

AGRO RAIN - LID

MINUTE SHEET

Dokezo
No.

1.0

Ag. 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 0.539 M

(b) Legal entity has been incorporated under certificate

No. 73516 of 11/05/2009

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

Submitted for signature.



N.A. Senzia

DIF

9th November, 2011

2

EXD

In response to the TIC letter of registration dated 09/11/2011

the project has submitted the required documents namely: -

(a) Company Board Resolution.

(b) Reference letter/Financing from EXIM BANK (T) LTD

(c) Lease Agreement as an evidence of land.

With the above submission EXD is requested to sign Certificate of Incentives No. 042119 herein attached.

30/12/2011



Ag. DIF

MINUTE SHEET

Dokezo
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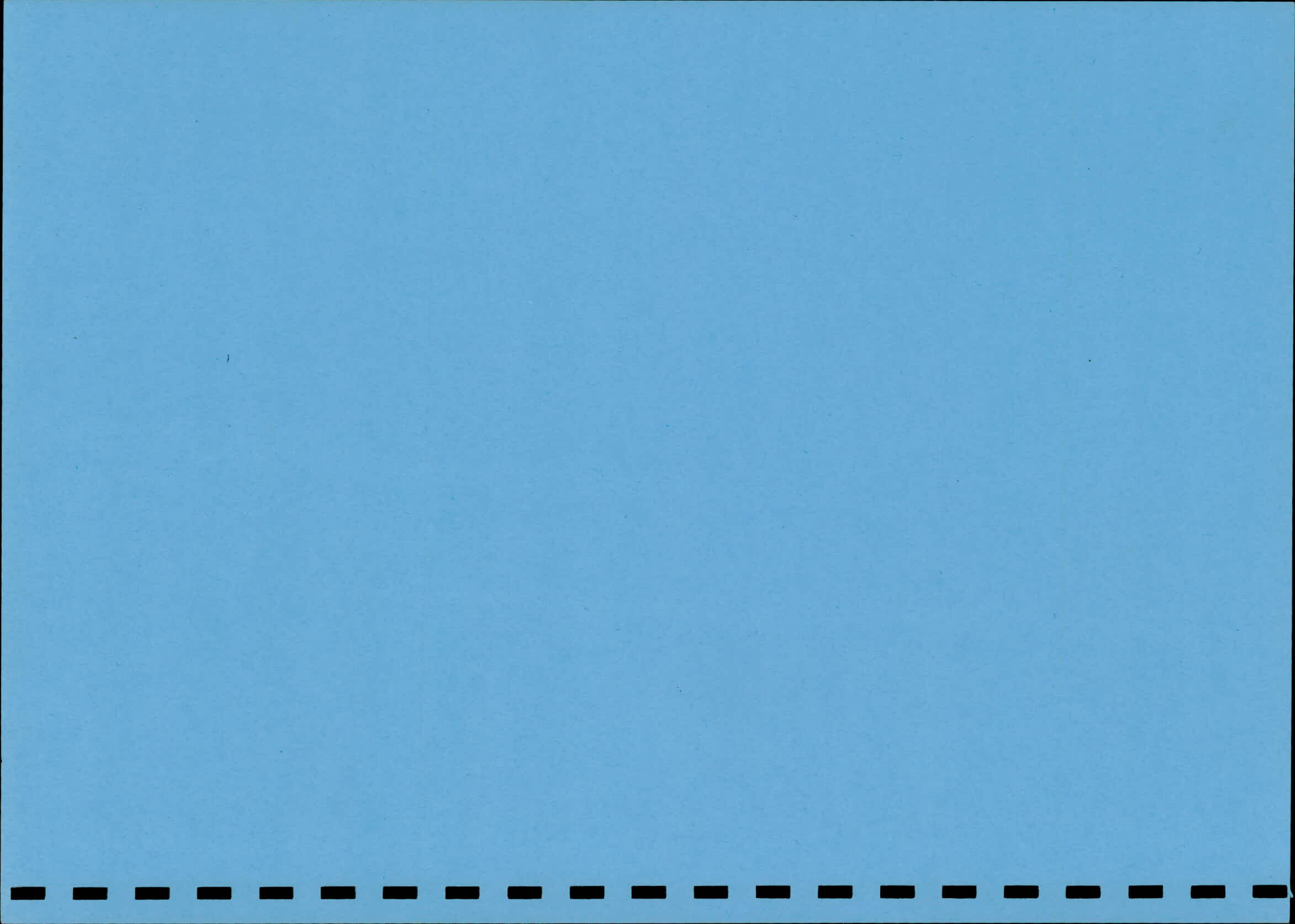
BUSINESS PLAN
FOR
AGRO-RAIN LIMITED



"We increase your profits in agriculture"

INCEPTION: 2010

AGRO-RAIN LIMITED
P.O. BOX 31589
KIJITONYAMA
DAR ES SALAAM



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EXECUTIVE SUMMARY

Agro-Rain Limited is an agricultural engineering company that is geared towards promoting precision agriculture in Tanzania and the region through the provision of quality equipment, services and training for the efficient utilization of scarce resources, in an eco-friendly manner, whilst ensuring sustainable achievement of food security at all levels and shareholder satisfaction. The term agricultural engineering has been deliberately used as it is believed the untackled challenges faced by farmers are of this nature, i.e., irrigation, farm machinery and implements, farm structures and value addition techniques.

