motor Vehicle	200,000	160,000	120,000	80,000	40,000
Furniture & Fixtures	50,000	45,000	40,000	35,000	30,000
Total	2,450,000	2,069,000	1,688,000	1,307,000	926,000
Depreciation	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Land and Buildings	39,000	39,000	39,000	39,000	39,000
Machinery, Tools & Equipment	297,000	297,000	297,000	297,000	297,000
Motor Vehicles	40,000	40,000	40,000	40,000	40,000
Furniture & Fixtures	5,000	5,000	5,000	5,000	5,000
ANNUAL DEPRECIATION	381,000	381,000	381,000	381,000	381,000
CLOSING FIXED ASSETS	2,069,000	1,688,000	1,307,000	926,000	544,000

REVENUE PROJECTION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Sales Revenue	1,750,000	1,837,500	1,929,375	2,025,844	2,127,136

PROFIT PROJECTION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Profit After Tax	40,810	56,823	73,636	93,248	113,140

CASH FLOW PROJECTION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Cash flow at the end	406,100	684,700	979,050	1,292,735	1,625,722
of the Year					



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 KAUSHAL JOSHI
(director/directors/agent of TULIP STEEL AND ENGINEERING LIMITED
(name of business enterprise) apply for registration of CERTIFICATE OF INCENTIVE
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 NIROZI RD - DAR ES SALAAM

Copies of the following documents are attached to this application:

- (i) The Memorandum and Articles of Association/or partnership agreement
 - (ii) Certificate of Incorporation/Registration
 - (iii) A copy of the Project Profile or Feasibility Study showing the implementation period, programme of implementation and operative date
 - (iv) Evidence of financing and evidence of land ownership for the project
3. The Head Office of the Company will be situated at NIROZI RD CHANG'OMBE JMW
4. The Principal Officers of the Company are 1. KAUSHAL JOSHI
2. NITINKUMAR LAD
5. Auditors of the Company are TO BE APPOINTED
6. The authorized share capital of the Company is Tshs./US\$ 350,000,000/-



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

is Tshs./US\$ 2,600,000/-

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

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

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

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

I, Kaushal Joshi of Post Office Number 21022 DSM

..... do solemnly and sincerely declare that I am a director/~~director~~
~~authorized agent of~~ TULIP STEEL AND ENGINEERING 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 }
..... }

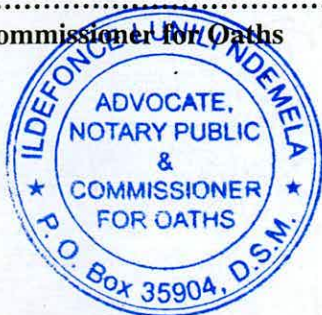
The 23rd day of January 2014. }

[Signature]
Applicant

Before me:

[Signature]

.....
Commissioner for Oaths



APPLICATION SUMMARY

Company Name: TULIP STEEL AND ENGINEERING LIMITED

Certificate of Incorporation Number: 105227 Status: NEW

Certificate of Incorporation Date: 17th JANUARY 2014

Post Box: 42631

Town: DAR ES SALAAM

Sector: MANUFACTURING Sub-Sector: STEEL & IRON MILLS

Investment Financing Plan in Million US\$/Tshs.

Foreign Equity Local Equity Foreign Loan Local Loan
0.78 1.82

Project Objectives: TO ESTABLISH A STEEL MILL AND IRON MILLS

Capacity: 320 TONS OF STEEL / ANNUM

Employment: Foreign: 4 Local: 38 Total: 42

Implementation Period: 3 YRS

Project Location

Site/Plot/Block No.: PLOT NO. 175

Street: MIBOZI RD - CHANG'OMBE District: TEMEKE Region: DAR ES SALAAM

(Attach sketch map showing project location)

Table with 3 columns: Shareholders, Nationality, %
KAUSHAL HASMUKHBHAI JOSHI INDIAN 50%
NITINKUMAR CHHABANBHAI LAD INDIAN 50%

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

Land/Building 900,000/-
Plant 1,300,000/-
Vehicles 200,000/-
Furniture & Fittings 50,000/-
Pre-expenses 30,000/-
Others 20,000/-
Working Capital 100,000/-
TOTAL 2,600,000/-

Contact Details:

Name: Kaushal Joshi Title: Director
Telephone: 0717 392 004 / 0658602828 Fax:
Email:

Payments to be made payable to:

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



hereby created immediately after the execution of this tenancy agreement by the parties hereto.

3. The tenant **HEREBY COVENANTS** with the Landlord as follows:-

- i) At all times to keep the interior of the demised premises and the appurtenances thereof including the doors, windows and other fixtures, fittings, fastenings and the painting and decoration thereof in good and substantial repair and condition.
- ii) To permit the landlord or his agents with all necessary workmen and appliances at all reasonable times during day time by prior appointment to enter upon the demised premises for the purpose of viewing the state thereof and to execute repairs on the demised premises under the covenants in that behalf hereinafter contained.
- iii) To use the demised premises as a Yard and Office for Cargo Transportation activities.
- iv) Not to sublet the demised premises without obtaining the prior approval of the landlord in writing.
- v) On the expiration or sooner determination of the term hereby granted to deliver up the said premises to the landlord with all the locks, keys and fasteners to the premises complete and in such state of repair condition order and preservation as shall be in strict compliance with the covenants and agreements in that behalf on the part of the tenant herein contained.

4. The Land lard hereby covenants with the tenant as follows:-

- i) To maintain and keep in good tenantable condition the structure of the buildings and in particular the roofs, foundations and walls thereof.



TENANCY AGREEMENT

MADE THIS 20TH DECEMBER, 2013

Between

MS. TANPLAST LIMITED, of P.o. Box 21022 Dar Es Salaam, (hereinafter called "Landlord", which expression shall, where the context so admits, include his legal personal representatives) of the one part.

And

MS TULIP STEEL AND ENGINEERING LIMITED, of P.O Box 42631, Dar es Salaam (hereinafter called "tenant", which expression shall, where the context so admits, include its liquidators, receivers and successors in interest) of the other part.

WHEREAS the landlord is the beneficial owner of all that property on **Plot No: 175 Mbozi Rd, Chang,ombe-Temeke District. Dar es Salaam**(hereinafter called "the office and Yard") and is desirous of letting the office & Warehouse to the tenant.

AND WHEREAS the tenant is willing that the demised premises be let to it.

NOW THEREFORE THESE PRESENTS WITNESSETH as follows: -

1. **IN CONSIDERATION** of the rent and the tenant's covenants hereinafter reserved and contained the landlord HEREBY DEMISES unto the tenant the demised premises to use and hold the same for a term of five years with effect from the 1st Day of January, 2014 to the 31st December 2018.
2. The Rent for the demised premises shall be Tshs. 210,000/= (Say Tshs. Two Hundred ten Thousand) Per month or Tshs. 2,520,000/= (Tshs. Two Million five hundred twenty thousands Only) per One Years which shall be paid in advance for the entire period of the term

3110011PA10041
DIREKSI JENDERA
POLISI
JALAN T. SUDIRTA
KEMENYAN
KABUPATEN
KEMENYAN

3110011PA10041

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DIREKSI JENDERA
POLISI
JALAN T. SUDIRTA
KEMENYAN
KABUPATEN
KEMENYAN

3110011PA10041

to the landlord shall be sufficiently served if sent to him by registered post.

