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PROJECT NO. US/UT/RAF/91/173

**STUDY ON THE REHABILITATION OF
INDUSTRIAL ENTERPRISES IN EAST AFRICA
THROUGH ENTERPRISE COOPERATION**

FINAL REPORT

BANGALORE - INDIA AUGUST 1993



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REHABILITATION OF INDUSTRIAL
ENTERPRISES IN EAST AFRICA
THROUGH ENTERPRISE COOPERATION

FINAL REPORT

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INDIA

DATE OF REPORT: AUGUST 1993

TABLE OF CONTENTS

	Page
I. PREAMBLE	1
II. REPORT ON FINDINGS	3
III. REPORT ON ENTERPRISE NETWORKING	7
IV. FEASIBILITY OF ENTERPRISE TO ENTERPRISE COOPERATION	13
V. DEFINING COOPERATION WITHIN THE FRAMEWORK OF "REHABILITATION"	14

I. PREAMBLE**INTRODUCTION**

On October 9, 1992, Messrs. Amarnath Kamath & Co., Management Consultants (AKC), Bangalore, India, signed contract no. 92/081 with UNIDO to provide management consultancy services for the "REHABILITATION OF INDUSTRIAL ENTERPRISES" in the East African countries of Tanzania, Uganda & Zambia.

The twin objectives of the assignment were:

- a) To advise the Governments of the respective countries and the selected enterprises on short and medium term measures to rehabilitate them and to provide direct assistance to them during the diagnostic study and
- b) To define and encourage possibilities and means for enterprise to enterprise co-operation between the industrial enterprises studied and similar enterprises in India for transfer of technology and technical assistance.

The Terms of Reference for this project state "...the East African industrial enterprises need to have access to appropriate technologies in order to minimise their investments and operate at reasonable cost." In this context, to meet the requirements of Objective (b) above, a report was to be prepared containing:

- i) the approach and procedures for maintaining enterprise to enterprise cooperation between the selected industrial enterprises in East Africa and similar industrial enterprises in India and
- ii) a list of the opportunities for enterprise to enterprise cooperation which were identified during the study.

In this report, "Industrial Rehabilitation through Enterprise Cooperation", AKC have:

1. Identified from the rehabilitation diagnostics, the need for services, equipment, spare parts, raw materials and technical assistance and examined the possibilities for providing the same by Indian enterprises.
2. Identified on the basis of (1) above, Indian enterprises capable of meeting the requirements of the selected East African enterprises and those interested to enter into in-plant cooperation agreements.
3. Prepared a report defining the approach and procedures for enterprise to enterprise cooperation and listed the domains and sectors (services, products, equipment) for transfer of technology and technical assistance.

All the enterprises studied, except for one, are PARASTATALS: organisations wholly owned by government. A report on the functioning of Parastatal enterprises is presented in Appendix I. The single exception: Masaka Food Processors Ltd., is a subsidiary of a farmers cooperative, Masaka Cooperative Union.

II. REPORT ON FINDINGS**A. ENTERPRISES SELECTED**

The enterprises selected for this industrial rehabilitation project, country-wise, were:

TANZANIA

- * KIBO Paper Industries Ltd. (KIBO Paper)
- * Tanzania Animal Feeds Co. (TAFCO)

UGANDA

- * Blenders Uganda Ltd. (BUL)
- * Bread Ltd. (BL)
- * Masaka Food Processors Ltd. (MFPL)

ZAMBIA

- * Premium Oil Industries Ltd. (POI)
- * Zambia Pork Products SME (ZAPP)

B. COMMON WEAKNESSES

Amarnath Kamath & Co. have identified four weaknesses, common to the seven enterprises studied:

1. Low calibre top management: This malaise was seen as the primary cause of "sickness" in all the parastatal enterprises studied. Recruiting qualified managers, training and motivating them and building effective management teams, is the cornerstone of this industrial rehabilitation programme.
2. Demonstrated weakness in technology management: Plant maintenance programmes, spares/materials planning and the technical development process in general have all been neglected. The problems in all three countries resulting from rapid devaluations and the lack of management systems to plan, implement and monitor these activities have also contributed to this weakness.
3. Unplanned/unstructured financial management systems: The enterprises studied do not have systems of capital budgeting and working capital management. Many of the problems relating to the deterioration of facilities & equipment were traced to poor funds management.

The enterprises studied require either an infusion of working capital and/or large expenditure on fixed assets. As financial support from respective governments is likely to be withdrawn, potential investors/collaborators will have to plan for a significant outlay of funds.

4. Weak marketing departments and sales activities: The marketing function in all the enterprises studied are either weak or non-existent. Business development is not viewed as a necessary activity. Sales departments operate mostly as despatch centres.

C. GOVERNMENT POLICIES AND STRATEGIES

In developing a framework of activities for enterprise to enterprise cooperation with Indian enterprises, Amarnath Kamath and Co. discovered the following:

1. **The Government of Tanzania** still does not have a clear policy on enterprise cooperation. Steps to form an organisation to handle privatisation and rehabilitation of sick parastatal enterprises are underway. The Government is willing to allow Indian companies to manage sick parastatal enterprises under specific management contracts, and have set the precedent (e.g. the management of Southern Paper Mills, Mgojolo is likely to be entrusted to Grasim Industries Ltd., India). The Government considers each request on merits.
2. **The Government of Uganda** has constituted two organisations to handle the rehabilitation of sick industries:
 - i. The Public Industrial Enterprise Secretariat (PIES), entrusted with the management of public sector enterprises.
 - ii. The Action Programme for Public Enterprise Reform and Divestiture (APPERD) constituted specifically for the restructuring and rehabilitation of 43 public enterprises.

APFERD have prepared a list of enterprises to be divested. Investors interested in acquiring enterprises on this list are offered the option to either buy the enterprise outright or operate it on a management contract. Seven enterprises on this list have been divested till date. Blenders Uganda Ltd., in Kampala, one of the enterprises studied, is high on APFERD's divestiture list.

3. **The Government of Zambia tenders sick enterprises through the Zambia Privatisation Agency (ZPA).**

During the course of our study, five sick enterprises had been offered for sale and bid documents collected.

The process of bid evaluation and sale was hampered by a lack of clear policies. This was further complicated by parties with vested interest exercising undue influence. To overcome these hurdles, Amarnath Kamath & Co. suggested that private management contracts be given to potential investors instead of outright sale. As ZPA directives regarding the sale of sick enterprises could not be circumvented, AKC's proposal was turned down.

III. REPORT ON ENTERPRISE NETWORKING

A. TANZANIA

1.0 Kibo Paper Industries Ltd. (KIBO Paper), Dar es Salaam

The study at KIBO Paper revealed poor, lenient and, at times corrupt management practices as the primary cause for decline.

KIBO Paper needs rehabilitation assistance in two functional areas:

a. DEVELOPING PROPER MANAGEMENT SYSTEMS, STRUCTURES & PRACTICES.

Two enterprises have been identified for networking with KIBO, one in Tanzania and the other in India. They are:

- Kibo Match Corporation in Moshi, Tanzania.
- Grasim Industries Ltd., India (also being considered for taking over the management of Southern Paper Mills in Mgololo).

