

Ex

EXD

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

- (a) Minimum finance investment threshold has been exceeded, the project expects to invest US\$ 1.005 m
- (b) Legal entity has been incorporated under certificate No. 69855 of 20/02/2009

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

Submitted for signature.

N. A. Senzia
DIF

23rd March 2009

2.0

EXD

In response to the TIC letter of registration dated 23rd March 2007

the project has submitted the required documents namely: -

- (a) Company Board Resolution.
- (b) Reference letter/Financing from My bank LTD
- (c) Lease Agreement → Evidence of land.

With the above submission EXD is requested to sign Certificate of Incentives No. 041661 herein attached.

1/4/2009

DIF

MINUTE

PAGE NO. _____

BALUCHISTAN GROUP OF INDUSTRIES LTD

PROJECT FOR MANUFACTURING OF LAUNDRY SOAP AND DETERGENTS

A BUSINESS PLAN

Presented by:
Baluchistan Group of Industries Ltd
P.O. Box 76760
Dar es salaam

March 2009

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1. INTRODUCTION

1.1 FOREWORD

This Project Feasibility Study Report sets out proposals by M/S Baluchistan Group Of Industries Limited of setting up manufacturing facilities for soap and detergents in Dar es salaam.

1.2 OBJECTIVES OF THE STUDY

The purpose of this Feasibility Study is to work out the technical and commercial details and the financial viability for the establishment of a factory for manufacturing of soap and detergents in Dar es salaam.

1.3 PROJECT PROMOTERS

The following sponsors are promoting the proposed soap and detergents manufacturing facilities. Directors (shareholders) are namely:

NAMES, ADDRESSES AND DESCRIPTIONS OF SUBSCRIBERS	NUMBER OF SHARES TAKEN BY EACH SUBSCRIBER	% SHARE-HOLDING
Khudabad Bizanjo P.O Box 76760 Dar es salaam	2500	25%
Murad Jalal Bizanjo P.O Box 76760 Dar es salaam	2500	25%
Muhammad Arif P.O Box 76760 Dar es salaam	5000	50%

The current shareholders of the company have a wealth of experience in similar projects and are keen to exploit such experience to make this project a success.

1.4 STUDY LAYOUT

This study is presented in one document comprising the following major chapters.

Chapter One	-Introduction
Chapter Two	-Executive Summary
Chapter Three	-Manufacturing Sector in Tanzania
Chapter Four	-Production Process and Technology
Chapter Five	-Machinery, Equipment and Civil Works
Chapter Six	-Raw Materials and Other Production Inputs
Chapter Seven	-Manpower and Plant Organization
Chapter Eight	-Investment and Financing
Chapter Nine	-Costs of Operation
Chapter Ten	-Financial Analysis
Chapter Eleven	-Economic Analysis
Chapter Twelve	- Recommendations

2 EXECUTIVE SUMMARY

2.1 INTRODUCTION

The Study examines the possibility of establishing a factory for manufacturing of soap and detergents. A techno-economic evaluation has been carried out to determine the feasibility of establishment of this project.

2.2 SOAP AND DETERGENTS

A detergent is a chemical compound or mixture of compounds used as a cleaning agent. Soap is a cleaning agent that is composed of one or more salts of fatty acids. Thus, by its broad definition, detergent is an umbrella term that includes soaps and other cleaning agents with various chemical compositions. Often, however, the term detergent is used in a narrower sense to refer to synthetic cleaning agents that are not soaps (that is, not salts of fatty acids). Conversely, the term soap is often used in a broader sense to include a variety of cleaning agents (such as "laundry soap"). Here, the term detergent will be used in its broader sense (to include soaps), and the term soap will be used for products that consist mainly of fatty acid salts.

Detergents are commonly used in products for personal hygiene, dishwashing, and laundry. They are also used as ingredients in antiseptic agents, dry-cleaning solutions, lubricating oils, and gasoline.

Although detergents are very useful, the excessive use of certain ingredients has led to adverse effects on the environment. For instance, phosphate additives used for water softeners led to an increase in phosphorus content in lakes and rivers, triggering algal blooms that in turn consumed most of the oxygen in the waters, killing fish and plants. Efforts have been made to reduce such negative effects, but the results have been mixed.

2.3 MARKET AND MARKETING ASPECTS

The market survey carried out reveals that there is a huge demand for soap and detergents. There is wide gap between supply and demand and therefore, business opportunity exists for setting up additional manufacturing facilities to satisfy the market requirement. With increased local production, the country will save foreign exchange lost each year through import of soap and detergents.

2.4 PROCESS AND TECHNOLOGY

2.4.1 Hot process

In the hot-process method, lye and fat are boiled together at 80–100°C until saponification occurs. After saponification, the soap is sometimes precipitated from the solution by adding salt, and the excess liquid drained off. The hot, soft soap is then spooned into a mold.

The hot-process method was used when the purity of lye was unreliable, and when naturally produced lye, such as potash, was used. The main benefit of hot processing is that the exact concentration of the lye solution does not need to be known to perform the process with adequate success.

Unlike cold-processed soap, hot-processed soap can be used right away because lye and fat saponify more quickly at the higher temperatures used in hot-process soap making.

2.4.2 Cold process

In the cold-process method, fats such as olive oil are reacted with lye, at a temperature that is sufficiently above room temperature to ensure the liquefaction of the fat being used. It requires that the lye and fat be kept warm after mixing to ensure that the soap is completely saponified.

The cold process requires exact measurement of lye to fat using saponification charts, to ensure that the finished product is mild and skin friendly. Excess unreacted lye in the soap

will result in a very high pH and can burn or irritate skin. Not enough lye, and the soap is greasy and oily. Most soap makers formulate their recipes with a 4-10 percent discount of lye so that all of the lye is reacted and that excess fat is left for skin conditioning benefits. (Saponification charts can also be used in hot-process soap making, but are not as necessary as for the cold-process method.)

The lye is dissolved in water. Then oils are heated, or melted if they are solid at room temperature. Once both substances have cooled to approximately 100-110°F, and are no more than 10 degrees Fahrenheit apart in temperature, they may be combined. This lye-fat mixture is stirred until it reaches a stage called "trace"—the point at which the saponification process is sufficiently advanced that the soap has begun to thicken. (Modern-day amateur soap makers often use a stick blender to speed this process.). There are varying levels of trace: light, medium, and heavy.

Essential oils, fragrance oils, botanicals, herbs, oatmeal or other additives are added at light trace, just as the mixture starts to thicken. The batch is then poured into molds, kept warm with towels or blankets, and left to continue saponification for 18 to 48 hours.

After the insulation period, the soap is firm enough to be removed from the mold and cut into bars. At this time, it is safe to use the soap since saponification is complete. However, cold-process soaps are typically cured and hardened on a drying rack for 2-6 weeks (depending on initial water content) before use.

2.4.3 Purification and finishing

The common process of purifying soap involves removal of sodium chloride, sodium hydroxide, and glycerol. These components are removed by boiling the crude soap curds in water and re-precipitating the soap with salt.

Most of the water is then removed from the soap. This was traditionally done on a chill roll which produced the soap flakes commonly used in the 1940s and 1950s. This process was superseded by spray dryers and then by vacuum dryers.

The dry soap (approximately 6-12 percent moisture) is then compacted into small pellets. These pellets are now ready for soap finishing, the process of converting raw soap pellets into a salable product, usually bars.

Soap pellets are combined with fragrances and other materials and blended to homogeneity in an amalgamator (mixer). The mass is then discharged from the mixer into a refiner which, by means of an auger, forces the soap through a fine wire screen. From the refiner the soap passes over a roller mill (French milling or hard milling) in a manner similar to calendaring paper or plastic or to making chocolate liquor. The soap is then passed through one or more additional refiners to further plasticize the soap mass. Immediately before extrusion it passes through a vacuum chamber to remove any entrapped air. It is then extruded into a long log

or blank, cut to convenient lengths, passed through a metal detector and then stamped into shape in refrigerated tools. The pressed bars are packaged in many ways.

Sand or pumice may be added to produce a scouring soap. This process is most common in creating soaps used for human hygiene. The scouring agents serve to remove dead skin cells from the surface being cleaned. This process is called exfoliation. Many newer materials are used for exfoliating soaps which are effective but do not have the sharp edges and poor size distribution of pumice.

2.5 PRODUCTION INPUTS

Soap is derived from either oils or fats. Sodium tallowate, a common ingredient in much soap, is derived from rendered beef fat. Soap can also be made of vegetable oils, such as palm oil, and the product is typically softer.

An array of quality oils and butters are used in the process, such as olive, coconut, palm, cocoa butter, hemp oil and shea butter. Each oil chosen by the soap maker has unique characteristics that provide different qualities to handmade soaps including mildness, lathering and hardness. For example, olive oil provides mildness in soap; coconut oil provides lots of lather while coconut and palm oils provides hardness. Most common, though, is a combination of coconut, palm, and olive oils.

If soap is made from pure olive oil it may be called Castile soap or Marseille soap. The term "Castile soap" is also sometimes applied to soaps with a mix of oils, but a high percentage of olive oil.

Reaction with Alkali is important in Soap and Detergent production. When fat (or oil) is reacted with lye (sodium hydroxide), the product is a hard soap. When fat is reacted with potassium hydroxide, the product is a soap that is either soft or liquid. Either reaction is known as saponification. The fat is hydrolyzed by the alkali, yielding glycerol and crude soap. Historically, the alkali used was potassium hydroxide, made from the deliberate burning of vegetation such as bracken, or from wood ashes.

2.6 LOCATION

The plant will be located on plot no. 08/1, Nelson Mandela Expressway, Tabata Industrial Area, Ilala District, within Dar es Salaam city. It is expected that production will be carried out in rented premises but the sponsors are considering construction of own buildings upon acquiring an appropriate plot, preferably in an industrial area within the city.

2.7 MANPOWER REQUIREMENTS

The whole project will comprise of a total permanent work force of 53 people and several other temporary. Initially there will be a few technical expatriates who will give training to the local staff. Maximum employment will be given to the local work force. The factory will be organized into three major areas namely:

- Production
- Marketing
- Finance and administration

2.8 IMPLEMENTATION

The project is planned to undergo two phases:

Phase I: Major activities to be involved include registration of the project and approvals by the Tanzania Investment Centre (TIC), and mobilization of funds from Sponsors. Other activities include identification of appropriate production technology, sourcing of machinery and equipment, renting and renovation of buildings, staff recruitment and training of core personnel. Manufacturing of Soap and Detergents will commence during this phase.

Phase II: Will involve construction of own factory buildings after acquisition of appropriate plot within Dar es Salaam.