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

SIGNED and DELIVERED at Dar es Salaam by the said **MR. SEIF SALUM SAAD** who is Known to me personally/ identified to Me by AJELANDRO SINDANO The latter being known to me Personally in my presence this 20TH Day of December, 2013

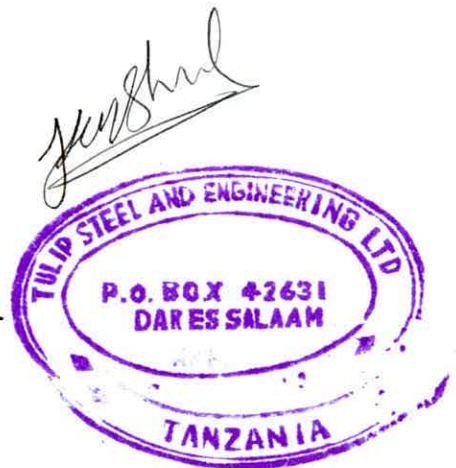


Name of Witness ILDEFONCE L NDEMELA
Signature
Address
Qualification



SIGNED and DELIVERED at Dar es Salaam For and on behalf of the said **M/S TULIP STEEL AND ENGINEERING LIMITED** by **KAUSHAL JOSHI**

In his capacity as **DIRECTOR** who is known To me personally/ identified to me by AJELANDRO SINDANO The latter being known to me Personally in my presence this 20TH December, 2013



Name of Witness ILDEFONCE L NDEMELA
Signature
Address
Qualification





- ii) The tenant paying the rent hereby reserved and observing and performing the several covenants and stipulations herein on the part of the tenant contained shall peacefully hold and enjoy the demised premises during the tenancy herein provided without any interruption by the landlord or any person claiming under or in trust for the landlord.
- iii) To permit the tenant to make any structural alterations in the demised premises as may be appropriate for the business of the tenant.
- iv) To permit the tenant to use the toilets in the said premises.

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

If any covenant on the tenant's part herein contained shall not be performed or observed then in such case it shall be lawful for the landlord at any time thereafter to re-enter upon the demised premises or any part thereof in the name of the whole and then this tenancy agreement shall absolutely determine but without prejudice to any rights or remedies which may have accrued to either party against the other in respect of antecedent breach of any of the covenants herein contained.

- 6. Should the tenant desire to extend the period of the tenancy hereby created she shall give three months notice to the landlord of her intention. Such notice must be given within the period of the tenancy hereby created and the landlord shall be entitled to decline or accept the extension of this tenancy on such terms and conditions as he may deem proper.
- 7. This tenancy is determinable at the option of either party by giving 3 months notice to the other.
- 8. Any notice under this tenancy shall be in writing and any notice to the tenant shall be sufficiently served if left addressed to him in the demised premises or sent to him by registered post and any notice

TICC/PP.10/042595/3

31/01/2014

Managing Director,
Tulip Steel and Engineering Ltd
P.O. Box 42631,
DAR ES SALAAM

RE: CERTIFICATE OF INCENTIVES FOR STEEL AND IRON ORE MILL PROJECT.

We wish to acknowledge receipt of your project proposal to establish steel and iron ore mill at Plot No.175 Mbozi Road, Chang'ombe Area, Dar es Salaam as presented in the TIC P.A. 1 Form No. 11651 and Feasibility Study with a projected investment amounting to USD 2.6m

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

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

.../2

TICC/PP.10/042595/3

31/01/2014

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

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

Yours sincerely,

Tanzania Investment Centre



Juliet R. Kairuki

EXECUTIVE DIRECTOR

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

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

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

TULIP STEEL AND ENGINEERING LIMITED

**A BUSINESS PLAN PROJECT FOR
STEEL PRODUCTS MANUFACTURE**

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1. INTRODUCTION

1.1 FOREWORD

A tile is a manufacture piece of hard- wearing material such as ceramic, stone, matel, or even glass. Tiles are generally used for covering roofs, floors and walls, showers, or other objectives such as tabletops. Alternatively, tile can sometimes refer to similar units made from lightweight material such as perlite, wood and mineral wool, typically used for wall and ceiling applications. Less precisely, the modern term can refer to any sort of construction tile or similar object, such as rectangular counters used in playing games. The word is derived from the French word tuile, which is in turn from the Latin word tegula, meaning a roof tile composed of baked clay.

Tiles are often used to form wall and floor coverings, and can from simple square tiles to complex mosaics. Tiles are most often made from ceramic, with a hard glaze finish, but other materials are also commonly used, such as glass, marble, granite, slate and reformed ceramic slurry, which is cast in a mould and fired.

Roof tiles are designed mainly to keep out rain, and are traditionally made from locally available material such as clay or slate. Modern materials such as concrete and plastics are also used and some clay tiles have a waterproof glaze. A large number of shapes (or 'profiles') of roof tiles have evolved. These include

- Flat tiles- the simplest type , which is laid in regular overlapping rows, .The profile of flat tiles is suitable for stone and wooden, tiles and most recently, solar cells.
- Imbrex and tegula, an ancient Roman patten of curved and flat tiles that make rain channels on a roof.
- Roman tiles- flat in the middle , with a concave curve at one end a convex curve at the other to allow interlocking
- Pantiles with an S-shaped profile, allowing adjacent tiles to interlock. These result in a ridged pattern resembling a ploughed field
- Mission or barrel tiles are semi-cylindrical tiles made by forming clay around a curved surface, often a log or one's thigh, and laid in alternating columns of convex and concave tiles.

Roof tiles are 'hung' from the framework of roof by fixing them with nails, The tiles are usually hung in parallel rows, with each row overlapping the row below it to exclude rainwater and to cover the nails that hold the row below. These are also roof tiles for special positions, particularly where the planes of the several pitches meet .They include ridge, hip and valley tiles.

The most important part of any home or building is the roof over one's head. Pre- painted , galvanized steel Roofing .Tiles comprise a core of galvanized steel with polyester paint coating offering the appearance of traditional; clay tiles and thus enhancing the beauty of any property. This is applicable in

various areas such as residential villas, beach houses and factories. Such tiles provide following advantages to users:

- Extremely strong despite its light weight
- Resembling traditional clay roofing tiles
- Suitable for both commercial and residential applications
- Availability in different colours
- Paint will not crack, peel or blister
- Exceptional durability
- Easy Installation
- Low maintenance

1.2 OBJECTIVES OF THE STUDY

The purpose of this Feasibility Study is to work out the technical and commercial details and the financial viability for the establishment of steel mill and iron mill at location within Dar es Salaam Region

1.3 PROJECT PROMOTERS

The following sponsors are promoting the proposed project

S/NO	NAME AND ADDRESS OF SHAREHOLDER	SHERES HELD	% SHARE HOLDING
1	KAUSHAL HASMUKHBHAI JOSHI P O BOX 42631 DAR ES SALAAM	15,000	50
2	NITINKUMAR CHHAGANBHAI LAD P O BOX 42631 DAR ES SALAAM	15,000	50

The current shareholders of the Company have a wealth of experience managing businesses in various sectors including transportation. They are keen to exploit such experience to make this project a success.