Both companies have international management experience and strong management. Both supply raw materials to KIBO Paper. The Chief Executives of both companies have opened dialogues with KIBO Paper managers (Copies of the letters from Grasim Industries Ltd. may be found in Appendix II).

The Tanzania Karatasi Associated Industries (TKAI), the holding company of KIBO Paper has advertised seeking joint venture partners for KIBO Paper. A copy of the advertisement is given in Appendix III.

b. STREAMLINING PRODUCTION PROCESSES

i. KIBO Paper needs technical assistance to improve the quality of the paper board manufactured by it. Either one of the two companies mentioned above have the expertise to render assistance in this critical area.

ii. Recommendations have been made to modify the plant and equipment in the following manner:

AT THE PULP MILL

Install a second pulp refiner and a weighing scale, modify water treatment plant, install stainless steel hot water motor-pump combination fitted with a steel impeller for condensate return.

AT THE PRINTING PLANT

Recruit professional artists to improve the artwork, reduce air conditioning load by modifying the building, shift air compressor, improve lighting by installing halogen/mercury vapour lamps, install overhead electric crane, acquire new OMB machine, 5-tonne fork lift, high speed stitching machines, tea bag making machines, typeset machine and 120 KVA generator.

Most equipment in the list above can be obtained readily from a large number of manufacturers and suppliers in India. We recommend that KIBO Paper release an advertisement in India, inviting suppliers and manufacturers to submit competitive bids. Amarnath Kamath and Co. are prepared to assist in the evaluation of the bids received, and to recommend suppliers/manufacturers.

2.0 Tanzania Animal Feed Co. (TAFCO), Dar es Salaam

During the course of our study, this enterprise was offered for sale through international tender. A copy of the advertisement calling for bids is provided in Appendix IV. We have been informed that no worthwhile response has been received.

Efforts for the rehabilitation of TAFCO have been abandoned and the company is being wound-up.

B. UGANDA**1.0 Masaka Food Processors Ltd. (MFPL), Masaka**

As a cooperative enterprise, MFPL cannot be a candidate for rehabilitation through enterprise networking.

MFPL would benefit from a COMPLETE REHABILITATION package, given the condition of its plant and equipment. On behalf of MFPL, Amarnath Kamath & Co. submitted a project proposal to the Ministry of Industry and to UNIDO, requesting for grants through third-country finance.

Amarnath Kamath & Co., Bangalore, India rendered urgent, on-site assistance by:

- locating critical spare parts in Bangalore and Bombay
- evaluating a second hand bottling plant available from Denmark (see Appendix V).

2.0 Bread Ltd. (BL), Jinja

At present BL is managed by senior personnel deputed from the holding company: Uganda Grain Milling Corporation (UGMC). As UGMC is not eager to divest BL from its portfolio, Amarnath Kamath & Co. suggest two possible options:

1. A FULL MANAGEMENT CONTRACT be awarded to a competent group to operate BL on behalf of UGMC, or
2. Should UGMC bring a new, fully dedicated management team at BL, we recommend that a FUNCTIONAL MANAGEMENT CONTRACT for production management and related systems be awarded to a competent group.

To enable the plant and equipment to be used more efficiently AKC contacted companies in India for the supply of a slicer/bagging machine and a pneumatic conveyor system.

An offer for the slicer/bagger was sent by an Indian company. However, Bread Ltd. has informed the party that they are not in a position to import the equipment for some time. (See Appendix VI & VII)

An Indian company has been identified for installation of the pneumatic conveyor system. (Appendix VIII). A detailed proposal has been received and has been sent to Bread Ltd.

3.0 Blenders Uganda Ltd. (BUL), Kampala

BUL has been selected for divestiture. The enterprise needs both technical and management assistance for rehabilitation. While the tea blending and packing machines are in good working order, procurement of certain critical spare parts would improve performance and fetch better terms at the time of disinvestment.

One of the problems faced in divesting this enterprise is the confusion over the past and present share holdings. The original owners of BUL: Brooke Bond Oxo Ltd. have made inquiries about the position of their original share holdings. Amarnath Kamath & Co. recommend a serious dialogue with Brooke Bond (UK) & Brooke Bond (India) for possible technical, management & marketing assistance

C. ZAMBIA

1.0 Premium Oil Industries Ltd. (POI), Lusaka

POI is the largest edible oil refining factory in Zambia. It's 30-year history gives the enterprise a strong base from which to grow.

Production and engineering are the two problem areas at POI. The plant and equipment are in good working order. However, certain machines require urgent overhaul and reconditioning.

Edible oil processing companies in India were contacted to elicit interest in providing technical and managerial assistance to POI. The responses received were encouraging. The company found most suitable: Grasim Industries Ltd., expressed interest in inspecting the unit. Correspondence relating to this may be found in Appendix IX. Grasim executives could not get visas to visit Zambia due to the recent civil disturbances there (Appendix X).

Grasim, part of an international conglomerate based in India, have large oil extraction plants in South East Asia and other parts of the world. They have a strong systems oriented management team. Grasim would be an ideal candidate for a management contract.

POI would benefit significantly from a TECHNOLOGY UPGRADE PACKAGE (e.g. an external agency undertake the annual maintenance contract), Amarnath Kamath & Co. recommend a 5-YEAR MANAGEMENT CONTRACT. This time bound contract would help upgrade management and management systems at POI.

2.0 Zambia Pork Products SME (ZAPP), Lusaka

Although pork consumption in Zambia has not grown as dramatically as beef, there is potential for further growth.

ZAPP is a prime candidate for a MANAGEMENT CONTRACT. As meat processing is not an organized industrial activity in India, it has been difficult to locate interested network partners. Efforts continue to locate suitable network partners from India and elsewhere.

The Arab Bank for Economic Development of Africa, under the National Programme for the Second Industrial Development Decade for Africa, invited proposals for funding projects in Zambia. The Ministry of Industry requested ZAPP to furnish a proposal for rehabilitation of the Company. Our Senior Consultant assisted the Company in preparing the proposal.

IV. FEASIBILITY OF ENTERPRISE TO ENTERPRISE COOPERATION

During the course of this study, it was apparent that the Governments of Tanzania, Uganda and Zambia wanted to find ways and means to divest sick parastatal enterprises, to their best advantage.

All three Governments have constituted organisations to undertake the divestiture of these enterprises after evaluating their assets and their potential. Inquiries from potential investors are directed to these organisations.

The management teams in these sick parastatal enterprises are "lame ducks": managers unable to commit the organisation's resources for the long term, yet expected to keep the enterprise commercially viable in the short-term.

India can offer each of the enterprises studied the necessary technical assistance. A structured programme to access this expertise should be developed and brought into action. Potential collaborators from India would prefer to wait till the enterprises have been divested and the new owners and managers have taken over.

We recommend that this study on enterprise to enterprise cooperation be undertaken in greater depth after the divested enterprises have new owners and managers. Financial and technical assistance can be tied in with a plan for enterprise to enterprise cooperation. This would yield better operating results.

