

# PRIME MINISTER'S OFFICE

## TANZANIA INVESTMENT CENTRE

FILE BEGINS	ENDS	PART
PART	FILE TITLE	FILE NUMBER TIC/
FILE NUMBER TIC/	<b>CONFIDENTIAL</b>	PP-10  041631
INDEX HEADINGS		

Officer or Section	For Action F/M	Initials	Date	Action taken Vide F/M	Officer or Section	For Action F/M	Initials	Date	Action taken Vide F/M
DIF	f1	cu	19/10/09						
Revocatus	f1	b	20/11/09						
DAF	Mh	b	21/11/09						
DIF	f4	sh	24/3/09						
Zakaria	f4	b	25/2/09						
EXD	M2	b	29/2/09						
	f1	sh	3/3/09						

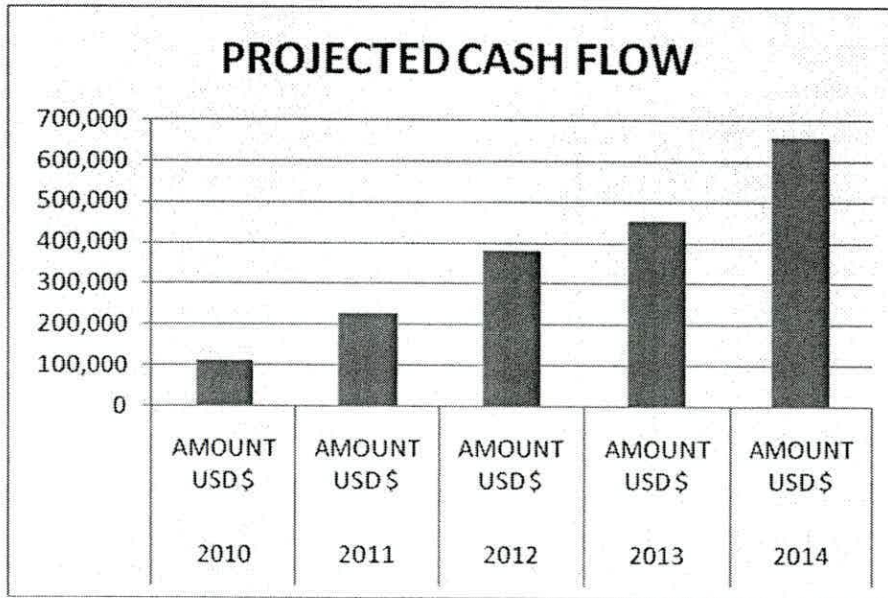
MORO COT LTD

## ANALYSIS OF KEY FINANCIAL RATIOS

	2010	2011	2012	2013	2014
	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT
	USD \$	USD \$	USD \$	USD \$	USD \$
<b>A SOLVENCY LIQUIDITY</b>					
1 Current Ratio	3.97	6.95	19.39	21.29	22.16
2 Quick Acid Test Ratio	3.36	5.85	17.11	19.60	20.32
3 Liquid Ratio	2.22	4.73	15.17	17.95	18.70
4 Debtors/Sales Ratio	0.08	0.07	0.06	0.05	0.06
<b>B PROFITABILITY</b>					
5 Return on Investment(%)	7.18	8.55	12.18	14.91	15.08
6 Return on Net Assets(%)	7.18	8.55	12.18	14.91	15.08
7 Return on Fixed Asset(%)	8.96	13.24	24.70	29.08	39.24
8 Return on Fixed Capital(%)	8.96	13.24	24.70	29.08	39.24
9 Return on Sales(%)	7.83	9.53	13.70	17.42	19.25
10 Return/Current Assets (%)	27.02	20.70	22.79	29.16	23.39
11 Sales/Debtors Ratio	19.83	22.97	30.36	38.94	35.92
12 Cost of Sales /Sales Ratio(%)	47.04	46.83	44.48	42.34	41.11
13 Fixed Assets/ Total Assets	80.12	64.62	49.31	51.27	38.44
14 Period cost/Sales Ratio(%)	41.77	39.56	35.96	32.78	31.39
15 Gross Profit/Sales Ratio(%)	52.96	53.17	55.52	57.66	58.89
16 Return on Networth(%)	35.36	39.82	47.49	52.38	54.27
17 Growth in Profits		29.23	59.85	40.92	16.08
<b>C EFFICIENCY</b>					
18 Debtors Turnover	12.00	13.44	16.67	21.52	16.67
19 Average Collection Period	30.42	27.15	21.90	16.96	21.90
20 Inventory/Current Assets Ratio(%)	15.37	15.74	11.78	7.91	8.30
21 Inventory Turnover	22.44	13.80	14.12	21.17	14.64
22 Fixed Assets Turnover	1.14	1.39	1.80	1.67	2.04
23 Total Assets Turnover	0.92	0.90	0.89	0.86	0.78
24 Working Capital Turnover	4.61	2.54	1.75	1.76	1.27
25 Sales Growth (Annual)		6.25	11.18	10.83	5.00

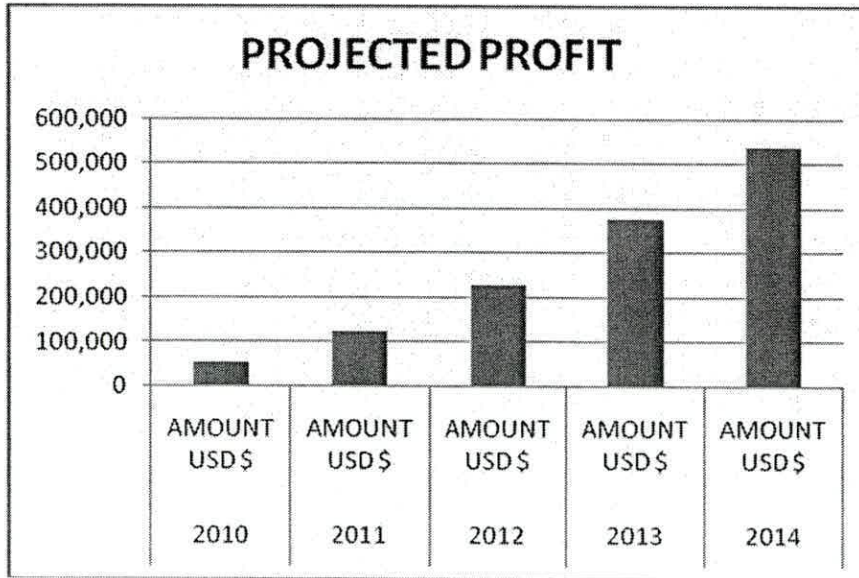
## CASH FLOW PROJECTION

	2010 AMOUNT USD \$	2011 AMOUNT USD \$	2012 AMOUNT USD \$	2013 AMOUNT USD \$	2014 AMOUNT USD \$
CASH FLOW	111,936	230,224	383,979	455,645	660,132



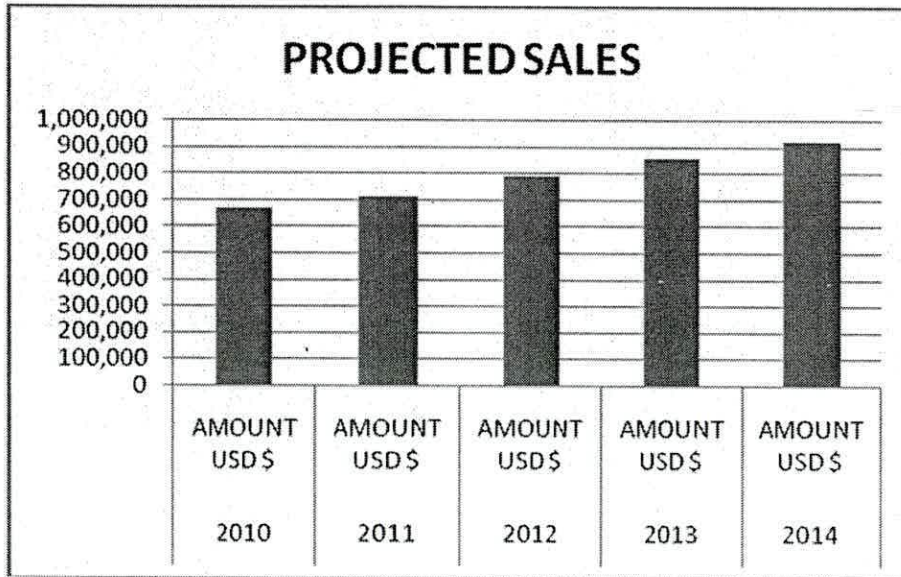
### PROJECTED PROFIT

	2010 AMOUNT USD \$	2011 AMOUNT USD \$	2012 AMOUNT USD \$	2013 AMOUNT USD \$	2014 AMOUNT USD \$
PROFIT	54,138	124,099	229,727	375,841	539,988



### PROJECTED SALES

	2010	2011	2012	2013	2014
	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$
SALES	670,464	712,368	791,986	859,685	921,673



### PAYBACK PERIOD ANALYSIS

	YEAR 0	2010	2011	2012	2013	2014
	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$
Profit After Tax		54,138	69,960	111,833	157,600	182,939
Depreciation		75,750	75,750	75,750	75,750	75,750
Total		129,888	145,710	187,583	233,350	258,689
Discounted Cashflow		113,439	127,258	163,828	203,799	225,929
Capital Cost	700,000					
Remaining amount		-586,561	-459,303	-295,475	-91,675	134,254
<b>Pay Back Period</b>						<b>5</b>

### BREAK EVEN ANALYSIS

	2008	2010	2011	2012	2013	2014
	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$
Sales Revenue		691,200	734,400	816,480	904,932	950,179
Variable Costs		325,135	343,926	363,150	383,175	390,585
Contribution Margin		366,065	390,474	453,330	521,757	559,594
Fixed Costs		288,724	290,530	293,568	296,614	298,252
Contribution Margin Ratio %		52.96	53.17	55.52	57.66	58.89
Beak even Sales		5,452	5,464	5,287	5,144	5,064
Break even Point (%)		0.79	0.74	0.65	0.57	0.53

<b>ADMINISTRATION EXPENSES</b>	2010	2011	2012	2013	2014
<b>ITEM</b>	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$
Salaries & Wages	98,410	98,410	98,410	98,410	98,410
Nssf	9,841	9,841	9,841	9,841	9,841
Insurance	42,000	42,000	42,000	42,000	42,000
Audit Fees	2,000	2,000	2,500	2,500	2,500
Telephone Fax Charges	1,595	1,675	1,758	1,846	1,939
Printing & Stationery	2,655	2,735	2,817	2,901	2,988
Travelling Expenses	5,000	5,150	5,305	5,464	5,628
Motor Vehicle Running Expenses	6,600	6,798	7,002	7,212	7,428
Marketing & Advertising	6,912	7,344	8,165	9,049	9,049
Godown Rent	12,000	12,000	12,000	12,360	12,360
Director's Housing Rent	6,000	6,000	6,000	6,000	6,000
Government I Fees(Permits)	3,000	3,000	3,100	3,100	3,200
Uniforms	500	500	500	600	600
Miscellaneous Expenses	13,005	13,656	14,338	15,055	15,808
Management Fees(3%Turnover)	3,456	3,672	4,082	4,525	4,751
<b>Total Admin Expenses</b>	<b>212,974</b>	<b>214,780</b>	<b>217,818</b>	<b>220,864</b>	<b>222,502</b>

<b>COST OF SALES</b>	2009	2010	2011	2012	2013
<b>ITEM</b>	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$
Output in Kilogram	384,000	408,000	432,000	456,000	456,000
Cost of Raw Materials					
Average cost@Kg of materials \$	0.5	0.5	0.5	0.5	0.5
Cost of Materials \$	201,600	214,200	226,800	239,400	239,400
Packing materials (1% Sales)	6,912	7,344	8,165	9,049	9,502
Sub Total Cost Us\$	208,512	221,544	234,965	248,449	248,902
Utilities	5,312	5,591	5,763	6,166	6,635
Consumables	8,000	8,400	8,820	9,261	9,724
Oil & lubricants	10,000	10,500	11,025	11,576	12,155
Repair & Maintenance	44,000	46,150	48,408	50,778	53,267
<b>Total inputs</b>	275,824	292,185	308,980	326,231	330,683
<i>Capacity Utilisation</i>	80%	85%	90%	95%	95%
<i>Cost of Electricity kwh</i> 90	94	99	95	99	104
<i>Estiamted cost@kwh</i> \$	0.07	0.07	0.07	0.07	0.08
<i>Cost of Electricity Power</i>	3,846	4,048	4,048	4,452	4,921
	0	0	0	0	0
Sub Total Energy cost (\$)	3,846	4,048	4,048	4,452	4,921
<i>Water Requirement ( Litres)</i> 12000	10260	10800	12000	12000	12000
<i>Cost@ Litres</i> \$	0.14	0.14	0.14	0.14	0.14
Total Cost of Water	1,466	1,543	1,714	1,714	1,714
<b>Total Utilities Cost</b>	5,312	5,591	5,763	6,166	6,635
Consumables Spares (2%Machinery value)	8,000	8,400	8,820	9,261	9,724
Oils/lubricants(10%Machinery value )	10,000	10,500	11,025	11,576	12,155
Maintenance Productive Assets					
Buildings(1%of value) 1%	1,000	1,000	1,000	1,000	1,000
Motor Vehicles (15%of value) 15%	24,750	25,988	27,287	28,651	30,084
Furniture& Fittings (5%of value) 5%	250	263	276	289	304
<b>Sub Total Maintanance cost</b>	44,000	46,150	48,408	50,778	53,267
<b>COST OF SALES</b>	<b>325,135</b>	<b>343,926</b>	<b>363,150</b>	<b>383,175</b>	<b>390,585</b>

<b>REVENUE ESTIMATES</b>	2010	2011	2012	2013	2014
<b>ITEM</b>	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$
Daily installed Capacity	1500	1501	17	17	17
Annual working Days	320	320	320	320	320
Annual Installed Capacity Kg	480,000	480,000	480,000	480,000	480,000
Production Target %ageof Capacity	80%	85%	90%	95%	95%
Planned Production Kg	384,000	408,000	432,000	456,000	456,000
Planned Extraction Recovery Rate	0.250%	0.00225	0.00225	0.00225	0.00225
Average Price per Kg	Us\$ 1.80	1.80	1.89	1.98	2.08
Planned Revenue Export Sales	Us\$ 691,200	734,400	816,480	904,932	950,179
VAT	20%	20%	20%	20%	20%
Value of Tax Us\$	138,240	146,880	163,296	180,986	190,036
<b>Net Sales Revenue</b>	<b>691,200</b>	<b>734,400</b>	<b>816,480</b>	<b>904,932</b>	<b>950,179</b>

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<b>SALARIES &amp; WAGES</b>	<b>NUMBER</b>	<b>MONTHLY PAY</b>	<b>MONTHS</b>	<b>ANNUAL PAY</b>
Production Manager	1	1000	12	12,000
Accountant	1	850	12	10,200
Salesmen	3	250	12	9,000
Production Engineer	2	800	12	19,200
Machine operators	10	70	13	9,100
Drivers	5	200	12	12,000
Secretary	1	150	12	1,800
Watchmen	4	50	12	2,400
	<b>26</b>	<b>6,308</b>	<b>12</b>	<b>75,700</b>
Add Allowances 30%		1893		22,710
Sub -Total	<b>26</b>	<b>8201</b>		<b>98,410</b>
<b>GRAND TOTAL SALARIES</b>				<b>98,410</b>

### DEPRECIATION & AMORTISATION SCHEDULE

GROSS FIXED ASSETS		2010	2011	2012	2013	2014
		AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$
Land & Buildings		100,000	100,000	100,000	100,000	100,000
Plant Machinery & Equipments		400,000	400,000	400,000	400,000	400,000
Motor Vehicles		165,000	165,000	165,000	165,000	165,000
Furniture & Fittings		5,000	5,000	5,000	5,000	5,000
Computer and software		10,000	10,000	10,000	10,000	10,000
<b>TOTAL</b>		<b>680,000</b>	<b>680,000</b>	<b>680,000</b>	<b>680,000</b>	<b>680,000</b>
ANNUAL DEPRECIATION	RATE	AMOUNT				
Land & Buildings	2%	2,000	2,000	2,000	2,000	2,000
Plant Machinery & Equipments	12.50%	50,000	50,000	50,000	50,000	50,000
Motor Vehicles	12.50%	20,625	20,625	20,625	20,625	20,625
Furniture & Fittings	12.50%	625	625	625	625	625
Computer and software	25%	2,500	2,500	2,500	2,500	2,500
<b>Total Annual Depreciation</b>		<b>75,750</b>	<b>75,750</b>	<b>75,750</b>	<b>75,750</b>	<b>75,750</b>
Accumulated Depreciation		75,750	151,500	227,250	138,000	213,750
<b>NET FIXED ASSETS</b>		<b>604,250</b>	<b>528,500</b>	<b>452,750</b>	<b>542,000</b>	<b>466,250</b>

## SCHEDULES AND TABLES

**1**

FINANCING PLAN	AMOUNT	PERCENT
EQUITY	700,000	100.00
LOAN	0	0.00
<b>TOTAL FINANCING</b>	<b>700,000</b>	<b>100.0</b>

**2**

PROJECT COST SUMMARY	2009 AMOUNT USD \$	2010 AMOUNT USD \$	TOTAL AMOUNT USD \$
Land & Buildings	100,000	0	100,000
Plant Machinery & Equipments	350,000	50,000	400,000
Motor Vehicles	115,000	50,000	165,000
Furniture & Fittings	5,000	0	5,000
Others	10,000	0	10,000
<b>Total Capital Cost</b>	<b>580,000</b>	<b>100,000</b>	<b>680,000</b>
Working Capital	0	20,000	20,000
<b>TOTAL PROJECT COST</b>	<b>580,000</b>	<b>120,000</b>	<b>700,000</b>

# MORO COT LTD

## PROJECTED BALANCE SHEET FOR THE PERIOD

	2010	2011	2012	2013	2014
	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT
	USD \$	USD \$	USD \$	USD \$	USD \$
<b>NON CURRENT ASSETS</b>					
Land & Buildings	100,000	100,000	100,000	100,000	100,000
Plant Machinery & Equipments	400,000	400,000	400,000	400,000	400,000
Motor Vehicles	165,000	165,000	165,000	165,000	165,000
Furniture & Fittings	5,000	5,000	5,000	5,000	5,000
Pre operational Expenses	10,000	10,000	10,000	10,000	10,000
<b>Total</b>	<b>680,000</b>	<b>680,000</b>	<b>680,000</b>	<b>680,000</b>	<b>680,000</b>
Less Accumulated Depreciation	75,750	151,500	227,250	138,000	213,750
<b>Non Current Assets</b>	<b>604,250</b>	<b>528,500</b>	<b>452,750</b>	<b>542,000</b>	<b>466,250</b>
<b>CURRENT ASSETS</b>					
Stocks	30,796	53,207	57,832	42,745	64,894
Debtors	57,600	54,623	48,989	42,046	57,011
Cash and Bank Balance	111,936	230,224	383,979	455,645	660,132
<b>Total Current Assets</b>	<b>200,332</b>	<b>338,054</b>	<b>490,800</b>	<b>540,436</b>	<b>782,037</b>
<b>CURRENT LIABILITIES</b>					
Creditor	47,660	45,062	19,558	17,282	25,890
Tax Payable	2,784	3,598	5,751	8,105	9,408
<b>Total Current Liabilities</b>	<b>50,444</b>	<b>48,660</b>	<b>25,310</b>	<b>25,387</b>	<b>35,298</b>
<b>NET CURRENT ASSETS</b>	<b>149,888</b>	<b>289,393</b>	<b>465,490</b>	<b>515,048</b>	<b>746,739</b>
<b>TOTAL NET ASSETS</b>	<b>754,138</b>	<b>817,893</b>	<b>918,240</b>	<b>1,057,048</b>	<b>1,212,989</b>
<b>FINANCED BY</b>					
Share Capital	700,000	700,000	700,000	700,000	700,000
Revenue Reserve	54,138	117,894	218,240	357,049	512,988
Networth	754,138	817,894	918,240	1,057,049	1,212,988
Loan	0	0	0	0	0
<b>TOTAL</b>	<b>754,138</b>	<b>817,894</b>	<b>918,240</b>	<b>1,057,049</b>	<b>1,212,988</b>