EXECUTIVE SUMMARY

2.1 INTRODUCTION

The Study examines the possibility of establishing a project to establish a steel mill and iron mill and initially cater for the local Market in Tanzania. The promoters target to achieve status of being world leaders in steel production and technology .The Company's product range will include a variety of roof profiles to complement much different home style. Recognition of market needs and demands will be the hallmark of the anticipated success in provision of roofing solutions.

The project will be property developed using leading edge techno to enable the Tulip Steel and Engineering Ltd to enjoy rapid expansion in all target markets as more and more homeowners continue to appreciate the benefits of its roof. The company will develop the capability to produce roof styles to suit every market.

Achieving a good looking product is not enough in competitive markets. It is innovative design and consistency in the manufacturing process that will earn the company's roofing systems an international reputation for excellence. Development of specialized surface coatings and pressing technology is expected to contribute in positioning the company as leader in steel roof tiles. All operations will have latest ISO accreditation, reassuring customers of products designed to meet all their needs and produces to consistently high quality standards

Founders of Tulip Steel and Engineering Limited have enjoyed a proud history and the future looks even brighter for the proposes project. The new company intends to lead in the worldwide trend towards using steel as a roofing substrate as we progress through the 21st century.

Selecting any building product is process fraught with potential problems. Not only does one need to satisfy oneself that the product is valid for the application, one must also be totally confident that the product is reputable, reliable and well established. The Company that its products will evolve into one of the sturdiest and most attractive roofing system available on the market .The following are reasons why one should select the company's roofing tiles and products

- **Strong Foundations**

A Strict code of professionalism, quality and service will place the company at the top of the roofing business, and our regulation will be steadily extended through the obvious satisfaction of builders and homeowners alike.

- **Strong On Looks**

The Company will manufacture several roofing system. Its range of roof tiles will of superb structural integrity and immaculate appearance .The factory will maintain high quality standards certified to universally recognized criteria.

- **Strong in Design**
Each steel based tile will be designed and manufactured for strength. The unique overlapping system and fixing technique will provide not only a leak proof roof, but also a form of burglar proofing. All tiles will be available in galvanized mild steel substrate or alternatively in Alu- Zinc coated mild steel for added long term corrosion resistance
- **Durable**
Through On- going research the acrylic coating which was developed in 1970, can now withstand high ultra- violet levels and most adverse weather conditions. The small stone granules bonded to the surface result in a truly durable finish which is unaffected by extensive weathering such as gale force winds, pelting rain and hailstorms.
- **Maintenance Free**
The tiled roof will be maintenance free, which means buyers will not have the inconvenience of fixing leaks, replacing broken tiles or repainting every few years.
- **Versatility**
The roofing product will also be superb for re-roofing easily turning your house into a prize home in just two to three days.
- **Strong on Savings**
A one- ton roof could weigh up to eight tons more in concrete ordinary tiles. This excellent weight- to- strength ratio means that, with the proposed tiles, a client will invest money in tiles and not unnecessary structure.
- **Weatherproof**
The durable, steel- based tile can withstand the impact of all the elements including the several of hailstorms. The Alu- Zinc tile option is the combination of structural protection of aluminum, and this allows for superior performance to galvanized coatings in some environments .Alu- Zine properties also provide a cooler roof material, as it is less hear absorbent

2.2 MARKET AND MARKETING ASPECTS

2.3.1 Market Demand of the Product

The steel roofing tiles we intend to manufacture will mainly support of construction industry in Tanzania. The country's construction industry, which grew by 10.5 per cent was third main driver of the economy during 2008/09. It is important to note that construction and infrastructure development activities are increasing at high pace in Tanzania

At present there are only a few companies in Tanzania which manufacture steel roofing tiles. Many of the companies are unable to deliver quality product. Our company will produce quality products, at every reasonable price. Based on our market survey, our products have a huge demand and we intend to deliver a quality product and at a reasonable price to cater to the rising demand of the products mentioned above.

2.3.2 Market Segmentation & Targets

The company will focus its market offering on two major customer groups:

- Companies with large construction projects
- Individuals constructing residential commercial buildings

Our Market survey shows that the above referred customer segments are the most demanding in terms of provision of quality roofing products and technical support. The company is particularly very strong in these areas and will utilize our capabilities to serve these clients

2.3.3 Competition & buying Patterns

Initial market survey shows presence of few companies in Tanzania which manufacture steel roofing tiles. Their weaknesses however are lack technical ability, lack of knowledge to design and develop new products and finally poor pricing. We believed that a customer will choose our product based on the following criteria.

- **Quality of Product:** The steel roofing tiles we intend to manufacture and supply will be of superior quality and complying with various international standards
- **Pricing;** The roofing tiles will be competitively priced, thus helping customer reduce their overall operating cost.
- **Performance;** The product we intend to supply will be of superior quality and will last for longer duration, which in turn will reduce maintenance cost
- **Delivery:** We will provide on time delivery, there by reducing customer inventory and overall operating cost

2.3.4 Marketing Strategy

The company's marketing strategy will be to continue to promote sales of its produce utilizing internal and external sales tactics. By continuously interacting with customer, knowing their demand and seeking new accounts. We plan to leverage our expertise to acquire companies with product line that complement our manufacturing operations .the company's goal in next five years is to continue with our 'value added scheme' and embark on an acquisition program that will see the company take over key industry players existing in the market.

2.3.5 Sales Strategy

Tulip Steel and Engineering Limited sales plan is to seek business that will advance the company's quest to vertically integrate and become a stronger force in this industry. The company will continue to strive towards procuring sales of its products and enhancing manufacturing capacity. The company will use direct sales force and relationship selling to reach its markets.

2.3 PROCESS AND TECHNOLOGY

Steel Tile metal roofing systems combine the versatility of refinished steel with the classic look of clay tile. The company's roofs will be built to withstand even the harshest climates from hurricanes to blizzards. The high- tech paint system will preserve their colour with minimal fading year after year. The tiles 'water channel seam will be designed to provide virtually leak – proof for generations to come.

2.4 LOCATION

As mentioned earlier the factory will be located at a suitable location within Dar es Salaam Region.

2.5 MANPOWER REQUIREMENTS

The whole project will comprise of a total permanent work force of 23 people and several other temporary employees. Maximum employment will be given to the local work force. The factory will be organized into three major areas namely:

Production, Marketing, Finance and Administration

2.6 IMPLEMENTATION

The project is planned to undergo two phases

Phases I: Major activities to be involved registration of the project and approvals by the Tanzania Investment Centre (TIC) and mobilization of funds from sponsors. Other activities include identification of appropriate technology, sourcing of

machinery and equipment, construction of buildings, staff recruitment and training of core personnel, Production will commence in these phases.

Phases II Will involve farther expansion of production operations and employment of staff.

