

PRIME MINISTER'S OFFICE

TANZANIA INVESTMENT CENTRE

FILE NUMBER

FILE TITLE

INDEX

PART

FILE NUMBER

TIC/

PP 10

PART

~~PP 10/06744~~

041666

CONFIDENTIAL

~~06744~~  
041666

FILE NUMBER

TIC/

INDEX HEADINGS

Officer or Section	For Action E/M	Initials	Date	Action taken Vide E/M	Officer or Section	For Action E/M	Initials	Date	Action taken Vide E/M
DIF	F1	BT	5/8/06						
ndom			6/3/04						
DIF	M		20/3/05						
			11/6/09						

SHRIRAM CONSTRUCTION

Co LID

1.0

**EXD**

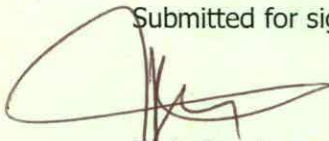
The approved project has fulfilled the investment requirements, which are: -

(a) Minimum finance investment threshold has been exceeded, the project expects to invest ..... US\$ 0.8 m .....

(b) Legal entity has been incorporated under certificate No. .... 041666 ..... of ..... 23/10/2008 .....

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

Submitted for signature.



N. A. Senzia  
**DIF**

19<sup>th</sup> March 2009

2.0

**EXD**

In response to the TIC letter of registration dated..... 19<sup>th</sup> March 2009 .....

the project has submitted the required documents namely: -

(a) Company Board Resolution.

(b) Reference letter/Financing from..... Bank of Baroda Ltd .....

(c) letter from Bogomojo .....

With the above submission EXD is requested to sign Certificate of Incentives No. .... 041666 ..... herein attached.

23/06/09

  
**DIF**

MINUTE

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

# **SHRIRAM CONSTRUCTION COMPANY LIMITED**

## **BUSINESS PLAN FOR MANUFACTURING OF STONE AGGREGATES PROJECT**

Prepared for :  
Shriram Construction Company Limited,  
P.O. Box , 10425  
Dar Es Salaam

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- 2. THE PROMOTERS**
- 3. THE MANAGEMENT**
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  - 6.2 FINANCIAL ANALYSIS**
- 7. ECONOMIC AND SOCIAL BENEFITS**
- 8. CONCLUSIONS**

### **ANNEXURE "A":**

PROJECTED CASH FLOW 2009 TO 2013  
PROJECTED MANUFACTURING, PROFIT & LOSS ACCOUNTS  
PROJECTED BALANCE SHEETS  
DISCOUNTED CASH FLOW ANALYSIS  
EXPLANATORY NOTES TO PROJECTED CASH FLOWS & FINANCIAL STATEMENTS

### **ANNEXURE "B":**

MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE COMPANY  
CERTIFICATE OF INCORPORATION  
CERTIFICATE OF TAXPAYER IDENTIFICATION NUMBER (T.I.N.)  
COPY OF TITLE DEED AND SITE LOCATION PLAN

## 1. THE COMPANY

### Incorporation

Shriram Construction Tanzania Ltd of P. O. Box 10425, Dar Es Salaam, was incorporated as a Limited Liability Company on the 23rd Day of October 2008, under the certificate of Incorporation Number 68103. The registered office of the company is situated at Plot No. 61, Mbozi Road, Dar es Salaam. The company has complied with all regulatory requirements and all statutory returns have been filed with BRELA as per the current law, Companies Act, 2002.

### Share Capital

The authorised share capital of the company is Tz. Shs 10,000,000 /=-, being 1,000 shares of Shs. 10,000/= each. The entire authorised capital of the company is issued and paid up. Mr. Vijesh Karsan Halai (30%), Mr. Sambai Kanti Halai (30%), Mr. Kanti Karsan Halai (30%) and Mr. Innocent Buberwa Kanyamanza (10%) hold the shares in the company. The authorised and/or issued capital of the company will be increased further to an appropriate level to enable promoters undertake the envisaged project.

### The Business

The Company has been incorporated with the object of extracting and processing high quality stone aggregates for use in construction industry in the local market. During the last 20 years, the promoters have accumulated considerable expertise in this line of business.

The company has completed the plans for the acquisition of buildings, plant, machinery, equipment and other movable assets required for the project.

The above acquisitions will cost the company US\$ 645,000/= and working capital requirements will be US\$ 155,000/=. These capital requirements have been financed by equity capital and funds from associates Shareholders.

The company has obtained the Tax Identification Number 107-303-316 on 24/10/2008 and Vat Registration Number 40-002765-G dated 23/01/2009. Copies of these are attached herewith this report in Annexure "B". There is no tax or any other liabilities being owed by the company to TRA, any other statutory authority, or any external party at the date of this report. The company also obtained a Business Licence No. B 01070752 dated 06/11/08 issued by Temeke Municipal Authority.

The company's Accountants & Auditors are : Patel & Company, Certified Public Accountants, P.O. Box 19093, Dar Es Salaam and the Bankers are Bank of Baroda Tanzania Ltd., Dar es Salaam.

## **2. THE PROMOTERS**

The company has been promoted by its Directors and Shareholders mentioned above. All the Directors have vast and proven commercial and industrial experience by virtue of their ownership of the associate companies which deal with construction, transportation and supply of building materials to local contractors.

The promoters possess the requisite technical skills and experience required for such a project to run smoothly and efficiently.

As such, the promoters have vast industrial and commercial experience and will capitalize the new company adequately to venture into the business of manufacturing quarry products. To undertake the proposed investment further capital will be injected by the promoters in addition to the current capital of the company. The details of these are seen in the financing plan in Annexure "A".

### **3. THE MANAGEMENT**

The company will be managed and run by its Board of Directors which consists of the following:

- (1) Mr. Vijesh Karsan Halai
- (2) Mrs. Sambai Kanti Halai
- (3) Mr. Kanti Karsan Halai
- (4) Mr. Innocent Buberwa Kanyamanza

As elaborated above the first two Directors will be fully involved in running and managing the new company. The third Director, Mr. K. K. Halai will supervise the technical and operational matters of the company. The fourth director will be fully involved with legal, compliance and stakeholder relations for the company. All the four Directors will be fully involved in the running of this company's day-to-day operations within their own areas of expertise. However, professional management team will be put in place to do the extraction, processing, operations, financial controls and technical aspects.

A General Manager, a Commercial / Sales Manager and a Quarry Manager Manager will assist the Board of Directors. This team of top managers will be assisted by 1 Production Engineer, 1 Chief Accountant, 1 Assistant Accountant cum Finance Officer and 1 Human Resource Manager. This team will be fully responsible for all aspects of management of the day-to-day operations and support activities of the company.

The level of staffing will be increased over two to three years based on the requirements of the project and availability of suitable Tanzanian manpower.

## 4. THE PROJECT

### **4.1 PROJECT CONCEPT**

The company intends to set up a plant for the extraction, process and manufacture of stone aggregates of various sizes for Tanzanian construction industry. The quarry will be set up in Mazizi Village near the village known as Lugoba near Chalinze, Bagamoyo District. The distance from Dar es Salaam is 100 kms and distance from Morogoro is 60 km.

The area allocated to the company by the village administration is approximately 0.07 square kilometers (6.99 Hectares). This will be sufficient to extract 124,000 cubic meters of stones per annum for the next five years.

In any developing country, as economic transformation is set in motion, the yardsticks for the level of development or industrialization are set by the per capita usage of various primary goods like stone, sand, cement, steel, textiles, paper, petrochemicals, etc. and their proportions in the GNP of the country.

As the country moves towards industrialization from a primarily agrarian economy, to a more urbanized cum industrial one, the users of all kinds of building materials Aggregates require stone products of different types. These are broadly classified into following categories sizes :

1. 30 MM
2. 25 MM
3. 15 MM
4. 10 MM
5. 8 MM
6. Dusts

## **4.2 BUILDINGS AND PHYSICAL INFRASTRUCTURE**

The company is planning to set up the intended new stone products plant at its sites at Lugoba at Mazizi Village. The property is accessible by an all weather tarmac road from Tanzania – Zambia highway as also from all districts of Bagamoyo. In addition to the planned two warehouses, measuring 800 square meters, the company intends to increase the manufacturing space by addition of one new godown within five years. Of these three godowns, two will be used for manufacturing while one will be for storage of materials and finished goods. The objective of this exercise is to provide for adequate production of aggregates throughout the year while the demand fluctuates during certain months based on level of activity in the industry. This will give rise to some excess production during certain months.

The three industrial buildings at the complex will also have adequate parking, loading and unloading facilities for the occupants as well as visitors and to do this the management intends to invest in additional features and improvements to enhance and create pleasant work and business environment.

## **4.3 PLANT AND MACHINERY**

The project to manufacture stone products requires a set of machines and equipment as follows, which is based on 24,000 tons of raw materials. These machines and/or equipment are as under:

1. Caterpillar Excavator
2. Crusher Machine
3. Vibrating Machine
4. Motor with Starter, Gearbox
5. Return Roller

6. Pillow Roller, Belts
7. Wheel Loader.
8. Compressor
9. Generator 300 KVA
10. Heavy Duty Drill Machine.

Also required are two sets of complex conveyor systems to facilitate the faster flow of materials through different stages of production. Also required is mobile lifting equipment to lift and move and place aggregates of various widths on to the trucks to transport these to customers.

The total cost of these machines and equipment are expected at US\$ 645,000/= over the next two years. Initially the high quality machines from United Kingdom and India will be installed together with locally fabricated systems to enhance the capacity of the quarry.

#### **4.4 RAW MATERIALS**

The primary raw materials for this project are the raw stone blocks extracted from the area near Lugoba. The details costing of these are in financial tables enclosed with this report.

#### **4.5 PRODUCTION PROCESS**

##### **PRODUCTS MANUFACTURING**

**Site preparation**

**Extraction**

**Crushing**

**Filtering**

**Loading for transportation**

## 4.6 HUMAN RESOURCES

The company will require services of management staff, support staff and skilled and unskilled workers at the plant. The company intends to hire the following management personnel to start the project:

General Manager	1
Operations Manager	1
Sales Manager	1
Production Engineer	1
Chief Accountant	1
Accountant / Finance Officer	1
Human Resource Manager	1

Of the above 6 persons, the company will need to recruit expatriate personnel for the positions of General Manager, Operations Manager, Production Engineer and Chief Accountant. This is important due to the technical nature of the industry which needs to employ new technologies to the country as well as the complex issues involved during and after the production stages. The ultimate objective is to be competitive and offer quality products to local and highly competitive export markets.

At the production level the plant will require services of 60 skilled and unskilled operators, handlers and helpers which are available and identified by the company. In addition the company will also need to hire four security personnel to assist with safety and security of the assets of the company.

#### 4.7 FINANCING PLAN:

The total cost of these facilities and improvements are estimated to be US\$ 800,000/= which together with the cost of investments. The company intends to employ its own funding for the entire project while seeking loans for future expansions.

Figures in US\$

Capital Goods	550,000.00
Fixed Assets at site	70,000.00
Moveable assets	25,000.00
Working capital requirements	155,000.00

The tables in Annexure "A" give detailed breakdown of various aspects of revenues and expenses and the basis of their inclusion in the respective tables. Further analyses are given in the subsequent chapter "6" of this report under Financial Aspects.

## 5. THE MARKET

The market for products for local stone aggregates is rising at approximately 15% per annum. This rise has been constant in spite of recent perceptions of downturn in world economies. This is because the local demand from small and medium house builders have continued to persist while some of the major state funded and private projects are slowing down in some sectors.

## **6. FINANCIAL ASPECTS**

### **6.1 BASIC ASSUMPTIONS:**

The following basic assumptions form the basis of the study:

The total investments are US\$ 800,000 /= which include US\$ 645,000/= in fixed or physical assets and US\$ 155,000/= in working capital.

It should be noted that all capital costs have been taken at landed costs excluding Customs duties and Value Added Taxes (V.A.T.). Thus the promoters believe the exemption of customs duties and deferment of VAT will be an important requisite for the project to be implemented.

The construction period for the facilities and improvements is estimated at 6 months.

Gross revenues arising from sale of products is conservatively estimated to rise at the rate of 10% to 20% per annum at constant prices. Similarly expenses are assumed to rise at the similar rate or based on other factors.

Taxation is assumed to be constant i.e. at 30% of net business incomes. However even if the system of taxation and the rate were to change to be in line with EAC member states' Tax regimes, there will not be any significant changes to cash outflows. This is because the Corporation Tax rates are highly unlikely to exceed 30% as any increase will deter new local and foreign direct investment

For the purpose of this study the figures are quoted in Tanzania US \$ only.

## 6.2 FINANCIAL ANALYSIS

The project is expected to pay back in a period of just less than five years. This is extremely positive for a natural resource investment project in a rural area, which is commonly expected to pay back over more than ten years.

The Cash Flow analysis of the project shows a net surplus of US\$ 1,356,635/= at the end of the year 2013 or after five years. The Cash Flow analysis and projected financial statements are inclusive of revenues and payment of all types without exception.

The total earnings per share over five years amounts to US\$ 19.62 which is more than the nominal value of each share.

The Financial analysis clearly shows the financial benefits in terms of direct and indirect taxes, NSSF contributions, local government taxes like city service levies and property taxes, employment opportunities to Tanzanian nationals and other benefits to ancillary trade and services in the local economy. Please refer to the ANNEXURE A for the detailed financial projections of the venture.

## **7. ECONOMIC & SOCIAL BENEFITS**

The following benefits will accrue to the nation from the implementation of this project covering the existing and new investments:

- Provision of high quality industrial project in a rural area around Lugoba in Chalinze district.
- Employment of at least 60 Tanzanian nationals with total estimated gross emoluments of US\$ 45,432/= or more plus benefits in the first year and rising thereafter.
- Additional employment opportunities in enterprises which will benefit in terms of new businesses opportunities to service this new project.
- Direct Taxes to T.R.A. – US\$ 428,989/= over the next five years by way of corporation taxes at the current rate of 30% of net taxable incomes.
- Additional direct taxes will also accrue from employment taxes of employees and with holding taxes on dividends paid to shareholders.
- Skills and development levies to T.R.A. amounting to US\$ 14,344/= over five years.
- Value Added Taxes to T.R.A. – US\$ 1,362,240/= over the next five years based on the current VAT rate of 20% of the value of the sales.
- Total NSSF contributions amounting to US\$ 23,907/= over the same period.
- Total Land Rents, Property taxes, and other charges to Central and Local Government, based on the current local government regulations.
- Additional revenue generation for other companies, both private and public, in respect of investments during the construction of additional facilities and improvements and on the recurrent expenditure on goods and services thereafter.

## **8. S W O T ANANLYSIS**

### **STRENGTHS:**

Investments in new plant, efficiency, customer base, proven experience, own facilities, grasp over mechanical engineering, ability solve technical problems and evolve engineering solutions, innovations in better use of machines, well known in the market as a reliable contractor and supplier, willingness to undertake orders from small and large customers.

### **WEAKNESSES:**

Presence of bigger players, distance from markets in Dar es Salaam, costs of transportation of raw materials to urban centres, competitive pressures hampering profitability.

### **OPPORTUNITIES:**

Importance of location at Lugoba, lower costs, nearer to export markets of Kenya, Uganda and Zambia and regions of Dar es Salaam, Morogoro, Iringa, Moshi, Mwanza, Shinyanga, Tabora, Dodoma, etc., ample space for expansion, ability to undertake contract production for bigger players, opportunities to service upcountry and smaller customers with speed and flexibility.

### **THREATS:**

Downturn in the economy, nationally and internationally, failure of crops due to various reasons, new manufacturers, imports from neighbouring countries, evasion of royalties by unscrupulous extractors and cowboy players.

## **9. CONCLUSIONS:**

The project which the promoters intend to undertake is based on very sound fundamentals. These are the prime location of the quarry. Installation and commissioning of a new plant for manufacture of stone products, adequate security, availability of water, power, nearness and access to all main roads and with easy access to all regions and neighbouring countries.

The financial analysis which forms part of this report shows that the project is totally viable and warrants financial facilities from bankers.

The revenue projections are based on actual sales done by the associated company during past years to existing customers and hence these are guaranteed revenue streams which the company will realize.

Similarly all the projections of expenses and outgoings are also based on certainty which in turn is based on historical figures of the preceding years and scientific estimates for the future years.

The Net Present Values (NPV) of the project based on discounted cash flow rates of 12% and 24%, which are much more than the current inflation rate as well as current savings rate, gives positive cash flows.

The pay back period for the project is just under five years.

There are perceived future opportunities for the location too. These are the opportunities to service specific export markets.

Finally, the promoters do not perceive any negative factors that may lead to reduced demand for the products of the company and thus reduced revenues from the project. On the other hand the revenues from this investment are highly likely to go up within the next 12 to 18 months, exceeding the rate of growth projected in this report.

As such the promoters strongly believe that this is a very safe, secure and profitable investment for the company and fully justified under the present state of the economy of the country.

# SHRIRAM CONSTRUCTION TANZANIA LIMITED

PROJECTED BALANCE SHEETS					
ASSETS	2009	2010	2011	2012	2013
CURRENT ASSETS					
CASH	212,764	490,399	769,904	1,058,162	1,356,635
ACCOUNTS RECEIVABLE	70,400	70,400	74,800	79,200	83,600
INVENTORY	16,000	16,000	17,000	18,000	19,000
<b>TOTAL CURRENT ASSETS</b>	<b>299,164</b>	<b>576,799</b>	<b>861,704</b>	<b>1,155,362</b>	<b>1,459,235</b>
FIXED ASSETS					
NET FIXED ASSETS	500,875	391,516	308,279	244,678	195,840
<b>NET FIXED ASSETS</b>	<b>500,875</b>	<b>391,516</b>	<b>308,279</b>	<b>244,678</b>	<b>195,840</b>
<b>TOTAL ASSETS</b>	<b>800,039</b>	<b>968,315</b>	<b>1,169,983</b>	<b>1,400,040</b>	<b>1,655,075</b>
LIABILITIES					
CURRENT LIABILITIES					
ACCOUNTS PAYABLE	7,622	7,646	8,131	8,617	9,103
<b>TOTAL CURRENT LIABILITIES</b>	<b>7,622</b>	<b>7,646</b>	<b>8,131</b>	<b>8,617</b>	<b>9,103</b>
LONG TERM DEBT	-	-	-	-	-
EQUITY					
SHARE CAPITAL	645,000	645,000	645,000	645,000	645,000
RETAINED EARNINGS	147,417	315,669	516,852	746,423	1,000,972
<b>TOTAL EQUITY</b>	<b>792,417</b>	<b>960,669</b>	<b>1,161,852</b>	<b>1,391,423</b>	<b>1,645,972</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>800,039</b>	<b>968,315</b>	<b>1,169,983</b>	<b>1,400,040</b>	<b>1,655,075</b>
<b>LIQUID CURRENT RATIO(:1) (CA-CASH/CL)</b>	11.34	11.30	11.29	11.28	11.27

# SHRIRAM CONSTRUCTION TANZANIA LTD

Projected Profit and Loss Account for 5 Years

SR.	Description	Yr.1	Yr.2	Yr.3	Yr.4	Yr.5
1	Sales Quantity in MT per year	23,040	23,040	24,480	25,920	27,360
2	Revenue From Sales @ USD 55/MT	1,267,200	1,267,200	1,346,400	1,425,600	1,504,800
<b>A</b>	<b>TOTAL REVENUE</b>	<b>1,267,200</b>	<b>1,267,200</b>	<b>1,346,400</b>	<b>1,425,600</b>	<b>1,504,800</b>
	<b>Direct Expenses</b>					
3	EXCAVATION COST	403,200	403,200	428,400	453,600	478,800
4	SITE OVERHEADS	46,080	46,080	48,960	51,840	54,720
5	OFFICE OVERHEADS	11,520	11,520	12,240	12,960	13,680
6	TRANSPORTATION COST	391,680	391,680	416,160	440,640	465,120
<b>B</b>	<b>COST OF PRODUCTION</b>	<b>852,480</b>	<b>852,480</b>	<b>905,760</b>	<b>959,040</b>	<b>1,012,320</b>
<b>C</b>	<b>CONVERSION MARGIN AVAILABLE</b>	<b>414,720</b>	<b>414,720</b>	<b>440,640</b>	<b>466,560</b>	<b>492,480</b>
	<b>Indirect Expenses</b>					
7	ADMINISTRATION OVERHEADS	60,000	65,000	70,000	75,000	80,000
<b>D</b>	<b>COST OF SALES</b>	<b>912,480</b>	<b>917,480</b>	<b>975,760</b>	<b>1,034,040</b>	<b>1,092,320</b>
<b>E</b>	<b>Earning before Interest, Depreciation and Taxes (EBITD)</b>	<b>354,720</b>	<b>349,720</b>	<b>370,640</b>	<b>391,560</b>	<b>412,480</b>
	INTEREST	-	-	-	-	-
<b>F</b>	<b>Earning before Depreciation and taxes (EBDT)</b>	<b>354,720</b>	<b>349,720</b>	<b>370,640</b>	<b>391,560</b>	<b>412,480</b>
8	Depriciation	144,125	109,359	83,236	63,601	48,838
<b>G</b>	<b>Earning before Tax (EBT)</b>	<b>210,595</b>	<b>240,361</b>	<b>287,404</b>	<b>327,959</b>	<b>363,642</b>
9	Provision for Tax ( @ 30% of EBT)	63,179	72,108	86,221	98,388	109,093
<b>H</b>	<b>Earning After Taxes (EAT)</b>	<b>147,417</b>	<b>168,252</b>	<b>201,183</b>	<b>229,571</b>	<b>254,550</b>
10	Depriciation	144,125	109,359	83,236	63,601	48,838
<b>I</b>	<b>NET Cash Accruals</b>	<b>291,542</b>	<b>277,612</b>	<b>284,419</b>	<b>293,172</b>	<b>303,387</b>

IRR BEFORE TAX

24%

# SHRIRAM CONSTRUCTION TANZANIA LIMITED

PROJECTED CASH FLOW STATEMENTS					
CASH IN	2009	2010	2011	2012	2013
EQUITY	645,000				
SALES	1,267,200	1,267,200	1,346,400	1,425,600	1,504,800
LESS: CHANGE IN ACCOUNTS RECEIVABLE	(70,400)	-	(4,400)	(4,400)	(4,400)
<b>TOTAL CASH IN</b>	<b>1,841,800.00</b>	<b>1,267,200.00</b>	<b>1,342,000.00</b>	<b>1,421,200.00</b>	<b>1,500,400.00</b>
<b>CASH OUT</b>					
CAPITAL EXPENDITURE, PRE-OP EXP	645,000	-	-	-	-
OPERATING EXPENSES	912,480	917,480	975,760	1,034,040	1,092,320
LESS: CHANGE IN ACCOUNTS PAY	(7,622)	(23)	(486)	(486)	(486)
PLUS: CHANGE IN INVENTORY	16,000	-	1,000	1,000	1,000
TAX PAYMENTS	63,179	72,108	86,221	98,388	109,093
<b>TOTAL CASH OUT</b>	<b>1,629,036</b>	<b>989,565</b>	<b>1,062,495</b>	<b>1,132,942</b>	<b>1,201,927</b>
<b>NET CASH FLOW</b>	<b>212,764</b>	<b>277,635</b>	<b>279,505</b>	<b>288,258</b>	<b>298,473</b>
<b>OPENING CASH BALANCE</b>	<b>0</b>	<b>212,764</b>	<b>490,399</b>	<b>769,904</b>	<b>1,058,162</b>
<b>CLOSING CASH BALANCE</b>	<b>212,764</b>	<b>490,399</b>	<b>769,904</b>	<b>1,058,162</b>	<b>1,356,635</b>

# SHRIRAM CONSTRUCTION TANZANIA LIMITED

PROJECTED WORKING CAPITAL SCHEDULES		2009	2010	2011	2012	2013
<b>CASH</b>	<b>CYCLE/NORMS</b>					
EXCAVATION COST	1 Month	33,600	33,600	35,700	37,800	39,900
SITE OVERHEADS	1 Month	3,840	3,840	4,080	4,320	4,560
OFFICE OVERHEADS	1 Month	960	960	1,020	1,080	1,140
TRANSPORTATION COST	1 Month	32,640	32,640	34,680	36,720	38,760
INDIRECT COSTS	1 Month	5,182	5,417	5,833	6,250	6,667
<b>TOTAL CASH REQUIREMENT</b>		<b>76,222</b>	<b>76,457</b>	<b>81,313</b>	<b>86,170</b>	<b>91,027</b>
<b>Account Receivable</b>						
TRADE RECOVERABLES	AVG 45 DAYS SALES	70,400	70,400	74,800	79,200	83,600
<b>TOTAL ACCOUNTS RECEIVABLE</b>		<b>70,400</b>	<b>70,400</b>	<b>74,800</b>	<b>79,200</b>	<b>83,600</b>
<b>Inventory</b>						
FINISHED GOODS	YEAR END					
	THREE DAYS PRODUCTION	16,000	16,000	17,000	18,000	19,000
<b>TOTAL INVENTORY</b>		<b>16,000</b>	<b>16,000</b>	<b>17,000</b>	<b>18,000</b>	<b>19,000</b>
<b>Accounts Payable</b>						
TRADE CREDITORS	10% OF CASH	7,622	7,646	8,131	8,617	9,103
<b>TOTAL ACCOUNTS PAYABLE</b>		<b>7,622</b>	<b>7,646</b>	<b>8,131</b>	<b>8,617</b>	<b>9,103</b>
<b>CHANGES IN WORKING CAPITAL</b>						
		<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
CASH		76,222	76,457	81,313	86,170	91,027
CHANGE IN CASH		76,222	235	4,857	4,857	4,857
ACCOUNTS RECEIVABLE		70,400	70,400	74,800	79,200	83,600
CHANGE IN ACCOUNTS RECEIVABLE		70,400	-	4,400	4,400	4,400
INVENTORY		16,000	16,000	17,000	18,000	19,000
CHANGE IN INVENTORY		16,000	-	1,000	1,000	1,000
ACCOUNTS PAYABLE		7,622	7,646	8,131	8,617	9,103
CHANGE IN ACCOUNTS PAYABLE		7,622	23	486	486	486
<b>WORKING CAPITAL</b>		<b>155,000</b>	<b>155,211</b>	<b>164,982</b>	<b>174,753</b>	<b>184,524</b>
<b>CHANGE IN WORKING CAPITAL</b>		<b>155,000</b>	<b>211</b>	<b>9,771</b>	<b>9,771</b>	<b>9,771</b>