V. DEFINING COOPERATION WITHIN THE FRAMEWORK OF "REHABILITATION"**A. INDUSTRIAL REHABILITATION STRATEGIES**

Amarnath Kamath & Co. recommend four strategies for industrial rehabilitation through enterprise cooperation.

1. **MANAGEMENT CONTRACTS** - aimed at improving the overall performance of the enterprise through integrated management inputs. Companies awarded management contracts will be responsible for the commercial viability and profitability of the enterprise.
2. **FUNCTIONAL MANAGEMENT CONTRACTS** - for improving specific functional deficiencies through defined, time bound inputs.
3. **COMPLETE REHABILITATION PACKAGES** - through a planned infusion of funds, to restructure share capital and working capital, and rehabilitate the fixed asset base of the enterprise.
4. **TECHNOLOGY UPGRADE PACKAGES** - by providing technical assistance (including the establishment of systems and procedures) to upgrade plant and equipment; source spares and equipment to rehabilitate and upgrade the enterprise.

B. METHODOLOGY FOR ENTERING INTO COOPERATION AGREEMENTS**1. Management Contracts:**

Identify private companies who have successfully managed similar enterprises. These companies may include previous owners (corporations or individuals).

Invite them to visit the "sick" company and ask them to submit a proposal for rehabilitation.

Study the proposals received, select appropriate companies for final discussions.

Choose specific performance based incentives to encourage the foreign company to achieve set targets.

Companies awarded management contracts must achieve time bound performance targets, or be penalised.

2. Functional Management Contracts

Invite management consultants of international repute, who have considerable experience in developing countries, to study the "sick" enterprises and submit their proposals for specific management inputs.

Draw up contracts with selected consultants for well defined inputs and measurable outputs. Time and performance will be the essence of such contracts.

3. Complete Rehabilitation Packages

A consortium of banks (and financial institutions) and qualified national or international companies may be invited to submit a complete package to rehabilitate the sick enterprise.

Rehabilitation may include privatisation: a restructuring of the ownership of the sick enterprise.

The consortium may be permitted to bring in their own management teams as long as such teams have a specific task to be performed in the rehabilitation package.

Performance based incentives would attract the right consortium of companies and banks.

Time would be the essence of such contracts.

4. Technology Upgrade Packages

Identify specific technologies (plant and equipment) necessary to restore the commercial health of the sick enterprise.

Suppliers would be bound through international contracts to honour their commitments in maintaining the plant and equipment installed.

Training of personnel on the operations of the equipment installed is important.

APPENDICES

TABLE OF CONTENTS

- I. PARASTATALS - A CRITICAL REVIEW**
- II. COPIES OF 3 LETTERS FROM GRASIM INDUSTRIES LTD.**
- III. COPY OF ADVERTISEMENT RELEASED BY TKAI INVITING EQUITY PARTICIPATION IN KIBO PAPER**
- IV. COPY OF ADVERTISEMENT RELEASED BY TAFCO INVITING PROSPECTIVE INVESTORS**
- V. COPY OF OFFER FOR SECOND HAND BOTTLING PLANT**
- VI. COPY OF OFFER FOR BREAD SLICING MACHINES**
- VII. COPY OF LETTER FROM THE UGANDA GRAIN COMPANY LTD. EXPRESSING INABILITY TO IMPORT BREAD SLICING MACHINES**
- VIII. COPY OF OFFER FOR FLOUR HANDLING SYSTEM**
- IX. COPIES OF LETTERS FROM GRASIM INDUSTRIES LTD. & ORIENTAL ENGINEERS & CONSULTANTS**
- X. COPY OF TELEX MESSAGE REGARDING NON ISSUE OF VISAS FOR ZAMBIA VISIT**

APPENDIX I**PARASTATALS - A CRITICAL REVIEW**THE ORIGIN AND GROWTH OF PARASTATALS

In the post World War II era, newly independent countries (NICs), eager to get on with the task of nation building, created a government machinery to build infrastructure facilities to foster self-reliance, promote industry and the benefit of society. Enterprises, wholly owned by the government, were created to channel investments into the development of infrastructure, through a programme of nationalisation and through foreign-funded projects. Parastatals, as these enterprises are called in East Africa, were made responsible for such investments.

REALITIES OF THE INDUSTRIAL ENVIRONMENT IN EAST AFRICA

Parastatal enterprises in East Africa operate in an industrial environment characterised by:

- erratic electrical power supply
- factories operating well below capacity; many do not function
- enterprises facing severe shortages of working capital
- old and poorly maintained plant and machinery
- idle machines waiting for skilled and qualified workers.

Both privately owned companies and **PARASTATALS** operate in this industrial environment. Privately owned companies survive and succeed in overcoming the limitations of such an environment, perhaps because of their profit motivation and the inducement to reward investors. Most Parastatals have accumulated losses that have wiped out their net worth.

THE DEMISE OF PARASTATALS

Drawing on the experience of developing countries like India and from the findings of this study in East Africa it can be established that the performance of parastatal enterprises have declined due to:

- excessive Government regulation and control
- the absence of management accountability for resources entrusted to them.
- financial resources made available to parastatal enterprises, regardless of the performance of the enterprise
- employee's, feeling secure in government employment, contribute less towards the development and growth of the enterprise
- monopolist management styles have alienated enterprises from the realities of the marketplace and needs of the customer
- a negative interpretation of the terms "business" and "profit" to mean the antithesis of all that is good for society.

Parastatals have failed to become sustained, commercially viable enterprises because:

- Donor assistance is solicited and accepted with incomplete study and insufficient economic justification.
- Equipment from donors, received either as "gifts" or through concessional finance, are not costed on commercial terms. As a result, net worth and return on investment cannot be calculated.

- Investments in plant and machinery are not supported with adequate development of human resource within the organisation.
- Low salaries and poor benefits encourage the misuse of the resources of the enterprise at every level.
- The Boards of Directors are not made accountable for the resources under their command.

In most parastatal enterprises, plant capacity utilisation ranges between 20% and 40%. Employees live from one pay day to the next, indifferent to the enterprise's growth and progress.

Employees in "sick" parastatals (enterprises with a negative net worth) believe that a shortage of working capital is the main reason for the decline of the enterprise. They believe that injection of fresh funds will make the company successful.

THE SOLUTION

Given this condition of parastatals in East Africa, the terms "Rehabilitation" and "Privatisation" are being used by Government to direct the reform of policies that have ushered the demise of these enterprises.

REHABILITATION

The term **Rehabilitation** connotes assistance rendered to help recover from a mishap brought about by factors and events beyond one's control.

Applying this term to sick parastatal enterprises in East Africa is difficult. Parastatal organisations often become "sick" because of poor management practices and the absence of fiscal controls.

In Government, banking and parastatal circles in East Africa, "Rehabilitation" means an injection of fresh funds into the enterprise, both additional working capital and the purchase of new capital equipment.

