

16K WINDON AIR

CO. LTD

MINUTE

PAGE NO. _____

EXD

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

- (a) Minimum finance investment threshold has been exceeded, the project expects to invest ... USD 7.8 M
- (b) Legal entity has been incorporated under certificate No. ... 64516 ... of ... 04/03/2008

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

Submitted for signature.



N. A. Senzia
DIF
12th December 2008

EXD

In response to the TIC letter of registration dated ... 1st December 2008

the project has submitted the required documents namely: -

- (a) Company Board Resolution.
- (b) Reference letter/Financing from ... Savings & Finance
- (c) ... Share Agreement on the purchase of the

With the above submission EXD is requested to sign Certificate of Incentives No. ... 04612 ... herein attached.

25/06/09



DIF

THE COMPANIES ACT, (ACT NO. 12 OF 2002)

COMPANY LIMITED BY SHARES

MEMORANDUM & ARTICLES OF ASSOCIATION

OF

ICK COTTON OIL CO. LIMITED

Dated.....this day of.....2008

Drawn by:

**Mutalemwa & Co. Advocates,
New Mwanza Hotel Building,
Makutano wing - Post Road,
P.O. Box 6485,
Mwanza.
Tel/Fax: (028) 2540013, 0784 274133.
E-mail: mutalemwa2000@yahoo.com**

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TANZANIA

Stamp Duty Shs. 5000/-

PAID ON ORIGINAL

Receipt No. 2161498 of 29/12/07

Stamp Duty Officer

THE COMPANIES ACT, [ACT NO. 12 OF 2002]

COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

OF

ICK COTTON OIL CO. LIMITED

TANZANIA

Stamp Duty Shs. 2500/- Paid

Receipt No. 2161498 of 29/12/07

Asst. Registrar of Companies

1. The name of the Company is "**ICK COTTON OIL CO. LIMITED**".
2. The registered office of the Company will be situated in the United Republic of Tanzania, Mainland.
3. The objects for which the Company is established are:-
 - (a) To carry on the business of operators of cotton ginneries and to erect, purchase or take on lease or otherwise acquire any ginneries, works, machinery and other real and personal property pertaining to the goodwill of the business of cotton, ginning, planters, growers, buyers and producers of cotton or other natural and/or fibrous substances and to prepare, mill or buy any other process render marketable any such fibre and to sell, dispose of and deal in any such fibre, either in its prepared, processed or raw state, found, develop, expand, establish or acquire cotton plantations and ginneries either alone or in collaboration with other organizations and to conduct and carry out any kind of research work calculated to advance any business or activity related to cotton growing and cotton processing.
 - (b) To acquire and undertake the whole or any part of the business, property and liabilities of any person, firm or Company carrying on any business related to cotton production and cotton processing or processed of property suitable for the purpose of this Company.

- (c) To manufacture, repair, alter, assemble, operate, services, maintain, import, buy, sell, let on hire and deal in machinery, plants equipment, utensils, appliances, pumps, parts, accessories, implements, instruments, rolling stock, crafts, hardware, materials and things of all kinds and descriptions, design, erect, construct, repair, alter and otherwise deal in all kinds of chemicals, industrials, processing and mineral plants and to act as expert and technical advisers in all matters relating to such plants.
- (d) To design, erect, construct, repair, alter and otherwise deal in all kinds of chemical, industrial, processing and mineral plants and to act as experts and technical advisers in all matters relating to such plants.
- (e) To carry on the business of selling, distribution of all products of any description, printers and publishers, periodicals, maps, guides, news paper sellers, foreign correspondents and advertising agents, exporters and importers and to buy, sell, hire, manufacture, barter trade and deal in property goods, produce articles and merchandise of all kinds and to transact and every description of agency, commission commercial, industrial manufactures, mercantile, insurance and financial business and manufacturers representatives, consultancy services.
- (f) To draw, make, accept, endorse, discount, negotiate, execute and issue, buy, sell and deal in bills of exchange, promissory notes and other negotiable or transferable instrument, amalgamate or enter into partnership or any joint venture or profit-sharing arrangement with, and to co-operative in any way with or assist or subsidize any Company, firm or person.
- (g) To promote or concur in the promotion of any company, the promotion of which shall be considered desirable, to lend money to and guarantee the performance of the contracts, of

obligations of and the payment and repayment of the capital and principal of, and divides, interest or premium payable on any stock, shares and securities of any Company, firm, or person, whether having objects similar to those of this Company or not, and to give all kinds of indemnities.

- (h) To acquire by purchase, lease exchange, hire or otherwise, lands and property. To erect and construct houses, buildings real estate, godowns, transit sheds, office blocks and works of all kinds and to manage, sell, lease or let the same.
- (i) To carry out the business of hoteliers, boarding houses, tourism, tour operator travel agents, hunting safaris, transport hire, boating, fishing, skydiving and photographic safaris.
- (j) To enter into hire purchase agreements with customers of the Company and to negotiate, assign, mortgage or pledge such agreements for cash or otherwise.
- (k) To stock and carry on any shops, or stores as a line business and for benefit of the servants of the Company.
- (l) To apply for and acquire statutory or other powers, rights or concessions.
- (m) To effect and maintain insurance on the life or lives of any director or directors, and other officers or servants of the Company, and any other persons in whose lives the Company has an insurable interest.
- (n) To pay all costs, charges and expenses incurred or sustained in or about the promotion and establishment of the Company, or which the Company shall consider to be in the nature of preliminary expenses including therein the cost of advertising, commissions and underwriting brokerage, printing, and stationery, and expenses attendant upon and the formation of agencies and local boards.

- (o) Upon any issue of shares, debentures or other securities of the Company, to employ brokers, commission agents and underwriters, and to provide for the remuneration of such persons for their services by payment in cash or by the issue of shares, debentures, or other securities of the Company, or by the granting of options.
- (p) To purchase, or otherwise acquire, all or any part of the business, property and liabilities of any Company, society, or partnership.
- (q) To purchase, purchase, take on lease, or otherwise acquire, for the purpose of the Company, and estates, lands, buildings easements or other interests in real estate, and to sell, let on lease, or otherwise dispose of or grant rights over any real property belonging to the Company.
- (r) To purchase or otherwise acquire, erect, maintain, reconstruct and adapt any offices, workshops, mills, plant, machinery and other things found necessary or convenient for the propose of the Company.
- (s) To apply for and take out, purchase, or otherwise acquire, any designs trade marks, patents, patent rights, or inventions, copyright or secret processes, which may be useful for the company.
- (t) To manufacture, buy, sell and generally deal in any plant, machinery tools, goods or things of any descriptions, which in the opinion of the Company may be conveniently dealt with or used by the Company in connection with any of its objects.
- (u) To let on lease or on hire the whole or any part of the real and personal property of the Company in such terms as the Company shall determine.
- (v) To issue, or guarantee the issue of, or the payment of interest on the shares debentures, debenture stocks or other securities

or obligations of any Company or association, and to pay or provide for any Company, or association or to provide for brokerage, commission and underwriting in respect of any such shares.


- (w) To draw accept, endorse, discount and negotiate, bills of exchange and promissory notes, and other negotiable instruments.
- (x) To borrow or raise money by the issue of debentures, debenture stocks (perpetual terminable), bonds, mortgage or any other securities, founded or based upon all or any property, and rights of the Company including its uncalled capital.
- (y) To receive money on deposit, with or without allowance of interest thereon.
- (z) To invest moneys of the Company not immediately required in such manner, other than in the shares of this Company, as from time to time any be determined.
- (aa) To acquire by subscription, purchase or otherwise, and to accept and take, hold and sell, shares or stock in any Company, society or undertaking, the objects of which shall, either in whole or in part, be similar to those of this company, or such as may be likely to promote or advance the interests of this Company.
- (bb) To establish agencies and local boards in Tanzania and elsewhere, and to regulate the same.
- (cc) To provide for the welfare of persons in the employment of the Company, or formerly in the employment of the Company, or its predecessors in business, and the wives, widows and families of such person, by grants of money, pensions or other payments, and by providing or subscribing towards places of recreation, hospitals, dispensaries, medical and otherwise aid, benevolent, religious, scientific, national or other institutions, or objects which shall have moral or other claims to support or aid by the Company, by reasons of the nature or the location of its operations or otherwise.
- (dd) From time to time to subscribe or contribute to any charitable, benevolent, or useful object of a public character, the support of which will in the opinion of the Company, tend to increase its repute or popularity among its employees, its customers or the public.

- (ee) To enter into and carry into effect any arrangement for joint working in business, or for sharing of profits, or for amalgamation with any other company, or any partnership or person carrying of business within the objects of this Company.
- (ff) To establish, promote and otherwise assist, any Company or Companies for the purposes of acquiring property, or furthering and of the objects of this Company.
- (gg) To sell, dispose, or transfer the business property and undertaking of the Company or any part thereof for any consideration, which the Company may see fit to accept.
- (hh) To accept stock or shares in, or the debentures, mortgage debentures, or other securities of any other Company in payment or part payment for any service rendered, or for any sale made to or debt owing from any other such Company.
- (ii) To distribute in specie or otherwise as may be resolved, any assets of the Company among its members and particularly the shares, debentures or other securities of any other Company formed to take over the whole or any part of the assets or liabilities of this Company.
- (jj) To do all or any of the matters hereby authorized in any part of the worked either alone or in conjunction with or as factors, trustees, or agents for any other Companies or persons or by or through any factors, trustees or agents.
- (kk) Generally to do all such things as may appear to be incidental, or conducive to the attainment of the above objects or any of them.

And it is hereby declared that, in the interpretation of this clause, the powers conferred on the Company by any paragraph shall not be restricted by reference to any other paragraph, or to the name of the Company, or by the juxtaposition of two or more objects, and that in the event of any ambiguity, this clause and every paragraph here of shall be construed in such a way as not to restrict the powers of the Company.

4. The Liability of the Member is Limited.
5. The Capital of the Company is Tshs.30,000,000/= divided into 3,000 shares of Tshs.10,000/= each, with powers for the Company to increase or reduce such capital, and the company shall have the power to divide the original or any increased or reduced capital into classes and to attach there to any preferential, deferred, qualified or other special rights, privileges, restrictions or conditions.

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

NAME, ADDRESSES & DESCRIPTION OF SUBSCRIBER	NUMBER OF SHARES TAKEN BY EACH SUBSCRIBER	SIGNATURES
BHAWESH CHANDULAL GANDECHA P.O.BOX 1601 MWANZA TANZANIA	2250	
MITESH KANAKRAI SHINGALLA 233. SHIKSHAKRAI BIRLA ROAD-PORBANDER 360575 GUJRAT INDIA	750	<u>Mitesh</u>

Date this..... 21st day of February..... 2008

WITNESS to the above Signatures:

Name:..... Co NOTARINE MUBANZA

Signature:..... 

Address:..... 64 ST Mubanza

Qualification:..... Advocate



THE COMPANIES ACT, [ACT NO. 12 OF 2002]

TANZANIA

Stamp Duty Shs. 5000/-

PAID ON ORIGINAL

Receipt No. 2912/08

Stamp Duty Officer

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

ICK COTTON OIL CO. LIMITED

TANZANIA

Stamp Duty Shs. 2500/-

Receipt No. 2912/08

Asst. Registrar of Companies

PRELIMINARY

1. In these Regulations:

"the Act" means the Companies Act;

"the articles" Means the articles of the company;

"clear days" in relation to the period of a notice means that period excluding the day when the notice is given or on which it is to take effect;

"the holder" in relation to shares means the member whose name is entered in the register of members as the holder of the shares;

"the seal" means the common seal of the company;

"secretary" means the secretary of the company or any person appointed to perform the duties of the secretary of the company.

Expressions referred to writing shall, unless the contrary intention appears, be construed as including references to printing, lithography, photography, and other modes of representing or reproducing words in a visible form.

Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory

modification thereof in force at the date at which these Regulations become binding on the company.

2. The regulations contained in Part 1 of Table A shall apply save for regulation 22.
3. The Company is private company and accordingly:
 - (a) The right to transfer shares is restricted in the manner hereinafter prescribed.
 - (b) The number of members of the Company is limited to fifty as further provided for in the Act.
 - (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 bearers.
4. The share Capital of the Company is Thirty Million Tanzanian Shillings (T.Shs. 30,000,000/=) divided into 3,000 Shares of Ten Thousand Tanzanian Shillings (T.Shs.10,000/=) each.
5. The directors may, in their absolute discretion and without assigning any reason thereof, decline to register any transferor any share, whether or not it is a fully paid share.

SHARE CAPITAL AND VARIATION OF RIGHTS

6. Subject to the provisions of the Act, and without prejudice to any rights attached to any existing shares, any share may be issued with such rights or restrictions, whether in regard to dividend, voting, return of capital or otherwise as the company may by Ordinary Resolution determine.
7. Subject to the provisions of section 61 of the Act, any shares may, with the sanction of an Ordinary Resolution, be issued on the terms that they are, or at the option of the company are liable, to be redeemed on such terms and in such manner as the company before the issue of the shares may by Special Resolution determine.
8. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separated general meeting of the holders of the shares of the class. To every such separate general meeting the provisions of these Regulations relating to general meetings shall apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one-third of the issued shares of the class present in person or by proxy may demand a poll.
9. The rights conferred upon the holders of the shares of any class shall not, unless otherwise expressly provided by the terms of issue of the shares of

that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

10. The company may exercise the powers of paying commissions conferred by section 56 of the Act. Subject to the provisions of the Act, such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other.
11. Except as required by law, no person shall be recognized by the company as holding any share upon any trust, and the company shall not be bound by or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share of (except as otherwise provided by the articles or by law) any other rights or interests in respect of any share except an absolute right to the entirety thereof in the registered holder.

SHARE CERTIFICATES

12. Every member, upon becoming the holder of any shares, shall be entitled without payment to receive within two months after allotment or lodgement of transfer (or within shares of each class held by him (and, upon transferring a part of his holding of shares of any class, to a certificate for the balance of such holding) or several certificates each for one or more of his shares upon payment for every certificate after the first such reasonable sum as the directors may determine. Every Certificate shall be sealed with the seal and shall specify the number, class and distinguishing numbers (if any) of the shares to which it relates and the amount or respective amounts paid thereon. In respect of a share of shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one joint holder shall be sufficient delivery to all joint holders.
13. If a share certificate is defaced, worn out, lost or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and payment of expenses reasonably incurred by the company in investigating evidence as the directors may determine but otherwise free of charge, and (in the case of defacement or wearing out) on delivery up of the old certificate.

LIEN

14. The company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that share; but the directors may at any time declare any share to be wholly or in part exempt from the provisions of this regulation. The company's lien, if any, on a share shall extend to any amounts payable in respect of it.
15. The company may sell, in such manner as the directors determine, any shares on which the company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within fourteen clear days after a notice in writing has been given to the holder of the share, or the

person entitled thereto by reason of the death or bankruptcy of the holder, demanding payment and stating that if the notice is not complied with the shares may be sold.

16. To give effect to any such sale the directors may authorize some person to transfer the shares sold to, or in accordance with the directions of, the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer, and he shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
17. The net proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue, if any, shall (upon surrender to the company for cancellation of the certificate for the shares sold and subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares, at the date of the sale.

CALLS ON SHARES

18. Subject to the terms of allotment, the directors may make calls upon the members in respect of any moneys unpaid on their shares (whether in respect of nominal values of premium) and not by the conditions of allotment thereof payable at fixed times, provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call, and each member shall (subject to receiving at least fourteen clear days notice specifying when and where payment is to be made) pay to the company as required by the notice the amount called on his shares. A call may be required to be paid by instalments. A call may, before receipt by the company of any sum due thereunder, be revoked in whole or part and payment of a call may be postponed in whole or part. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect of which the call was made.
19. A call shall be deemed to have been made at the time when the resolution of the directors authorizing the call was passed.
20. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
21. If a call remains unpaid after it has become due and payable, the person from whom the sum is due shall pay interest on the amount unpaid from the day it become due and payable to the time of actual payment at the rate fixed by the term of allotment of the share or, if no rate is fixed, at a rate not exceeding five percent per annum as the directors may determine, but the directors may waive payment of such interest wholly or in part.

22. An amount payable in respect of a share on allotment or at any fixed date, whether in respect of nominal value or premium or as an instalment of a call, shall be deemed to be a call, and if it is not paid the provisions of the articles shall apply as if that amount has become due and payable by virtue of a call.
23. Subject to the terms of allotment, the directors may, on the issue of shares, differentiate between the holders as to the amount of calls to be paid and the times of payment.
24. The directors may if they think fit, receive from any member willing to advance the same, all or any part of the moneys un-called and unpaid upon any shares held by him, and upon all or any of the moneys so advanced may (until the same would, but for such advance, become [payable] pay interest at such rate not exceeding (unless the company in general meeting shall otherwise direct) six per cent per annum, as may be agreed upon between the directors and the members paying such sum in advance.

TRANSFER OF SHARES

25. The instrument of transfer of any share shall be in any usual form or any other form which the directors may approve and shall be executed by or on behalf of the transferor and, unless the share is fully paid up, by or on behalf of the transferee, and the transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
26. If the directors refuse to register a transfer they shall within sixty days after the date on which the transfer was lodged with the company send to the transferee notice of the refusal.
27. The registration of transfers of shares or any transfers of any class of shares may be suspended at such times and for such periods (not exceeding thirty days in any year) as the directors may determine.
28. No fee shall be charged for the registration of any instrument of transfer or other document relating to or affecting title to any share.