# SHRIRAM CONSTRUCTION TANZANIA LTD

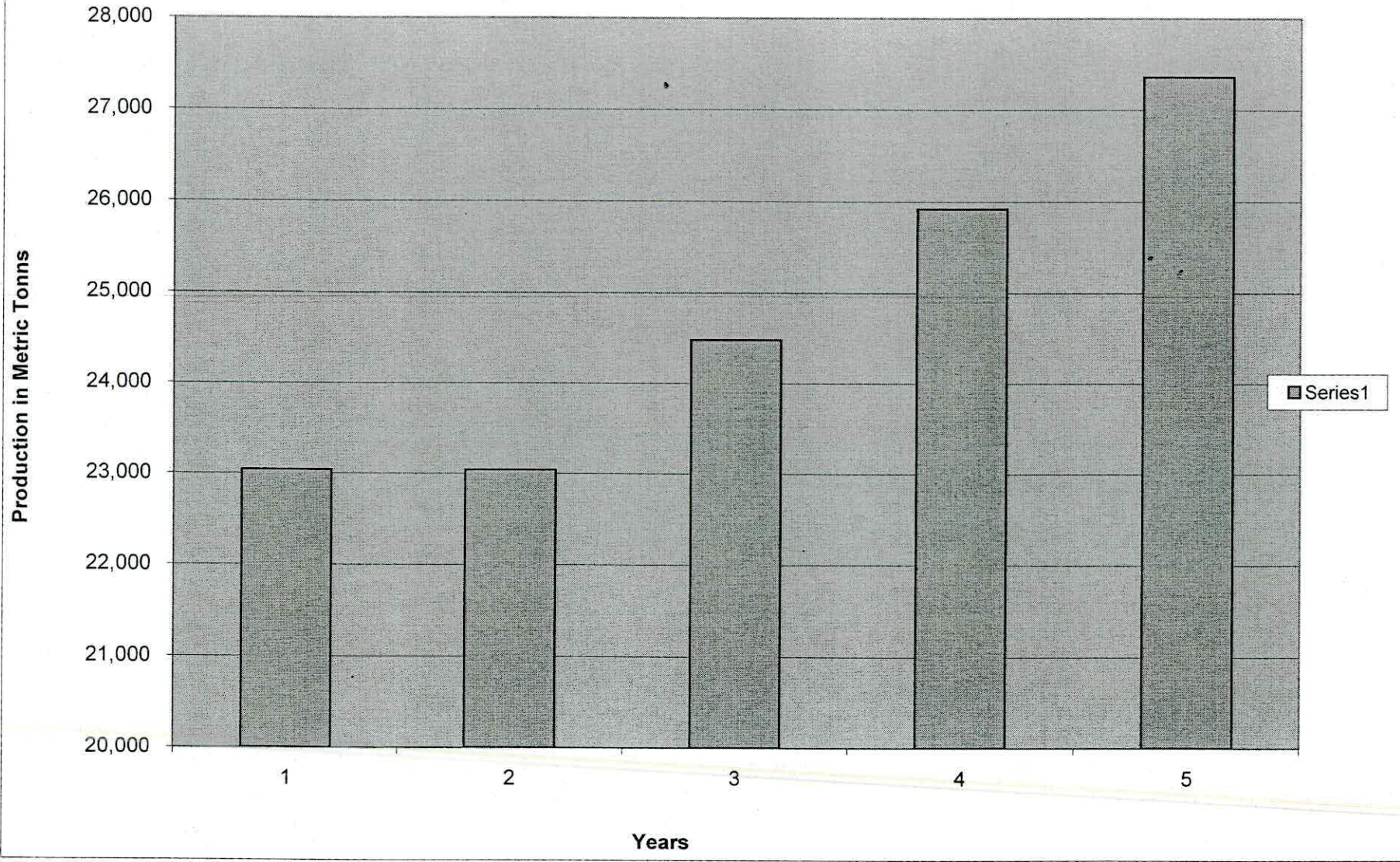
Sales Projections of Aggregate in Metric Tons					
PER DAY	80	80	85	90	95
	year-1	year-2	year-3	year-4	year-5
1	1,920	1,920	2,040	2,160	2,280
2	1,920	1,920	2,040	2,160	2,280
3	1,920	1,920	2,040	2,160	2,280
4	1,920	1,920	2,040	2,160	2,280
5	1,920	1,920	2,040	2,160	2,280
6	1,920	1,920	2,040	2,160	2,280
7	1,920	1,920	2,040	2,160	2,280
8	1,920	1,920	2,040	2,160	2,280
9	1,920	1,920	2,040	2,160	2,280
10	1,920	1,920	2,040	2,160	2,280
11	1,920	1,920	2,040	2,160	2,280
12	1,920	1,920	2,040	2,160	2,280
<b>TOTAL</b>	<b>23,040</b>	<b>23,040</b>	<b>24,480</b>	<b>25,920</b>	<b>27,360</b>

Production Projections of Aggregate in Metric Tons					
PER DAY	80	80	85	90	95
	year-1	year-2	year-3	year-4	year-5
1	1,920	1,920	2,040	2,160	2,280
2	1,920	1,920	2,040	2,160	2,280
3	1,920	1,920	2,040	2,160	2,280
4	1,920	1,920	2,040	2,160	2,280
5	1,920	1,920	2,040	2,160	2,280
6	1,920	1,920	2,040	2,160	2,280
7	1,920	1,920	2,040	2,160	2,280
8	1,920	1,920	2,040	2,160	2,280
9	1,920	1,920	2,040	2,160	2,280
10	1,920	1,920	2,040	2,160	2,280
11	1,920	1,920	2,040	2,160	2,280
12	1,920	1,920	2,040	2,160	2,280
<b>TOTAL</b>	<b>23,040</b>	<b>23,040</b>	<b>24,480</b>	<b>25,920</b>	<b>27,360</b>

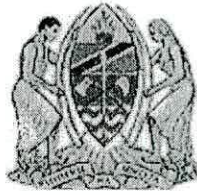
# SHRIRAM CONSTRUCTION TANZANIA LTD

			DEPRICIATION SCHEDULE					
INVESTMENT PLAN		USD	YR 1	YR 2	YR 3	YR 4	YR 5	TOTAL
LAND AND BUILDING	5% FIXED	70,000	3,500	3,500	3,500	3,500	3,500	17,500
FURNITURE AND FITTINGS	12.50% DIMINISING	25,000	3,125	2,734	2,393	2,094	1,832	12,177
PLANT	25% DIMINISING	450,000	112,500	84,375	63,281	47,461	35,596	343,213
VEHICLES	25% DIMINISING	100,000	25,000	18,750	14,063	10,547	7,910	76,270
WORKING CAPITAL		155,000						
<b>TOTAL INVESTMENT</b>		<b>800,000</b>	<b>144,125</b>	<b>109,359</b>	<b>83,236</b>	<b>63,601</b>	<b>48,838</b>	
<b>WRITTEN DOWN VALUE</b>			66,500	63,000	59,500	56,000	52,500	
			21,875	19,141	16,748	14,655	12,823	
			337,500	253,125	189,844	142,383	106,787	
			75,000	56,250	42,188	31,641	23,730	
			<b>500,875</b>	<b>391,516</b>	<b>308,279</b>	<b>244,678</b>	<b>195,840</b>	

### Production Capacity Utilization Plan



# TANZANIA



## Certificate of Incorporation

Section 15

No 68103

I HEREBY CERTIFY THAT

**SHRIRAM CONSTRUCTION TANZANIA 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 **23RD** day of **OCTOBER**

**TWO THOUSAND AND EIGHT**

*Assist. Registrar of Companies*

**THE COMPANIES ACT 2002**

**COMPANY LIMITED BY SHARES**

**MEMORANDUM**

**AND**

**ARTICLES OF ASSOCIATION**

**OF**

**SHRIRAM CONSTRUCTION TANZANIA LIMITED**

**Incorporated this 6<sup>th</sup> Day August, 2008**

***DRAWN BY:***  
***(Subscriber)***  
***Mr. Innocent B. Kanyamanza***  
***P.O. Box 10425***  
***Dar es Salaam***  
***Tanzania***

**THE UNITED REPUBLIC OF TANZANIA**

**Certificate of Incorporation**

**No.**

**I her by certify that**

**SHRIRAM CONSTRUCTION TANZANIA 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 .....day of.....Two Thousand and Eighty**

**Seal**

**Registrar of Companies**

Sheet  
22/08/2018  
32286376

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

22/08/2018  
32286376

**OF**

**SHRIRAM CONSTRUCTION TANZANIA LIMITED**

1. The name of the company **SHRIRAM CONSTRUCTION TANZANIA LIMITED**
2. The registered office of the company will be situated in United Republic of Tanzania.
3. The objects for which the company is established are:
  - (a) To carry on the business of builders, contractors, appraisers, valuers, architects, engineers, surveyors, house and estate agents.
  - (b) To build, construct, maintain, alter, enlarge, pull down, repair, and remove or replace and buildings, offices, factories, mills, works, wharves, roads, walls, fences, banks, dams, sluices, water – courses, sewers, drains, culverts, channel, or sewage, and to clear sites for the same, or to join with any person, form or company in doing any of the things aforesaid, and to work, manage, and to control the same or join with others in so doing.
  - (c) To manufacture, buy and sell doors, windows, furniture, any wooden articles, bricks, tiles, brick – earth, stone, marble, slates, sanitary fittings, corrugated iron sheets, girders, timber, chalk, sand and other building materials.
  - (d) To carry on the business of forest products, logs, timber and wood furniture, importation, exportation, wholesale, retail of ceramics, hardware, iron steel, sanitary, software, building material and manufacture and distribute prefabricate concrete articles and to be suppliers of the same to be general distribution agents for used copper, cement, roofing material, tiles, tube, wire mash, fencing wire and other materials, to carry on the business as general traders and trading agent to distributors of all kinds of goods.
  - (e) To carry on the business of suppliers and dealers in all kinds of electrical goods, engineering goods, machinery apparatus, implements, including spare parts, industrial spares, accessories, components, fitting

and general trading and to import and export all types of merchandise, good articles and commodities.

- (f) To carry on the business as manufacturers, renters and repair, import wholesale and retail in air conditioners, air coolers, plants, machines freezers or all kind storage and preservation articles (Whether mobile or immobile) refrigerators, air cooling apparatus, air drivers, air filtering machines, brooms, brushes, sweepers and cleaning and sweeping tools and apparatus, refrigeration and cold storage plants, washing machine and domestic and household equipments and utensils of all kind, artificial lighting apparatus and electrical plants.
- (g) To carry on the business of import, export, wholesale, distributor, publishing, printing and manufactures of books, magazines, post cards dairies, brochure, calendars, educational books, political books and technical books, both paper and hard books journal news paper, proprietor advertiser and advertising agents and stationery.
- (h) To Carry on all their respective branches all or any of the business of builders masonry and general construction contractors and haulers and among other things, to construct, execute, carry out, equip, improve, work and advertise railways, tramway, docks, harbors, wharves, canals, water-courses, reservoirs, embankments, irrigations, reclamations, sewage, drainage and other sanitary works, water, gas, mechanic, electric and other supply works, houses buildings and erections of every kind and to carry on any other business in connection with the above mentioned business.
- (i) To acquire, take over, promote, establish, engage in and carry the business of profession of farmers, planters, harvesters, sprayers, see growers, glaziers breeders of and dealers of livestock, marker gardeners, agriculturists, horticulturist, floriculturists, dairymen, vegetable oil extractors, poultry and bee- keeper and any other business in connection with floriculture, agriculture and horticulture.
- (j) To carry and promote and trade or business of farm and agriculture inputs implements, tools, packaging materials and deal in the livestock and or the veterinary health – care products to farmers and stockiest, to buy, sell, supply, distribute, whether in retail or wholesale, fertilize, insecticides, fungicides, growth stimulants, agro seeds, farm implements and tools, animal feed, veterinary drugs and relate goods and import and export agriculture and food technology industries and equipment, manufacture and semi processed products in Tanzania and other parts of the world.
- (k) To carry on the business as general suppliers of all sorts and types of goods and service to individuals, offices, industries, shops, schools, factories, hospitals, army, military, ministries and all other government

offices, universities and all other places where the services of suppliers are needed.

- (l) To carry on the business as general suppliers, Importers, exporters, traders merchants, stockiest, wholesalers, retailers, and dealers in all types of electrical goods, hardware, building material, timber, fishing gears, groceries, computers, office equipments, stationeries, cooking oils, salts, foodstuffs, cosmetics, oils, spare parts and maintenance, types, tubes, tools, and accessories, for all types of automotive, motor vehicles, project machinery and equipments, paints, spirits sheets, hinges, screws, iron monger, textiles piece good, all type of leather goods, shoes, bags and other similar goods.
- (m) To carry on the business of importers, exporters, buying selling, dealer in hardware, building materials, sanitary wares, wall papers, roofing tiles flooring tiles, supplying industrial equipments, agricultural implements and equipments spares of every description, plumbers, fittings, decorators steel fabricators, machine shop, nickel plating, electrical plating, making steel windows, doors, frames and roof tresses
- (n) To carry on the business of dealing in marketing, manufacturing, importing, exporting, stocking, buying, selling whether by wholesale or retail of various categories of goods and merchandise, and to act as commission agents and manufacturers, representative in all fields. To establish business enterprises whether small scale, industries and general deal in all kinds of general merchants and to import, export and all either by merchandise and articles of all description.
- (o) To carry on the business of clearing and forwarding agents, commission agents, transporters, freighters, haulers, customs bonded warehouse and godown keepers, cargo and travel agents, insurance agents, tourist agents, manufacturers representatives, road contractors, cargo superintendents, packers, machinery haulage specialist, warehousemen, engineers electrician, motor cars, cabs, omnibus, lorries, oil tank and coach proprietors, and transporters, civil transport contractors, and transporters by any other means of conveyance of people and good in Tanzania and the neighboring countries and in such other place or places as may from time to time. Be determined by the company, engaged in and or otherwise carry on the business as transporters and transport agents, freight forwarders.
- (p) To carry on the business of establishing and running supermarkets, department stores, shopping malls, provision stores, groceries, and shops of all kinds and description and generally to deal with such activities.

- (q) To carry on the business of household, domestic appliances, and electrical goods, audio visual goods, electronics items, building material, hard wares, foodstuffs agricultural products, and merchandise of every nature, kind and description whatsoever as a dealer, wholesalers, retailer, distributor, importer, exporter and after sales service and repairing.
- (r) To promote tourism in Tanzania and elsewhere in Africa, to carry on the business of travel and tourist agents, and tour operators, to promote facilitate traveling to organize hunting, tented- camps, fishing and diving expeditions, safari promoters, and undertakers generally and in particular to arrange and manager hunting safaris, photo safaris, adventure tours, fishing trips, handling of games trophies and animal skins, catching harbouring, transporting, wildlife and marine products of all kind.
- (s) To act as an investment company, holding company, finance company and to deal in all types of investments whatsoever. To hold and own shares land, buildings, shopping mall, residential houses, commercial buildings invest in securities, bond share debentures, options, warrants, convertible stocks, promissory notes, bill of exchange, loans, bills, shipping documents, ships, aircraft, self propelling vehicles and all types of property whatsoever.
- (t) To act as agents for sale and purchase of any stocks shares or securities or for any other monetary or mercantile transactions.
- (u) To carry of commercial consultants, planners and advisers to any company, corporation, undertaking, firm or individual in the conduct of commercial, industrial, financial and any other business undertaking, and to study and advise on conditions and make recommendations and prepare schemes design to increase productivity.
- (v) To carry on the business of importers, exporters, buying selling, dealers in building materials, hardware sanitary- ware, wall papers, roofing tiles flooring tiles, supplying industrial equipments, agricultural implements and equipments spares of every description, plumbers, decorators, steel fabrication, machine shop, nickel plating, electrical plating, making steel windows, door, frames and roof tresses.
- (w) To purchase, take on lease and otherwise acquire for investment or resale any estate, land, buildings, easements, and other rights and interests in immovable property or any tenure in Tanzania and elsewhere and to sell 1ct or lease exchange or otherwise dispose of or grant right over any immovable property, belong to the company.

- (x) To carry any other trade or business whatever which can in the opinion of the Board of Directors be advantageously carried on by the company in connection with the above businesses or the general business of the company.
- (y) To do all or any of the above things in any part of the world and either as principals, agents, trustees, contractors or otherwise, and either alone or in conjunction with other and either or through agents, sub-contractors trustees and otherwise.
- (z) To remunerate any person, firm or company rendering services to this company, whether by cash payments or by allotment to him or them of shares or securities of the company credited and paid in full or in part otherwise.
- (aa) To accept for safe custody and keep for customers of the company all kinds of securities valuables and things.
- (bb) To lend money on any terms that may thought fit, and particularly to customers or other person or corporations having dealings with societies and to give any guarantees that may be expedient.
- (cc) To advance money to shareholders in the company, and other to the purpose of enabling the person borrowing the same erect or purchase, or enlarge or repair any house or building or to purchase the fee simple or any less estate or interest in, or to take a demise for any term or terms of years of any freehold or leasehold property upon such terms and conditions as the company may think fit.
- (dd) To invest and deal with the moneys of the company not immediately required, upon such securities and in such manner as may from time to time be determined.
- (ee) To draw, make, accept, endorse, discount, execute and issue promissory notes, bill of lading, warrants, debentures and negotiable or transferable instruments.
- (ff) To act as agents or brokers, and as trustees for any person firm or company, and to undertake and perform sub- contracts and also to act in any other business of the company through or by means of agents brokers, sub- contractors or others.
- (gg) To obtain any provisional order, ordinance or act of parliament for enabling the company to carry any of its objects into effect, or for affecting any modification of the company's constitution, or any other purpose which may seem expedient, and to oppose any proceedings or applications which may seem calculated, directly or indirectly to prejudice the company's interest.

- (hh) To take or otherwise and hold shares in any other company having objects altogether or in part similar to this company, or carrying on any business capable of being conducted so as directly or indirectly to benefit the company.
- (ii) To transact or carry on all kinds of agency business and in particular in relation to the investment of money, the sale of property, and the collection and receipt of money.
- (jj) To do all other things as may be deemed incidental or conducive to the entertainment of the objects or any of them.

And it is hereby declared that:





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

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

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

4. The liability of the members is limited
5. The initial share capital of the company is TZS 10,000,000 divided into 1,000 shares of TZS 10,000 each and the company shall have power to attach there any preferential, deferred, qualified or other special rights, privileges, restrictions or conditions.

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

Name, addresses and description of the Directors	Number of shares taken by each Director	Signature
VIJESH KARSAN HALAI P.O. BOX 10425 DAR ES SALAAM TANZANIA	300	
SAMBAL KANTI HALAI P.O. BOX 10425 DAR ES SALAAM TANZANIA	300	
KANTI KARSAN HALAI P.O. BOX 10425 DAR ES SALAAM TANZANIA	300	
INNOCENT BUBERWA KANYAMANZA P.O. BOX 10425 DAR ES SALAAM TANZANIA	100	

Dated at DSM this 22 Day of OCTOBER 2008.

**Witness to the above signatures**

Name : .....

Signature : .....

Postal Address : .....

Qualification: .....

DESIDERI SEBASTIAN NGALO  
P.O. Box 72349  
DAR ES SALAAM  
TANZANIA



Soed  
3328624 22/10/18  
[Signature]

Soed  
3328624 22/10/18  
[Signature]

**THE COMPANIES ACT 2002**

**COMPANY LIMITED BY SHARES**

**ARTICLE OF ASOCIATION**

**OF**

**SHRIRAM CONSTRUSCTION TANZANIA LIMITED.**

**PRELIMINARY**

1. in these regulations;  
"The Act" mean the Companies Act 2002 of the Laws of Tanzania.

When any provision of the Act. Is referred to, the reference is that provision is as modified by any law for the time being in force.

Unless the context otherwise requires, the expressions defined in the Act or any statutory modification there of in the force at the date at which these regulations become binding on the company, shall have the meeting so defined.

Any words importing the singular shall include the plural and vice versa, and words importing masculine gender shall include females, and the words importing persons shall include bodies corporate, partnership, firms' cooperative societies etc.

The regulations of Companies Act shall not apply to the company; save in so far as they are varied or excluded hereby, but in case of any conflict between the provisions herein, and the provisions under this regulation the former shall prevail, and in addition to substitution shall be the regulations of the company

## PRIVATE COMPANY

2. **The Company is a private Company and accordingly:**
- (a) The right to transfer shares is restricted in manner hereinafter prescribed.
  - (b) The number of members of the company (Exclusive of persons who are in the employment of the company and of persons who have been formerly in the employment of the company were while in such employment to be the member of the company) is limited to fifty, provided that where two or more persons hold one or more shares in the company jointly they shall for the purpose of this regulation be tested as single member.
  - (c) Any invitation to the public to subscribe for any shares or debenture of the company is prohibited.
  - (d) The company shall not have power to issue share warrant to bearer.
3. The Directors may in their direction and without assigning any reason there of refuses to register the transfer of any share to any person who it shall in their opinion is undesirable for any reason whatsoever to admit to membership.
4. Subject to clause 2 and 3 hereof, the right to members to transfer their shares shall be restricted as follows:
- (a) No share shall be transferred to a person who is not a member so long as any member of nay person selected by the Directors as one whom it is desirable in the interest of the company to admit to membership.
  - (b) Every shareholder or trustee in bankruptcy, or nay person who may desire to sell or transfer any such shares and everyone who may desire to sell or transfer any such shares and every personal representative of a deceased shareholder shall give notice in writing to the Directors that he desires to make such sale or transfer. Such notice shall constitute the Board of Directors of the Company a his agent for the sale of the said shares to any member of the company at the price to be agreed upon between he party giving such notice to the party and the board, or in case of difference to be determined by the Auditors of the company.
  - (c) Upon price of such shares being agreed on a determined as per clause (b) above, the board shall forthwith give notice to such of the shareholders other than shareholders desiring to sell or transfer the said shares, stating the numbers and price of such share inviting the

person to whom notice is sent to state within 21 days from the date of such notice whether he is willing to purchase any, if so what maximum number of such shares. At the expiration of such days 21 notice, the board shall apportion such shares amongst the shareholders (if more than one) who shall have expressed their desire to purchase number of shares already held by them respectively, or if there be only one such shareholder, that the whole of such shares shall be sold to him, provided no shareholder shall be obliged to take more than the maximum number of such shares in his answer to the said notice.

Upon such apportionment being made or such one shareholder notifying his intention to purchase, as the case may be, the party desiring to sell or transfer such shares be bound upon payment of the said price to transfer the shares to the respective shareholders or to single shareholder who shall have agreed to purchase the same.

5. **GENERAL MEETINGS: NOTICE OF GENERAL MEETING AND PROCEEDINGS OF THE GENERAL MEETINGS**

The regulation of Companies Act shall apply to the following variations.

- (a) A general Meeting, ordinary or extraordinary may with the consent in writing of all member, be convened on a shorter notice than seven days or without notice.
- (b) Two members, present either personally or by proxy shall form a Quorum.
- (c) Any ordinary resolution of the company determined without any general meeting and evidenced by writing under the hands of majority of the Directors and of the members of the company holding three – fourths of the issued shares be valid and effectual as an ordinary resolution duly passed at a general meeting of the company.

6. **DIRECTORS**

- (a) Until otherwise determined by the company in General Meeting, the Directors shall not be less than two and not more than seven in number.
- (b) The following persons shall be the first Directors of the company:

1. **Mr. Vijesh Karsan Halai**
2. **Mr. Sambai Kanti Halai**
3. **Mr. Kanti Karsan Halai**
4. **Mr. Innocent Buberwa Kanyamanza**

7. The shareholding qualification for Directors may be fixed by the company in general meeting, and unless and until so fixed, no qualification shall be required.
8. The quorum of Directors for transacting business shall, unless otherwise fixed by the Directors, shall be three.
9. A resolution in writing signed by all the Directors then in Tanzania shall be as valid and effectual as if it had been passed at a meeting of Directors duly called and constituted.

#### **BORROWING POWERS**

10. The Directors may from time to time in their discretion raise or borrow for the purpose of any Company's business such sum or sums of money as they think fit.
11. The Directors may from time to time borrow or raise any money for the purposes of the Company which may exceed the issued share capital of the company.
12. The shareholding may secure the repayment of or raise any such sum or sums as aforesaid by mortgage or charge upon the whole or any part of the property and assets of the company present or future including its uncalled capital for the time being, or by the issue at such price as they may think fit, of bonds or debentures either charged upon the whole or any part of the property and assets of the company or not so charged or in such other way as the Directors may think expedient.

#### **VOTE OF MEMBERS**

13. On a show of hands every member present in person shall have one vote. On a roll every member shall have one vote only for the share of which he is a holder.
14. No member shall be entitled to vote at any general meeting unless all calls or other sums presently by him in respect of shares in the company have been paid.

## **DISQUALIFICATION OF DIRECTORS**

15. The office of a Director shall be vacated if the Director:
- (a) Becomes bankrupt; or
  - (b) Is found to be lunatic or becomes of unsound mind; or
  - (c) Resigns his office by notice in writing to the company;
  - (d) Abstains himself from meetings of Directors for a period of six months without special leave of absence from the other Directors.

## **SEAL**

16. The Director shall provide for the safe custody of the seal. The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the board of the Directors and in the presence of at least two Directors and Secretary or other person as aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

## **ALTERNATE DIRECTORS**

17. Any Director shall have power to nominate any person to act or attend as alternate Director during his absence his inability so to act. Such Director shall be subject in all respects to the terms and conditions existing with reference to others Directors and such Alternate Director shall exercise and discharge all the duties of Director whom he represents.
18. Unless otherwise decided by the Directors the quorum necessary to transact business of the Directors shall be two Directors personally present.

## **SECRETARY**

19. The Secretary shall be appointed by the Board for such terms at such remuneration and upon such condition as it may think fit, and any Secretary so appointed may be removed by the Board.

## **WINDING UP**




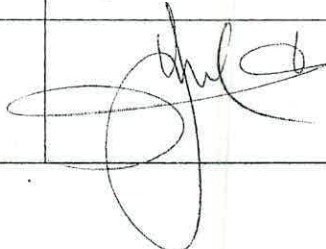
20. With the sanction of a special resolution of the shareholders any part of the assets of the company including any share in other companies may be divided between the members of the company in a special or may be vested in Trustees for the benefit of such members and the liquidation of the company may be closed and shares whereupon there is any liability.

### **ALTERATION OR ADDITION**

21. Subject to the provisions of the Act and to those contained in the Memorandum of Association, the company may by special resolution make alteration or addition so made shall be as valid and effectual as if originally contained in those article and be subject in like manner to alteration by special resolution.
22. Every Director, Managing Director, Agent, Auditor, Secretary and other officer for the time being 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 is in connection with any application in which relief is granted to him by the court.

### **ARBITRATION**

23. If and whenever any dispute or difference or differences shall arise between the company and any of the members or their respective representatives touching upon the construction or meaning of any of the articles herein contained or any act matter or thing made or done or omitted to be done or with regard to the rights or liabilities arising here under or arising out of the relations existing between the parties by reasons of these article or the Act, such differences shall (Unless a sole arbitrator be agreed upon) forthwith be referred to the arbitration of three arbitrators, one to be appointed by each party and the third to be appointed by the first two, or in the event of failure to agree within or any then existing statutory modification or re-enactments thereon shall apply.