2.9 PROJECT ECONOMICS

2.9.1 Capital Investment Requirements

COST STRUCTURE

PARTICULAR	AMOUNT USD
Land and Buildings	250,000
Machinery & Equipment	400,000
Motor Vehicles	155,000
Furniture & Fixtures	0
Pre exp	50,000
Others	50,000
Working Capital	100,000
TOTAL	1,005,000

*US\$ 1 = Tshs 1,300

2.9.2 Expenditure on basic materials and Profitability

The major expenditure item is the purchase of oils, alkali and other materials used in manufacturing of Soap and Detergent.

Project revenue will accrue from sales of Soap and Detergent. Based on projected revenue at sustainable levels of production the project is quite profitable.

2.10 RECOMMENDATIONS

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

3 MANUFACTURING SECTOR IN TANZANIA

3.1 GROWTH OF INDUSTRIAL SECTOR

In 2006, the industrial sector grew by 8.65, compared to 9.0 % recorded in the year 2005. Such decrease in growth of this sector resulted from increase in the cost of electricity and fuel used to operate machinery and motor vehicles. These contributed to increase in the cost of production in the industrial sector.

Also contribution of the manufacturing sector to the Gross Domestic Product increased to 9.2% , compared to 9.0% in the year 2005. The increase in contribution of this sector was a result of rise in production of products such as Cement, Drinks, Corrugates Sheets, Steel Bars, Plastic Products, and Textiles.

In 2006, the Export Processing Zones Authority (EPZA) was established. Also, areas earmarked for establishment of such zones include Dar es Salaam, Pwani, Mwanza, Arusha, Kilimanjaro, Morogoro, Lindi, Ruvuma, Kigoma, Tanga, Mtwara, Mara and Kagera.

In the year 2006, the Government continued to implement its policy for development of small and medium enterprises(SME Policy), including empowerment of entrepreneurs. The Government through the Small Industries Development Organization (SIDO), trained 5,478 entrepreneurs and 184 trainers.

Also, the organization extended loans amounting Tsh. 2.506 billion to groups of entrepreneurs

3.2 COST OF PRODUCTION IN INDUSTRIAL SECTOR

In 2006, cost of production in the Industrial Sector stood at Tsh. 2,177,611 million, compared to Tsh. 1,957,757 million in 2005, equivalent to an increase of 11.2%. This increase resulted from increase in the cost of electricity and fuel used to operate machinery and motor vehicles. Otherwise, poor infrastructure especially railways and roads continued to contribute to increase in cost of production .

4 PRODUCTION PROCESS AND TECHNOLOGY

4.1 BASIC PROCESS

4.1.1 Hot process

In the hot-process method, lye and fat are boiled together at 80–100°C until saponification occurs. After saponification, the soap is sometimes precipitated from the solution by adding salt, and the excess liquid drained off. The hot, soft soap is then spooned into a mold.

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4.2 QUALITY CONTROL SYSTEM

Required quality control measures will be pursued to ensure that best quality Soap and Detergents are produced to cater for the local as well as export market. The company will consider exploitation of market existing in the neighbouring countries.

4.3 ENVIRONMENT PROTECTION

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

5 MACHINERY EQUIPMENT AND CIVIL WORKS

5.1 MACHINERY & EQUIPMENT

The company will acquire proper machinery and equipment to be used in manufacturing Soap and Detergents. The technology to be used will be modern to achieve desired effectiveness and efficiency in the manufacturing processes. The company is already negotiating with suppliers of required machinery and equipment for supply of the same once all necessary preparations are completed.

5.2 PLANT LOCATION AND CIVIL WORKS

i. Site and Location

The plant shall be located plot no. 08/1, Nelson Mandela Expressway, Tabata Industrial Area, Ilala District, within Dar es Salaam. This location takes into consideration such important factors like availability of reliable power.

ii. Production Building Required

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

iii. Office Building

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

5.3 UTILITY SERVICES

iv. Water

A three-inch diameter pipeline to the premises from the main pipeline is adequate. Due to frequent water shortage in Dar es salaam a water reservoir of capacity 5,000 liters is recommended to be constructed.

v. Electricity

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

**6 RAW MATERIALS AND OTHER PRODUCTION INPUTS:
REQUIREMENTS AND AVAILABILITY**

6.1 SODIUM (SODA ASH) OR POTASSIUM (POTASH) SALTS OF FATTY ACIDS

As explained earlier, when fat (or oil) is reacted with lye (sodium hydroxide), the product is a hard soap. When fat is reacted with potassium hydroxide, the product is a soap that is either soft or liquid. Either reaction is known as saponification. The fat is hydrolyzed by the alkali, yielding glycerol and crude soap

6.2 UTILITIES

i. Water

We have explained that water will be supplied to the premises from the main pipeline. Due to frequent water shortage in Dar es salaam, a water reservoir of capacity 20,000 has been planned for construction

ii. Power

As said earlier in this report, the source of energy for the proposed project will be electric power.

A standby power generator has also been budgeted for to avoid inconveniences caused by frequent power cuts by TANESCO.

7 MANPOWER AND PLANT ORGANIZATION

The proposed project will have three independent departments, namely:

- Production
- Sales and Marketing
- Administration and Finance

7.1 ORGANIZATION

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

PRODUCTION DEPARTMENT

Sections:

- Operations
- Maintenance

SALES AND MARKETING DEPARTMENT

Sections:

- Research & Promotion
- Sales

ADMINISTRATION AND FINANCE DEPARTMENT

Sections:

- Human Resources & Administration
- Finance & Accounts

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

The management team of M/s Baluchistan Group of Industries Limited will comprise the Managing Director, Production Manager, Finance & Administration Manager and Sales & Marketing Manager.

7.2 RESPONSIBILITIES

Responsibilities will be as follows:

i. Production Department

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

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

ii. Finance and Administration Department

An Administration and Finance Manager will head the Department. He will be responsible for the administration of the company as well as overseeing the financial aspects of the company. An Accountant will manage the finance function while the Human Resources Section Head will oversee company human resource issues. The following important units will be under the Department.

- The personnel and administration unit which will be responsible for the general administrative matters of the company as well as personnel issues.
- The finance unit, which will be responsible for financial issues. It will also be responsible for the proper maintenance of books of accounts and financial planning.
- The purchasing unit which will be responsible for the purchase of raw materials, spare parts and equipment. This section will also be responsible for the receipt, storage and issue of purchased materials.

iii. Sales and Marketing Department

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

There will be two Section Heads under the Department. One Section will be responsible for Research & Promotion and another will handle Sales function.

7.3 MANPOWER REQUIREMENT

The permanent manpower requirement for running the proposed plant is 53, with the breakdown mentioned as shown in attached schedules. Several other employees will be contracted on temporary basis.

7.4 SOURCE OF MANPOWER AND WAGE BILL

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

SALARIES & WAGES					
NO	EMPLOYEE DESIGNATION	NO.	SALARY PER MONTH	SUBTOTAL MONTHLY SALARY	ANNUAL GROSS SALARY
1	Managing Director	1	3000	3000	36,000
2	Production and Operations Manager	1	2500	2500	30,000
	Finance and Administration Manager	1	2500	2500	30,000
3	Assitant Accountant	2	1000	2000	24,000
4	Production Supervisors	5	1000	5000	60,000
5	Machine Operators & Technicians & Others	30	600	18000	216,000
6	Drivers	5	500	2500	30,000
7	Secretary	2	500	1000	12,000
8	Office Attendants	2	250	500	6,000
9	Security Guards	4	200	800	9,600
	TOTAL USD \$	53	12,050	37,800	453,600

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

The total wage bill per annum will be US\$ 453,600 as shown in schedule showing wages and salaries.

8. INVESTMENT AND FINANCING

8.1 ASSUMPTIONS

The financial projections to determine the viability of the project by M/s Baluchistan Group of Industries Limited are based on the following key assumptions:

- Installation of Soap and Detergents manufacturing facilities will start immediately. Thereafter production of Soap and Detergents will commence.

- The company market will be local initially with expectation of acquisition of export market in the near future
- Financial calculations are based on current market prices and costs are assumed constant throughout the operating period under review on the assumption that if operation costs change, selling prices will change proportionally to preserve the profit margins.
- The project has adopted the currency exchange rate of United States Dollar 1 = Tanzania Shilling 1,300.00 as prevailing during March 2009.

8.2 SUMMARY OF CAPITAL COSTS

On completion of project implementation, the total investment will reach to US\$ 1.005 million as per following schedule.

COST STRUCTURE

PARTICULAR	AMOUNT USD
Land and Buildings	250,000
Machinery & Equipment	400,000
Motor Vehicles	155,000
Furniture & Fixtures	0
Pre exp	50,000
Others	50,000
Working Capital	100,000
TOTAL	1,005,000

8.3 BUILDING AND CIVIL WORKS COSTS

It is expected that the Soap and Detergents manufacturing facility will initially be established in rented buildings. The main civil works required for the building for the machinery to be installed and operated will be renovations, partitioning, electrification and water supply, overhead tank installation, etc. The project promoters are contemplating building own factory buildings at a later stage. The estimated cost is US\$ 250,000

8.4 PLANT MACHINERY AND EQUIPMENT COSTS

The main plant and machinery for the envisaged project will be for the manufacture of Soap and Detergents. Other supporting equipment, various tool, accessories, etc. will be required as explained earlier

The total investment on machinery and equipment is based on a quotation received from major suppliers for main production machinery and amount to US\$ 400,000 approximately.

8.5 MOTOR VEHICLES

For company work, the promoters intend to procure various vehicles at total cost of US\$ 155,000.

8.6 PRE-PRODUCTION CAPITAL EXPENDITURES

These include project development cost for feasibility study and start-up expenses. A budget of US\$ 50,000 is considered adequate for this item

8.7 INITIAL WORKING CAPITAL

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

8.8 FINANCING PATTERN

The financing of the project will be from shareholder's equity. It is anticipated that the owner's equity will be sufficient to cover the project's capital costs. The financing of the project will take the following form

	EQUITY(US\$)	LOAN(US\$)
FOREIGN	1,005,000	-
LOCAL	-	-

9 COST OF OPERATIONS

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

9.1 UTILITIES

A total of US\$ 145,694 will be required as water bills and for the purchase of electric power at sustainable production level.

9.2 VEHICLE RUNNING EXPENSES

Vehicle running expenses include fuel, lubricants, road licenses, etc. The cost has been estimated at US\$ 97,129

9.3 SALARIES AND WAGES

The number of employees, along with their incomes, is shown in attached schedules. The total annual wage package is estimated at US \$ 603,864 including fringe benefits and related taxes

9.4 MARKETING

The marketing costs are estimated at US\$ 39,755 per annum as per attached schedules

9.5 DEPRECIATION

The following is depreciation schedule for major assets to be employed in the project for manufacture of Soap and Detergents.