# MORO COT LTD

## PROJECTED CASH FLOW STATEMENTS FOR THE PERIOD

	2010	2011	2012	2013	2014
	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT
	USD \$	USD \$	USD \$	USD \$	USD \$
<b>CASHFLOW FROM OPERATIONS</b>					
Sales	670,464	712,368	791,986	859,685	921,673
<b>Subtotal Cash Received</b>	<b>670,464</b>	<b>712,368</b>	<b>791,986</b>	<b>859,685</b>	<b>921,673</b>
<b>Expenditures from Operations:</b>					
Cost of Sales	325,135	343,926	363,150	383,175	390,585
Administrative expenses	233,392	243,949	263,593	286,053	299,602
<b>Subtotal Cash payment</b>	<b>558,528</b>	<b>587,876</b>	<b>626,743</b>	<b>669,228</b>	<b>690,186</b>
<b>Cashflow From Operations</b>	<b>111,936</b>	<b>124,492</b>	<b>165,242</b>	<b>190,457</b>	<b>231,487</b>
<b>CASH FROM INVESTMENTS:</b>					
Investments Outflow	-700,000				
Re-Investment				-100,000	
<b>Cash from Investment</b>	<b>-700,000</b>	<b>0</b>	<b>0</b>	<b>-100,000</b>	<b>0</b>
<b>CASH FLOW FROM FINANCING:</b>					
Owners Equity	700,000				
Dividends	0	-6,205	-11,486	-18,792	-26,999
<b>Cash from Financing</b>	<b>700,000</b>	<b>-6,205</b>	<b>-11,486</b>	<b>-18,792</b>	<b>-26,999</b>
<b>NET CASHFLOW FOR PERIOD</b>	<b>111,936</b>	<b>118,287</b>	<b>153,756</b>	<b>71,665</b>	<b>204,488</b>
<b>CASHFLOW AT START OF YEAR</b>		111,936	230,224	383,979	455,645
<b>CASHFLOW AT THE END OF YEAR</b>	<b>111,936</b>	<b>230,224</b>	<b>383,979</b>	<b>455,645</b>	<b>660,132</b>

## MORO COT LTD

### PROJECTED PROFIT AND LOSS STATEMENTS FOR THE PERIOD

	2010 AMOUNT USD \$	2011 AMOUNT USD \$	2012 AMOUNT USD \$	2013 AMOUNT USD \$	2014 AMOUNT USD \$
Sales Revenue	691,200	734,400	816,480	904,932	950,179
Less: Cost of Sales	325,135	343,926	363,150	383,175	390,585
<b>Gross Profit</b>	366,065	390,474	453,330	521,757	559,594
Administration Expenses	212,974	214,780	217,818	220,864	222,502
<b>Operating Profit</b>	153,090	175,693	235,512	300,893	337,092
Capital & Financial Charges					
Depreciation	75,750	75,750	75,750	75,750	75,750
Loan Interest	0	0	0	0	0
Sub Total	75,750	75,750	75,750	75,750	75,750
<b>Profit before Tax</b>	77,340	99,943	159,762	225,143	261,342
Taxable Income	77,340	99,943	159,762	225,143	261,342
Tax (30%)	23,202	29,983	47,928	67,543	78,403
<b>Profit After Tax</b>	54,138	69,960	111,833	157,600	182,939
Profit brought Forward	0	54,138	117,894	218,240	357,049
Profit for Appropriation	54,138	124,099	229,727	375,841	539,988
APPROPRIATION ACCOUNT					
Dividends Rate	0	5%	5%	5%	5%
Amount	0	6,205	11,486	18,792	26,999
Revenue Reserve	54,138	117,894	218,240	357,049	512,988
Total	54,138	124,099	229,727	375,841	539,988

**Financial statements  
&  
Other schedules**

## **8.0 CONCLUSION AND RECOMMENDATIONS**

### **8.1 Conclusion**

**M/S MORO COT LIMITED** set out a proposal for establishment of a project for processing, bottling and distribution of quality and safe drinking to be located at plot No.22 Mkula village Kilombero, Morogoro

The foregoing discussion above has highlighted on the social, economic and financial dimensions of the envisaged project. The project is technically feasible, financially and economically viable also environmentally friendly. A fast implementation of the project is highly recommended and called for to avoid cost overruns and be able to realize the benefits outlined above

### **8.2 Recommendations**

Provided all other economic factors remain substantially the same, it is strongly recommended that the project be implemented with immediate effect. It is further recommended that TIC Certificate of Investment Incentives be granted to enable smooth implementation of the project.

## **6.2 PROJECTED PROFIT AND LOSS STATEMENTS**

Presented in detail in Financial Statements and summarized below for the first five years of operation are the projected profit and loss statements

## **6.3 Balance Sheet Projections**

The Financial Statements analyses the projected balance sheet over the five year period of the project operations. From the projections it is observed that, current liabilities are adequately covered by current assets throughout the period. Again from the perspective of the new investors, net worth of the company grows quite substantially in five years of operation as shown in the financial statements herein attached

## **7.4 Revenue and Profitability**

Project financial evaluation shows attractive profits which are realized right from the first year of operations. Net profit increases from \$ 54,138 in year 1, to \$ 539,988 in year 5. This is based on the assumption that most of the project equipments are zero rated or bears a very small rate of Import duty

## **7.5 Projected Cash flows:**

The projected cash flow of the project reveals a health financial position throughout the 5 years under projection. Cash surplus increases from \$ 111,936 in year I to \$ 660,132 in year 5. However, accumulated amounts would be available for re-investment into project as found convenient by the directors.

The proportion of water meters connected to costumers reached 80 percent in 2006, from 78 percent in 2005, whereas the unaccounted water use improved to 37.5 percent in 2006 from 50 percent in 2005. Earnings for 19 Urban Water Supply Authorities (UWSAs) increased to shs. 22.6 billion in 2006, from shs. 19.2 billion in 2005.

## 6.0 FINANCIAL PROJECTIONS AND ANALYSIS

Based on the assumptions discussed above, Profit and Loss projections, Cash flow projections and Balance sheet projections have been prepared and are presented as under Financial Statements annex

### 6.1 Other Operating Costs

Other project costs have been calculated based on the current open market prices and costs as appearing under Annual Costs of Products section of the Financial Statements Appendix. The following are the major items

<b>ADMINISTRATION EXPENSES</b>	2010	2011	2012	2013	2014
<b>ITEM</b>	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$
Salaries & Wages	98,410	98,410	98,410	98,410	98,410
Nssf	9,841	9,841	9,841	9,841	9,841
Insurance	42,000	42,000	42,000	42,000	42,000
Audit Fees	2,000	2,000	2,500	2,500	2,500
Telephone Fax Charges	1,595	1,675	1,758	1,846	1,939
Printing & Stationery	2,655	2,735	2,817	2,901	2,988
Travelling Expenses	5,000	5,150	5,305	5,464	5,628
Motor Vehicle Running Expenses	6,600	6,798	7,002	7,212	7,428
Marketing & Advertising	6,912	7,344	8,165	9,049	9,049
Godown Rent	12,000	12,000	12,000	12,360	12,360
Director's Housing Rent	6,000	6,000	6,000	6,000	6,000
Government I Fees(Permits)	3,000	3,000	3,100	3,100	3,200
Uniforms	500	500	500	600	600
Miscellaneous Expenses	13,005	13,656	14,338	15,055	15,808
Management Fees(3%Turnover)	3,456	3,672	4,082	4,525	4,751
<b>Total Admin Expenses</b>	<b>212,974</b>	<b>214,780</b>	<b>217,818</b>	<b>220,864</b>	<b>222,502</b>

In order to ensure that trans-boundary water resources of the Ruvuma Basin are properly developed, utilized and managed, an agreement to form a Joint Water Commission between Tanzania and Mozambique was signed.

In 2006, a total of 1,276 water samples were collected and analyzed for physical - chemical and bacteriological evaluation. The samples were collected from various water sources, pipeline systems and boreholes. The results of samples collected showed that the water was clean and safe.

### **Rural Water Supply**

In 2006, village water committees increased to 11,077, from 10,701 in 2005, while the number of villages with water funds increased from 10,009 in 2005, to 10,120 in 2006. In addition, a total of shs. 1,999,429,759 was collected by villages with water funds.

In 2006, a total of 429 boreholes were drilled, compared to 398 drilled in 2005, equivalent to an increase of 7.2 percent. Moreover, a number of registered Water Boards increased to 75 in 2005/06, from 67 in 2004/05.

### **Urban Water Supply**

In 2006, people supplied with clean and safe water increased to 76 percent from 74 percent, in 2005. Due to prolonged drought and power rationing in many part of the country, the total water production decreased from 101,337,870 cubic metres in 2005 to 93,306,183.06 cubic metres in 2006.

One third of Tanzania receives less than 800 mm of rainfall and is thus arid or semi-arid. Only one third of the rest of the country has precipitation of above 1,000 mm. Also the long dry season, normally extending from June to October, has an effect on low river flows and drying of water reservoirs. However, about 7 % of Tanzania land surface is covered by lakes which border the country apart from other inland lakes. These include lake Victoria (second largest fresh water lake in the world), Lake Tanganyika (second deepest lake in the world), and lake Nyasa.

Inland lakes include Lakes Rukwa, Eyasi and Manyara. There are also big rivers flowing to the lakes. Ground water is also another source of water for both urban and rural settlement areas.

In 2006, geophysical surveys were conducted in nine basins including: Lake Victoria Basin (33), Rufiji Basin (10), Internal Drainage (154), Wami/Ruvu Basin (174), Pangani Basin (38), Lake Nyasa (4), Ruvuma Basin (19), Lake Rukwa (44) and Lake Tanganyika (27).

In 2006, inspection of waste water treatment plants was conducted in eight mines, 87 industries and estates, and 5 urban water supply and sewerage authorities, in order to make sure that water sources within four basins, including Wami/Ruvu; Lake Victoria; Lake Tanganyika; and Pangani River, are not polluted by effluent and waste water.

In 2006, a total of 99 water rights were issued. In addition, a total of 41 water rights applications in the Pangani Basin were processed.

about 50 % of the surface run off water is derived from the main rivers flowing directly to the Indian Ocean and these are: Pangani, Wami, Mkondoa, Ruvu, Rufiji, Ruaha, Kilombero, Mbarangandu, Matandu, Mbwemkulu, Lukuledi and Ruvuma. The remaining 50 % is divided into surface water drainage into the main internal drainage basins which have no outlet to the sea (Lake Rukwa, Bubu depression complex, Lake Eyasi and Lake Manyara), others flowing into lake Victoria (Meri, Maru and Kagera rivers). River Malagarasi draining into Lake Tanganyika and rivers Songwe and Ruhuhu draining southwards into Lake Nyasa Zambezi River system.

Tanzania has 5,439,000 ha. of lakes and swamps which represent 5.8 % of the total land surface; but this number excludes seasonally inundated flood plains. Tanzania is divided into five major drainage systems and these are (1) the Indian Ocean drainage system (2) the Internal drainage of Lake Eyasi, Natron and Bubu Depression complex, (3) the internal drainage of Lake Rukwa, (4) Atlantic Ocean drainage system and (5) Mediterranean Sea Drainage system.

Ground water is a major source of water for many areas in Tanzania and actually the most viable alternative supplement in the central and northern parts of the country/the drier regions of Dodoma, Singida, Shinyanga, Tabora, Mwanza, Mara, Arusha, Coast and Southern Kilimanjaro. So far much of the water used in Tanzania is on domestic purposes. As much of the population about 80% live in the rural areas and only the remaining 20 % live in urban centers, much of the water is used in the rural areas. Yet, despite the greater resource potential, many of the sources remain undeveloped and a good proportion of the population use water from undeveloped and crudely developed sources: lakes, rivers, ponds, shallow and open wells.

FINANCING PLAN	AMOUNT	PERCENT
EQUITY	700,000	100.00
LOAN	0	0.00
TOTAL FINANCING	700,000	100.0

## 5.0 WATER SECTOR

### Introduction

Tanzania has sufficient water resources to meet most of its present needs and they include surface and underground sources.

About 7 % of the land surface is covered by 3 lakes (all of them fresh water) which border the country apart from other inland lakes. The three lakes include Lake Victoria (second largest fresh water lake in the world), Lake Tanganyika (second deepest lake in the world) and Lake Nyasa. Inland Lakes include Rukwa, Eyasi and Manyara. There are also big rivers flowing to the lakes.

Underground water is also another important source of water for both urban and rural settlement areas. There is a great variation of water availability between different parts of the country. The variation is explained by differences in topography, rainfall pattern and climate. About one third of Tanzania receives less than 800mm of rainfall per annum and they are considered as arid or semi arid. Also Tanzania experiences a long dry season normally extending from June to October which has an effect of low river flows and drying of water reserves.

Surface water resources in Tanzania consist of lakes, rivers, springs, man-made reservoirs and natural ponds.

### 3.7 The Impact on Environment

There is no negative environmental impact associated with this project because no harmful chemicals that will be used. However the company will abide to any environmental regulations as put for by central and local authorities

## 4 PROJECT COSTS

### 4.1 Investment Costs

It is estimated that a total cost of US\$ 700,000 will be required for construction of factory building, purchase of plant and machinery, procurement of distribution vehicles etc. The table below shows the summarized investment cost breakdown:

PROJECT COST SUMMARY	2009 AMOUNT USD \$	2010 AMOUNT USD \$	TOTAL AMOUNT USD \$
Land & Buildings	100,000	0	100,000
Plant Machinery & Equipments	350,000	50,000	400,000
Motor Vehicles	115,000	50,000	165,000
Furniture & Fittings	5,000	0	5,000
Others	10,000	0	10,000
<b>Total Capital Cost</b>	<b>580,000</b>	<b>100,000</b>	<b>680,000</b>
Working Capital	0	20,000	20,000
<b>TOTAL PROJECT COST</b>	<b>580,000</b>	<b>120,000</b>	<b>700,000</b>

### 4.2 Project Financing

The above Investment cost will be wholly financed by shareholders' equity as below

### 3.6 Project Management and Organization structure

The core management team of the company includes executives with successful backgrounds and experience in the water industry.

In total, the project will employ 26 people with various disciplines to enable smooth implementation of the project (see table below). The company's management philosophy is based on responsibility and mutual respect. The company will maintain an environment and structure that encourage productivity and respect for customers and fellow employees. Additionally, the environment will encourage employees to have fun by allowing creative independence and providing challenges that are realistic and rewarding.

#### Proposed Employment Structure

<b>SALARIES &amp; WAGES</b>	<b>NUMBER</b>	<b>MONTHLY PAY</b>	<b>MONTHS</b>	<b>ANNUAL PAY</b>
Production Manager	1	1000	12	12,000
Accountant	1	850	12	10,200
Salesmen	3	250	12	9,000
Production Engineer	2	800	12	19,200
Machine operators	10	70	13	9,100
Drivers	5	200	12	12,000
Secretary	1	150	12	1,800
Watchmen	4	50	12	2,400
	<b>26</b>	<b>6,308</b>	<b>12</b>	<b>75,700</b>
Add Allowances 30%		1893		22,710
Sub -Total	<b>26</b>	<b>8201</b>		<b>98,410</b>
<b>GRAND TOTAL SALARIES</b>				<b>98,410</b>

### **3.3 Project Location**

The proposed project will be located at Plot No. at Plot **No.22 Mkula village Kilombero; Morogoro** about 172kms from Morogoro town. The location is availed with all the necessary amenities such as power, water and telephone

### **3.4 Project Requirement**

The company proposes to acquire the following for the project;

- Building materials for the factory building
- Machinery and Equipments
  - Water treatment equipment
  - Three in one mineral water packing machines (washing, filling and sealing machines)
  - Labeling machine
  - Marking machine
  - Bottle blow system, banner and compressor
- Water distribution vehicles
  - Three trucks
  - Two 4WD Pick ups
- Standby generator

### **3.5 Marketing Strategies**

The company marketing strategy is to represent water services offered by the company as the best and most logical solution to customers' drinking water needs. The promoters position the company as the low-cost, highest quality, best value provider of water service in the Tanzania. The company will use variety of marketing approaches and materials including brochures, newspaper, TVs, radio and simple word of mouth.

There are factors which denote the existing greater potential and opportunities for investment in the water sector now and for several years to come and they include the following:

- That there is greater unexploited water resource potential;
- There is greater demand for water sector services that is still unmet and that demand is still growing as both the population as well as the quest for social economic development in Tanzania is also growing;
- The current Government policy calls for increased promotion and participation of other sectors, in the development of social sectors water included;
- There are already a great number of institutions which have invested in the sector and which already have positive experiences to learn from and provide opportunities to for forming partnerships.

**M/S MORO COT LIMITED** set out a proposal for establishment of a project for processing, bottling and distribution of quality and safe drinking water to be based in Morogoro. Using water sources of Udzungwa mountains and sanje falls the company will process and provide quality and safe drinking water to many people in Tanzania.

Project activities will include but not limited to;

- Construction of factory building
- Procurement of plant and machinery
- Procurement of distribution vehicles
- Recruitment of qualified and experienced professionals

The project's major focus is on providing quality and safe drinking water in order to reduce the incidence of waterborne diseases. Many people are expected to benefit from this proposed project both directly and indirectly.

As the Government aims for sustainable rural water supply, it should provide the participation of all stakeholders in order to achieve sustainable access, efficiency, equitable use and adequate protection and conservation of water; water and sanitation policy are waiting to be developed, reviewed and improved; co-ordinate, monitor and regulate provision of water and sanitation services are necessary to be facilitated to the public; competent sector professionals of high integrity should be developed.

But it is not only the Government that can influence the course of events. A lot can be done by various ecological institutions and organizations which can also make a considerable contribution into the development of the water and sanitation sector. They can help the Government in fulfilling the following objectives:

- to foster the use of new methodologies for the assessment and development of the water resources ;
- to ensure optimum use of available water resources;
- to protect water resources; quality and quantity, control deterioration and ensure sustainable water use;
- to transfer and adopt modern technological tools for the development and management of water resources; improving the efficiency of the irrigation water and the supplemental irrigation in order to increase the productivity per unit area; devising the best techniques for the use of the non-conventional water resources in agriculture (saline, waste, treated waste water); spreading environmental awareness among the producers.