The term "Rehabilitation" should be redefined and its new and proper context should be reinforced. While there may be good reason for fresh injection of funds either as working capital or for the purchase of plant and equipment, the principal activity of rehabilitation should focus on three areas:

- improvement in management systems
- improvement in financial controls, and
- the development of human resources (motivation and training)

G. PRIVATISATION

"Privatisation", the other activity that now occupies the time and effort of many governments, has acquired the connotation of "getting rid of.." an enterprise. Governments, unable to manage the complexity of problems in parastatal enterprises, enact legislation to sell their share holding to private companies, hoping that such companies would pay them a reasonable price and cure the sickness of the enterprise through an injection of management talent and funds. Many governments have established departments and organisations to plan and prepare parastatal enterprises for "disposal".

Evidence emerging from East Africa and India show that privatisation is not an easy task; that contrary to common perceptions, private companies are not eagerly waiting to buy sick parastatals; that money alone cannot cure the ills of parastatals.

Parastatal enterprises continue to play an important role in the economies of many developing countries. National and international forums continue to discuss and redefine the roles and perceptions of parastatal enterprises in the new world order.

Parastatal enterprises have, in the past, contributed to the development of nations. It has now become necessary to plan for their rehabilitation. The cure may be a long time in coming, but proper steps to make these enterprises worthy contributors to national development should now be taken.

R.N. Saboo

F.I.B.M. (India), F.B.I.M. (London)

SENIOR EXECUTIVE PRESIDENT

GRASIM INDUSTRIES LTD.

Bilakootam - Mavoor - 673 661

Calicut - Kerala

15th February 1993

Dear Shri Seetharam,

As you are aware, we are negotiating with National Development Corporation, Dar-es-salaam, Tanzania, regarding taking over the management of Southern Paper Mills, Mgololo. In this connection, the undersigned would be at Dar-es-salaam on 11th March 1993.

If I correctly remember, you told me that KEBO Paper Industries Ltd., on which a diagnostic study and rehabilitation was taken up for the UNIDO Contract, would also be available for taking over of management. During my visit to Dar in March 93, I would like to visit KEBO plant and understand its working with a view to ascertain whether it would be economically viable.

I, therefore, request you to make necessary arrangements for my visit and also let me know the person whom I should meet.

With kind regards,

Yours sincerely,

(R.N. Saboo)

Shri C.R. Seetharam,
Team Leder,
Amanath Kamath & Co.,
221, Raheja Chambers,
Museum Road,
BANGALORE 560001.

GRAM : 'WOODPULP'
'STAPLE'
TELEX : 0804-242



FACTORY OFF
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FAX

63721-26 (CALICUT) 16 (MAVOOR)
65433/63724 (CALICUT) 55 (MAVOOR)
0495-63437

R.N. Saboo

F.I.B.M. (India), F.B.I.M. (London)
Senior Executive President

APPENDIX II (ii)

GRASIM INDUSTRIES LTD.
Muvattur - 673 661
Kozhikode - Kerala

25th March 1993

Dear Shri Seetharam,

I was in Tanzania from 11th to 16th. I tried to contact Mr. Januarius G. Mrema; but I was told that he is sick. Then I tried to contact Mr. Jared Msanjo. He was not available; and I left a message for him. But he did not contact me.

This is for your information.

With best regards,

Yours sincerely,

(R.N. Saboo)

Shri C.K. Seetharam,
Amarnath Kamath & Co.,.,
221, Raheja Chambers.
12, Museum Road,
BANGALORE 560001.

APPENDIX II (iii)



GRASIM INDUSTRIES LIMITED

Brihokoolam, Mavoor - 673 661

Kozhikode (Kerala)

Phone: Calicut - 63721 26

Telegram WOODPULP

Telex 0804 242

6th April 1993

Dear Shri Seetharam,

Thank you for your letter dated 2nd April.

We require the complete details of the plant and machinery, Annual Report, Balance Sheet and Profit & Loss Account for the last 3 years of Kibo Paper Industries Limited. Only after making a detailed study of the same, we can let you know our interest. Therefore, if possible, you may bring these details with you.

With regards,

Yours sincerely,

(R.N. Saboo)

Shri C.R. Seetharam,
Amarnath Kamath & Co.,
221, Raheja Chambers,
12, Museum Road,
Bangalore 560001

The Tanzania Karatasi Associated Industries (TKAI) established under the Public Corporation Act, 1969, invites prospective investors for equity participation in its manufacturing subsidiaries listed hereunder.

1. National Printing Co. (NPC)

The National Printing Co. (NPC) was incorporated in 1966. This company is easily the largest publicly owned printing company in the country. It enjoys a significant market share in the graphics industry. The main products/services include: Newspapers, magazines, books, Kalamazoo business systems and Security printing matter.

Although NPC had rehabilitated its machinery & equipment recently, it now aims to go into colour printing newspapers for which new more modern machinery must be sourced and installed.

A long term goal is to produce newspapers electronically in 4 upcountry centres through a process of networking and desk-top publishing.

NPC therefore needs investors well-versed in the graphics technology to plan, source and finance these modernization ideas, taking advantage of its well trained manpower and a dependable captive market.

2. Kibo Paper Industries Ltd.

Kibo Paper Industries Ltd. With its Headquarters at Chang'ombe Industrial area is the largest single paper converting company engaged in the manufacturing of corrugated boxes and Gumtapes rolls, multiwall paper bags eg. cement and sugar paper bags, printed inner cartons of different kinds and a variety of labels.

The company also owns a Paper Mill in Pugu Road Industrial area which recycles waste paper blended with virgin pulp to produce brown and white test liners and fluting etc. It also produces duplex or whitelined chipboards ranging from 250 to 450 grammes per square metre (gsm).

Kibo Paper Industries boasts of a 50% market share in the paper based packaging subsector. Following completion of machinery rehabilitation recently, its production capacity has now been considerably enhanced. A new four colour press has been installed enabling it to produce many types of attractive packaging cartons etc.

Kibo Paper Industries now intends to keep abreast with opportunities offered by the PTA and SADC market and would like to invite interested parties to participate in both equity and management of this growth oriented company in modernization, reequipping, and technology improvement.

Individual company profiles will shortly be completed and made available to all interested parties, from the undersigned, who will also arrange visits to the above companies.

Applications and enquiries should be directed to:

Director General
Tanzania Karatasi Associated Industries (TKAI)
P.O. Box 2418
Dar es Salaam
Tel. 32716, 35816
Fax 46953

6-10-92

INVESTMENT OPPORTUNITY JOINT VENTURE/LEASING

APPENDIX IV

Tanzania Animal Feeds Co. Ltd., (TAFCO) invites prospective investors: Public Parastatals, Private to companies and Individuals, local and Foreign based, to enter into Joint Venture in the Production of Animal Feeds at its plants situated in Dar es Salaam, Moshi, Mbeya and Mwanza.

It also offers opportunity for investors who would be able to lease those plants at specific bilateral negotiations and Agreements.