DEPRECIATION	YEAR 1 USD	YEAR 2 USD	YEAR 3 USD	YEAR 4 USD	YEAR 4 USD
Land and Buildings	25,000	25,000	25,000	25,000	25,000
Machinery, tools & Equipment	40,000	40,000	40,000	40,000	40,000
Motor Vehicles	15,500	15,500	15,500	15,500	15,500
Furniture & Fixtures	-	-	-	-	-
ANNUAL DEPRECIATION	80,500	80,500	80,500	80,500	80,500

10 FINANCIAL ANALYSIS

10.1 INCOME AND EXPENDITURE

10.1.1 Income

The proposed project by M/s Baluchistan Group of Industries Limited expects to earn its income through revenue generated by sales of Soap and Detergents. During the fifth year of operation, the total sales are expected to stand at US\$ 3,190,187

10.1.2 Expenditure

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

10.2 NET INCOME STATEMENT HIGHLIGHTS

The project's annual after tax net income during the fifth year of production is estimated to reach US\$ 438,128 as presented in the Income Statement of the financial statements appendix.

10.3 CASH FLOW HIGHLIGHTS

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

1 st Year	353,946.00
2 nd Year	500,020.00
3 rd Year	767,613.00
4 th Year	1,183,685.00
5 th Year	1,728,608.00

10.4 BALANCE SHEET

The projected Balance Sheet of the projected is shown in the financial statements under same heading. Net worth of the project increases from US\$ 1,077,107.00 in the first year of operation to US\$ 2,074,672.00 in the 5th year.

1 st Year	1,077,107.00
2 nd Year	1,160,030.00
3 rd Year	1,338,439.00
4 th Year	1,636,543.00
5 th Year	2,074,672.00

11. ECONOMIC ANALYSIS:

11.1 ASSUMPTIONS AND CONSIDERATIONS

The basic assumptions underlying economic benefits and costs are:

11.1.1 Taxes on capital costs have not been considered.

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

11.1.3 Economic life of the project is assumed to be 5 years.

11.2 ECONOMIC BENEFITS OF THE PROJECT

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

- This project will boost investment in manufacturing sector which is important for the economy, contributing to research and other skills development. It will provide vital support to the manufacturing sector.
- Employment opportunities for at least 53 permanent staff when the project is fully operational.
- The direct income for the workers, combined with other social benefits that the Management of M/s Baluchistan Group of Industries Limited will provide, will help in overall efforts of alleviation of poverty in the Region.
- Provision of a market for goods and services demanded by expanded tax base to the Treasury and local Government authorities and generation of substantial income to the Government.

12 RECOMMENDATIONS

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

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

BALUCHISTAN GROUP OF INDUSTRIES LTD**PROJECTED INCOME & EXPENDITURE STATEMENT**

	YEAR 1 USD	YEAR 2 USD	YEAR 3 USD	YEAR 4 USD	YEAR 4 USD
Sales Revenue	1,824,000	2,097,600	2,412,240	2,774,076	3,190,187
Cost of Sales	729,600	839,040	964,896	1,109,630	1,276,075
Gross Profit	1,094,400	1,258,560	1,447,344	1,664,446	1,914,112
Operating Expenses:					
Administrative Overhead Costs	164,160	188,784	198,223	208,134	218,541
Motor Vehicle running expenses	72,960	83,904	88,099	92,504	97,129
Salaries and wages	453,600	521,640	547,722	575,108	603,864
Depreciation	80,500	92,575	92,575	92,575	92,575
Marketing Costs	36,480	41,952	44,050	41,847	39,755
Utility costs	109,440	125,856	132,149	138,756	145,694
Insurance	50,250	57,788	60,677	60,677	60,677
Communication	24,000	27,600	28,980	28,980	29,980
Total Expenses	991,390	1,140,099	1,192,475	1,238,582	1,288,215
Profit before Tax	103,010	118,462	254,869	425,864	625,898
Tax (30%)	30,903	35,538	76,461	127,759	187,769
Profit After Tax	72,107	82,923	178,409	298,105	438,128

BALUCHISTAN GROUP OF INDUSTRIES LTD**PROJECTED BALANCE SHEET**

	YEAR 1 USD	YEAR 2 USD	YEAR 3 USD	YEAR 4 USD	YEAR 4 USD
Fixed Assets					
Long-term Assets	705,000	581,000	457,000	333,000	231,000
Depreciation	124,000	124,000	124,000	124,000	124,000
Total Long-term Assets	581,000	457,000	333,000	209,000	107,000
Current Assets					
Cash	353,946	500,020	767,613	1,183,685	1,728,609
Accounts Receivable	128,145	158,396	202,519	197,756	207,362
Inventory	73,843	113,416	114,428	137,093	111,657
Total Current Assets	555,934	771,831	1,084,560	1,518,534	2,047,628
Total Assets	1,136,934	1,228,831	1,417,560	1,727,534	2,154,628
Current Liabilities					
Accounts Payable	36,480	41,952	48,245	55,483	48,054
Other Current Liabilities	23,347	26,849	30,877	35,508	31,902
Subtotal Current Liabilities	59,827	68,801	79,121	90,991	79,956
Long-term Liabilities					
Long-term Liabilities					
Total Liabilities	59,827	68,801	79,121	90,991	79,956
Net Assets	1,077,107	1,160,030	1,338,439	1,636,543	2,074,672
Capital and Reserves					
Owners Equity	1,005,000	1,005,000	1,005,000	1,005,000	1,005,000
Retained Earnings	72,107	155,030	333,439	631,543	1,069,672
Total Capital	1,077,107	1,160,030	1,338,439	1,636,543	2,074,672
	-	-	-	-	-
	0	0	0	0	0

BALUCHISTAN GROUP OF INDUSTRIES LTD**PROJECTED CASHFLOW**

	YEAR 1 USD	YEAR 2 USD	YEAR 3 USD	YEAR 4 USD	YEAR 4 USD
CASHFLOW FROM OPERATIONS					
Cash from Sales	1,559,200	1,778,287	2,050,009	2,339,490	2,652,276
VAT Receipt	364,800	419,520	482,448	554,815	638,037
Subtotal Cash Received	1,924,000	2,197,807	2,532,457	2,894,305	3,290,313
Expenditures from Operations:					
Purchases	649,724	735,136	892,519	1,084,849	1,208,467
Additional Cash Spent	910,890	1,148,790	1,179,365	1,171,458	1,281,708
VAT payments	109,440	167,808	192,979	221,926	255,215
Subtotal Cash payment	1,670,054	2,051,734	2,264,863	2,478,233	2,745,390
CASH FROM OPERATIONS	253,946	146,074	267,594	416,072	544,923
CASH FLOW FROM INVESTMENTS:					
Purchase of Assets	- 805,000				
working capital requirement	- 100,000				
CASH FLOW FROM INVESTMENTS:	- 905,000	-	-	-	-
CASH FLOW FROM FINANCING:					
Owners Equity Contribution	1,005,000				
CASH FLOW FROM FINANCING	1,005,000	-	-	-	-
NET CASHFLOW FOR PERIOD	353,946	146,074	267,594	416,072	544,923
CASHFLOW AT START OF YEAR	-	353,946	500,020	767,613	1,183,685
CASHFLOW AT THE END OF YEAR	353,946	500,020	767,613	1,183,685	1,728,608

BALUCHISTAN GROUP OF INDUSTRIES LTD SCHEDULES

SCHEDULE 1

REVENUE PROJECTION

PRODUCTS	YEARS				
	YEAR 1 USD	YEAR 2 USD	YEAR 3 USD	YEAR 4 USD	YEAR 4 USD
Laundry soap	960,000	1,104,000	1,269,600	1,460,040	1,679,046
Detergents	864,000	993,600	1,142,640	1,314,036	1,511,141
	1,824,000	2,097,600	2,412,240	2,774,076	3,190,187

SCHEDULE 2

OTHER OPERATING COST

OTHER OPERATING COST	YEAR 1 USD	YEAR 2 USD	YEAR 3 USD	YEAR 4 USD	YEAR 4 USD
Motor vehicle running expenses	72,960	83,904	88,099	92,504	97,129
Salaries and wages	453,600	521,640	547,722	575,108	603,864
Depreciation	80,500	92,575	92,575	92,575	92,575
Administrative Overhead Costs	164,160	188,784	198,223	208,134	218,541
Marketing Costs	36,480	41,952	44,050	41,847	39,755
Utility costs	109,440	125,856	132,149	138,756	145,694
Insurance	50,250	57,788	60,677	60,677	60,677
Communication	24,000	27,600	28,980	28,980	28,980
Total costs	991,390	1,140,099	1,192,475	1,238,582	1,287,215

SCHEDULE 3

COST STRUCTURE

PARTICULAR	AMOUNT USD
Land and Buildings	250,000
Machinery & Equipment	400,000
Motor Vehicles	155,000
Furniture & Fixtures	0
Pre exp	50,000
Others	50,000
Working Capital	100,000
TOTAL	1,005,000

SCHEDULE 4

FIXED ASSETS SCHEDULE

NAME OF ASSETS	YEAR 1 USD	YEAR 2 USD	YEAR 3 USD	YEAR 4 USD	YEAR 4 USD
Land and Buildings	250,000	225,000	225,000	200,000	175,000
Machinery, tools & Equipment	400,000	360,000	320,000	280,000	240,000
Motor Vehicles	155,000	139,500	124,000	108,500	93,000
Furniture & Fixtures	0	-	-	-	-
TOTAL	805,000	724,500	669,000	588,500	508,000
DEPRECIATION	YEAR 1 USD	YEAR 2 USD	YEAR 3 USD	YEAR 4 USD	YEAR 4 USD
Land and Buildings	25,000	25,000	25,000	25,000	25,000
Machinery, tools & Equipment	40,000	40,000	40,000	40,000	40,000
Motor Vehicles	15,500	15,500	15,500	15,500	15,500
Furniture & Fixtures	-	-	-	-	-
ANNUAL DEPRECIATION	80,500	80,500	80,500	80,500	80,500
CLOSING FIXED ASSETS	724,500	644,000	588,500	508,000	427,500