As Tanzania needs some fundamental reforms and almost all of them are costly there is a great need in investments from foreign and local Investors.

Due to increased economic activities and delivery of social activities of which all utilize water in one way or another, delivery supply of water has become a burden which the government cannot meet alone without the participation of the private sector.

It is the government's policy to involve the beneficiaries in all water projects both in urban and rural water supply.

The water sector contribution to GDP has remained at 0.2 % for some years, a proportion which is insignificant considering the importance of the sector to the economy. Hence the government is encouraging private investment in the water sector.

In view of the above, promoters of the proposed project have realized that there is a great potential in water industry since there is unsatisfied and growing demand in the country.

### **3.2. Project Description**

Tanzania faces a number of water-provision difficulties. They are threatening but possible to solve. Blue revolution should start moving from all the possible directions. Some of the basic damaging trends can be changed by the Government only. The water sector reform and the change in water policy are necessary in Tanzania.

First of all, water should be considered a basic need. And there is also a list of main tasks that the Government is supposed to aim at: equitable access to and adequate sustainable supply of clean safe water should be achieved both in rural and urban areas; universal access to clean safe water supply within a distance of 400 meters from peoples home should be provided; water supply services should be developed and delivered;

### **3.0. THE PROJECT**

#### **3.1. Background**

In Tanzania water provision problems today are closely connected with poverty and health problems. The poor, most of whom live in rural areas, have limited access to clean water for domestic use and crop production and adequate sanitation. People suffer not only from limited access to safe water but also because of the need to carry water for overlong distances. These factors bring indirect damage to Tanzanian economy as the health of people is weakened and the precious time that could be used much more fruitfully is wasted for such out-of-date water delivery.

Existing data on the incidence of waterborne, water-related and water-washed diseases indicate that these are mostly prevalent where people use contaminated water or have little water for daily use. Since such diseases account for over half of the diseases affecting the population and more than 80 % of Tanzania's population living in rural areas. One of the most dangerous disease-causing elements found in the water is arsenic. It enters water sources through the dissolution of minerals and ores, from industrial effluents, and from atmospheric deposition. Arsenic is also released into the environment through the manufacturing of pesticides, the burning of fossil fuels, and cigarette smoke. A poisonous amount for human is anything greater than 65 mg, whether taken in a single dose or built up from multiple amounts. The largest use of water is domestic water supply.

## 1.9. Conclusion and Recommendations

The project as analyzed in this report is financially viable and technically feasible. Implementation of the project is therefore highly recommended and called for especially at this time when the government is advocating better live for everyone.

## 2.0. LEGAL STATUS OF THE COMPANY

### 2.1. The company

**M/S MORO COT LIMITED** is a limited liability company incorporated in the United Republic of Tanzania holding a Certificate of Incorporation No.51594 dated 24<sup>th</sup> February 2005. The Initial share capital of the company is Tsh. 100,000,000 divided into 1,000 shares of Tsh.100, 000 each

### 2.2. Shareholders

The Current Company shareholding position is as provided here below;

S/N	NAME	NATIONALITY	SHARE
1	Vitus Modestus Bujimu P.O. Box 1387 MOROGORO	Tanzanian	800
2	Josephat Salvatore Chasama P.O. Box 1387 MOROGORO	Tanzanian	200

## **1.5. Organization Structure and Management**

The company shall be managed through the Board of Directors which will be responsible for the formulation of the company policies. The Board will appoint the Managing Director who will oversee the day to day operations of the company. The Managing Director will be supported by well trained and experienced staffs such as Production Manager, Production Engineer, Marketing Manager and other staffs. The company shall employ a total of 26 people of different skills and categories.

## **1.6. Financial Analysis**

Details of the financial analysis projections are contained in the tables and annexes attached to this report.

## **1.7. Currency Equivalent**

1 US \$ = Tshs. 1,300/=

## **1.8. Development Values**

- The project is expected to generate employment opportunities to about 26 Tanzanians and many more indirectly.
- The project will generate revenue to the government through various taxes.

### 1.3. The Project

This report has been prepared to serve as a business plan for establishment of a project for processing, bottling and distribution of quality and safe drinking water. The Project, which will be located at Plot **No.22 Mkula village Kilombero; Morogoro** will process water from Udzungwa mountains and Sanje falls in order to provide quality and safe drinking water to many people in Tanzania. Major project activities include but not limited to:

- Construction of factory building
- Procurement of plant and machinery
- Procurement of distribution vehicles
- Recruitment of qualified and experienced professionals

### 1.4. Project Cost and Financing

It is estimated that a total cost of US\$ 700,000 will be required for construction of factory building, purchase of plant and machinery, procurement of distribution vehicles etc. The table below shows the summarized investment cost breakdown:

PROJECT COST SUMMARY	2009 AMOUNT USD \$	2010 AMOUNT USD \$	TOTAL AMOUNT USD \$
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Motor Vehicles	115,000	50,000	165,000
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<b>Total Capital Cost</b>	<b>580,000</b>	<b>100,000</b>	<b>680,000</b>
Working Capital	0	20,000	20,000
<b>TOTAL PROJECT COST</b>	<b>580,000</b>	<b>120,000</b>	<b>700,000</b>

The above investment cost is proposed to be wholly financed by shareholders' equity contributions.

It is in view of the above that **M/S MORO COT LIMITED** herein referred as **a company** set out a proposal for establishment of a project for processing, bottling and distribution of quality and safe drinking water to be based in Morogoro

This report has been prepared to serve as a business plan for assessing commercial viability of the proposed project and submission to Tanzania Investment Centre (TIC) to seek Investors' Certificate of Incentives in order to enjoy facilitation and other benefits as provided for under the Tanzania Investment Act of 1997

### **1.2. Project Promoters**

The project is being promoted by **M/S MORO COT LIMITED** a private limited liabilities company incorporated in Tanzania on 24th February, 2005 under Certificate of Incorporation No. **51594**. The current company shareholders are as provided below;

S/N	NAME	NATIONALITY	SHARE
1	Vitus Modestus Bujimu P.O. Box 1387 MOROGORO	Tanzanian	800
2	Josephat Salvatore Chasama P.O. Box 1387 MOROGORO	Tanzanian	200

## **EXECUTIVE SUMMARY**

### **1.1. Introduction**

For centuries people took the gift of using fresh water for granted. It seemed to people that our planet had inexhaustible resources of water, so it was treated as an infinite free good. It was only when the scales of fresh-water deficiency disaster have become tremendous that people came to estimate the fundamental place of water in maintaining the life of the globe and presenting the health of the environment.

It is estimated that two thirds of the world's population is at risk of having water shortages. And even those regions that have sufficient water supply cannot boast of using safe drinking water. The consequences of such problems are even fatal sometimes because of water- related diseases. It is a disaster and it is still happening. But not all the news is bad.

In recent years there has started a Green revolution and a Blue revolution is at its start too. Today, many scientists and leading countries realize that the Earth is in danger. Ecology-minded countries have started some water protecting activities already but they proved to be rather costly. Third world countries are again at disadvantage here because they belong to the group of greatest hazard but they have no sufficient material base to improve the existing situation significantly. Tanzania belongs to the countries with the acute form of Blue disaster. The country suffers from both water shortages and water pollution. To overcome these problems, great investments in the water sector are necessary.

## **7.0. CONCLUSION AND RECOMMENDATIONS**

7.1 Conclusion

7.2 Recommendations

## **8.0 FINANCIAL STATEMENTS**

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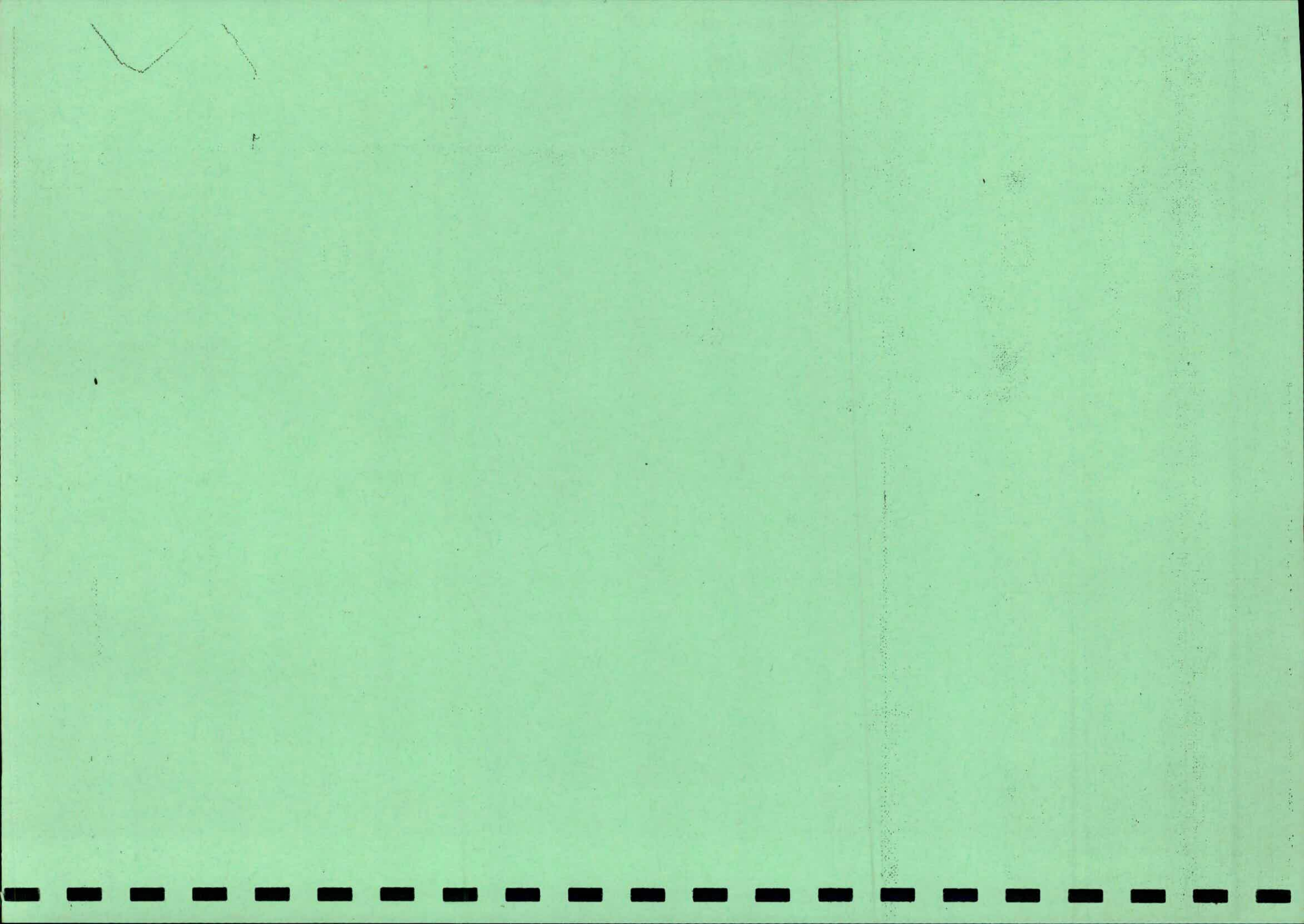
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# **MORO COT LIMITED**

## **A PROPOSED PROJECT FOR PROCESSING BOTTLING AND DISTRIBUTION OF DRINKING WATER**

**Prepared by:  
MORO COT LIMITED  
P.O. Box 1387  
MOROGORO**

**JANUARY, 2009**



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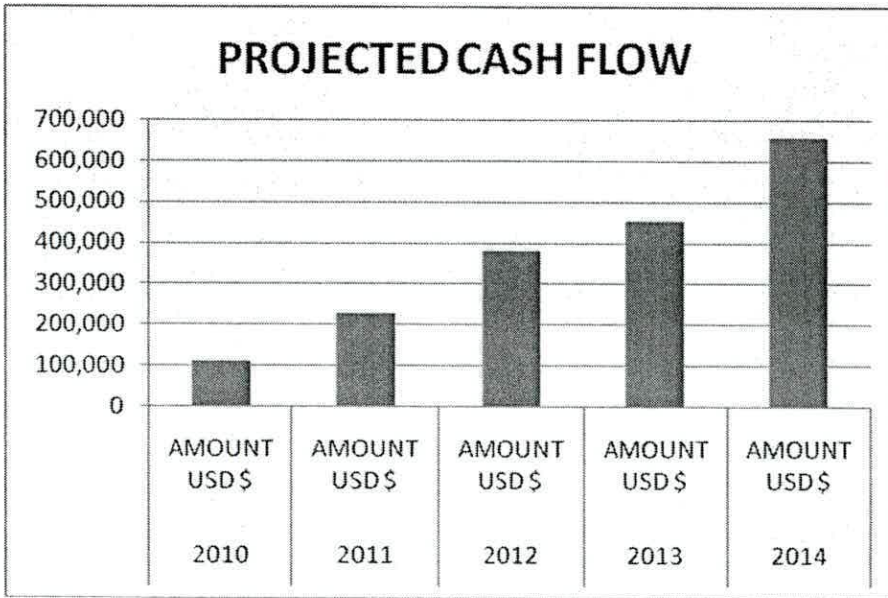
**JANUARY, 2009**

## ANALYSIS OF KEY FINANCIAL RATIOS

	2010 AMOUNT USD \$	2011 AMOUNT USD \$	2012 AMOUNT USD \$	2013 AMOUNT USD \$	2014 AMOUNT USD \$
<b>A SOLVENCY LIQUIDITY</b>					
1 Current Ratio	3.97	6.95	19.39	21.29	22.16
2 Quick Acid Test Ratio	3.36	5.85	17.11	19.60	20.32
3 Liquid Ratio	2.22	4.73	15.17	17.95	18.70
4 Debtors/Sales Ratio	0.08	0.07	0.06	0.05	0.06
<b>B PROFITABILITY</b>					
5 Return on Investment(%)	7.18	8.55	12.18	14.91	15.08
6 Return on Net Assets(%)	7.18	8.55	12.18	14.91	15.08
7 Return on Fixed Asset(%)	8.96	13.24	24.70	29.08	39.24
8 Return on Fixed Capital(%)	8.96	13.24	24.70	29.08	39.24
9 Return on Sales(%)	7.83	9.53	13.70	17.42	19.25
10 Return/Current Assets (%)	27.02	20.70	22.79	29.16	23.39
11 Sales/Debtors Ratio	19.83	22.97	30.36	38.94	35.92
12 Cost of Sales /Sales Ratio(%)	47.04	46.83	44.48	42.34	41.11
13 Fixed Assets/ Total Assets	80.12	64.62	49.31	51.27	38.44
14 Period cost/Sales Ratio(%)	41.77	39.56	35.96	32.78	31.39
15 Gross Profit/Sales Ratio(%)	52.96	53.17	55.52	57.66	58.89
16 Return on Networth(%)	35.36	39.82	47.49	52.38	54.27
17 Growth in Profits		29.23	59.85	40.92	16.08
<b>C EFFICIENCY</b>					
18 Debtors Turnover	12.00	13.44	16.67	21.52	16.67
19 Average Collection Period	30.42	27.15	21.90	16.96	21.90
20 Inventory/Current Assets Ratio(%)	15.37	15.74	11.78	7.91	8.30
21 Inventory Turnover	22.44	13.80	14.12	21.17	14.64
22 Fixed Assets Turnover	1.14	1.39	1.80	1.67	2.04
23 Total Assets Turnover	0.92	0.90	0.89	0.86	0.78
24 Working Capital Turnover	4.61	2.54	1.75	1.76	1.27
25 Sales Growth (Annual)		6.25	11.18	10.83	5.00

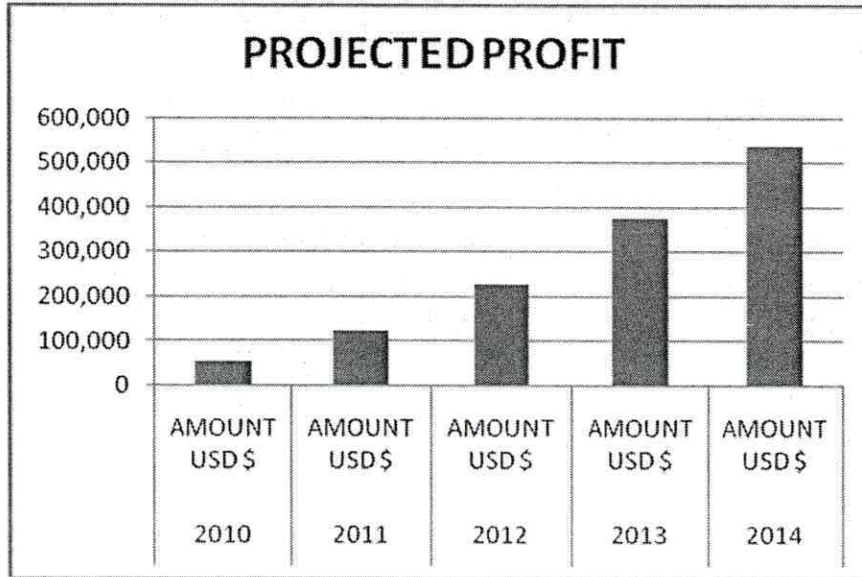
## CASH FLOW PROJECTION

	2010 AMOUNT USD \$	2011 AMOUNT USD \$	2012 AMOUNT USD \$	2013 AMOUNT USD \$	2014 AMOUNT USD \$
CASH FLOW	111,936	230,224	383,979	455,645	660,132



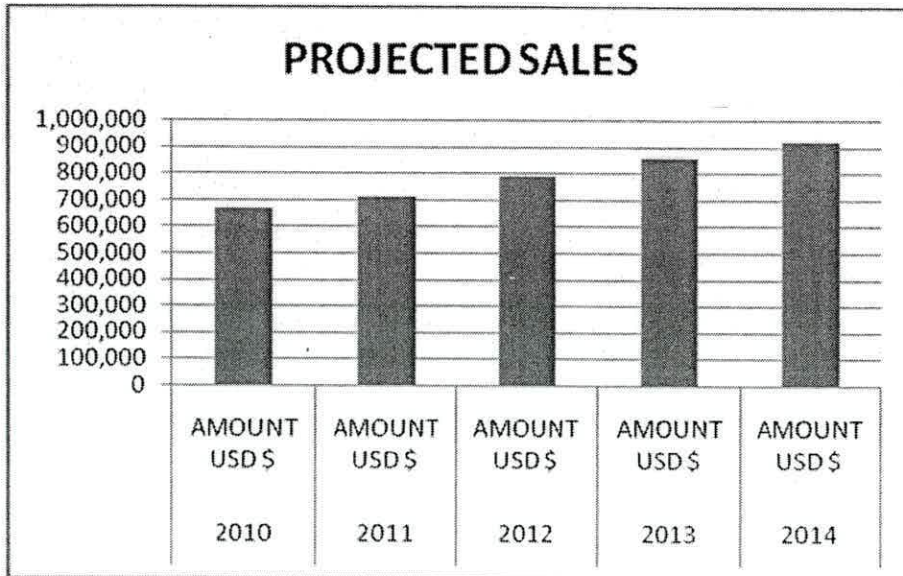
### PROJECTED PROFIT

	2010 AMOUNT USD \$	2011 AMOUNT USD \$	2012 AMOUNT USD \$	2013 AMOUNT USD \$	2014 AMOUNT USD \$
PROFIT	54,138	124,099	229,727	375,841	539,988