Name, addresses and description of the Directors	Number of shares taken by each Director	Signature
VIJESH KARSAN HALAI P.O. BOX 10425 DAR ES SALAAM TANZANIA	300	
SAMBAL KANTI HALAI P.O. BOX 10425 DAR ES SALAAM TANZANIA	300	
KANTI KARSAN HALAI P.O. BOX 10425 DAR ES SALAAM TANZANIA	300	
INNOCENT BUBERWA KANYAMANZA P.O. BOX 10425 DAR ES SALAAM TANZANIA	100	

Dated at Dsm this 22 Day of OCTOBER 2008.

**Witness to the above signatures**

Name : .....

Signature : 

Postal Address : DESIDERI SEBASTIEN NGALO  
P.O. Box 72349  
DAR ES SALAAM  
TANZANIA

Qualification: .....



CTIN.: 0440503



# 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**  
SHRIRAM CONSTRUCTION TANZANIA LIMITED

.....

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

107-303-316

.....  
24-Oct-2008

with effect from .....

  
JOANNES N. A. MALLY

OFFICIAL SEAL

COMMISSIONER FOR DOMESTIC REVENUE

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

# **SHRIRAM CONSTRUCTION COMPANY LIMITED**

## **BUSINESS PLAN FOR MANUFACTURING OF STONE AGGREGATES PROJECT**

Prepared for :  
Shriram Construction Company Limited,  
P.O. Box , 10425  
Dar Es Salaam

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  - 6.2 FINANCIAL ANALYSIS**
- 7. ECONOMIC AND SOCIAL BENEFITS**
- 8. CONCLUSIONS**

### **ANNEXURE "A":**

PROJECTED CASH FLOW 2009 TO 2013  
PROJECTED MANUFACTURING, PROFIT & LOSS ACCOUNTS  
PROJECTED BALANCE SHEETS  
DISCOUNTED CASH FLOW ANALYSIS  
EXPLANATORY NOTES TO PROJECTED CASH FLOWS & FINANCIAL STATEMENTS

### **ANNEXURE "B":**

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CERTIFICATE OF INCORPORATION  
CERTIFICATE OF TAXPAYER IDENTIFICATION NUMBER (T.I.N.)  
COPY OF TITLE DEED AND SITE LOCATION PLAN

## 1. THE COMPANY

### Incorporation

Shriram Construction Tanzania Ltd of P. O. Box 10425, Dar Es Salaam, was incorporated as a Limited Liability Company on the 23rd Day of October 2008, under the certificate of Incorporation Number 68103. The registered office of the company is situated at Plot No. 61, Mbozi Road, Dar es Salaam. The company has complied with all regulatory requirements and all statutory returns have been filed with BRELA as per the current law, Companies Act, 2002.

### Share Capital

The authorised share capital of the company is Tz. Shs 10,000,000 /=-, being 1,000 shares of Shs. 10,000/= each. The entire authorised capital of the company is issued and paid up. Mr. Vijesh Karsan Halai (30%), Mr. Sambai Kanti Halai (30%), Mr. Kanti Karsan Halai (30%) and Mr. Innocent Buberwa Kanyamanza (10%) hold the shares in the company. The authorised and/or issued capital of the company will be increased further to an appropriate level to enable promoters undertake the envisaged project.

### The Business

The Company has been incorporated with the object of extracting and processing high quality stone aggregates for use in construction industry in the local market. During the last 20 years, the promoters have accumulated considerable expertise in this line of business.

The company has completed the plans for the acquisition of buildings, plant, machinery, equipment and other movable assets required for the project.

The above acquisitions will cost the company US\$ 645,000/= and working capital requirements will be US\$ 155,000/=. These capital requirements have been financed by equity capital and funds from associates Shareholders.

The company has obtained the Tax Identification Number 107-303-316 on 24/10/2008 and Vat Registration Number 40-002765-G dated 23/01/2009. Copies of these are attached herewith this report in Annexure "B". There is no tax or any other liabilities being owed by the company to TRA, any other statutory authority, or any external party at the date of this report. The company also obtained a Business Licence No. B 01070752 dated 06/11/08 issued by Temeke Municipal Authority.

The company's Accountants & Auditors are : Patel & Company, Certified Public Accountants, P.O. Box 19093, Dar Es Salaam and the Bankers are Bank of Baroda Tanzania Ltd., Dar es Salaam.

## **2. THE PROMOTERS**

The company has been promoted by its Directors and Shareholders mentioned above. All the Directors have vast and proven commercial and industrial experience by virtue of their ownership of the associate companies which deal with construction, transportation and supply of building materials to local contractors.

The promoters possess the requisite technical skills and experience required for such a project to run smoothly and efficiently.

As such, the promoters have vast industrial and commercial experience and will capitalized the new company adequately to venture into the business of manufacturing quarry products. To undertake the proposed investment further capital will be injected by the promoters in addition to the current capital of the company. The details of these are seen in the financing plan in Annexure "A".

### **3. THE MANAGEMENT**

The company will be managed and run by its Board of Directors which consists of the following:

- (1) Mr. Vijesh Karsan Halai
- (2) Mrs. Sambai Kanti Halai
- (3) Mr. Kanti Karsan Halai
- (4) Mr. Innocent Buberwa Kanyamanza

As elaborated above the first two Directors will be fully involved in running and managing the new company. The third Director, Mr. K. K. Halai will supervise the technical and operational matters of the company. The fourth director will be fully involved with legal, compliance and stakeholder relations for the company. All the four Directors will be fully involved in the running of this company's day-to-day operations within their own areas of expertise. However, professional management team will be put in place to do the extraction, processing, operations, financial controls and technical aspects.

A General Manager, a Commercial / Sales Manager and a Quarry Manager Manager will assist the Board of Directors. This team of top managers will be assisted by 1 Production Engineer, 1 Chief Accountant, 1 Assistant Accountant cum Finance Officer and 1 Human Resource Manager. This team will be fully responsible for all aspects of management of the day-to-day operations and support activities of the company.

The level of staffing will be increased over two to three years based on the requirements of the project and availability of suitable Tanzanian manpower.

## **4. THE PROJECT**

### **4.1 PROJECT CONCEPT**

The company intends to set up a plant for the extraction, process and manufacture of stone aggregates of various sizes for Tanzanian construction industry. The quarry will be set up in Mazizi Village near the village known as Lugoba near Chalinze, Bagamoyo District. The distance from Dar es Salaam is 100 kms and distance from Morogoro is 60 km.

The area allocated to the company by the village administration is approximately 0.07 square kilometers (6.99 Hectares). This will be sufficient to extract 124,000 cubic meters of stones per annum for the next five years.

In any developing country, as economic transformation is set in motion, the yardsticks for the level of development or industrialization are set by the per capita usage of various primary goods like stone, sand, cement, steel, textiles, paper, petrochemicals, etc. and their proportions in the GNP of the country.

As the country moves towards industrialization from a primarily agrarian economy, to a more urbanized cum industrial one, the users of all kinds of building materials Aggregates require stone products of different types. These are broadly classified into following categories sizes :

1. 30 MM
2. 25 MM
3. 15 MM
4. 10 MM
5. 8 MM
6. Dusts

## **4.2 BUILDINGS AND PHYSICAL INFRASTRUCTURE**

The company is planning to set up the intended new stone products plant at its sites at Lugoba at Mazizi Village. The property is accessible by an all weather tarmac road from Tanzania – Zambia highway as also from all districts of Bagamoyo. In addition to the planned two warehouses, measuring 800 square meters, the company intends to increase the manufacturing space by addition of one new godown within five years. Of these three godowns, two will be used for manufacturing while one will be for storage of materials and finished goods. The objective of this exercise is to provide for adequate production of aggregates throughout the year while the demand fluctuates during certain months based on level of activity in the industry. This will give rise to some excess production during certain months.

The three industrial buildings at the complex will also have adequate parking, loading and unloading facilities for the occupants as well as visitors and to do this the management intends to invest in additional features and improvements to enhance and create pleasant work and business environment.

## **4.3 PLANT AND MACHINERY**

The project to manufacture stone products requires a set of machines and equipment as follows, which is based on 24,000 tons of raw materials. These machines and/or equipment are as under:

1. Caterpillar Excavator
2. Crusher Machine
3. Vibrating Machine
4. Motor with Starter, Gearbox
5. Return Roller

6. Pillow Roller, Belts
7. Wheel Loader.
8. Compressor
9. Generator 300 KVA
10. Heavy Duty Drill Machine.

Also required are two sets of complex conveyor systems to facilitate the faster flow of materials through different stages of production. Also required is mobile lifting equipment to lift and move and place aggregates of various widths on to the trucks to transport these to customers.

The total cost of these machines and equipment are expected at US\$ 645,000/= over the next two years. Initially the high quality machines from United Kingdom and India will be installed together with locally fabricated systems to enhance the capacity of the quarry.

#### **4.4 RAW MATERIALS**

The primary raw materials for this project are the raw stone blocks extracted from the area near Lugoba. The details costing of these are in financial tables enclosed with this report.

#### **4.5 PRODUCTION PROCESS**

##### **PRODUCTS MANUFACTURING**

**Site preparation**

**Extraction**

**Crushing**

**Filtering**

**Loading for transportation**

## 4.6 HUMAN RESOURCES

The company will require services of management staff, support staff and skilled and unskilled workers at the plant. The company intends to hire the following management personnel to start the project:

General Manager	1
Operations Manager	1
Sales Manager	1
Production Engineer	1
Chief Accountant	1
Accountant / Finance Officer	1
Human Resource Manager	1

Of the above 6 persons, the company will need to recruit expatriate personnel for the positions of General Manager, Operations Manager, Production Engineer and Chief Accountant. This is important due to the technical nature of the industry which needs to employ new technologies to the country as well as the complex issues involved during and after the production stages. The ultimate objective is to be competitive and offer quality products to local and highly competitive export markets.

At the production level the plant will require services of 60 skilled and unskilled operators, handlers and helpers which are available and identified by the company. In addition the company will also need to hire four security personnel to assist with safety and security of the assets of the company.

#### 4.7 FINANCING PLAN:

The total cost of these facilities and improvements are estimated to be US\$ 800,000/= which together with the cost of investments. The company intends to employ its own funding for the entire project while seeking loans for future expansions.

Figures in US\$

Capital Goods	550,000.00
Fixed Assets at site	70,000.00
Moveable assets	25,000.00
Working capital requirements	155,000.00

The tables in Annexure "A" give detailed breakdown of various aspects of revenues and expenses and the basis of their inclusion in the respective tables. Further analyses are given in the subsequent chapter "6" of this report under Financial Aspects.

## **5. THE MARKET**

The market for products for local stone aggregates is rising at approximately 15% per annum. This rise has been constant in spite of recent perceptions of downturn in world economies. This is because the local demand from small and medium house builders have continued to persist while some of the major state funded and private projects are slowing down in some sectors.

## **6. FINANCIAL ASPECTS**

### **6.1 BASIC ASSUMPTIONS:**

The following basic assumptions form the basis of the study:

The total investments are US\$ 800,000 /= which include US\$ 645,000/= in fixed or physical assets and US\$ 155,000/= in working capital.

It should be noted that all capital costs have been taken at landed costs excluding Customs duties and Value Added Taxes (V.A.T.). Thus the promoters believe the exemption of customs duties and deferment of VAT will be an important requisite for the project to be implemented.

The construction period for the facilities and improvements is estimated at 6 months. Gross revenues arising from sale of products is conservatively estimated to rise at the rate of 10% to 20% per annum at constant prices. Similarly expenses are assumed to rise at the similar rate or based on other factors.

Taxation is assumed to be constant i.e. at 30% of net business incomes. However even if the system of taxation and the rate were to change to be in line with EAC member states' Tax regimes, there will not be any significant changes to cash outflows. This is because the Corporation Tax rates are highly unlikely to exceed 30% as any increase will deter new local and foreign direct investment

For the purpose of this study the figures are quoted in Tanzania US \$ only.

## 6.2 FINANCIAL ANALYSIS

The project is expected to pay back in a period of just less than five years. This is extremely positive for a natural resource investment project in a rural area, which is commonly expected to pay back over more than ten years.

The Cash Flow analysis of the project shows a net surplus of US\$ 1,356,635/= at the end of the year 2013 or after five years. The Cash Flow analysis and projected financial statements are inclusive of revenues and payment of all types without exception.

The total earnings per share over five years amounts to US\$ 19.62 which is more than the nominal value of each share.

The Financial analysis clearly show the financial benefits in terms of direct and indirect taxes, NSSF contributions, local government taxes like city service levies and property taxes, employment opportunities to Tanzanian nationals and other benefits to ancillary trade and services in the local economy. Please refer to the ANNEXURE A for the detailed financial projections of the venture.

## 7. ECONOMIC & SOCIAL BENEFITS

The following benefits will accrue to the nation from the implementation of this project covering the existing and new investments:

- Provision of high quality industrial project in a rural area around Lugoba in Chalinze district.
- Employment of at least 60 Tanzanian nationals with total estimated gross emoluments of US\$ 45,432/= or more plus benefits in the first year and rising thereafter.
- Additional employment opportunities in enterprises which will benefit in terms of new businesses opportunities to service this new project.
- Direct Taxes to T.R.A. – US\$ 428,989/= over the next five years by way of corporation taxes at the current rate of 30% of net taxable incomes.
- Additional direct taxes will also accrue from employment taxes of employees and with holding taxes on dividends paid to shareholders.
- Skills and development levies to T.R.A. amounting to US\$ 14,344/= over five years.
- Value Added Taxes to T.R.A. – US\$ 1,362,240/= over the next five years based on the current VAT rate of 20% of the value of the sales.
- Total NSSF contributions amounting to US\$ 23,907/= over the same period.
- Total Land Rents, Property taxes, and other charges to Central and Local Government, based on the current local government regulations.
- Additional revenue generation for other companies, both private and public, in respect of investments during the construction of additional facilities and improvements and on the recurrent expenditure on goods and services thereafter.

## **8. S W O T ANANLYSIS**

### **STRENGTHS:**

Investments in new plant, efficiency, customer base, proven experience, own facilities, grasp over mechanical engineering, ability solve technical problems and evolve engineering solutions, innovations in better use of machines, well known in the market as a reliable contractor and supplier, willingness to undertake orders from small and large customers.

### **WEAKNESSES:**

Presence of bigger players, distance from markets in Dar es Salaam, costs of transportation of raw materials to urban centres, competitive pressures hampering profitability.

### **OPPORTUNITIES:**

Importance of location at Lugoba, lower costs, nearer to export markets of Kenya, Uganda and Zambia and regions of Dar es Salaam, Morogoro, Iringa, Moshi, Mwanza, Shinyanga, Tabora, Dodoma, etc., ample space for expansion, ability to undertake contract production for bigger players, opportunities to service upcountry and smaller customers with speed and flexibility.

### **THREATS:**

Downturn in the economy, nationally and internationally, failure of crops due to various reasons, new manufacturers, imports from neighbouring countries, evasion of royalties by unscrupulous extractors and cowboy players.

## 9. CONCLUSIONS:

The project which the promoters intend to undertake is based on very sound fundamentals. These are the prime location of the quarry. Installation and commissioning of a new plant for manufacture of stone products, adequate security, availability of water, power, nearness and access to all main roads and with easy access to all regions and neighbouring countries.

The financial analysis which forms part of this report shows that the project is totally viable and warrants financial facilities from bankers.

The revenue projections are based on actual sales done by the associated company during past years to existing customers and hence these are guaranteed revenue streams which the company will realize.

Similarly all the projections of expenses and outgoings are also based on certainty which in turn is based on historical figures of the preceding years and scientific estimates for the future years.

The Net Present Values (NPV) of the project based on discounted cash flow rates of 12% and 24%, which are much more than the current inflation rate as well as current savings rate, gives positive cash flows.

The pay back period for the project is just under five years.

There are perceived future opportunities for the location too. These are the opportunities to service specific export markets.

Finally, the promoters do not perceive any negative factors that may lead to reduced demand for the products of the company and thus reduced revenues from the project. On the other hand the revenues from this investment are highly likely to go up within the next 12 to 18 months, exceeding the rate of growth projected in this report.

As such the promoters strongly believe that this is a very safe, secure and profitable investment for the company and fully justified under the present state of the economy of the country.

# SHRIRAM CONSTRUCTION TANZANIA LIMITED

PROJECTED BALANCE SHEETS					
ASSETS	2009	2010	2011	2012	2013
CURRENT ASSETS					
CASH	212,764	490,399	769,904	1,058,162	1,356,635
ACCOUNTS RECEIVABLE	70,400	70,400	74,800	79,200	83,600
INVENTORY	16,000	16,000	17,000	18,000	19,000
<b>TOTAL CURRENT ASSETS</b>	<b>299,164</b>	<b>576,799</b>	<b>861,704</b>	<b>1,155,362</b>	<b>1,459,235</b>
FIXED ASSETS					
NET FIXED ASSETS	500,875	391,516	308,279	244,678	195,840
<b>NET FIXED ASSETS</b>	<b>500,875</b>	<b>391,516</b>	<b>308,279</b>	<b>244,678</b>	<b>195,840</b>
<b>TOTAL ASSETS</b>	<b>800,039</b>	<b>968,315</b>	<b>1,169,983</b>	<b>1,400,040</b>	<b>1,655,075</b>
LIABILITIES					
CURRENT LIABILITIES					
ACCOUNTS PAYABLE	7,622	7,646	8,131	8,617	9,103
<b>TOTAL CURRENT LIABILITIES</b>	<b>7,622</b>	<b>7,646</b>	<b>8,131</b>	<b>8,617</b>	<b>9,103</b>
LONG TERM DEBT	-	-	-	-	-
EQUITY					
SHARE CAPITAL	645,000	645,000	645,000	645,000	645,000
RETAINED EARNINGS	147,417	315,669	516,852	746,423	1,000,972
<b>TOTAL EQUITY</b>	<b>792,417</b>	<b>960,669</b>	<b>1,161,852</b>	<b>1,391,423</b>	<b>1,645,972</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>800,039</b>	<b>968,315</b>	<b>1,169,983</b>	<b>1,400,040</b>	<b>1,655,075</b>
LIQUID CURRENT RATIO(:1) (CA-CASH/CL)	11.34	11.30	11.29	11.28	11.27

# SHRIRAM CONSTRUCTION TANZANIA LTD

Projected Profit and Loss Account for 5 Years

SR.	Description	Yr.1	Yr.2	Yr.3	Yr.4	Yr.5
1	Sales Quantity in MT per year	23,040	23,040	24,480	25,920	27,360
2	Revenue From Sales @ USD 55/MT	1,267,200	1,267,200	1,346,400	1,425,600	1,504,800
<b>A</b>	<b>TOTAL REVENUE</b>	<b>1,267,200</b>	<b>1,267,200</b>	<b>1,346,400</b>	<b>1,425,600</b>	<b>1,504,800</b>
	<b>Direct Expenses</b>					
3	EXCAVATION COST	403,200	403,200	428,400	453,600	478,800
4	SITE OVERHEADS	46,080	46,080	48,960	51,840	54,720
5	OFFICE OVERHEADS	11,520	11,520	12,240	12,960	13,680
6	TRANSPORTATION COST	391,680	391,680	416,160	440,640	465,120
<b>B</b>	<b>COST OF PRODUCTION</b>	<b>852,480</b>	<b>852,480</b>	<b>905,760</b>	<b>959,040</b>	<b>1,012,320</b>
<b>C</b>	<b>CONVERSION MARGIN AVAILABLE</b>	<b>414,720</b>	<b>414,720</b>	<b>440,640</b>	<b>466,560</b>	<b>492,480</b>
	<b>Indirect Expenses</b>					
7	ADMINISTRATION OVERHEADS	60,000	65,000	70,000	75,000	80,000
<b>D</b>	<b>COST OF SALES</b>	<b>912,480</b>	<b>917,480</b>	<b>975,760</b>	<b>1,034,040</b>	<b>1,092,320</b>
<b>E</b>	<b>Earning before Interest, Depreciation and Taxes (EBITD)</b>	<b>354,720</b>	<b>349,720</b>	<b>370,640</b>	<b>391,560</b>	<b>412,480</b>
	INTEREST	-	-	-	-	-
<b>F</b>	<b>Earning before Depreciation and taxes (EBDT)</b>	<b>354,720</b>	<b>349,720</b>	<b>370,640</b>	<b>391,560</b>	<b>412,480</b>
8	Depriciation	144,125	109,359	83,236	63,601	48,838
<b>G</b>	<b>Earning before Tax (EBT)</b>	<b>210,595</b>	<b>240,361</b>	<b>287,404</b>	<b>327,959</b>	<b>363,642</b>
9	Provision for Tax ( @ 30% of EBT)	63,179	72,108	86,221	98,388	109,093
<b>H</b>	<b>Earning After Taxes (EAT)</b>	<b>147,417</b>	<b>168,252</b>	<b>201,183</b>	<b>229,571</b>	<b>254,550</b>
10	Depriciation	144,125	109,359	83,236	63,601	48,838
<b>I</b>	<b>NET Cash Accruals</b>	<b>291,542</b>	<b>277,612</b>	<b>284,419</b>	<b>293,172</b>	<b>303,387</b>
	IRR BEFORE TAX	24%				

# SHRIRAM CONSTRUCTION TANZANIA LIMITED

PROJECTED CASH FLOW STATEMENTS					
CASH IN	2009	2010	2011	2012	2013
EQUITY	645,000				
SALES	1,267,200	1,267,200	1,346,400	1,425,600	1,504,800
LESS: CHANGE IN ACCOUNTS RECEIVABLE	(70,400)	-	(4,400)	(4,400)	(4,400)
<b>TOTAL CASH IN</b>	<b>1,841,800.00</b>	<b>1,267,200.00</b>	<b>1,342,000.00</b>	<b>1,421,200.00</b>	<b>1,500,400.00</b>
<b>CASH OUT</b>					
CAPITAL EXPENDITURE, PRE-OP EXP	645,000	-	-	-	-
OPERATING EXPENSES	912,480	917,480	975,760	1,034,040	1,092,320
LESS: CHANGE IN ACCOUNTS PAY	(7,622)	(23)	(486)	(486)	(486)
PLUS: CHANGE IN INVENTORY	16,000	-	1,000	1,000	1,000
TAX PAYMENTS	63,179	72,108	86,221	98,388	109,093
<b>TOTAL CASH OUT</b>	<b>1,629,036</b>	<b>989,565</b>	<b>1,062,495</b>	<b>1,132,942</b>	<b>1,201,927</b>
<b>NET CASH FLOW</b>	<b>212,764</b>	<b>277,635</b>	<b>279,505</b>	<b>288,258</b>	<b>298,473</b>
<b>OPENING CASH BALANCE</b>	<b>0</b>	<b>212,764</b>	<b>490,399</b>	<b>769,904</b>	<b>1,058,162</b>
<b>CLOSING CASH BALANCE</b>	<b>212,764</b>	<b>490,399</b>	<b>769,904</b>	<b>1,058,162</b>	<b>1,356,635</b>

# SHRIRAM CONSTRUCTION TANZANIA LIMITED

PROJECTED WORKING CAPITAL SCHEDULES		2009	2010	2011	2012	2013
<b>CASH</b>	<b>CYCLE/NORMS</b>					
EXCAVATION COST	1 Month	33,600	33,600	35,700	37,800	39,900
SITE OVERHEADS	1 Month	3,840	3,840	4,080	4,320	4,560
OFFICE OVERHEADS	1 Month	960	960	1,020	1,080	1,140
TRANSPORTATION COST	1 Month	32,640	32,640	34,680	36,720	38,760
INDIRECT COSTS	1 Month	5,182	5,417	5,833	6,250	6,667
<b>TOTAL CASH REQUIREMENT</b>		<b>76,222</b>	<b>76,457</b>	<b>81,313</b>	<b>86,170</b>	<b>91,027</b>
<b>Account Receivable</b>						
TRADE RECOVERABLES	AVG 45 DAYS SALES	70,400	70,400	74,800	79,200	83,600
<b>TOTAL ACCOUNTS RECEIVABLE</b>		<b>70,400</b>	<b>70,400</b>	<b>74,800</b>	<b>79,200</b>	<b>83,600</b>
<b>Inventory</b>						
FINISHED GOODS	YEAR END					
	THREE DAYS PRODUCTION	16,000	16,000	17,000	18,000	19,000
<b>TOTAL INVENTORY</b>		<b>16,000</b>	<b>16,000</b>	<b>17,000</b>	<b>18,000</b>	<b>19,000</b>
<b>Accounts Payable</b>						
TRADE CREDITORS	10% OF CASH	7,622	7,646	8,131	8,617	9,103
<b>TOTAL ACCOUNTS PAYABLE</b>		<b>7,622</b>	<b>7,646</b>	<b>8,131</b>	<b>8,617</b>	<b>9,103</b>
<b>CHANGES IN WORKING CAPITAL</b>						
		<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
CASH		76,222	76,457	81,313	86,170	91,027
CHANGE IN CASH		76,222	235	4,857	4,857	4,857
ACCOUNTS RECEIVABLE		70,400	70,400	74,800	79,200	83,600
CHANGE IN ACCOUNTS RECEIVABLE		70,400	-	4,400	4,400	4,400
INVENTORY		16,000	16,000	17,000	18,000	19,000
CHANGE IN INVENTORY		16,000	-	1,000	1,000	1,000
ACCOUNTS PAYABLE		7,622	7,646	8,131	8,617	9,103
CHANGE IN ACCOUNTS PAYABLE		7,622	23	486	486	486
<b>WORKING CAPITAL</b>		<b>155,000</b>	<b>155,211</b>	<b>164,982</b>	<b>174,753</b>	<b>184,524</b>
<b>CHANGE IN WORKING CAPITAL</b>		<b>155,000</b>	<b>211</b>	<b>9,771</b>	<b>9,771</b>	<b>9,771</b>

# SHRIRAM CONSTRUCTION TANZANIA LTD

Sales Projections of Aggregate in Metric Tons					
PER DAY	80	80	85	90	95
	year-1	year-2	year-3	year-4	year-5
1	1,920	1,920	2,040	2,160	2,280
2	1,920	1,920	2,040	2,160	2,280
3	1,920	1,920	2,040	2,160	2,280
4	1,920	1,920	2,040	2,160	2,280
5	1,920	1,920	2,040	2,160	2,280
6	1,920	1,920	2,040	2,160	2,280
7	1,920	1,920	2,040	2,160	2,280
8	1,920	1,920	2,040	2,160	2,280
9	1,920	1,920	2,040	2,160	2,280
10	1,920	1,920	2,040	2,160	2,280
11	1,920	1,920	2,040	2,160	2,280
12	1,920	1,920	2,040	2,160	2,280
<b>TOTAL</b>	<b>23,040</b>	<b>23,040</b>	<b>24,480</b>	<b>25,920</b>	<b>27,360</b>