The Company profile is provided as hereunder:

LOCATION: PLANT PRODUCTION CAPACITY

- | | |
|--|--------------------------|
| 1. Dar es Salaam (Pugu Road) Plant (Pugu Road Industrial area Plot No. 74) | 10 Tonnes feeds per hour |
| 2. Moshi Plant (Moshi Industrial area) | 5 Tonnes feeds per hour |
| 3. Mwanza Plant (Mwanza Industrial area) | 5 tonnes feeds per hour |
| 4. Mbeya Plant (Mwanjelwa Industrial area) | 2½ Tonnes feeds per hour |

103127/168733

2. PRODUCTS:

Poultry feeds:

- Broiler mash
- Layers complete meal
- Growers mash
- Chick and duck mash
- Pellets.

Dairy feeds:

- Lamb and ewe meal
- Calf weaner
- Dairy meal
- Horse meal

MANPOWER STRENGTH:

- Pugu Road Plant 112 employees
- Moshi Plant 40 employees
- Mbeya plant 37 employees
- Mwanza

The company currently employee a total No. of 189 employees.

Management — Local management
Investment — NMC is 100% Shareholder.

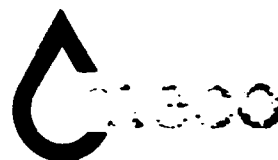
Prospective investors are invited to send proposals and applications to the:—

Acting General Manager,
Tanzania Animal Feeds Co. Ltd.,
P.O. Box 40450,
DAR ES SALAAM.

For more information please visit us at our Head Office Pugu Road Dar es Salaam.

Applications should be submitted to us within three weeks from the 1st date of advertisement.

Approved in the daily News of
Gm / October / 1992



- 1 -

C. R. Seetharam
Project & Systems Management Services
211, 8th Cross Golal, H. M. T Layout
Mathikere, Bangalore 560054
India
fax 812346305

Date: 93.02.19
Ref.: G99.3/VJ
Number of pages inclusive this page: 6

SUBJECT: 2ND HAND BOTTLING PLANT

Dear Mr. Seetharan

In connection with the last offer for a 2nd hand bottling plant, sent to you by fax 11 February, 1993, we now have a second possibility as enclosed in this letter.

This quotation gives you the chance to choose single items or a complete plant, and is valid subject to items not being sold to other parties on time of order.

Please note that the given prices are FOB.

If you wish our services concerning freight, please feel free to contact us.

Please inform us, which offer you find the most interesting, and come back to us as soon as possible.

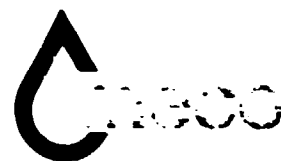
If you have a client who are seriously interested, we suggest that he comes to Denmark for an inspection of the merchandises.

Yours Sincerely

Miss Vibeke Jørgensen/Meco Aps Denmark

For your information enclosed further possibilities for other plants that might have your interest:

- 1) Carton filling plant
- 2) Mixing plant
- 3) Boiler plant
- 4) Compressor



POS. BOTTLING PLANT

DKK

1	Bottle washing machine, manufacturer Zierk, type Takina H 19/110, year 1978 - with row filler	199,500
2	Labelling machine, manufacturer Langguth, type E 23/27 Unks, year 1986 capacity max. 18.000 bottles per hour	166,250
3	Brushing machine for wrapping of paper around bottles used to project juice from light manufacturer Sina, year 1987	33,250
4	Labelling machine, manufacturer Kronos, type Bonomatic S-BR, year 1975 - capacity 14.000 bottles per hour	159,600
5	Accumulating table	13,300
6	Box filler, manufacturer Rico, year 1978 - sundry box size parts	66,500
7	Plate heat exchanger with pumps etc. manufacturer Pasilac	26,600
8	Round table bottling machine, manufacturer Winterwerb-Streng, type Unima 32Tlg150, year 1968 - 0,25-0,33 litre bottles, capacity max. 10.000 bottles per hour	33,250
9	Crown-cork, manufacturer Bertolasi, type Beta 105, year 1981 - 0,25-0,33 litre bottles, capacity 3.500-10.000 Bottles per hour	66,500
10	Bottleinspector, manufacturer Perry Wehmiller, type Optiscan I	} 26,000
11	Coustic soda control, manufacturer Ponndorf, type Selectall II	
12	Bottle scraping machine, build by Bent Tang, year 1990 - semi automatic loading of new bottles from pallets	159,600
13	Box emptier, manufacturer Winterwerb-Streng, type I, year 1974 - tools for various box sizes	26,600



14	Round table bottling machine, manufacturer Noll-Minden, year 1971 - 40 valves, pressure 7 bar, content 117 litres Crown cork with 8 closing heads Screw cap fixer with 6 closing heads	133,000
MONOBLOK		
15	CO2-mixer, manufacturer Noll-Minden, type S, year 1971	93,100
16	Screw cap machine, manufacturer Zalkin, type CA3, year 1968 - 31,5 mm cap diameter, prepared for 6 closing heads, relief of plastic bottles	106,400
17	Bottle turner, manufacturer Gronemeyer, year 1986 - 6-30 m/second, bottle diameter 50-150 mm	133,000
18	Tunnelpasteurizer/cooler manufacturer Krones/Zierk, type Pastina P8000, year 1981	332,000
19	Decoration cap fixer, manufacturer Andersen-Bruun S4H	26,600
20	Palleting plant, manufacturer AGEB, year 1974 - Brewery pallets and EUR-pallets	66,500
21	Revenue label machine, manufacturer Thorsted Machines, type IPS, year 1982 - capacity max. 22 units per minut	106,400
22	Sundry transport bands for boxes and bottles, manufacturer Bent tang (most of it) - stainless, good quality * Prices to be agreed according to actual requirements.	*
23	Box filler, manufacturer Anker Andersen, year 1974 - for 30 pcs. and 24 pcs. standard boxes/bottles 0,25 litre, capacity approximately 18.000 bottles per hour	33,250
24	Brushing machine for wrapping of paper around bottles used to protect juice from light,	13,200



manufacturer Anker Andersen, year 1980
- capacity about 10.000 bottles per hour

- 25 Labelling machine, 133,000
manufacturer Kronos, type Prontomatic, year 1974
- capacity 5.000-26.000 bottles per hour

Bottle neck labels 0,25 litre and 0,33 litre bottles

- 27 Bottle- washing machine, 33,250
manufacturer Winterwerb-Streng, type Noviloma 24/110,
year 1971

CARTON FILLING PLANT

- 29 Aircooled liquidcooler, 19,950
manufacturer Flakt, type RKAN, year 1982
- 4 pcs. fans with speed-change selector,
watertank with circulating pump, attached spraysystem
- 30 Cardboard closing machine - 2 pcs., 6.650/pcs.
manufacturer Nopi, type 720
- capacity 10m per minut
- 31 Poly film wrapping machine, 19,950
manufacturer SMC, type KB 45
- 32 Compressing machine for waste 32,250
(cardboard)
manufacturer Aalborg Hydraulik
- capacity 4.700 kg

MIXING PLANT

- 33 Ventilating system in bottling plant 266,000
manufacturer HJV Ventilation, year 1989
- roof unit with regulating valve, filter boxF85, water
heating surface and ventilator, with 2 speed
25.500/12.750 m³ per hour.
Injecting armature type "Floormaster" 4 pcs. +
sundry exhaust ventilators.
- 34 Mixing tanks, iron - 6 pcs. 39,900/pcs.
manufacturer Herning container factory
- 70.000 litres , painted outside/coated
inside with 2 agitators
- 37 Mixing tanks stainless - 3 pcs., 33,250/pcs.
manufacturer Kolding