### PROJECTED SALES

	2010	2011	2012	2013	2014
	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$
SALES	670,464	712,368	791,986	859,685	921,673



### PAYBACK PERIOD ANALYSIS

	YEAR 0	2010	2011	2012	2013	2014
	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT
	USD \$	USD \$	USD \$	USD \$	USD \$	USD \$
Profit After Tax		54,138	69,960	111,833	157,600	182,939
Depreciation		75,750	75,750	75,750	75,750	75,750
Total		129,888	145,710	187,583	233,350	258,689
Discounted Cashflow		113,439	127,258	163,828	203,799	225,929
Capital Cost	700,000					
Remaining amount		-586,561	-459,303	-295,475	-91,675	134,254
<b>Pay Back Period</b>						<b>5</b>

### BREAK EVEN ANALYSIS

	2008	2010	2011	2012	2013	2014
	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT
	USD \$	USD \$	USD \$	USD \$	USD \$	USD \$
Sales Revenue		691,200	734,400	816,480	904,932	950,179
Variable Costs		325,135	343,926	363,150	383,175	390,585
Contribution Margin		366,065	390,474	453,330	521,757	559,594
Fixed Costs		288,724	290,530	293,568	296,614	298,252
Contribution Margin Ratio %		52.96	53.17	55.52	57.66	58.89
Break even Sales		5,452	5,464	5,287	5,144	5,064
Break even Point (%)		0.79	0.74	0.65	0.57	0.53

<b>ADMINISTRATION EXPENSES</b>	2010	2011	2012	2013	2014
<b>ITEM</b>	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$
Salaries & Wages	98,410	98,410	98,410	98,410	98,410
Nssf	9,841	9,841	9,841	9,841	9,841
Insurance	42,000	42,000	42,000	42,000	42,000
Audit Fees	2,000	2,000	2,500	2,500	2,500
Telephone Fax Charges	1,595	1,675	1,758	1,846	1,939
Printing & Stationery	2,655	2,735	2,817	2,901	2,988
Travelling Expenses	5,000	5,150	5,305	5,464	5,628
Motor Vehicle Running Expenses	6,600	6,798	7,002	7,212	7,428
Marketing & Advertising	6,912	7,344	8,165	9,049	9,049
Godown Rent	12,000	12,000	12,000	12,360	12,360
Director's Housing Rent	6,000	6,000	6,000	6,000	6,000
Government I Fees(Permits)	3,000	3,000	3,100	3,100	3,200
Uniforms	500	500	500	600	600
Miscellaneous Expenses	13,005	13,656	14,338	15,055	15,808
Management Fees(3%Turnover)	3,456	3,672	4,082	4,525	4,751
<b>Total Admin Expenses</b>	<b>212,974</b>	<b>214,780</b>	<b>217,818</b>	<b>220,864</b>	<b>222,502</b>

<b>COST OF SALES</b>	2009	2010	2011	2012	2013
<b>ITEM</b>	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$
Output in Kilogram	384,000	408,000	432,000	456,000	456,000
Cost of Raw Materials					
Average cost@Kg of materials \$	0.5	0.5	0.5	0.5	0.5
Cost of Materials \$	201,600	214,200	226,800	239,400	239,400
Packing materials (1% Sales)	6,912	7,344	8,165	9,049	9,502
Sub Total Cost Us\$	208,512	221,544	234,965	248,449	248,902
Utilities	5,312	5,591	5,763	6,166	6,635
Consumables	8,000	8,400	8,820	9,261	9,724
Oil & lubricants	10,000	10,500	11,025	11,576	12,155
Repair & Maintenance	44,000	46,150	48,408	50,778	53,267
<b>Total inputs</b>	275,824	292,185	308,980	326,231	330,683
<i>Capacity Utilisation</i>	80%	85%	90%	95%	95%
<i>Cost of Electricity kwh</i> 90	94	99	95	99	104
<i>Estiamted cost@kwh</i> \$	0.07	0.07	0.07	0.07	0.08
<i>Cost of Electricity Power</i>	3,846	4,048	4,048	4,452	4,921
	0	0	0	0	0
Sub Total Energy cost (\$)	3,846	4,048	4,048	4,452	4,921
<i>Water Requirement ( Litres)</i> 12000	10260	10800	12000	12000	12000
<i>Cost@ Litres</i> \$	0.14	0.14	0.14	0.14	0.14
Total Cost of Water	1,466	1,543	1,714	1,714	1,714
<b>Total Utilities Cost</b>	5,312	5,591	5,763	6,166	6,635
Consumables Spares (2%Machinery value)	8,000	8,400	8,820	9,261	9,724
Oils/lubricants(10%Machinery value )	10,000	10,500	11,025	11,576	12,155
Maintenance Productive Assets					
Buildings(1%of value) 1%	1,000	1,000	1,000	1,000	1,000
Motor Vehicles (15%of value) 15%	24,750	25,988	27,287	28,651	30,084
Furniture& Fittings (5%of value) 5%	250	263	276	289	304
<b>Sub Total Maintanance cost</b>	44,000	46,150	48,408	50,778	53,267
<b>COST OF SALES</b>	<b>325,135</b>	<b>343,926</b>	<b>363,150</b>	<b>383,175</b>	<b>390,585</b>

<b>REVENUE ESTIMATES</b>		2010	2011	2012	2013	2014
<b>ITEM</b>		AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$
Daily installed Capacity		1500	1501	17	17	17
Annual working Days		320	320	320	320	320
Annual Installed Capacity Kg		480,000	480,000	480,000	480,000	480,000
Production Target %ageof Capacity		80%	85%	90%	95%	95%
Planned Production Kg		384,000	408,000	432,000	456,000	456,000
Planned Extraction Recovery Rate	0.250%	0.00225	0.00225	0.00225	0.00225	0.00225
Average Price per Kg	Us\$	1.80	1.80	1.89	1.98	2.08
Planned Revenue Export Sales	Us\$	691,200	734,400	816,480	904,932	950,179
VAT		20%	20%	20%	20%	20%
Value of Tax Us\$		138,240	146,880	163,296	180,986	190,036
<b>Net Sales Revenue</b>		<b>691,200</b>	<b>734,400</b>	<b>816,480</b>	<b>904,932</b>	<b>950,179</b>

6

<b>SALARIES &amp; WAGES</b>	<b>NUMBER</b>	<b>MONTHLY PAY</b>	<b>MONTHS</b>	<b>ANNUAL PAY</b>
Production Manager	1	1000	12	12,000
Accountant	1	850	12	10,200
Salesmen	3	250	12	9,000
Production Engineer	2	800	12	19,200
Machine operators	10	70	13	9,100
Drivers	5	200	12	12,000
Secretary	1	150	12	1,800
Watchmen	4	50	12	2,400
	<b>26</b>	<b>6,308</b>	<b>12</b>	<b>75,700</b>
Add Allowances 30%		1893		22,710
Sub -Total	<b>26</b>	<b>8201</b>		<b>98,410</b>
<b>GRAND TOTAL SALARIES</b>				<b>98,410</b>

**DEPRECIATION & AMORTISATION SCHEDULE**

GROSS FIXED ASSETS		2010	2011	2012	2013	2014
		AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$
Land & Buildings		100,000	100,000	100,000	100,000	100,000
Plant Machinery & Equipments		400,000	400,000	400,000	400,000	400,000
Motor Vehicles		165,000	165,000	165,000	165,000	165,000
Furniture & Fittings		5,000	5,000	5,000	5,000	5,000
Computer and software		10,000	10,000	10,000	10,000	10,000
<b>TOTAL</b>		<b>680,000</b>	<b>680,000</b>	<b>680,000</b>	<b>680,000</b>	<b>680,000</b>
ANNUAL DEPRECIATION	RATE	AMOUNT				
Land & Buildings	<b>2%</b>	2,000	2,000	2,000	2,000	2,000
Plant Machinery & Equipments	<b>12.50%</b>	50,000	50,000	50,000	50,000	50,000
Motor Vehicles	<b>12.50%</b>	20,625	20,625	20,625	20,625	20,625
Furniture & Fittings	<b>12.50%</b>	625	625	625	625	625
Computer and software	<b>25%</b>	2,500	2,500	2,500	2,500	2,500
<b>Total Annual Depreciation</b>		<b>75,750</b>	<b>75,750</b>	<b>75,750</b>	<b>75,750</b>	<b>75,750</b>
Accumulated Depreciation		75,750	151,500	227,250	138,000	213,750
<b>NET FIXED ASSETS</b>		<b>604,250</b>	<b>528,500</b>	<b>452,750</b>	<b>542,000</b>	<b>466,250</b>

## SCHEDULES AND TABLES

**1**

FINANCING PLAN	AMOUNT	PERCENT
EQUITY	700,000	100.00
LOAN	0	0.00
<b>TOTAL FINANCING</b>	<b>700,000</b>	<b>100.0</b>

**2**

PROJECT COST SUMMARY	2009 AMOUNT USD \$	2010 AMOUNT USD \$	TOTAL AMOUNT USD \$
Land & Buildings	100,000	0	100,000
Plant Machinery & Equipments	350,000	50,000	400,000
Motor Vehicles	115,000	50,000	165,000
Furniture & Fittings	5,000	0	5,000
Others	10,000	0	10,000
<b>Total Capital Cost</b>	<b>580,000</b>	<b>100,000</b>	<b>680,000</b>
Working Capital	0	20,000	20,000
<b>TOTAL PROJECT COST</b>	<b>580,000</b>	<b>120,000</b>	<b>700,000</b>

# MORO COT LTD

## PROJECTED BALANCE SHEET FOR THE PERIOD

	2010 AMOUNT USD \$	2011 AMOUNT USD \$	2012 AMOUNT USD \$	2013 AMOUNT USD \$	2014 AMOUNT USD \$
<b>NON CURRENT ASSETS</b>					
Land & Buildings	100,000	100,000	100,000	100,000	100,000
Plant Machinery& Equipments	400,000	400,000	400,000	400,000	400,000
Motor Vehicles	165,000	165,000	165,000	165,000	165,000
Furniture & Fittings	5,000	5,000	5,000	5,000	5,000
Pre operational Expenses	10,000	10,000	10,000	10,000	10,000
Total	680,000	680,000	680,000	680,000	680,000
Less Accumulated Depreciation	75,750	151,500	227,250	138,000	213,750
<b>Non Current Assets</b>	<b>604,250</b>	<b>528,500</b>	<b>452,750</b>	<b>542,000</b>	<b>466,250</b>
<b>CURRENT ASSETS</b>					
Stocks	30,796	53,207	57,832	42,745	64,894
Debtors	57,600	54,623	48,989	42,046	57,011
Cash and Bank Balance	111,936	230,224	383,979	455,645	660,132
<b>Total Current Assets</b>	<b>200,332</b>	<b>338,054</b>	<b>490,800</b>	<b>540,436</b>	<b>782,037</b>
<b>CURRENT LIABILITIES</b>					
Creditor	47,660	45,062	19,558	17,282	25,890
Tax Payable	2,784	3,598	5,751	8,105	9,408
<b>Total Current Liabilities</b>	<b>50,444</b>	<b>48,660</b>	<b>25,310</b>	<b>25,387</b>	<b>35,298</b>
<b>NET CURRENT ASSETS</b>	<b>149,888</b>	<b>289,393</b>	<b>465,490</b>	<b>515,048</b>	<b>746,739</b>
<b>TOTAL NET ASSETS</b>	<b>754,138</b>	<b>817,893</b>	<b>918,240</b>	<b>1,057,048</b>	<b>1,212,989</b>
<b>FINANCED BY</b>					
Share Capital	700,000	700,000	700,000	700,000	700,000
Revenue Reserve	54,138	117,894	218,240	357,049	512,988
Networth	754,138	817,894	918,240	1,057,049	1,212,988
Loan	0	0	0	0	0
<b>TOTAL</b>	<b>754,138</b>	<b>817,894</b>	<b>918,240</b>	<b>1,057,049</b>	<b>1,212,988</b>

# MORO COT LTD

## PROJECTED CASH FLOW STATEMENTS FOR THE PERIOD

	2010	2011	2012	2013	2014
	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT
	USD \$	USD \$	USD \$	USD \$	USD \$
<b>CASHFLOW FROM OPERATIONS</b>					
Sales	670,464	712,368	791,986	859,685	921,673
<b>Subtotal Cash Received</b>	<b>670,464</b>	<b>712,368</b>	<b>791,986</b>	<b>859,685</b>	<b>921,673</b>
<b>Expenditures from Operations:</b>					
Cost of Sales	325,135	343,926	363,150	383,175	390,585
Administrative expenses	233,392	243,949	263,593	286,053	299,602
<b>Subtotal Cash payment</b>	<b>558,528</b>	<b>587,876</b>	<b>626,743</b>	<b>669,228</b>	<b>690,186</b>
<b>Cashflow From Operations</b>	<b>111,936</b>	<b>124,492</b>	<b>165,242</b>	<b>190,457</b>	<b>231,487</b>
<b>CASH FROM INVESTMENTS:</b>					
Investments Outflow	-700,000				
Re-Investment				-100,000	
<b>Cash from Investment</b>	<b>-700,000</b>	<b>0</b>	<b>0</b>	<b>-100,000</b>	<b>0</b>
<b>CASH FLOW FROM FINANCING:</b>					
Owners Equity	700,000				
Dividends	0	-6,205	-11,486	-18,792	-26,999
<b>Cash from Financing</b>	<b>700,000</b>	<b>-6,205</b>	<b>-11,486</b>	<b>-18,792</b>	<b>-26,999</b>
<b>NET CASHFLOW FOR PERIOD</b>	<b>111,936</b>	<b>118,287</b>	<b>153,756</b>	<b>71,665</b>	<b>204,488</b>
<b>CASHFLOW AT START OF YEAR</b>		<b>111,936</b>	<b>230,224</b>	<b>383,979</b>	<b>455,645</b>
<b>CASHFLOW AT THE END OF YEAR</b>	<b>111,936</b>	<b>230,224</b>	<b>383,979</b>	<b>455,645</b>	<b>660,132</b>

## MORO COT LTD

### PROJECTED PROFIT AND LOSS STATEMENTS FOR THE PERIOD

	2010	2011	2012	2013	2014
	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$
Sales Revenue	691,200	734,400	816,480	904,932	950,179
Less: Cost of Sales	325,135	343,926	363,150	383,175	390,585
<b>Gross Profit</b>	366,065	390,474	453,330	521,757	559,594
Administration Expenses	212,974	214,780	217,818	220,864	222,502
<b>Operating Profit</b>	153,090	175,693	235,512	300,893	337,092
Capital & Financial Charges					
Depreciation	75,750	75,750	75,750	75,750	75,750
Loan Interest	0	0	0	0	0
Sub Total	75,750	75,750	75,750	75,750	75,750
<b>Profit before Tax</b>	77,340	99,943	159,762	225,143	261,342
Taxable Income	77,340	99,943	159,762	225,143	261,342
Tax (30%)	23,202	29,983	47,928	67,543	78,403
<b>Profit After Tax</b>	54,138	69,960	111,833	157,600	182,939
Profit brought Forward	0	54,138	117,894	218,240	357,049
Profit for Appropriation	54,138	124,099	229,727	375,841	539,988
APPROPRIATION ACCOUNT					
Dividends Rate	0	5%	5%	5%	5%
Amount	0	6,205	11,486	18,792	26,999
Revenue Reserve	54,138	117,894	218,240	357,049	512,988
<b>Total</b>	54,138	124,099	229,727	375,841	539,988

**Financial statements  
&  
Other schedules**

## **8.0 CONCLUSION AND RECOMMENDATIONS**

### **8.1 Conclusion**

**M/S MORO COT LIMITED** set out a proposal for establishment of a project for processing, bottling and distribution of quality and safe drinking to be located at plot No.22 Mkula village Kilombero, Morogoro

The foregoing discussion above has highlighted on the social, economic and financial dimensions of the envisaged project. The project is technically feasible, financially and economically viable also environmentally friendly. A fast implementation of the project is highly recommended and called for to avoid cost overruns and be able to realize the benefits outlined above

### **8.2 Recommendations**

Provided all other economic factors remain substantially the same, it is strongly recommended that the project be implemented with immediate effect. It is further recommended that TIC Certificate of Investment Incentives be granted to enable smooth implementation of the project.

## **6.2 PROJECTED PROFIT AND LOSS STATEMENTS**

Presented in detail in Financial Statements and summarized below for the first five years of operation are the projected profit and loss statements

## **6.3 Balance Sheet Projections**

The Financial Statements analyses the projected balance sheet over the five year period of the project operations. From the projections it is observed that, current liabilities are adequately covered by current assets throughout the period. Again from the perspective of the new investors, net worth of the company grows quite substantially in five years of operation as shown in the financial statements herein attached

## **7.4 Revenue and Profitability**

Project financial evaluation shows attractive profits which are realized right from the first year of operations. Net profit increases from \$ 54,138 in year 1, to \$ 539,988 in year 5. This is based on the assumption that most of the project equipments are zero rated or bears a very small rate of Import duty

## **7.5 Projected Cash flows:**

The projected cash flow of the project reveals a health financial position throughout the 5 years under projection. Cash surplus increases from \$ 111,936 in year I to \$ 660,132 in year 5. However, accumulated amounts would be available for re-investment into project as found convenient by the directors.

The proportion of water meters connected to costumers reached 80 percent in 2006, from 78 percent in 2005, whereas the unaccounted water use improved to 37.5 percent in 2006 from 50 percent in 2005. Earnings for 19 Urban Water Supply Authorities (UWSAs) increased to shs. 22.6 billion in 2006, from shs. 19.2 billion in 2005.

## 6.0 FINANCIAL PROJECTIONS AND ANALYSIS

Based on the assumptions discussed above, Profit and Loss projections, Cash flow projections and Balance sheet projections have been prepared and are presented as under Financial Statements annex

### 6.1 Other Operating Costs

Other project costs have been calculated based on the current open market prices and costs as appearing under Annual Costs of Products section of the Financial Statements Appendix. The following are the major items

<b>ADMINISTRATION EXPENSES</b>	2010	2011	2012	2013	2014
<b>ITEM</b>	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$
Salaries & Wages	98,410	98,410	98,410	98,410	98,410
Nssf	9,841	9,841	9,841	9,841	9,841
Insurance	42,000	42,000	42,000	42,000	42,000
Audit Fees	2,000	2,000	2,500	2,500	2,500
Telephone Fax Charges	1,595	1,675	1,758	1,846	1,939
Printing & Stationery	2,655	2,735	2,817	2,901	2,988
Travelling Expenses	5,000	5,150	5,305	5,464	5,628
Motor Vehicle Running Expenses	6,600	6,798	7,002	7,212	7,428
Marketing & Advertising	6,912	7,344	8,165	9,049	9,049
Godown Rent	12,000	12,000	12,000	12,360	12,360
Director's Housing Rent	6,000	6,000	6,000	6,000	6,000
Government I Fees(Permits)	3,000	3,000	3,100	3,100	3,200
Uniforms	500	500	500	600	600
Miscellaneous Expenses	13,005	13,656	14,338	15,055	15,808
Management Fees(3%Turnover)	3,456	3,672	4,082	4,525	4,751
<b>Total Admin Expenses</b>	<b>212,974</b>	<b>214,780</b>	<b>217,818</b>	<b>220,864</b>	<b>222,502</b>

In order to ensure that trans-boundary water resources of the Ruvuma Basin are properly developed, utilized and managed, an agreement to form a Joint Water Commission between Tanzania and Mozambique was signed.