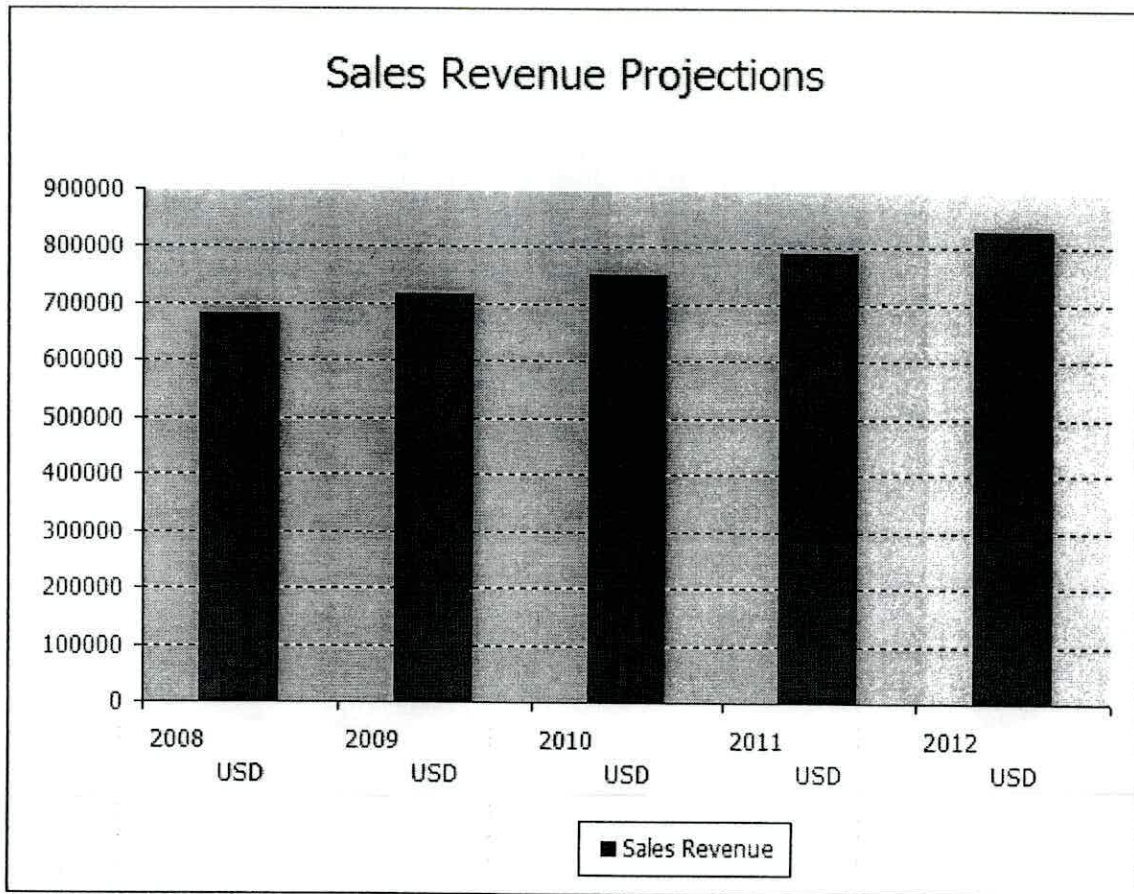
SCHEDULE 5

SALARIES & WAGES

NO	EMPLOYEE DESIGNATION	NO.	SALARY PER MONTH	SUBTOTAL MONTHLY SALARY	ANNUAL GROSS SALARY
1	Managing Director	1	3000	3000	36,000
2	Production and Operations Manager	1	2500	2500	30,000
	Finance and Administration Manager	1	2500	2500	30,000
3	Assitant Accountant	2	1000	2000	24,000
4	Production Supervisors	5	1000	5000	60,000
5	Machine Operators & Technicians & Others	30	600	18000	216,000
6	Drivers	5	500	2500	30,000
7	Secretary	2	500	1000	12,000
8	Office Attendants	2	250	500	6,000
9	Security Guards	4	200	800	9,600
TOTAL USD \$			12,050	37,800	453,600

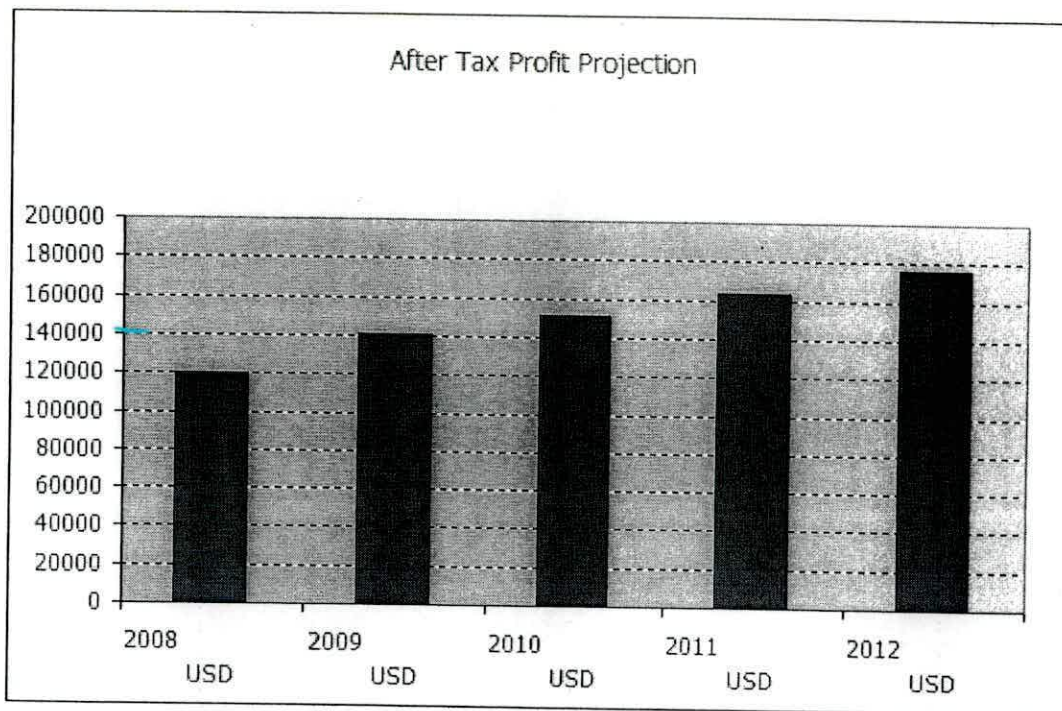
REVENUE PROJECTION

	YEAR 1 USD	YEAR 2 USD	YEAR 3 USD	YEAR 4 USD	YEAR 4 USD
Sales Revenue	1,824,000	2,097,600	2,412,240	2,774,076	3,190,187



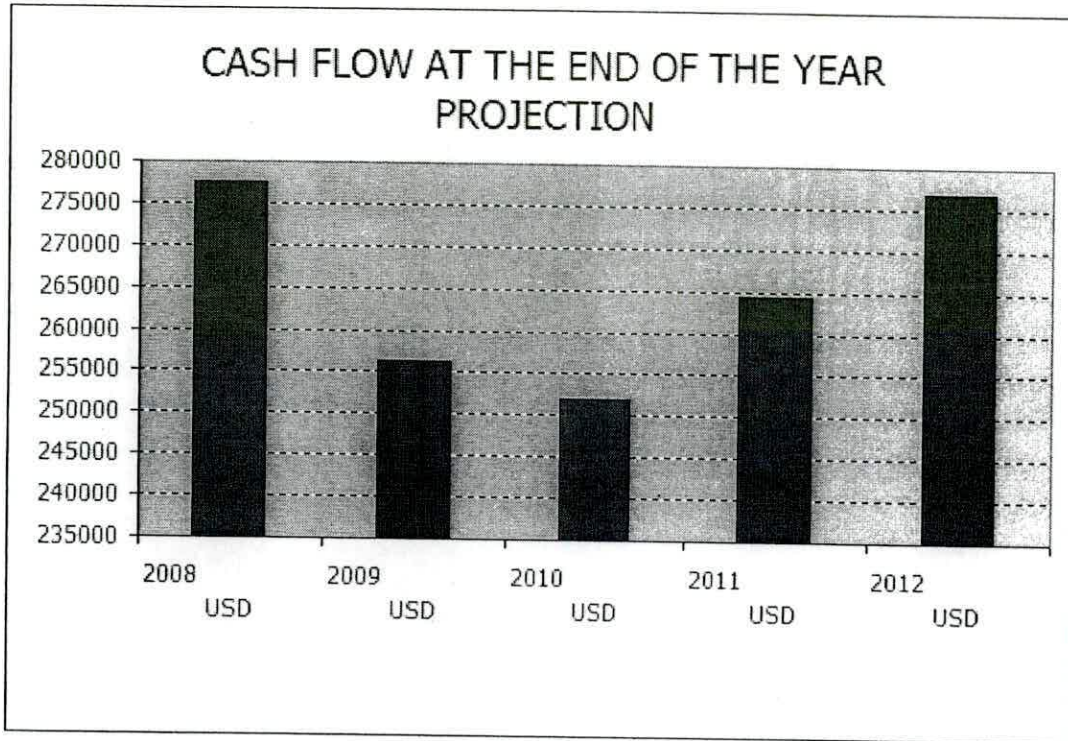
PROFIT PROJECTION

	YEAR 1 USD	YEAR 2 USD	YEAR 3 USD	YEAR 4 USD	YEAR 4 USD
Profit After Tax	72,107	82,923	178,409	298,105	438,128



CASH FLOW PROJECTION

	YEAR 1 USD	YEAR 2 USD	YEAR 3 USD	YEAR 4 USD	YEAR 4 USD
CASH FLOW AT THE END OF THE YEAR	353,946	500,020	767,613	1,183,685	1,728,608



TANZANIA



Certificate of Incorporation

Section 15

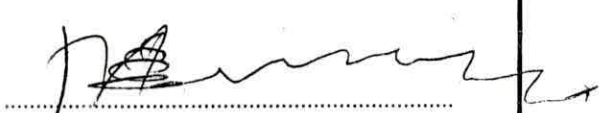
No **69855**

I HEREBY CERTIFY THAT

BALUCHISTAN GROUP OF INDUSTRIES**LIMITED =====**

is this day incorporated under the Companies Act, 2002 and that the Company is Limited.

Given under my hand at Dar es salaam
this **20TH** day of **FEBRUARY**

TWO THOUSAND AND NINE
.....
Asst. Registrar of Companies

THE COMPANIES ACT 2002

COMPANY LIMITED BY SHARES

MEMORANDUM

AND

ARTICLES OF ASSOCIATION

OF

BALUCHISTAN GROUP OF INDUSTRIES LIMITED

Incorporated thisday of2009

Drawn and Filed by:
Khudabad Bizanjo
P.O. Box 76760
Dar-es-Salaam.