ARL will be predominantly engaged in the assembling of irrigation systems whilst developing its capacity to manufacture components of the irrigation systems.

The market for this business are the farmers who largely have been depending on natural rain, hence the name Ago-Rain Limited (ARL). ARL's market is going to constitute the entire strata of farmers (small scale, medium scale and large scale private). The greatest consumer is anticipated to be government through its accelerated irrigation development programme under the Kilimo Kwanza initiative.

The potential for the business is untapped and therefore positive. The rate of growth is what ARL will have to set boldly and pursue vigorously, this is mainly because of the existence of one player in the business, whose impact and significance is restricted to a small portion of the northern part of the country (Arusha and Moshi).

ARL projects P&L translation into a 30% IRR and Tshs.1.9 Billion NPV at 21% over five years on the Tshs.538,866,250/= investment.

ARL's funding requirements stand at Tshs.538, 866,250/= Financing of project activities is expected from shareholders, loans from bank and internally generated funds.

ARL has great potential and any wise investor knows this business will always be required. Its demand based foundation will drive it for a long time whilst technological advancement will keep it dynamic. The ROI is good and as such should be able to strike the right key with lenders.

1.0 INTRODUCTION

This plan introduces Agro-Rain Limited, it defines who we are, our plan and our expectations. Agro-Rain Limited is a brain child of four members (Salum Diwani, Harish Dhutia, Farida Karimjee and Ian Samakande). This company is aims to provide agricultural engineering services across the whole strata of farmers in Tanzania and the region for the sole purpose of improving livelihoods of farmers through the provision of affordable state of the art precision agriculture solutions. This solution gap is quite evident in Tanzania where only 1% of the potential irrigable has been developed for irrigation. Personal encounters with farmers have pointed to a knowledge gap of agriculture technologies that improve productivity on their farms. This knowledge gap has contributed significantly to slow uptake of improved farming techniques in the country. The absence of private sector players has also resulted in a slow growth of the sector and general monopoly of the business by one company.

1.1 General Information

Legal Name: Agro-Rain Limited

Directors: Salum Diwani, Harish Dhutia, Farida Karimjee and Ian Samakande

Main Office Address: Plot No. 81, Mikocheni Light Industrial Area, P.O. Box 31589, Kijitonyama, Dar es Salaam, Tanzania.

Telephone (Land): +255 22 2773338, 2773456

Telephone (Fax): +255 22 2773401

Telephone (Mobile): +255 767 669911

Email: info@agrorain.com or agrorain@gmail.com

Certificate of Incorporation: No.

Shareholders: Salum Diwani, Harish Dhutia, Farida Karimjee

Auditors: SMW Consultants

Legal Advisors: Vine Chambers Advocates

Bankers: Exim Bank Tanzania

2.0 DESCRIPTION OF THE BUSINESS

2.1 ARL's business

The business stems from a gap of knowledge within the agricultural sector. This is knowledge of precision agriculture techniques that result in increased farm productivity. This knowledge gap has been broadly classed under agricultural engineering but it can be split into specific intervention classes. For ARL, the quick entry point and the anticipated major income generator will be agricultural consultancy, irrigation and farm structures business. These three pillars are going to form the core of ARL's success as it redefines farming in Tanzania. Other business options will include farm machinery and equipment, farm power and fumigation services unit.

ARL was mooted as a division within Bytrade Tanzania Limited, a company that deals with seeds and agrochemicals. After further consideration, it was resolved that the irrigation division be a standalone company (Agro-Rain Limited) so that its capabilities can be easily monitored and redirected to suit the investors' expectations. The company is owned by four members who bring a wealth of exposure in starting up business and technical understanding of the business.

Name	Strength
Salum Diwani	Business development strategist and technocrat, strong network links and access to crucial platforms. He is also a commercial farmer with exposure to farming challenges in Tanzania
Harish Dhutia	Strong marketing and negotiating skills, excellent people skills and strong network
Farida Karimjee	Strong financial control, designer of effective control systems, excellent administrator
Ian Samakande	Agricultural engineer with exposure to the Tanzanian irrigation market. Excellent knowledge of market, good links with suppliers and clear on development strategies.