2.7 PROJECT ECONOMIS

2.7.1 Capital Investment Requirements

COST STRUCTURE

PARTICULAR	AMOUNT USD
Plant & Machinery & Equipment	600,000
Motor Vehicle	150,000
Furniture & Fixture	50,000
Pre Expense	30,000
Others	20,000
Working Capital	100,000
TOTAL	950,000

US\$ 1- TSH 1596

2.9.2 Expenditure on basic materials and profitability

The major expenditure item is the purchase of various raw materials which are major inputs in manufacturing operations undertaken by the company. Project revenue will secure from undertaking manufacturing activities explained earlier. Based on projected revenues at sustainable levels of production the project is quite profitable

2,8 RECOMMENDATIONS

The study shows establishment of manufacturing facilities outlined is both technically and financially a feasible undertaking. Furthermore, it will create local employment for the national benefit. In view of the findings, the project is recommended for implementation.

2. INDUSTRIAL SECTOR IN TANZANIA

In the end of the 20th Century, manufacturing activities in Tanzania have exemplified a steady growth, registering average annual growth of over 4 percent, Nevertheless, manufacturing activities in Tanzania , are relatively small and at an infancy stage. Its contribution to GDP has average 8% over the last decade, with most activities concentrated on manufacture of simple consumer goods-food, beverages, tobacco, textiles and furniture and wood allied products.

Most of the present industries were established in the light of import substitution strategy, whereas production focused in substituting previously important goods in view of saving the country's meager foreign exchange.

The government decision to liberalize trade and investment policies, affected since 1986, witnessed a number of firms even those believed to be as strong, clumping down as they could barely withstand competition from important manufactures. A number of measures were taken in view of revamping competitiveness of the local industries and enhancing their penetration into export markets.

The governments starting in the early 1990s launched a deliberate programmer to restricting and privatize publicly owned enterprises .Out of this programmer some sheds of hope are now emerging. The overall utilization of installed industries capacities is improving, rising from an average of 20% in 1990 to around 50% at the turn of the 21st Century. Some of the recently industries have undergone intensive rehabilitations- improving their capital structure, production technologies and management and marketing system as well as retrenched workers to match with production levels and improved quality and lower costs of production.

The manufacturing sector is of significant importance in the Tanzania's economy, Up to 1999, the sector employed about 140,000 people or about 48% of total monthly wage earners, making it the largest urban employer. It remains to be the most reliable source of government revenue in terms of import, sales corporate and income taxes. It accounts for over half of government annual revenue collection. Though manufacturing export has been in a declining trend, yet it earns the country a fifth of total foreign exchange earnings to become a third important sector coming after agriculture and tourism. Moreover, it is the industrial sector that provides reliable field to practice invention, innovation and nurturing modern technologies for production and service provision

3.1 SECTOR GROWTH

The growth rate of manufacturing activities was 9.9 percent in 2008 compared to 8.7 percent in 2007.The growth was attributed to increase in industrial production of food and milk, chemical and printing and increased production of goods for export. The contribution of manufacturing activities to the Gross Domestic Product (GDP) increased to 9.4 percent in 2008 from 9.2 percent in 2007.

3.2 SMALL ENTERPRISES

In 2008, sensitization and dissemination of 19 new technologies to small enterprises was carried out, and lead to manufacturing of 118 machines and 1,780 spare parts. The technologies disseminated to owners of small enterprises among other included, food processing, reduction

of consumption trees and woods products for energy, packaging of processes foods, production of construction materials particularly bricks, manufacturing of lime and chalk, grinding of cooking oil from palm tree and manufacturing of soap and skin and hide processing.

In 2008, advisory services related to business development and production activities were provided to a total of 6,139 entrepreneurs. Likewise 770 entrepreneurs were provided training in the following areas, processing of skin chalk, cashew nuts, animal foods, bamboo, pottery and processing and preservation of foods. Out of those 373 entrepreneurs were trained on food processing and 178 skin processing. Training on skin processing was undertaken in regions of Mara, Mwanza, Shinyanga, Tabora, Singida, Manyara, Arusha, Kagera and Morogoro. In addition a total of six entrepreneurs exhibitions were undertaken in 2008 whereby 1,269 entrepreneurs displayed and sell products worth shs 528 million. Likewise 1,854 entrepreneurs obtained loan worth Shs. 1.2 billion providing a total of 3,669 new employments.

3.3 PRODUCTION COST

The cost of manufacturing production increased to Sh 1,747,229 million in 2012 from Shs 1,712,247 million in 2011, equivalent to an increase of 2.0 percent. The increase was due to rise in the cost of production particularly fuel

3.4 PRODUCTION IN SELECTED INDUSTRIES

Generally, production in selected industries declined in 2008. The decline was due to rise in production cost, and suspension of production in steel, textile, and skin and hide industries. In 2008 production of corrugated iron sheets decreased from 36,492 tons to 31,743 tons in 2007, equivalent to a decrease of percent. Production of steel and steel products decrease from 52,163 tons in 2007 to 39,969 tons in 2008, equivalent to a decrease of 23.4 percent. Production of sisal ropes declined from 7,783 tons in 2007 to 7012 in 2008, equivalent to a decrease of 11 percent. However, production of cement increased from 1,630 million tons in 2007 to 1,756 million in 2008 equivalent to an increase of 7.7 percent.

Production of wheat flour decreased from 406,336 tons in 2007 to 287,928 million litres in 2008, equivalent to decrease of 34.6 percent. Production of Kibuku brew declined from 10,320 million litres in 2008, equivalent to a decrease of 0.8 percent. Production of Konyagi to a decrease of 28 percent. However, production of cigarette increases from 5,821 million in 2007 to 6,101 million in 2008, equivalent to an increase of 4.8 percent.

3.5 INTERNAL TRADE

In 2008 trade economic activities which comprise wholesale, retail and repair grew by 10.0 percent from 9.8 percent in 2007. The share of this cub activity to GDP was 14.1 percent in 2008 compared to 13.8 percent in 2007.

3.6 DAR ES SALAAM INTERNATIONAL TRADE FAIR (DITF)

In 2011 a total of 1,930 exhibitors participated at the Dar es Salaam International Trade Fair-Mwalimu Nyerere Trade Fair ground compared to 1,866 in 2010, equivalent to an increase of 3.4 percent. Sale of goods was Shs 24.8 billion in 2009 compared to Shs 27.2 billion in 2008 equivalent to a decrease of 9.7 percent. The decline was due to many participants opted to promote their products instead of selling and forming joint venture with local traders. Exhibitor participated in 2008 trade fair include, 27 countries, 328 foreign companies, 1,602 local participants and 15 Government representatives from foreign countries .

Export inquiries valued USD 199.8 were received in 2008 compared to USD 197.3 in 2007, equivalent to an increase of 1.3 percent. The increase was attributed to improved products manufactured by participating companies. Purchase of goods decreased to USD 135.1 million in 2008 from USD 140 million in 2007 equivalent to a decrease of 3.5 percent. The decline was caused by increase in cost of domestic raw materials and technology used in production.

4 PRODUCTION PROCESS AND TECHNOLOGY

4.1 BASIC PROCESS

Steel Tile metal roofing system combine the versatility of prefinished steel with the classic look of clay Tile. The Company's rook will be built to withstand even the harshest climates from hurricanes to blizzards. The high-tech paint system will preserve their colour with minimal fading year after year .The tile' water channel seam will be designed to provide virtually leak – proof for generations to come .The company will acquire state of the art machinery, equipment and other inputs including Steel Tile Forming Machine, Plate Shear and Pre- painted Steel Coil.