	- 10.000 litres, vertical with agitator	
38	Mixing tanks stainless - 2 pcs., manufacturer Kolding - 10.000 litres, vertical, with agitator and sight glass, funnel at the top	33,250/pcs.
40	Mixing tanks with cover stainless - 3 pcs., manufacturer Kolding, type 10.B, year 1953 - 10.000 litres, for pouring in floor, with stirring device	13,300/pcs.
41	Tanks stainless - 4 pcs., manufacturer P & W - 12.000 litres, laying, with stirring device and sight glass	26,600/pcs.
42	Filter, manufacturer Seitz, type 40/61, year 1971 - 30 sheets	
43	Mixing tanks stainless - 3 pcs., manufacturer L. Brandstrup - 10.000 litres, vertical, agitator	33,250
45	Storage tanks - 47 pcs., manufacturer Herning Beholderfabrik, approximately year 1962 - 20.000 litres, painted outside, inside coated	6,650-13,300/pcs.
46	Storage tanks - 12 pcs., - 10.000 litres, painted outside, inside coated	8,600/pcs.

BOILER PLANT

49	Steam boiler with Elco burner, manufacturer D.S.V., type D.R.K., year 1968 - capacity 50 m ² , 7,5 atm., 16 hours supervision 2 pcs. Grundfos feed pumps	133,000
50	Hot water boiler with Weishaupt burner, manufacturer Vølund, type GO-V, year 1973 - capacity 1.600.000 Kcal/hour, 2.500 litres expansion tank, 2 pcs. D.A.E. circulating pumps	66,500
51	Auto ion changing plant, manufacturer Silhorko, type S.F. 1201, year 1986 - capacity 13,5 m ³ - 30 litres per minut	19,950
52	Watertreatment plant,	26,600

	manufacturer Silhorko, type S.F. 362, year 1985 - 2 containers, automatic regeneration	
53	Oil unit, year 1979 - with filter and 2 pumps	13,300
54	Oil tank, manufacturer Herning Beholderfabrik, year 1974 - 40.000 litres, with heater, vertical	6,650
55	Oil tank (light oil), manufacturer Herning Beholderfabrik, year 1974 - 10.000 litres, vertical	6,650

COMPRESSOR

57	Screw compressor, manufacturer Atlas Copco, type G.A. 308, year 1977 - capacity 3,0 m ³ per minut	} 106.400
58	Oil filter, manufacturer Atlas Copco, type P.D. 200 - capacity 11,88 m ³ per minut	
59	Screw compressor, manufacturer Atlas Copco, type G.A. 508, year 1984 - capacity 5,0 m ³ per minut	
60	Piston compressor, double manufacturer Stenhøj, type K.A.22.AD, year 1974 - capacity 3,0 m ³ per minut, 500 litres tank	5,200


VIJAYA INDUSTRIAL & ENGINEERING WORKS

DESIGNERS AND SUPPLIERS OF CHEMICAL PLANTS

REF:VIEW/3800/93-94

25-5-1993

THE UGANDA GRAIN MILLING COMPANY LTD.

Jinja

U G A N D A.Attn: Mrs. ASSEY L.N. MUKASA

Dear Madam,

We refer to your letter PSM/5/93 Dtd.12-4-1993 and are pleased to offer you the following:-

1. Supply of One Semi Automatic Slicing Machine with Mechanical Feed arrangement for cutting bread with 3 HP Motor. Loading and unloading platforms are of Stainless Steel. Capacity 30 loaves/minute.
2. Supply of conveyor to move the sliced bread to the packing table.
3. Sealing unit - Manual table model.

Cost for each unit : 8500 US \$ each C.I.F. Jinja Via Entebbe.

Unit will be Air freighted till Entebbe and transported to Jinja by Tempo.

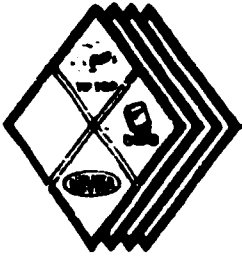
Incase you order for 3 Nos. the total cost will be : 25,000 US \$ CIF Jinja.

TERMS OF SUPPLY:-

PAYMENT	: 100% Against irrevocable L/C favouring our Bankers from any United Kingdom Bank.
COUNTRY OF ORIGIN	: India
PRICE	: Freight paid till Madras port.
PACKING	: In wooden crates.
DELIVERY	: Within 16 weeks from the date of acceptance of irrevocable L/C No. claims can be entertained for compensation for delay or failure in effecting shipment due to circumstances beyond our control.
VALIDITY	: 60 days from 25-5-1993.

45/4, 7th Cross, 80 Feet Road, VI Block, Rajajinagar, Bangalore.560010

Phone : Factory : 353053 Res. : 322122



The Uganda Grain Milling Company Ltd.

PLEASE ADDRESS CORRESPONDENCE TO THE COMPANY NOT INDIVIDUALS

P.O. Box 895 JINJA UGANDA
 Offices: 1-7 Tobacco Road, JINJA
 Telegrams: UGRAIN
 Telephone: 043 20054/20171/21949
 Telex: 64066 UGRAIN
 Fax: 043 20060

Your Ref:

Our Ref:

Date:

Psm/5

June 22, 1993

Vijaya Industrial & Engineering Works,
 45/4 7th Cross, 80 Feet Road, VI Block,
 Rajajinagar, Bangalore-560010,
 India.

Attn: S. Venkaji Rao.

Dear Sir,

Ref: Semi Automatic Bread Slicing Machine.

We are in receipt and make reference to your offer no. VIEW/3800/93-94 dated 25/5/1993. for the supply of one Semi Automatic Bread Slicing Machine with Conveyor and Manual sealing unit, to our bakery at a total cost of U.S. \$ 8,500 per unit.

We regret our inability to import these bread slicing machines in the near future, but have taken note of your address and product and will not hesitate to contact you, or pass your address to prospective investors in Uganda, should the need arise.

We appreciate the interest you have showed in our operations.

Best Regards,
 for UGANDA GRAIN MILLING COMPANY LTD.,

R. Engena
 R. Engena
PURCHASING MANAGER.

EE/



AMARNATH KAMATH & CO.
MANAGEMENT CONSULTANCY DIVISION

221, RAHEJA CHAMBERS, 12 MUSEUM ROAD, BANGALORE-560 001 INDIA
TEL 589600, 589700 FAX 91-812-589800

August 9, 1993

M/c. Macawber Beckay Ltd.,
L-8, Green Park Extn.,
NEW DELHI 110 016

Dear Sir,

Ref: MB/S-125/AGJ/1352

We are in receipt of your fax dt. 07.08.93. The details requested by you are as follows:

1. Bulk density of wheat flour : 512 kg./Metre cube
2. Particle size of wheat flour: Same as the maize used in India for bread
3. Most of the electrical wiring is available at site.