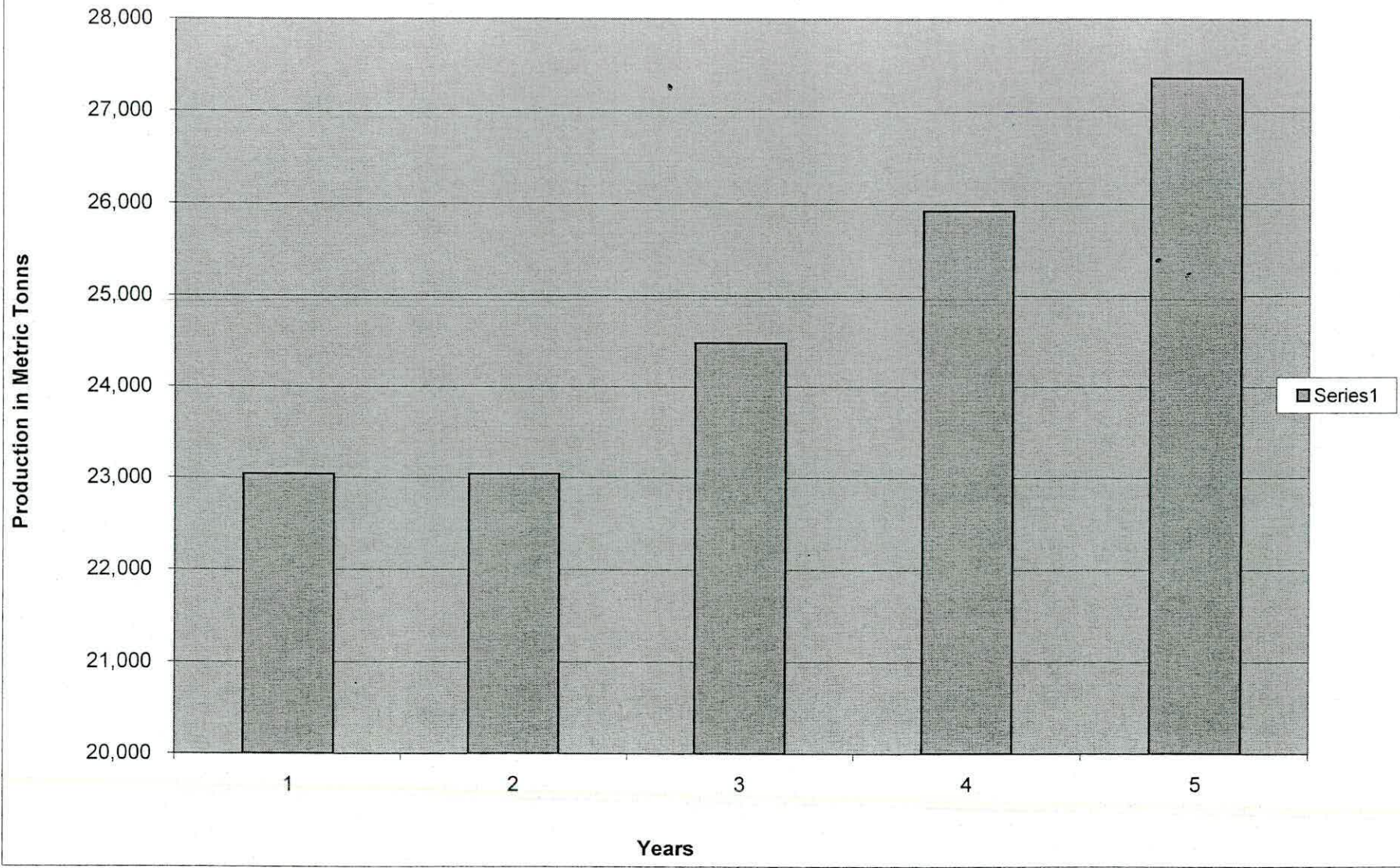
Production Projections of Aggregate in Metric Tons					
PER DAY	80	80	85	90	95
	year-1	year-2	year-3	year-4	year-5
1	1,920	1,920	2,040	2,160	2,280
2	1,920	1,920	2,040	2,160	2,280
3	1,920	1,920	2,040	2,160	2,280
4	1,920	1,920	2,040	2,160	2,280
5	1,920	1,920	2,040	2,160	2,280
6	1,920	1,920	2,040	2,160	2,280
7	1,920	1,920	2,040	2,160	2,280
8	1,920	1,920	2,040	2,160	2,280
9	1,920	1,920	2,040	2,160	2,280
10	1,920	1,920	2,040	2,160	2,280
11	1,920	1,920	2,040	2,160	2,280
12	1,920	1,920	2,040	2,160	2,280
<b>TOTAL</b>	<b>23,040</b>	<b>23,040</b>	<b>24,480</b>	<b>25,920</b>	<b>27,360</b>

# SHRIRAM CONSTRUCTION TANZANIA LTD

INVESTMENT PLAN		USD	DEPRICIATION SCHEDULE					TOTAL
			YR 1	YR 2	YR 3	YR 4	YR 5	
LAND AND BUILDING	5% FIXED	70,000	3,500	3,500	3,500	3,500	3,500	17,500
FURNITURE AND FITTINGS	12.50% DIMINISING	25,000	3,125	2,734	2,393	2,094	1,832	12,177
PLANT	25% DIMINISING	450,000	112,500	84,375	63,281	47,461	35,596	343,213
VEHICLES	25% DIMINISING	100,000	25,000	18,750	14,063	10,547	7,910	76,270
WORKING CAPITAL		155,000						
<b>TOTAL INVESTMENT</b>		<b>800,000</b>	<b>144,125</b>	<b>109,359</b>	<b>83,236</b>	<b>63,601</b>	<b>48,838</b>	

WRITTEN DOWN VALUE	YR 1	YR 2	YR 3	YR 4	YR 5
	66,500	63,000	59,500	56,000	52,500
	21,875	19,141	16,748	14,655	12,823
	337,500	253,125	189,844	142,383	106,787
	75,000	56,250	42,188	31,641	23,730
	<b>500,875</b>	<b>391,516</b>	<b>308,279</b>	<b>244,678</b>	<b>195,840</b>

### Production Capacity Utilization Plan



TANZANIA



Certificate of Incorporation

Section 15

No 68103

I HEREBY CERTIFY THAT

**SHRIRAM CONSTRUCTION TANZANIA 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 **23RD** day of **OCTOBER**

**TWO THOUSAND AND EIGHT**

*Assist. Registrar of Companies*

**THE COMPANIES ACT 2002**

**COMPANY LIMITED BY SHARES**

**MEMORANDUM**

**AND**

**ARTICLES OF ASSOCIATION**

**OF**

**SHRIRAM CONSTRUCTION TANZANIA LIMITED**

**Incorporated this 6<sup>th</sup> Day August, 2008**

***DRAWN BY:***  
***(Subscriber)***  
***Mr. Innocent B. Kanyamanza***  
***P.O. Box 10425***  
***Dar es Salaam***  
***Tanzania***

**THE UNITED REPUBLIC OF TANZANIA**

**Certificate of Incorporation**

**No.**

**I her by certify that**

**SHRIRAM CONSTRUCTION TANZANIA 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 .....day of.....Two Thousand and Eighty**

**Seal**

**Registrar of Companies**

50007  
22/08/2018  
[Signature]

[Signature]  
22/08/2018  
50007

**THE COMPANIES ACT 2002**

**COMPANY LIMITED BY SHARES**

**MEMORANDUM OF ASSOCIATION**

**OF**

**SHRIRAM CONSTRUCTION TANZANIA LIMITED**

1. The name of the company **SHRIRAM CONSTRUCTION TANZANIA LIMITED**
2. The registered office of the company will be situated in United Republic of Tanzania.
3. The objects for which the company is established are:
  - (a) To carry on the business of builders, contractors, appraisers, valuers, architects, engineers, surveyors, house and estate agents.
  - (b) To build, construct, maintain, alter, enlarge, pull down, repair, and remove or replace and buildings, offices, factories, mills, works, wharves, roads, walls, fences, banks, dams, sluices, water – courses, sewers, drains, culverts, channel, or sewage, and to clear sites for the same, or to join with any person, form or company in doing any of the things aforesaid, and to work, manage, and to control the same or join with others in so doing.
  - (c) To manufacture, buy and sell doors, windows, furniture, any wooden articles, bricks, tiles, brick – earth, stone, marble, slates, sanitary fittings, corrugated iron sheets, girders, timber, chalk, sand and other building materials.
  - (d) To carry on the business of forest products, logs, timber and wood furniture, importation, exportation, wholesale, retail of ceramics, hardware, iron steel, sanitary, software, building material and manufacture and distribute prefabricate concrete articles and to be suppliers of the same to be general distribution agents for used copper, cement, roofing material, tiles, tube, wire mash, fencing wire and other materials, to carry on the business as general traders and trading agent to distributors of all kinds of goods.
  - (e) To carry on the business of suppliers and dealers in all kinds of electrical goods, engineering goods, machinery apparatus, implements, including spare parts, industrial spares, accessories, components, fitting

and general trading and to import and export all types of merchandise, good articles and commodities.

- (f) To carry on the business as manufacturers, renters and repair, import wholesale and retail in air conditioners, air coolers, plants, machines freezers or all kind storage and preservation articles (Whether mobile or immobile) refrigerators, air cooling apparatus, air drivers, air filtering machines, brooms, brushes, sweepers and cleaning and sweeping tools and apparatus, refrigeration and cold storage plants, washing machine and domestic and household equipments and utensils of all kind, artificial lighting apparatus and electrical plants.
- (g) To carry on the business of import, export, wholesale, distributor, publishing, printing and manufactures of books, magazines, post cards dairies, brochure, calendars, educational books, political books and technical books, both paper and hard books journal news paper, proprietor advertiser and advertising agents and stationery.
- (h) To Carry on all their respective branches all or any of the business of builders masonry and general construction contractors and haulers and among other things, to construct, execute, carry out, equip, improve, work and advertise railways, tramway, docks, harbors, wharves, canals, water-courses, reservoirs, embankments, irrigations, reclamations, sewage, drainage and other sanitary works, water, gas, mechanic, electric and other supply works, houses buildings and erections of every kind and to carry on any other business in connection with the above mentioned business.
- (i) To acquire, take over, promote, establish, engage in and carry the business of profession of farmers, planters, harvesters, sprayers, see growers, glaziers breeders of and dealers of livestock, marker gardeners, agriculturists, horticulturist, floriculturists, dairymen, vegetable oil extractors, poultry and bee- keeper and any other business in connection with floriculture, agriculture and horticulture.
- (j) To carry and promote and trade or business of farm and agriculture inputs implements, tools, packaging materials and deal in the livestock and or the veterinary health – care products to farmers and stockiest, to buy, sell, supply, distribute, whether in retail or wholesale, fertilize, insecticides, fungicides, growth stimulants, agro seeds, farm implements and tools, animal feed, veterinary drugs and relate goods and import and export agriculture and food technology industries and equipment, manufacture and semi processed products in Tanzania and other parts of the world.
- (k) To carry on the business as general suppliers of all sorts and types of goods and service to individuals, offices, industries, shops, schools, factories, hospitals, army, military, ministries and all other government

offices, universities and all other places where the services of suppliers are needed.

- (l) To carry on the business as general suppliers, Importers, exporters, traders merchants, stockiest, wholesalers, retailers, and dealers in all types of electrical goods, hardware, building material, timber, fishing gears, groceries, computers, office equipments, stationeries, cooking oils, salts, foodstuffs, cosmetics, oils, spare parts and maintenance, types, tubes, tools, and accessories, for all types of automotive, motor vehicles, project machinery and equipments, paints, spirits sheets, hinges, screws, iron monger, textiles piece good, all type of leather goods, shoes, bags and other similar goods.
- (m) To carry on the business of importers, exporters, buying selling, dealer in hardware, building materials, sanitary wares, wall papers, roofing tiles flooring tiles, supplying industrial equipments, agricultural implements and equipments spares of every description, plumbers, fittings, decorators steel fabricators, machine shop, nickel plating, electrical plating, making steel windows, doors, frames and roof tresses
- (n) To carry on the business of dealing in marketing, manufacturing, importing, exporting, stocking, buying, selling whether by wholesale or retail of various categories of goods and merchandise, and to act as commission agents and manufacturers, representative in all fields. To establish business enterprises whether small scale, industries and general deal in all kinds of general merchants and to import, export and all either by merchandise and articles of all description.
- (o) To carry on the business of clearing and forwarding agents, commission agents, transporters, freighters, haulers, customs bonded warehouse and godown keepers, cargo and travel agents, insurance agents, tourist agents, manufacturers representatives, road contractors, cargo superintendents, packers, machinery haulage specialist, warehousemen, engineers electrician, motor cars, cabs, omnibus, lorries, oil tank and coach proprietors, and transporters, civil transport contractors, and transporters by any other means of conveyance of people and good in Tanzania and the neighboring countries and in such other place or places as may from time to time. Be determined by the company, engaged in and or otherwise carry on the business as transporters and transport agents, freight forwarders.
- (p) To carry on the business of establishing and running supermarkets, department stores, shopping malls, provision stores, groceries, and shops of all kinds and description and generally to deal with such activities.

- (q) To carry on the business of household, domestic appliances, and electrical goods, audio visual goods, electronics items, building material, hard wares, foodstuffs agricultural products, and merchandise of every nature, kind and description whatsoever as a dealer, wholesalers, retailer, distributor, importer, exporter and after sales service and repairing.
- (r) To promote tourism in Tanzania and elsewhere in Africa, to carry on the business of travel and tourist agents, and tour operators, to promote facilitate traveling to organize hunting, tented- camps, fishing and diving expeditions, safari promoters, and undertakers generally and in particular to arrange and manager hunting safaris, photo safaris, adventure tours, fishing trips, handling of games trophies and animal skins, catching harbouring, transporting, wildlife and marine products of all kind.
- (s) To act as an investment company, holding company, finance company and to deal in all types of investments whatsoever. To hold and own shares land, buildings, shopping mall, residential houses, commercial buildings invest in securities, bond share debentures, options, warrants, convertible stocks, promissory notes, bill of exchange, loans, bills, shipping documents, ships, aircraft, self propelling vehicles and all types of property whatsoever.
- (t) To act as agents for sale and purchase of any stocks shares or securities or for any other monetary or mercantile transactions.
- (u) To carry of commercial consultants, planners and advisers to any company, corporation, undertaking, firm or individual in the conduct of commercial, industrial, financial and any other business undertaking, and to study and advise on conditions and make recommendations and prepare schemes design to increase productivity.
- (v) To carry on the business of importers, exporters, buying selling, dealers in building materials, hardware sanitary- ware, wall papers, roofing tiles flooring tiles, supplying industrial equipments, agricultural implements and equipments spares of every description, plumbers, decorators, steel fabrication, machine shop, nickel plating, electrical plating, making steel windows, door, frames and roof tresses.
- (w) To purchase, take on lease and otherwise acquire for investment or resale any estate, land, buildings, easements, and other rights and interests in immovable property or any tenure in Tanzania and elsewhere and to sell 1ct or lease exchange or otherwise dispose of or grant right over any immovable property, belong to the company.

- (x) To carry any other trade or business whatever which can in the opinion of the Board of Directors be advantageously carried on by the company in connection with the above businesses or the general business of the company.
- (y) To do all or any of the above things in any part of the world and either as principals, agents, trustees, contractors or otherwise, and either alone or in conjunction with other and either or through agents, sub-contractors trustees and otherwise.
- (z) To remunerate any person, firm or company rendering services to this company, whether by cash payments or by allotment to him or them of shares or securities of the company credited and paid in full or in part otherwise.
- (aa) To accept for safe custody and keep for customers of the company all kinds of securities valuables and things.
- (bb) To lend money on any terms that may thought fit, and particularly to customers or other person or corporations having dealings with societies and to give any guarantees that may be expedient.
- (cc) To advance money to shareholders in the company, and other to the purpose of enabling the person borrowing the same erect or purchase, or enlarge or repair any house or building or to purchase the fee simple or any less estate or interest in, or to take a demise for any term or terms of years of any freehold or leasehold property upon such terms and conditions as the company may think fit.
- (dd) To invest and deal with the moneys of the company not immediately required, upon such securities and in such manner as may from time to time be determined.
- (ee) To draw, make, accept, endorse, discount, execute and issue promissory notes, bill of lading, warrants, debentures and negotiable or transferable instruments.
- (ff) To act as agents or brokers, and as trustees for any person firm or company, and to undertake and perform sub- contracts and also to act in any other business of the company through or by means of agents brokers, sub- contractors or others.
- (gg) To obtain any provisional order, ordinance or act of parliament for enabling the company to carry any of its objects into effect, or for affecting any modification of the company's constitution, or any other purpose which may seem expedient, and to oppose any proceedings or applications which may seem calculated, directly or indirectly to prejudice the company's interest.

- (hh) To take or otherwise and hold shares in any other company having objects altogether or in part similar to this company, or carrying on any business capable of being conducted so as directly or indirectly to benefit the company.
- (ii) To transact or carry on all kinds of agency business and in particular in relation to the investment of money, the sale of property, and the collection and receipt of money.
- (jj) To do all other things as may be deemed incidental or conducive to the entertainment of the objects or any of them.

And it is hereby declared that:

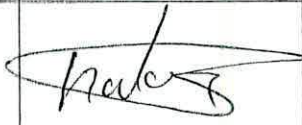

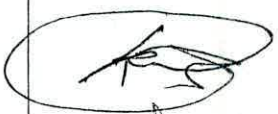
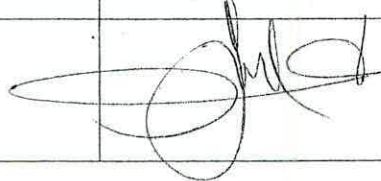
The word company in this clause, except where used in reference to this company, shall be deemed to include any partnership or other body of persons, whether corporate or incorporate, and whether domiciled in the United Republic of Tanzania or elsewhere.

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

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

4. The liability of the members is limited
5. The initial share capital of the company is TZS 10,000,000 divided into 1,000 shares of TZS 10,000 each and the company shall have power to attach there any preferential, deferred, qualified or other special rights, privileges, restrictions or conditions.

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

Name, addresses and description of the Directors	Number of shares taken by each Director	Signature
VIJESH KARSAN HALAI P.O. BOX 10425 DAR ES SALAAM TANZANIA	300	
SAMBAL KANTI HALAI P.O. BOX 10425 DAR ES SALAAM TANZANIA	300	
KANTI KARSAN HALAI P.O. BOX 10425 DAR ES SALAAM TANZANIA	300	
INNOCENT BUBERWA KANYAMANZA P.O. BOX 10425 DAR ES SALAAM TANZANIA	100	

Dated at Dsm this 22 Day of OCTOBER 2008.

**Witness to the above signatures**

Name : .....

Signature : .....

Postal Address : .....

Qualification: .....

DESIDERI SEBASTIAN NGALO  
P.O. Box 22349  
DAR ES SALAAM  
TANZANIA



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**THE COMPANIES ACT 2002**

**COMPANY LIMITED BY SHARES**

**ARTICLE OF ASSOCIATION**

**OF**

**SHRIRAM CONSTRUCTION TANZANIA LIMITED.**

**PRELIMINARY**

- 1. in these regulations;  
"The Act" mean the Companies Act 2002 of the Laws of Tanzania.

When any provision of the Act. Is referred to, the reference is that provision is as modified by any law for the time being in force.

Unless the context otherwise requires, the expressions defined in the Act or any statutory modification there of in the force at the date at which these regulations become binding on the company, shall have the meaning so defined.

Any words importing the singular shall include the plural and vice versa, and words importing masculine gender shall include females, and the words importing persons shall include bodies corporate, partnership, firms' cooperative societies etc.

The regulations of Companies Act shall not apply to the company; save in so far as they are varied or excluded hereby, but in case of any conflict between the provisions herein, and the provisions under this regulation the former shall prevail, and in addition to substitution shall be the regulations of the company

## PRIVATE COMPANY

### 2. **The Company is a private Company and accordingly:**

- (a) The right to transfer shares is restricted in manner hereinafter prescribed.
- (b) The number of members of the company (Exclusive of persons who are in the employment of the company and of persons who have been formerly in the employment of the company were while in such employment to be the member of the company) is limited to fifty, provided that where two or more persons hold one or more shares in the company jointly they shall for the purpose of this regulation be tested as single member.
- (c) Any invitation to the public to subscribe for any shares or debenture of the company is prohibited.
- (d) The company shall not have power to issue share warrant to bearer.

### 3. The Directors may in their direction and without assigning any reason there of refuses to register the transfer of any share to any person who it shall in their opinion is undesirable for any reason whatsoever to admit to membership.

### 4. Subject to clause 2 and 3 hereof, the right to members to transfer their shares shall be restricted as follows:

- (a) No share shall be transferred to a person who is not a member so long as any member of nay person selected by the Directors as one whom it is desirable in the interest of the company to admit to membership.
- (b) Every shareholder or trustee in bankruptcy, or nay person who may desire to sell or transfer any such shares and everyone who may desire to sell or transfer any such shares and every personal representative of a deceased shareholder shall give notice in writing to the Directors that he desires to make such sale or transfer. Such notice shall constitute the Board of Directors of the Company a his agent for the sale of the said shares to any member of the company at the price to be agreed upon between he party giving such notice to the party and the board, or in case of difference to be determined by the Auditors of the company.
- (c) Upon price of such shares being agreed on a determined as per clause (b) above, the board shall forthwith give notice to such of the shareholders other than shareholders desiring to sell or transfer the said shares, stating the numbers and price of such share inviting the

person to whom notice is sent to state within 21 days from the date of such notice whether he is willing to purchase any, if so what maximum number of such shares. At the expiration of such days 21 notice, the board shall apportion such shares amongst the shareholders (if more than one) who shall have expressed their desire to purchase number of shares already held by them respectively, or if there be only one such shareholder, that the whole of such shares shall be sold to him, provided no shareholder shall be obliged to take more than the maximum number of such shares in his answer to the said notice.

Upon such apportionment being made or such one shareholder notifying his intention to purchase, as the case may be, the party desiring to sell or transfer such shares be bound upon payment of the said price to transfer the shares to the respective shareholders or to single shareholder who shall have agreed to purchase the same.

5. **GENERAL MEETINGS: NOTICE OF GENERAL MEETING AND PROCEEDINGS OF THE GENERAL MEETINGS**

The regulation of Companies Act shall apply to the following variations.

- (a) A general Meeting, ordinary or extraordinary may with the consent in writing of all member, be convened on a shorter notice than seven days or without notice.
- (b) Two members, present either personally or by proxy shall form a Quorum.
- (c) Any ordinary resolution of the company determined without any general meeting and evidenced by writing under the hands of majority of the Directors and of the members of the company holding three – fourths of the issued shares be valid and effectual as an ordinary resolution duly passed at a general meeting of the company.

6. **DIRECTORS**

- (a) Until otherwise determined by the company in General Meeting, the Directors shall not be less than two and not more than seven in number.
- (b) The following persons shall be the first Directors of the company:

1. **Mr. Vijesh Karsan Halai**
2. **Mr. Sambai Kanti Halai**
3. **Mr. Kanti Karsan Halai**
4. **Mr. Innocent Buberwa Kanyamanza**

7. The shareholding qualification for Directors may be fixed by the company in general meeting, and unless and until so fixed, no qualification shall be required.
8. The quorum of Directors for transacting business shall, unless otherwise fixed by the Directors, shall be three.
9. A resolution in writing signed by all the Directors then in Tanzania shall be as valid and effectual as if it had been passed at a meeting of Directors duly called and constituted.

#### **BORROWING POWERS**

10. The Directors may from time to time in their discretion raise or borrow for the purpose of any Company's business such sum or sums of money as they think fit.
11. The Directors may from time to time borrow or raise any money for the purposes of the Company which may exceed the issued share capital of the company.
12. The shareholding may secure the repayment of or raise any such sum or sums as aforesaid by mortgage or charge upon the whole or any part of the property and assets of the company present or future including its uncalled capital for the time being, or by the issue at such price as they may think fit, of bonds or debentures either charged upon the whole or any part of the property and assets of the company or not so charged or in such other way as the Directors may think expedient.

#### **VOTE OF MEMBERS**

13. On a show of hands every member present in person shall have one vote. On a roll every member shall have one vote only for the share of which he is a holder.
14. No member shall be entitled to vote at any general meeting unless all calls or other sums presently by him in respect of shares in the company have been paid.

## **DISQUALIFICATION OF DIRECTORS**

15. The office of a Director shall be vacated if the Director:
- (a) Becomes bankrupt; or
  - (b) Is found to be lunatic or becomes of unsound mind; or
  - (c) Resigns his office by notice in writing to the company;
  - (d) Abstains himself from meetings of Directors for a period of six months without special leave of absence from the other Directors.

## **SEAL**

16. The Director shall provide for the safe custody of the seal. The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the board of the Directors and in the presence of at least two Directors and Secretary or other person as aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

## **ALTERNATE DIRECTORS**

17. Any Director shall have power to nominate any person to act or attend as alternate Director during his absence his inability so to act. Such Director shall be subject in all respects to the terms and conditions existing with reference to others Directors and such Alternate Director shall exercise and discharge all the duties of Director whom he represents.
18. Unless otherwise decided by the Directors the quorum necessary to transact business of the Directors shall be two Directors personally present.

## **SECRETARY**

19. The Secretary shall be appointed by the Board for such terms at such remuneration and upon such condition as it may think fit, and any Secretary so appointed may be removed by the Board.

## **WINDING UP**

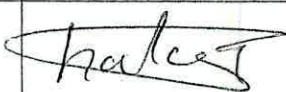


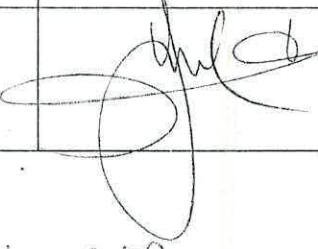
20. With the sanction of a special resolution of the shareholders any part of the assets of the company including any share in other companies may be divided between the members of the company in a special or may be vested in Trustees for the benefit of such members and the liquidation of the company may be closed and shares whereupon there is any liability.

### **ALTERATION OR ADDITION**

21. Subject to the provisions of the Act and to those contained in the Memorandum of Association, the company may by special resolution make alteration or addition so made shall be as valid and effectual as if originally contained in those article and be subject in like manner to alteration by special resolution.
22. Every Director, Managing Director, Agent, Auditor, Secretary and other officer for the time being 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 is in connection with any application in which relief is granted to him by the court.