4.2 QUALITY CONTROL SYSTEM

Required quality control measures will be pursued to ensure that best quality steel roofing tiles are produced to cater initially for the local market and later for export market.

4.3. ENVIRONMENT PROTECTION

Our aim is to make this project environment friendly. Appropriate action will be taken to ensure that manufacturing operation cause no harm to the environment .By taking such measures, we can protect the country's environment in particular and global environment in general.

5 MACHINERY EQUIPMENT AND CIVIL WORKS

5.1 MACHINERY & EQUIPMENT

The company will use state of the art processing technology since it is obliged to maintain international manufacturing standards. The technology to be used will be modern to achieve desired effectiveness and efficiency in the manufacturing processes.

5.2 PLANT LOCATION AND CIVIL WORKS

i. Site and Location

The plant shall be located on a suitable location within the city of Dar es Salaam. This location takes, into consideration such important factor like accessibility, availability of reliable power and water.

ii. Production Building Required

The built up area required for production will be medium sized taking into consideration the kind of operations to be undertaken

iii. Office Building

An office block to accommodate the administrative and clerical staff also be required.

5.3 UTILITY SERVICES

iv. Water

Water supply from Dar es Salaam Water & Sewerage Corporation (DAWASCO) will be necessary. A water reservoir of capacity 10,000 liters is recommended to be constructed at factory premises.

v. Electricity

The Tanzania Electric Supply Company Ltd (TANESCO) has no problem in providing the required amount of electricity from the national grid

6. RAW MATERIALS AND OTHER PRODUCTION INPUTS REQUIREMENTS AND AVAILABILITY

6.1 RAW MATERIALS

The main Raw material for the manufacture of steel roofing tiles will be repainted steel coils to be imported from overseas particularly China

6.2 UTILITIES

I Water

Water supply to the factory premises is required .A water reservoir of capacity 10,000 lites is also recommended to be constructed

li Power

As said earlier in this report, the source of energy for the proposed project will be electric power. A standby power generator has also been budgeted for to avoid inconveniences caused by frequent power cuts.

7. MANPOWER AND PLANT ORGANIZATION

The proposed project will have three independent departments, namely,

- Production
- Sales and Marketing
- Administrative and Finance

7.1 ORGANIZATION

The Board of Directors of the Company shall manage the project at policy level. The top most person in the day to day running of the company will be the Managing Director. Under the Chief Executive's office be the three Departments mentioned above. Each will be under a Manager and will comprise a number of Sections each headed by a Sections Head as follows:

PRODUCTION DEPARTMENT

Sections

- Operations
- Maintenance

SALES AND MARKETING DEPARTMENT

Sections

- Research & Promotion
- Sales

ADMINISTRATION AND FINANCE DEPARTMENT

Sections

- Human Resources, Training & Administration
- Finance & Accounts

Each Department will be manned by a number of personnel with varying education levels and work experiences.

The Management team of M/S Haut International (Tanzania) Limited will comprise the Managing Director, Production Manager, Finance & Administration Manager and Sales & Marketing Manager.

7.2 RESPONSIBILITIES

Responsibilities will be as follows:

i Production Department

The Manager will be responsible for production planning and overseeing daily production activities being carried out. He will further be responsible for repair and maintenance of company assets and research and development activities. The Department will comprise Sections, namely;

- The Production Section which would be responsible of overseeing manufacturing activities .A n expatriate will be employed to train the local technicians in this aspect of operations
- Maintenance Section which will manage the factory plant and machinery maintenance

II Finance and Administration Department

Finance & Administrative Manager will head the Department. He –will be responsible for the administration of the Company as well as overseeing the financial aspects of the company. The following important units will be under the Department.

- The personnel and administration unit which be responsible for the general administrative matters of the company as well as personnel issue such as recruitment and training
- The finance unit, which will be responsible for the purchase of raw materials, spare parts and equipment .This section will also be responsible for the receipt, storage and issue of purchased materials.

III Sales and Marketing Department

This Department will be headed by the Sales and Marketing Manager who will be responsible for the development of a sustainable sales and distribution network. This will involve developing distribution network and recruitment and training of qualified and well-motivated, marketing and sales personnel.

7.3 MANPOWER REQUIREMENT

The permanent manpower requirement for running the propose plant at full operation is 43, with the breakdown mentioned as shows in attached schedules. Several other employees will be contracted on temporary basis

7.4 SOURCE OF MANPOWER AND WAGE BILL

Manpower for proposed project will be employed from local sources, except for a few expatriates who would basically be engaged in the training of local staff. The workers will be given on the job training for familiarizing them with the proposed machinery and equipment.

SALARIES & WAGES

NO	EMPLOYEE DESIGNATION	NO	SALARY PER MONTH	SUBTOTAL MONTHLY SALARY	ANNUAL GROSS SALARY
1	Managing Director	1	2,000	2,000	24,000
2	Production Manager	1	1,500	1,500	18,000
3	Marketing Manager	1	1,000	1,000	12,000
4	Chief Accountant	1	1,200	1,200	14,400
5	Assistant Accountant	1	700	700	8,400
6	Machine Operators & Technicians	6	500	3,000	36,000
7	Other Technical Officers	4	350	1,400	16,800
8	Stores Officers	2	400	800	9,600
9	Drivers	4	250	1,000	12,000
10	Secretary	2	250	500	6,000
		23	8,150	13,100	157,200

After the initial 2 years, depending on the result of the training, local counter parts will replace the expatriates.

The total wage bill per annum will be US\$ 157,200 as shown in schedule showing wages and salaries.

8. INVESTMENT AND FINANCING

8.1 ASSUMPTIONS

The financial projections to determine the viability of the project by M/S TULIP STEEL AND ENGINEERING LIMITED are based on the following key assumptions:

- Installation of manufacturing facilities will start immediately. Thereafter production will commence
- The company target market will initially be the local market while export market will be considered during the expansion phase

- Financial calculations are based on current market prices and costs are assumed constant throughout the operations period under view on the assumption that if operation costs change, selling prices will change proportionally preserve the profit margins.

8.2 SUMMARY OF CAPITAL COSTS

On completion of project implementation, the total investment will reach to US\$ 950,000

8.3 BUILDING AND CIVIL WORKS COSTS

Civil works will be partitioning, electrocution and water supply, tank installation etc. The estimated total investment on civil works costs is included below.

8.4 PLANT MACHINERY AND EQUIPMENT COSTS

The main machinery for the envisaged project will be those for outlined manufacturing operations. Other supporting equipment various tools, accessories, etc., will be required as explained earlier.

The total investment in machinery and equipment is based on quotation received from major suppliers for main production machinery and amount US\$ 600,000 approximately.

8.5 MOTOR VEHICLES

For company work, the promoters intend to procure various vehicles at total cost of US\$ 150,000.

8.6 PRE-PRODUCTION CAPITAL EXPENDITURES

These include project development cost for feasibility study and start up expenses. A budget of US\$ 30,000 is considered adequate for this item.