TRANSMISSION OF SHARES

29. In case of the death of a member, the survivor or survivors where the deceased was a joint holder, and the personal representatives of the deceased where he was a sole holder or the only survivor of joint holders, shall be the only persons recognized by the company as having any title to his interest in the shares; but nothing herein contained shall release the estate of a deceased member from any liability in respect of any share which had been jointly held by him.

30. A person becoming entitled to a share in consequence of the death or bankruptcy of a member may, upon such evidence being produced as may properly be required by the directors and subject as hereinafter provided, either elect by notice to the company to be registered as holder of the share, or elect to have some person nominated by him registered as the transferee in which case he shall execute the appropriate instrument of transfer. All the articles relating to the right to transfer of shares shall apply to any such notice or transfer as if it were an instrument of transfer executed by the member and the death or bankruptcy of the member had not occurred.
31. A person becoming entitled to a share by reason of the death or bankruptcy of the holder shall have the rights to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as the holder of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company.

FORFEITURE OF SHARES

32. If a call remains unpaid after it has become due and payable, the directors may give to the person from whom it is due not less than fourteen clear day's notice requiring payment of the amount unpaid, together with any interest which may have accrued. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with, the shares in respect of which the call was made will be liable to be forfeited.
33. If the notice is not complied with, any share in respect of which it was given may, before the payment required by the notice has been made, be forfeited by a resolution of the directors to that effect the forfeiture shall include all dividends or other moneys payable in respect of the forfeited shares and not paid before the forfeiture.
34. Subject to the provisions of this Act, a forfeited share may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the directors determine either to the person who was before the forfeiture the holder or to any other person, and at any time before a sale, re-allotment or other disposition the forfeiture may be cancelled on such terms as the directors think fit. Where for the purposes of its disposal a forfeited share is to be transferred to any person, the directors may authorize some person to execute an instrument of transfer of the share in question.
35. A person any of whose shares have been forfeited shall cease to be a member in respect of the forfeited shares and shall surrender to the company for cancellation the certificate for the shares forfeited, were payable by him to the company in respect of the shares, but shall remain liable to the company for all moneys at the date of forfeiture were payable by him to the company in the respect of the shares, but his liability shall cease if and when the company shall have received payment in full of all such moneys in respect of the shares, but the directors may waive payment wholly or in part or enforce payment without any allowance for the value of

the shares at the time of forfeiture for any consideration received on their disposal.

36. A statutory declaration by a director or the secretary that a share has been forfeited on a date stated in the declaration shall be conclusive evidence of the facts stated therein as against all persons claiming to be entitled to the share, and the declaration shall (subject to the execution of an instrument of transfer if necessary) constitute a good title to the share, and the person to whom the share is disposed of shall not be bound to see to the application of the consideration, if any, nor shall his title to the share be affected by any irregularity or invalidity of the proceedings in reference to the forfeiture or disposal of the share.

ALTERATION OF CAPITAL

37. The company may by ordinary resolution: -
- (a) increase its share capital by new shares of such amount, as the resolution prescribes;
 - (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
 - (c) subject to the provisions of section 65(1) (d) of the Act, sub-divide its existing shares, or any of them, into shares of smaller amount than is fixed by the memorandum of association;
 - (d) cancel shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.
38. Whenever as a result of a consolidation of shares any members would become entitled to fractions of a share, the directors may, on behalf of those members, sell the shares representing the fractions for the best price reasonably obtainable to any person (including subject to the provisions of this Act, the company) and distribute the net proceeds of sale in due proportion among those members, and the directors may authorize some person to execute an instrument of transfer of the shares to or in accordance with the directions of the purchaser. The transferee shall not be bound to see to the application of the purchase money nor shall his title to the share be affected by any irregularity in or invalidity of the proceedings in reference to the sale.
39. Subject to the provisions of the Act, the company may by special resolution reduce its share capital, any capital redemption reserve fund or any share premium account in any way.
40. The company shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year, and shall specify the meeting as such in the notices calling it; and not more than fifteen months shall elapse between the date of one annual general meeting of the company and that of the next.

41. All general meetings other than annual general meetings shall be called extraordinary general meetings.
42. The directors may, whenever they think fit, call an extraordinary general meeting and extraordinary general meetings shall also be convened on such requisitionists, or, in default, may be convened by such requisitionists, as provided by section 134 of the Act. If at any time there are not within the Territory sufficient directors to call the meeting, any director or any two members of the company may call the meeting in the same manner as nearly as possible as that in which meetings may be convened by the directors.

NOTICE OF GENERAL MEETINGS

43. Every general meeting shall be called by twenty-one clear days notice in writing. The notice shall specify the time and place of the meeting and the general nature of the business and, in the case of an annual general meeting, shall specify the meeting as such;
Provided that a meeting of the company may be called by shorter notice if it is so agreed.
 - (a) in the case of an annual general meeting, by all the members entitled to attend and vote thereat; and
 - (b) in the case of any other meeting by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than 95 per cent in nominal value of the shares giving that right.
44. Subject to the provisions of the articles and to any restrictions imposed on any shares, the notice shall be given to all the members, to all persons entitled to a share in consequence of the death or bankruptcy of a member and to the directors and auditors. The accidental omissions to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at the meeting.

PROCEEDINGS AT GENERAL MEETINGS

45. All business shall be deemed special that is transacted at an extra ordinary general meeting, and also all that is transacted at an annual general meeting, with the exception of declaring a dividend, the consideration of the accounts, and the reports of the directors and auditors, the election of directors in the place of those retiring and the appointment of and the fixing of the remuneration of, the auditors.
46. No Business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business; two persons entitled to vote on the business to be transacted, each being a member or a proxy for a member or a duly authorized representative of a corporation shall be a quorum.

47. If within half an hour from the time appointed for the meeting a quorum is not present, or if during the course of a meeting a quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week, at the same time and place or to such other day at such other time and place as the direction may determine.
48. The chairman, if any, of the board of directors or in his absence some other director nominated by the directors shall preside as chairman of the general meeting, but if neither the chairman nor such other director (if any) be present within fifteen minutes after the time appointed for the holding of the meeting and willing to act, the directors present shall elect one of their member to be chairman of the meeting and, if there is only one director present and willing to act, he shall be chairman.
49. If at any meeting no director is willing to act as chairman or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be chairman of the meeting.
50. A director shall, notwithstanding that he is not a member, be entitled to attend and speak at a general meeting and at any separate meeting of the holders of any class of shares in the company.
51. The chairman may, with the consent of any meeting at which a quorum is present and shall if so directed by the meeting, adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen days or more, at least seven clear days and the general nature of the business to be transacted at an adjourned meeting.
52. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded:
 - (a) by the chairman or,
 - (b) by at least two members having the right to vote at the meeting; or
 - (c) by a member or members representing not less than one-tenth of the total voting rights of all the members holding shares conferring a right to vote at the meeting or
 - (d) by a member or members holding shares conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right and a demand by a person as proxy for a member shall be the same as a demand by the member.

53. Unless a poll be so demanded, a declaration by the chairman that a resolution has on show of hands been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be evidence of that fact.
54. The demand for a poll may, before the taken, be withdraw.
55. Except as provided in article 54, if a poll is dully demanded it shall be taken in such manner as the chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
56. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to a casting vote in addition to any other note he may have.
57. A Poll demanded on the election of a chairman or on a question of adjournment shall be taken immediately or at such time not being more than thirty days after the poll is demanded as the chairman of the meeting directs, and any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.
58. A resolution in writing executed by or on behalf of each member who would have been entitled to vote upon it if it had been proposed at a general meeting at which he was present shall have effect as if it had been passed at a general meeting dully convened and held, and may consist of several instruments in the like form each executed by or on behalf of one or more members.

VOTES OF MEMBERS

59. Subject to any rights or restrictions attached to any share or class or classes of shares, on a show of hands every member (being an individual) present in person or (being a corporation) present by a dully authorized representative, not being himself a member entitled to vote, and on a poll every member shall have one vote for each share of which he is the holder.
60. In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other join holders; and for this purpose seniority shall be determined by the order in which the names stand in the register of members.
61. A member in respect of whose estate a manager has been appointed under section 26 of the Mental Disease Ordinance, may vote, whether on a show of hands or on a poll, by his manager, and any such manager may, on a poll, vote by proxy.
62. No member shall be entitled to vote at a general meeting or at a separate meeting of the holders of any class of shares in the company unless all calls or other sums presently payable by him in respect of shares in the company have been paid.

63. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any objection made in due time shall be referred to the chairman of the meeting, whose decision shall be final and conclusive.
64. On a poll votes may be given either personally or by proxy. A Member may appoint more than one proxy to attend on the same occasion.
65. The instrument appointing proxy shall be in writing executed by or on behalf of the appointor or his attorney duly authorized. A proxy need not be a member of the company.
66. The instrument appointing a proxy and any authority under which it is executed a copy of the authority certified notarially or in such other manner as approved by the directors shall be deposited at the registered office of the company or at such other place within the Tanzania as is specified for that purpose in the notice convening the meeting, not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposed to vote, or in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll, and the default the instrument of proxy shall not be treated as valid.
67. An instrument appointing a proxy shall be in the following form or a form is near thereto as circumstances admit.

ICK COTTON OIL CO. LIMITED

I/We.....ofbeing
a
 Member/members of the above named company, hereby appoint
ofor failing him
of
 as my/our proxy to vote for me/us on my/your behalf at the (annual or
 extraordinary as the case may be) general meeting of the company to be held
 on theday ofand at any adjournment thereof.
 Signed thisday of200.....

68. Where it is desired to afford members an opportunity of voting for or against a resolution the instrument appointing a proxy shall be in the following form or a form as thereto as circumstances admit.

ICK COTTON OIL CO.LIMITED

I/weofbeinga
 Member/members of the above named company hereby appoint
 ofor failing himof
 as my/our proxy to vote for m/us on my/your behalf at the (annual or
 extraordinary as the case may be) general meeting of the company to be held
 on theday ofand at any adjournment thereof.

Signed thisday of200.....

This form is to be used * in favour of against resolution; 1/2/3 etc; unless otherwise instructed, the proxy will vote as he thinks fit or abstain from voting.

69. The Instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
70. A vote given in accordance with the terms of an instrument of proxy, or poll demanded by proxy, or by the duly authorized representative of a corporation shall be valid notwithstanding the previous determination was received by the company at its registered office (or at such other place at which the instrument or proxy was duly deposited) before the commencement of the meeting or adjourned meeting at which the proxy is used.

CORPORATIONS ACTING BY REPRESENTATIVES AT MEETINGS

71. Any corporation which is member of the company may by a resolution of its directors or other governing body authorize such person as it thinks fit to acts as its representative at any meeting of the Company or any class of members of the company, and the person so authorized shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the company.

DIRECTORS

72. The number of the directors and the names of the first director shall be determined in writing by the subscribers of the memorandum of association or a majority of them and until such determination the signatories to the Memorandum of Association shall be the first directors. Unless otherwise determined by ordinary resolution, the number of director shall not be subject to any maximum but shall be not less than two. The first Directors of the company shall be ;

- (1) **BHAWESH CHANDULAL GANDECHA**
(2) **MITESH KANAKRAI SHINGALLA**

73. 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.

POWERS AND DUTIES OF DIRECTORS

74. Subject to the provisions of the Act, the memorandum and the articles and to any directions given by special resolution, the business of the company shall be managed by the directors, who may exercise all the powers of the company. No alteration of the memorandum or articles and no such directions shall invalidate any prior act of the directors, which would

otherwise have been valid. The powers given by this article shall not be limited by any special power given to the directors by the articles and a meeting of directors at which a quorum is present may exercise all powers exercisable by the directors.

75. The directors may by power of Attorney appoint any person to be the attorney or agent of the company for such purposes and on such conditions as they determine, including authority for the attorney or agent to delegate all or any of his power.
76. The directors may exercise all the power of the company to borrow money, and to mortgage or charge its undertaking property and uncalled capital, or any part thereof, and to issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the company or of any third party.
77. The company may exercise the powers conferred upon the company by sections 124 to 127 of the Act with regard to the keeping of a branch register, and the directors may (subject to the provisions of those sections) make and vary such regulations as they may think fit respecting the keeping of any such register

DIRECTORS APPOINTMENT AND INTERESTS

78. The directors may appoint one or more of their member to the office of managing director or to any other executive office under the company and may enter into an agreement or arrangement with any director for his employment by the company or for the provision by him of any services outside the scope of the ordinary duties of a director. Any such appointment, agreement may be made on such terms as the directors determine and they may remunerate any such director for his services as they think fit. Any appointment of a director to an executive office shall terminate if he ceases to be a director, but without prejudice to any claim to damage for breach of the contract of service between the director and the company. A managing director and a director holding any other executive office shall not be subject to retirement by rotation.
79. A director who is in any way, whether directly or indirectly, interested in contract or proposed contract with the company shall declare the nature of his interest at a meeting of the directors in accordance with section 209 of the Act.
80. Subject to the provision for the Act, and provided that he has disclose to the directors the nature and extent of any material interest of his, a director notwithstanding his office:-
 - (a) may be a party to, or otherwise interested in, any transaction or arrangement with the company or in which the company is otherwise interested;
 - (b) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with or in which the company may be interested.

- (c) shall not, by reason of his office, be accountable to the company for any benefit which he derives from any such office or employment remuneration or other benefits received by him as a director or officer of, or from his interest in, such other company unless the company otherwise directs.

Provided that nothing herein contained shall authorize a director or his firm to act as auditor to the company

81. For the purpose of articles 76 and 77 -
- (a) a general notice given to the directors that a director is to be regarded as having an interest of the nature and extent as specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in such transaction of the nature and extent specified and;
- (b) an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated an interest of his.
82. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for moneys paid to the company, shall be signed, drawn accepted, endorsed, or otherwise executed in such manner as the directors shall from time to time by resolution determine

MINUTES

83. The directors shall cause minutes to be made in books for the purpose:-
- (a) of all appointments of officer made by the directors;
- (b) of the names of the directors present at each meeting of the directors and of any committee of the directors;
- (c) of all resolutions and proceedings at all meetings of the company, of the holders of any class of shares in the company, and of the directors, and of committee of directors.

REMUNERATION AND EXPENSES: GRATUITIES AND PENSIONS

84. The remuneration of the directors shall be determined by Ordinary Resolution of the company and, unless the resolution otherwise provides, such remuneration shall be deemed to accrue from day to day. The directors may also be paid all traveling, hotel and other expenses properly incurred by them in attending and returning from meetings of the directors or any committee of the directors or general meetings or separate meetings of the holders of any class of shares or of debentures of the company or otherwise in connection with the business of the company.
85. The directors on behalf of the company may pay a gratuity or pension or allowance on retirement to any director who had held any other salaries

office or place of profit with the company or to his widow or dependants and may make contributions to any fund and pay premium for the purchase or provisions of any such gratuity, pension or allowance

DISQUALIFICATION AND REMOVAL OF DIRECTORS

86. The office of director shall be vacated if the director
- (A) ceases to be director by virtue of any provisions of the Act or he becomes prohibited by law from being a director, or
 - (B) becomes bankrupt or makes any arrangement or composition with his creditors generally; or
 - (C) becomes of unsound mind ;or
 - (D) resigns his office by notice in writing to the company; or
 - (E) shall for more than six consecutive months have been absent without permission of the director from meetings of the directors held during that period and the directors resolve that his office be vacated.

APPOINTMENT AND RETIREMENT OF DIRECTORS

87. The company may by Ordinary Resolution appoint a person who is willing to act to be a director either to fill a vacancy or to be an additional director.
88. The directors may appoint a person who is willing to act to be a director either to fill a vacancy or as an additional director, provided that the total number of directors does not exceed the number fixed by or in accordance with these articles. A director so appointed shall hold office only until the next following annual general meeting, and shall then be eligible for re-election.
89. The company may by ordinary resolution, or of which special notice has been given in accordance with section 144 of the Act, remove any director before the expiration of his period of office notwithstanding anything in these articles or in any agreement between the company and the director. Such removal shall be without prejudice to any claim the director may have for damage for breach of any service contract with the company
90. The company may by Ordinary Resolution appoint another person in place of a director removed from office under the immediately preceding regulation, and without prejudice to the power of the directors under article 85 the company may by Ordinary Resolution appoint any person to be director either to fill a vacancy or as an additional director.