However, any extra control panels, structural work and support for equipment will have to be designed by you and the Company in Uganda will get it done.

You might have to consider a preliminary visit to the factory to study the scope of work and you can budget for it (appr. Rs. 50,000 for one visit including economy air fare and hotel for 3 days and conveyance) in your proposal.

Thanking you,

Yours truly,

C. R. SEETHARAM

MACAWBER BEEKAY LIMITED

(A Joint Venture Company with Simon Macawber Limited, U.K.)



PHONES: 660349, 563414, 669803, 663179
TELEX: 031-73010 BKAY IN
GRAM: DENSEVEYOR
FAX: 011-6863566

BEEKAY HOUSE
L-8, Green Park Extn. New Delhi-110016, India

BE/P-571/AGJ/2876

M/s. Amarnath Kamath & Co.
Management Consultants
201, Raheja Chambers,
12 Museum Road,
BANGALORE - 560 001

Kind Attn : Mr. C.B. Sutharaz

Subject : Wheat Flour Handling System for Mysore Flour Mills

Dear Sirs,

We thankfully acknowledge the receipt of your enquiry regarding the above mentioned subject matter and are pleased to submit our most competitive offer.

We wish to introduce ourselves as a joint venture company in collaboration with M/s. Simon Macawber Ltd., U.K. manufacturing some phase pneumatic conveying systems in India. These are the latest development in the field of pneumatic conveying. It is the result of extensive R&D activities and work experience gained through years of involvement in the field of various materials like petroleum coke, fly ash, bottom ash, coal, lime, silica, sand, chemicals, cement, pig iron, steel, iron ore, pig iron, limestone powder, iron ore, dolomite, hematite and many other materials.

SALIENT FEATURES :

Denseveyor systems working on Macawber's dense phase technology are totally enclosed and devoid of any sort of leakage. They are very simple equipments completely free from complicated linkages and moving parts which require regular and costly maintenance. The material moves through pipe slowly as a coherent slug at a very low velocity which keeps the wear and tear of the system to a bare minimum. Denseveyors have the following distinct merits which facilitate them for their incorporation in modern industrial industries:

- (i) Denseveyor has no moving parts, hence a couple of valves, make the maintenance problems are negligible.
- (ii) These systems require very less space and conveying pipes are laid overhead which save investment in the plant construction.
- (iii) Conveying pipe erosion is negligible thus recurring costs are negligible.
- (iv) There is no spillage of material and hence their operation is pollution free.
- (v) Denseveyor system generally does not require any excavation, trenches, underground work and hence the cost of installation depends on plant layout.

Registered Office: L-8, Green Park Extension, New Delhi-110016

GENERAL PRINCIPLE OF OPERATION :

The operation of the system is very simple and fully automatic. System shall have dual-operatability either through level probe or auto timer. In auto-timer mode, the system shall have continuous cycle after a preset interval of time. In level-probe mode, level probe provided in the surge hopper (above Ash Vessel/Denseveyor) shall sense the presence of material to initiate the conveying cycle. Dome valve shall open and allow the material to gravitate into the vessel till it is closed automatically, by the timer preset as per process parameters. On closure of dome valve, dome valve seal gets inflated and signals the conveying air injection into the vessel. The vessel is pressurised and material resistance helps pressure build up, which conveys the material to the destination silo. When conveying is complete, the pressure drops down nearly to atmospheric pressure and is sensed by the control system, the air supply to the system is stopped. The Denseveyor is ready for the next cycle.

The total system is made automatic by use of level probe in destination silo which control the transfer of material.

WRITE-UP ON DOME VALVE :

We have offered you the most successful and proven system for material handling based on the technology developed and perfected by our collaborations Simon-Macawber Ltd., U.K., systems largely owes its success to the uniquely featured Dome Valve incorporated in the system.

Dome Valve is simple in concept but revolutionary in performance. It is of such a design which when opens, keeps away from the path of material. It works on displacement principle and does not come in the path of material which ensures the prolonged life of the valve making it most reliable and least maintenance-prone. It has inflatable pneumatic sealing arrangement which is inflated during closed condition. This ensures perfect sealing with no escape/leakage of compressed air thus minimising the energy consumption and also maintenance costs.

Dome valve operates through the movement of sharp edged dome which cuts through the static column of material. These unique features distinct it from other type of valves like butterfly, cone, plate, flap etc. which may not close through a static column of material which will intrupt operational cycle. These valves have metal to metal seating with no proper sealing thus resulting heavy leakage, energy wastage and maintenance problems. These valves also erode rapidly as these fall in the path of material, thus affecting efficiency of the system, leading to maintenance problems and costs and shut down.

Dome valve is developed by our collaborators and has been patented all over the world.

TECHNICAL SPECIFICATION :

1. Material : Wheat Flour
2. Bulk Density : 0.512 T/M³
3. Conveying Distance : 200 Metres
4. Conveying Rate : 6 TPH
5. Material Receiving Point : 1 No.
6. Material Conveying Point : 1 No.

OPERATIONAL SCHEME :

We have devised our scheme on the above mentioned details as furnished by you.

The purchaser's milling silo shall feed the flour into a surge chute which shall be provided at the bottom of silo or directly to the Denseveyor vessel. In the surge chute/silo, a level sensing switch shall be provided. From the outlet of surge chute/silo, we propose to provide 1 No. 200 mm NB Manually operated isolation plate valve and 1 No. Model 12/8/4 Denseveyor. We shall provide a fluidising arrangement in the surge chute/silo for easy feeding of the flour into the Denseveyor and we shall use small amount of air for the same.

From the outlet of Denseveyor a pipe work comprising of 100mm NB M.S. ERW (heavy) pipe line, M.S. plate flanges drilled as per BS-10 Table 'D' with M.S./C.I. bends and fittings shall be provided upto the Bakery Silo.

1 No. 100 mm NB Terminal Box shall be provided at the top of Bakery Silo for smooth discharge of flour into the silo. 1 No. Vent filter shall also be provided on silo top to clean the vent out air. A level probe shall be provided in the Bakery Silo for high level sensing.

You have asked us to fit automatic weighting systems at the milling silo and Bakery Silo. However, in our proposal we wish to design our system in such that in one cycle approximately 0.293 M³ of flour shall be conveyed through Denseveyor from milling plant silo to Bakery Silo i.e. the system shall maintain an approximate volumetric controlled conveying. However, we shall provide an automatic weighting system at the Bakery Silo outlet for the exact weighting of 150 Kg flour at a time. The flour shall be fed from Bakery Silo by a rotary vane feeder through flexible pipe to a surge hopper which is a part of weighting system and a cylinder operated plate valve shall be fitted at the outlet of weighting system. A printer shall also be attached with the automatic weighting system for recording.

We shall provide a compressor of required capacity with necessary accessories for dry & odour free air for conveying purpose and dry & lubricated air for control/instrumentation purpose.

We propose to provide an electrical control panel in purchaser's existing control room in nearby area which shall have the controls, interlocks, mimic etc. pertaining to our system. All civil works & pipe structural supports are excluded from our scope.

A flow diagram showing envisaged system enclosed herewith for your reference.