### **ARBITRATION**

23. If and whenever any dispute or difference or differences shall arise between the company and any of the members or their respective representatives touching upon the construction or meaning of any of the articles herein contained or any act matter or thing made or done or omitted to be done or with regard to the rights or liabilities arising here under or arising out of the relations existing between the parties by reasons of these article or the Act, such differences shall (Unless a sole arbitrator be agreed upon) forthwith be referred to the arbitration of three arbitrators, one to be appointed by each party and the third to be appointed by the first two, or in the event of failure to agree within or any then existing statutory modification or re-enactments thereon shall apply.

Name, addresses and description of the Directors	Number of shares taken by each Director	Signature
VIJESH KARSAN HALAI P.O. BOX 10425 DAR ES SALAAM TANZANIA	300	
SAMBAI KANTI HALAI P.O. BOX 10425 DAR ES SALAAM TANZANIA	300	
KANTI KARSAN HALAI P.O. BOX 10425 DAR ES SALAAM TANZANIA	300	
INNOCENT BUBERWA KANYAMANZA P.O. BOX 10425 DAR ES SALAAM TANZANIA	100	

Dated at DSM this 22 Day of OCTOBER 2008.

**Witness to the above signatures**

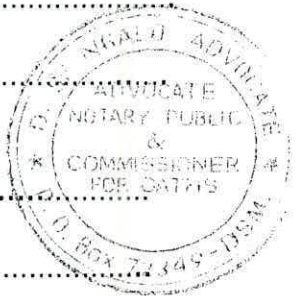
Name : .....

Signature : .....

Postal Address : .....

Qualification: .....

DESIDERI SEBASTIAN NGALO  
P.O. Box 72349  
DAR ES SALAAM  
TANZANIA



CTIN.: 0440503



# 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**  
SHRIRAM CONSTRUCTION TANZANIA LIMITED

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

107-303-316

24-Oct-2008

with effect from

JOANNES N. A. MALLY

OFFICIAL SEAL

COMMISSIONER FOR DOMESTIC REVENUE

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

# **SHRIRAM CONSTRUCTION COMPANY LIMITED**

## **BUSINESS PLAN FOR MANUFACTURING OF STONE AGGREGATES PROJECT**

Prepared for :  
Shriram Construction Company Limited,  
P.O. Box , 10425  
Dar Es Salaam

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- 1. THE COMPANY**
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- 3. THE MANAGEMENT**
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  - 6.2 FINANCIAL ANALYSIS**
- 7. ECONOMIC AND SOCIAL BENEFITS**
- 8. CONCLUSIONS**

### **ANNEXURE "A":**

PROJECTED CASH FLOW 2009 TO 2013  
PROJECTED MANUFACTURING, PROFIT & LOSS ACCOUNTS  
PROJECTED BALANCE SHEETS  
DISCOUNTED CASH FLOW ANALYSIS  
EXPLANATORY NOTES TO PROJECTED CASH FLOWS & FINANCIAL STATEMENTS

### **ANNEXURE "B":**

MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE COMPANY  
CERTIFICATE OF INCORPORATION  
CERTIFICATE OF TAXPAYER IDENTIFICATION NUMBER (T.I.N.)  
COPY OF TITLE DEED AND SITE LOCATION PLAN

# 1. THE COMPANY

## Incorporation

Shriram Construction Tanzania Ltd of P. O. Box 10425, Dar Es Salaam, was incorporated as a Limited Liability Company on the 23rd Day of October 2008, under the certificate of Incorporation Number 68103. The registered office of the company is situated at Plot No. 61, Mbozi Road, Dar es Salaam. The company has complied with all regulatory requirements and all statutory returns have been filed with BRELA as per the current law, Companies Act, 2002.

## Share Capital

The authorised share capital of the company is Tz. Shs 10,000,000 /=-, being 1,000 shares of Shs. 10,000/= each. The entire authorised capital of the company is issued and paid up. Mr. Vijesh Karsan Halai (30%), Mr. Sambai Kanti Halai (30%), Mr. Kanti Karsan Halai (30%) and Mr. Innocent Buberwa Kanyamanza (10%) hold the shares in the company. The authorised and/or issued capital of the company will be increased further to an appropriate level to enable promoters undertake the envisaged project.

## The Business

The Company has been incorporated with the object of extracting and processing high quality stone aggregates for use in construction industry in the local market. During the last 20 years, the promoters have accumulated considerable expertise in this line of business.

The company has completed the plans for the acquisition of buildings, plant, machinery, equipment and other movable assets required for the project.

The above acquisitions will cost the company US\$ 645,000/= and working capital requirements will be US\$ 155,000/=. These capital requirements have been financed by equity capital and funds from associates Shareholders.

The company has obtained the Tax Identification Number 107-303-316 on 24/10/2008 and Vat Registration Number 40-002765-G dated 23/01/2009. Copies of these are attached herewith this report in Annexure "B". There is no tax or any other liabilities being owed by the company to TRA, any other statutory authority, or any external party at the date of this report. The company also obtained a Business Licence No. B 01070752 dated 06/11/08 issued by Temeke Municipal Authority.

The company's Accountants & Auditors are : Patel & Company, Certified Public Accountants, P.O. Box 19093, Dar Es Salaam and the Bankers are Bank of Baroda Tanzania Ltd., Dar es Salaam.

## **2. THE PROMOTERS**

The company has been promoted by its Directors and Shareholders mentioned above. All the Directors have vast and proven commercial and industrial experience by virtue of their ownership of the associate companies which deal with construction, transportation and supply of building materials to local contractors.

The promoters possess the requisite technical skills and experience required for such a project to run smoothly and efficiently.

As such, the promoters have vast industrial and commercial experience and will capitalize the new company adequately to venture into the business of manufacturing quarry products. To undertake the proposed investment further capital will be injected by the promoters in addition to the current capital of the company. The details of these are seen in the financing plan in Annexure "A".

### **3. THE MANAGEMENT**

The company will be managed and run by its Board of Directors which consists of the following:

- (1) Mr. Vijesh Karsan Halai
- (2) Mrs. Sambai Kanti Halai
- (3) Mr. Kanti Karsan Halai
- (4) Mr. Innocent Buberwa Kanyamanza

As elaborated above the first two Directors will be fully involved in running and managing the new company. The third Director, Mr. K. K. Halai will supervise the technical and operational matters of the company. The fourth director will be fully involved with legal, compliance and stakeholder relations for the company. All the four Directors will be fully involved in the running of this company's day-to-day operations within their own areas of expertise. However, professional management team will be put in place to do the extraction, processing, operations, financial controls and technical aspects.

A General Manager, a Commercial / Sales Manager and a Quarry Manager Manager will assist the Board of Directors. This team of top managers will be assisted by 1 Production Engineer, 1 Chief Accountant, 1 Assistant Accountant cum Finance Officer and 1 Human Resource Manager. This team will be fully responsible for all aspects of management of the day-to-day operations and support activities of the company.

The level of staffing will be increased over two to three years based on the requirements of the project and availability of suitable Tanzanian manpower.

## **4. THE PROJECT**

### **4.1 PROJECT CONCEPT**

The company intends to set up a plant for the extraction, process and manufacture of stone aggregates of various sizes for Tanzanian construction industry. The quarry will be set up in Mazizi Village near the village known as Lugoba near Chalinze, Bagamoyo District. The distance from Dar es Salaam is 100 kms and distance from Morogoro is 60 km.

The area allocated to the company by the village administration is approximately 0.07 square kilometers (6.99 Hectares). This will be sufficient to extract 124,000 cubic meters of stones per annum for the next five years.

In any developing country, as economic transformation is set in motion, the yardsticks for the level of development or industrialization are set by the per capita usage of various primary goods like stone, sand, cement, steel, textiles, paper, petrochemicals, etc. and their proportions in the GNP of the country.

As the country moves towards industrialization from a primarily agrarian economy, to a more urbanized cum industrial one, the users of all kinds of building materials Aggregates require stone products of different types. These are broadly classified into following categories sizes :

1. 30 MM
2. 25 MM
3. 15 MM
4. 10 MM
5. 8 MM
6. Dusts

## **4.2 BUILDINGS AND PHYSICAL INFRASTRUCTURE**

The company is planning to set up the intended new stone products plant at its sites at Lugoba at Mazizi Village. The property is accessible by an all weather tarmac road from Tanzania – Zambia highway as also from all districts of Bagamoyo. In addition to the planned two warehouses, measuring 800 square meters, the company intends to increase the manufacturing space by addition of one new godown within five years. Of these three godowns, two will be used for manufacturing while one will be for storage of materials and finished goods. The objective of this exercise is to provide for adequate production of aggregates throughout the year while the demand fluctuates during certain months based on level of activity in the industry. This will give rise to some excess production during certain months.

The three industrial buildings at the complex will also have adequate parking, loading and unloading facilities for the occupants as well as visitors and to do this the management intends to invest in additional features and improvements to enhance and create pleasant work and business environment.

## **4.3 PLANT AND MACHINERY**

The project to manufacture stone products requires a set of machines and equipment as follows, which is based on 24,000 tons of raw materials. These machines and/or equipment are as under:

1. Caterpillar Excavator
2. Crusher Machine
3. Vibrating Machine
4. Motor with Starter, Gearbox
5. Return Roller

6. Pillow Roller, Belts
7. Wheel Loader.
8. Compressor
9. Generator 300 KVA
10. Heavy Duty Drill Machine.

Also required are two sets of complex conveyor systems to facilitate the faster flow of materials through different stages of production. Also required is mobile lifting equipment to lift and move and place aggregates of various widths on to the trucks to transport these to customers.

The total cost of these machines and equipment are expected at US\$ 645,000/= over the next two years. Initially the high quality machines from United Kingdom and India will be installed together with locally fabricated systems to enhance the capacity of the quarry.

#### **4.4 RAW MATERIALS**

The primary raw materials for this project are the raw stone blocks extracted from the area near Lugoba. The details costing of these are in financial tables enclosed with this report.

#### **4.5 PRODUCTION PROCESS**

##### **PRODUCTS MANUFACTURING**

**Site preparation**

**Extraction**

**Crushing**

**Filtering**

**Loading for transportation**

## 4.6 HUMAN RESOURCES

The company will require services of management staff, support staff and skilled and unskilled workers at the plant. The company intends to hire the following management personnel to start the project:

General Manager	1
Operations Manager	1
Sales Manager	1
Production Engineer	1
Chief Accountant	1
Accountant / Finance Officer	1
Human Resource Manager	1

Of the above 6 persons, the company will need to recruit expatriate personnel for the positions of General Manager, Operations Manager, Production Engineer and Chief Accountant. This is important due to the technical nature of the industry which needs to employ new technologies to the country as well as the complex issues involved during and after the production stages. The ultimate objective is to be competitive and offer quality products to local and highly competitive export markets.

At the production level the plant will require services of 60 skilled and unskilled operators, handlers and helpers which are available and identified by the company. In addition the company will also need to hire four security personnel to assist with safety and security of the assets of the company.

#### 4.7 FINANCING PLAN:

The total cost of these facilities and improvements are estimated to be US\$ 800,000/= which together with the cost of investments. The company intends to employ its own funding for the entire project while seeking loans for future expansions.

Figures in US\$

Capital Goods	550,000.00
Fixed Assets at site	70,000.00
Moveable assets	25,000.00
Working capital requirements	155,000.00

The tables in Annexure "A" give detailed breakdown of various aspects of revenues and expenses and the basis of their inclusion in the respective tables. Further analyses are given in the subsequent chapter "6" of this report under Financial Aspects.

## 5. THE MARKET

The market for products for local stone aggregates is rising at approximately 15% per annum. This rise has been constant in spite of recent perceptions of downturn in world economies. This is because the local demand from small and medium house builders have continued to persist while some of the major state funded and private projects are slowing down in some sectors.

## **6. FINANCIAL ASPECTS**

### **6.1 BASIC ASSUMPTIONS:**

The following basic assumptions form the basis of the study:

The total investments are US\$ 800,000 /= which include US\$ 645,000/= in fixed or physical assets and US\$ 155,000/= in working capital.

It should be noted that all capital costs have been taken at landed costs excluding Customs duties and Value Added Taxes (V.A.T.). Thus the promoters believe the exemption of customs duties and deferment of VAT will be an important requisite for the project to be implemented.

The construction period for the facilities and improvements is estimated at 6 months.

Gross revenues arising from sale of products is conservatively estimated to rise at the rate of 10% to 20% per annum at constant prices. Similarly expenses are assumed to rise at the similar rate or based on other factors.

Taxation is assumed to be constant i.e. at 30% of net business incomes. However even if the system of taxation and the rate were to change to be in line with EAC member states' Tax regimes, there will not be any significant changes to cash outflows. This is because the Corporation Tax rates are highly unlikely to exceed 30% as any increase will deter new local and foreign direct investment

For the purpose of this study the figures are quoted in Tanzania US \$ only.

## 6.2 FINANCIAL ANALYSIS

The project is expected to pay back in a period of just less than five years. This is extremely positive for a natural resource investment project in a rural area, which is commonly expected to pay back over more than ten years.

The Cash Flow analysis of the project shows a net surplus of US\$ 1,356,635/= at the end of the year 2013 or after five years. The Cash Flow analysis and projected financial statements are inclusive of revenues and payment of all types without exception.

The total earnings per share over five years amounts to US\$ 19.62 which is more than the nominal value of each share.

The Financial analysis clearly shows the financial benefits in terms of direct and indirect taxes, NSSF contributions, local government taxes like city service levies and property taxes, employment opportunities to Tanzanian nationals and other benefits to ancillary trade and services in the local economy. Please refer to the ANNEXURE A for the detailed financial projections of the venture.

## **7. ECONOMIC & SOCIAL BENEFITS**

The following benefits will accrue to the nation from the implementation of this project covering the existing and new investments:

- Provision of high quality industrial project in a rural area around Lugoba in Chalinze district.
- Employment of at least 60 Tanzanian nationals with total estimated gross emoluments of US\$ 45,432/= or more plus benefits in the first year and rising thereafter.
- Additional employment opportunities in enterprises which will benefit in terms of new businesses opportunities to service this new project.
- Direct Taxes to T.R.A. – US\$ 428,989/= over the next five years by way of corporation taxes at the current rate of 30% of net taxable incomes.
- Additional direct taxes will also accrue from employment taxes of employees and with holding taxes on dividends paid to shareholders.
- Skills and development levies to T.R.A. amounting to US\$ 14,344/= over five years.
- Value Added Taxes to T.R.A. – US\$ 1,362,240/= over the next five years based on the current VAT rate of 20% of the value of the sales.
- Total NSSF contributions amounting to US\$ 23,907/= over the same period.
- Total Land Rents, Property taxes, and other charges to Central and Local Government, based on the current local government regulations.
- Additional revenue generation for other companies, both private and public, in respect of investments during the construction of additional facilities and improvements and on the recurrent expenditure on goods and services thereafter.

## **8. S W O T ANANLYSIS**

### **STRENGTHS:**

Investments in new plant, efficiency, customer base, proven experience, own facilities, grasp over mechanical engineering, ability solve technical problems and evolve engineering solutions, innovations in better use of machines, well known in the market as a reliable contractor and supplier, willingness to undertake orders from small and large customers.

### **WEAKNESSES:**

Presence of bigger players, distance from markets in Dar es Salaam, costs of transportation of raw materials to urban centres, competitive pressures hampering profitability.

### **OPPORTUNITIES:**

Importance of location at Lugoba, lower costs, nearer to export markets of Kenya, Uganda and Zambia and regions of Dar es Salaam, Morogoro, Iringa, Moshi, Mwanza, Shinyanga, Tabora, Dodoma, etc., ample space for expansion, ability to undertake contract production for bigger players, opportunities to service upcountry and smaller customers with speed and flexibility.

### **THREATS:**

Downturn in the economy, nationally and internationally, failure of crops due to various reasons, new manufacturers, imports from neighbouring countries, evasion of royalties by unscrupulous extractors and cowboy players.

## **9. CONCLUSIONS:**

The project which the promoters intend to undertake is based on very sound fundamentals. These are the prime location of the quarry. Installation and commissioning of a new plant for manufacture of stone products, adequate security, availability of water, power, nearness and access to all main roads and with easy access to all regions and neighbouring countries.

The financial analysis which forms part of this report shows that the project is totally viable and warrants financial facilities from bankers.

The revenue projections are based on actual sales done by the associated company during past years to existing customers and hence these are guaranteed revenue streams which the company will realize.

Similarly all the projections of expenses and outgoings are also based on certainty which in turn is based on historical figures of the preceding years and scientific estimates for the future years.

The Net Present Values (NPV) of the project based on discounted cash flow rates of 12% and 24%, which are much more than the current inflation rate as well as current savings rate, gives positive cash flows.

The pay back period for the project is just under five years.

There are perceived future opportunities for the location too. These are the opportunities to service specific export markets.

Finally, the promoters do not perceive any negative factors that may lead to reduced demand for the products of the company and thus reduced revenues from the project. On the other hand the revenues from this investment are highly likely to go up within the next 12 to 18 months, exceeding the rate of growth projected in this report.

As such the promoters strongly believe that this is a very safe, secure and profitable investment for the company and fully justified under the present state of the economy of the country.

# SHRIRAM CONSTRUCTION TANZANIA LIMITED

PROJECTED BALANCE SHEETS					
ASSETS	2009	2010	2011	2012	2013
CURRENT ASSETS					
CASH	212,764	490,399	769,904	1,058,162	1,356,635
ACCOUNTS RECEIVABLE	70,400	70,400	74,800	79,200	83,600
INVENTORY	16,000	16,000	17,000	18,000	19,000
<b>TOTAL CURRENT ASSETS</b>	<b>299,164</b>	<b>576,799</b>	<b>861,704</b>	<b>1,155,362</b>	<b>1,459,235</b>
FIXED ASSETS					
NET FIXED ASSETS	500,875	391,516	308,279	244,678	195,840
<b>NET FIXED ASSETS</b>	<b>500,875</b>	<b>391,516</b>	<b>308,279</b>	<b>244,678</b>	<b>195,840</b>
<b>TOTAL ASSETS</b>	<b>800,039</b>	<b>968,315</b>	<b>1,169,983</b>	<b>1,400,040</b>	<b>1,655,075</b>
LIABILITIES					
CURRENT LIABILITIES					
ACCOUNTS PAYABLE	7,622	7,646	8,131	8,617	9,103
<b>TOTAL CURRENT LIABILITIES</b>	<b>7,622</b>	<b>7,646</b>	<b>8,131</b>	<b>8,617</b>	<b>9,103</b>
LONG TERM DEBT	-	-	-	-	-
EQUITY					
SHARE CAPITAL	645,000	645,000	645,000	645,000	645,000
RETAINED EARNINGS	147,417	315,669	516,852	746,423	1,000,972
<b>TOTAL EQUITY</b>	<b>792,417</b>	<b>960,669</b>	<b>1,161,852</b>	<b>1,391,423</b>	<b>1,645,972</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>800,039</b>	<b>968,315</b>	<b>1,169,983</b>	<b>1,400,040</b>	<b>1,655,075</b>
<b>LIQUID CURRENT RATIO(:1) (CA-CASH/CL)</b>	11.34	11.30	11.29	11.28	11.27

# SHRIRAM CONSTRUCTION TANZANIA LTD

Projected Profit and Loss Account for 5 Years

SR.	Description	Yr.1	Yr.2	Yr.3	Yr.4	Yr.5
1	Sales Quantity in MT per year	23,040	23,040	24,480	25,920	27,360
2	Revenue From Sales @ USD 55/MT	1,267,200	1,267,200	1,346,400	1,425,600	1,504,800
<b>A</b>	<b>TOTAL REVENUE</b>	<b>1,267,200</b>	<b>1,267,200</b>	<b>1,346,400</b>	<b>1,425,600</b>	<b>1,504,800</b>
	<b>Direct Expenses</b>					
3	EXCAVATION COST	403,200	403,200	428,400	453,600	478,800
4	SITE OVERHEADS	46,080	46,080	48,960	51,840	54,720
5	OFFICE OVERHEADS	11,520	11,520	12,240	12,960	13,680
6	TRANSPORTATION COST	391,680	391,680	416,160	440,640	465,120
<b>B</b>	<b>COST OF PRODUCTION</b>	<b>852,480</b>	<b>852,480</b>	<b>905,760</b>	<b>959,040</b>	<b>1,012,320</b>
<b>C</b>	<b>CONVERSION MARGIN AVAILABLE</b>	<b>414,720</b>	<b>414,720</b>	<b>440,640</b>	<b>466,560</b>	<b>492,480</b>
	<b>Indirect Expenses</b>					
7	ADMINISTRATION OVERHEADS	60,000	65,000	70,000	75,000	80,000
<b>D</b>	<b>COST OF SALES</b>	<b>912,480</b>	<b>917,480</b>	<b>975,760</b>	<b>1,034,040</b>	<b>1,092,320</b>
<b>E</b>	<b>Earning before Interest, Depreciation and Taxes (EBITD)</b>	<b>354,720</b>	<b>349,720</b>	<b>370,640</b>	<b>391,560</b>	<b>412,480</b>
	INTEREST	-	-	-	-	-
<b>F</b>	<b>Earning before Depreciation and taxes (EBDT)</b>	<b>354,720</b>	<b>349,720</b>	<b>370,640</b>	<b>391,560</b>	<b>412,480</b>
8	Depriciation	144,125	109,359	83,236	63,601	48,838
<b>G</b>	<b>Earning before Tax (EBT)</b>	<b>210,595</b>	<b>240,361</b>	<b>287,404</b>	<b>327,959</b>	<b>363,642</b>
9	Provision for Tax ( @ 30% of EBT)	63,179	72,108	86,221	98,388	109,093
<b>H</b>	<b>Earning After Taxes (EAT)</b>	<b>147,417</b>	<b>168,252</b>	<b>201,183</b>	<b>229,571</b>	<b>254,550</b>
10	Depriciation	144,125	109,359	83,236	63,601	48,838
<b>I</b>	<b>NET Cash Accruals</b>	<b>291,542</b>	<b>277,612</b>	<b>284,419</b>	<b>293,172</b>	<b>303,387</b>
	IRR BEFORE TAX	24%				

# SHRIRAM CONSTRUCTION TANZANIA LIMITED

PROJECTED CASH FLOW STATEMENTS					
CASH IN	2009	2010	2011	2012	2013
EQUITY	645,000				
SALES	1,267,200	1,267,200	1,346,400	1,425,600	1,504,800
LESS: CHANGE IN ACCOUNTS RECEIVABLE	(70,400)	-	(4,400)	(4,400)	(4,400)
<b>TOTAL CASH IN</b>	<b>1,841,800.00</b>	<b>1,267,200.00</b>	<b>1,342,000.00</b>	<b>1,421,200.00</b>	<b>1,500,400.00</b>
<b>CASH OUT</b>					
CAPITAL EXPENDITURE, PRE-OP EXP	645,000	-	-	-	-
OPERATING EXPENSES	912,480	917,480	975,760	1,034,040	1,092,320
LESS: CHANGE IN ACCOUNTS PAY	(7,622)	(23)	(486)	(486)	(486)
PLUS: CHANGE IN INVENTORY	16,000	-	1,000	1,000	1,000
TAX PAYMENTS	63,179	72,108	86,221	98,388	109,093
<b>TOTAL CASH OUT</b>	<b>1,629,036</b>	<b>989,565</b>	<b>1,062,495</b>	<b>1,132,942</b>	<b>1,201,927</b>
<b>NET CASH FLOW</b>	<b>212,764</b>	<b>277,635</b>	<b>279,505</b>	<b>288,258</b>	<b>298,473</b>
<b>OPENING CASH BALANCE</b>	<b>0</b>	<b>212,764</b>	<b>490,399</b>	<b>769,904</b>	<b>1,058,162</b>
<b>CLOSING CASH BALANCE</b>	<b>212,764</b>	<b>490,399</b>	<b>769,904</b>	<b>1,058,162</b>	<b>1,356,635</b>

# SHRIRAM CONSTRUCTION TANZANIA LIMITED

PROJECTED WORKING CAPITAL SCHEDULES		2009	2010	2011	2012	2013
<b>CASH</b>	<b>CYCLE/NORMS</b>					
EXCAVATION COST	1 Month	33,600	33,600	35,700	37,800	39,900
SITE OVERHEADS	1 Month	3,840	3,840	4,080	4,320	4,560
OFFICE OVERHEADS	1 Month	960	960	1,020	1,080	1,140
TRANSPORTATION COST	1 Month	32,640	32,640	34,680	36,720	38,760
INDIRECT COSTS	1 Month	5,182	5,417	5,833	6,250	6,667
<b>TOTAL CASH REQUIREMENT</b>		<b>76,222</b>	<b>76,457</b>	<b>81,313</b>	<b>86,170</b>	<b>91,027</b>
<b>Account Receivable</b>						
TRADE RECOVERABLES	AVG 45 DAYS SALES	70,400	70,400	74,800	79,200	83,600
<b>TOTAL ACCOUNTS RECEIVABLE</b>		<b>70,400</b>	<b>70,400</b>	<b>74,800</b>	<b>79,200</b>	<b>83,600</b>
<b>Inventory</b>						
	YEAR END					
FINISHED GOODS	THREE DAYS PRODUCTION	16,000	16,000	17,000	18,000	19,000
<b>TOTAL INVENTORY</b>		<b>16,000</b>	<b>16,000</b>	<b>17,000</b>	<b>18,000</b>	<b>19,000</b>
<b>Accounts Payable</b>						
TRADE CREDITORS	10% OF CASH	7,622	7,646	8,131	8,617	9,103
<b>TOTAL ACCOUNTS PAYABLE</b>		<b>7,622</b>	<b>7,646</b>	<b>8,131</b>	<b>8,617</b>	<b>9,103</b>
<b>CHANGES IN WORKING CAPITAL</b>						
		<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
CASH		76,222	76,457	81,313	86,170	91,027
CHANGE IN CASH		76,222	235	4,857	4,857	4,857
ACCOUNTS RECEIVABLE		70,400	70,400	74,800	79,200	83,600
CHANGE IN ACCOUNTS RECEIVABLE		70,400	-	4,400	4,400	4,400
INVENTORY		16,000	16,000	17,000	18,000	19,000
CHANGE IN INVENTORY		16,000	-	1,000	1,000	1,000
ACCOUNTS PAYABLE		7,622	7,646	8,131	8,617	9,103
CHANGE IN ACCOUNTS PAYABLE		7,622	23	486	486	486
<b>WORKING CAPITAL</b>		<b>155,000</b>	<b>155,211</b>	<b>164,982</b>	<b>174,753</b>	<b>184,524</b>
<b>CHANGE IN WORKING CAPITAL</b>		<b>155,000</b>	<b>211</b>	<b>9,771</b>	<b>9,771</b>	<b>9,771</b>