LANZANIA
Stamp Duty Shs 5000/-
PAID ON ORIGINAL
Receipt No: 34409986 20-2-2009

THE COMPANIES ACT 2002

COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

OF

BALUCHISTAN GROUP OF INDUSTRIES LIMITED

LANZANIA
Stamp Duty Shs 2500/- Paid
Receipt No: 34409986 20-2-2009
Asst. Registrar of Companies

1. The name of the Company is "BALUCHISTAN GROUP OF INDUSTRIES LIMITED."
2. The registered office of the company will be in the United Republic of Tanzania.
3. The Objects for which the Company is established are:
 - (a) To carry on the business as importers, exporters, manufacturers, buyers, sellers, agents, suppliers of all food stuff and non-foodstuff, commodities, edible oil, rice, soap, detergents, liquid soap, abrasive, cleaning agents, bleaches, cosmetics, varnishes, import of motorvehicles, heavyduty trucks, spareparts, machineries;
 - (b) To carry on business as general carriers, transporter of goods and passengers, to construct, equip, let out, hire, commission or otherwise trade in any part of the world with any vehicles, vessels or aircraft belonging wholly to or partly to or being in the employment of the Company and to carry on the business of packer, stores, warehousemen, bonded warehousemen and storers of goods, wares and merchandise of every kind and description whatsoever.
 - (c) To carry on business in marketing, manufacturing, importing, exporting, stock buying & selling whether by wholesale or retail of various categories of goods and merchandise, and to act as commission agents and manufactures, representatives in all fields To establish business enterprises whether small scale, industries and generally deal in all kinds of general merchants and to import, export and all either by merchandise and articles of all description.
 - (d) To be mining agents, and to enter into joint ventures with other companies local and or foreign in the mining industry. To be general traders and trading agents, to be manufacturers and suppliers representatives, commission agents, general brokers, stock brokers and financial advisors.
 - (e) To carry on business as manufactures of and dealers in furniture, plywood, wood carvers, joiners, carpenters, turners, wheel wrights carriers, haulers, stevedores, builders, shop and office outfitters, and general contractors.
 - (f) To purchase take on lease or in exchange, or by any other means, acquire any freehold, or other property or buildings and any estate or interest whatsoever and any rights privileges or easements over or in respect of any property and buildings. To undertake to install electric wires fittings and apparatus on the premises and to comply with the prevailing electricity rules and regulations as enacted from time to time. Dealers in scrap metals, buying, selling and export.


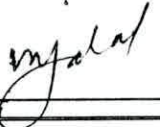

- (g) To acquire by any means the whole or any part of the assets and to undertake the whole or any part of the liabilities, of any person carrying on or proposing to carry on any business which the Company is authorized to carry on which can be carried on in connection therewith, or to acquire an interest in, amalgamate or enter into any arrangement for sharing profits or for co-operation or for limiting competition or for mutual assistance, with any such person and to give or accept, by way of consideration for any of the acts or things aforesaid or property acquired, and shares, whether fully or partly paid up, debentures, or other securities or rights that may be agreed upon;
- (h) To acquire and hold shares or other interests in or securities of any other company and otherwise invest and deal with the moneys of the Company;
- (i) To lend money or give credit to such terms as may seem expedient, and in particular to customers and other having dealings with the Company;
- (j) To draw, make accept, endorse, discount, execute and issue promissory notes, bill of exchange, bill of lading, warrants, debentures and other negotiable or transferable instruments.
- (k) To apply for, promote and obtain any state, charters, privileges, concessions licences or authorization of any government, state or municipality or other authority for enabling the company to carry any of its objects into effect or for extending any of the company's powers or for effecting any modification of the Company's any constitution or for any other purpose which may seem expedient, and oppose actions, steps, proceedings or applications which may seem calculated directly or indirectly to prejudice the interests of the company of its members.
- (l) To enter into any arrangement with any governments with any government or authorities supreme, municipal, local or otherwise, or any corporations, companies, or person that may seem conducive to company's objects or any of them, and to obtain from any such government, authority, corporation, company or persons any character contracts, decrees rights, privileges and concessions which the company may think desirable and to carry out, exercise, and comply with any such character, contracts, decrees, rights privilege and concessions which the company may think desirable and to carry out, exercise, and comply with any such characters contracts decrees, rights, privileges and concessions;
- (m) To establish maintain or procure the establishment and maintenance of any person or superannuation funds (whether contributory or otherwise) for the benefit of, and to give or procure the giving of donations, gratuities, pensions, allowances and emoluments to any person who are or were at any time in employment or service of the company, or of any company, of any company which is a subsidiary or any of the predecessors of the company of any such other company aforesaid, and the wives, widow, families and dependents of any such person of any such person, and to establish, subsidies and subscribe to any institutions, associations, societies clubs or funds calculated to for the benefit of, or to advance the interests and well being of the company or any other company as aforesaid, or of any such persons as aforesaid, and to make payments for and to subscribe or guarantee money for charitable or benevolent objects, or for any matters aforesaid either alone or in connection with any other company as aforesaid;

- (n) To carry on the business of planters, growers, cultivators horticulturalists, agriculturists, market gardeners, agriculturalist and buyers and exporters added value goods, concentrates, semi processed part-processed and processed goods, refined products of animal, vegetable, mineral flora and fauna origin; to prepare, preserve, process, cure blend ,refine, manufactured, raw or other state, either by wholesale or retail, in such manner as to promote development in the economy of the country and infrastructure;
- (o) To issue and deposit any securities which the Company has power to issue by was of mortgage or secure any such sum less than the nominal amount of such securities, and also by way of security for the performance of any contract or obligations of the Company or of its customers or of any other company or person having dealings with the company, or in whose business or undertakings the company is interested;
- (p) To apply for, purchase, or otherwise acquire and protect and renew in any part of the world any patent, patent rights, brevets d'invention, trade marks, designs, licences, concession, and the like, conferring any exclusive or non-exclusive or limited rights to their use, or any secret or other information as to any invention which may seem capable of being used for any of the purposes of the Company; or the acquisition of which may seem calculated directly or indirectly by to benefit the company, and to use, exercise, develop, or grant licences in respect of, or otherwise turn to account the property, rights or information so acquired, and to expend money in experimenting upon, testing or improving any such patent, inventions or rights;
- (q) To borrow or raise or secure the payment of money by bank overdrafts, mortgages, or by the Issue of debentures or debenture stock, perpetual or otherwise, or in such other manner as the Company shall deem fit, and for the purposes aforesaid or for any other lawful purpose to charge all or any of the company's property or assets, present and future, including its uncalled capital, and collaterally or further to secure any securities of the company by a trust deed or other assurance;
- (r) Company shall deem fit, and for the purposes aforesaid or for any other lawful purpose to charge all or any of the Company's property or assets, present and future, including its uncalled capital, and collaterally or further to secure any securities of the Company by a trust deed or other assurance;
- (s) To buy, sell, otherwise dispose of and to deal in any real or personal property and any stocks, funds shares, and securities of every description, on commission or otherwise, or to act as agent for any of the above or the like purposes;
- (t) To establish and maintain branches and agencies for the purpose of the Company in any part of Tanzania or elsewhere and from time to time to discontinue and regulate the same;
- (u) To purchase or otherwise acquire the undertaking and/or any of the goodwill, business property, and liabilities of any other company, or of any partnership or person carrying on any business which the Company is authorised to carry on, or which may seem to the Board of Directors of the Company to be calculated, directly and indirectly, to benefit the Company, and to pay for the same in cash or by bills or shares in the Company, or otherwise;

- (v) To grant pensions, allowances, gratuities and bonuses, to officers, ex-officers, employees or ex-employees of the Company or the dependants of such persons, to establish and maintain or concur in establishing and maintaining trusts, funds or schemes (whether contributory or non-contributory) with a view to providing pensions or other benefits for any such persons as aforesaid and their dependants and to institute and maintain any club or other establishment for the benefit of the Company's employees;
- (w) To subscribe to or otherwise aid benevolent charitable national or other institutions or objects of a public character;
- (x) To purchase take on lease or otherwise acquire for the purposes of the Company any estates lands buildings easements or other interest in real estate and to sell let on lease or otherwise dispose of or grant rights over any real property belonging to the Company;
- (y) To purchase or otherwise acquire erect maintain reconstruct and adapt any buildings works plant and machinery and other things found to be necessary or convenient for the purposes of the Company;
- (z) To sell, improve, manage, develop, turn to account, exchange, let on rent, share of profits or otherwise grant licences, easements and other rights in respect of and in any other manner deal with or dispose of the undertaking of the Company or any part thereof, or all or any of the property for the time being of the Company, and for any consideration whether in cash or in shares (fully or partly paid) debentures, debenture stock or other interest in or securities of any company or otherwise;
- (aa) To amalgamate with any other company whose objects are or include objects similar to those of the company whether by sale or purchase (for fully or partly paid shares or otherwise) of the undertaking subject to the liabilities of the Company or any such other company as aforesaid with or without winding up or by purchase (for fully or partly paid shares or otherwise) of all or a controlling interest in shares or stock of any such other company or in any other manner;
- (bb) To register the Company, if the Directors should so think fit, in any other Country in Africa or elsewhere, and to take such other steps as may be necessary to give the Company so far as may be the same rights and privileges abroad as are possessed by local companies or partnerships of a like character, and to promote and obtain any Act of Parliament or similar authority of any foreign government for the purposes of the Company's objects;
- (cc) To pay the costs, charges and expenses preliminary and incidental to the promotion, formation establishment and registration of the Company both in Tanzania or elsewhere, and to remunerate any persons, company or association, for services rendered, or to be rendered for

(4) The liability of the Members is limited.

(5) The share capital of the company is Tshs. 500,000,000/= divided into 50,000 Ordinary Shares of Tshs 10,000/= each, with power for the Company to increase or reduce such capital and to divide the shares in the capital for the time being, whether original or increased, in different classes, and to attach thereto respectively any preferential, deferred, qualified or special rights, privilege or conditions and so that unless the conditions of issue shall otherwise expressly declare every issue of shares, whether preference or otherwise or any such rights privileges or conditions shall not be altered to modified except in accordance with the Articles of Association registered herewith.

NAMES, ADDRESS AND DESCRIPTION OF SUBSCRIBERS	NUMBER OF SHARES TAKEN BY EACH SUBSCRIBER	SIGNATURE OF SUBSCRIBER
1. MR. KHUDABAD BIZANJO P.O. BOX 76760 DAR-ES-SALAAM. BUSINESSMAN.	2500	
2. MR. MURAD JALAL BIZANJO P.O. BOX 76760 DAR-ES-SALAAM. BUSINESSMAN	2500	
3. MR. MUHAMMAD ARIF P.O. BOX 76760 DAR-ES-SALAAM. BUSINESSMAN	5000	

Dated this 19TH Day of FEBRUARY 2009

WITNESS to the above signatures.

Drawn and filed by:-
Mr. Khudabad Bizanjo
P.O. Box 76760
Dar-es-Salaam.




SURESH LAXMI GAJJAR

THE COMPANIES ACT 2002

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

BALUCHISTAN GROUP OF INDUSTRIES LIMITED

PRELIMINARY

INTERPRETATION

1. In these regulations:-
"The Act" means 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 thereof 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 the masculine gender shall include females, and the words importing persons bodies corporate, partnership, firms, cooperatives, 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 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 members of the Company (exclusive of persons who are in the employment of the Company while in such employment and have continued after the determination of such employment to be members of the Company) is limited to fifty; PROVIDED that where two or more persons hold one or more shares in the Company jointly, they shall for the purpose of this Article be treated as a single member.
 - (C) Any invitation to the public to subscribe for any shares or debentures of the Company is prohibited.
 - (D) The Company shall not have power to issue share warrants to bearer.