PROCEEDINGS OF DIRECTORS

91. Subject to the provisions of the articles, the directors may regulate their meetings as they think fit. Questions arising at a meeting shall be decided by a majority of votes. In case of an equality of votes, the chairman shall have a second or casting vote. A director may, and the secretary at the request of a director shall, call a meeting of the director, If shall not be

necessary to give notice of a meeting directors to any director who is absent from the Tanzania

92. The quorum necessary for the transaction of the business of the directors may be fixed by the directors, and unless so fixed shall be two.
93. The continuing directors may act notwithstanding any vacancy in their number but, if their number is reduced below the number fixed as the necessary quorum, the continuing directors or director may act only for the purpose of filling vacancy or of calling a general meeting.
94. The directors may appoint one of their members to be the chairman of the board of directors and determine the period of which he is to hold office. Unless he is unwilling to do so, the director so appointed shall preside at every meeting of directors as which he is present. But if no such chairman is appointed, or if he is unwilling to preside or if at any meeting the chairman is not present within five minutes after the time appointed for holding the same; the directors present may choose one of their member r to be chairman of the meeting.
95. The directors may delegate any of their powers to any committee consisting of one or more directors; any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the directors. The articles regulating the proceedings of directors so far as they are capable of applying shall govern subjects to any such regulations, the proceedings of a committee with two or more members.
96. All acts done by a meeting of the directors or of a committee of directors or by a person acting as a director shall, notwithstanding that it be afterwards discovered there was some defect in the appointment of any such director, or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as if every such person had been duly appointed and was qualified and had continued to be a director and was entitled to vote.
97. A resolution in writing, signed by all the directors entitled to receive notice of a meeting of the director or of committee of directors; shall be as valid and effectual as if it had been passed at a meeting of the directors or (as the case may be) a committee of directors dully convened and held and may consist of several documents in the like form and signed by one or more directors.
98. Save as otherwise provided in the articles, a director shall not vote at a meeting of directors or of a committee of directors on any resolution concerning a matter in which he has, directly or indirectly, an interest or duty which is material and which conflict or may conflict with the interest of the company. Subject to and in accordance with the provisions of the Act, an interest of a person who is connected with a director shall be treated as interest of the director.
99. A director shall not be counted in the quorum present at a meeting in relation to a resolution on which he is entitled to vote.
100. The company my by Ordinary Resolution suspend or relax to any extent, either generally or in respect of any particular matter, any provision of the

articles prohibiting director from voting at a meeting of directors or of committee directors.

101. Where proposals are under consideration concerning the appointment of two or more directors to office or employment with the company or any body corporate in which the company is interested, the proposals may be divided and considered in relation to each director separately and (provided he is not for another reason precluded from voting) each of the directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except than concerning his own appointment.
102. If a question arises at a meeting of directors or of a committee of directors as to the right of directors to vote, the question may, before the conclusion of the meeting, be referred to the chairman of the meeting and his ruling in relation to any director other than himself shall be final and conclusive.

SECRETARY

103. The secretary shall be appointed by the directors for such term, at such remuneration and upon such conditions as they may think fit, and any secretary so appointed may be removed by them.
104. A provision of the Act or these Regulations requiring or authorizing a thing to be done by or to a director and the secretary shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of the secretary.

THE SEAL

105. The seal shall only be used by the authority of the directors or of a committee of the directors authorized by the director. The directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a director and by the secretary or by a second director.

DIVIDEND AND RESERVE

106. Subject to section 180 of the Act, the company may by Ordinary Resolution declare dividends in accordance with the respective rights of the members, but not dividend shall exceed the amount recommended by the directors.
107. Subject to the provisions of the Act, the directors may from time to time pay to the members such interim dividends as appear to the directors to be justified by the profits of the company available for distribution.
108. The directors may before recommending any dividend, set aside out of the profits of the company such sums as they think proper as reserve or reserves which shall, at the discretion of directors, be applicable for any propose of to which the profits of the company may be properly and depending such application may at the like discretion, either be employed in the business of the company or be invested in such investments, (other

than shares of the company) as the directors may from time to time think fit. The directors may also without placing the same to reserve carry forward and any profits, which they may think prudent not to divide.

109. Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid on the shares in respect of which dividend is paid. All dividends shall be apportioned and paid proportionately to the amount paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date that shall rank for dividend accordingly.
110. Any general meeting declaring a dividend may, upon the recommendation of the directors, direct payment of such dividend wholly or partly by the distribution of assets and, where any difficulty arises in regard to the distribution, the directors may settle the same, and in particular may issue fractional certificates and fix the value for distribution of any assets and may determine that cash payment shall be made to any members upon the footing of the value so fixed in order to adjust the rights of members, and vest any assets in trustees.
111. Any dividend, interest or other money payable in cash in respect of shares may be paid by cheque sent through the post to the registered address of the holder or in the case of joint holders, to the registered address of that one of the joint holders who is the first named in the register of members or to such person and such address as the holder or joint holder may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent, and payment of the cheque shall be a good discharge to the company. Any one of two or more holders may give effectual receipts for any dividends or other moneys payable in respect of the held by them as joint holders.
112. No dividend or other moneys payable in respect of a share bear interest against the company unless otherwise provided by the rights attached to the share.
113. Any dividend which has remained unclaimed for twelve years from the date when it become due for payment shall, if the directors so resolve, be forfeited and cease to remain owing by the company.

ACCOUNTS

114. The directors shall cause proper books of account to be kept with respect to:-
 - (A) all sums of money received and expended by the company and the matters in respect of which the receipt and expenditure takes place;
 - (B) all sales and purchases of goods by the company; and
 - (C) the assets and liabilities of the company.

Proper books shall not be deemed to be kept if there are not kept such books of account as are necessary to give a true and fair view of the state of company's affairs and explain its transactions.

115. The books of account shall be kept at the registered office of the company, or, subject to section 151 (4) of the Act, at such other place or places as the directors think fit, and shall always be open to the inspection of the directors.
116. No members shall (as such) have any right of inspecting any accounting records or other book or document of the company except as conferred by statute or authorized by the directors or by Ordinary Resolution of the company.
117. The directors shall, in accordance with sections 153, 155 and 159 of Act, cause to be prepared and to be laid before the company in general meeting such profit and loss accounts, balance sheets, cash flow statements, group accounts (if any) and reports as are referred to in those sections.
118. In accordance with section 163 of the Act, the company's annual accounts to be laid before the company in general meeting together with a copy of the director's report and the auditor's report shall not less than twenty - one days before the date of the meeting be sent to every member of, and every holder of debentures of the company. Provided that this regulation shall not require a copy of those documents to be sent to any person of whose address the company is not aware or to more than one of the joint holders of any shares or debenture.

CAPITALISATION OF PROFIT

119. The directors may, with the authority of an Ordinary Resolution of the company:
- (a) Resolve to capitalize any part of the amount for the time being standing to the credit of any of the company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and that such sum be capitalized to the members who would have been entitled to it were distributed by way of dividend and in the same proportions and apply such sum either in or towards paying up any amounts for the time being unpaid on any shares held by such members respectively or in paying up in full in issued share or debentures of the company to be allotted and distributed;
 - (b) Make such provision the issue of fractional certificates or by payment in cash or otherwise as they think fit for the case of shares or debentures becoming distributable in fractions, and authorize any person to enter on behalf of all the members entitled thereto into an agreement with the company providing for the allotment to them respectively, credited as fully paid up, of any shares or debentures to which they are entitled upon such capitalization, and any agreement made under such authority shall be effective and binding on all such members.

AUDIT

120. Auditors shall be appointed and their duties regulated in accordance with sections 170 to 179 of the Act.



NOTICES

121. Any notice to be given to or by any person pursuant to the articles shall be in writing except that a notice calling a meeting of directors need not be in writing. The company may give any notice to a member wither personally or by sending it by post in a prepaid envelop addressed to the member at his registered address, or by leaving it at that address. Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, preparing, and posting a letter containing the notice, and to have been effected at the expiration of (seventy-two) hours after the letter containing the same was posted. A member whose registered address is not within the Tanzania and who gives to the company and address within the Tanzania at which notices may be given him shall be entitled to receive any notice from the company.
122. A notice may be given by the company to the joint holders of a share by giving the notice to the joint holder first named in the register of members in respect of the share.
123. A notice may be given by the company to the persons entitled to a share in consequence of the death or bankruptcy of a member by sending or delivering it, in any manner authorized by the articles, addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt, or by any like description, at the address, if any, within the Tanzania supplied for the purpose by the persons claiming to be so entitled. Until such an address has been supplied, a notice may be given in any manner in which it might have been given if the death or bankruptcy had not occurred.
124. A member present, either in person or by proxy, at any meeting of the company or of the holders of any class of shares in the company shall be deemed to have received purpose for which it was called.

WINDING UP

125. If the company is wound up the liquidator may, with sanction of a special resolution of the company and any other sanction required by the Act divide amongst the members in specie the whole or any part of the assets of the company and may, for that purpose, set such value as he deems fair upon any property to be divided and may determined how such division shall be carried out as between the members or any part of the of members. The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as the liquidator, with the like sanction, shall determine, but no member shall be compelled to accept any shares or other securities upon which there is a liability.

126., whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under section 481 of the Act in which relief is granted to him by the court from liability Subject to the provisions of the Act, but without prejudice to any indemnity to which a director may otherwise be entitled, every director or other officer or auditor of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings for negligence default, breach of duty or breach of trust in relation to the affairs of the company.

NAME, ADDRESSES & DESCRIPTION OF SUBSCRIBER	NUMBER OF SHARES TAKEN BY EACH SUBSCRIBER	SIGNATURES
BHAWESH CHANDULAL GANDECHA P.O.BOX 1606 MWANZA TANZANIA	2250	
MITESH KANAKRAI SHINGALLA 233. SHIKSHAK COLONI BIRLA ROAD PORBANDER- 360575 GUJRAT-INDIA	750	

Date this.....21st day of February, 2008

WITNESS to the above Signatures:

Name:.....Consul General Mwanza

Signature:.....

Address:.....64, 5th St Mwanza

Qualification:.....Advt. Cable



ICK COTTON OIL CO LTD

FEASIBILITY STUDY

FOR THE

ESTABLISHMENT

OF THE

**VEGETABLE EDIBLE OIL &
GINNERY FACILITIES**

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1.0 EXECUTIVE SUMMARY

1.1 Introduction

This is a report prepared for ICK COTTON OIL CO LTD a company registered in Mwanza which intends to Establish a vegetable/cotton edible oil & ginnery facilities. The plant intends to cater to the requirements of locals, foreigners, various industries, supermarkets, retails shops and wholesalers operating in Tanzania especially in the Lake Zone.

The Business Plan main purpose is outlining to the Investment centre I.C.K.Cotton Oil Co. Limited request for the certificate of incentives and providing Operational guidelines to I.C.K.Cotton Oil Co. Limited and providing a guideline to the shareholders on various matters in pursuance of the company's objectives. The Plan has been prepared based on prevailing business environment taking into consideration marketing aspects especially sales growth and also profit margin trends

1.2 The project

The basic objective of the project is to establish Cotton seeds /vegetable edible oil to produce vegetable and cotton oil and installation of ginning facilities to conduct ginning of cotton .The oil processed will be sold to the residents of the lake zone, and also it will be sold in supermarkets, retails shops and wholesalers operating in Tanzania and outside. The bales of cotton will be sold to the local textile market and some will be for export market.

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It is estimated that the project will be implemented within a period of 3 years starting 2009.

1.3 Market

All the oil products produced will be marketed in the lake Zone and also at the neighbouring regions and there is a definite scope for export of these goods to neighbouring countries and also sell to the rest of Tanzania. The machines selected for the project are based on latest technologies where it will assure high quality conforming to the international standards.

1.4 Estimated Financial and Development Benefits

The project envisages an investment of US 9.8 million in the Establishment of its Cotton/vegetable edible oil & ginnery facilities. It is estimated that the plant will operate at 60% capacity in the 1st year, 80% in the second year and shall reach 100% capacity utilization by the 3rd year.

1.5 Conclusion

The company has decided to request the certificate of incentives in order to have a soft landing in the establishment of cotton/vegetable oil mill and ginnery facilities . It can be concluded that the project will bring tremendous long-term benefits and all investment required would be funded by the promoters and the term loan. The project is economically viable and technically feasible

2.0 INTRODUCTION

ICK COTTON OIL CO LTD was established in 4th March 2008. ICK COTTON OIL CO LTD was established for the purpose of carrying /Cotton/vegetable edible oil production and ginning activities. The formation of the company was a strategic move

aimed at increasing planning and management base of the business.

ICK COTTON OIL CO LTD has decided to establish its Cotton/vegetable edible oil & ginnery facilities in order to meet the demand for its product. The Purpose of the Business Plan is to be presented to the Tanzania Investment centre so that it can obtain certificate of incentives which will enable the company to secure tax exemptions when the capital Items are Imported. Needless to mention it aims at identification of areas requiring immediate attention for the purpose of strengthening the company during the period.

2.2 THE PROJECT CONCEPT

The project intends to Establish Cotton/vegetable edible oil & ginnery facilities for the sale to the various industries and consumers catering for their day-to-day requirements of Oil and cotton products.

The market for the products is assured, as the promoters will use latest equipments for manufacturing of high quality Cotton/vegetable oil and seed cotton and other ginning products.

2.3 Project Finance

The promoters will fund part of the project. The promoters will also look for the long-term loan to finance part of the project.

2.4 Brief Profile of the Investors

The promoters of the project are Tanzanian and Indian by nationalities.

There are industrialists by profession and are well experienced in the intended manufacturing line. They are well-experienced traders of more than 10 years.

2.5 Ownership and Share Capital

ICK COTTON OIL CO LTD is registered with a share capital of shillings Thirty Million (30,000,000/=) divided into one thousand (3,000) ordinary shares of shillings ten thousand (TShs. 10,000/=) each. The shareholders of the company are as shown below.

TABLE SHOWING OWNERSHIP OF WINNERS

SHAREHOLDER	NO. OF SHARE
Bhawesh Chandural Gandecha	75
Mitesh Kanakrai Shingalla	25
TOTAL	100

2.6 Location

ICK COTTON OIL CO LTD head office will be in Mwanza Township .The location is well served by all the necessary infrastructure and environment requirements and well suited to the nature of the envisaged project.

2.7 The Market

The demand for the Cotton/vegetable oil and ginning products is influenced by the presence of large population and level of personal disposable income and the export market. The market survey done, establish and ascertain the true demand and supply position.

The existing low capacity of the Cotton/Vegetable oil and ginning products and backward technology in production in the country, Project like this one and improvement of linkages in industry sector assure that the products produced will not face serious market problems.

The market for ICK COTTON OIL CO LTD products mainly Cotton /Vegetable Oil products is the whole of the lake Zone. The project will enable the company to venture for other markets in the whole of the lake zone and neighbouring countries and even in the Far East

The company's distribution and marketing arrangements includes a retail shop, wholesale shop and a mobile distribution network for Vegetable oil products.

The study has been able to show that there is a good and guaranteed market for the Cotton/Vegetable Vegetable oil and ginning products.

2.8 Source of technology

The plant and machines plus the related production technology will be imported. These machines are expected to produce products to match in international standard.

To begin the activities of ICK COTTON OIL CO LTD, the factory will work 8hours per day and 6 days per week.

2.9 Capital investment and Finances

The capital investment required is estimated at 9.8 Million. Most of the financing will be sourced from owner's equity and the term loan. The capital investment breakdown in as follows.

Table I capital costs

Item	Us \$
	Total
Land & Building	2,000,000
Plant	4,000,000
Vehicles	2,250,000
Furniture and Fitting	50,000
Pre-operation Expense	300,000-
Others	200,000-
Initial work capital	1,000,000
Total	9,800,000

2.10 Project Financing

The promoters of the project have decided to make contributions and finance the project with equity and the term loan. The loan will be sourced from local banks.

Source	US\$		
	Local	Foreign	Total
Equity	-	9,800,000	9,800,000
Total		9,800,000	9,800,000

IMPLEMENTATION SCHEDULE

3.1 General

Both local and external factors have been taken into account when drawing out the proposed schedule of implementation. Factors such as finalization of civil works, survey, acquisitions of machinery and equipment, recruitment of qualified personnel and other factors have been looked into.

3.2 Preliminary Formalities

On the finalization of the study duration of about 2 weeks will be needed for executive of the preliminary formalities of the project.

3.2.1 Construction and renovation of the Buildings

This undertaking will require a period of 12 months to completion.

3.2.2 Ordering of Machinery/Equipment/Vehicles/Furniture

Timely ordering will have to be executed to match the rate of project programme. Time needed will run into several days.

3.2.3 Machinery/Equipment/Furniture/Purchasing installation and purchase of distribution vehicle

Once the buildings are constructed then will follow the installation of machinery/equipment/furniture and fittings upon arrival at the project site. The project will also purchase distribution vehicles to help in collecting seed cotton from its farms and also from contracted form.

3.2.4 Trial Runs

Upon completion of the installation of machinery and equipment then will follow trial runs of the unit. This will take about 4 weeks.

3.2.5 Commercial Production

On completion of the buildings/fitting of machinery and equipment/furniture, trial runs then will follow commercial production.

4.0 INVESTMENT AND FINANCING

4.1 Assumptions

- The project construction time is assumed to be three years.
- The economic life of the project is 10 years.
- The currency exchange rate of TShs. 1,200/= to one US\$ has been adopted.
- Re-investment in vehicles shall be done after every four years.

4.2 Investment Structure

The total initial investment in fixed assets is estimated at **US \$ 9.8 million** whose breakdown of which is as follows;

	Us \$
Item	Total
Land & Building	2,000,000
Plant	4,000,000
Vehicles	2,250,000
Furniture and Fitting	50,000
Pre-operation Expense	300,000-
Others	200,000-
Initial work capital	1,000,000
Total	9,800,000

4.3 Financing Pattern

The initial total investment of **US \$ 9.8 million** presented in the table below.

	US \$
Source	
Equity	9,800,000
Total	9,800,000

4.4 Owner's Equity

The owners shall finance 100% of the fixed capital and the working capital will be sourced from the local banks.

5.0 MANAGEMENT AND ORGANIZATION

It is envisaged that the proposed manpower structure (below) would give an effective control of the activities. The overall in charge, responsible for the day-to-day operations will be the Project Manager who will in turn be answerable to the Board of Directors.

Organization Set Up

Initially the operations will broadly be divided into the following:-

- Administration & Finance department
- Production department
- Marketing and sales department

- **The Board of Directors**
The Company's Board of Directors being headed by the Chairman is the highest decision making body. It approves policies and gives guidance to the well being of the company.