ARL will be housed physically at Plot No. 81, Mikochei Light Industrial Area, P.O. Box 31589, Kijitonyama, Dar es Salaam, Tanzania. However its service provision will cover the entire country and in the near future, offices will be established in all the regions of great potential.

2.2 Products and Services

ARL will be a strong provider of agricultural consultancy, irrigation and farm structures. Agriculture consultancy in most cases has been restricted to review of the following parameters; inputs (seeds, fertilizers and chemicals), machinery (power tillers, tractors and implements) and access to markets. There has not been serious consideration of irrigation as an input to the farming business and in cases where irrigation has been considered, appropriateness and viability have not been put into the equation. ARL is in a

agronomic package that maximizes resource utilization, resulting in higher productivity. Irrigation in itself as a service to farmers is in short supply and in some cases, where it has been supplied not enough consideration has been put in the design process. ARL offers a unique service in that it is able to assess and plan in a participatory manner, thus involving the client in the design process and strengthening his/her knowledge of the system that is going to invest in. Efforts are made to ensure judicious utilization of energy for the sustainability of the project.

2.2.1 IRRIGATION PRODUCTS OFFERED BY ARL

2.2.1.1 Localized Irrigation Systems

Localized systems are irrigation systems that generally apply water within the immediate surroundings of the crop. In this class, we have drip, micro-jet and mini-sprinkler irrigation systems. Drip irrigation is the slow frequent application of water directly to the root zone. This technique ensures that the root zone is always near field capacity and hence crops do not have difficulty accessing water. Drip irrigation saves water, by 30 - 50%, it uses less water than conventional watering methods, such as sprinklers. This method of irrigation improves growth as smaller amounts of water applied over a longer amount of time provide ideal growing conditions. Drip irrigation extends watering times for plants, and prevents soil erosion and nutrient runoff. Also, because the flow is continuous, water penetrates deeply into the soil to get well down into the root zone. Because only a limited area is wetted, it discourages weeds growth since water is only delivered where it's needed. Drip saves time compared to sprinkler irrigation where one has to set and move sprinklers. Drip systems can be automated to include a timer for automatic watering and a fertigation system for application of soluble fertilizers. Since drip applies water directly to the root zone, there is no foliar contact; it therefore helps control fungal diseases, which grow quickly under moist conditions. Also, wet foliage can spread disease. The system is very adaptable, e.g., a drip irrigation system can be designed to accommodate wide variety of crops with different agronomic requirements. ARL is going to promote the adoption of technology in light of the challenges of energy and water that are prevalent in the country. Systems for different farm sizes and budget are available.

2.2.1.2 Sprinkler Irrigation Systems

Sprinkler irrigation simulates rainfall. This system applies water through small nozzles that release a fine spray jet above the crop canopy. This technology requires a significant amount of energy compared to other irrigation systems. Within sprinkler systems, there are options for fully portable system, semi-portable system, fixed system, rain guns, centre pivot systems and linear move systems. These systems have their appropriate applications depending on site conditions, farmer preference and budget. This technology finds

application to wide number of plants though the greatest advantage is realized on field crops such as cereals. ARL provides the whole spectrum of systems and has competent designers to support you in the management of your system.

2.2.1.3 Landscape Irrigation Systems

Landscape irrigation is essentially an application of the above systems but designed in such a way to provide aesthetic appeal or home, hotels and recreational facilities (sports fields and golf courses).

2.2.1.4 Water Storage Facilities

Water is a scarce resource and is now regarded as an economic good and not a mere social good. In light of such value bestowed upon it, having it is having value and having it entails one's ability to store and use it as efficiently as possible. Water storage facilities include elevated reservoirs, galvanized tanks, plastic tanks, collapsible tanks, concrete reservoirs and night storage dams and small earth dams. ARL commands expertise in the design/selection, installation and management of such storage facilities. These services are provided at affordable prices without compromising on quality and safety.

2.2.1.5 Environmental Control Products

ARL offers environmental control in crop production. This service includes design and installation of greenhouse structures, shade nets and tunnels. A greenhouse will allow the farmer to induce environmental conditions that ensure maximum crop performance regardless of the external environmental conditions. Through this technology, a farmer can chose when he/she wants to enter the market to realize best value, i.e. when supply is low and demand is high.

ARL is technically able to deliver on all spheres of irrigation technologies (drip, sprinkler, centre pivots). Our contingent of design engineers and technicians who are backed up (technically) by our suppliers' technical team, have the capacity to localize these technologies and thus be in a position to offer technical backup services. This competency ensures that our client's downtime due to equipment failure will be minimized. The agronomic packages that we will devise will be branded and where feasible into off the shelf DIY packages. These packages will be developed through a strong collaboration between engineers from ARL and agronomists from our sister company Bytrade. All products supplied by ARL are of high quality standards, with certification from International Standards bodies. The products are the outcome of applied research and are engineered to give the best performance for the harsh tropical climate.