8.7 INITIAL WORKING CAPITAL

Initial net working capital requirement at maximum for the proposed project works out at about US\$ 100,000. This is mainly for the procurement of initial stocks of raw materials. Rest of the requirement of the working capital will be raised from commercial banks as and when the need arises. This will fluctuate as per stocks in hand.

8.8 FINANCING PATTERN

The financing of the project will be from equity as well as bank loans. The financing of the project will take the following form

	EQUITY (US\$)	LOAN (US\$)
FOREIGN		
LOCAL	350,000	600,000

9 COST OF OPERATIONS

Some of the anticipated costs for operations of the project are detailed in the following sections and summarized in the attached schedules. The summarized costs are based on the fifth year of operation.

9.1 UTILITIES

A total of US\$ 215,000 will be required as water bills and for the purchase of electric power at sustainable production level.

9.2 VEHICLE RUNNING EXPENSES

Vehicle running expenses include fuel, lubricants, road licenses & insurance etc. The cost has been estimated at US\$ 32,724.

9.3 SALARIES AND WAGES

The number of employees along with their incomes is shown in attached schedule. The total annual package is estimated at US\$ 157,200 including fringe benefits and related taxes.

9.4 MARKETING

The marketing costs are estimated at US\$ 25,903 as per the attached schedule with the view of lower marketing expenditures in the future.

9.5 DEPRECIATION

The following is depreciation schedule for major assets to be employed in manufacturing operations of the project

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
	US\$	US\$	US\$	US\$	US\$
Plant, Machinery & Equipments	120,000	120,000	120,000	120,000	120,000
Furniture & Fixtures	6,250	6,250	6,250	6,250	6,250
Motor Vehicles	30,000	30,000	30,000	30,000	30,000
ANNUAL DEPRECIATION	156,250	156,250	156,250	156,250	156,250

10 FINANCIAL ANALYSIS

10.1 INCOME AND EXPENDITURE

10.1.1 Income

The proposed project by M/S TULIP STEEL AND ENGINEERING LIMITED expects to earn its income through revenue generated through the manufacturing operations, the total sales are expected to stand at US\$ 2,127,140

10.1.1 Expenditure

Some project costs have been discussed in Chapter 9 and are summarized in detail in attached schedule

10.2 NET INCOME STATEMENT HIGHLIGHTS

The projects annual after tax net income during the fifth year of production is estimated to reach US\$ 116,110 as presented in the Income Statement of the financial statements appendix.

10.3 CASH FLOW HIGHLIGHTS

This is shown in the financial statements. The project has a positive end of the year cash flow from year 1 of operation to the 5th year after taking into considerations for the repayment of the long term loan and interest; and also the estimated number of days sales in debtors of 45days approximately as shown here-under

1 st Year	15,000
2 nd Year	15,194
3 rd Year	75,562
4 th Year	153,056
5 th Year	252,582

10.4 BALANCE SHEET

The projected Balance Sheet of the project shown in the financial statements under same heading. Net worth of the project increasing from USD\$ 390,460 in the first year of operation to US\$ 730,825 in the fifth year.

1 st Year	390,460
2 nd Year	446,897
3 rd Year	521,725
4 th Year	614,715
5 th Year	730,825

11.1 ASSUMPTIONS AND CONSIDERATIONS

The basic assumptions underlying economic benefits and costs are:

11.1.1 Taxes and capital costs have been considered

11.1.2 Conversion factors have been used to determine economic costs and benefits:

11.2 ECONOMIC BENEFITS OF THE PROJECT

The successful operation of the project will contribute significant economic benefits to Tanzania. In summary the benefits which will be realized are as follows:

- This project will support investment in manufacturing which is important for the economy, contributing to research and other skills development
- Employment opportunities for at least 43 permanent staff when the project is fully operational
- The direct income for the workers, combined with other social benefits that the Management of M/s TULIP STEEL AND ENGINEERING LIMITED will provide, will help in overall efforts or alleviation of poverty in the Region
- Provision of a market for goods and services demanded by expanded tax base to the Treasury and Local Government Authorities and generation of substantial income to the Government

12. RECOMMENDATIONS

The project is technically feasible, financially and economically viable and environmental friendly. A fast implementation of the project is highly recommended to avoid cost overrun and for the project to be able to realize the benefits outlined above, especially at this juncture when the Government is making effort to boost investment in various sectors in the economy.

In view of the above it is further strongly recommended that the project be approved by Tanzania Investment Centre and be granted the TIC Certificate of Incentives with its associated privileges and benefits as provided for under Tanzania Investment Act, 1997 to facilitate smooth implementation.

FINANCIAL STATEMENTS

PROJECTED INCOME STATEMENT

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Sales Revenue	1,750,000	1,837,500	1,929,375	2,025,844	2,127,140
Cost of Sales	927,500	973,875	1,022,569	1,073,697	1,127,384
Gross Profit	822,500	863,625	906,806	952,147	999,756
Operating Expenses					
Administrative Overheads Costs	105,000	110,250	115,763	121,551	127,628
Motor Vehicle Running Expenses	18,000	23,400	28,820	30,261	32,724
Salaries and Wages	157,200	157,200	157,200	157,200	157,200
Depreciation	156,250	156,250	156,250	156,250	156,250
Marketing Costs	26,500	31,563	34,941	29,088	25,903
Rent	60,000	60,000	60,000	75,000	75,000
Utility Costs	120,000	145,000	170,000	195,000	215,000
Insurance	30,000	30,000	30,000	30,000	30,000
Interest on Loan	90,000	67,500	45,000	22,500	11,250
Communication	1,750	1,838	1,935	2,454	2,929
Total Expenses	764,700	783,001	799,909	819,304	833,884
Profit before Tax	57,800	80,624	106,897	132,843	165,872
Tax @ 30%	17,340	24,187	32,069	39,853	49,762
Profit after Tax	40,460	56,437	74,828	92,990	116,110

PROJECTED BALANCE SHEET

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Non-Current Assets					
Fixed Assets	643,750	487,500	331,250	175,000	18,750
Current Assets					
Inventory	291,667	306,250	321,563	337,641	354,523
Receivables & Prepayments	218,750	229,688	241,172	253,231	265,893
Cash	15,000	15,194	75,562	153,056	252,582
Total Current Assets	525,417	551,132	638,296	743,927	872,998
Total Assets	1,169,167	1,038,632	969,546	918,927	891,748
Liabilities					
Current Liabilities					
Payables	158,707	121,734	127,821	134,212	140,923
Accruals & Other Payables	20,000	20,000	20,000	20,000	20,000
	178,707	141,734	147,821	154,212	160,923
Non-Current Liabilities					
Long term loan	600,000	450,000	300,000	150,000	-
Total Liabilities	778,707	591,734	447,821	304,212	160,923
Net Assets	390,460	446,897	521,725	614,715	730,825
Shareholders Equity					
Share Capital	350,000	350,000	350,000	350,000	350,000
Retained Earnings	40,460	96,897	171,725	264,715	380,825
Total Equity	390,460	446,897	521,725	614,715	730,825