- **MANPOWER STRENGTH**
The company has a workforce of 34 employees being distributed as shown underneath: -

FINANCIAL PLAN AND FINANCIAL PROJECTIONS

Investment and operating costs

All start-ups costs of the project will be borne by the sponsors. These included the cost of registration of the project, Government licensing, administration expenses such as electricity, and utilities such as water, the cost of acquiring staff, training and maintaining and start up costs for raw materials and other inputs during production trials.

Projected costs

The total cost of the project will include the cost of acquiring Machinery installation of the Equipments, the cost of building, motor vehicle for distribution of Vegetable oil and other miscellaneous costs. The table below shows the projected costs

Us \$	
Item	Total
Land & Building	2,000,000
Plant	4,000,000
Vehicles	2,250,000
Furniture and Fitting	50,000
Pre-operation Expense	300,000-
Others	200,000-
Initial work capital	1,000,000
Total	9,800,000

Sponsors financial contribution

The sponsors of the project have already contributed a substantial amount towards the project Working capital of the project will come from The bank financing.

Projections :-

Assumptions underplaying

30,000tons per year =30,000litres per month *US\$17=

=US\$ 6,120,000

Cost of goods sold at 60% of total sales Assumptions

The prices of inputs are assumed to remain constant over the ten years period because under rising inflation the prices and services will rise including those of outputs hence having he profit margin unchanged.

Administrative expenses comprises of the following for the first year.

Salaries (see remuneration package 5.5.)	21,960
Electricity (US\$. 1,000 = per month)	12,000
Telephone (US\$ 7333 = per month)	87,996
Others	2,000
Total	123,956

These were increased by 50% in second year and 60% in 3rd year to motivate staff by salary increment.

Selling and distribution expenses for first year comprise of fuel for vehicles used for distribution and maintenance costs
Fuel diesel 50lts. X US\$1.666= 30 x 12 months x 10 vehicles =
Total us\$. 299,000. =

Since all vehicles are brand new, the maintenance costs will be very minimum. These costs will increase as the business grows form the second year by 50%.

Income tax charged at 30% of profit before tax

The reserves will increase form first year, second year and third year

Depreciation of property will be 2% p.a. plant 12.5% p.a. and Vehicles 25% p.a.

Form first and second year, credit sales will increase as the marketing strategy of the customer.

Pricing

The pricing of the products in this respect shall be a very sensitive and persuading factor towards promising performance of the business. This entails therefore, the business shall embark upon a pricing strategy to enable it meet competitive challenges with a view to boost turnover.

Competition

There is expected to be no stiff competition .Altogether these competitors do not cover a greater part of this market share and hence no great threat to this project. However, quality products and fair pricing will be of great advantage to the project to win the competition.

As the way to convince the public to buy these products the company shall have to apply a means of advertisement by posters, Televisions, personal selling discounts and the like.

Distribution Channels

The project will use vehicles for distribution of products to the Lake Zone and other neighbouring countries

Target market.

The target markets are together with lake zone i.e., Mwanza Mara, Kagera, and other regions such as shinyanga, Tabora.

Environment aspects.

The project is proven to be environmentally friendly once it is established as much of pollutants are to be controlled. There will be no harm upon the environment as a result of the establishment and operation of the project only that

little pollution with insignificant effect will be caused by fumes and smoke during manufacturing process. However, there is a need for mitigatory measures of which the management of the project has proposed to introduce being together with educating consumers of safe disposal of packaging materials and installation of smoke emitting pipe, all these to curb any unforeseen harmful impact towards environment.

SOCIAL ASPECTS

The project has its unique role to play with respects to social standards of people. This is because the project is to provide oil products and such associated products which in fact are directly related to the social needs of people.

The project so far has a tremendous acceptability as far as cultural aspects of life are concerned and that it will suit in every respect the needs of the people in the areas.

Breakdown on the Operating Expenses

The main cost items will include salaries and wages, vehicle running expenses, electricity, water, insurance, advertising/marketing and administrative overheads.

6.6 Salaries and Wages

This average at US\$ 52,700 per annum

6.7 Depreciation

Depreciation rates have been calculated as follows:

Land, building and civil works	4% Straight Line
Vehicle	25% Straight Line
Pre-Operational Expenses	20% Straight Line
Equipment	12.5% Diminishing Value

6.7.1 Tax

Corporation tax is charged at 30% on profits before tax.

7 FINANCIAL AND ECONOMIC ANALYSIS

7.1 Income

The project's income at full capacity utilization is estimated to average at US\$6.12m

7.2 Expenditure

The expenditure items include all costs items plus depreciation and financial charges.

7.3 Projected Cash Flows

The project has a positive net cash flow from year 1 of operation to the tenth year

7.4 Economic Benefits

The successful operation of this processing plant will contribute significant economic benefits to the Lake Zone region people and Tanzania as whole. In summary the benefits which will be realized are as follows:-

The execution of this project will bring about employment opportunities.

Provision of income to other services providers, thus contributing to the reduction of poverty. The income to be earned will help in improving standard of living of the workers and other people residing in the region.

The direct income for the workers, combined with other social benefits that the Management of will provide, will help in overall efforts of alleviation of poverty in the Region.

This project will facilitate opportunities to increase foreign exchange earnings through export of some of its value products.

8.0 Conclusion

The investment and development of this Oil and Ginneries undertaking is in line with the Government objective of encouraging proper development of industries in the country.

In addition, it will have a positive impact on the development of the region, as it would generate a number of benefits and more positive impact on the economy of the region.

This document has provided a full analysis on the financial, Techno-economic viability on the establishment/operation of the Integrated oil mill and ginnery processing facilities undertaking along with the financing requirements/parameters have been considered and have established that the proposed project is technically sound, financially viable, and economically/socially beneficial.

ICK COTTON OIL CO LTD. anticipates that all interested parties in the region/and the Government of Tanzania will give their full support so as to ensure timely implementation of the project and apprehension of successful operation.

ICK COTTON MILL LIMITED

Investment Cost

US\$

Item	Total
Land & Building	2,000,000
Plant	4,000,000
Vehicles	2,250,000
Furniture and Fitting	50,000
Pre-operation Expense	300,000-
Others	200,000-
Initial work capital	1,000,000
Total	9,800,000

ICK COTTON MILL LIMITED

Projected Income and Expenditure Statement

US\$

	1	2	3	4	5	6	7	8	9
Gross Sales	4,284,000	4,896,000	6,120,000	6,120,000	6,120,000	6,120,000	6,120,000	6,120,000	6,120,000
Less: Cost of goods sold	1,285,200	1,958,400	3,060,000	3,060,000	3,060,000	3,060,000	3,060,000	3,060,000	3,672,000
Gross Profit	2,998,800	2,937,600	3,060,000	3,060,000	3,060,000	3,060,000	3,060,000	3,060,000	2,448,000
Less: Expenses									
Selling & distribution	12000	18000	28880	28880	28880	28880	28880	28880	28880
Administrative	35960	53940	86300	86300	86300	86300	86300	86300	86300
Staff Amenities	1200	1800	2880	2880	2880	2880	2880	2880	2880
Depreciation	1123750	1123750	1123750	1123750	1123750	1123750	1123750	1123750	
Total Operating Expenses	1,172,910	1,197,490	1,241,810	1,241,810	1,241,810	1,241,810	1,241,810	1,241,810	1,278,000
Operating Profit (Loss)	1,825,890	1,740,110	1,848,190	1,848,190	1,848,190	1,848,190	1,848,190	1,848,190	65,000
Profit before tax	1,825,890	1,740,110	1,848,190	1,848,190	1,848,190	1,848,190	1,848,190	1,848,190	65,000
Taxation 30%	547,767	522,033	554,457	554,457	554,457	554,457	554,457	554,457	19,500
Profit After Tax	1,278,123	1,218,077	1,293,733	1,293,733	1,293,733	1,293,733	1,293,733	1,293,733	45,000
Accumulated profit	1,278,123	2,496,200	3,789,933	5,083,666	6,377,399	7,671,132	8,964,865	10,258,598	41,297,600

ICK COTTON MILL LIMITED

Manpower Requirements in USS

	Number
Factory Manager	1
Supervisor	1
Accountant	1
Technician	2
Mill operators	8
Mill Assistant Operators	10
Foundry Operator	2
Electrician	2
Storekeeper	1
Assistant storekeepers	1
Drivers	2
Helpers/Laborers	3
TOTAL	34

ICK COTTON OIL COMPANY LIMITED

P.O.BOX 1606, Mwanza

TEL: 0754315370, FAX: 028- 2570872



27/11/2008

Executive Directors
Tanzania Investment Centre
P. O. Box 938
DAR ES SALAAM

Re: **APPLICATION FOR THE CERTIFICATE OF INCENTIVES**

We have incorporated a limited company, which will be dealing with ginning and oil mill activities .

In that respect we have therefore decided to apply for the Certificate of Incentives in order to benefit from the incentives obtained at your Centre.

We are attaching the following documents in order to enable the Centre issue the Certificate:

1. Application Form
2. Certificate of Incorporation
3. Memorandum and Articles of Association
4. Business Plan
5. Letter From the Bank

We hope our application will be considered favorably at the earliest.

Yours faithfully,


Bhawash Gandecha

DIRECTOR

TANZANIA



Certificate of Incorporation

Section 15

No 64516

I HEREBY CERTIFY THAT

ICK COTTON OIL CO. LIMITED =====

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

Given under my hand at Dar es salaam

this 4TH day of MARCH

TWO THOUSAND AND EIGHT

[Signature]
Asst. Registrar of Companies

CTIN.: 00263775



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

I C K COTTON OIL CO LIMITED.

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

106-605-300

with effect from 09-Apr-2008


JOANNES N. A. MALLY

COMMISSIONER FOR DOMESTIC REVENUE

OFFICIAL SEAL

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

AGREEMENT FOR SALE OF IMMOVABLE AND MOVABLE ASSETS

This Agreement is made this.....day of.....2008.

BETWEEN

HASSAN JUMANNE of P.O. Box 1572, **MWANZA**, (hereinafter referred to as "the **Seller**") of the one part,

AND

ICK COTTON OIL CO. LTD of P.O.Box 1601, **MWANZA** (hereinafter referred to as "the **Purchaser Company**") of the other part.

WHEREAS:

The **Seller** is the registered owner of all the developments together with other assets and cotton ginning machineries fixed thereon on a piece of land collectively known as **Plot Nos.151 and 152 Block "KK", Industrial Area Nyakato, Mwanza** as comprised in the **Certificate of Title NO. 18862, Lo. No 300976**, (hereinafter referred to as "**the property**").

AND WHEREAS:

The **Seller** is willing to sell and the **Purchaser Company** is desirous and able to buy the above-described property at the price of United State Dollars One Million Two Hundred and Eighty Thousand only (**USD.1,280,000.00**) (hereinafter referred to as the "**Purchase Price**").

NOW THIS AGREEMENT WITNESSETH as follows: -

1. The **Seller** has sold and the **Purchaser Company** has bought the property and the developments thereon subject to covenants and undertakings hereinafter appearing free from all any encumbrances whatsoever at the price aforementioned.

Kishimba

2. That purchase price indicated above shall be paid as follows: -
- (i) United State Dollar Two Hundred Thousand (**USD.200,000.00**) shall be paid to the Seller on the date of signing this Agreement.
 - (ii) The Balance of United States Dollar Eighty Hundred Thousand (**USD.800, 000.00**) shall be paid to the Seller on **31.05.2008**.
 - (iii) The remaining balance of United State Dollars Two Hundred and Eighty Thousand (**USD.280,000.00**) shall be paid in equal two instalments by issuance of post dated cheques of **USD.140,000.000** each; the first cheque shall dated **15.12.2008** and the second cheque shall be dated **30.12.2008**. All cheques shall be drawn in the name of the **Purchaser Company**.
3. In the event the **Purchaser Company** defaults in payment of the last payment in clause (iii) above the monthly interest of 4% shall be imposed thereon running from **30.12.2008**.
4. That save as aforementioned the property is sold free from any liability excluding the electricity bill and in case the **Purchaser Company** is called upon to pay and/or discharge any other liability owing to the property as at the date hereof, then and on that event the Seller will immediately indemnify the **Purchaser Company**.
5. Save as aforementioned the **Seller** further represents as follows:
- (a) That no claims are pending or likely to rise in relation to or in connection with the said the property.
 - (b) That all liabilities and outgoings in respect of the aforesaid property have been discharged and or satisfied as of the date herein.
6. The **Seller** acknowledges that he has made the representatations referred to in clauses 4 and 5 above with the intention of persuading the **Purchaser Company** to enter into this Agreement and the **Purchaser Company** has entered into this Agreement on the basis and strength of and in full reliance upon each one of the representations.

- 7. The **Seller** warrants that each such representation is true and correct in all material respect as the date of this Agreement.
- 8. Each party shall bear its costs on the conveyance of this property, with registration of transfer documents to be effected by the **Purchaser Company**. Capital gains Tax shall be paid by the **Purchaser Company** proof of payment of which shall be submitted upon exchange of documents.
- 9. Pending finalization of the relevant instalment payments Deed of Transfer shall be kept in a safe custody of the **Seller's Advocate** and the same shall be released to the **Purchaser Company** once the second payment instalment as stipulated in clause 2(ii) above is effected.
- 10. That in case of any breach of any of the terms or conditions of this Agreement, the party aggrieved shall be at liberty to institute a civil action in a Court of Law of competent jurisdiction.

IN WITNESS HEREOF: the parties have set their respective hands hereinto in the manner and on the dates hereafter appearing.

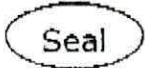
SIGNED at Mwanza by HASSAN JUMANNE
 who is known to me personally identified to by
Jumanne Kisumba
 the latter being known to me personally in my
 presence this.....day of 2008

Kisumba

Name: Constantine Mutalamba
 Signature: [Signature]
 Address: Box 1606 Mwanza
 Qualification: Advocate



SEALED and DELIVERED at Mwanza by
 the COMMON SEAL of ICK COTTON OIL
 CO. LTD in our presence this...day of
, 2008.



Name: Balthazar Chwanya
 Postal Address: Box 1606 Mwanza
 Signature: [Signature]
 Qualification: M. DIRECTOR

Name:.....

Postal Address:.....

Signature:.....

Qualification:.....

Drawn by:

Hassan Jumanne

Hassan Jumanne,

P.O. Box 1572,

Mwanza

SAVINGS & FINANCE

SAVINGS & FINANCE COMMERCIAL BANK LTD

DATE : 19th September, 2008.
REF : SFL/MWZ/F.19/8688/2008

THE EXECUTIVE DIRECTOR
TANZANIA INVESTMENT CENTRE
9 A&B SHAABAN ROBERT STREET
P. O. BOX 938
DAR- ES- SALAAM.

Dear Sir,

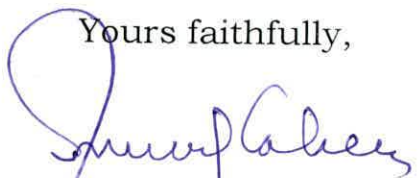
RE: TITLE DEED NO.18862 PLOT NO.151 & 152
BLOCK "KK" INDUSTRIAL AREA

Please refer to the above subject.

We would like to confirm that we are holding the above title deed as security for monies extended to the Company.

The title deed is in the process of transferring ownership to ICK Cotton Oil Co. Ltd

Yours faithfully,



DONALD KAHEMA
MANAGER - CREDIT



PARIN SHARIFF
BRANCH MANAGER

SAVINGS & FINANCE

SAVINGS & FINANCE COMMERCIAL BANK LTD

DATE : 19th September, 2008.
REF : SFL/MWZ/F.19/8689/2008

THE EXECUTIVE DIRECTOR
TANZANIA INVESTMENT CENTRE
9 A&B SHAABAN ROBERT STREET
P. O. BOX 938
DAR- ES- SALAAM.

Dear Sir,

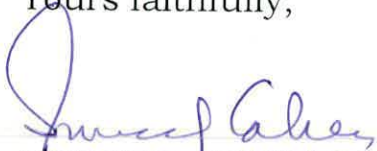
RE: ICK COTTON OIL COMPANY LIMITED

This is a private limited liability Company incorporated in Tanzania on March 2008 vide certificate no.64516, registered to carry on the business of buying, ginning to produce cotton lint and extraction of edible cotton oil.

The Company shareholders has been banking with us for about five years and their account is conducted very satisfactorily.

However this information is communicated to you for your private use only and upon the express condition that neither this Bank nor any of its officers shall in any way will be held responsible for giving it.