In 2006, a total of 1,276 water samples were collected and analyzed for physical - chemical and bacteriological evaluation. The samples were collected from various water sources, pipeline systems and boreholes. The results of samples collected showed that the water was clean and safe.

### **Rural Water Supply**

In 2006, village water committees increased to 11,077, from 10,701 in 2005, while the number of villages with water funds increased from 10,009 in 2005, to 10,120 in 2006. In addition, a total of shs. 1,999,429,759 was collected by villages with water funds.

In 2006, a total of 429 boreholes were drilled, compared to 398 drilled in 2005, equivalent to an increase of 7.2 percent. Moreover, a number of registered Water Boards increased to 75 in 2005/06, from 67 in 2004/05.

### **Urban Water Supply**

In 2006, people supplied with clean and safe water increased to 76 percent from 74 percent, in 2005. Due to prolonged drought and power rationing in many part of the country, the total water production decreased from 101,337,870 cubic metres in 2005 to 93,306,183.06 cubic metres in 2006.

One third of Tanzania receives less than 800 mm of rainfall and is thus arid or semi-arid. Only one third of the rest of the country has precipitation of above 1,000 mm. Also the long dry season, normally extending from June to October, has an effect on low river flows and drying of water reservoirs. However, about 7 % of Tanzania land surface is covered by lakes which border the country apart from other inland lakes. These include lake Victoria (second largest fresh water lake in the world), Lake Tanganyika (second deepest lake in the world), and lake Nyasa.

Inland lakes include Lakes Rukwa, Eyasi and Manyara. There are also big rivers flowing to the lakes. Ground water is also another source of water for both urban and rural settlement areas.

In 2006, geophysical surveys were conducted in nine basins including: Lake Victoria Basin (33), Rufiji Basin (10), Internal Drainage (154), Wami/Ruvu Basin (174), Pangani Basin (38), Lake Nyasa (4), Ruvuma Basin (19), Lake Rukwa (44) and Lake Tanganyika (27).

In 2006, inspection of waste water treatment plants was conducted in eight mines, 87 industries and estates, and 5 urban water supply and sewerage authorities, in order to make sure that water sources within four basins, including Wami/Ruvu; Lake Victoria; Lake Tanganyika; and Pangani River, are not polluted by effluent and waste water.

In 2006, a total of 99 water rights were issued. In addition, a total of 41 water rights applications in the Pangani Basin were processed.

rivers flowing directly to the Indian Ocean and these are: Pangani, Wami, Mkondoa, Ruvu, Rufiji, Ruaha, Kilombero, Mbarangandu, Matandu, Mbwemkulu, Lukuledi and Ruvuma. The remaining 50 % is divided into surface water drainage into the main internal drainage basins which have no outlet to the sea (Lake Rukwa, Bubu depression complex, Lake Eyasi and Lake Manyara), others flowing into lake Victoria (Meri, Maru and K-agera rivers). River Malagarasi draining into Lake Tanganyika and rivers Songwe and Ruhuhu draining southwards into Lake Nyasa Zambezi River system.

Tanzania has 5,439,000 ha. of lakes and swamps which represent 5.8 % of the total land surface; but this number excludes seasonally inundated flood plains. Tanzania is divided into five major drainage systems and these are (1) the Indian Ocean drainage system (2) the Internal drainage of Lake Eyasi, Natron and Bubu Depression complex, (3) the internal drainage of Lake Rukwa, (4) Atlantic Ocean drainage system and (5) Mediterranean Sea Drainage system.

Ground water is a major source of water for many areas in Tanzania and actually the most viable alternative supplement in the central and northern parts of the country/the drier regions of Dodoma, Singida, Shinyanga, Tabora, Mwanza, Mara, Arusha, Coast and Southern Kilimanjaro. So far much of the water used in Tanzania is on domestic purposes. As much of the population about 80% live in the rural areas and only the remaining 20 % live in urban centers, much of the water is used in the rural areas. Yet, despite the greater resource potential, many of the sources remain undeveloped and a good proportion of the population use water from undeveloped and crudely developed sources: lakes, rivers, ponds, shallow and open wells.

FINANCING PLAN	AMOUNT	PERCENT
EQUITY	700,000	100.00
LOAN	0	0.00
TOTAL FINANCING	700,000	100.0

## 5.0 WATER SECTOR

### Introduction

Tanzania has sufficient water resources to meet most of its present needs and they include surface and underground sources.

About 7 % of the land surface is covered by 3 lakes (all of them fresh water) which border the country apart from other inland lakes. The three lakes include Lake Victoria (second largest fresh water lake in the world), Lake Tanganyika (second deepest lake in the world) and Lake Nyasa. Inland Lakes include Rukwa, Eyasi and Manyara. There are also big rivers flowing to the lakes.

Underground water is also another important source of water for both urban and rural settlement areas. There is a great variation of water availability between different parts of the country. The variation is explained by differences in topography, rainfall pattern and climate. About one third of Tanzania receives less than 800mm of rainfall per annum and they are considered as arid or semi arid. Also Tanzania experiences a long dry season normally extending from June to October which has an effect of low river flows and drying of water reserves.

Surface water resources in Tanzania consist of lakes, rivers, springs, man-made reservoirs and natural ponds.

### 3.7 The Impact on Environment

There is no negative environmental impact associated with this project because no harmful chemicals that will be used. However the company will abide to any environmental regulations as put for by central and local authorities

## 4 PROJECT COSTS

### 4.1 Investment Costs

It is estimated that a total cost of US\$ 700,000 will be required for construction of factory building, purchase of plant and machinery, procurement of distribution vehicles etc. The table below shows the summarized investment cost breakdown:

PROJECT COST SUMMARY	2009 AMOUNT USD \$	2010 AMOUNT USD \$	TOTAL AMOUNT USD \$
Land & Buildings	100,000	0	100,000
Plant Machinery & Equipments	350,000	50,000	400,000
Motor Vehicles	115,000	50,000	165,000
Furniture & Fittings	5,000	0	5,000
Others	10,000	0	10,000
<b>Total Capital Cost</b>	<b>580,000</b>	<b>100,000</b>	<b>680,000</b>
Working Capital	0	20,000	20,000
<b>TOTAL PROJECT COST</b>	<b>580,000</b>	<b>120,000</b>	<b>700,000</b>

### 4.2 Project Financing

The above Investment cost will be wholly financed by shareholders' equity as below

### 3.6 Project Management and Organization structure

The core management team of the company includes executives with successful backgrounds and experience in the water industry.

In total, the project will employ 26 people with various disciplines to enable smooth implementation of the project (see table below). The company's management philosophy is based on responsibility and mutual respect. The company will maintain an environment and structure that encourage productivity and respect for customers and fellow employees. Additionally, the environment will encourage employees to have fun by allowing creative independence and providing challenges that are realistic and rewarding.

#### Proposed Employment Structure

<b>SALARIES &amp; WAGES</b>	<b>NUMBER</b>	<b>MONTHLY PAY</b>	<b>MONTHS</b>	<b>ANNUAL PAY</b>
Production Manager	1	1000	12	12,000
Accountant	1	850	12	10,200
Salesmen	3	250	12	9,000
Production Engineer	2	800	12	19,200
Machine operators	10	70	13	9,100
Drivers	5	200	12	12,000
Secretary	1	150	12	1,800
Watchmen	4	50	12	2,400
	<b>26</b>	<b>6,308</b>	<b>12</b>	<b>75,700</b>
Add Allowances 30%		1893		22,710
Sub -Total	<b>26</b>	<b>8201</b>		<b>98,410</b>
<b>GRAND TOTAL SALARIES</b>				<b>98,410</b>

### **3.3 Project Location**

The proposed project will be located at Plot No. at Plot **No.22 Mkula village Kilombero; Morogoro** about 172kms from Morogoro town. The location is availed with all the necessary amenities such as power, water and telephone

### **3.4 Project Requirement**

The company proposes to acquire the following for the project;

- Building materials for the factory building
- Machinery and Equipments
  - Water treatment equipment
  - Three in one mineral water packing machines (washing, filling and sealing machines)
  - Labeling machine
  - Marking machine
  - Bottle blow system, banner and compressor
- Water distribution vehicles
  - Three trucks
  - Two 4WD Pick ups
- Standby generator

### **3.5 Marketing Strategies**

The company marketing strategy is to represent water services offered by the company as the best and most logical solution to customers' drinking water needs. The promoters position the company as the low-cost, highest quality, best value provider of water service in the Tanzania. The company will use variety of marketing approaches and materials including brochures, newspaper, TVs, radio and simple word of mouth.

There are factors which denote the existing greater potential and opportunities for investment in the water sector now and for several years to come and they include the following:

- That there is greater unexploited water resource potential;
- There is greater demand for water sector services that is still unmet and that demand is still growing as both the population as well as the quest for social economic development in Tanzania is also growing;
- The current Government policy calls for increased promotion and participation of other sectors, in the development of social sectors water included;
- There are already a great number of institutions which have invested in the sector and which already have positive experiences to learn from and provide opportunities to for forming partnerships.

**M/S MORO COT LIMITED** set out a proposal for establishment of a project for processing, bottling and distribution of quality and safe drinking water to be based in Morogoro. Using water sources of Udzungwa mountains and sanje falls the company will process and provide quality and safe drinking water to many people in Tanzania.

Project activities will include but not limited to;

- Construction of factory building
- Procurement of plant and machinery
- Procurement of distribution vehicles
- Recruitment of qualified and experienced professionals

The project's major focus is on providing quality and safe drinking water in order to reduce the incidence of waterborne diseases. Many people are expected to benefit from this proposed project both directly and indirectly.

As the Government aims for sustainable rural water supply, it should provide the participation of all stakeholders in order to achieve sustainable access, efficiency, equitable use and adequate protection and conservation of water; water and sanitation policy are waiting to be developed, reviewed and improved; co-ordinate, monitor and regulate provision of water and sanitation services are necessary to be facilitated to the public; competent sector professionals of high integrity should be developed.

But it is not only the Government that can influence the course of events. A lot can be done by various ecological institutions and organizations which can also make a considerable contribution into the development of the water and sanitation sector. They can help the Government in fulfilling the following objectives:

- to foster the use of new methodologies for the assessment and development of the water resources ;
- to ensure optimum use of available water resources;
- to protect water resources; quality and quantity, control deterioration and ensure sustainable water use;
- to transfer and adopt modern technological tools for the development and management of water resources; improving the efficiency of the irrigation water and the supplemental irrigation in order to increase the productivity per unit area; devising the best techniques for the use of the non-conventional water resources in agriculture (saline, waste, treated waste water); spreading environmental awareness among the producers.

As Tanzania needs some fundamental reforms and almost all of them are costly there is a great need in investments from foreign and local Investors.

Due to increased economic activities and delivery of social activities of which all utilize water in one way or another, delivery supply of water has become a burden which the government cannot meet alone without the participation of the private sector.

It is the government's policy to involve the beneficiaries in all water projects both in urban and rural water supply.

The water sector contribution to GDP has remained at 0.2 % for some years, a proportion which is insignificant considering the importance of the sector to the economy. Hence the government is encouraging private investment in the water sector.

In view of the above, promoters of the proposed project have realized that there is a great potential in water industry since there is unsatisfied and growing demand in the country.

### **3.2. Project Description**

Tanzania faces a number of water-provision difficulties. They are threatening but possible to solve. Blue revolution should start moving from all the possible directions. Some of the basic damaging trends can be changed by the Government only. The water sector reform and the change in water policy are necessary in Tanzania.

First of all, water should be considered a basic need. And there is also a list of main tasks that the Government is supposed to aim at: equitable access to and adequate sustainable supply of clean safe water should be achieved both in rural and urban areas; universal access to clean safe water supply within a distance of 400 meters from peoples home should be provided; water supply services should be developed and delivered;

## **3.0. THE PROJECT**

### **3.1. Background**

In Tanzania water provision problems today are closely connected with poverty and health problems. The poor, most of whom live in rural areas, have limited access to clean water for domestic use and crop production and adequate sanitation. People suffer not only from limited access to safe water but also because of the need to carry water for overlong distances. These factors bring indirect damage to Tanzanian economy as the health of people is weakened and the precious time that could be used much more fruitfully is wasted for such out-of-date water delivery.

Existing data on the incidence of waterborne, water-related and water-washed diseases indicate that these are mostly prevalent where people use contaminated water or have little water for daily use. Since such diseases account for over half of the diseases affecting the population and more than 80 % of Tanzania's population living in rural areas. One of the most dangerous disease-causing elements found in the water is arsenic. It enters water sources through the dissolution of minerals and ores, from industrial effluents, and from atmospheric deposition. Arsenic is also released into the environment through the manufacturing of pesticides, the burning of fossil fuels, and cigarette smoke. A poisonous amount for human is anything greater than 65 mg, whether taken in a single dose or built up from multiple amounts. The largest use of water is domestic water supply.

## 1.9. Conclusion and Recommendations

The project as analyzed in this report is financially viable and technically feasible. Implementation of the project is therefore highly recommended and called for especially at this time when the government is advocating better live for everyone.

## 2.0. LEGAL STATUS OF THE COMPANY

### 2.1. The company

**M/S MORO COT LIMITED** is a limited liability company incorporated in the United Republic of Tanzania holding a Certificate of Incorporation No.51594 dated 24<sup>th</sup> February 2005. The Initial share capital of the company is Tsh. 100,000,000 divided into 1,000 shares of Tsh.100, 000 each

### 2.2. Shareholders

The Current Company shareholding position is as provided here below;

S/N	NAME	NATIONALITY	SHARE
1	Vitus Modestus Bujimu P.O. Box 1387 MOROGORO	Tanzanian	800
2	Josephat Salvatore Chasama P.O. Box 1387 MOROGORO	Tanzanian	200

## **1.5. Organization Structure and Management**

The company shall be managed through the Board of Directors which will be responsible for the formulation of the company policies. The Board will appoint the Managing Director who will oversee the day to day operations of the company. The Managing Director will be supported by well trained and experienced staffs such as Production Manager, Production Engineer, Marketing Manager and other staffs. The company shall employ a total of 26 people of different skills and categories.

## **1.6. Financial Analysis**

Details of the financial analysis projections are contained in the tables and annexes attached to this report.

## **1.7. Currency Equivalent**

1 US \$ = Tshs. 1,300/=

## **1.8. Development Values**

- The project is expected to generate employment opportunities to about 26 Tanzanians and many more indirectly.
- The project will generate revenue to the government through various taxes.

### 1.3. The Project

This report has been prepared to serve as a business plan for establishment of a project for processing, bottling and distribution of quality and safe drinking water. The Project, which will be located at Plot **No.22 Mkula village Kilombero; Morogoro** will process water from Udzungwa mountains and Sanje falls in order to provide quality and safe drinking water to many people in Tanzania. Major project activities include but not limited to:

- Construction of factory building
- Procurement of plant and machinery
- Procurement of distribution vehicles
- Recruitment of qualified and experienced professionals

### 1.4. Project Cost and Financing

It is estimated that a total cost of US\$ 700,000 will be required for construction of factory building, purchase of plant and machinery, procurement of distribution vehicles etc. The table below shows the summarized investment cost breakdown:

PROJECT COST SUMMARY	2009 AMOUNT USD \$	2010 AMOUNT USD \$	TOTAL AMOUNT USD \$
Land & Buildings	100,000	0	100,000
Plant Machinery & Equipments	350,000	50,000	400,000
Motor Vehicles	115,000	50,000	165,000
Furniture & Fittings	5,000	0	5,000
Others	10,000	0	10,000
<b>Total Capital Cost</b>	<b>580,000</b>	<b>100,000</b>	<b>680,000</b>
Working Capital	0	20,000	20,000
<b>TOTAL PROJECT COST</b>	<b>580,000</b>	<b>120,000</b>	<b>700,000</b>

The above investment cost is proposed to be wholly financed by shareholders' equity contributions.

It is in view of the above that **M/S MORO COT LIMITED** herein referred as a **company** set out a proposal for establishment of a project for processing, bottling and distribution of quality and safe drinking water to be based in Morogoro

This report has been prepared to serve as a business plan for assessing commercial viability of the proposed project and submission to Tanzania Investment Centre (TIC) to seek Investors' Certificate of Incentives in order to enjoy facilitation and other benefits as provided for under the Tanzania Investment Act of 1997

### **1.2. Project Promoters**

The project is being promoted by **M/S MORO COT LIMITED** a private limited liabilities company incorporated in Tanzania on 24th February, 2005 under Certificate of Incorporation No. **51594**. The current company shareholders are as provided below;

S/N	NAME	NATIONALITY	SHARE
1	Vitus Modestus Bujimu P.O. Box 1387 MOROGORO	Tanzanian	800
2	Josephat Salvatore Chasama P.O. Box 1387 MOROGORO	Tanzanian	200

## **EXECUTIVE SUMMARY**

### **1.1. Introduction**

For centuries people took the gift of using fresh water for granted. It seemed to people that our planet had inexhaustible resources of water, so it was treated as an infinite free good. It was only when the scales of fresh-water deficiency disaster have become tremendous that people came to estimate the fundamental place of water in maintaining the life of the globe and presenting the health of the environment.

It is estimated that two thirds of the world's population is at risk of having water shortages. And even those regions that have sufficient water supply cannot boast of using safe drinking water. The consequences of such problems are even fatal sometimes because of water- related diseases. It is a disaster and it is still happening. But not all the news is bad.

In recent years there has started a Green revolution and a Blue revolution is at its start too. Today, many scientists and leading countries realize that the Earth is in danger. Ecology-minded countries have started some water protecting activities already but they proved to be rather costly. Third world countries are again at disadvantage here because they belong to the group of greatest hazard but they have no sufficient material base to improve the existing situation significantly. Tanzania belongs to the countries with the acute form of Blue disaster. The country suffers from both water shortages and water pollution. To overcome these problems, great investments in the water sector are necessary.