TANZANIA
 Stamp Duty Sbs 5000/-
 RECEIVED IN ORIGINAL
 20/06/2009
 20-06-2009

TANZANIA
 Stamp Duty Sbs. 2500/-
 Receipt Not
 20/06/2009
 20-06-2009
 Ass't. Registrar of Companies

TRANSFER OF SHARES

3. The Directors may in their direction and without assigning any reason thereof to refuse 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 any 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 any person who may desire to sell or transfer any such shares and every personal representatives 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 as his agent for the sale of the said shares to any member or members of the company at the price to be agreed upon between the party giving such notice the party and the board, or in case of difference to be determined by the Auditor 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 the shareholders desiring to sell or transfer the said shares, stating the number 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 21 notice the board shall apportion such expressed their desire to purchase number of shares already held by them respectively, or if there be only one such shareholder shall be obliged to take more than the maximum number of such shares stated 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 shall 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

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

6. DIRECTORS

Until otherwise determined by the company in General meeting the Directors shall not be less than two and not more than seven in number.

The following persons shall be the first Directors of the company:-

1. MR. KHUDABAD BIZANJO
2. MR. MURAD JALAL BIZANJO
3. MR. MUHAMMAD ARIF

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, be four.
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
10. 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.

BORROWING POWERS

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 secure the repayment of 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 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

12. 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 shares of which he is holder.
13. 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

14. The office of a Director shall be vacated if the Director:
 - (a) becomes bankrupt: or
 - (b) is found to be a lunatic or becomes of unsound mind: or
 - (c) resigns his office by notice in writing to the Company:
 - (d) abstains himself from meetings of the directors for a period of six months without special leave of absence from the other Directors.

SEAL

15. The Directors 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 Directors and in the presence of at least two Directors or Director 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

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

SECRETARY

18. 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

19. With the sanction of a special resolution of the shareholders any part of the assets of the Company including any shares in other Companies may be divided between the members of the Company in special or may be vested in Trustees for the benefit of such members and the liquidation of the company may be closed and the company dissolved but so that no member shall be compelled to accept any shares whereupon there is any liability.

ALTERNATION OR ADDITION


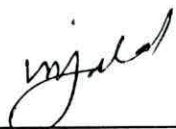

20. Subject to the provisions of the Act and to those contained in the Memorandum of Association the Company may by Special Resolution make alteration or addition so made shall be as valid made shall be as valid and effectual as if originally contained in those articles and be subject in like manner to alteration by Special Resolution.

INDEMNITY

21. Every Director, Managing Director, Agent, Auditor, Secretary and other office 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 judgement 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

22. If and whenever any dispute or difference 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 relation existing between the parties by reasons of these Articles or the Act, such differences shall (unless a sole arbitrator be agreed upon) forthwith be referred to the arbitration of three (3) arbitrators, one to be appointed by the first two or, in the event of failure to agree within (cap. 15) or any then existing statutory modifications or re-enactment thereof shall apply.

NAMES, ADDRESS AND DESCRIPTION OF SUBSCRIBERS	NUMBER OF SHARES TAKEN BY EACH SUBSCRIBER	SIGNATURE OF SUBSCRIBER
1. MR. KHUDABAD BIZANJO P.O. BOX 76760 DAR-ES-SALAAM. BUSINESSMAN.	2500	
2. MR. MURAD JALAL BIZANJO P.O. BOX 76760 DAR-ES-SALAAM. BUSINESSMAN	2500	
3. MR. MUHAMMAD ARIF P.O. BOX 76760 DAR-ES-SALAAM. BUSINESSMAN	5000	

Dated this 19TH Day of..... FEBRUARY2009

WITNESS to the above signatures.

Drawn and filed by:-
Mr. Khudabad Bizanjo
P.O. Box 76760
Dar-es-Salaam.


SURESH CHAIT GAJJA





TANZANIA INVESTMENT CENTRE

REGISTRATION FORM

FOR

CERTIFICATE OF INCENTIVES

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

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

(Please fill the form in duplicate)

UNITED REPUBLIC OF TANZANIA

THE TANZANIA INVESTMENT ACT

(No. 26 of 1997)

APPLICATION FOR REGISTRATION

(Made under Regulation 42)

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

1. I/we KHUDABAD BIZANJO
(director/directors/agent of BALUCHISTAN GROUP OF INDUSTRIES LTD
(name of business enterprise) apply for registration of CERTIFICATE OF INCENTIVES
under Section 17 of the Act and Part IV of the Investment Regulations, 2002.
2. The registered office of the company will be situated at PLOT No 08/1,
NELSON MANDELA EXPRESWAY, TABATA INDUSTRIAL
AREA, 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 SEE No (2)
4. The Principal Officers of the Company are KHUDABAD BIZANJO,
(ii) MURAD JALAL BIZANJO
(iii) MUHAMMAD ARIF
5. Auditors of the Company are
6. The authorized share capital of the Company is Tshs./~~US\$~~ 500,000,000/=

7. The intended capital investment of the Company in terms of Section 2(2) of the Act is Tshs./US\$ 1,005,000

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

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

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

I, KHUDA BIZANJO of Post Office Number 76760

D. ISALAM do solemnly and sincerely declare that I am a director/ ~~duly~~ authorized agent of BALUCHISTAN GROUP OF INDUSTRIES 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 4TH day of MARCH 2008

Sajid
.....
Applicant

Before me:

ggnallano
.....

GRACE GODFREY MALEKANO
Advocate, Notary Public &
Commissioner for Oaths
P. O. Box 13108
DAR ES SALAAM

Commissioner for Oaths

APPLICATION SUMMARY

Company Name: BALUCHISTAN GROUP OF INDUSTRIES LTD

Certificate of Incorporation Number: 69855 Status: NEW

Certificate of Incorporation Date: 20/2/2009

Post Box: 76760

Town: DAR ES SALAAM

Sector: MANUFACTURING Sub-Sector: SOAP AND DETERGENTS MANUFACTURER

Investment Financing Plan in Million US\$/Tsh.

Foreign Equity	Local Equity	Foreign Loan	Local Loan
<u>1,005,000</u>	<u>-</u>	<u>-</u>	<u>-</u>

Project Objectives: TO ESTABLISH A PROJECT FOR MANUFACTURING OF SOAP AND DETERGENTS

Capacity:

Employment: Foreign: 5 Local: 53 Total: 58

Implementation Period: 5 YEARS

Project Location

Site/Plot/Block No.: 08/1 NELSON MANDELA EXPRESSWAY
TABATA INDUSTRIAL
 Street: AREA District: ILALA Region: DISTRICT
 (Attach sketch map showing project location)

Shareholders	Nationality	%
<u>KHUDADAD BIZANJO</u>	<u>PAKISTANI</u>	<u>25%</u>
<u>MURAD JALAL BIZANJO</u>	<u>✓</u>	<u>25%</u>
<u>MUHAMMAD ARIF</u>	<u>✓</u>	<u>50%</u>
.....
.....

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

Land/Building 250,000
Plant 400,000
Vehicles 155,000
Furniture & Fittings 0
Pre-expenses 50,000
Others 50,000
Working Capital 100,000
TOTAL 1,005,000

Contact Details:

Name: ~~KHUDA~~ BIZANJO

Title: MANAGING DIRECTOR

Telephone: 0757-225250

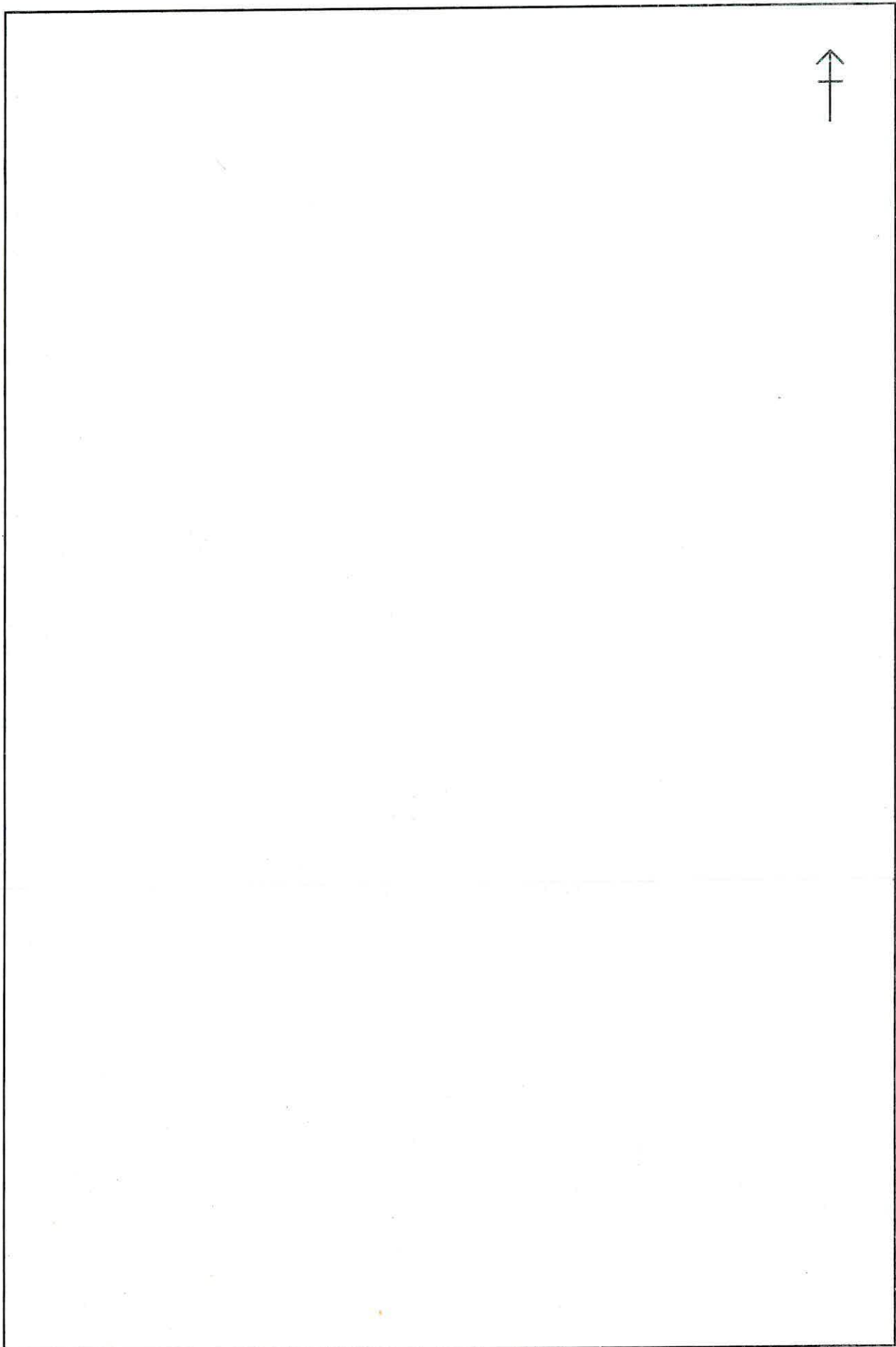
Fax: 022-2182357

Email: Kdbizanzo@hotmail.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





BALUCHISTAN GROUP OF INDUSTRIES LIMITED

EXTRACT FROM A MEETING OF THE BOARD OF DIRECTORS AND SHAREHOLDERS OF

BALUCHISTAN GROUP OF INDUSTRIES LIMITED

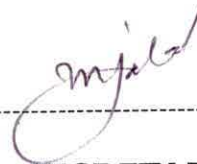
At a duly convened and constituted meeting of the board of directors of Baluchistan Group Of Industries Limited held at the registered offices of the company on the 24th day of February 2009, the following resolutions were passed:

1. That funds amounting USD 1,005,000 be contributed by shareholders to finance establishment of a project for manufacturing soap and detergents
2. That Mr. Khudadad Bizanjo is the principal officer to oversee implementation of the project.
3. That the project be registered with Tanzania Investment Centre so as to enjoy fully investment incentives, benefits and protection as statutorily provided for under Tanzania Investment Act, 1997.