Yours faithfully,


DONALD KAHEMA
MANAGER - CREDIT


PARIN SHARIFF
BRANCH MANAGER



TANZANIA INVESTMENT CENTRE

REGISTRATION FORM

FOR

CERTIFICATE OF INCENTIVES

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

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

(Please fill the form in duplicate)

UNITED REPUBLIC OF TANZANIA

THE TANZANIA INVESTMENT ACT

(No. 26 of 1997)

APPLICATION FOR REGISTRATION

(Made under Regulation 42)

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

1. I/We BHAWESH CAADULAL GANDECHA
(director/directors/agent of I.C.K. COTTON OIL CO LTD
(name of business enterprise) apply for registration of I.C.K. COTTON OIL CO 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 NYAKATO INDUSTRIAL
AREA - MWAHAZA

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 MWAHAZA

4. The Principal Officers of the Company are MR BHAWESH C. GANDECHA
MR MITESA K. SHIBALA

5. Auditors of the Company are ASSAD ASSOCIATES

6. The authorized share capital of the Company is Tshs./US\$

7. The intended capital investment of the Company in terms of Section 2(2) of the Act is Tshs./US\$ 9800000

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

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

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

I, BHAWESH C. GAJDECHI of Post Office Number 1606 Mwanjoza

do solemnly and sincerely declare that I am a director/duty authorized agent of I.C.K. COTTON OIL CO 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 26th day of November 2003 }


Applicant

Before me:


Commissioner for Oaths



APPLICATION SUMMARY

Company Name: J.C.K. COTTON OIL CO LTD

Certificate of Incorporation Number: 64516 Status: New

Certificate of Incorporation Date: 4TH MARCH 2008

Post Box: 1606

Town: Mwanza

Sector: MANUFACTURING

Sub-Sector: GINNERY AND OIL MILL

Investment Financing Plan in Million US\$/Tshs.

Foreign Equity Local Equity Foreign Loan Local Loan
980000

Project Objectives: To install cotton ginning machines, oil mill expellers, cotton bale press

Capacity: 30000 TONS PER YEAR

Employment: Foreign: 8 Local: 150 Total: 158

Implementation Period: 3 YEARS

Project Location

Site/Plot/Block No.: Plot 151&152 Block KK

Street: Mwanza District: NYAMAGARA Region: Mwanza
(Attach sketch map showing project location)

Table with 3 columns: Shareholders, Nationality, %
Shareholders: BHAWESH C. GANDECHA, MRESH K. SHUKLA
Nationality: TANZANIA, INDIAN
%: 75%, 25%

Investment Breakdown USS/Tshs.M

Land/Building	7000000/-
Plant	2000000
Vehicles	2250000
Furniture & Fittings	500000
Pre-expenses	300000
Others	200000
Working Capital	4000000/-
TOTAL	9800000/-

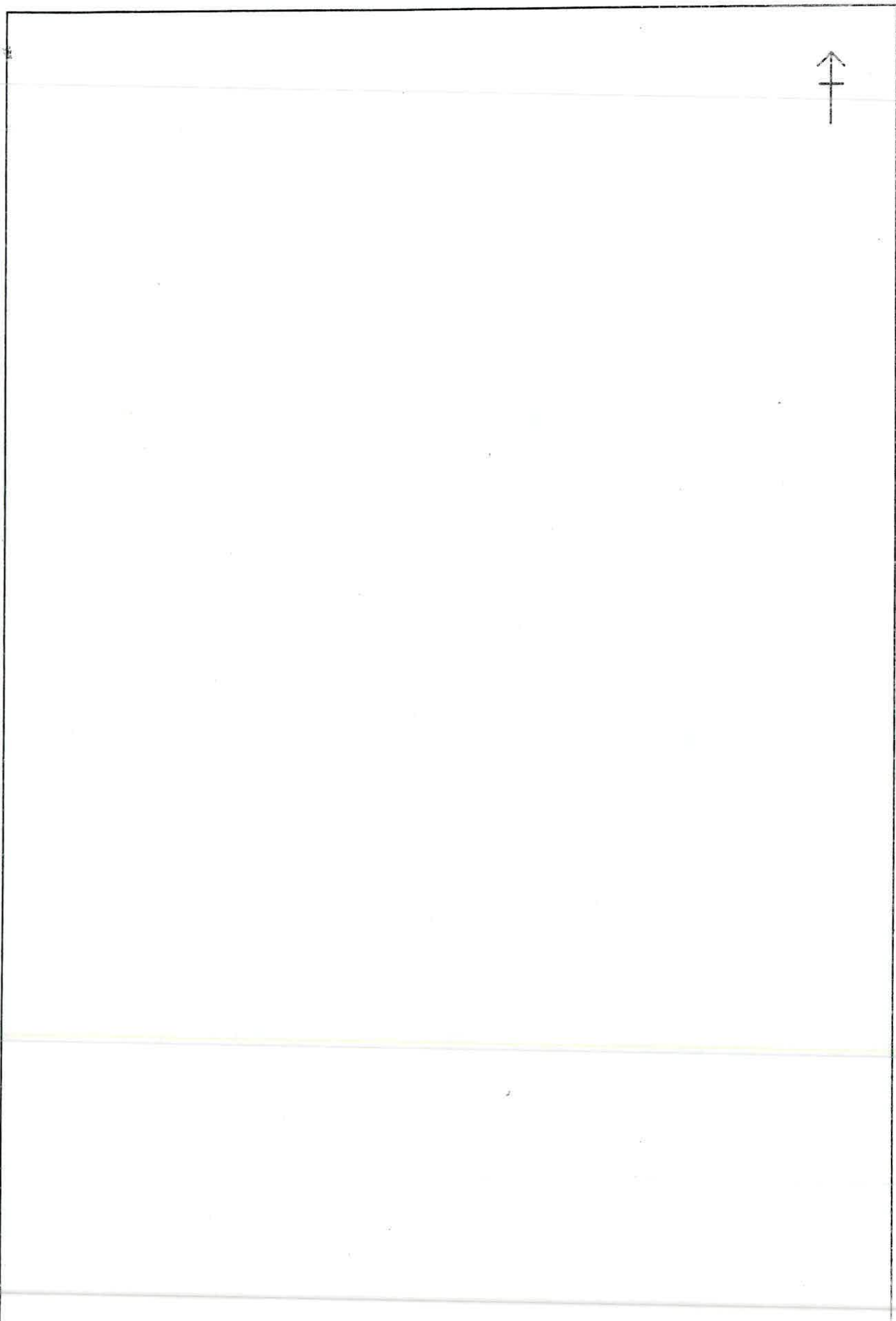
Contact Details:

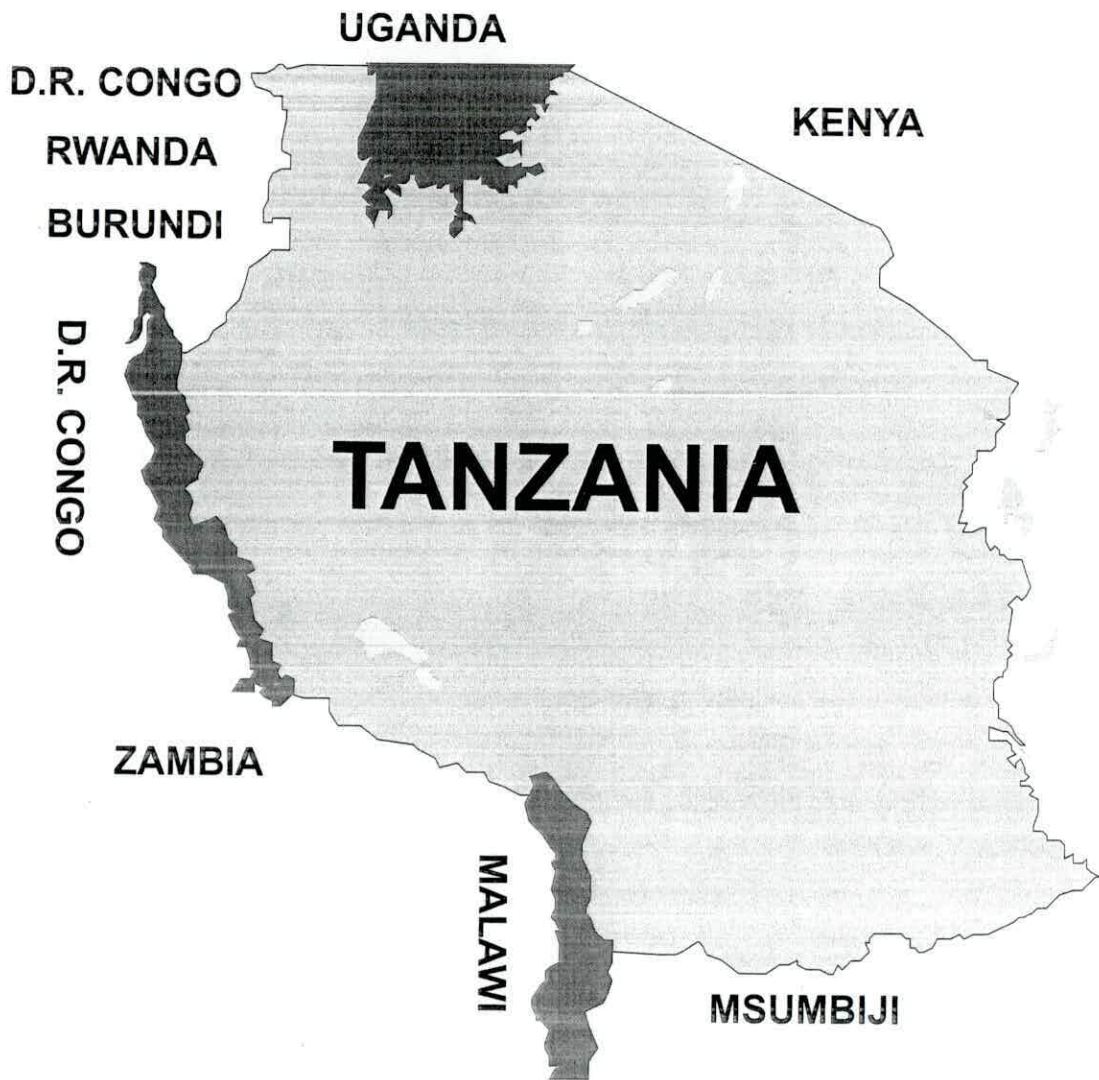
Name: BHAVESH C. RAJDECHA Title: MANAGING DIRECTOR
Telephone: +255-754-315370 Fax: +255-28-2570872
Email:

Payments to be made payable to:

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

SKETCH MAP SHOWING PROJECT LOCATION





3

TICC/PP.10/041612/2

10 December 2008

Managing Director,
ICK Cotton Oil Co. Ltd,
P.O. Box 1606,
MWANZA

**RE: CERTIFICATE OF INCENTIVES FOR INVESTMENT IN THE
ESTABLISHMENT OF A GINNERY AND OIL MILL FACILITIES**

We wish to acknowledge receipt of your project proposal to establish a ginnery and oil mill as presented in the TIC P.A. 1 Form No. 07014 and Feasibility Study with a projected investment of USD 9.8 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:

- Company Board Resolution.
- 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

TICC/PP.10/041612/2

10 December 2008

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



TIC Evaluation Report

Name of the Company
Ick Cotton Oil Co. Ltd.

Post Box	Mhando Plot No. 151 & 152 Block Kk	COI Number	64516	Contact	Bhawesh C. Gandecha
Post Office	1606	COI Date	04/03/2008	Designation	Managing Director
Region	Mwanza	Application F. No	07014	Phone	0
Country	Tanzania	Status	New	Direct Phone	0
		Sector	Manufacturing	Cell Phone	0754 315 370
		Sub Sector	Ginnery And Oil Mill	Fax	028 257 0872
		File No	041612	E-Mail Address	0

Project Location		Investment Finance Plan in Millions USD										
Plot/Block	Plot No. 151 & 152 Block KK	<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>9.8</td> <td>0</td> <td>0</td> </tr> </table>	Foreign Equity	Local Equity	Foreign Loan	Local Loan	0	9.8	0	0		
Foreign Equity	Local Equity		Foreign Loan	Local Loan								
0	9.8		0	0								
Street	Mhando											
District	Nyamagana											
Region	Mwanza											

Shareholders Detail			Investment Breakdown (USD Million)	
Name	Nationality	(%)	Land/Building	1
Mitesh K. Shingala	Indian	25	Plant	2
Bhawesh C. Gandecha	Tanzanian	75	Vehicles	2.25
			Furniture & Fittings	0.05
			Pre-expenses	0.3
			Others	0.2
			Working Capital	4
			Total	9.8

Employment	158	Evaluated By	Senzia Manager
Capacity	30,000 tons p.a.	Drawn By	Dorah Registry
Project Turn Over			

Description

To establish a ginnery and oil mill facilities

Recommendations

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

Decision

Approved
AS BOD
4/12/08

4

041612



AMHURI YA MUUNGANO WA TANZANIA
THE UNITED REPUBLIC OF TANZANIA

30324886 1

TFN. 614 (Rev. 8.94)

STAKABADHI YA SERIKALI

EXCHEQUER RECEIPT

NIMPOKEA KWA
Received from

I.C.K. COTTON Dia Co. Ltd



KIASI
Amount

Shs.				Cts.			
U	S	0	0	0	0	0	0

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

USDOLLAR SEVEN HUNDRED FIFTY ONLY

NA SENTI
And Cents

KWA MALIPO YA
In Respect of

CERTIFICATE OF INCENTIVE

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

CASH

Kituo - Station

SAHIHI YA MPOKEAJI - Receiving Officer's
Signature.

[Signature]

CHEQ - Title

ACC

TAREHE - Date

05 FEB 2009

D.S.M.

POA!

I.C.K. COTTON OIL CO. LTD

P.O. BOX 1606 MWANZA – TANZANIA

NYAKATO INDUSTRY AREA

TEL: + 255-714-568520/ + 255-754-315370

FAX: + 255 – 28 - 2570872

Email: icktz@hotmail.com

Date: 01/11/2010

Ref No: ICK/CCE/01/10

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



UFS: EXECUTIVE DIRECTOR,
TANZANIA INVESTMENT CENTRE,
P.O. BOX 938
DAR-ES-SALAAM.

RE: APPLICATION FOR DUTY AND TAX EXEMPTION VIDE TIC NO: 041612
dated 24-06-2009

We are expanding our factory at Nyakato Industrial Area for Cotton Ginnery and Oil Milling.

We are writing to your good Office to apply for Duty and Tax exemption Vide TIC Certificate mentioned above.

Attached herewith are TIC Certificate and one page of list of Machinery and equipments.

Yours faithfully,

BHAWESH .C. GANDECHA
MANAGING DIRECTOR

I.C.K. COTTON OIL CO. LTD.
P.O. Box 1606
TEL: 028-2570872 / 0754-315370
MWANZA - TANZANIA

LIST OF MACHINERY & EQUIPMENTS VIDE TIC NO: 041612

- | | | | |
|-----|---|---|----------|
| 1. | Oil Mill Machinery
- Decoticator Plant and its accessories | - | 1 Unit |
| 2. | Injection Moulding Machine and its accessories | - | 1 Unit |
| 3. | Complete Ginning Machine and its accessories
-Condensor; Cleaner; Air Separator; Fans;
Automatic feeding System, Screw Conveyors etc. | - | 1 Unit |
| 4. | Cotton Bale Press and its accessories | - | 1 Unit |
| 5. | Cotton Seed Delinting Machine and its Accessories | - | 1 Unit |
| 6. | Scania Truck (Used) 30 Tons/15Tons | - | 30 Units |
| 7. | Trailer for Scania tracks | - | 30 Units |
| 8. | Pick ups (New) 1 Ton | - | 5 Units |
| 9. | Trucks 3½ Tons (New/Used) | - | 5 Units |
| 10. | Trucks 8 Tons (Used) | - | 20 Units |

I.C.K. COTTON OIL CO. LTD.
P.O. Box 1606
TEL: 028-2570872 / 0754-315370
MWANZA - TANZANIA

.....



Nº 00215713

[Signature]
30/08/2010
For: Executive Director
Tanzania Investment Centre

THE UNITED REPUBLIC OF TANZANIA

Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

No: 041612

This is to certify that

ICK COTTON OIL CO. LIMITED

of address P.O. BOX 1606

MWANZA

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

ICK COTTON OIL CO. LIMITED

Which is located at PLOT NO. 151 & 152 BLOCK 'KK', MHANDO,

NYAMAGANA, MWANZA

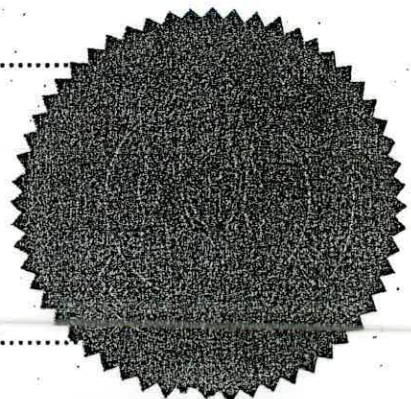
Further particulars required by Section 17 of the Tanzania Investment Act are set out overleaf.

[Signature]

Executive Director

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

Dated 24th JUNE 2009



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

1. Shareholders	Nationality	Shareholding (%)
Mitesh K. Shingalla	Indian	25
Bhawesh C. Gandecha	Tanzanian	75

2. Proposed Activities : To establish a ginnery and oil mill facilities

3. Sector: Manufacturing Subsector Ginnery and oil mill

4. Investment cost: Foreign - Local USD 9.8m. Total USD 9.8m.

5. Project Financing: Equity USD 9.8m. Loans - Total USD 9.8m.

6. Source, terms and conditions of loan

7. Assets to be invested:

Capital items:	Foreign	Local	Total
	-	USD 9.8m.	USD 9.8m.

8. Technology Agreement None

9. Date of TIC Registration: 1st December 2008

10. Implementation period December 2008 - November 2011

11. Operative date December 2011

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

TICC/PP.10/041612/6

09/11/2010

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. 041612**

M/S ICK Cotton Oil Co. Limited is a TIC registered company with certificate of incentives **No. 041612** which is valid up to **November 2011**

The company has been registered with objectives of establishing a ginnery and oil mill facilities.