# SHRIRAM CONSTRUCTION TANZANIA LTD

Sales Projections of Aggregate in Metric Tons					
PER DAY	80	80	85	90	95
	year-1	year-2	year-3	year-4	year-5
1	1,920	1,920	2,040	2,160	2,280
2	1,920	1,920	2,040	2,160	2,280
3	1,920	1,920	2,040	2,160	2,280
4	1,920	1,920	2,040	2,160	2,280
5	1,920	1,920	2,040	2,160	2,280
6	1,920	1,920	2,040	2,160	2,280
7	1,920	1,920	2,040	2,160	2,280
8	1,920	1,920	2,040	2,160	2,280
9	1,920	1,920	2,040	2,160	2,280
10	1,920	1,920	2,040	2,160	2,280
11	1,920	1,920	2,040	2,160	2,280
12	1,920	1,920	2,040	2,160	2,280
<b>TOTAL</b>	<b>23,040</b>	<b>23,040</b>	<b>24,480</b>	<b>25,920</b>	<b>27,360</b>

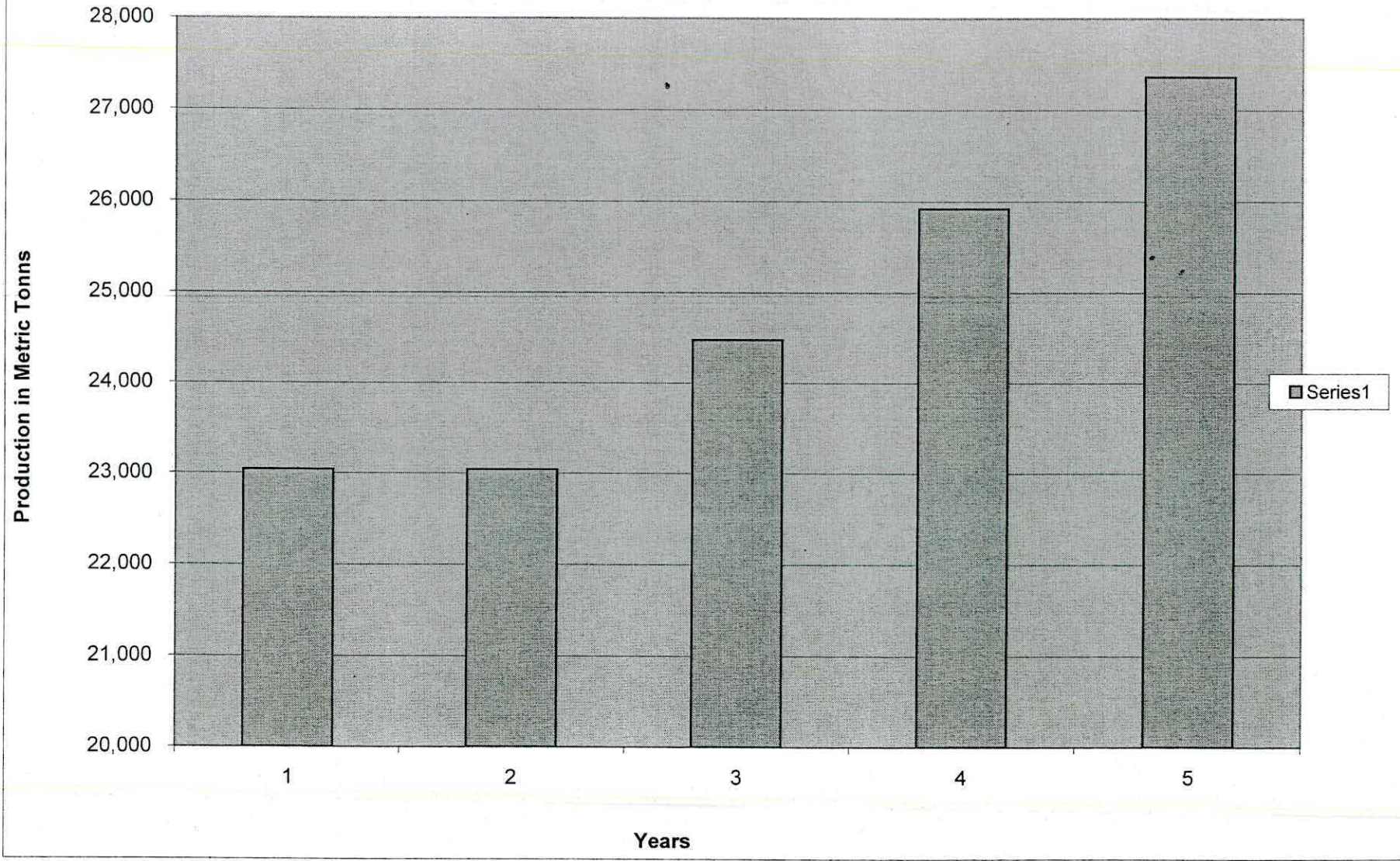
Production Projections of Aggregate in Metric Tons					
PER DAY	80	80	85	90	95
	year-1	year-2	year-3	year-4	year-5
1	1,920	1,920	2,040	2,160	2,280
2	1,920	1,920	2,040	2,160	2,280
3	1,920	1,920	2,040	2,160	2,280
4	1,920	1,920	2,040	2,160	2,280
5	1,920	1,920	2,040	2,160	2,280
6	1,920	1,920	2,040	2,160	2,280
7	1,920	1,920	2,040	2,160	2,280
8	1,920	1,920	2,040	2,160	2,280
9	1,920	1,920	2,040	2,160	2,280
10	1,920	1,920	2,040	2,160	2,280
11	1,920	1,920	2,040	2,160	2,280
12	1,920	1,920	2,040	2,160	2,280
<b>TOTAL</b>	<b>23,040</b>	<b>23,040</b>	<b>24,480</b>	<b>25,920</b>	<b>27,360</b>

# SHRIRAM CONSTRUCTION TANZANIA LTD

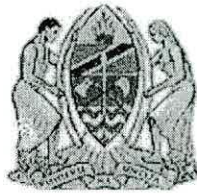
			DEPRICIATION SCHEDULE					
INVESTMENT PLAN		USD	YR 1	YR 2	YR 3	YR 4	YR 5	TOTAL
LAND AND BUILDING	5% FIXED	70,000	3,500	3,500	3,500	3,500	3,500	17,500
FURNITURE AND FITTINGS	12.50% DIMINISING	25,000	3,125	2,734	2,393	2,094	1,832	12,177
PLANT	25% DIMINISING	450,000	112,500	84,375	63,281	47,461	35,596	343,213
VEHICLES	25% DIMINISING	100,000	25,000	18,750	14,063	10,547	7,910	76,270
WORKING CAPITAL		155,000						
<b>TOTAL INVESTMENT</b>		<b>800,000</b>	<b>144,125</b>	<b>109,359</b>	<b>83,236</b>	<b>63,601</b>	<b>48,838</b>	

WRITTEN DOWN VALUE	YR 1	YR 2	YR 3	YR 4	YR 5
	66,500	63,000	59,500	56,000	52,500
	21,875	19,141	16,748	14,655	12,823
	337,500	253,125	189,844	142,383	106,787
	75,000	56,250	42,188	31,641	23,730
	<b>500,875</b>	<b>391,516</b>	<b>308,279</b>	<b>244,678</b>	<b>195,840</b>

### Production Capacity Utilization Plan



## TANZANIA



## Certificate of Incorporation

Section 15

No **68103**

I HEREBY CERTIFY THAT

**SHRIRAM CONSTRUCTION TANZANIA 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 **23RD** day of **OCTOBER**

**TWO THOUSAND AND EIGHT**

A handwritten signature in black ink, appearing to read 'D. M. M.', written over a horizontal dotted line.

*Assist. Registrar of Companies*

**THE COMPANIES ACT 2002**

**COMPANY LIMITED BY SHARES**

**MEMORANDUM**

**AND**

**ARTICLES OF ASSOCIATION**

**OF**

**SHRIRAM CONSTRUCTION TANZANIA LIMITED**

**Incorporated this 6<sup>th</sup> Day August, 2008**

***DRAWN BY:***  
***(Subscriber)***  
***Mr. Innocent B. Kanyamanza***  
***P.O. Box 10425***  
***Dar es Salaam***  
***Tanzania***

**THE UNITED REPUBLIC OF TANZANIA**

**Certificate of Incorporation**

**No.**

**I her by certify that**

**SHRIRAM CONSTRUCTION TANZANIA 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 .....day of.....Two Thousand and Eighty**

**Seal**

**Registrar of Companies**

*Sheet*  
*3228/2018*  
*22/1/18*

**THE COMPANIES ACT 2002**  
**COMPANY LIMITED BY SHARES**

*22/1/18*  
*3228/2018*

**MEMORANDUM OF ASSOCIATION**

**OF**

**SHRIRAM CONSTRUCTION TANZANIA LIMITED**

1. The name of the company **SHRIRAM CONSTRUCTION TANZANIA LIMITED**
2. The registered office of the company will be situated in United Republic of Tanzania.
3. The objects for which the company is established are:
  - (a) To carry on the business of builders, contractors, appraisers, valuers, architects, engineers, surveyors, house and estate agents.
  - (b) To build, construct, maintain, alter, enlarge, pull down, repair, and remove or replace and buildings, offices, factories, mills, works, wharves, roads, walls, fences, banks, dams, sluices, water – courses, sewers, drains, culverts, channel, or sewage, and to clear sites for the same, or to join with any person, form or company in doing any of the things aforesaid, and to work, manage, and to control the same or join with others in so doing.
  - (c) To manufacture, buy and sell doors, windows, furniture, any wooden articles, bricks, tiles, brick – earth, stone, marble, slates, sanitary fittings, corrugated iron sheets, girders, timber, chalk, sand and other building materials.
  - (d) To carry on the business of forest products, logs, timber and wood furniture, importation, exportation, wholesale, retail of ceramics, hardware, iron steel, sanitary, software, building material and manufacture and distribute prefabricate concrete articles and to be suppliers of the same to be general distribution agents for used copper, cement, roofing material, tiles, tube, wire mash, fencing wire and other materials, to carry on the business as general traders and trading agent to distributors of all kinds of goods.
  - (e) To carry on the business of suppliers and dealers in all kinds of electrical goods, engineering goods, machinery apparatus, implements, including spare parts, industrial spares, accessories, components, fitting

and general trading and to import and export all types of merchandise, good articles and commodities.

- (f) To carry on the business as manufacturers, renters and repair, import wholesale and retail in air conditioners, air coolers, plants, machines freezers or all kind storage and preservation articles (Whether mobile or immobile) refrigerators, air cooling apparatus, air drivers, air filtering machines, brooms, brushes, sweepers and cleaning and sweeping tools and apparatus, refrigeration and cold storage plants, washing machine and domestic and household equipments and utensils of all kind, artificial lighting apparatus and electrical plants.
- (g) To carry on the business of import, export, wholesale, distributor, publishing, printing and manufactures of books, magazines, post cards dairies, brochure, calendars, educational books, political books and technical books, both paper and hard books journal news paper, proprietor advertiser and advertising agents and stationery.
- (h) To Carry on all their respective branches all or any of the business of builders masonry and general construction contractors and haulers and among other things, to construct, execute, carry out, equip, improve, work and advertise railways, tramway, docks, harbors, wharves, canals, water-courses, reservoirs, embankments, irrigations, reclamations, sewage, drainage and other sanitary works, water, gas, mechanic, electric and other supply works, houses buildings and erections of every kind and to carry on any other business in connection with the above mentioned business.
- (i) To acquire, take over, promote, establish, engage in and carry the business of profession of farmers, planters, harvesters, sprayers, see growers, glaziers breeders of and dealers of livestock, marker gardeners, agriculturists, horticulturist, floriculturists, dairymen, vegetable oil extractors, poultry and bee- keeper and any other business in connection with floriculture, agriculture and horticulture.
- (j) To carry and promote and trade or business of farm and agriculture inputs implements, tools, packaging materials and deal in the livestock and or the veterinary health – care products to farmers and stockiest, to buy, sell, supply, distribute, whether in retail or wholesale, fertilize, insecticides, fungicides, growth stimulants, agro seeds, farm implements and tools, animal feed, veterinary drugs and relate goods and import and export agriculture and food technology industries and equipment, manufacture and semi processed products in Tanzania and other parts of the world.
- (k) To carry on the business as general suppliers of all sorts and types of goods and service to individuals, offices, industries, shops, schools, factories, hospitals, army, military, ministries and all other government

offices, universities and all other places where the services of suppliers are needed.

- (l) To carry on the business as general suppliers, importers, exporters, traders merchants, stockiest, wholesalers, retailers, and dealers in all types of electrical goods, hardware, building material, timber, fishing gears, groceries, computers, office equipments, stationeries, cooking oils, salts, foodstuffs, cosmetics, oils, spare parts and maintenance, types, tubes, tools, and accessories, for all types of automotive, motor vehicles, project machinery and equipments, paints, spirits sheets, hinges, screws, iron monger, textiles piece good, all type of leather goods, shoes, bags and other similar goods.
- (m) To carry on the business of importers, exporters, buying selling, dealer in hardware, building materials, sanitary wares, wall papers, roofing tiles flooring tiles, supplying industrial equipments, agricultural implements and equipments spares of every description, plumbers, fittings, decorators steel fabricators, machine shop, nickel plating, electrical plating, making steel windows, doors, frames and roof tresses
- (n) To carry on the business of dealing in marketing, manufacturing, importing, exporting, stocking, buying, selling whether by wholesale or retail of various categories of goods and merchandise, and to act as commission agents and manufacturers, representative in all fields. To establish business enterprises whether small scale, industries and general deal in all kinds of general merchants and to import, export and all either by merchandise and articles of all description.
- (o) To carry on the business of clearing and forwarding agents, commission agents, transporters, freighters, haulers, customs bonded warehouse and godown keepers, cargo and travel agents, insurance agents, tourist agents, manufacturers representatives, road contractors, cargo superintendents, packers, machinery haulage specialist, warehousemen, engineers electrician, motor cars, cabs, omnibus, lorries, oil tank and coach proprietors, and transporters, civil transport contractors, and transporters by any other means of conveyance of people and good in Tanzania and the neighboring countries and in such other place or places as may from time to time. Be determined by the company, engaged in and or otherwise carry on the business as transporters and transport agents, freight forwarders.
- (p) To carry on the business of establishing and running supermarkets, department stores, shopping malls, provision stores, groceries, and shops of all kinds and description and generally to deal with such activities.

- (q) To carry on the business of household, domestic appliances, and electrical goods, audio visual goods, electronics items, building material, hard wares, foodstuffs agricultural products, and merchandise of every nature, kind and description whatsoever as a dealer, wholesalers, retailer, distributor, importer, exporter and after sales service and repairing.
- (r) To promote tourism in Tanzania and elsewhere in Africa, to carry on the business of travel and tourist agents, and tour operators, to promote facilitate traveling to organize hunting, tented- camps, fishing and diving expeditions, safari promoters, and undertakers generally and in particular to arrange and manager hunting safaris, photo safaris, adventure tours, fishing trips, handling of games trophies and animal skins, catching harbouring, transporting, wildlife and marine products of all kind.
- (s) To act as an investment company, holding company, finance company and to deal in all types of investments whatsoever. To hold and own shares land, buildings, shopping mall, residential houses, commercial buildings invest in securities, bond share debentures, options, warrants, convertible stocks, promissory notes, bill of exchange, loans, bills, shipping documents, ships, aircraft, self propelling vehicles and all types of property whatsoever.
- (t) To act as agents for sale and purchase of any stocks shares or securities or for any other monetary or mercantile transactions.
- (u) To carry of commercial consultants, planners and advisers to any company, corporation, undertaking, firm or individual in the conduct of commercial, industrial, financial and any other business undertaking, and to study and advise on conditions and make recommendations and prepare schemes design to increase productivity.
- (v) To carry on the business of importers, exporters, buying selling, dealers in building materials, hardware sanitary- ware, wall papers, roofing tiles flooring tiles, supplying industrial equipments, agricultural implements and equipments spares of every description, plumbers, decorators, steel fabrication, machine shop, nickel plating, electrical plating, making steel windows, door, frames and roof tresses.
- (w) To purchase, take on lease and otherwise acquire for investment or resale any estate, land, buildings, easements, and other rights and interests in immovable property or any tenure in Tanzania and elsewhere and to sell 1ct or lease exchange or otherwise dispose of or grant right over any immovable property, belong to the company.

- (x) To carry any other trade or business whatever which can in the opinion of the Board of Directors be advantageously carried on by the company in connection with the above businesses or the general business of the company.
- (y) To do all or any of the above things in any part of the world and either as principals, agents, trustees, contractors or otherwise, and either alone or in conjunction with other and either or through agents, sub-contractors trustees and otherwise.
- (z) To remunerate any person, firm or company rendering services to this company, whether by cash payments or by allotment to him or them of shares or securities of the company credited and paid in full or in part otherwise.
- (aa) To accept for safe custody and keep for customers of the company all kinds of securities valuables and things.
- (bb) To lend money on any terms that may thought fit, and particularly to customers or other person or corporations having dealings with societies and to give any guarantees that may be expedient.
- (cc) To advance money to shareholders in the company, and other to the purpose of enabling the person borrowing the same erect or purchase, or enlarge or repair any house or building or to purchase the fee simple or any less estate or interest in, or to take a demise for any term or terms of years of any freehold or leasehold property upon such terms and conditions as the company may think fit.
- (dd) To invest and deal with the moneys of the company not immediately required, upon such securities and in such manner as may from time to time be determined.
- (ee) To draw, make, accept, endorse, discount, execute and issue promissory notes, bill of lading, warrants, debentures and negotiable or transferable instruments.
- (ff) To act as agents or brokers, and as trustees for any person firm or company, and to undertake and perform sub- contracts and also to act in any other business of the company through or by means of agents brokers, sub- contractors or others.
- (gg) To obtain any provisional order, ordinance or act of parliament for enabling the company to carry any of its objects into effect, or for affecting any modification of the company's constitution, or any other purpose which may seem expedient, and to oppose any proceedings or applications which may seem calculated, directly or indirectly to prejudice the company's interest.

- (hh) To take or otherwise and hold shares in any other company having objects altogether or in part similar to this company, or carrying on any business capable of being conducted so as directly or indirectly to benefit the company.
- (ii) To transact or carry on all kinds of agency business and in particular in relation to the investment of money, the sale of property, and the collection and receipt of money.
- (jj) To do all other things as may be deemed incidental or conducive to the entertainment of the objects or any of them.

And it is hereby declared that:




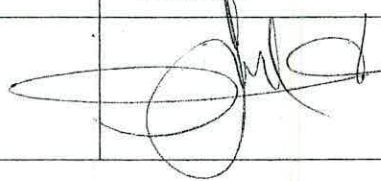
The word company in this clause, except where used in reference to this company, shall be deemed to include any partnership or other body of persons, whether corporate or incorporate, and whether domiciled in the United Republic of Tanzania or elsewhere.

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

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

4. The liability of the members is limited
5. The initial share capital of the company is TZS 10,000,000 divided into 1,000 shares of TZS 10,000 each and the company shall have power to attach there any preferential, deferred, qualified or other special rights, privileges, restrictions or conditions.


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

Name, addresses and description of the Directors	Number of shares taken by each Director	Signature
VIJESH KARSAN HALAI P.O. BOX 10425 DAR ES SALAAM TANZANIA	300	
SAMBAL KANTI HALAI P.O. BOX 10425 DAR ES SALAAM TANZANIA	300	
KANTI KARSAN HALAI P.O. BOX 10425 DAR ES SALAAM TANZANIA	300	
INNOCENT BUBERWA KANYAMANZA P.O. BOX 10425 DAR ES SALAAM TANZANIA	100	

Dated at DSM this 22 Day of OCTOBER 2008.

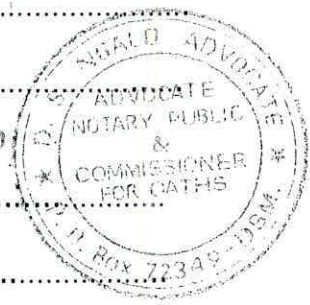
**Witness to the above signatures**

Name : .....

Signature :  .....

Postal Address : DESIDERI SEBASTIAN NGALO  
P.O. Box 72349  
DAR ES SALAAM  
TANZANIA .....

Qualification: .....



Handwritten notes on the left margin: "Speed", "14/01/2008", "22/01/2008", and a signature.

Handwritten notes on the right margin: "25/01/2008", "14/01/2008", and a signature.

**THE COMPANIES ACT 2002**

**COMPANY LIMITED BY SHARES**

**ARTICLE OF ASSOCIATION**

**OF**

**SHRIRAM CONSTRUCTION TANZANIA LIMITED.**

**PRELIMINARY**

1. in these regulations;  
"The Act" mean the Companies Act 2002 of the Laws of Tanzania.

When any provision of the Act. Is referred to, the reference is that provision is as modified by any law for the time being in force.

Unless the context otherwise requires, the expressions defined in the Act or any statutory modification there of in the force at the date at which these regulations become binding on the company, shall have the meaning so defined.

Any words importing the singular shall include the plural and vice versa, and words importing masculine gender shall include females, and the words importing persons shall include bodies corporate, partnership, firms' cooperative societies etc.

The regulations of Companies Act shall not apply to the company; save in so far as they are varied or excluded hereby, but in case of any conflict between the provisions herein, and the provisions under this regulation the former shall prevail, and in addition to substitution shall be the regulations of the company

## PRIVATE COMPANY

2. **The Company is a private Company and accordingly:**
- (a) The right to transfer shares is restricted in manner hereinafter prescribed.
  - (b) The number of members of the company (Exclusive of persons who are in the employment of the company and of persons who have been formerly in the employment of the company were while in such employment to be the member of the company) is limited to fifty, provided that where two or more persons hold one or more shares in the company jointly they shall for the purpose of this regulation be tested as single member.
  - (c) Any invitation to the public to subscribe for any shares or debenture of the company is prohibited.
  - (d) The company shall not have power to issue share warrant to bearer.
3. The Directors may in their direction and without assigning any reason there of refuses to register the transfer of any share to any person who it shall in their opinion is undesirable for any reason whatsoever to admit to membership.
4. Subject to clause 2 and 3 hereof, the right to members to transfer their shares shall be restricted as follows:
- (a) No share shall be transferred to a person who is not a member so long as any member of nay person selected by the Directors as one whom it is desirable in the interest of the company to admit to membership.
  - (b) Every shareholder or trustee in bankruptcy, or nay person who may desire to sell or transfer any such shares and everyone who may desire to sell or transfer any such shares and every personal representative of a deceased shareholder shall give notice in writing to the Directors that he desires to make such sale or transfer. Such notice shall constitute the Board of Directors of the Company a his agent for the sale of the said shares to any member of the company at the price to be agreed upon between he party giving such notice to the party and the board, or in case of difference to be determined by the Auditors of the company.
  - (c) Upon price of such shares being agreed on a determined as per clause (b) above, the board shall forthwith give notice to such of the shareholders other than shareholders desiring to sell or transfer the said shares, stating the numbers and price of such share inviting the

person to whom notice is sent to state within 21 days from the date of such notice whether he is willing to purchase any, if so what maximum number of such shares. At the expiration of such days 21 notice, the board shall apportion such shares amongst the shareholders (if more than one) who shall have expressed their desire to purchase number of shares already held by them respectively, or if there be only one such shareholder, that the whole of such shares shall be sold to him, provided no shareholder shall be obliged to take more than the maximum number of such shares in his answer to the said notice.

Upon such apportionment being made or such one shareholder notifying his intention to purchase, as the case may be, the party desiring to sell or transfer such shares be bound upon payment of the said price to transfer the shares to the respective shareholders or to single shareholder who shall have agreed to purchase the same.

**5. GENERAL MEETINGS: NOTICE OF GENERAL MEETING AND PROCEEDINGS OF THE GENERAL MEETINGS**

The regulation of Companies Act shall apply to the following variations.

- (a) A general Meeting, ordinary or extraordinary may with the consent in writing of all member, be convened on a shorter notice than seven days or without notice.
- (b) Two members, present either personally or by proxy shall form a Quorum.
- (c) Any ordinary resolution of the company determined without any general meeting and evidenced by writing under the hands of majority of the Directors and of the members of the company holding three – fourths of the issued shares be valid and effectual as an ordinary resolution duly passed at a general meeting of the company.

**6. DIRECTORS**

- (a) Until otherwise determined by the company in General Meeting, the Directors shall not be less than two and not more than seven in number.
- (b) The following persons shall be the first Directors of the company:

- 1. Mr. Vijesh Karsan Halai**
- 2. Mr. Sambai Kanti Halai**
- 3. Mr.Kanti Karsan Halai**
- 4. Mr. Innocent Buberwa Kanyamanza**

7. The shareholding qualification for Directors may be fixed by the company in general meeting, and unless and until so fixed, no qualification shall be required.
8. The quorum of Directors for transacting business shall, unless otherwise fixed by the Directors, shall be three.
9. A resolution in writing signed by all the Directors then in Tanzania shall be as valid and effectual as if it had been passed at a meeting of Directors duly called and constituted.

#### **BORROWING POWERS**

10. The Directors may from time to time in their discretion raise or borrow for the purpose of any Company's business such sum or sums of money as they think fit.
11. The Directors may from time to time borrow or raise any money for the purposes of the Company which may exceed the issued share capital of the company.
12. The shareholding may secure the repayment of or raise any such sum or sums as aforesaid by mortgage or charge upon the whole or any part of the property and assets of the company present or future including its uncalled capital for the time being, or by the issue at such price as they may think fit, of bonds or debentures either charged upon the whole or any part of the property and assets of the company or not so charged or in such other way as the Directors may think expedient.

#### **VOTE OF MEMBERS**

13. On a show of hands every member present in person shall have one vote. On a roll every member shall have one vote only for the share of which he is a holder.
14. No member shall be entitled to vote at any general meeting unless all calls or other sums presently by him in respect of shares in the company have been paid.

## **DISQUALIFICATION OF DIRECTORS**

15. The office of a Director shall be vacated if the Director:
- (a) Becomes bankrupt; or
  - (b) Is found to be lunatic or becomes of unsound mind; or
  - (c) Resigns his office by notice in writing to the company;
  - (d) Abstains himself from meetings of Directors for a period of six months without special leave of absence from the other Directors.

## **SEAL**

16. The Director shall provide for the safe custody of the seal. The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the board of the Directors and in the presence of at least two Directors and Secretary or other person as aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

## **ALTERNATE DIRECTORS**

17. Any Director shall have power to nominate any person to act or attend as alternate Director during his absence his inability so to act. Such Director shall be subject in all respects to the terms and conditions existing with reference to others Directors and such Alternate Director shall exercise and discharge all the duties of Director whom he represents.
18. Unless otherwise decided by the Directors the quorum necessary to transact business of the Directors shall be two Directors personally present.