PROJECTED CASH FLOW STATEMENT

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Cash Flow from Operations					
Sales	1,531,250	1,826,563	1,917,891	2,013,785	2,114,478
Expenditures from Operations					
Purchases	1,060,460	1,025,430	1,031,794	1,083,384	1,137,557
Interest and Loan Repayment	90,000	217,500	195,000	172,500	161,250
Other expenditures	498,450	559,251	598,659	640,554	666,384
Taxation	17,340	24,187	32,069	39,853	49,762
Total Cash Payments	1,666,250	1,826,369	1,857,522	1,936,291	2,014,952
Net cash from Operating Activities	- 135,000	194	60,368	77,494	99,526
Cash Flow from Investing Activities					
Purchases of Assets	800,000	-	-	-	-
Net cash from Investing Activities	- 800,000	-	-	-	-
Cash Flow from Financing Activities					
Long term loan	600,000	-	-	-	-
Share Capital	350,000	-	-	-	-
Net cash from Financing Activities	950,000	-	-	-	-
Net Cash Flow for the period	15,000	194	60,368	77,494	99,526
Cash Flow at the start of period	-	15,000	15,194	75,562	153,056
Cash Flow at the end of period	15,000	15,194	75,562	153,056	252,582

SCHEDULE AND TABLES					
SCHEDULE 1					
REVENUE PROJECTIONS					
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Sales	1,750,000	1,837,500	1,929,375	2,025,844	2,127,140
	1,750,000	1,837,500	1,929,375	2,025,844	2,127,140
SCHEDULE 2					
OTHER OPERATING COSTS					
Other Operations Costs	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Motor Vehicle Running Expenses	18,000	23,400	28,820	30,261	32,724
Salaries and Wages	157,200	157,200	157,200	157,200	157,200
Depreciation	156,250	156,250	156,250	156,250	156,250
Administrative Overhead Costs	105,000	110,250	115,763	121,551	127,628
Marketing Costs	26,500	31,563	34,941	29,088	25,903
Rent	60,000	60,000	60,000	75,000	75,000
Utility Costs	120,000	145,000	170,000	195,000	215,000
Insurance	30,000	30,000	30,000	30,000	30,000
Interest on Loan	90,000	67,500	45,000	22,500	11,250
Communication	1,750	1,838	1,935	2,454	2,929
Total Costs	764,700	783,001	799,909	819,304	833,884

SCHEDULE 3	
COST STRUCTURE	
PARTICULAR	US \$
Plant, Machinery & Equipments	600,000
Motor Vehicles	150,000
Furniture & Fixtures	50,000
Pre Expenses	30,000
Others	20,000
Working Capital	100,000
TOTAL	950,000

SCHEDULE 4					
FIXED ASSETS SCHEDULE					
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
COST					
Plant, Machinery & Equipments	600,000	600,000	600,000	600,000	600,000
Furniture & Fixtures	50,000	50,000	50,000	50,000	50,000
Motor Vehicles	150,000	150,000	150,000	150,000	150,000
	800,000	800,000	800,000	800,000	800,000
ACCUMULATED DEPRECIATION					
Plant, Machinery & Equipments	120,000	240,000	360,000	480,000	600,000
Furniture & Fixtures	6,250	12,500	18,750	25,000	31,250
Motor Vehicles	30,000	60,000	90,000	120,000	150,000
	156,250	312,500	468,750	625,000	781,250
NET BOOK VALUE	643,750	487,500	331,250	175,000	18,750

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 REC014496

No. 008382

Received from : **TULIP STEEL AND ENGINEERING LTD**

Address **P. O. Box 42631, Dar Es Salaam.**

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



Being payment in respect of : **CERTIFICATE OF INCENTIVES**

Amount : **57**

Cash / Cheque No:

Date :

.....
Receiving Officer

TULIP STEEL AND ENGINEERING LTD

P. O. BOX 42631, DAR ES SALAAM

Your Ref. No. TICC/PP.10/042595/3

14th February, 2014

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

Dear Sir/Madam,

RE: CERTIFICATE OF INCENTIVES FOR STEEL PROUCT MANUFACTURING PROJECT

We acknowledge receipt of your letter dated 31/01/2014 with reference no. TICC/PP.10/042595/3 and appreciate in granting official registration of our project with certificate of incentives under authority conferred upon TIC under Part III, Section 17 (1-8) of the Tanzania Investment Act, 1997.

We would like to bring to your attention that the company is not entitled to own Land and Buildings in The United Republic of Tanzania since both of the shareholders are foreigners. We were just recently made aware of this by our local financial advisors here. Thus there is a need for the amendments to the Feasibility Study of the project which was submitted to your office.

We would also like to bring to your attention that the intended project is for manufacturing of steel products and not steel iron mill ore.

Please find enclosed here-with the amended Feasibility Study Report with particular regard to the above mentioned point. Hoping for your advice on the same and apology for inconveniences caused.

Thanking you,

Yours faithfully,



Mr. Nitin C. Lad
Managing Director

TICC/PP.10/042595/6

04/04/2014

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

Dear Sir,

**RE: DUTY/ VAT REMISSIONS ON CAPITAL/ DEEMED CAPITAL
GOODS – CERTIFICATE OF INCENTIVES No: 042595**

M/S Tulip Steel and Engineering Limited is a TIC registered company with certificate of incentives **No. 042595** which is valid up to **January 2017**

The company has been registered with objectives of establishing steel products manufacturing project.

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

Yours sincerely

TANZANIA INVESTMENT CENTRE



N.A. Senzia

FOR: EXECUTIVE DIRECTOR

TIC

5



TULIP STEEL & ENGINEERING LTD

Mbozi Road opp. Konyagi Factory, P.O.Box 42631, Dar es Salaam, Tanzania

e.mail : tulipsteel10@yahoo.com

DATE :- 1 April 2014

COMMISSIONER OF CUSTOMS & EXCISE
TANZANIA REVENUE AUTHORITY,
P.O.BOX 9053,
DAR ES SALAAM
UFS
EXECUTIVE DIRECTOR,
TANZANIA INVESTMENT CENTRE,
P.O.BOX 938,
DAR ES SALAAM
DEAR SIR,



Received on
03/4/2014
M
TIC/TIC

**RE: DUTY & VAT EXEMPTION ON CAPITAL/ DEEMED CAPITAL GOODS FOR
CERTIFICATE OF INCENTIVES NO: 042595**

We are Tic approved project with certificate of incentives No : 042595

Which is valid up to JANUARY .2017.

The Company has been registered with objectives of MANUFACTURE OF STEEL PRODUCTS.

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

Exemption approved.