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

Yours sincerely

TANZANIA INVESTMENT CENTRE



Revocatus Arbogast

FOR: EXECUTIVE DIRECTOR



TANZANIA INVESTMENT CENTRE

REGISTRATION FORM

FOR

CERTIFICATE OF INCENTIVES

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

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

(Please fill the form in duplicate)

UNITED REPUBLIC OF TANZANIA

THE TANZANIA INVESTMENT ACT

(No. 26 of 1997)

APPLICATION FOR REGISTRATION

(Made under Regulation 42)

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

1. I/We BHAWESH CAADULAL GAUDECHA
(director/directors/agent of I.C.K. COTTON OIL CO LTD
(name of business enterprise) apply for registration of I.C.K. COTTON OIL CO 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 NYAKATO INDUSTRIAL
AREA - MUANZA

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 MUANZA
4. The Principal Officers of the Company are MR BHAWESH - C. GAUDECHA,
MR MITESH - K. SHARMA
5. Auditors of the Company are ASSAD ASSOCIATES
6. The authorized share capital of the Company is Tshs./US\$

7. The intended capital investment of the Company in terms of Section 2(2) of the Act is Tshs./US\$ 9800000

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

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


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

I, BHAWESH C. GANDECHA of Post Office Number 1606 MWAHOZA

do solemnly and sincerely declare that I am a director/duly authorized agent of I.C.K. COTTON OIL CO 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 26th day of November 2008 }


Applicant

Before me:



Commissioner for Oaths

APPLICATION SUMMARY

Company Name: J.C.K. COTTON OIL CO LTD

Certificate of Incorporation Number: 64516 Status: New

Certificate of Incorporation Date: 4TH MARCH 2008

Post Box: 1606

Town: MWAHAZA

Sector: MANUFACTURING Sub-Sector: GINNERY AND OIL MILL

Investment Financing Plan in Million US\$/Tshs.

Table with 4 columns: Foreign Equity, Local Equity, Foreign Loan, Local Loan. Values: Foreign Equity (blank), Local Equity (980000), Foreign Loan (blank), Local Loan (blank).

Project Objectives: TO INSTALL COTTON GINNING MACHINES, OIL MILL EXPPELLERS, COTTON BALE PRESS

Capacity: 30000 TONS PER YEAR

Employment: Foreign: 8 Local: 150 Total: 158

Implementation Period: 3 YEARS

Project Location

Site/Plot/Block No.: PLOT 151&152 Block KK

Street: MHAHAZA District: NYAMAGARA Region: MWAHAZA

Table with 3 columns: Shareholders, Nationality, %. Rows: BHAWESH C. GANDHIA (TANZANIAN, 75%), M ITESH K. SHUKLA (INDIAN, 25%).

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

Land/Building 700000/-
Plant 200000/-
Vehicles 225000/-
Furniture & Fittings 50000/-
Pre-expenses 300000/-
Others 200000/-
Working Capital 4000000/-
TOTAL 9800000/-

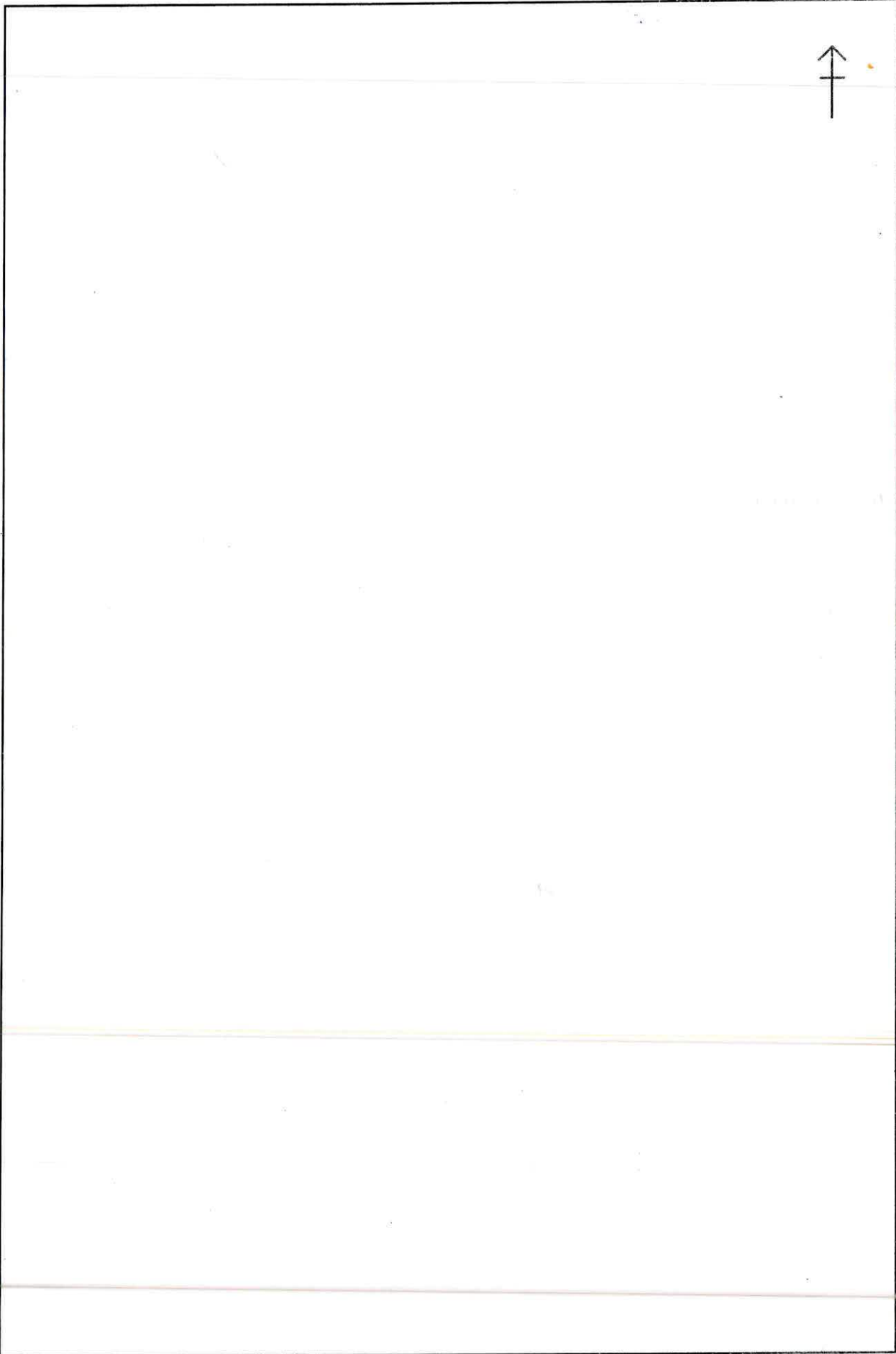
Contact Details:

Name: BHAWESH C. GAJDECHA Title: MANAGING DIRECTOR
Telephone: +255-754-315370 Fax: +255-28-2570872
Email:

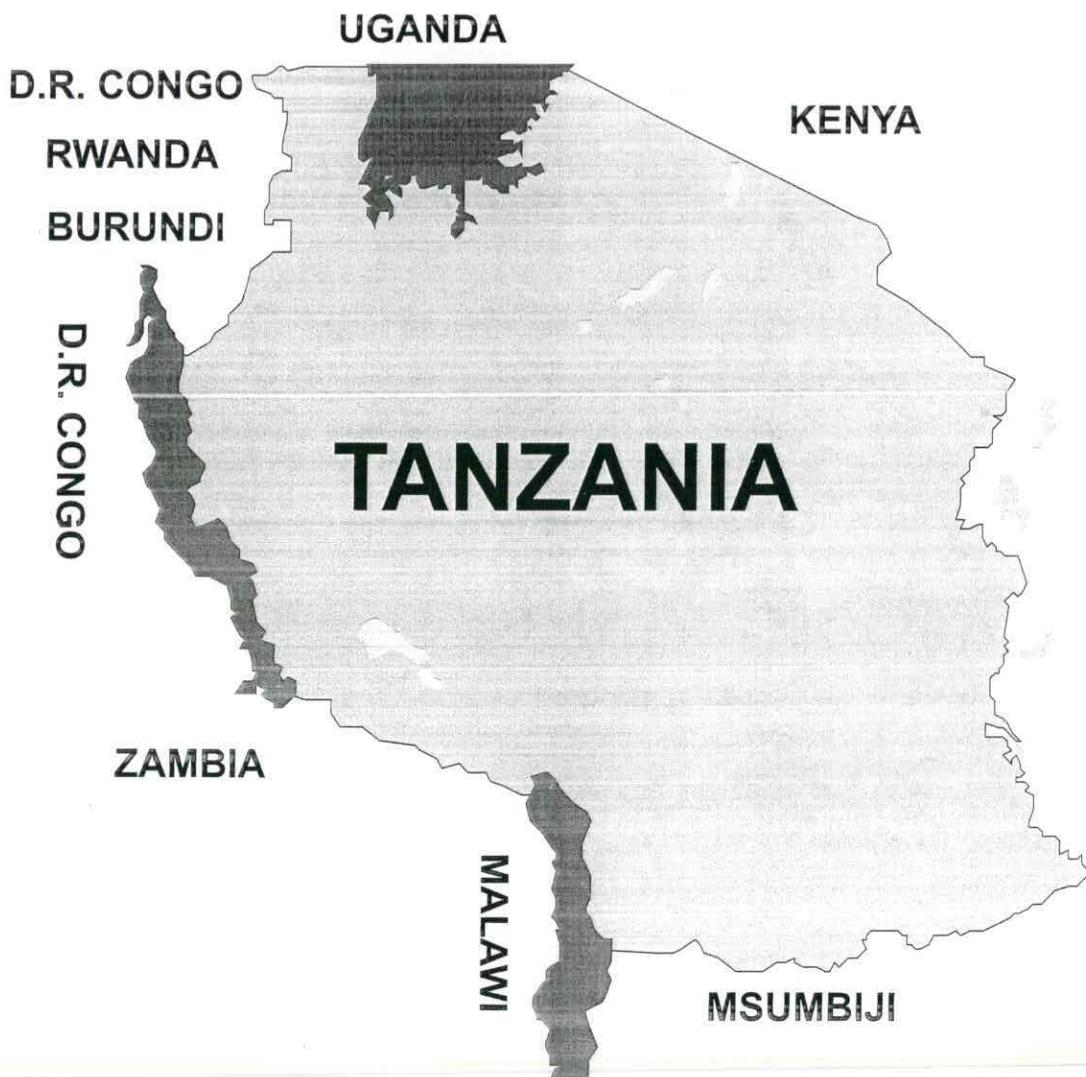
Payments to be made payable to:

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

SKETCH MAP SHOWING PROJECT LOCATION







SKETCH MAP SHOWING PROJECT LOCATION



Investment Breakdown US\$/Tshs.M

Land/Building	700000/-
Plant	200000/-
Vehicles	225000/-
Furniture & Fittings	50000/-
Pre-expenses	300000/-
Others	200000/-
Working Capital	4000000/-
TOTAL	9800000/-

Contact Details:

Name: BHAWESH - C. GANDCHA Title: MANAGING DIRECTOR
Telephone: +255-754-315370 Fax: +255-28-2570872
Email:

Payments to be made payable to:

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

APPLICATION SUMMARY

Company Name: J. C.K. COTTON OIL CO LTD

Certificate of Incorporation Number: 64516 Status: New

Certificate of Incorporation Date: 4TH March 2008

Post Box: 1606

Town: MWAHOZA

Sector: MANUFACTURING

Sub-Sector: GINNERY AND OIL MILL

Investment Financing Plan in Million US\$/Tshs.

Foreign Equity	Local Equity	Foreign Loan	Local Loan
—	9800000	—	—

Project Objectives: To install cotton ginning machines, oil mill expellers, cotton bale press

Capacity: 30000 TONS PER YEAR

Employment: Foreign: 8 Local: 150 Total: 158

Implementation Period: 3 YEARS

Project Location

Site/Plot/Block No.: Plot 151/152 Block KK

Street: MWAHOZA District: NYAMAGARA Region: MWAHOZA

Shareholders	Nationality	%
BHAWESH C. GANDECHA	TANZANIA	75%
MITESH K. SHUKLA	INDIAN	25%

7. The intended capital investment of the Company in terms of Section 2(2) of the Act is Tshs./US\$ 9800000
8. The month and day of the financial year end is 31ST DECEMBER


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

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

I, BHAWESH C. GANDECHI of Post Office Number 1606 Mwanjoza do solemnly and sincerely declare that I am a director/duly authorized agent of I.C.K. COTTON OIL CO 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 26th day of November 2003 }


Applicant

Before me:


Commissioner for Oaths

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

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(director/directors/agent of I.C.K. COTTON OIL CO LTD
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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 NYAKATO INDUSTRIAL
AREA - MUANZA

Copies of the following documents are attached to this application:

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MR MITESH - K. SHINGALA

5. Auditors of the Company are ASSAD ASSOCIATES

6. The authorized share capital of the Company is Tshs./US\$



TANZANIA INVESTMENT CENTRE

REGISTRATION FORM

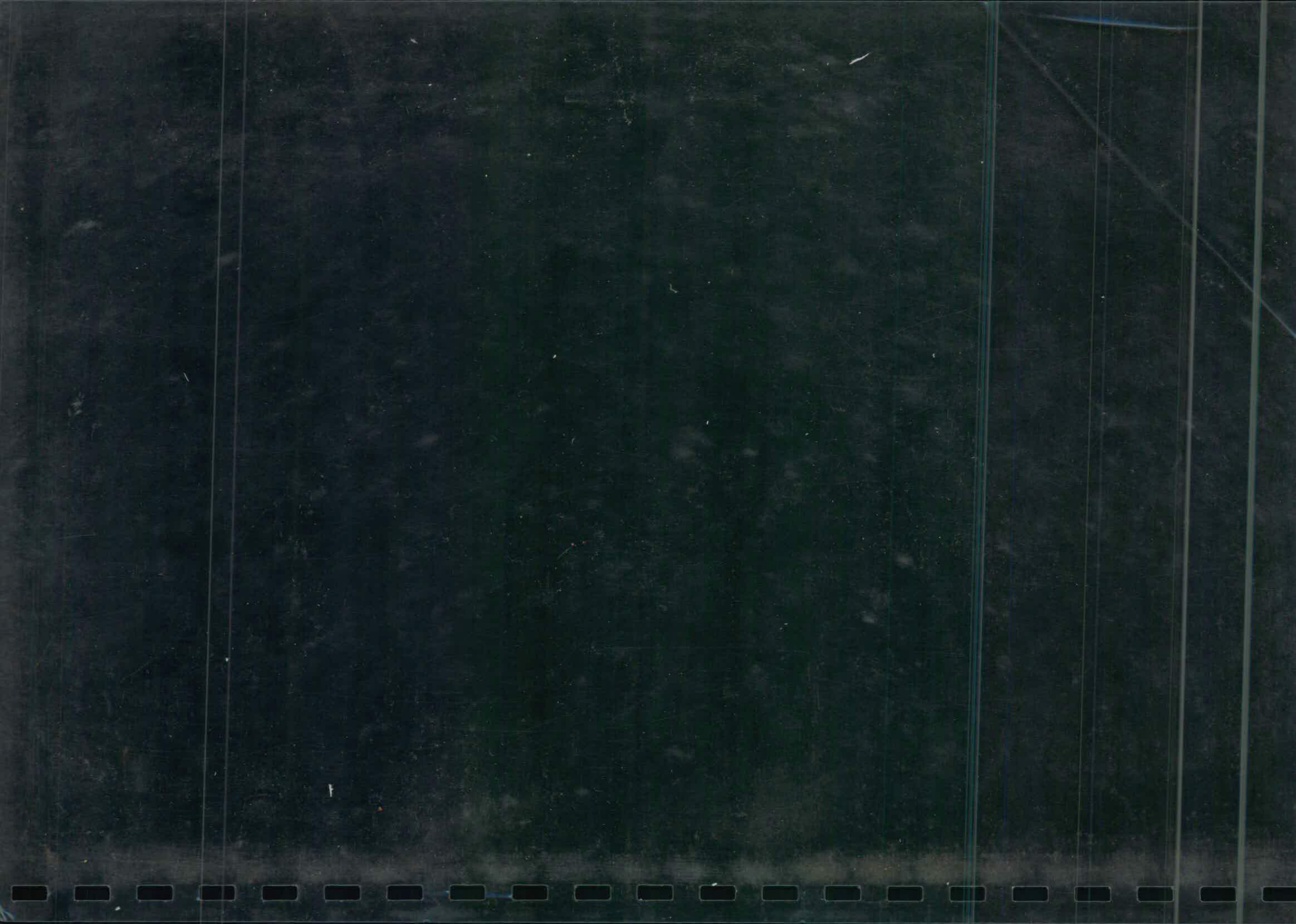
FOR

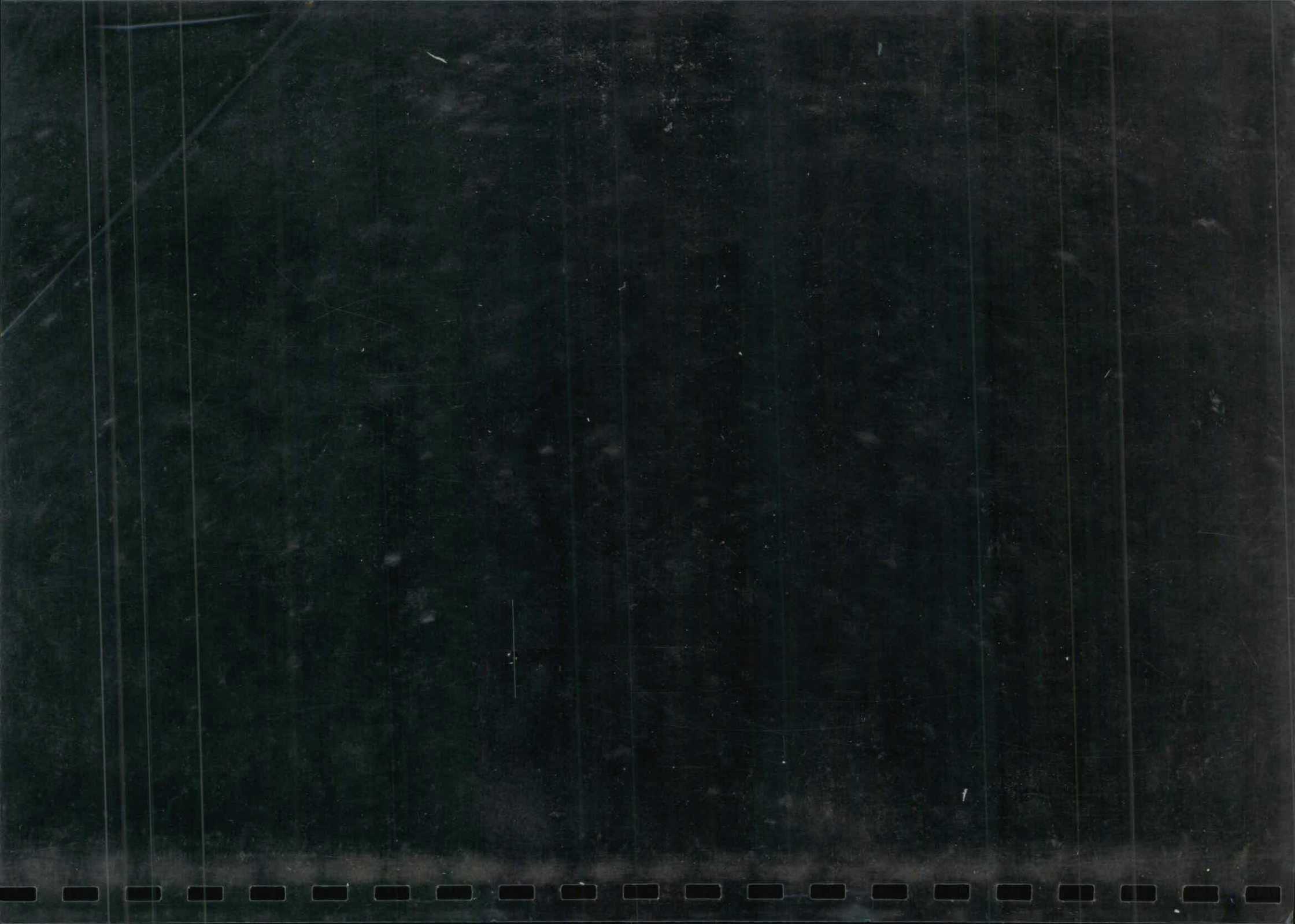
CERTIFICATE OF INCENTIVES

**(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
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DAR ES SALAAM
Tel. 022 2116328
Fax. 022 2118253
e-mail: information@tic.co.tz
Website: www.tic.co.tz

(Please fill the form in duplicate)





ICK COTTON OIL CO LTD

FEASIBILITY STUDY

FOR THE

ESTABLISHMENT

OF THE

**VEGETABLE EDIBLE OIL &
GINNERY FACILITIES**

ICK COTTON OIL CO LTD

FEASIBILITY STUDY

FOR THE

ESTABLISHMENT

OF THE

**VEGETABLE EDIBLE OIL &
GINNERY FACILITIES**

1.0 EXECUTIVE SUMMARY

1.1 Introduction

This is a report prepared for ICK COTTON OIL CO LTD a company registered in Mwanza which intends to Establish a vegetable/cotton edible oil & ginnery facilities. The plant intends to cater to the requirements of locals, foreigners, various industries, supermarkets, retails shops and wholesalers operating in Tanzania especially in the Lake Zone.

The Business Plan main purpose is outlining to the Investment centre I.C.K.Cotton Oil Co. Limited request for the certificate of incentives and providing Operational guidelines to I.C.K.Cotton Oil Co. Limited and providing a guideline to the shareholders on various matters in pursuance of the company's objectives. The Plan has been prepared based on prevailing business environment taking into consideration marketing aspects especially sales growth and also profit margin trends

1.2 The project

The basic objective of the project is to establish Cotton seeds /vegetable edible oil to produce vegetable and cotton oil and installation of ginning facilities to conduct ginning of cotton .The oil processed will be sold to the residents of the lake zone, and also it will be sold in supermarkets, retails shops and wholesalers operating in Tanzania and outside. The bales of cotton will be sold to the local textile market and some will be for export market.

It is estimated that the project will be implemented within a period of 3 years starting 2009.

1.3 Market

All the oil products produced will be marketed in the lake Zone and also at the neighbouring regions and there is a definite scope for export of these goods to neighbouring countries and also sell to the rest of Tanzania. The machines selected for the project are based on latest technologies where it will assure high quality conforming to the international standards.

1.4 Estimated Financial and Development Benefits

The project envisages an investment of US 9.8 million in the Establishment of its Cotton/vegetable edible oil & ginnery facilities. It is estimated that the plant will operate at 60% capacity in the 1st year, 80% in the second year and shall reach 100% capacity utilization by the 3rd year.

1.5 Conclusion

The company has decided to request the certificate of incentives in order to have a soft landing in the establishment of cotton/vegetable oil mill and ginnery facilities . It can be concluded that the project will bring tremendous long-term benefits and all investment required would be funded by the promoters and the term loan. The project is economically viable and technically feasible

2.0 INTRODUCTION

ICK COTTON OIL CO LTD was established in 4th March 2008. ICK COTTON OIL CO LTD was established for the purpose of carrying /Cotton/vegetable edible oil production and ginning activities. The formation of the company was a strategic move

aimed at increasing planning and management base of the business.

ICK COTTON OIL CO LTD has decided to establish its Cotton/vegetable edible oil & ginnery facilities in order to meet the demand for its product. The Purpose of the Business Plan is to be presented to the Tanzania Investment centre so that it can obtain certificate of incentives which will enable the company to secure tax exemptions when the capital Items are Imported. Needless to mention it aims at identification of areas requiring immediate attention for the purpose of strengthening the company during the period.

2.2 THE PROJECT CONCEPT

The project intends to Establish Cotton/vegetable edible oil & ginnery facilities for the sale to the various industries and consumers catering for their day-to-day requirements of Oil and cotton products.

The market for the products is assured, as the promoters will use latest equipments for manufacturing of high quality Cotton/vegetable oil and seed cotton and other ginning products.

2.3 Project Finance

The promoters will fund part of the project. The promoters will also look for the long-term loan to finance part of the project.

2.4 Brief Profile of the Investors

The promoters of the project are Tanzanian and Indian by nationalities.

There are industrialists by profession and are well experienced in the intended manufacturing line. They are well-experienced traders of more than 10 years.

2.5 Ownership and Share Capital

ICK COTTON OIL CO LTD is registered with a share capital of shillings Thirty Million (30,000,000/=) divided into one thousand (3,000) ordinary shares of shillings ten thousand (TShs. 10,000/=) each. The shareholders of the company are as shown below.

TABLE SHOWING OWNERSHIP OF WINNERS

SHAREHOLDER	NO. OF SHARE
Bhawesh Chandural Gandechea	75
Mitesh Kanakrai Shingalla	25
TOTAL	100

2.6 Location

ICK COTTON OIL CO LTD head office will be in Mwanza Township .The location is well served by all the necessary infrastructure and environment requirements and well suited to the nature of the envisaged project.

2.7 The Market

The demand for the Cotton/vegetable oil and ginning products is influenced by the presence of large population and level of personal disposable income and the export market. The market survey done, establish and ascertain the true demand and supply position.

The existing low capacity of the Cotton/Vegetable oil and ginning products and backward technology in production in the country, Project like this one and improvement of linkages in industry sector assure that the products produced will not face serious market problems.

The market for ICK COTTON OIL CO LTD products mainly Cotton /Vegetable Oil products is the whole of the lake Zone. The project will enable the company to venture for other markets in the whole of the lake zone and neighbouring countries and even in the Far East

The company's distribution and marketing arrangements includes a retail shop, wholesale shop and a mobile distribution network for Vegetable oil products.

The study has been able to show that there is a good and guaranteed market for the Cotton/Vegetable Vegetable oil and ginning products.

2.8 Source of technology

The plant and machines plus the related production technology will be imported. These machines are expected to produce products to match in international standard.

To begin the activities of ICK COTTON OIL CO LTD, the factory will work 8 hours per day and 6 days per week.

2.9 Capital investment and Finances

The capital investment required is estimated at 9.8 Million. Most of the financing will be sourced from owner's equity and the term loan. The capital investment breakdown is as follows.

Table I capital costs

Item	Us \$
	Total
Land & Building	2,000,000
Plant	4,000,000
Vehicles	2,250,000
Furniture and Fitting	50,000
Pre-operation Expense	300,000-
Others	200,000-
Initial work capital	1,000,000
Total	9,800,000

2.10 Project Financing

The promoters of the project have decided to make contributions and finance the project with equity and the term loan. The loan will be sourced from local banks.

Source	US\$		
	Local	Foreign	Total
Equity	-	9,800,000	9,800,000
Total		9,800,000	9,800,000

IMPLEMENTATION SCHEDULE

3.1 General

Both local and external factors have been taken into account when drawing out the proposed schedule of implementation. Factors such as finalization of civil works, survey, acquisitions of machinery and equipment, recruitment of qualified personnel and other factors have been looked into.

3.2 Preliminary Formalities

On the finalization of the study duration of about 2 weeks will be needed for executive of the preliminary formalities of the project.

3.2.1 Construction and renovation of the Buildings

This undertaking will require a period of 12 months to completion.

3.2.2 Ordering of Machinery/Equipment/Vehicles/Furniture

Timely ordering will have to be executed to match the rate of project programme. Time needed will run into several days.

3.2.3 Machinery/Equipment/Furniture/Purchasing installation and purchase of distribution vehicle

Once the buildings are constructed then will follow the installation of machinery/equipment/furniture and fittings upon arrival at the project site. The project will also purchase distribution vehicles to help in collecting seed cotton from its farms and also from contracted form.

3.2.4 Trial Runs

Upon completion of the installation of machinery and equipment then will follow trial runs of the unit. This will take about 4 weeks.

3.2.5 Commercial Production

On completion of the buildings/fitting of machinery and equipment/furniture, trial runs then will follow commercial production.

4.0 INVESTMENT AND FINANCING

4.1 Assumptions

- The project construction time is assumed to be three years.
- The economic life of the project is 10 years.
- The currency exchange rate of TShs. 1,200/= to one US\$ has been adopted.
- Re-investment in vehicles shall be done after every four years.

4.2 Investment Structure

The total initial investment in fixed assets is estimated at **US \$ 9.8 million** whose breakdown of which is as follows;

Item	Us \$
Land & Building	2,000,000
Plant	4,000,000
Vehicles	2,250,000
Furniture and Fitting	50,000
Pre-operation Expense	300,000-
Others	200,000-
Initial work capital	1,000,000
Total	9,800,000

4.3 Financing Pattern

The initial total investment of **US \$ 9.8 million** presented in the table below.

Source	US \$
Equity	9,800,000
Total	9,800,000

4.4 Owner's Equity

The owners shall finance 100% of the fixed capital and the working capital will be sourced from the local banks.

5.0 MANAGEMENT AND ORGANIZATION

It is envisaged that the proposed manpower structure (below) would give an effective control of the activities. The overall in charge, responsible for the day-to-day operations will be the Project Manager who will in turn be answerable to the Board of Directors.

Organization Set Up

Initially the operations will broadly be divided into the following:-

- Administration & Finance department
- Production department
- Marketing and sales department

- **The Board of Directors**
The Company's Board of Directors being headed by the Chairman is the highest decision making body. It approves policies and gives guidance to the well being of the company.
- **MANPOWER STRENGTH**
The company has a workforce of 34 employees being distributed as shown underneath: -

FINANCIAL PLAN AND FINANCIAL PROJECTIONS

Investment and operating costs

All start-ups costs of the project will be borne by the sponsors. These included the cost of registration of the project, Government licensing, administration expenses such as electricity, and utilities such as water, the cost of acquiring staff, training and maintaining and start up costs for raw materials and other inputs during production trials.

Projected costs

The total cost of the project will include the cost of acquiring Machinery installation of the Equipments, the cost of building, motor vehicle for distribution of Vegetable oil and other miscellaneous costs. The table below shows the projected costs

	Us \$
Item	Total
Land & Building	2,000,000
Plant	4,000,000
Vehicles	2,250,000
Furniture and Fitting	50,000
Pre-operation Expense	300,000-
Others	200,000-
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Total	9,800,000

Sponsors financial contribution

The sponsors of the project have already contributed a substantial amount towards the project Working capital of the project will come from The bank financing.

Projections :-

Assumptions underplaying

$$\begin{aligned} 30,000\text{tons per year} &= 30,000\text{litres per month} * \text{US\$}17= \\ &= \text{US\$ } 6,120,000 \end{aligned}$$

Cost of goods sold at 60% of total sales Assumptions

The prices of inputs are assumed to remain constant over the ten years period because under rising inflation the prices and services will rise including those of outputs hence having the profit margin unchanged.

Administrative expenses comprises of the following for the first year.

Salaries (see remuneration package 5.5.)	21,960
Electricity (US\$. 1,000 = per month)	12,000
Telephone (US\$ 7333 = per month)	87,996
Others	2,000
Total	123,956

These were increased by 50% in second year and 60% in 3rd year to motivate staff by salary increment.

Selling and distribution expenses for first year comprise of fuel for vehicles used for distribution and maintenance costs

Fuel diesel 50lts. X US\$1.666= 30 x 12 months x 10 vehicles =
Total us\$. 299,000. =

Since all vehicles are brand new, the maintenance costs will be very minimum. These costs will increase as the business grows form the second year by 50%.

Income tax charged at 30% of profit before tax

The reserves will increase form first year, second year and third year

Depreciation of property will be 2% p.a. plant 12.5% p.a. and Vehicles 25% p.a.

Form first and second year, credit sales will increase as the marketing strategy of the customer.

Pricing

The pricing of the products in this respect shall be a very sensitive and persuading factor towards promising performance of the business. This entails therefore, the business shall embark upon a pricing strategy to enable it meet competitive challenges with a view to boost turnover.

Competition

There is expected to be no stiff competition .Altogether these competitors do not cover a greater part of this market share and hence no great threat to this project. However, quality products and fair pricing will be of great advantage to the project to win the competition.

As the way to convince the public to buy these products the company shall have to apply a means of advertisement by posters, Televisions, personal selling discounts and the like.

Distribution Channels

The project will use vehicles for distribution of products to the Lake Zone and other neighbouring countries

Target market.

The target markets are together with lake zone i.e., Mwanza Mara, Kagera, and other regions such as shinyanga, Tabora.

Environment aspects.

The project is proven to be environmentally friendly once it is established as much of pollutants are to be controlled. There will be no harm upon the environment as a result of the establishment and operation of the project only that

little pollution with insignificant effect will be caused by fumes and smoke during manufacturing process. However, there is a need for mitigatory measures of which the management of the project has proposed to introduce being together with educating consumers of safe disposal of packaging materials and installation of smoke emitting pipe, all these to curb any unforeseen harmful impact towards environment.

SOCIAL ASPECTS

The project has its unique role to play with respects to social standards of people. This is because the project is to provide oil products and such associated products which in fact are directly related to the social needs of people.

The project so far has a tremendous acceptability as far as cultural aspects of life are concerned and that it will suit in every respect the needs of the people in the areas.

Breakdown on the Operating Expenses

The main cost items will include salaries and wages, vehicle running expenses, electricity, water, insurance, advertising/marketing and administrative overheads.

6.6 Salaries and Wages

This average at US\$ 52,700 per annum

6.7 Depreciation

Depreciation rates have been calculated as follows:

Land, building and civil works	4% Straight Line
Vehicle	25% Straight Line
Pre-Operational Expenses	20% Straight Line
Equipment	12.5% Diminishing Value

6.7.1 Tax

Corporation tax is charged at 30% on profits before tax.

7 FINANCIAL AND ECONOMIC ANALYSIS

7.1 Income

The project's income at full capacity utilization is estimated to average at US\$6.12m

7.2 Expenditure

The expenditure items include all costs items plus depreciation and financial charges.

7.3 Projected Cash Flows

The project has a positive net cash flow from year 1 of operation to the tenth year

7.4 Economic Benefits

The successful operation of this processing plant will contribute significant economic benefits to the Lake Zone region people and Tanzania as whole. In summary the benefits which will be realized are as follows:-

The execution of this project will bring about employment opportunities.

Provision of income to other services providers, thus contributing to the reduction of poverty. The income to be earned will help in improving standard of living of the workers and other people residing in the region.

The direct income for the workers, combined with other social benefits that the Management of will provide, will help in overall efforts of alleviation of poverty in the Region.