Certified true extract
(By order of the Board)



CHAIRMAN



SECRETARY

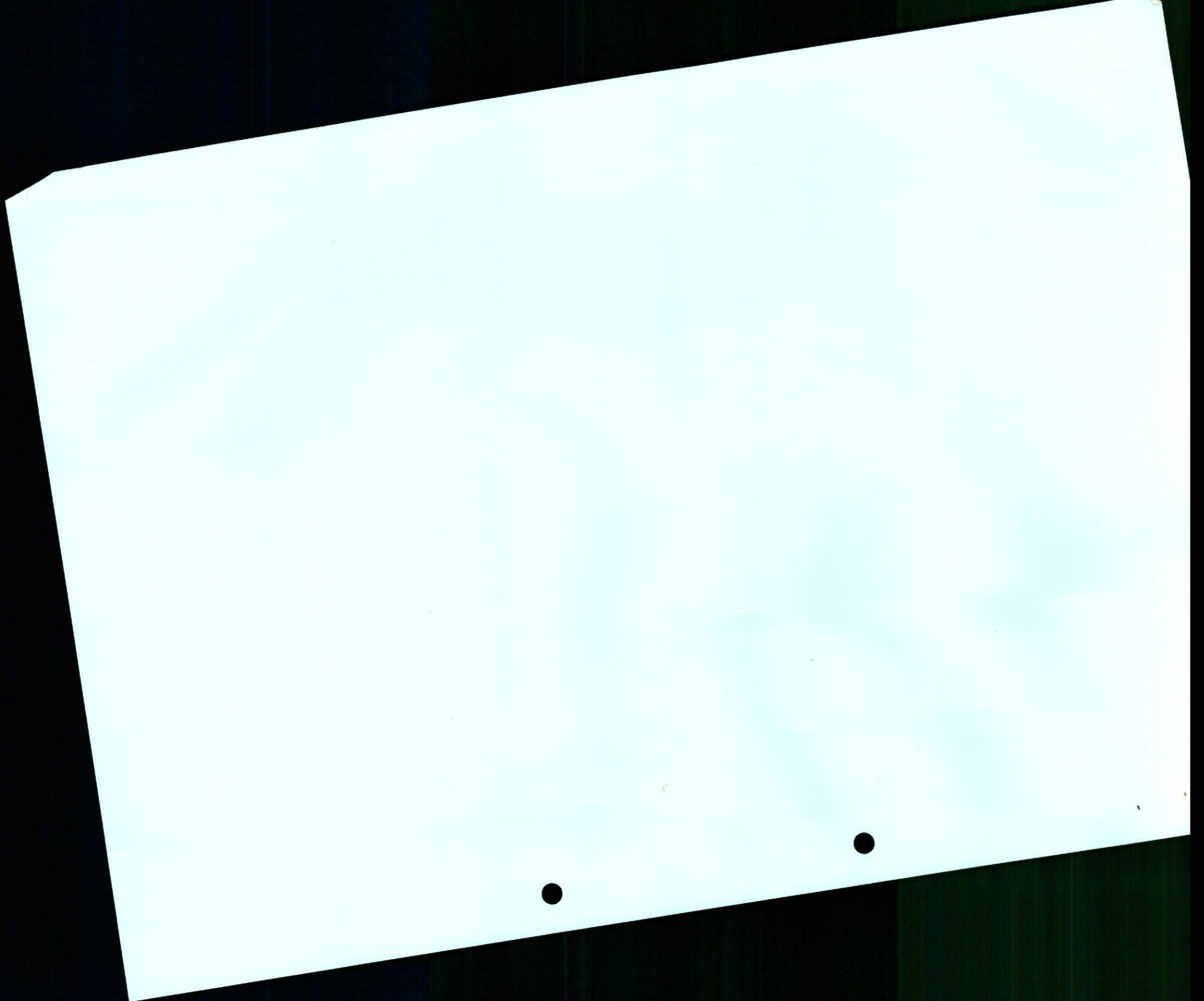
LEASE AGREEMENT

BETWEEN

MULTIMODAL TRANSPORT AFRICA LTD

AND

BALUCHISTAN GROUP OF INDUSTRIES LTD



LEASE AGREEMENT

This Agreement is made this.....day of.....2009

BETWEEN

MULTIMODAL TRANSPORT AFRICA LIMITED whose Postal Address is P.O. Box 63353, Dar es salaam (hereinafter referred to as the **Lessor**) of the one part;

AND

BALUCHISTAN GROUP OF INDUSTRIES LIMITED whose Postal Address is P.O. Box 76760 Dar es salaam (hereinafter referred to as the **Lessee**) of the other part.

- A. **WHEREAS** the Lessor is the owner of all that Property located of the **yard Plot 8/1 Nelson Mandela Expressway Tabata** Industrial Area Dar es salaam on (hereinafter referred to as the demised premises) and that he desires to lease the said premises to the Lessee.
- B. **WHEREAS** the Lessee has presented to the Lessor as having the capacity, desire, intention and is willing to lease the said premises at an agreed consideration and upon the terms and conditions hereinafter set forth.

NOW THEREFORE: -

It is hereby agreed by and between the parties hereto as follows: -

1. The lessor agrees to make available to the Lessee for exclusive use the demised premises for a period of five years at a consideration of US\$ One Thousand (US\$ 1000) only per month payable in advance.
2. The period for the lease shall be five years commencing on 20th March 2009 to 19th March 2014.
3. That the Lease and consideration stipulated above is specifically in respect of the demised premises which are meant for commercial purposes only.

4. The Lessor further agrees to permit the Lessee to peacefully and quietly possess and enjoy the demised premises during the duration of the lease.
5. The Lessee will during the continuance of the said tenancy keep the demised premises in good and tenantable repair and will permit the lessor and his agents with or without workmen or others at all reasonable times with a prior notice to enter the demised premises and inspect the condition thereof.
6. The Lessee shall not erect any permanent structure without the consent of the Lessor in writing.
7. Notwithstanding paragraph 3 above, the Lessee shall not use the premises in a manner leading to public nuisance and/or contrary to the Laws of the Land.
8. The Lessee will on the determination/expiration of this lease deliver possession of the demised premises to the Lessor in a good tenable condition.
9. The Lessor undertakes to discharge all liabilities attached to the premises prior to this Lease including Land rent, electricity and water bills etc. Provided that all such liabilities save for the land rent shall be discharged by the Lessee from the date of commencement of the lease up to the end of the lease period.
10. It is hereby agreed that in respect of the demised premises the parties hereto shall respectively have all the rights and be subject to all the liabilities of a lessor and of a Lessee as provided by the law governing Landlord and Tenant relationship in Tanzania.
11. Each party reserves the right to terminate this Agreement upon issuance of a one month notice in writing, prior to the end of the term of the Lease.
12. In the absence of breach of covenants stipulated herein, the parties may renew this Lease for a similar period in accordance to the terms to be agreed between the parties.

WHEREFORE the Parties have put their hands on this Agreement as follows:-

SIGNED and **DELIVERED** at Dar es Salaam

On behalf of **MULTIMODAL TRANSPORT AFRICA LTD**

Who is identified to me by.....

this 6TH day of MARCH 2009

Name: GETRUDA SHUMBA

Address: P.O. Box 63353

Signature: [Signature]

Qualification: FINANCE MANAGER

Witness:

Signature: [Signature]

Address: P.O. Box 13108

Qualification: ADVOCATE

GRACE GODFREY MALEKANO
Advocate, Notary Public &
Commissioner for Oaths
P. O. Box 13108
DAR ES SALAAM

SIGNED and **DELIVERED** at Dar es Salaam

On behalf of **BALUCHISTAN GROUP OF INDUSTRIES LTD**

Who is identified to me by.....

this 6TH day of MARCH 2009

Name: KHUADAD BIZANJO

Address: P.O. Box 76760 DSM

Signature: [Signature]

Qualification: DIRECTOR

Witness:

Signature: [Signature]

Address: P.O. Box 13108

Qualification: ADVOCATE

GRACE GODFREY MALEKANO
Advocate, Notary Public &
Commissioner for Oaths
P. O. Box 13108
DAR ES SALAAM

MBL/AHR/GEN/CER/0786/09


Date: March 5, 2009


TO WHOM IT MAY CONCERN

This is to certify that **Ms. Baluchistan Trading Corporation**, having register Office A/9 Naik Muhammad Building Shah Abdul Latif Bhattai Kalri Lyari, Karachi are one of our valued customer.

The company is maintaining their Current Account # 1019-7 at our branch satisfactorily. This is to further confirm that Mr. Murad Jala Bizanjo S/o Jalal Bizanjo and Mr. Khudadad Bizanjo S/o Jala Bizanjo are the partners of the above said firms

This certificate is being issued at the request of the above mentioned firm without any risk and responsibility on the part of this bank of any of its officer.


Officer


Manager

BALUCHISTAN GROUP OF INDUSTRIES LIMITED

①

Box 76760 Dar es salaam

Date: 4th March 2009

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



Dear Sir,

RE: APPLICATION FOR TIC CERTIFICATE OF INCENTIVES

We hereby submit our application for TIC Certificate of Incentives to facilitate establishment of a project for manufacturing of Soap and Detergents in Dar es salaam.

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

1. Duly completed and signed Application Form
2. A copy of our Certificate of Incorporation
3. A copy of the company's Memorandum and Articles of Association
4. Company Board Resolution to register with TIC
5. copies of our Business Plan
6. Bank reference letter
7. Evidence of land ownership

Thanking you for your kind cooperation.