## **7.0. CONCLUSION AND RECOMMENDATIONS**

7.1 Conclusion

7.2 Recommendations

## **8.0 FINANCIAL STATEMENTS**

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## **1.0. EXECUTIVE SUMMARY**

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- 1.2 Project Promoters
- 1.3 The Project
- 1.4 Project Cost and Financing
- 1.5 Organization Structure and Management
- 1.6 Financial Analysis
- 1.7 Currency Equivalent
- 1.8 Development Values
- 1.9 Conclusion and Recommendations

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## **3.0. THE PROJECT**

- 3.1 Background
- 3.2 Project Description
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- 4.1 Investment Costs
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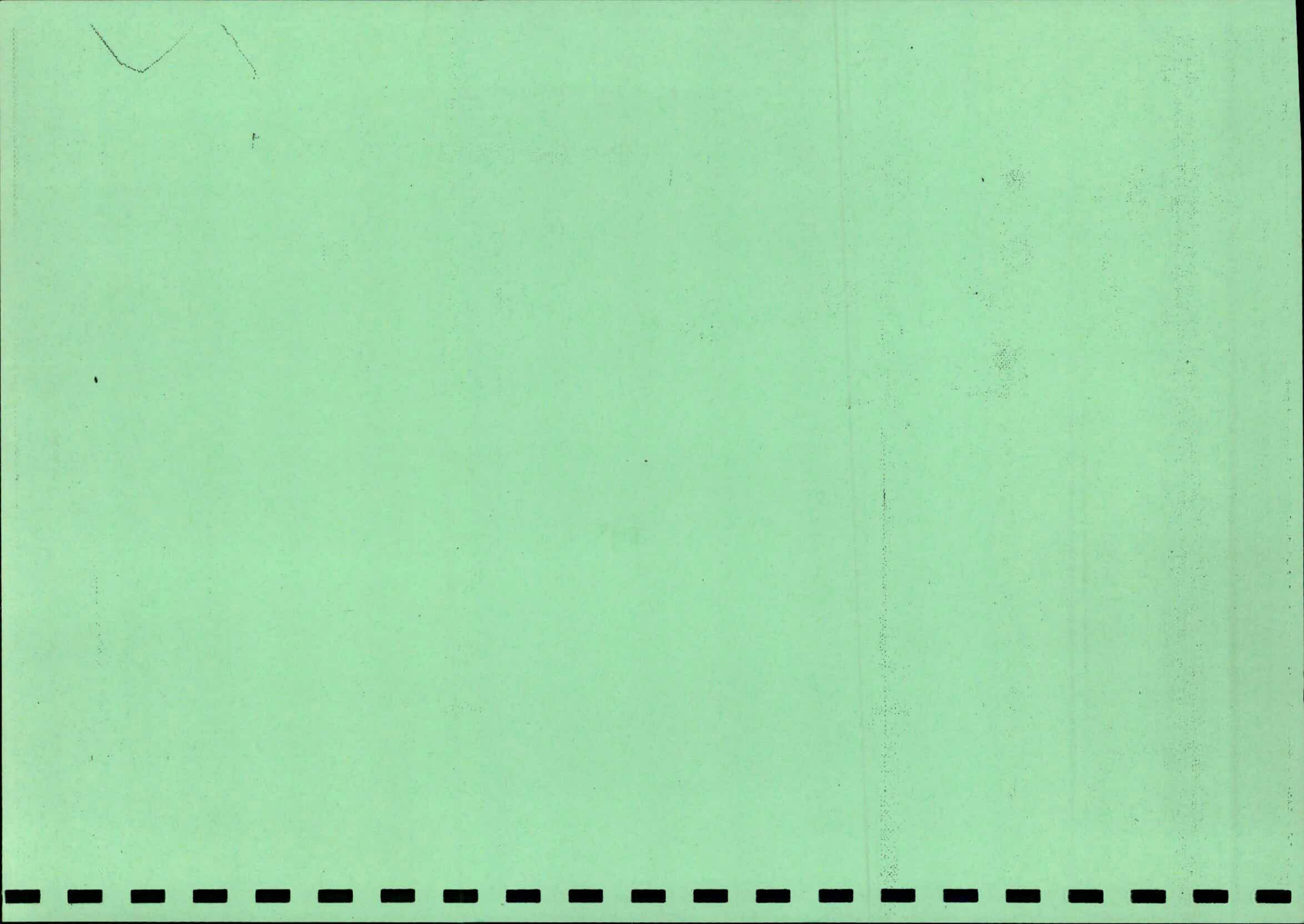
- 6.1 Major production and operating cost
- 6.2 Project profit and loss statements
- 6.3 Balance sheet projections
- 6.4 Revenue and profitability
- 6.5 Projected cash flow

# MORO COT LIMITED

## A PROPOSED PROJECT FOR PROCESSING BOTTLING AND DISTRIBUTION OF DRINKING WATER

Prepared by:  
MORO COT LIMITED  
P.O. Box 1387  
MOROGORO

JANUARY, 2009



# **MORO COT LIMITED**

## **A PROPOSED PROJECT FOR PROCESSING BOTTLING AND DISTRIBUTION OF DRINKING WATER**

**Prepared by:  
MORO COT LIMITED  
P.O. Box 1387  
MOROGORO**

**JANUARY, 2009**

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

1. Shareholders  

Shareholders	Nationality	Shareholding (%)
Vitus Bujimu	Tanzanian	80
Josephat Chasama	Tanzanian	20
2. Proposed Activities: To establish mineral water processing plant
3. Sector: Manufacturing Subsector: Mineral water
4. Investment cost: Foreign: - Local: USD 0.7m. Total: USD 0.7m.
5. Project Financing: Equity: USD 0.7m. Loans: - Total: USD 0.7m.
6. Source, terms and conditions of loan:
7. Assets to be invested:  

Capital items:	Foreign	Local	Total
	-	USD 0.7m.	USD 0.7m.
8. Technology Agreement: None
9. Date of TIC Registration: 27th January 2009
10. Implementation period: January 2009 - December 2011
11. Operative date: January 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



No 00215385

THE UNITED REPUBLIC OF TANZANIA

# Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

No: 041631

## This is to certify that

MORO COT LIMITED

of address P.O. BOX 1387  
MOROGORO

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

MORO COT LIMITED

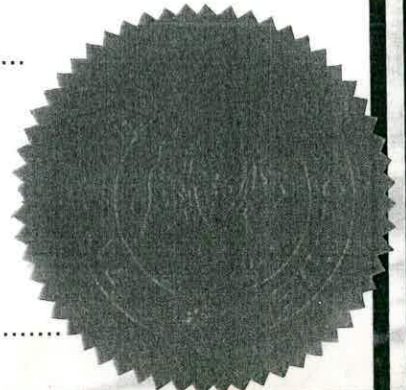
Which is located at PLOT NO. 20, BLOCK K, MKULA AREA, KILOMBERO  
DISTRICT - MOROGORO

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 27TH FEBRUARY 2009



ITEM	DESCRIPTION	QUANTITY	UNITS
7	Printer machine	2	Ps
8	Fax machine	2	Ps
9	Scanner machine	2	ps
<b>H</b>	<b>MOTOR VEHICLES</b>		
1	Truck	3	Units
2	Tipper	1	Unit
3	4 WD pick up	2	Units
4	Fork lift	1	unit



ITEM	DESCRIPTION	QUANTITY	UNITS
11	1 x 16.0mm cables	50	Rolls
12	1 x 16.0mm armoured cables	500	Meters
13	1 x 4mm armoured cables	100	Meters
14	Power factor	1	Pc
15	Air condition- split type 2400 BTU wall Mounted HP 2.0	4	Pcs
16	Generotor 50KVA	2	Pcs
17	Hot + cold dispenser cooler	200	Pcs
18	Electrical water pump	4	Pcs
19	Electrical motors	4	Pcs
20	Spotlight complete	20	Pcs
21	Bottle cooler fridge medium	1000	Pcs
22	Fridge	2	Pcs
23	1 x 25mm armoured cables	100	Pcs
24	1 x 50mm armoured cables	100	Meters
25	1 x 35mm armoured cables	100	Meters
26	Star delta	5	Pcs
27	Bassbar	3	Pcs
28	Fire alarm	1	Pcs
<b>E</b>	<b>FURNITURES</b>		
1	Reception Chair	6	Pcs
2	Sofa set leather	2	Sets
3	Chairs – ordinary leather	10	Pcs
4	Executive chairs	5	Pcs
5	Executive tables	5	Pcs
6	Office Tables	10	Pcs
7	File cabinet	5	Pcs
8	Steel safe	2	Pcs
<b>F</b>	<b>TOOLS FOR FABRICATION &amp; EQUIPMENT</b>		
1	Welding Machine	2	Pcs
2	Acetylene Gas cylinder	1	Pcs
3	Simtank 10000lts	10	Rolls
4	Stainless steel plate		Pcs
	Size 8 x 4 x 1.5mm	40	Pcs
	Size 8 x 4 x 1.2mm	40	Pcs
5	P.V.C pressure pipe	100	Rolls
6	Water pump machine	2	Pcs
7	Hand Blow machine	2	Pcs
8	Lawn mowers machine	2	Set
9	Pipe wrench	4	Pcs
10	Die machine	2	Pcs
<b>G</b>	<b>GENERAL EQUIPMENT</b>		
1	Hose Reel pipe	10	Unit
2	Fire extinguishers	15	Pcs
3	Television sets 21	2	Pcs
4	Satellite dish complete with accessories	2	Pcs
5	Photo copy machine	2	Pcs
6	computers	2	pcs



ITEM	DESCRIPTION	QUANTITY	UNITS
22	20 Lts stucco	20	Tins
23	Polish	20	Gallon
24	Thinner solution	20	Gallon
25	Crack filler	200	Pkts
26	Iron sheet It-4 G 26	5000	M <sup>2</sup>
27	Manglore Tiles	900	M <sup>2</sup>
28	Gutters 28G	400	M
29	Corrugated Iron sheet G. 30	400	Pcs
30	Chain links wire	30	Rolls
31	Plain plate 4mm	50	Pcs
32	Plain plate 6mm	20	Pcs
33	Plain plate 2mm	10	Pcs
34	Flat Bar	250	Pcs
35	Hollow section 25 x 50mm	400	Pcs
36	Hollow section 25 x 38mm	200	Pcs
37	Hollow section 38 x 50mm	150	Pcs
38	Welding rods	120	Kgs
39	Cutting blade	40	Pcs
40	'H' Beams	40	Pcs
41	'Z' Purlins	80	Pcs
42	Angle iron	40	Pcs
43	UPVC Doors (fire Proof)		
	1. size 1563 x 2850mm high	4	Pcs
	2. size 1200 x 2850mm high	6	Pcs
	3. size 900 x 2850mm high	15	Pcs
44	UPVC window (fire Proof)		
	1. size 1500 x 1650mm high	15	Pcs
	2. size 800 x 600mm high	7	Pcs
45	UPVC Partitions (fire Proof)		
	1. size 2400 x 1200mm	40	Pcs
46	Decra Roof Tile	600	M <sup>2</sup>
<b>C.</b>	<b>SANITARY APPLIANCES</b>		
1	Low lever WC-monolithic-complete	7	Pcs
2	Wash Hand basin complete	4	Pcs
3	Shower tray	4	Pcs
4	Urinal tray	2	Pcs
5	Floor trap	7	Pcs
6	Kitchen sink	4	Pcs
<b>D</b>	<b>ELECTRICAL APPLIANCES</b>		
1	Change over switch	4	Pcs
2	Main switch with circuit breaker	4	Pcs
3	Circuit breaker 3 phase	3	Pcs
4	Cut out	2	Pcs
5	Distribution board	4	Pcs
6	Earth rod	12	Pcs
7	1 x 1.5mm <sup>2</sup> cable	50	Rolls
8	1 x 2.5mm <sup>2</sup> cable	50	Rolls
9	1 x 4.0mm <sup>2</sup> cable	50	Rolls
10	1 x 6.0mm cable	50	Rolls



MORO COT LTD  
P.O. BOX 1387  
MOROGORO.

LIST OF ITEMS  
DUTY AND VAT  
WATER PROJECT  
20 BLOCK IN

ITEM		
A	Water tre	
1.	Bottle fil	
2.	Cap feed	
3	Feeding	
4	Mark p	
5	Pipe an	
6	Steel st	
7	Bottle	
8	Banne	
9	High	
10	Comf	
11	Weig	
12	Spar	
13	Pell	
14	Cap	
15	Lab	
16	Co	
17		
	B.	Bl
	1	Co
	2	10
	3	17
	4	8
	5	8
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	21	

**FOR WHICH EXEMPTION OF IMPORT DUTY, EXCISE  
ON CAPITAL/DEEMED GOOD IS SOUGHT FOR BOTTLED  
T AND FACTORY BUILDING TO BE BUILT ON PLOT NO.  
KILOMBELO DISTRICT MOROGORO REGION.**

DESCRIPTION	QUANTITY	UNITS
<b>PLANT AND MACHINERY</b>	<b>EQUIPMENTS</b>	
Water treatment system	1	Set
Water supply system	2	Set
Water pump	2	Units
Water line	2	Line
Water filter	1	Unit
Water pipe and fitting	1	Lot
Structure for installation	1	Set
Blowing machine	5	Set
Grinding machine	1	Set
High pressure Air compressor	3	Set
Complete lab equipments	1	Set
Weight scale	2	Unit
Lab parts	1	Lot
Bottles	2500	Ton
Plastic bags	1000	Ton
Steel rods	100	Ton
Corrugated curt Boxes	7m	pcs
<b>BUILDING</b>		
Reinforcement	160	Tons
12mm diameter high tensile	150	Tons
10mm diameter high tensile	120	Tons
8mm diameter high tensile	120	Tons
Floor Tiles	4000	M <sup>2</sup>
Wall tiles	1500	M <sup>2</sup>
Anti Termite Treatment solution	50	Liters
Aluminum frames with completer with glass	400	M <sup>2</sup>
Gypsum frames with completer with glass	700	M <sup>2</sup>
Gypsum conies	300	M
Weld mesh	500	Meters
MDF board size 2400 x 1200mm	400	M <sup>2</sup>
Plywood board	200	M <sup>2</sup>
Binding wire	300	Kg
Wire nails assorted	1200	Kgs
Roofing nails	100	Kgs
20Lts emulsion paint	300	Tins
20 Lts washing wear paint viny	300	Tins
20 Lts weather guard paint	50	Tins
4 Lts Gloss oil paint	40	Tins
4 Lts Red Oxide paint	40	Tins



CTIN: 0307152



# 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

.....  
MORO COT LTD.  
.....

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

.....  
103-397-545  
.....

with effect from ..... 10/03/2005 .....

OFFICIAL SEAL

  
Ms. Christine Shekidele  
COMMISSIONER FOR INCOME TAX

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

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

1. Shareholders  

Shareholders	Nationality	Shareholding (%)
Vitus Bujimu	Tanzanian	80
Josephat Chasama	Tanzanian	20
2. Proposed Activities : To establish mineral water processing plant
3. Sector: Manufacturing Subsector Mineral water
4. Investment cost: Foreign - Local USD 0.7m. Total USD 0.7m.
5. Project Financing: Equity USD 0.7m. Loans - Total USD 0.7m.
6. Source, terms and conditions of loan
7. Assets to be invested:  

Capital items:	Foreign	Local	Total
	-	USD 0.7m.	USD 0.7m.
8. Technology Agreement None
9. Date of TIC Registration: 27th January 2009
10. Implementation period January 2009 - December 2011
11. Operative date January 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

Certified True Copy  
of The Original  
Signature *[Signature]*  
Date 2/3/2009



No: 00215385

For: Executive Director  
Tanzania Investment Centre

THE UNITED REPUBLIC OF TANZANIA

# Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

No: 041631

## This is to certify that

MORO COT LIMITED

of address ..... P.O. BOX 1387

MOROGORO

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

MORO COT LIMITED

Which is located at ..... PLOT NO. 20, BLOCK K, MKULA AREA, KILOMBERO

DISTRICT - MOROGORO

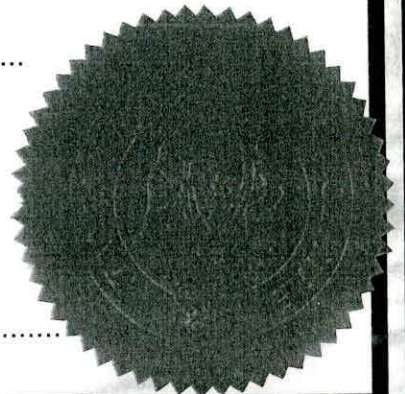
Further particulars required by Section 17 of the Tanzania Investment Act are set out overleaf.

*[Signature]*

Executive Director

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

Dated ..... 27TH FEBRUARY 2009



# MORO COT LTD

5

P.O BOX 1387 MOROGORO - TEL: 023 2600254, FAX: 023 2613254,  
EMAIL: moro\_cot\_ltd@yahoo.com

COMMISSIONAL FOR CUSTOMES & EXCISE

3<sup>RD</sup> MARCH 2009

P.O BOX 9054

DAR ES SALAAM.

U.F.S

EXECUTIVE DIRECTOR

TANZANIA INVESTMENT CENTRE

P.O BOX 938

DAR ES SALAAM



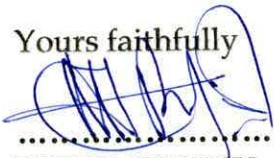
RE: DUTY/VAT EXCEMPTION ON CAPITAL/DEEMED  
CAPITAL GOODS

Please refer the above mentioned subject

We enclosed the list of Machinery and Building materials for the mineral water processing plant which will be excempted as per our certificate of Incentives No. 041631 of 27<sup>th</sup> Feb 2009

Thanks,

Yours faithfully

  
.....  
VITUS BUJIMU  
MANAGING DIRECTOR  
MORO COT LTD



**SKETCH MAP SHOWING PROJECT LOCATION**





# TANZANIA INVESTMENT CENTRE

## REGISTRATION FORM

FOR

## CERTIFICATE OF INCENTIVES

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

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

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

UNITED REPUBLIC OF TANZANIA

THE TANZANIA INVESTMENT ACT

(No. 26 of 1997)

APPLICATION FOR REGISTRATION

(Made under Regulation 42)

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

1. I/We VITUS BUSIMU  
.....  
(director/directors/agent of MORO COT LTD  
.....  
(name of business enterprise) apply for registration of MORO COT LTD.  
.....

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 MOROGORO  
.....  
MUNICIPAL PLOT 20 BLOCK "K."  
.....

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 MOROGORO REGION  
.....

4. The Principal Officers of the Company are 1. VITUS BUSIMU  
2. JOSEPHAI CHASAMA.  
.....  
.....

5. Auditors of the Company are BEN HAMM & CO  
P.O. Box 1781 MOROGORO  
.....

6. The authorized share capital of the Company is Tshs./US\$ Tsh 100,000,000/=  
.....  
.....

7. The intended capital investment of the Company in terms of Section 2(2) of the Act is Tshs./US\$ 850,000,000/= 700,000 USD  
*G. Magesa*
8. The month and day of the financial year end is 31 DEC

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

I, VITUS BUSIMU of Post Office Number 1387 MOROGORO

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

authorized agent of MORO COF 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 19 day of 06 2008 }

**Applicant**

Before me:

*R. Magesa*  
  
20/6/2008  
 Commissioner for Oaths

APPLICATION SUMMARY

Company Name: MORO COF LTD

Certificate of Incorporation Number: 51594 Status: LTD COMPANY

Certificate of Incorporation Date: 24 FEB 2005

Post Box: 1387

Town: MOROGORO

Sector: MANUFACTURING INDUSTRIAL Sub-Sector: MINERAL WATER

Investment Financing Plan in Million US\$/Tshs:

Foreign Equity Local Equity Foreign Loan Local Loan
700,000

Project Objectives: TO ESTABLISH WATER PROCESSING PLANT

Capacity:

Employment: Foreign: Local: 26 Total: 26

Implementation Period: 5 years

Project Location

Site/Plot/Block No.: PLOT #20 BLOCK K

Street: MKULA VILLAGE District: KILOMBERO Region: MOROGORO

(Attach sketch map showing project location)

Table with 3 columns: Shareholders, Nationality, %. Rows include VITUS BWINY TANZANIAN 80 and JOSEPHAI CHASAMA TANZANIAN 20.