This project will facilitate opportunities to increase foreign exchange earnings through export of some of its value products.

8.0 Conclusion

The investment and development of this Oil and Ginneries undertaking is in line with the Government objective of encouraging proper development of industries in the country.

In addition, it will have a positive impact on the development of the region, as it would generate a number of benefits and more positive impact on the economy of the region.

This document has provided a full analysis on the financial, Techno-economic viability on the establishment/operation of the Integrated oil mill and ginnery processing facilities undertaking along with the financing requirements/parameters have been considered and have established that the proposed project is technically sound, financially viable, and economically/socially beneficial.

ICK COTTON OIL CO LTD. anticipates that all interested parties in the region/and the Government of Tanzania will give their full support so as to ensure timely implementation of the project and apprehension of successful operation.

ICK COTTON MILL LIMITED

Investment Cost

US\$

Item	Total
Land & Building	2,000,000
Plant	4,000,000
Vehicles	2,250,000
Furniture and Fitting	50,000
Pre-operation Expense	300,000-
Others	200,000-
Initial work capital	1,000,000
Total	9,800,000

ICK COTTON MILL LIMITED

Projected Income and Expenditure Statement

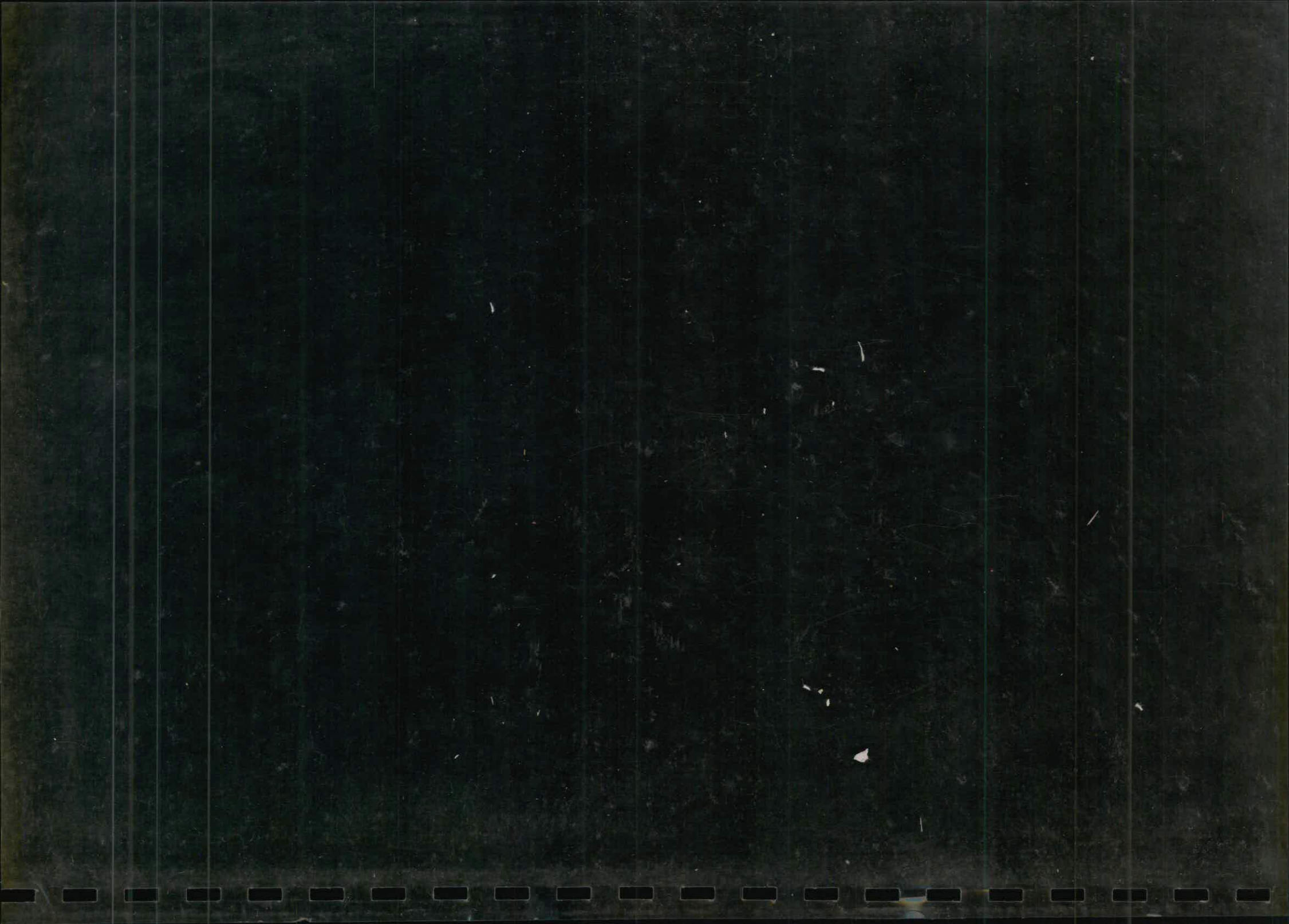
US\$

	1	2	3	4	5	6	7	8	9
Gross Sales	4,284,000	4,896,000	6,120,000	6,120,000	6,120,000	6,120,000	6,120,000	6,120,000	6,120,000
Less: Cost of goods sold	1,285,200	1,958,400	3,060,000	3,060,000	3,060,000	3,060,000	3,060,000	3,060,000	3,672,000
Gross Profit	2,998,800	2,937,600	3,060,000	3,060,000	3,060,000	3,060,000	3,060,000	3,060,000	2,448,000
Less: Expenses									
Selling & distribution	12000	18000	28880	28880	28880	28880	28880	28880	28880
Administrative	35960	53940	86300	86300	86300	86300	86300	86300	86300
Staff Amenities	1200	1800	2880	2880	2880	2880	2880	2880	2880
Depreciation	1123750	1123750	1123750	1123750	1123750	1123750	1123750	1123750	
Total Operating Expenses	1,172,910	1,197,490	1,241,810	1,241,810	1,241,810	1,241,810	1,241,810	1,241,810	127,800
Operating Profit (Loss)	1,825,890	1,740,110	1,848,190	1,848,190	1,848,190	1,848,190	1,848,190	1,848,190	65,000
Profit before tax	1,825,890	1,740,110	1,848,190	1,848,190	1,848,190	1,848,190	1,848,190	1,848,190	65,000
Taxation 30%	547,767	522,033	554,457	554,457	554,457	554,457	554,457	554,457	19,500
Profit After Tax	1,278,123	1,218,077	1,293,733	1,293,733	1,293,733	1,293,733	1,293,733	1,293,733	45,000
Accumulated profit	1,278,123	2,496,200	3,789,933	5,083,666	6,377,399	7,671,132	8,964,865	10,258,598	412,976

ICK COTTON MILL LIMITED

Manpower Requirements in USS

	Number
Factory Manager	1
Supervisor	1
Accountant	1
Technician	2
Mill operators	8
Mill Assistant Operators	10
Foundry Operator	2
Electrician	2
Storekeeper	1
Assistant storekeepers	1
Drivers	2
Helpers/Laborers	3
TOTAL	34



ICK COTTON OIL CO LTD

FEASIBILITY STUDY

FOR THE

ESTABLISHMENT

OF THE

**VEGETABLE EDIBLE OIL &
GINNERY FACILITIES**

ICK COTTON OIL CO LTD

FEASIBILITY STUDY

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**VEGETABLE EDIBLE OIL &
GINNERY FACILITIES**

1.0 EXECUTIVE SUMMARY

1.1 Introduction

This is a report prepared for ICK COTTON OIL CO LTD a company registered in Mwanza which intends to Establish a vegetable/cotton edible oil & ginnery facilities. The plant intends to cater to the requirements of locals, foreigners, various industries, supermarkets, retails shops and wholesalers operating in Tanzania especially in the Lake Zone.

The Business Plan main purpose is outlining to the Investment centre I.C.K.Cotton Oil Co. Limited request for the certificate of incentives and providing Operational guidelines to I.C.K.Cotton Oil Co. Limited and providing a guideline to the shareholders on various matters in pursuance of the company's objectives. The Plan has been prepared based on prevailing business environment taking into consideration marketing aspects especially sales growth and also profit margin trends

1.2 The project

The basic objective of the project is to establish Cotton seeds /vegetable edible oil to produce vegetable and cotton oil and installation of ginning facilities to conduct ginning of cotton .The oil processed will be sold to the residents of the lake zone, and also it will be sold in supermarkets, retails shops and wholesalers operating in Tanzania and outside. The bales of cotton will be sold to the local textile market and some will be for export market.

It is estimated that the project will be implemented within a period of 3 years starting 2009.

1.3 Market

All the oil products produced will be marketed in the lake Zone and also at the neighbouring regions and there is a definite scope for export of these goods to neighbouring countries and also sell to the rest of Tanzania. The machines selected for the project are based on latest technologies where it will assure high quality conforming to the international standards.

1.4 Estimated Financial and Development Benefits

The project envisages an investment of US 9.8 million in the Establishment of its Cotton/vegetable edible oil & ginnery facilities. It is estimated that the plant will operate at 60% capacity in the 1st year, 80% in the second year and shall reach 100% capacity utilization by the 3rd year.

1.5 Conclusion

The company has decided to request the certificate of incentives in order to have a soft landing in the establishment of cotton/vegetable oil mill and ginnery facilities . It can be concluded that the project will bring tremendous long-term benefits and all investment required would be funded by the promoters and the term loan. The project is economically viable and technically feasible

2.0 INTRODUCTION

ICK COTTON OIL CO LTD was established in 4th March 2008. ICK COTTON OIL CO LTD was established for the purpose of carrying /Cotton/vegetable edible oil production and ginning activities. The formation of the company was a strategic move

aimed at increasing planning and management base of the business.

ICK COTTON OIL CO LTD has decided to establish its Cotton/vegetable edible oil & ginnery facilities in order to meet the demand for its product. The Purpose of the Business Plan is to be presented to the Tanzania Investment centre so that it can obtain certificate of incentives which will enable the company to secure tax exemptions when the capital Items are Imported. Needless to mention it aims at identification of areas requiring immediate attention for the purpose of strengthening the company during the period.

2.2 THE PROJECT CONCEPT

The project intends to Establish Cotton/vegetable edible oil & ginnery facilities for the sale to the various industries and consumers catering for their day-to-day requirements of Oil and cotton products.

The market for the products is assured, as the promoters will use latest equipments for manufacturing of high quality Cotton/vegetable oil and seed cotton and other ginning products.

2.3 Project Finance

The promoters will fund part of the project. The promoters will also look for the long-term loan to finance part of the project.

2.4 Brief Profile of the Investors

The promoters of the project are Tanzanian and Indian by nationalities.

There are industrialists by profession and are well experienced in the intended manufacturing line. They are well-experienced traders of more than 10 years.

2.5 Ownership and Share Capital

ICK COTTON OIL CO LTD is registered with a share capital of shillings Thirty Million (30,000,000/=) divided into one thousand (3,000) ordinary shares of shillings ten thousand (TShs. 10,000/=) each. The shareholders of the company are as shown below.

TABLE SHOWING OWNERSHIP OF WINNERS

SHAREHOLDER	NO. OF SHARE
Bhawesh Chandural Gandecha	75
Mitesh Kanakrai Shingalla	25
TOTAL	100

2.6 Location

ICK COTTON OIL CO LTD head office will be in Mwanza Township .The location is well served by all the necessary infrastructure and environment requirements and well suited to the nature of the envisaged project.

2.7 The Market

The demand for the Cotton/vegetable oil and ginning products is influenced by the presence of large population and level of personal disposable income and the export market. The market survey done, establish and ascertain the true demand and supply position.

The existing low capacity of the Cotton/Vegetable oil and ginning products and backward technology in production in the country, Project like this one and improvement of linkages in industry sector assure that the products produced will not face serious market problems.

The market for ICK COTTON OIL CO LTD products mainly Cotton /Vegetable Oil products is the whole of the lake Zone. The project will enable the company to venture for other markets in the whole of the lake zone and neighbouring countries and even in the Far East

The company's distribution and marketing arrangements includes a retail shop, wholesale shop and a mobile distribution network for Vegetable oil products.

The study has been able to show that there is a good and guaranteed market for the Cotton/Vegetable Vegetable oil and ginning products.

2.8 Source of technology

The plant and machines plus the related production technology will be imported. These machines are expected to produce products to match in international standard.

To begin the activities of ICK COTTON OIL CO LTD, the factory will work 8hours per day and 6 days per week.

2.9 Capital investment and Finances

The capital investment required is estimated at 9.8 Million. Most of the financing will be sourced from owner's equity and the term loan. The capital investment breakdown in as follows.

Table I capital costs

Item	Us \$
	Total
Land & Building	2,000,000
Plant	4,000,000
Vehicles	2,250,000
Furniture and Fitting	50,000
Pre-operation Expense	300,000-
Others	200,000-
Initial work capital	1,000,000
Total	9,800,000

2.10 Project Financing

The promoters of the project have decided to make contributions and finance the project with equity and the term loan. The loan will be sourced from local banks.

Source	US\$		
	Local	Foreign	Total
Equity	-	9,800,000	9,800,000
Total		9,800,000	9,800,000

IMPLEMENTATION SCHEDULE

3.1 General

Both local and external factors have been taken into account when drawing out the proposed schedule of implementation. Factors such as finalization of civil works, survey, acquisitions of machinery and equipment, recruitment of qualified personnel and other factors have been looked into.

3.2 Preliminary Formalities

On the finalization of the study duration of about 2 weeks will be needed for executive of the preliminary formalities of the project.

3.2.1 Construction and renovation of the Buildings

This undertaking will require a period of 12 months to completion.

3.2.2 Ordering of Machinery/Equipment/Vehicles/Furniture

Timely ordering will have to be executed to match the rate of project programme. Time needed will run into several days.

3.2.3 Machinery/Equipment/Furniture/Purchasing installation and purchase of distribution vehicle

Once the buildings are constructed then will follow the installation of machinery/equipment/furniture and fittings upon arrival at the project site. The project will also purchase distribution vehicles to help in collecting seed cotton from its farms and also from contracted form.

3.2.4 Trial Runs

Upon completion of the installation of machinery and equipment then will follow trial runs of the unit. This will take about 4 weeks.

3.2.5 Commercial Production

On completion of the buildings/fitting of machinery and equipment/furniture, trial runs then will follow commercial production.

4.0 INVESTMENT AND FINANCING

4.1 Assumptions

- The project construction time is assumed to be three years.
- The economic life of the project is 10 years.
- The currency exchange rate of TShs. 1,200/= to one US\$ has been adopted.
- Re-investment in vehicles shall be done after every four years.

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The total initial investment in fixed assets is estimated at **US \$ 9.8 million** whose breakdown of which is as follows;

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The initial total investment of **US \$ 9.8 million** presented in the table below.

	US \$
Source	
Equity	9,800,000
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The owners shall finance 100% of the fixed capital and the working capital will be sourced from the local banks.

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It is envisaged that the proposed manpower structure (below) would give an effective control of the activities. The overall in charge, responsible for the day-to-day operations will be the Project Manager who will in turn be answerable to the Board of Directors.

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The company has a workforce of 34 employees being distributed as shown underneath: -

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7.1 Income

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ICK COTTON MILL LIMITED

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US\$

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ICK COTTON MILL LIMITED

Projected Income and Expenditure Statement

US\$

	1	2	3	4	5	6	7	8	9
Gross Sales	4,284,000	4,896,000	6,120,000	6,120,000	6,120,000	6,120,000	6,120,000	6,120,000	6,120,000
Less: Cost of goods sold	1,285,200	1,958,400	3,060,000	3,060,000	3,060,000	3,060,000	3,060,000	3,060,000	3,672,000
Gross Profit	2,998,800	2,937,600	3,060,000	3,060,000	3,060,000	3,060,000	3,060,000	3,060,000	2,448,000
Less: Expenses									
Selling & distribution	12000	18000	28880	28880	28880	28880	28880	28880	28880
Administrative	35960	53940	86300	86300	86300	86300	86300	86300	86300
Staff Amenities	1200	1800	2880	2880	2880	2880	2880	2880	2880
Depreciation	1123750	1123750	1123750	1123750	1123750	1123750	1123750	1123750	
Total Operating Expenses	1,172,910	1,197,490	1,241,810	1,241,810	1,241,810	1,241,810	1,241,810	1,241,810	1,278,000
Operating Profit (Loss)	1,825,890	1,740,110	1,848,190	1,848,190	1,848,190	1,848,190	1,848,190	1,848,190	65,000
Profit before tax	1,825,890	1,740,110	1,848,190	1,848,190	1,848,190	1,848,190	1,848,190	1,848,190	65,000
Taxation 30%	547,767	522,033	554,457	554,457	554,457	554,457	554,457	554,457	19,500
Profit After Tax	1,278,123	1,218,077	1,293,733	1,293,733	1,293,733	1,293,733	1,293,733	1,293,733	45,000
Accumulated profit	1,278,123	2,496,200	3,789,933	5,083,666	6,377,399	7,671,132	8,964,865	10,258,598	41,2976

ICK COTTON MILL LIMITED

Manpower Requirements in USS

	Number
Factory Manager	1
Supervisor	1
Accountant	1
Technician	2
Mill operators	8
Mill Assistant Operators	10
Foundry Operator	2
Electrician	2
Storekeeper	1
Assistant storekeepers	1
Drivers	2
Helpers/Laborers	3
TOTAL	34