## **SECRETARY**

19. The Secretary shall be appointed by the Board for such terms at such remuneration and upon such condition as it may think fit, and any Secretary so appointed may be removed by the Board.

## **WINDING UP**

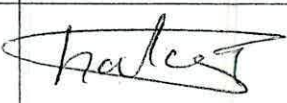

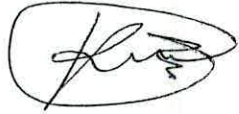
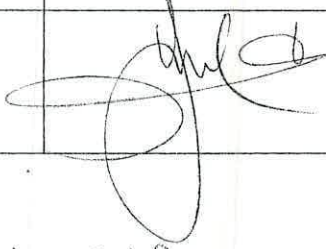
20. With the sanction of a special resolution of the shareholders any part of the assets of the company including any share in other companies may be divided between the members of the company in a special or may be vested in Trustees for the benefit of such members and the liquidation of the company may be closed and shares whereupon there is any liability.

### **ALTERATION OR ADDITION**

21. Subject to the provisions of the Act and to those contained in the Memorandum of Association, the company may by special resolution make alteration or addition so made shall be as valid and effectual as if originally contained in those article and be subject in like manner to alteration by special resolution.
22. Every Director, Managing Director, Agent, Auditor, Secretary and other officer for the time being 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 is in connection with any application in which relief is granted to him by the court.

### **ARBITRATION**

23. If and whenever any dispute or difference or differences shall arise between the company and any of the members or their respective representatives touching upon the construction or meaning of any of the articles herein contained or any act matter or thing made or done or omitted to be done or with regard to the rights or liabilities arising here under or arising out of the relations existing between the parties by reasons of these article or the Act, such differences shall (Unless a sole arbitrator be agreed upon) forthwith be referred to the arbitration of three arbitrators, one to be appointed by each party and the third to be appointed by the first two, or in the event of failure to agree within or any then existing statutory modification or re-enactments thereon shall apply.

Name, addresses and description of the Directors	Number of shares taken by each Director	Signature
VIJESH KARSAN HALAI P.O. BOX 10425 DAR ES SALAAM TANZANIA	300	
SAMBALI KANTI HALAI P.O. BOX 10425 DAR ES SALAAM TANZANIA	300	
KANTI KARSAN HALAI P.O. BOX 10425 DAR ES SALAAM TANZANIA	300	
INNOCENT BUBERWA KANYAMANZA P.O. BOX 10425 DAR ES SALAAM TANZANIA	100	

Dated at DSM this 22 Day of OCTOBER 2008.

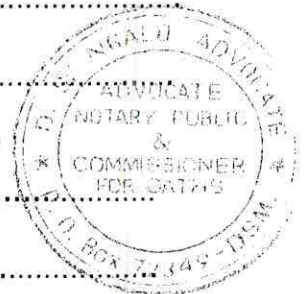
**Witness to the above signatures**

Name : .....

Signature : 

Postal Address : DESIDERI SEBASTIANI NGALD  
P.O. Box 72349  
DAR ES SALAAM  
TANZANIA

Qualification: .....



CTIN.: 0440503



# 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**

SHRIRAM CONSTRUCTION TANZANIA LIMITED

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

107-303-316

24-Oct-2008

with effect from

  
JOANNES N. A. MALLY

OFFICIAL SEAL

COMMISSIONER FOR DOMESTIC REVENUE

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



# TANZANIA INVESTMENT CENTRE

## REGISTRATION FORM

FOR

# CERTIFICATE OF INCENTIVES

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

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

(Please fill the form in duplicate)

UNITED REPUBLIC OF TANZANIA  
THE TANZANIA INVESTMENT ACT  
(No. 26 of 1997)

APPLICATION FOR REGISTRATION  
(Made under Regulation 42)

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

1. I/We KANTI KARSAH HALAI & VIJESH KARSAH HALAI  
(director/directors/agent of SHIRIRAM CONSTRUCTION TANZANIA LTD  
(name of business enterprise) apply for registration of TIC 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 PLOT NO. 61,  
MBOZI ROAD, 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 DAR ES SALAAM
  4. The Principal Officers of the Company are KANTI KARSAH HALAI &  
VIJESH KARSAH HALAI
  5. Auditors of the Company are PATEL & COMPANY, CERTIFIED PUBLIC  
ACCOUNTANTS, P.O BOX 19093, D'SM
  6. The authorized share capital of the Company is Tshs./US\$ 10,000,000/-

7. The intended capital investment of the Company in terms of Section 2(2) of the Act is Tshs./US\$ ..... 800,000/- .....
8. The month and day of the financial year end is ..... 31<sup>ST</sup> 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, ..... KANTI KARSAH HALAI ..... of Post Office Number ..... 10425 .....

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

authorized agent of ..... SHRIRAM CONSTRUCTION COMPANY LTD .....

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

Declared at Dar es Salaam }  
The 04<sup>th</sup> day of March 2003 }

[Signature]  
Applicant

Before me:



.....  
Commissioner for Oaths

## APPLICATION SUMMARY

Company Name: ..... SHIRIRAM CONSTRUCTION COMPANY LTD .....

Certificate of Incorporation Number: ..... 68103 ..... Status: LIMITED .....

Certificate of Incorporation Date: ..... 23/10/2008 ..... NEW .....

Post Box: ..... 10425 .....

Town: ..... DAR ES SALAAM .....

Sector: ..... MANUFACTURING ..... Sub-Sector: .....

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

Foreign Equity	Local Equity	Foreign Loan	Local Loan
-	US\$ 800,000	-	-

Project Objectives: ..... MANUFACTURING OF STONE AGGREGATES .....

Capacity: ..... 24,000 TONS P.A. ....

Employment: Foreign: ..... 04 ..... Local: ..... 60 ..... Total: ..... 64 .....

Implementation Period: ..... 3 YEARS .....

### Project Location

Site/Plot/Block No.: ..... LUGOBA, MAZIZI VILLAGE .....

Street: ..... District: ..... BAGAMOYO ..... Region: ..... COAST .....

(Attach sketch map showing project location)

Shareholders	Nationality	%
VIJESH KARSAN HALAI	TANZANIAN	30%
SAMBAL KANTI HALAI	INDIAN	30%
KANTI KARSAN HALAI	TANZANIAN	30%
INNOCENT BUBERWA KANYAMANZA	TANZANIAN	10%

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

Land/Building	..... US\$ 70,000/-
Plant	..... US\$ 25,000/-
Vehicles	..... US\$ 100,000/-
Furniture & Fittings	..... US\$ 25,000/-
Pre-expenses	..... -
Others	..... -
Working Capital	..... US\$ 155,000/-
<b>TOTAL</b>	..... US\$ 800,000/-

**Contact Details:**

Name: ..... MR. KANTI KARAN HALAJI ..... Title: ..... DIRECTOR .....

Telephone: ..... +255754 268391 / +255784268391 ..... Fax: ..... 2152416 .....

Email: ..... Shriramconst@gmail.com .....

**Payments to be made payable to:**

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



# TANZANIA INVESTMENT CENTRE

## REGISTRATION FORM

FOR

# CERTIFICATE OF INCENTIVES

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

**Tanzania Investment Centre**  
9A & B Shaaban Robert Street  
P. O. Box 938

**DAR ES SALAAM**

Tel. 022 2116328

Fax. 022 2118253

e-mail: [information@tic.co.tz](mailto:information@tic.co.tz)

Website: [www.tic.co.tz](http://www.tic.co.tz)

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

UNITED REPUBLIC OF TANZANIA

THE TANZANIA INVESTMENT ACT

(No. 26 of 1997)

APPLICATION FOR REGISTRATION

(Made under Regulation 42)

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

1. I/We ..... KANTI KARSAN HALAI & VIJESH KARSAN HALAI  
(director/directors/agent of ..... SHRIRAM CONSTRUCTION TANZANIA LTD.  
(name of business enterprise) apply for registration of ..... TIC CERTIFICATE OF INCENTIVE  
under Section 17 of the Act and Part IV of the Investment Regulations, 2002.

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- (iv) Evidence of financing and evidence of land ownership for the project

3. The Head Office of the Company will be situated at ..... DAR ES SALAAM.

4. The Principal Officers of the Company are ..... KANTI KARSAN HALAI &  
VIJESH KARSAN HALAI

5. Auditors of the Company are ..... PATEL & COMPANY, CERTIFIED PUBLIC  
ACCOUNTANTS, P.O BOX 19093, D'S.M.

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

7. The intended capital investment of the Company in terms of Section 2(2) of the Act is Tshs./US\$ ..... 800,000/.....
8. The month and day of the financial year end is ..... 31<sup>ST</sup> 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, ..... KANTI KARSAH HALAI ..... of Post Office Number ..... 10425, ..... DARES SALAAM ..... do solemnly and sincerely declare that I am a director/duly authorized agent of ..... SHRIRAM CONSTRUCTION COMPANY LTD .....

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

Declared at Dar es Salaam }  
The 04<sup>th</sup> day of March 2003 }

*[Signature]*  
Applicant

Before me:

*[Signature]*  
  
Commissioner for Oaths

## APPLICATION SUMMARY

Company Name: ..... SHRIRAM CONSTRUCTION COMPANY LTD .....

Certificate of Incorporation Number: ..... 68103 ..... Status: ..... LIMITED .....

Certificate of Incorporation Date: ..... 23/10/2008 ..... NEW .....

Post Box: ..... 10425 .....

Town: ..... DARES SALAAM .....

Sector: ..... MANUFACTURING ..... Sub-Sector: .....

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

Foreign Equity	Local Equity	Foreign Loan	Local Loan
-	<u>US\$ 800,000</u>	-	-

Project Objectives: ..... MANUFACTURING OF STONE AGGREGATES .....

Capacity: ..... 24,000 TONS P.A .....

Employment: Foreign: ..... 04 ..... Local: ..... 60 ..... Total: ..... 64 .....

Implementation Period: ..... 3 YEARS .....

### Project Location

Site/Plot/Block No.: ..... LUGOBA, MAZIPI VILLAGE .....

Street: ..... - ..... District: ..... BAGAMOYO ..... Region: ..... COAST .....

(Attach sketch map showing project location)

Shareholders	Nationality	%
<u>VIJESH KARSAN HALAI</u>	<u>TANZANIAN</u>	<u>30%</u>
<u>SAMBAL KANTI HALAI</u>	<u>INDIAN</u>	<u>30%</u>
<u>KANTI KARSAN HALAI</u>	<u>TANZANIAN</u>	<u>30%</u>
<u>INNOCENT BUBERWA</u> <u>KANYAMANZA</u>	<u>TANZANIAN</u>	<u>10%</u>

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

Land/Building	..... US\$ 70,000/-
Plant	..... US\$ 25,000/-
Vehicles	..... US\$ 100,000/-
Furniture & Fittings	..... US\$ 25,000/-
Pre-expenses	..... -
Others	..... -
Working Capital	..... US\$ 155,000/-
<b>TOTAL</b>	..... US\$ 800,000/-

**Contact Details:**

Name: ..... MR. KANTI KARSAN HALAJI ..... Title: ..... DIRECTOR .....

Telephone: ..... +255754 268391 / +255784268391 ..... Fax: ..... 2152416 .....

Email: ..... Shriramconst@gmail.com .....

**Payments to be made payable to:**

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



# TANZANIA INVESTMENT CENTRE

## REGISTRATION FORM

FOR

## CERTIFICATE OF INCENTIVES

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

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

(Please fill the form in duplicate)

UNITED REPUBLIC OF TANZANIA

THE TANZANIA INVESTMENT ACT

(No. 26 of 1997)

APPLICATION FOR REGISTRATION

(Made under Regulation 42)

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

1. I/We ..... KANTI KARSAN HALAI & VIJESH KARSAN HALAI  
(director/directors/agent of ..... SHIRIRAM CONSTRUCTION TANZANIA LTD  
(name of business enterprise) apply for registration of ..... TIC CERTIFICATE OF INCENTIVE  
under Section 17 of the Act and Part IV of the Investment Regulations, 2002.
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..... MBOZI ROAD, DAR ES SALAAM

Copies of the following documents are attached to this application:

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- (iv) Evidence of financing and evidence of land ownership for the project
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5. Auditors of the Company are ..... PATEL & COMPANY, CERTIFIED PUBLIC  
..... ACCOUNTANTS, P.O BOX 19093, D.S.M
6. The authorized share capital of the Company is Tshs./US\$ ..... 10,000,000/-

7. The intended capital investment of the Company in terms of Section 2(2) of the Act is Tshs./US\$ ..... 800,000/- .....

8. The month and day of the financial year end is ..... 31<sup>ST</sup> 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, ..... KANTI KARSAH HALAI ..... of Post Office Number ..... 10425, .....

**DARES SALAAM:** ..... do solemnly and sincerely declare that I am a director/duly authorized agent of ..... **SHRIRAM CONSTRUCTION COMPANY LTD** .....

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

Declared at Dar es Salaam }  
The 04<sup>th</sup> day of March 2003 }

.....  
Applicant

Before me:



.....  
Commissioner for Oaths

### APPLICATION SUMMARY

Company Name: ..... SHIRIRAM CONSTRUCTION COMPANY LTD .....

Certificate of Incorporation Number: ..... 68103 ..... Status: ..... LIMITED .....

Certificate of Incorporation Date: ..... 23/10/2008 ..... NEW .....

Post Box: ..... 10425 .....

Town: ..... DAR ES SALAAM .....

Sector: ..... MANUFACTURING ..... Sub-Sector: .....

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

Foreign Equity	Local Equity	Foreign Loan	Local Loan
..... - .....	..... US\$ 800,000 .....	..... - .....	..... - .....

Project Objectives: ..... MANUFACTURING OF STONE AGGREGATES .....

Capacity: ..... 24,000 TONS P.A. ....

Employment: Foreign: ..... 04 ..... Local: ..... 60 ..... Total: ..... 64 .....

Implementation Period: ..... 3 YEARS .....

#### Project Location

Site/Plot/Block No.: ..... LUGOBA, MAZIZI VILLAGE - .....

Street: ..... - ..... District: ..... BAGAMOYO ..... Region: ..... ZANZIBAR .....

(Attach sketch map showing project location)

Shareholders	Nationality	%
..... VIJESH KARSAN HALAI .....	..... TANZANIAN .....	..... 30% .....
..... SAMBAL KANTI HALAI .....	..... INDIAN .....	..... 30% .....
..... KANTI KARSAN HALAI .....	..... TANZANIAN .....	..... 30% .....
..... INNOCENT BUBERWA ..... KANYAMANZA .....	..... TANZANIAN .....	..... 10% .....
.....	.....	.....

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

Land/Building	US\$ 70,000/-
Plant	US\$ 450,000/-
Vehicles	US\$ 100,000/-
Furniture & Fittings	US\$ 25,000/-
Pre-expenses	-
Others	-
Working Capital	US\$ 155,000/-
<b>TOTAL</b>	<b>US\$ 800,000/-</b>

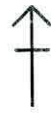
**Contact Details:**

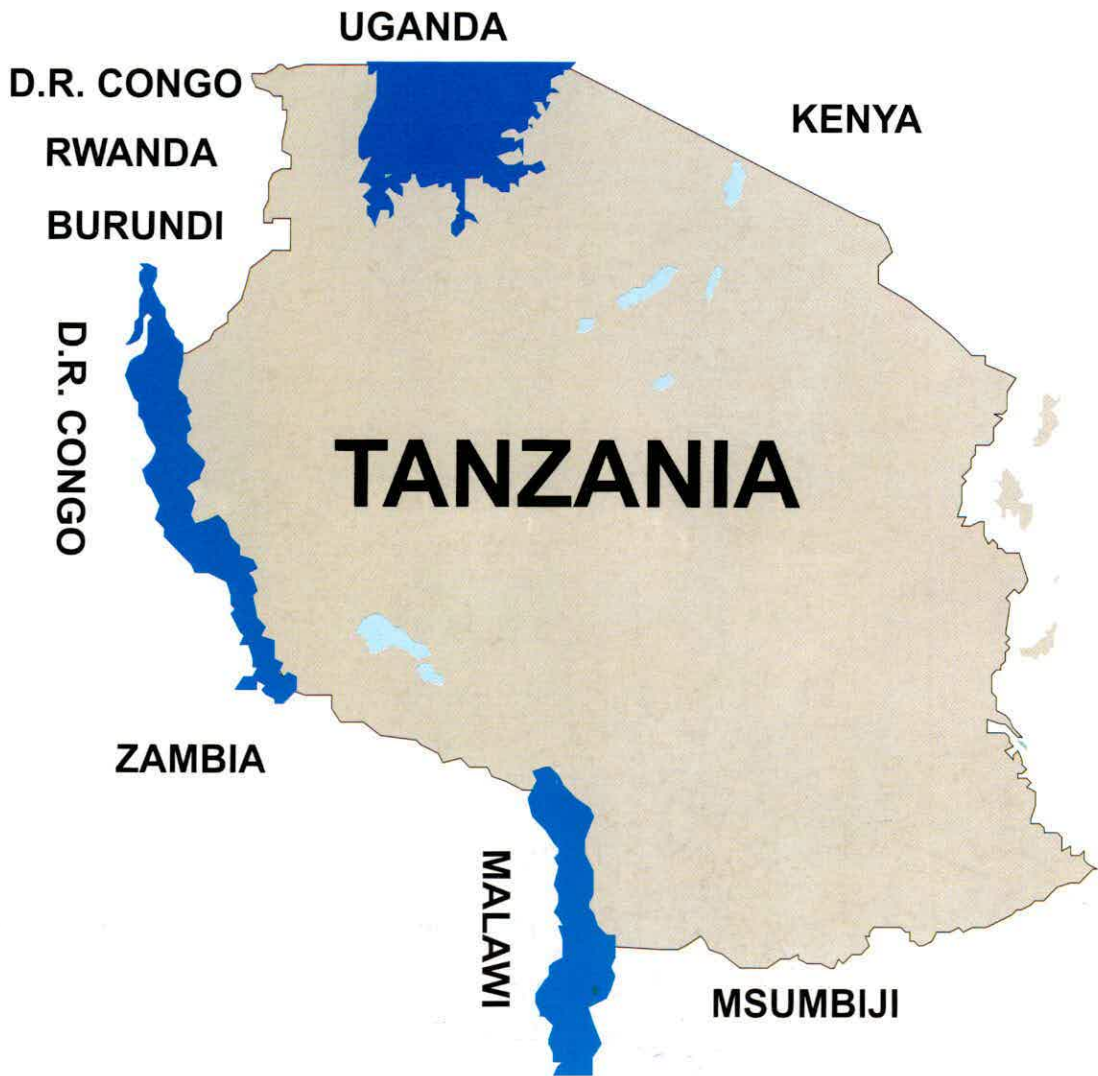
Name: MR. KANTI KARSAN HALAJI Title: DIRECTOR  
Telephone: +255754 268391 / +255784 268391 Fax: 2152416  
Email: Shriramconst@gmail.com

**Payments to be made payable to:**

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

SKETCH MAP SHOWING PROJECT LOCATION







## TIC Evaluation Report

**Name of the Company**  
**Shriram Construction Tanzania Ltd.**

Post Box	Lugoba, Mazizi Village	COI Number	68103-01	Contact	Mr. Kanti Karsan Halai
Post Office	10425	COI Date	23/10/2008	Designation	Director
Region	Coast Region	Application F. No	07748	Phone	0
Country	Tanzania	Status	New	Direct Phone	0
		Sector	Manufacturing	Cell Phone	0754 268 391/ 0784 426 391
		Sub Sector	Building material	Fax	022 2152416
		File No	041666	E-Mail Address	Shriramconst@Gmail.Com

Project Location		Investment Finance Plan in Millions USD										
Plot/Block	Lugoba	<table border="1" style="width: 100%; text-align: center;"> <tr> <th>Foreign Equity</th> <th>Local Equity</th> <th>Foreign Loan</th> <th>Local Loan</th> </tr> <tr> <td>0</td> <td>0.8</td> <td>0</td> <td>0</td> </tr> </table>	Foreign Equity	Local Equity	Foreign Loan	Local Loan	0	0.8	0	0		
Foreign Equity	Local Equity		Foreign Loan	Local Loan								
0	0.8		0	0								
Street	Mazizi Village											
District	Bagamoyo											
Region	Coast (Pwani)											

Shareholders Detail			Investment Breakdown (USD Million)	
<b>Name</b>	<b>Nationality</b>	<b>(%)</b>	<b>Land/Building</b>	<b>0.07</b>
Innocent Buberwa Kanyamanza	Tanzanian	10	<b>Plant</b>	<b>0.45</b>
Kanti Karsan Halai	Tanzanian	30	<b>Vehicles</b>	<b>0.1</b>
Sambai Kanti Halai	Indian	30	<b>Furniture &amp; Fittings</b>	<b>0.025</b>
Vijesh Karsan Halai	Tanzanian	30	<b>Pre-expenses</b>	<b>0</b>
			<b>Others</b>	<b>0</b>
			<b>Working Capital</b>	<b>0.155</b>
			<b>Total</b>	<b>0.8</b>

<b>Employment</b>	64	<b>Evaluated By</b>	Sospeter Ndelema Dome
<b>Capacity</b>	24,000 tons p.a.	<b>Drawn By</b>	Sarah Registry
<b>Project Turn Over</b>			

**Description**

To establish manufacturing facilities for aggregates

**Recommendations**

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

**Decision**

Approved - No finished goods.  
 Showing  
 AS (EAT)  
 170309

# SHRIRAM CONSTRUCTION COMPANY LIMITED

P.O. Box 10425, Dar Salaam +255 754 268391 / +255 784 268391  
TIN : 107-303-316 VAT : 40-002765-G  
Email. shriramconst@gmail.com

1

SRCL/TIC/DSM/0303

03<sup>rd</sup> March, 2009

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



Dear Sir,

## RE : APPLICATION FOR TIC CERTIFICATE OF INCENTIVES

Shriram Construction Company Limited is a newly registered company in Tanzania which intends to invest in manufacturing of stone aggregates project in Tanzania.

In order to implement the proposed project, the company is applying for a TIC certificate of incentives granted by your office.

Enclosed herewith please find relevant documents for your review and approval of the project.

- . Three copies of Application forms.
- . Three copies of Project business plan.
- . Copies of Memorandum and Articles of Association.
- . Copies of Certificate of Incorporation.

We will appreciate if you will let us know incase you need more clarification on our project.

Sincerely yours,  
For **SHRIRAM CONSTRUCTION COMPANY LIMITED**

  
\_\_\_\_\_  
Director

Encl As Above.

3

TICC/PP.10/041666/3

19<sup>th</sup> March 2009

Managing Director,  
Shriram Construction Tanzania Ltd,  
P.O. Box 10425,  
**DAR ES SALAAM.**

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

We wish to acknowledge receipt of your project proposal to establish manufacturing facilities for aggregates presented in the TIC P.A. 1 Form No.07748 and Feasibility Study with a projected investment of USD. 0.800m.

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

- Bank reference for equity funding or a letter from Bank/Financial Institution indicating that a loan is granted or is under consideration as required by Section 17 (3) (f) of Tanzania Investment.
- Certified document showing evidence of Land ownership for the location of project.

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

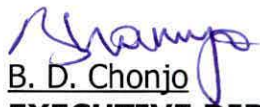
.../2

TICC/PP.10/041666/3

19<sup>th</sup> March 2009

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

Yours sincerely,  
**Tanzania Investment Centre**

  
B. D. Chonjo

**EXECUTIVE DIRECTOR**

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

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

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



Ref: No. BOBAR/09/254  
09-03-2009

Tanzania Investment Centre  
P.O.Box 939  
Dar es salaam

Dear Sir,

**RE: SHRIRAM CONSTRUCTION TANZANIA LTD**

This is to certify that Shriram Construction Tanzania Ltd of P.O.Box 10425 Dar es salaam they are one of our valued customers. The company is maintaining account with our bank account number 96020200000182 and their dealing with us has been satisfactory.

This certificate is being issued at the request of our customer without any guarantee or responsibility on the part of this bank or its officials.

Any assistance to them will be appreciated.

Thanking you

Yours Sincerely

Piyush Nag  
Chief Manager.



# HALMASHAURI YA WILAYA YA BAGAMOYO

MKO/A PWANI

Telefoni: "D" BAGAMOYO

Sir - 2440338  
F: 023 2440338



OFISI YA MKURUGENZI MTENDAJI(W)

IDARA YA ARDHI

S.L.P.11

BAGAMOYO

Kumb.Na.HWB/D.20/77/33/JMG

11/6/2009

Mkurugenzi Mkuu Tanzania (TIC)

Kituo cha Uwekezaji

S.L.P.938,

**DAR ES SALAM**

## YAH: UWEKEZAJI WA KAMPUNI YA SHRIRAM CONSTRUCTION KIJIKI CHA MAZIZI WILAYA YA BAGAMOYO

Tafadhali husika na kichwa cha habari hapo juu.

Tumepokea barua ya maombi toka Kampuni ya SHRIRAM CONSTRUCTION ikiomba kibali cha kumilikishwa ardhi kwa matumizi ya kusaga kokoto baada ya taratibu zote za awali kukamilika kijijini.

Inachosubiriwa ni "Certificate of Inventives" kutoka kwenu, ili taratibu nyingine za kupimiwa na kupewa hati ziendelee.

J. M. Gugu

nky:MKURUGENZI MTENDAJI (W)  
**BAGAMOYO**

**Kny. MKURUGENZI MTENDAJI  
BAGAMOYO**

Nakala : Mkurugenzi Mtendaji (W)  
S.L.P. 59,  
**BAGAMOYO** – Aione kwenye jalada.

" Mkurugenzi Mkuu  
SHRIRAM CONSTRUCTION  
**DAR ES SALAAM** – Kwa ufuatiliaji wako.

041666

4

TFN. 614 (Rev. 8.94)

JAMHURI YA MUUNGANO WA TANZANIA  
THE UNITED REPUBLIC OF TANZANIA

STAKABADHI YA SERIKALI  
EXCHEQUER RECEIPT

37886356

1

NIMEPOKEA KWA

Received from **SHIRIRAM CONSTRUCTION CO LTD**

Shs.				Cts.			
USD	7	50					

JUMLA YA SHILINGI. (Kwa maneno)

The sum of Shillings (Words) **USDOLLAR SEVEN HUNDRED FIFTY ONLY**

For Executive Director  
Tanzania Investment Centre

KWA MALIPO YA  
In respect of

**CERTIFICATE OF INCENTIVES**

KWA FEDHA TASLIMU/HUNDI

NAMBA By Cash/Cheque No. **CASH**

KITUO - Station

SAHIHI YA MPOKEAJI - Receiving Officer's

Signature

CHEO - Title

TAREHE - Date  
Acc. 16 JUNE 2009

BSM

NPC-KIUTA



# SHRIRAM CONSTRUCTION TANZANIA LIMITED

P.O. Box 10425, Dar Salaam +255 754 268391 / +255 784 268391  
TIN : 107-303-316 VAT : 40-002765-G  
Email. [shriramconst@gmail.com](mailto:shriramconst@gmail.com)

SCCL/TIC/DSM/2406

24<sup>th</sup> June, 2009

Commissioner for Customs & Excise,  
P.O. Box 9083,  
Dar Es Salaam.