NOTE :

In your specification you have specified that the client wants automatic weighting system in milling plant silo also. This silo is not in our scope of work. As described above there is actually no need to fit a weighting system at this end. If however, you specifically want a weighting system, then there are two options possible :-

- a) Fit a weighting system on milling silo itself with a rotary feeder at its outlet to fill Denseveyor vessel.
- b) Have a rotary feeder at silo outlet which will feed the surge hopper mounted on load cells. A cylinder operated plate valve will be located below the surge hopper, which will open when correct quantity of material is filled in the surge chute.

The above methods as such are not recommended because in a Densephase conveying system some material is always left in the pipeline which is picked up in the next cycle.

So in every cycle a different amount of material may be left picked up. Hence our proposal is based on rough volumetric capacity conveying and weighting at the actual consumption points only.

All pipelines, vessels etc. will be in mild steel or cast iron construction and seal of Denseveyor will be rubber. In case stainless steel is required anywhere, the same should be specified for giving you necessary increased rates for the same.

OUR SCOPE OF SUPPLY :

The scope of work pertaining wheat flour conveying system as described under operational scheme shall be as under:-

The scope of supplies shall be as under :-

1. 1 No. Surge chute of mild steel plate construction, 1 M³ capacity, if space permits.
2. 1 No. Level sensing switch of surge chute.
3. Fluidising arrangement at the surge chute.
4. 1 No. 200 mm Nh Manually operated isolation plate valve.

5. 1 No. Model 12/8/4 Dansever or rated for 6 TPH.
6. 330 Metres of 100 mm NB ERW (heavy) piping with flanges, gaskets and fasteners etc.
7. One lot of (4 Nos.) 100 mm NB long radius M.S./C.I. bends.
8. 1 No. 100 mm NB Terminal valve.
9. 1 No. Vent air filter on bakery silo.
10. 1 No. Level switch on Bakery Silo.
11. 1 No. Rotary vane feeder.
12. 1 No. Flexible pipe.
13. 1 No. Automatic Weighting System comprising of a steel hopper on load cells with printer.
14. 1 No. 200 mm NB Cylinder operated plate valve.
15. 1 No. non-lubricated air compressor of capacity 10 M³/Min. at 6 to 7 bar(g).
16. 1 No. Air dryer of capacity 10 M³/Min.
17. 1 No. Activated carbon filter.
18. 1 No. 2 M³ Air receiver in M.S. construction (IS:206) with accessories.
19. Necessary length of air piping.
20. 1 No. Electrical control panel.

EXCLUSIONS FROM OUR OFFER/PROVISION TO BE MADE BY PURCHASER :-

1. All civil, structural, electrical feeder for compressor & control panel and complete erection work. However, we shall provide drawings for structural works for pipe support.
2. Necessary power/control cabling required for the system.
3. Lighting, earthing system.
4. Silos at milling plant and Bakery plant.

PRICES :

1. Our prices towards Design and Engineering shall be Rs. 3,20,000/-
(Rupees *Three lacs twenty thousand only*)

2. Our prices towards Manufacture & Supply of the equipments as detailed in our scope of supply shall be Rs. 23,83,700/- (Rupees *Twenty three lacs eighty three thousand seven hundred only*)
3. Our Prices towards Supervision of Erection and Commissioning shall be as per enclosed Terms & Conditions.
4. Our prices towards Other Visits shall be as per enclosed Terms & Conditions.

DELIVERY :

The offered equipments shall be delivered to Bombay/New Delhi container Depot port within 6 months from the date of receipt of order alongwith advance and opening of irrevocable Letter of Credit for supplies.

We hope you will find our offer most competitive and in line of your requirement. Should you require any other information/clearification, please do not hesitate to contact us.

Thanking you

Yours faithfully,
for MACAWBER BEEKAY LIMITED,

A. S. Jebarajan
(A.G. JEBARAJAN)

- Encl :-
1. Catalogue - General
 2. Terms and Conditions.
 3. Flow Diagram.
 4. Reference List.
 5. Performance Certificate.

R.N. Saboo

F.I.B.M. (India), F.B.I.M. (London)

SENIOR EXECUTIVE PRESIDENT

GRASIM INDUSTRIES LTD.

Birlakootam - Mavoor - 673 661

Calicut - Kerala

20th February 1993

My dear Shri Seetharam,

I thank you for your letter dated 16th February enclosing a Note on Premium Oil Industries Ltd.

It would have been better if you would have given the following information also :-

- 1) Details of plant and machinery with installed capacity.
- 2) Production & Profit and Loss A/c (yearwise)
- 3) Approximate investment required to revamp the project
- 4) Any other important points which you feel should be considered for taking over.
- 5) Total installed capacity of the product in the country and the share of Premium Oil Industries
- 6) Countries to which excess production can be exported

With regards,

Yours sincerely,

(R. N. Saboo)

PS - Please try to ...
 important ...

Shri C.R. Seetharam,
 Senior Consultant,
 Amarnath Kamath & Co.,
 221, Raheja Chambers,
 12, Museum Road,
BANGALORE 560001

GRAM : WOODPULP
 'STAPLE'
 TELEX : 0804-242

FACTORY OFF
 FACTORY RES
 FAX

63721-26 (CALICUT) IS (MAVVOOR)
 65433/63724 (CALICUT) IS (MAVVOOR)
 0495-63437

Oriental Engineers & Consultants

88 Main Road, Whitefield, Bangalore - 560 066

Phone 84-2327, City Off: 34-2690, 34-0896

Cable Extracts, Telex 845-5038 AEL IN

Fax (91)-812-348700

April 10, 1993

Mr. Amarnath Kamath,
M/s. Amarnath Kamath & Co.,
221, Raheja Chambers,
Museum Road,
Bangalore - 560 001

Dear Sir:

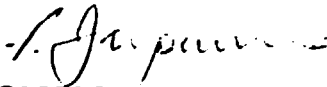
Sub: Maintenance at Premium Oil
Industries, Lusaka, Zambia.

With reference to the above subject, we would be interested in taking up the maintenance contract which could also include the training up of maintenance personnel in Premium Oil Industries, Lusaka.

However, before taking any decision on this matter, we would like to receive a letter of invitation from the company itself outlining the scope of work and how to send our budgetary offer. Please also indicate mode of payment.

Thanking you,

Yours faithfully,
For ORIENTAL ENGINEERS & CONSULTANTS


PARTNER

*
8452066 CSCY IN
804 242 PULP IN

*
8452066 CSCY IN
804 242 PULP IN

8/3/93

FROM : RM DABOO
FOR SHRI C R SEETHARAM BANGALORE

ON ACCOUNT OF EMERGENCY DECLARED IN TANZANIA, CONSUL AT
DELHI NOT ISSUING VISA. HENCE PROCEEDING TANZANIA CONSUL
SHALL MEET MR JANUARIUS G. MUSA AND MR JARED MUSA. C.
MR JARED MUSA IN TANZANIA REU : BIRU PAPER COLLECTION, 175 ...

REGARDS

MSG OVER*
8452066 CSCY IN
804 242 PULP IN*****

1 msg