Your sincerely

Kjoshi
KAUSHAL JOSHI



00220706

Original
(The Original)
Signature
Date 18/3/2014

For: Executive Director
Tanzania Investment Centre THE UNITED REPUBLIC OF TANZANIA

Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

No: 042595

This is to certify that

TULIP STEEL AND ENGINEERING LIMITED

of address P.O. BOX 42631

DAR ES SALAAM

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

TULIP STEEL AND ENGINEERING LIMITED

Which is located at PLOT NO. 175 CHANG'OMBE AREA MBOZI ROAD

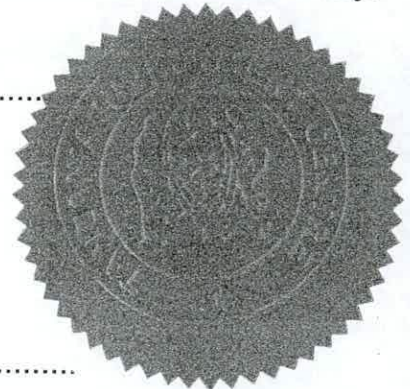
TEMEKE - DAR ES SALAAM

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 29TH JANUARY, 2014



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 (%)
Nitinkumar Chhabanbhai		
Lad	Indian	50
Kaushal Hasmukhbhai		
Joshi	Indian	50
2. Proposed Activities : **To establish steel products manufacturing project**
3. Sector: **Manufacturing** Subsector **Steel Products**
4. Investment cost: Foreign **USD 0m.** Local **USD 0.95m.** Total **USD 0.95m.**
5. Project Financing: Equity **USD 0.35m.** Loans **USD 0.6m.** Total **USD 0.95m.**
6. Source, terms and conditions of loan: **-**
7. Assets to be invested:

Capital items:	Foreign	Local	Total
	USD 0m.	USD 0.95m.	USD 0.95m.
8. Technology Agreement **None**
9. Date of TIC Registration: **29th January, 2014**
10. Implementation period **February, 2014 - January, 2017**
11. Operative date **February, 2017**
12. Investment Incentive Grade: As defined in part III Section 19 (1), (2) and Section 20 of the Tanzania Investment Act, 1997
 - (i) Applicable Import Duty **And VAT as per Customs Tariff Act, 1976 & VAT Act, 1997**
 - (ii) Applicable with-holding Tax **As per Income Tax Act, 2004 (as amended)**
 - (iii) Eligibility of Capital Allowances **As per Income Tax Act, 2004 (as amended)**
13. Protection of Investment, Arbitration and Transfer of Foreign Currency: as defined in part III Section 21, 22 and 23 of the Act.
14. Conditions attached to this Certificate of Incentives
 - (i) Date of Commencement of investment has to be notified to the Centre.
 - (ii) Certificate not to be transferred, assigned or amended
 - (iii) Failure to commence implementation within two years invalidates Certificate
 - (iv) Failure to operate investment must be notified to the Centre
 - (v) Changes in shareholding, project activities and level of invested capital must be notified to the centre
15. Additional conditions attached to Certificate
Finished goods are not allowed under this Certificate.

Signed 
Executive Director



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

TULIP STEEL AND ENGINEERING LIMITED

.....

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

122-980-154

.....
23-01-2014

with effect from

P. N. Kassera

OFFICIAL SEAL

COMMISSIONER FOR DOMESTIC REVENUE



TULIP STEEL & ENGINEERING LTD

Mbozi Road opp. Konyagi Factory, P.O.Box 42631, Dar es Salaam, Tanzania

e.mail : tulipsteel10@yahoo.com

NO.	ITEM NAME	QTY.	ITEM GROUP	TIN	EXEMPTION REFERENCE NO.	EXEMPTION DATE
1	12'Heavy duty Lathe Machine.	2 Pcs.	MACHINERY	122-980-154	42595	29/1/2014
2	4'-1/2" Heavy duty Lathe machine	3 Pcs.	MACHINERY	122-980-154	42595	29/1/2014
3	Pillar drill machine 0-25 mm	4 pcs.	MACHINERY	122-980-154	42595	29/1/2014
4	Shaper Machine -30"	4 pcs.	MACHINERY	122-980-154	42595	29/1/2014
5	Milling Machine	2 Pcs.	MACHINERY	122-980-154	42595	29/1/2014
6	Surface grinder	2 Pcs.	MACHINERY	122-980-154	42595	29/1/2014
7	Injection Molding machine	3 Pcs.	MACHINERY	122-980-154	42595	29/1/2014
8	Wire bending machine	4 pcs.	MACHINERY	122-980-154	42595	29/1/2014
9	Sloting Machine	2 Pcs.	MACHINERY	122-980-154	42595	29/1/2014
10	Hydraulic hacksaw Machine	2 Pcs.	MACHINERY	122-980-154	42595	29/1/2014
11	Air Compressor	2 Pcs.	Equipment	122-980-154	42595	29/1/2014
12	Welding Machine	4 Pcs.	MACHINERY	122-980-154	42595	29/1/2014
13	Hydraulic press	2 Pcs.	MACHINERY	122-980-154	42595	29/1/2014
14	Fry press	2 Pcs.	MACHINERY	122-980-154	42595	29/1/2014
15	Pallet truck	3 Pcs.	Equipment	122-980-154	42595	29/1/2014
16	Pick up Single Cabin	2 pcs	Vehicle	122-980-154	42595	29/1/2014
17	350 kva Transformer	1 Pcs.	Equipment	122-980-154	42595	29/1/2014
18	200 kva generator	1 Pcs.	Equipment	122-980-154	42595	29/1/2014
19						
20						
21						
22						
23						
24						
25						



00220706

THE UNITED REPUBLIC OF TANZANIA

Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

No: 042595

This is to certify that

TULIP STEEL AND ENGINEERING LIMITED

of address P.O. BOX 42631

DAR ES SALAAM

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

TULIP STEEL AND ENGINEERING LIMITED

Which is located at PLOT NO. 175 CHANG'OMBE AREA MBOZI ROAD

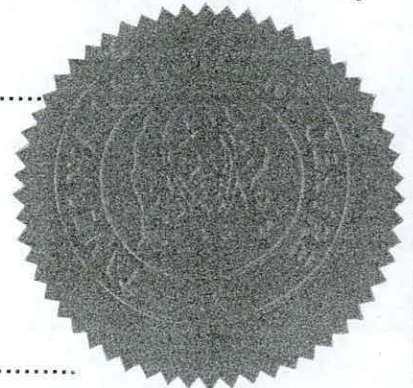
TEMEKE - DAR ES SALAAM

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 29TH JANUARY, 2014



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

1. Shareholders

	Nationality	Shareholding (%)
Nitinkumar Chhabanbhai		
Lad	Indian	50
Kaushal Hasmukhbhai		
Joshi	Indian	50
2. Proposed Activities : **To establish steel products manufacturing project**
3. Sector: **Manufacturing** Subsector **Steel Products**
4. Investment cost: Foreign **USD 0m.** Local **USD 0.95m.** Total **USD 0.95m.**
5. Project Financing: Equity **USD 0.35m.** Loans **USD 0.6m.** Total **USD 0.95m.**
6. Source, terms and conditions of loan: —
7. Assets to be invested:

	Foreign	Local	Total
Capital items:	USD 0m.	USD 0.95m.	USD 0.95m.
8. Technology Agreement **None**
9. Date of TIC Registration: **29th January, 2014**
10. Implementation period **February, 2014 – January, 2017**
11. Operative date **February, 2017**
12. Investment Incentive Grade: As defined in part III Section 19 (1), (2) and Section 20 of the Tanzania Investment Act, 1997
 - (i) Applicable Import Duty **And VAT as per Customs Tariff Act, 1976 & VAT Act, 1997**
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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
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Signed 
Executive Director