## Investment Breakdown US\$/Tshs.M

Land/Building	100,000
Plant	400,000
Vehicles	165,000
Furniture & Fittings	5,000
Pre-expenses	
Others	10,000
Working Capital	20,000
<b>TOTAL</b>	<b>700,000</b>

### Contact Details:

Name: VITUS BUJIMU Title: DIRECTOR  
Telephone: 0733 888 922 Fax: .....  
Email: Gmaps@Yoho-

### Payments to be made payable to:

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

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

4977 07087

TFN. 614 (Rev. 8.94)

30320388

1

NIMEPOKEA KWA  
Received from

MORO COY LTD



KIASI  
Amount

Shs.		Cts.	
100	00	00	00

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

USD ONE HUNDRED ONLY

NA SENTI  
And Cents

KWA MALIPO YA  
In Respect of

REG. FEE

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

CASH

KITUO - Station

SAHIHI YA MPOKEAJI-Receiver's  
Signature.

[Signature]

APR Title

05/10/08

[Signature]

Govt. Press, Dsm.

For Executive Director  
Tanzania Investment Centre



EX/MOR/2008/0006

18 June 2008

**To-**  
EXECUTIVE DIRECTOR  
TANZANIA INVESTMENT CENTER  
P.O.BOX 938  
DAR ES SALAAM

Dear Sir/Madam,

**RE: INTRODUCTION OF MORO COT LTD**

We are confirming that the above named customers have a good current account relationship with us. They are maintaining Joint USD and TZS current accounts number 0760737023 and 0760737001 respectively with us since 24-Apr-2006

The above-mentioned customers are operating their accounts in the name of MOROCOT LTD and therefore we want to introduce MR. VITUS BUJIMU to you. Kindly you may extend your necessary assistance to them because they have a good reputation in the society as well as for their business fraternity.

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

Thanking you.

Yours faithfully,

  
For EXIM BANK (T) LTD,  
MOROGORO BRANCH

**HAMAD A.SAID** *Branch Manager*  
**ASST. BRANCH MANAGER.**

**Exim Bank (Tanzania) Ltd.**

---

P.O Box 6033, Morogoro, Tanzania  
Tel: (023) 2601591/2 Fax: (023) 2601593  
website: [www.eximbank-tz.com](http://www.eximbank-tz.com)  
Email: [enquiry@eximbank-tz.com](mailto:enquiry@eximbank-tz.com)

REQUIREMENTS OF THIS CERTIFICATE

1. The taxable person must show his TIN registration number in any return, statement, notice of appeal or other document used for the purpose of the Income Tax Act.
2. This Certificate should be displayed in a conspicuous position at the principal place of business.

CTIN: 0307152



# 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

.....  
MORO COT LTD.  
.....

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

.....  
103-397-545  
.....

with effect from ..... 10/03/2005 .....

OFFICIAL SEAL

  
Ms. Christine Shekidele  
COMMISSIONER FOR INCOME TAX

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

# MORO COT LTD

P.O BOX 1387  
MOROGORO  
TANZANIA

TEL: 023 - 2600254  
FAX: 023 - 2613254

19<sup>th</sup> June 2008

## COMPANY RESOLUTION OF MORO COT LTD

At an extraordinary General meeting which was properly constituted and convened on 19<sup>th</sup> June, 2008 at the company premises at 4:00 Pm by the chairman:-

It was resolved that the directors make an application for a Certificate of Incentives to the Tanzania investment Centre to enable the company invest in the Water project at Mkula village, Ifakara District, Morogoro Region.

There being no other business the Chairman closed the meeting at 5:10 P.m



VITUS M. BUJIMU  
MANAGING DIRECTOR



JOSEPHAT S. CHASAMA  
DIRECTOR

# MORO COT LTD

P.O BOX 1387  
MOROGORO  
TANZANIA

TEL: 023 - 2600254  
FAX: 023 - 2613254

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



**RE: APPLICATION FOR CERTIFICATE OF INCENTIVES**

We are local investors holding a company with registration number 51594 dated 24<sup>th</sup> Feb 2005.

We hereby apply for project approval/Certificate of incentive for establishing a bottled water factory to be located at Plot No. 20 Block 'K' Mkula in Kilombero District Morogoro Region

Enclosed herein please find,

- 3 copies of Business plan
- Certificate of Incorporation
- Memorandum and Articles of Association
- P .A 1 Form duly field
- Board resolution
- Bank reference letter

We hope our request will be considered and acted upon at your earliest convenience

Yours sincerely,  
MORO COT LTD

.....  
VITUS M. BUJIMU  
MANAGING DIRECTOR



# TIC Evaluation Report

Name of the Company  
Moro Cot Ltd

Post Box	Mkula Village	COI Number	51594	Contact	Vitus Busimu
Post Office	1387	COI Date	24/02/2005	Designation	Director
Region	Morogoro	Application F. No	07087	Phone	0
Country	Tanzania	Status	Expansion	Direct Phone	0
		Sector	Manufacturing	Cell Phone	0733 888922
		Sub Sector	Mineral Water	Fax	0
		File No	041631	E-Mail Address	Gmarsa@Yahoo.Com

Project Location		Investment Finance Plan in Millions USD										
Plot/Block	Plot no 20 Block K	<table border="1"> <tr> <th>Foreign Equity</th> <th>Local Equity</th> <th>Foreign Loan</th> <th>Local Loan</th> </tr> <tr> <td>0</td> <td>0.7</td> <td>0</td> <td>0</td> </tr> </table>	Foreign Equity	Local Equity	Foreign Loan	Local Loan	0	0.7	0	0		
Foreign Equity	Local Equity		Foreign Loan	Local Loan								
0	0.7		0	0								
Street	Mkula Village											
District	Kilombero											
Region	Morogoro											

Shareholders Detail			Investment Breakdown (USD Million)	
Name	Nationality	(%)	Land/Building	0.1
Joseph Chasama	Tanzania	20	Plant	0.4
Vitus Bujimu	Tanzania	80	Vehicles	0.165
			Furniture & Fittings	0.005
			Pre-expenses	0
			Others	0.01
			Working Capital	0.02
			Total	0.7

Employment	26	Evaluated By	Revocatus Arbogast
Capacity	xxxx	Drawn By	Sarah Registry
Project Turn Over			

Description  
To establish mineral water processing plant

### Recommendations

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

### Decision

*Approved*  
*[Signature]*  
26/1

TICC/PP.10/041631/2

27 January 2009

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

Yours sincerely,  
**Tanzania Investment Centre**

  
**B. D. Chonjo**  
For: Executive Director

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

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

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

TICC/PP.10/041631/2

27 January 2009

Managing Director,  
Moro Cot Ltd,  
P.O. Box 1387,  
**MOROGORO**

**RE: CERTIFICATE OF INCENTIVES FOR INVESTMENT IN THE  
MINERAL WATER PROCESSING PLANT**

We wish to acknowledge receipt of your project proposal to establish mineral water processing plant as presented in the TIC P.A. 1 Form No. 07087 and Feasibility Study with a projected investment of USD 0.7 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. In order to enable TIC prepare your Certificate of Incentives you will be required to submit the following:

- Certified document showing evidence of Land ownership for the location of the project.

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

.../2

041631

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

TFN. 614 (Rev. 8.94)

30324112

1

**PAYOR RECEIPT**

NIMEPOKEA KWA  
Received from

MORO CO LTD



KIASI  
Amount

Shs.						Cts.
1	0	0	0	0	0	0

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

ONE MILLION TWELVE THOUSAND FIVE HUNDRED 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

SAHIHI YA MPOKEAJI - Receiving Officer's  
Signature.

*[Signature]*

CHEO - Title

ACC

TAREHE - Date  
16 FEB. 2009

*[Signature]*

Govt. Press, Dsm.

2. (a) Jina lako (kwa herufi kubwa) Hati ya haki ya Ardhi haitaruhusiwa kuandikwa au kutolewa kwa jina la mtu mwingine ila wewe mwenye jina hilo hapo juu.
- (b) Anwani makazi kwa kirefu ukitoa namba ya nyumba unayoishi jina la mtaa na sanduku la posta kama kipo.

3. <u>MALIPO YAFUATAYO YANATAKIWA</u>	<u>MAELEZO YA MALIPO</u>	
	SHS.	CTS
(a) 18:071:1026 Gharama ya Hati (fee for certificate of occupancy)	4500	00
(b) 49:101:2129 Gharama ya usajili (fee for Registration)	1000	00
(c) 81:212:1845 Gharama ya upimaji (survey fee)	500	00
d) 81:212:1846 Ada ya Nakala za Ramani (fee for Deed plans)	250	00
(e) 50:107:1501 ushauri wa serikali Kwa hati na nakala	150	00
(f) 50:107:1704 kodi ya kiwanja kutoka 1/10/1998 hadi 30/6/1999	2500	50
Jumla ya Malipo (Total fees)	8900	50

4. kiasi cha fedha kilichoonyeshwa na (a) - (d) lazima zilipwe kwa Afisa wa Ardhi (w) Kilombero na fedha za (e) - (f) zilipwe kwa Afisa Hazina (w) Kilombero. Baada ya kulipa usisahau kutuletea stakabadhi za malipo hayo inayohitajika kama aya ya pili inavyosema.

- 5 kama hutakubaliana na barua hii na kulipia jumla yote ya fedha iliyoonyeshwa katika aya ya tatu ndani ya siku thelathini (30) toka tarehe ya barua hii ombi litafutwa bila kutoa taarifa nyingine kwako.



  
**AFISA ARDHI WA HALMASHAURI  
KILOMBERO**

Nakala kwa: Mkurugenzi wa Huduma za Maendeleo ya Ardhi  
**DAR ES SALAAM**

Afisa Maendeleo ya Ardhi (M)  
**MOROGORO**

KILOMBERO DISTRICT COUNCIL

Carried over  
Copy of the original.  
Advocate  
18/2/2009



IDARA YA MIPANGO MIJI  
(ARDHI)  
S.L.P 263  
IFAKARA / KILOMBERO  
2/10/1998

Kumb. Na. KDC/LD/3360/376  
VITUS BUJIMU  
S.L.P 1387  
MOROGORO

Salaam,

KIWANJA NO. 20 BLOCK 'K' MKULA  
KILOMBERO DISTRICT

Ombi lako la kupata hati ya muda mrefu limekubaliwa na kamati ya ugawaji wa Viwanja katika kikao chake cha tarehe ..... 20/9/98 ..... dondoo nambari ... 20/1 ..... mara nitakapokea ada pamoja na habari katika aya ya pili hapa chini utatayarishiwa/mtatayarishiwa hati ya umilikaji ambayo itakuwa na masharti muhimu yafuatayo:-

- i) MUDA: Miaka 30 kuanzia tarehe 1/10/1998
- ii) KODI: Shs. 2500 kwa mwaka haitabadilika baada ya miaka kumi

Economic VAL. Shs. 15170/=

- iii) MATUMIZI: BIASHARA  
TUMIA FUNGU 'A'  
TUMIA VIJIFUNGU (a) & (c)

Kama ilivyotafasiriwa katika sheria ya mipango miji 1960, nyumba moja kubwa pamoja na nyumba nyingine za uani zitajengwa

- iv) a) Simamisha majengo kwenye kiwanja (ambayo baadaye yataitwa majengo kwa vifaa vya kudumu vilivyokubaliwa kufuatana na masharti ya Hati ambayo pia vinakubaliana na Ramani ya majengo (kama hiyo) ilivyopendekezwa na Mkurugenzi wa Maendeleo wa Wilaya ambaye huitwa mwenye mamlaka).  
b) Ujenzi wa majengo uanze katika muda wa miezi sita mara baada ya kuthibitishwa ramani za majengo.  
c) Majengo yote yawe yamemalizika kwa muda wa miezi (36) thelathini na sita tangu tarehe ya kupewa kiwanja
- v) Hakuna kugawa au kutoa sehemu yoyote ya Ardhi bila kibali cha ofisi hii.

IN WITNESS WHEREOF, I have hereunto set my hand and seal today this 30 day of June 2008.

Signed and Delivered at Dar es Salaam }  
By the said VITUS MONDESTUS BUJIMU }  
who was Introduced to me by ..TENGIO }  
This 13<sup>th</sup> day of June 2008 }

  
.....  
DONOR



**ACKNOWLEDGEMENT**


We, MORO COT LIMITED do hereby acknowledge and accept to be Attorney of the said VITUS MONDESTUS BUJIMU under the terms and conditions contained in this POWER OF ATTORNEY


BEFORE ME  
  
.....  
COMMISSIONER OF OATHS  


Sealed and Delivered at Dar es Salaam }  
With the COMMON SEAL of MORO COT LIMITED }  
This 13 day of June 2008 }



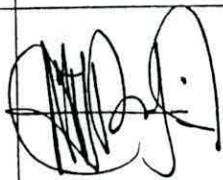

Seal

In the presence of:  
Signature   
Name VITUS MONDESTUS BUJIMU  
Qualification MANAGING DIRECTOR

Signature   
Name THOMAS PANDA RWEYEMAMU  
Qualification SECRETARY

## 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 Ordinance, 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 each party and the third 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, Addresses, and Description of Subscribers.	Number of shares taken by each Subscriber	Signature
VITUS MODESTUS BUJIMU P. O. Box 1387 MOROGORO	800	
JOSEPHAT SALVATORE CHASAMA P. O. Box 1387 MOROGORO	200	


Dated at Dharam this 22<sup>nd</sup> day of February 2005...

**Witness** to the above signatures

Name :

Silvestre Eusebio Shayo

Signature :

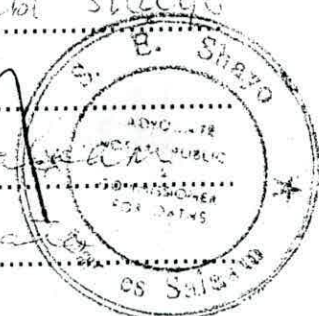


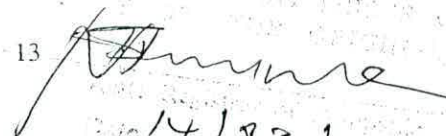
Postal Address :

11934 Dharam

Qualification :

Arbitrator



I HEREBY CERTIFY THAT THIS IS A TRUE COPY OF THE ORIGINAL  
 13   
 2014/03/25

## 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 or raise any such sum or sums as aforesaid by mortgage or charge upon the whole or any part of the property and assets of the Company present or future including its uncalled capital for the time being, or by the issue at such price as they may think fit, of bonds or debentures either charged upon the whole or any part of the property and assets of the company or not so charged or in such other way as the Directors may think expedient.

## VOTE OF MEMBERS

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 a 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.

I HEREBY CERTIFY  
TRUE  
11  
Date 14/03/2005

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

### INDEMNITY

21. Every Director, Managing Director, Agent, Auditor, Secretary and other Officer for the time being of the Company shall be indemnified out of the Assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgement is given in his favour or in which he is acquitted or is in connection with any application (under Section 345 of the Ordinance) in which relief is granted to him by the Court.

I HEREBY CERTIFY THAT THIS  
IS THE TRUE AND CORRECT COPY  
OF THE MEMORANDUM OF ASSOCIATION  
AND ARTICLES OF ASSOCIATION  
AS PRESENTED TO THE REGISTRAR  
ON 12/11/2014  
12/11/2014  
14/11/2014

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 OF THE GENERAL MEETINGS.**

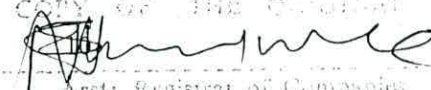
Articles 39 to 53 Table 'A' shall apply subject the following variations:-

- (a) A General Meeting, Ordinary or Extraordinary may with the consent in writing of all members, be convened on a shorter notice than seven days or without notice.
- (b) Two members, present either personally or by proxy shall form a quorum.
- (c) Any ordinary resolution of the company determined without any general meeting and evidenced by writing under the hands of majority of the Directors and 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**

- (a) Until otherwise determined by the company in General Meeting the Directors shall not be less than two and not more than seven in number.
  - (b) The following persons shall be the first Directors of the company:-
    - 1. VITUS MODESTUS BUJIMU
    - 2. JOSEPHAT SALVATORE CHASAMA
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 two.
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.

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Date: 12/03/2005

- more persons hold one or more shares in the company jointly they shall for the purpose of this regulation be tested 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.

### TRANSFER OF SHARES

- 3. The Directors may in their direction and without assigning any reason thereof refuse to register the transfer of any share to any person who it shall in their opinion be undesirable for any reason whatsoever to admit to membership.
- 4. Subject to clauses 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 who 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 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 days 21 notice the board shall apportion such shares amongst the shareholders (if more than one) who shall have expressed their desire to purchase number of shares already held by them respectively, or if there be only one such shareholder, that the whole of such shares shall be sold to him, provided no shareholder shall be obliged to take more than the maximum number of such shares 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

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Date 14/03/05

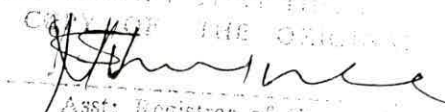
- (hh) To draw, make, accept, endorse, discount execute and issue promissory notes, bills of lading, warrants, debentures and negotiable or transferable instruments.
- (ii) To act as agents or brokers, and as trustees for any person firm or company, and to undertake and perform sub-contracts and also to act in any other business of the company through or by means of agents, brokers, sub-contractors or others.
- (jj) To obtain any provisional order, ordinance or act of Parliament for enabling the Company to carry any of it is objects into effect, or for affecting any modification of the Company's constitution, or any other purpose which may seem expedient, and to oppose any proceedings or applications which may seem calculated, directly or indirectly to prejudice the company's interest.
- (kk) To take or otherwise and hold shares in any other company having objects altogether or in part similar to this company, or carrying on any business capable of being conducted so as directly or indirectly to benefit the company.
- (ll) To transact or carry on all kinds of Agency business and in particular in relation to the investment of money, the sale of property, and the collection and receipt of money.
- (mm) To do all other things as may be deemed incidental or conducive to the entertainment of the objects or any of them.

And it is hereby declared that:-

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

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


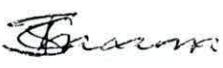
That the meaning of any general word or words in any paragraph of this clause shall not be restricted by being construed ejusdem generis with any particular word or words in the same paragraph.

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Date 11/03/25

4. The Liability of the Members is Limited.
5. The capital of the Company is Shillings 100,000,000/= divided into 1,000 shares of Shillings 100,000/= each.

The Company shall have powers to increase its capital and to divide the shares in its capital for the time being into several classes of stock or shares and to attach thereto respectively such preferential, deferred or special rights, privileges, or conditions as may be determined by or in accordance with the Articles of Association of the Company.

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

Names, Addresses, and Description of Subscribers.	Number of shares taken by each Subscriber	Signature
VITUS MODESTUS BUJIMU P. O. Box 1387 MOROGORO	800	
JOSEPHAT SALVATORE CHASAMA P. O. Box 1387 MOROGORO	200	

Dated at D. Mwan this 22<sup>nd</sup> day of February 2005.