Yours' sincerely

BALUCHISTAN GROUP OF INDUSTRIES LIMITED

Khudadad Bizanjo
DIRECTOR



2

Name of the Company
Baluchistan Group Of Industries Ltd

Post Box	Tabata Industrial Area	COI Number	69855	Contact	Khudadad Bizanjo
Post Office	76760	COI Date	20/02/2009	Designation	Managing Director
Region	Dar Es Salaam	Application F. No	07743	Phone	0
Country	Tanzania	Status	New	Direct Phone	0
		Sector	Manufacturing	Cell Phone	0757 225250
		Sub Sector	Soap&Detergents	Fax	022 2182357
		File No	041661	E-Mail Address	Kdbizanjo@Hotmail.Com

Project Location		Investment Finance Plan in Millions USD										
Plot/Block	Plot no 8/1 Nelson Mandela	<table border="1"> <tr> <th>Foreign Equity</th> <th>Local Equity</th> <th>Foreign Loan</th> <th>Local Loan</th> </tr> <tr> <td>1.005</td> <td>0</td> <td>0</td> <td>0</td> </tr> </table>	Foreign Equity	Local Equity	Foreign Loan	Local Loan	1.005	0	0	0		
Foreign Equity	Local Equity		Foreign Loan	Local Loan								
1.005	0		0	0								
Street	Tabata											
District	Ilala											
Region	Dar es Salaam											

Shareholders Detail			Investment Breakdown (USD Million)	
Name	Nationality	(%)	Land/Building	0.25
Muhammad Arif	Pakistan	50	Plant	0.4
Murad Jalal	Pakistan	25	Vehicles	0.155
Khudadad Bizanjo	Pakistan	25	Furniture & Fittings	0
			Pre-expenses	0.05
			Others	0.05
			Working Capital	0.1
			Total	1.005

Employment	58	Evaluated By	Senzia Manager
Capacity	xxxx	Drawn By	Sarah Registry
Project Turn Over			

Description
To establish manufacturing of soap and Detergents

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

Decision
Approved
By Sarah Registry
17/2/09

3

TICC/PP.10/041661/3

23 March 2009

Managing Director,
Baluchistan Group of Industries Ltd,
P.O. Box 76760,
DAR ES SALAAM

**RE: CERTIFICATE OF INCENTIVES FOR INVESTMENT IN THE
ESTABLISHMENT AND MANUFACTURING OF SOAP AND
DETERGENTS**

We wish to acknowledge receipt of your project proposal to establish and manufacture soap and detergents as presented in the TIC P.A. 1 Form No. 07743 and Feasibility Study with a projected investment of USD 1.005 m.

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.

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

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

Yours sincerely,
Tanzania Investment Centre


B. D. Chonjo
For: Executive Director

.../2

TICC/PP.10/041661/3

23 March 2009

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

041661

JAMHURI YA MUUNGANO WA TANZANIA
THE UNITED REPUBLIC OF TANZANIA
STAKABADHI YA SERIKALI

30325387 1

TFN. 614 (Rev. 8.94)

EXCHEQUER RECEIPT

NIMEPOKEA KWA
Received from



KIASI
Amount

Shs.				Cts.
USD	7	50		

BARUCHISTAN GROUP OF INDUSTRIES LTD

JUMLA YA SHILINGI (Kwa maneno)
The Sum of Shillings (Words)

USD DOLLAR SEVEN HUNDRED FIFTY ONLY

NA SENTI
and Cents

KWA MALIPO YA
In Respect of

CERTIFICATE OF INCENTIVES

KWA FEDHA TASLIM/HUNDI NAMBA
By Cash/Cheque No.

CASH

Kituo - Station

SANJHU YA MPOKEAJI - Receiving Officer's
Signature.

[Signature]

CHEO - Title

Acc.

TAREHE - Date

30 MAR. 2009

[Signature]

For Executive Director
Tanzania Investment Centre



No 00215469

THE UNITED REPUBLIC OF TANZANIA

Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

No: ...04.1661.....

This is to certify that

BALUCHISTAN GROUP OF INDUSTRIES LTD

of address P.O. BOX 76 76 0

DAR ES SALAAM

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

BALUCHISTAN GROUP OF INDUSTRIES LTD

Which is located at PLOT NO. 8/1, NELSON MANDELA EXPRESSWAY.

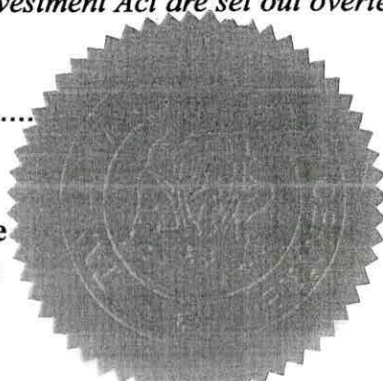
TABATA INDUSTRIAL AREA, ILALA - DAR ES SALAAM

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

Executive Director

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

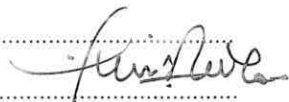
Dated 31ST MARCH 2009



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
Khudadad Bizanjo Pakistani 25
Murad Jalal Bizanjo Pakistani 25
Muhammad Arif Pakistani 50
2. Proposed Activities : To establish a project for manufacturing of soap and
detergents
3. Sector: Manufacturing Subsector Soap and detergents
manufacturer
4. Investment cost: Foreign USD 1.005m. Local - Total USD 1.005m.
5. Project Financing: USD 1.005m. - USD 1.005m.
Equity..... Loans..... Total.....
6. Source, terms and conditions of loan.....
7. Assets to be invested:
Capital items: Foreign Local Total
USD 1.005m. - USD 1.005m.
8. Technology Agreement None
9. Date of TIC Registration: 23rd March 2009
10. Implementation period March 2009 - February 2012
11. Operative date..... 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 And VAT as per Customs Tariff Act, 1976 & VAT Act, 1997
(ii) Applicable with-holding Tax As per Income Tax Act, 2004 (as amended)
(iii) Eligibility of Capital Allowances As per Income Tax Act, 2004 (as amended)
13. Protection of Investment, Arbitration and Transfer of Foreign Currency: as defined in part III Section 21, 22 and 23 of the Act.
14. Conditions attached to this Certificate of Incentives
(i) Date of Commencement of investment has to be notified to the Centre.
(ii) Certificate not to be transferred, assigned or amended
(iii) Failure to commence implementation within two years invalidates Certificate
(iv) Failure to operate investment must be notified to the Centre
(v) Changes in shareholding, project activities and level of invested capital must be notified to the centre
15. Additional conditions attached to Certificate
Finished goods are not allowed under this Certificate

Signed


Executive Director

(4)

BALUCHUSTAN GROUP OF INDUSTRIES LTD

P.O. BOX 76760 Dar es Salaam

Date: 16th April 2009

COMMISSIONER FOR COSTOMS AND EXICEZE
P.O. BOX 9053,
DAR ES SALAAM

JFS
EXECUTIVE DIRECTOR T.I.C
P.O. BOX 938
DRA ES SALAAM



SUB: EXEMPTION OF DUTY/ VAT ON CAPITAL AND DEEMED CAPITAL GOODS.

Respected Sir,

Keeping view the facts that Tanzania is country which has great opportunities of foreign investment is various fields and industries, due to attractive environment of investments. We are pleased to inform you that M/S Baluchistan Group of industries T.I.N no. 107-922-687 and T.I.C No. 041661, have an interest to make investment in Tanzania, and play important role to generate revenue, job opportunities and development of Tanzania.

We need a relief and wave off on import duties which enable us to import immediately and start industry. We assure you positive favorable reply and exemption of duty will helpful for us for further investment in various fields of mutual interest. We assure our best co-operation at times in all aspects.

Thanking you

Your sincerely

BALUCHISTAN GROUP OF INDUSTRIES LTD

P. O. Box 76760

.....DAR ES SALAAM.....

TANZANIA

Baluchistan Group of Industries Ltd

certified true copy
of The Original
Signature *[Signature]*
Date 24/2009



No 00215469

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

Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

No: ...041661.....

This is to certify that

BALUCHISTAN GROUP OF INDUSTRIES LTD

of address P.O. BOX 76 76 0

DAR ES SALAAM

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

BALUCHISTAN GROUP OF INDUSTRIES LTD

Which is located at PLOT NO. 8/1, NELSON MANDELA EXPRESSWAY,

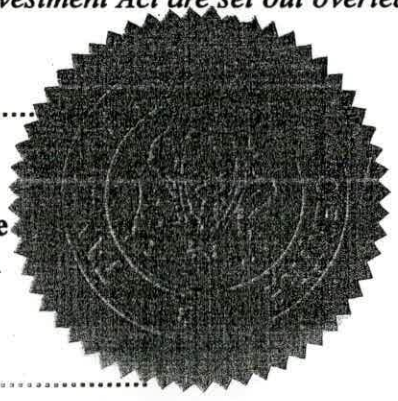
TABATA INDUSTRIAL AREA, ILALA - DAR ES SALAAM

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

[Signature]

Executive Director

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



Dated 31ST MARCH 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

	Nationality	Shareholding (%)
Khudadad Bizanjo	Pakistani	25
Murad Jalal Bizanjo	Pakistani	25
Muhammad Arif	Pakistani	50

2. Proposed Activities : To establish a project for manufacturing of soap and detergents

3. Sector: Manufacturing Subsector Soap and detergents manufacturer

4. Investment cost: Foreign USD 1.005m. Local - Total USD 1.005m.

5. Project Financing: Equity USD 1.005m. Loans - Total USD 1.005m.

6. Source, terms and conditions of loan

7. Assets to be invested:

	Foreign	Local	Total
Capital items:	USD 1.005m.	-	USD 1.005m.

8. Technology Agreement None

9. Date of TIC Registration: 23rd March 2009

10. Implementation period March 2009 - February 2012

11. Operative date 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 And VAT as per Customs Tariff Act, 1976 & VAT Act, 1997
 - (ii) Applicable with-holding Tax As per Income Tax Act, 2004 (as amended)
 - (iii) Eligibility of Capital Allowances As per Income Tax Act, 2004 (as amended)

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

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

15. Additional conditions attached to Certificate

Finished goods are not allowed under this Certificate

Signed


Executive Director

CTIN.: 0583899



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

BULUCHISTAN GROUP OF INDUSTRIES LTD

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

107-922-687

with effect from 15-04-2009


JOANNES N. A. MALLY

OFFICIAL SEAL

COMMISSIONER FOR DOMESTIC REVENUE

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

TICC/PP.10/041661/5

17/04/2009

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. 041661**

M/S Baluchistan Group Of Industries Limited is a TIC registered company with certificate of incentives **No. 041661** which is valid up to **February 2012**

The company has been registered with objectives of establishing and operating manufacturing of soap and detergents.

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