UFS:

The Executive Director,  
P.O. Box 938,  
Dar Es Salaam,



Dear Sir,

**RE APPLICATION FOR APPROVAL OF CAPITAL GOODS FOR  
IMPLEMENTATION OF PROJECT REQUIREMENTS OF SHRIRAM  
CONSTRUCTION TANZANIA LIMITED SITUATED AT LUGOBA, CHALINZE**

This has reference to your letter no. TICC/PP.10/041666/3 dated 19<sup>th</sup> March, 2009 in which we were granted Certificate of Incentive towards implementation of the aforesaid project.

We, thus, request your good office to kindly approve the initial list of capital goods enclosed herewith containing Two (2) pages for the project requirement.

We are enclosing herewith the Certificate of Incentive and list of capital goods for your kind perusal.

Looking forward for your kind approval and support.

Thanking you,

Sincerely yours,  
For **SHRIRAM CONSTRUCTION TANZANIA LIMITED**

  
/ DIRECTOR

*Encl: as above*



Nº 00215688

THE UNITED REPUBLIC OF TANZANIA

# Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

For: Executive Director  
Tanzania Investment Centre

No: 041666

Verified True Copy  
of the Original

This is to certify that

Signature  
Date 25/06/09

SHRIRAM CONSTRUCTION TANZANIA LIMITED

of address P.O. BOX 10425

COAST REGION

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

SHRIRAM CONSTRUCTION TANZANIA LIMITED

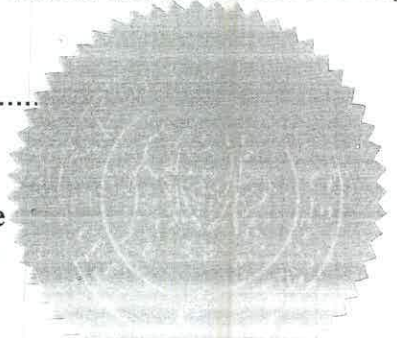
Which is located at LUGOBA, MAZIZI VILLAGE, BAGAMOYO

COAST REGION

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 18th JUNE 2009

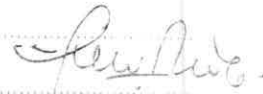
This Certificate is issued in accordance with the provisions of Section 17 of the Tanzania Investment Act, 1997 and subject to the conditions prescribed under item 14 and 15 hereafter:—

1. Shareholders  

Shareholders	Nationality	Shareholding (%)
Innocent Buberwa	Tanzanian	10
Kant K. Halai	Tanzanian	30
Sembai K. Halai	Indian	30
Vijesh K. Halai	Tanzanian	30
2. Proposed Activities: To establish aggregates manufacturing facilities
3. Sector: Manufacturing Subsector Building materials
4. Investment cost: Foreign - Local USD 0.8m. Total USD 0.8m.
5. Project Financing: Equity USD 0.8m. Loans - Total USD 0.8m.
6. Source, terms and conditions of loan.
7. Assets to be invested:  

Capital items:	Foreign	Local	Total
	-	USD 0.8m.	USD 0.8m.
8. Technology Agreement: None
9. Date of TIC Registration: 19th March 2009
10. Implementation period: March 2009 - February 2012
11. Operative date: 1st March 2012
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 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

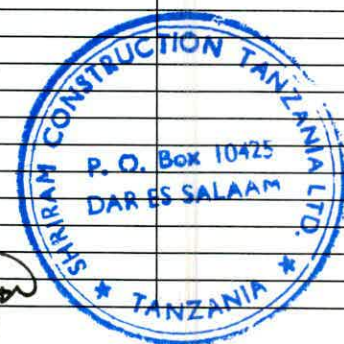


# SHIRAM CONSTRUCTION COMPANY LTD

P.O. BOX 10425, DAR ES SALAAM

## MANUFACTURING OF COARSE AGGREGATES AT LUGOBA, CHALINZE LIST OF CAPITAL GOODS

SR. NO	DESCRIPTION	QTY	LOCAL	IMPORT
<b>PLANT &amp; MACHINERIES :</b>				
1	Excavator 325 - BL Chain Type	2		
2	Wheel Loader - 350 WA	2		
3	Dozer - D6L Chain type	1		
4	Mixture Machine	2		
5	Corn Crasher	1		
6	Crusher Machine - 36 X 32 - 20 tonne	1		
7	Crusher Machine - 36 X 9 - 9 tonne	1		
8	Crusher Machine - 21 X 20 - 8 tonne	2		
9	Crusher Machine - 30 X 9 - 7 tonne	1		
10	Impact Crusher - R K 1012	1		
11	Corolla Drill - E.T.D 21 -8137	1		
12	Weigh Bridge (Mezani)	1		
13	Winch Crane - 4 tonne - 4 wheeler	1		
14	Feeder - 69" + 32"	2		
15	Vibrater Screen 16ft X 5ft X 4.5 deep	1		
16	Compressor - TR + 160 31302 - 1800 RPM	1		
17	Excavator Hammer - A.P 20 G	2		
18	Excavator Bucket - 1 cm <sup>3</sup>	3		
19	Generator Heavy Duty - 500 K.V	1		
20	Gear Box	10		
21	Conveyor Belt	7,000 feet		
22	Conveyor Roller	730		
23	Frame structure for conveyor	15		
24	Welding Machine - 500 M.P.R	3		
25	High Pressure Compressor Pipe 500m	1		
<b>ELECTRCIAL INSTALLATION</b>				
26	Electric Motor with Starter Size KV 60	2		
27	Electric Motor with Starter Size KV 40	2		
28	Electric Motor with Starter Size KV 20	3		
29	Electric Motor with Starter Size KV 15	2		
30	Electric Motor with Starter Size KV 7	4		
31	Electric Motor with Starter Size KV 5	9		
32	Electric Cable 50 mm Core- 4,	160m		
33	Electric Cable 25 mm Core- 4,	135m		
34	Electric Cable 10 mm Core- 4,	170m		
35	Electric Cable 6 mm Core- 4,	435m		
36	Electric Cable 4 mm Core- 4,	190m		
<b>TANESCO HT POWER LINE MATERIALS</b>				
37	315 KVA 33/0.4/0.23 KV Transformer	1		
38	33 KV drop out fuse isolator	5		
39	LT Underground Cable 70mm <sup>2</sup> X 4 Core	50 Meters		
40	33 KV Lightning arrestors	5		
41	Copper earthrods	5		
42	Pc cutouts 400A	5		
43	33 kv Polcelain disc insulators	60		
44	Pig tail hooks	25		
45	Tension Clamps	25		
46	HT Line extension materials	Lot		
47	Substation material	Lot		
48	LV Metering Cabinet	1		
49	Enegry Meter	1		
50	Service Line	Lot		
<b>FUEL STORAGE :</b>				
51	Diesel Pump	1		
52	Diesel Tank - 25,000 Litres	1		



**SHRIRAM CONSTRUCTION COMPANY LTD**  
**P.O. BOX 10425, DAR ES SALAAM**  
**MANUFACTURING OF COARSE AGGREGATES AT LUGOBA, CHALINZE**  
**LIST OF CAPITAL GOODS**

FEEDER RAMP HOPPER STAND MATERIAL :		
53	Steel Plate - 6 mm 4' X 8'	30
54	Steel Plate - 8 mm 4' * 8'	20
55	Steel Plate - 3 mm 4' X 8'	15
56	Steel Plate - 10 mm 4' X 8'	10
57	Steel Plate - 2 mm 4' X 8'	15
58	I Beam 250mm	10
59	I Beam 300mm	10
60	I Beam 450mm	6
61	C Channel - 9" X 6" 20 ft long 10 mm	6
62	C Channel - 6" X 3"	60
63	C Channel - 4" X 2"	25
64	Angle Line - 2" X 2"	30
65	Jo Plate - 36" X 32"	6
66	Jo Plate - 36" X 8"	6
67	Jo Plate - 30" X 9"	6
68	Jo Plate - 20" X 12"	12
69	Screen Net - 16 ft X 5 ft	
70	Screen Net - 4 ft X 8 ft - 6mm	40
71	Screen Net - 4 ft X 8 ft - 12mm	40
72	Screen Net - 4 ft X 8 ft - 20mm	40
73	Screen Net - 4 ft X 8 ft - 25mm	40
FOUNDATION MATERIALS FOR MACHINERY INSTALLATION		
74	Cement	80 Tons
75	Steel Reinforcement Bars - 16mm	3 Tons
76	Steel Reinforcement Bars - 10mm	4 Tons
77	Steel Reinforcement Bars - 12mm	2 Tons
78	Steel Reinforcement Bars - 8mm	1 Tons
79	BRC	3 Rolls
80	Coarse Aggregates	120 Tons
VEHICLES :		
81	Drum Truck - D C 9 D 8 Engine 6 Wheeler X	4
82	Pick up Single cabine 1 tonne-4 Wheel drive	1
83	Tipping Trailer 40 ft Long 3 Axel X	3
84	Horse Truck 6 Wheeler X	2



*[Handwritten Signature]*

CTIN.: 0440503



# 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**  
SHRIRAM CONSTRUCTION TANZANIA LIMITED

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

107-303-316

24-Oct-2008

with effect from

JOANNES N. A. MALLY

OFFICIAL SEAL

COMMISSIONER FOR DOMESTIC REVENUE

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

# SHRIRAM CONSTRUCTION TANZANIA LIMITED

P.O. Box 10425, Dar Salaam +255 754 268391 / +255 784 268391  
TIN : 107-303-316 VAT : 40-002765-G  
Email. [shriramconst@gmail.com](mailto:shriramconst@gmail.com)

7

SCTL/DSM/TRA/CCED/3007

30<sup>th</sup> July, 2009

**Commissioner for Customs & Excise,**  
P.O Box 9083,  
Dar es Salaam.



UFS:

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

Dear Sir

**RE: APPEAL ON DISAPPROVAL ON APPLICATION FOR DUTY AND VAT  
EXEMPTIONS ON CAPITAL/DEEMED CAPITAL GOODS.**

We acknowledge receipt of your letter with Ref. TRA/CE/C/P.20//8 of 23/07/2009 regarding the captioned subject in which our application has not been considered.

We had obtained a Certificate of Incentive No .041666 after submitting our Project proposal to Tanzania Investments Centre on manufacturing of Aggregates (Kokoto) of different size from stones, which will be mainly consumed by the local construction industry.

Our main activity of the project is not Mining. The Company shall procure stone from the near by village area and process the stones into aggregates. The machineries and other items which are applied in the list of Capital goods are purely for processing and manufacture of aggregates stones only.

There are four (4) containers containing machineries which are in the high sea expecting to arrive on 25<sup>th</sup> August, 2009.

We have also contracted TANESCO to install new HT line and the work is in progress. Without power facilities in this remote area, the heavy machineries would not operate.

If our application is not considered, we shall severely suffer irreparable losses and the project will collapse.

In view of the above we appeal to your good office to re-consider our revised application for the machineries/items which are project requirement. Please give us priority to facilitate the project.

Looking forward for your kind approval and support

Thanking you.

Sincerely yours,

For **SHRIRAM CONSTRUCTION TANZANIA LTD**



*Kanti K. Halai*  
**Managing Director**





## TANZANIA REVENUE AUTHORITY

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

23/07/2009

The Managing Director,  
Shriram Construction Tanzania limited,  
P.O. Box 10425,  
Coast - Region,

Dear Sir,

**RE: DUTY/VAT EXEMPTION ON CAPITAL/DEEMED CAPITAL GOODS-  
CERTIFICATE OF INCENTIVES NO.041666 OF 18.06.2009.**

We acknowledge receipt of your letter Ref. SCCL/TIC/DSM/2406 of 24/06/2009 and letter TICC/PP.10/41666/6 of 30/06/2009 from Tanzania Investment Center regarding the captioned subject.

It is evidence that the main activity as far as your project is concerned is to carry out the quarry business. Such activities are categorized under mining sector and not among priority sectors as stipulated in the Tanzania Investment Act 1997.

In view of that, your application for duty and VAT exemptions on capital/deemed capital goods has not been considered.

Sincerely yours,



Walid Juma

**COMMISSIONER FOR CUSTOMS AND EXCISE**

RS/

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

---

**CUSTOMS & EXCISE DEPARTMENT**

Sokoine Drive, P.O. Box 9053, Dar es Salaam, Tanzania  
Tel: 255-22-2117765 or 255-22-2127783/4/6/8 Fax: 255-22-2138878/2135193

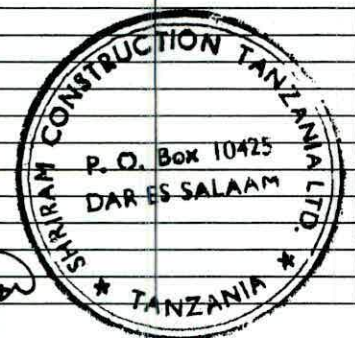
# SHRIRAM CONSTRUCTION COMPANY LTD

P.O. BOX 10425, DAR ES SALAAM

MANUFACTURING OF COARSE AGGREGATES AT LUGOBA, CHALINZE

## LIST OF CAPITAL GOODS

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<b>PLANT &amp; MACHINERIES :</b>				
1	Excavator 325 - BL Chain Type	2		
2	Wheel Loader - 350 WA	2		
3	Dozer - D6L Chain type	1		
4	Mixture Machine	2		
5	Corn Crasher	1		
6	Crusher Machine - 36 X 32 - 20 tonne	1		
7	Crusher Machine - 36 X 9 - 9 tonne	1		
8	Crusher Machine - 21 X 20 - 8 tonne	2		
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34	Electric Cable 10 mm Core- 4,	170m		
35	Electric Cable 6 mm Core- 4,	435m		
36	Electric Cable 4 mm Core- 4,	190m		
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45	Tension Clamps	25		
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50	Service Line	Lot		
<b>FUEL STORAGE :</b>				
51	Diesel Pump	1		
52	Diesel Tank - 25,000 Litres	1		



# SHRIRAM CONSTRUCTION COMPANY LTD

P.O. BOX 10425, DAR ES SALAAM

MANUFACTURING OF COARSE AGGREGATES AT LUGOBA, CHALINZE

## LIST OF CAPITAL GOODS

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59	I Beam 300mm	10
60	I Beam 450mm	6
61	C Channel - 9" X 6" 20 ft long 10 mm	6
62	C Channel - 6" X 3"	60
63	C Channel - 4" X 2"	25
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66	Jo Plate - 36" X 8"	6
67	Jo Plate - 30" X 9"	6
68	Jo Plate - 20" X 12"	12
69	Screen Net - 16 ft X 5 ft	
70	Screen Net - 4 ft X 8 ft - 6mm	40
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77	Steel Reinforcement Bars - 12mm	2 Tons
78	Steel Reinforcement Bars - 8mm	1 Tons
79	BRC	3 Rolls
80	Coarse Aggregates	120 Tons
VEHICLES :		
81	Drum Truck - D C 9 D 8 Engine 6 Wheeler	4
82	Pick up Single cabine 1 tonne-4 Wheel drive	1
83	Tipping Trailer 40 ft Long 3 Axel	3
84	Horse Truck 6 Wheeler	2





No. 00215688

THE UNITED REPUBLIC OF TANZANIA

# Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

For: Executive Director  
Tanzania Investment Centre

No: 041666

Verified True Copy  
of the Original

This is to certify that

Signature  
Date 25/06/09

SHRIRAM CONSTRUCTION TANZANIA LIMITED

of address P.O. BOX 10425

COAST REGION

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

SHRIRAM CONSTRUCTION TANZANIA LIMITED

Which is located at LUGOBA, MAZIZI VILLAGE, BAGAMOYO

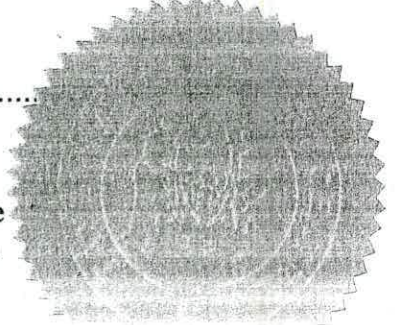
COAST REGION

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

*[Signature]*

Executive Director

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



Dated 18th JUNE 2009

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 (%)
Innocent Buberwa	Tanzanian	10
Kant K. Halai	Tanzanian	30
Sembai K. Halai	Indian	30
Vijesh K. Halai	Tanzanian	30
2. Proposed Activities : To establish aggregates manufacturing facilities
3. Sector: Manufacturing Subsector Building materials
4. Investment cost: Foreign - Local USD 0.8m. Total USD 0.8m.
5. Project Financing: Equity USD 0.8m. Loans - Total USD 0.8m.
6. Source, terms and conditions of loan
7. Assets to be invested:
 

Capital items:	Foreign	Local	Total
	-	USD 0.8m.	USD 0.8m.
8. Technology Agreement None
9. Date of TIC Registration: 19th March 2009
10. Implementation period March 2009 - February 2012
11. Operative date 1st March 2012
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 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 

**TICC/PP.10/41666/6**

**30/06/2009**

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

Dear Sir,

**RE: DUTY/VAT EXEMPTION ON THE CAPITAL/DEEMED CAPITAL  
GOODS OF CERTIFICATE OF INCENTIVES NO. 041666**

**M/S Shriram Construction Tanzania Limited** is a TIC registered company with certificate of incentives **No. 041666** which is valid up to **February 2012**

The company has been registered with objectives of establishing aggregates manufacturing facilities.

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

Yours sincerely

**TANZANIA INVESTMENT CENTRE**

*N.A. Senzia*  
N.A.

N.A. Senzia

**FOR: EXECUTIVE DIRECTOR**

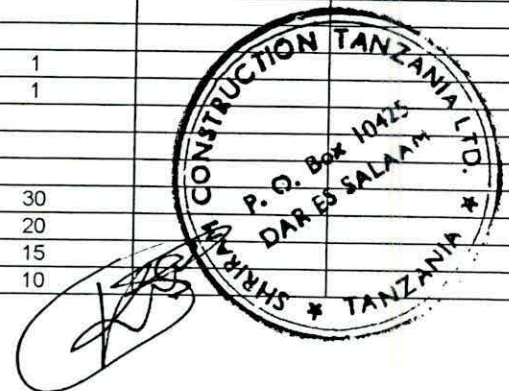
# SHRIRAM CONSTRUCTION COMPANY LTD

P.O. BOX 10425, DAR ES SALAAM

MANUFACTURING OF COARSE AGGREGATES AT LUGOBA, CHALINZE

## LIST OF CAPITAL GOODS

SR. NO	DESCRIPTION	QTY	LOCAL	IMPORT
<b>PLANT &amp; MACHINERIES :</b>				
1	Corn Crasher	1		
2	Crusher Machine - 36 X 32 - 20 tonne	1		
3	Crusher Machine - 36 X 9 - 9 tonne	1		
4	Crusher Machine - 21 X 20 - 8 tonne	2		
5	Crusher Machine - 30 X 9 - 7 tonne	1		
6	Impact Crusher - R K 1012	1		
7	Corolla Drill - E.T.D 21 -8137	1		
8	Weigh Bridge (Mezani)	1		
9	Winch Crane - 4 tonne - 4 wheeler	1		
10	Feeder - 69" + 32"	2		
11	Vibrator Screen 16ft X 5ft X 4.5 deep	1		
12	Compressor - TR + 160 31302 - 1800 RPM	1		
13	Generator Heavy Duty - 500 K.V	1		
14	Gear Box	10		
15	Conveyor Belt	7,000 feet		
16	Conveyor Roller	730		
17	Frame structure for conveyor	15		
18	Welding Machine - 500 M.P.R	3		
19	High Pressure Compressor Pipe 500m	1		
<b>ELECTRICAL INSTALLATION</b>				
20	Electric Motor with Starter Size KV 60	2		
21	Electric Motor with Starter Size KV 40	2		
22	Electric Motor with Starter Size KV 20	3		
23	Electric Motor with Starter Size KV 15	2		
24	Electric Motor with Starter Size KV 7	4		
25	Electric Motor with Starter Size KV 5	9		
26	Electric Cable 50 mm Core- 4,	160m		
27	Electric Cable 25 mm Core- 4,	135m		
28	Electric Cable 10 mm Core- 4,	170m		
29	Electric Cable 6 mm Core- 4,	435m		
30	Electric Cable 4 mm Core- 4,	190m		
<b>TANESCO HT POWER LINE MATERIALS</b>				
31	315 KVA 33/0.4/0.23 KV Transformer	1		
32	33 KV drop out fuse isolator	5		
33	LT Underground Cable 70mm <sup>2</sup> X 4 Core	50 Meters		
34	33 KV Lightning arrestors	5		
35	Copper earthrods	5		
36	Pc cutouts 400A	5		
37	33 kv Polcelain disc insulators	60		
38	Pig tail hooks	25		
39	Tension Clamps	25		
40	HT Line extension materials	Lot		
41	Substation material	Lot		
48	LV Metering Cabinet	1		
49	Energy Meter	1		
50	Service Line	Lot		
<b>FUEL STORAGE :</b>				
51	Diesel Pump	1		
52	Diesel Tank - 25,000 Litres	1		
<b>FEEDER RAMP HOPPER STAND MATERIAL :</b>				
53	Steel Plate - 6 mm 4' X 8'	30		
54	Steel Plate - 8 mm 4' X 8'	20		
55	Steel Plate - 3 mm 4' X 8'	15		
56	Steel Plate - 10 mm 4' X 8'	10		



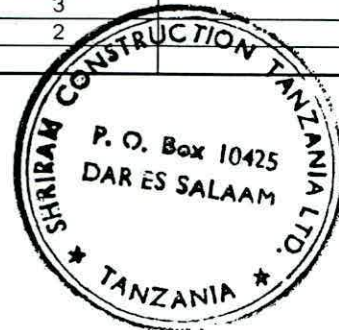
# SHRIRAM CONSTRUCTION COMPANY LTD

P.O. BOX 10425, DAR ES SALAAM

MANUFACTURING OF COARSE AGGREGATES AT LUGOBA, CHALINZE

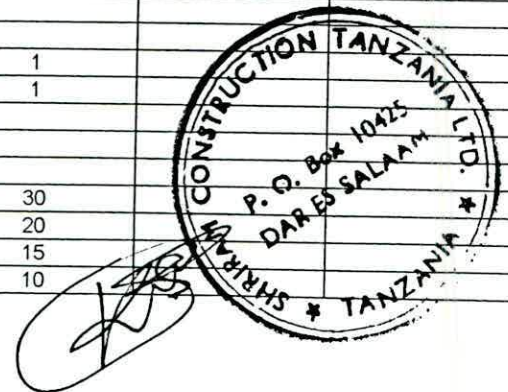
## LIST OF CAPITAL GOODS

57	Steel Plate - 2 mm 4' X 8'	15		
58	I Beam 250mm	10		
59	I Beam 300mm	10		
60	I Beam 450mm	6		
61	C Channel - 9" X 6" 20 ft long 10 mm	6		
62	C Channel - 6" X 3"	60		
63	C Channel - 4" X 2"	25		
64	Angle Line - 2" X 2"	30		
65	Jo Plate - 36" X 32"	6		
66	Jo Plate - 36" X 8"	6		
67	Jo Plate - 30" X 9"	6		
68	Jo Plate - 20" X 12"	12		
69	Screen Net - 16 ft X 5 ft			
70	Screen Net - 4 ft X 8 ft - 6mm	40		
71	Screen Net - 4 ft X 8 ft - 12mm	40		
72	Screen Net - 4 ft X 8 ft - 20mm	40		
73	Screen Net - 4 ft X 8 ft - 25mm	40		
<b>FOUNDATION MATERIALS FOR MACHINERY INSTALLATION</b>				
74	Cement	80 Tons		
75	Steel Reinforcement Bars - 16mm	3 Tons		
76	Steel Reinforcement Bars - 10mm	4 Tons		
77	Steel Reinforcement Bars - 12mm	2 Tons		
78	Steel Reinforcement Bars - 8mm	1 Tons		
79	BRC	3 Rolls		
80	Coarse Aggregates	120 Tons		
<b>VEHICLES :</b>				
81	Drum Truck - D C 9 D 8 Engine 6 Wheeler	4		
82	Pick up Single cabine 1 tonne-4 Wheel drive	1		
83	Tipping Trailer 40 ft Long 3 Axel	3		
84	Horse Truck 6 Wheeler	2		



**SHRIRAM CONSTRUCTION COMPANY LTD**  
**P.O. BOX 10425, DAR ES SALAAM**  
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19	High Pressure Compressor Pipe 500m	1		
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38	Pig tail hooks	25		
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40	HT Line extension materials	Lot		
41	Substation material	Lot		
48	LV Metering Cabinet	1		
49	Energy Meter	1		
50	Service Line	Lot		
<b>FUEL STORAGE :</b>				
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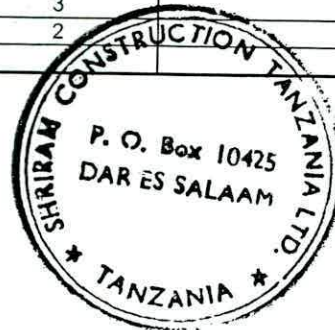
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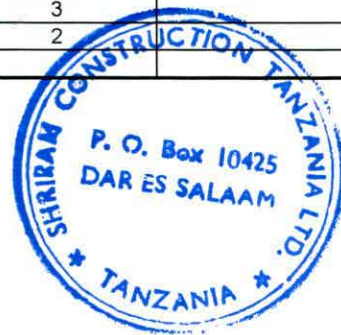


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**TICC/PP.10/041666/8**

**06/08/2008**

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

Dear Sir,

**RE: DUTY/VAT EXEMPTION ON THE CAPITAL/DEEMED CAPITAL  
GOODS OF CERTIFICATE OF INCENTIVES NO. 041666**

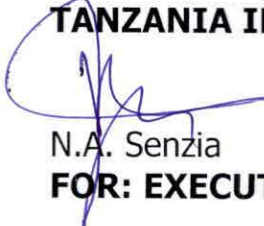
**M/S Shriram Construction Tanzania Limited** is a TIC registered company with certificate of incentives **No. 041666** which is valid up to **February 2012**

The company has been registered with objectives of establishing and operating aggregate manufacturing facilities.

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

Yours sincerely

**TANZANIA INVESTMENT CENTRE**



N.A. Senzia

**FOR: EXECUTIVE DIRECTOR**