**Witness** to the above signatures

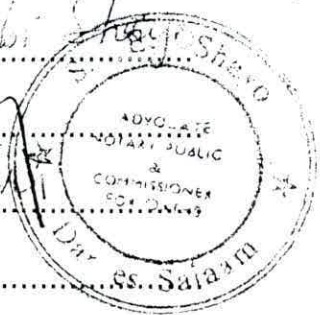
Name :

Signature :

Postal Address :

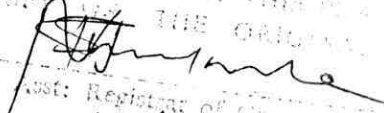
Qualification :

Witness  
11934 D. Mwan  
Advocate



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 Asst. Registrar of Companies  
 Dar es Salaam  
 No. 103/05

Stamp  
2317606 23-2-05  
[Signature]

2317606 23-2-05  
[Signature]

**THE COMPANIES ORDINANCE (CAP. 212)**

**COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

OF

**MORO-COT LIMITED** TANZANIA

Stamp Duty Shs: 500/- Paid

Receipt No: 28173286 of 14/3/05

**PRELIMINARY**

Asst. Registrar of Companies

1. In these regulations:-  
"The Ordinance" means the Companies Ordinance Chapter 212 of the Laws of Tanzania.

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

Unless the context otherwise requires, the expressions defined in the Ordinance 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 shall include bodies corporate, partnership, firms, cooperatives, societies, etc.

The regulations of Table "A" in the first schedule to the Companies Ordinance (hereinafter called Table "A" shall 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 Table "A" the former shall prevail, and in addition to substitution shall be the regulations of the company.

**PRIVATE COMPANY**

2. The Company is a Private Company and accordingly:-
  - (a) The right to transfer shares is restricted in manner hereinafter prescribed.
  - (b) The number of members of the company (exclusive of persons who are in the employment of the Company and of persons who have been formerly in the employment of the company were while in such employment to be the member of the company) is limited fifty, provided that where to or

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[Signature]  
Asst. Registrar of Companies  
Date 14/03/05

MORO COT LTD  
P.O. BOX 1387  
MOROGORO.

**LIST OF ITEMS FOR WHICH EXEMPTION OF IMPORT DUTY, EXCISE DUTY AND VAT ON CAPITAL/DEEMED GOOD IS SOUGHT FOR BOTTLED WATER PROJECT AND FACTORY BUILDING TO BE BUILT ON PLOT NO. 20 BLOCK K IN KILOMBELO DISTRICT MOROGORO REGION.**

ITEM	DESCRIPTION	QUANTITY	UNITS
<b>A</b>	<b>PLANT AND MACHINERY</b>	<b>EQUIPMENTS</b>	
1.	Water treatment system	1	Set
2.	Bottle filling system	2	Set
3	Cap feeder	2	Units
4	Feeding line	2	Line
5	Mark printer	1	Unit
6	Pipe and fitting	1	Lot
7	Steel structure for installation	1	Set
8	Bottle blowing machine	5	Set
9	Banner machine	1	Set
10	High pressure Air compressor	3	Set
11	Complete lab equipments	1	Set
12	Weight scale	2	Unit
13	Spare parts	1	Lot
14	Pet Bottles	2500	Ton
15	Caps	1000	Ton
16	Labels	100	Ton
17	Corrugated curt Boxes	7m	pcs
<b>B.</b>	<b>BUILDING</b>		
1	Cement	160	Tons
2	16mm diameter high tensile	150	Tons
3	12mm diameter high tensile	120	Tons
4	8mm diameter high tensile	120	Tons
5	Floor Tiles	4000	M <sup>2</sup>
6	Wall tiles	1500	M <sup>2</sup>
7	Anti Termite Treatment solution	50	Liters
8	Aluminum frames with completer with glass	400	M <sup>2</sup>
9	Gypsum frames with completer with glass	700	M <sup>2</sup>
10	Gypsum conics	300	M
11	Weld mesh	500	Meters
12	MDF board size 2400 x 1200mm	400	M <sup>2</sup>
13	Plywood board	200	M <sup>2</sup>
14	Binding wire	300	Kg
15	Wire nails assorted	1200	Kgs
16	Roofing nails	100	Kgs
17	20Lts emulsion paint	300	Tins
18	20 Lts washing wear paint viny	300	Tins
19	20 Lts weather guard paint	50	Tins
20	4 Lts Gloss oil paint	40	Tins
21	4 Lts Red Oxide paint	40	Tins



in fully or partly paid up shares of the company or corporation, with or without deferred or preferred or guaranteed rights.

- (x) To carry any other trade or business whatever which can in the opinion of the Board of Directors be advantageously carried on by the Company in connection with the above business or the general business of the company.
- (y) To act as agents for the sale and purchase of any stocks shares or securities or for any other monetary or mercantile transactions.
- (z) To act as executors and trustees of wills and settlements made by customers and others and undertake and execute trusts of all kinds.
- (aa) To do all or any of the above things in any part of the world and either as principals, agents, trustees, contractors or otherwise, and either alone or in conjunction with others and either or through agents, sub-contractors, trustees and otherwise.
- (bb) To remunerate any person, firm or company rendering services to this company, whether by cash payments or by allotment to him or them of shares or securities of the Company credited and paid in full or in part, otherwise.
- (cc) To accept for safe custody and keep for customers of the company all kinds of securities valuables and things.
- (dd) To lend money on any terms that may thought fit, and particularly to customers or other person or corporations having dealing with societies and to give any guarantees that may be expedient..
- (ee) To advance money to shareholders in the company, and other to the purpose of enabling the person borrowing the same erect or purchase, or enlarge or repair any house or building or to purchase the fee simple or any less estate or interest in, or to take a demise for any term or terms of years of any freehold or leasehold property upon such terms and conditions as the company may think fit.
- (ff) To invest and deal with the moneys of the Company not immediately required, upon such securities and in such manner as may from time to time be determined.
- (gg) To distribute among the members in pieces any property of the company, or any proceeds of sale or disposal of any property of the company.

second hand spare parts and accessories and generally to deal in all types of motor spare parts and industrial and agricultural machinery and parts, electronic goods and accessories thereof.

- (q) To carry on the business of wholesalers, retailers, general traders, suppliers, merchants, importers, exporters, stockists and dealers in all types of clothes, textile materials, tie and dye, boutique, footwear, bags, selling second hand clothing, dresses of types and description whatsoever.
- (r) To carry on the business of traders, general merchants, commission agents, manufacturers representatives and to buy, sell, hire, manufacture, barter, trade and deal in property, mechanical machine shop, spare parts and machinery of every description, goods and articles and merchandise of all kinds and to transact any and every description of agency, commission, distribution, marketing, commercial, industrial, manufacturing, merchantile, insurance and financial business.
- (s) To carry on the business of buying, selling, dealers in building materials, hardware, sanitary-ware, wall papers, roofing tiles, flooring tiles, supplying industrial equipment's agricultural implements and equipment's spares of every description, plumbers, decorators, steel fabrication, machine shop, nickel plating, electric plating, making steel windows, doors, frames and roof tresses.
- (t) To carry on the business of miners and mining in all their branches and for the said purpose to peg, purchase, take on lease, or exchange or otherwise acquire concessions, grants, easements, options, claims, properties, cassettes- and effects supposed to contain minerals, diamonds, or other precious stones, and any interest therein, and to explore, mine, work, excise develop and turn to account mines and mining rights and any undertaking connected therewith.
- (u) To purchase, take on lease and otherwise acquire for investment or resale any estate, land, buildings, easements and other rights and interests in immovable property or any tenure in Tanzania and elsewhere and to sell let or lease exchange or otherwise dispose of or grant rights over any immovable property, belong to the company.
- (v) To purchase, take or lease or in exchange, hire or otherwise acquire and hold any state or interest in any lands buildings, casements, rights, licenses secret processes, machinery, plants, stock, in trade and real or personal property of any kind.
- (w) To accept payment for any property or rights sold or otherwise disposed or dealt with by the company either in cash, by installment or otherwise or

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housekeepers and to provide food and catering services to individuals, private and public institutions and to industrial and business concerns.

- (l) To carry on the business of transportation, cargo and travel agents, commission agents, customs agents, insurance agents, tourist agents, manufacturers representatives, clearing and forwarding agents, road contractors, cargo superintendents, packers, machinery haulage specialists, warehousemen, engineers, electricians, motor cars, cabs, omnibus, lorries, oil tank and coach proprietors and transporters by any other means of conveyance of people and goods in Tanzania and the neighbouring countries and in such other place or places as may from time to time determined by the Company.
- (m) To carry on business as safari contractors, organisers and operators, and to equip, organise and arrange hunting, photographic, cinematic, exploration and cinematographic expeditions and generally to organise and provide facilities for tourist safari adventures of every kind including but not limited to game, fishing, river canoeing, kayaking, and other safaris and expeditions of every description, photographers, suppliers and caterers for hunting, fishing, photographic, sight seeing and other expeditions whatsoever.
- (n) To promote tourism in Tanzania and elsewhere in Africa, to carry on business of travel and tourist agents and tour operators, to promote facilitate travelling to organise hunting, tented-camps, fishing and diving expeditions, safari promoters and undertakers generally and in particular to arrange and manager hunting safaris, photo safaris adventure tours, fishing trips, handling of game trophies and animal skins, catching, harbouring, transporting, wildlife and marine products of all kind.
- (o) To carry on the business of marketing, services, consultancy and selling of all types of information technologies, computer systems, conference systems, telecommunication systems, security systems, public address systems, data communication and to train, research, install and after sale services of electronic systems, voice and data networks and any other systems or components which the company may think fit, necessary or incidental to this business.
- (p) To carry on the business as principals, agents or manufacturers, representatives of importing, exporting, buying, selling, distributing of motor vehicles, cars, trucks, lorries or other vehicles, motor vehicles, railway spares and parts of all descriptions, fuel and other oils, petroleum of all kinds, tyres and tubes, batteries, battery solution and other spares, accessories, motor cycles, bicycles, tractors, mining equipments, fishing gears, agricultural and industrial machinery and equipments, new and

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Date 14/03/05

business of farming, cultivating, planting growing cash and food crops, inter alia, sugar cane, tea, coffee, cocoa, coconut, papaya and pyrethrum.

- (e) To carry on the business of manufacturing alcoholic products, mineral and aerated waters and other alcoholic drinks, fruit drinks and fruit juices, and to pack and sell the same by whole sale or retail locally and to export the same to different parts of the world.
- (f) To carry on the business and trade as bakers and confectioners, to own, manage, run a bakery and deal in the selling and distribution of all types of baked foods, bread, cakes, pies, meat, to trade as manufacturers of ice cream, proprietors of restaurants, hotels, refreshments and cold rooms, café, milk and snack bars and to deal in all types of beverages and render catering services
- (g) To carry on the business as general food processors, packers, to be general suppliers of foods stuffs and agricultural crops, grain millers, food mixers, general exporters of fresh fruits, vegetables and flowers, to act as agents of buying and selling all kinds of food stuffs, agricultural equipments of every description, and generally to deal in any other business connected therewith.
- (h) To carry on the business of establishing and running supermarkets, department stores, shopping malls, provision stores, groceries and shops of all kinds and description and generally to deal with such activities.
- (i) To carry on the business as traders, suppliers, general merchants, stockists, wholesalers, retailers and dealers in all types of spare parts and maintenance, tyres, tubes, tools and accessories for all types of automotive, motor vehicles, agricultural machinery, implements, equipment, all kinds of industrial projects machinery and equipment, electrical goods, hardware, building materials, timber, fishing gears, groceries, computers, office equipments, cooking oils, salts, foodstuffs, cosmetics, oils, paints, spirits sheets, hinges, screws, iron mongery, textiles piece goods, all types of leather goods, shoes, bags and other similar goods.
- (j) To carry on the business of warehousemen and storers of goods, wares and merchandise of every kind and description and whatsoever.
- (k) To engage in and carry out the business of proprietors and managers of hotels, restaurants, cafes, road houses, motels, safari and holiday camps, caravan sites, guest houses, apartment housekeepers, refreshment and tea rooms, milk and snacks bars, tavern, beer house and lodging

THE COMPANIES ORDINANCE (CAP. 212)

COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

OF

MORO COT LIMITED

TANZANIA

Stamp Duty Shs: 500/-

Receipt No: 2312 of 10/3/08

Registrar of Companies

Handwritten notes: 2005, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100

1. The name of the company "MORO COT LIMITED"
2. The Registered office of the Company will be situated in Tanzania.
3. The objects for which the Company is established are:-
  - (a) To acquire and take over as a going concern the business carried now under the name and style of **MORO COT** with all its assets and liabilities and to carry on the business as general buyers of agricultural products, such as cereals, coffee, tea, cashewnuts, peanuts, beans, cowpeas, yellow gramm green monks and to be general suppliers in local and export markets, to be general bakers and confectioners and generally to be traders and manufacturers of the above.
  - (b) To acquire, take over, promote, establish, engage in and carry the business of profession of farmers, planters, harvesters, sprayers, seed growers, glaziers breeders of and dealers of livestock, market gardeners, arboriculturists, agriculturalists, horticulturists, floriculturists, dairymen, vegetable oil extractors, poultry and bee-keepers and any other businesses in connection with floriculture, arboriculture agriculture and horticulture.
  - (c) To carry and promote and trade or business of farm and agricultural inputs, implements, tools, packaging materials and deal in the livestock and or the veterinary health care products to farmers and stockists, to buy, sell, supply, distribute whether in retail or wholesale fertilizer, insecticides, fungicides, growth stimulants, agro seeds, farm implements and tools, animals feeds, veterinary drugs and any related goods and import and export agriculture and food technology, industries and equipment, manufacture and semi processed products in Tanzania and other parts of the world.
  - (d) To provide agricultural consultations, training, research and advisory services to farmers and livestock keepers through seminars, workshops field visits and farm demonstrations, to engage in vegetables seed production and marketing of horticultural products, to carry on the

I HEREBY CERTIFY THAT THIS IS A TRUE COPY OF THE ORIGINAL

*[Signature]*

Asst: Registrar of Companies

Date 12/03/2008

THE UNITED REPUBLIC OF TANZANIA



Certificate of Incorporation

No.

I hereby certify that

**MORO COT LIMITED**

Is this day incorporated under the Companies Ordinance (Cap. 212), and that the Company is Limited

Given under my hand at Dar es Salaam this.....day of.....Two thousand and five.

Seal

Registrar of Companies

## TANZANIA



## Certificate of Incorporation

No 51594

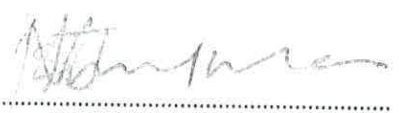
I HEREBY CERTIFY THAT

**MORO COT**

Limited

is this day incorporated under the Companies Ordinance (Cap. 212) and that the Company is Limited.

Given under my hand at Dar es salaam  
this 24TH day of FEBRUARY

**TWO THOUSAND AND FIVE**  
Asst. Registrar of Companies

7. to represent me and to appear in my name and stead and on my behalf, before me Land Registry in Tanzania and before any other official government or municipal officer or competent local council or any other administrative officers before any other authority in all matters pertaining to a connected with the property and to sign and execute all certificates, documents, contracts and declarations before such authorities or offices and to perform all actions and matters which may be required by law in connection with this power of attorney.
8. to enforce any covenant condition and stipulation in any lease or tenancy agreement
9. to exercise any right of re-entry or re-possession.
10. to give or receive notices for any purpose relating to the property;
11. to oppose any application which maybe detrimental to the Property, its occupants, its use enjoyment or its value;
12. to bring or defend continue or discontinue any legal proceedings;
13. to refer to arbitration any questions affecting the Property;
14. to make any payment which is necessary or incidental to the performance of its functions under the power of attorney.
15. for me, and in my name, to sign all such transfers and other instruments and to do all such act matters and things as may be necessary or expedient for carrying out the powers hereby given and for recovering all sums of money that are now or may become due to owning to me in respect of the Property, and for enforcing or varying any contracts, agreements or conditions binding upon any lessee, tenant or occupiers of the Property or upon any other person in respect of the same and for recovering and maintaining possession of the Property and for protecting the sums from waste, damage and trespass,
16. to do all other things incidental to the above powers or which it thinks necessary or expedient in relation to the Property as fully and effectually as I could do them myself.

041631  
(4)

**IN THE UNITED REPUBLIC OF TANZANIA**  
**SPECIAL POWER OF ATTORNEY**  
*(Under Registration of documents Ordinance Cap. 117)*

**THIS SPECIAL POWER OF ATTORNEY** made on the 30 day of June 2008 by VITUS MONDESTUS BUJIMU of Post office Box Number 77387, Dar es Salaam in the United Republic of Tanzania (hereafter called "the Donor") **WITNESSES** as follows:

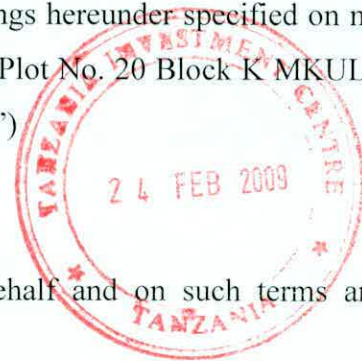
**Appointment**

I, the said VITUS MONDESTUS BUJIMU of Post Office Box Number 77387, Dar es Salaam in the United Republic of Tanzania do hereby appoint MORO COT LIMITED of Post Office Box Number 1387, Morogoro ( hereinafter called "the Attorney") to be my attorney with authority to do all or any of the acts and things hereunder specified on my behalf in relation to my piece of land otherwise known as Plot No. 20 Block K MKULA within Kilombero District (hereinafter called "the Property")

**Authority**

The Attorney has authority in my name and on my behalf and on such terms and conditions as seen to him expedient to:

1. to develop the said property , in particular to construct the Bottled water plant thereon;
2. to charge or mortgage all or any of my interest in the property for any sum at any rate of interest;
3. to lease all or any portion of the property for any term of years at any rent;
4. to demand collect, receive and take all necessary steps to recover all rents and other sums owing to me in relation to the property;
5. to obtain or accept the surrender of any lease in which I am or may be interested in relation to the property;
6. to exercise and execute all powers which are now or shall hereafter be vested in or conferred on me as a lessee or chargee under any Act of Parliament in relation to the Property



**TICC/PP.10/041631/6**

**06/03/2009**

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. 041631**

**M/S Moro Cot Limited** is a TIC registered company with certificate of incentives **No. 041631** which is valid up to **December 2011**

The company has been registered with objectives of establishing mineral water processing plant.

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**

100

✓ ✓

**EXD**

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

- (a) Minimum finance investment threshold has been exceeded, the project expects to invest ..... us\$ 0.7m .....
- (b) Legal entity has been incorporated under certificate  
No. 51594 ..... of 24/02/2005 .....

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**  
27<sup>th</sup> January 2009

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**EXD**

In response to the TIC letter of registration dated..... 27<sup>th</sup> January 2009 .....

the project has submitted the required documents namely: -

- (a) Company Board Resolution.
- (b) Reference letter/Financing from... EXIM Bank LTD .....
- (c) letter from Kibaha District and Power .....  
of attorney as evidence of land

With the above submission EXD is requested to sign Certificate of Incentives No. .... 041631 ..... herein attached.

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