3.0 MARKET ANALYSIS

There is no solid data to give a full understanding of the market. However, in terms of irrigation potential, the country has 29.4 million ha that is suitable for irrigation with 2.3million ha classified as high development potential and 4.8million ha is deemed to be of medium development potential. However, this data is not backed up by a review of the water resources and energy. The graph below shows the distribution of this potential across the country.

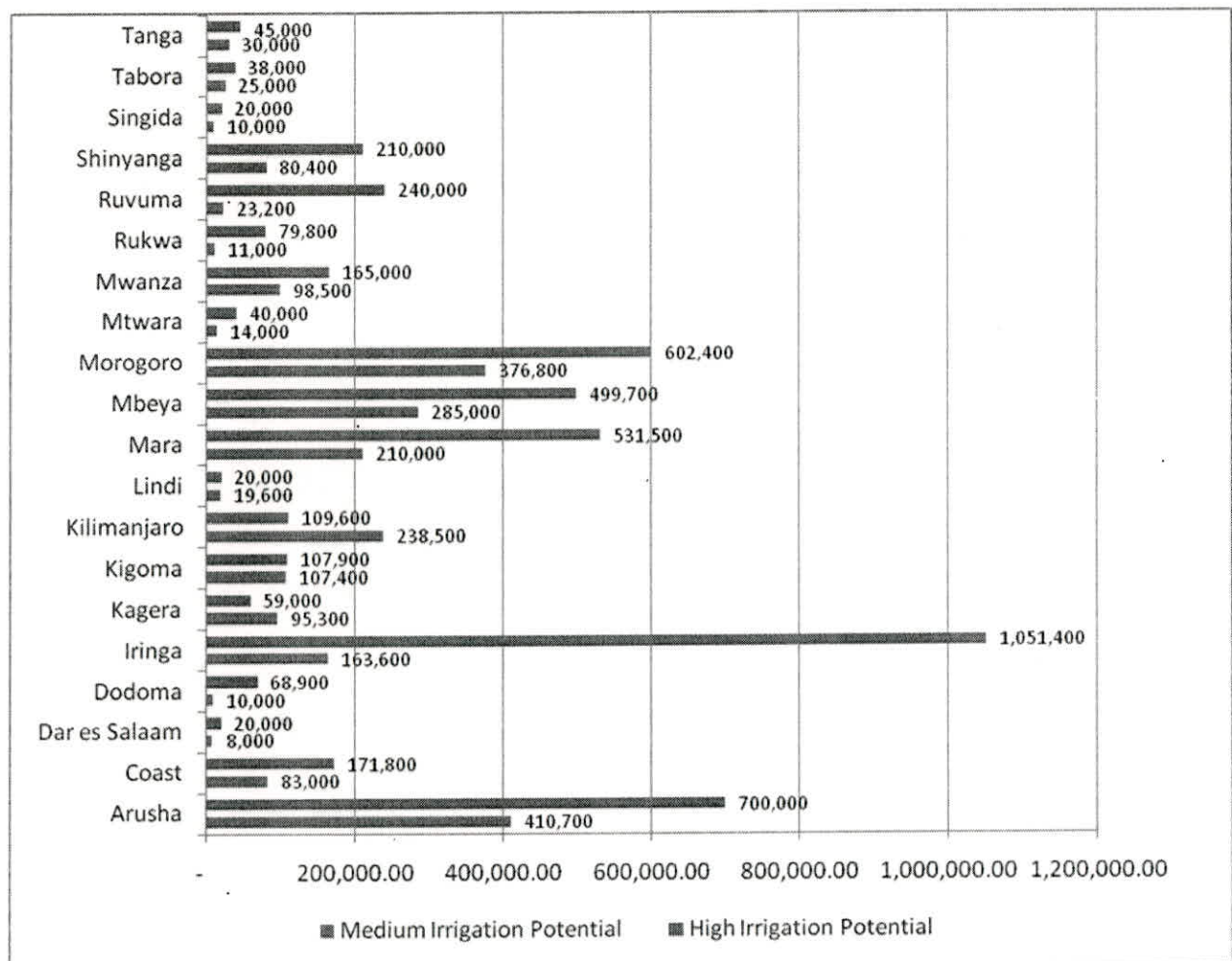


Figure 1: Graph of the spatial distribution of potential irrigable areas in Tanzania

A close analysis of the information above indicate irrigation scoring areas as Arusha, Morogoro, Mbeya, Kilimanjaro, Mara and Iringa. This shows the extent to which the market full capacity can be achieved. Literature from government source is not firm on the exact irrigated area to date but estimates can be between 310,000ha to 613,000ha of which according to the chart below, less than 10% of the area is under modern irrigation techniques. A bulk of the area under irrigation is under low efficiency irrigation methods and is mostly in the hands of smallholder farmers.

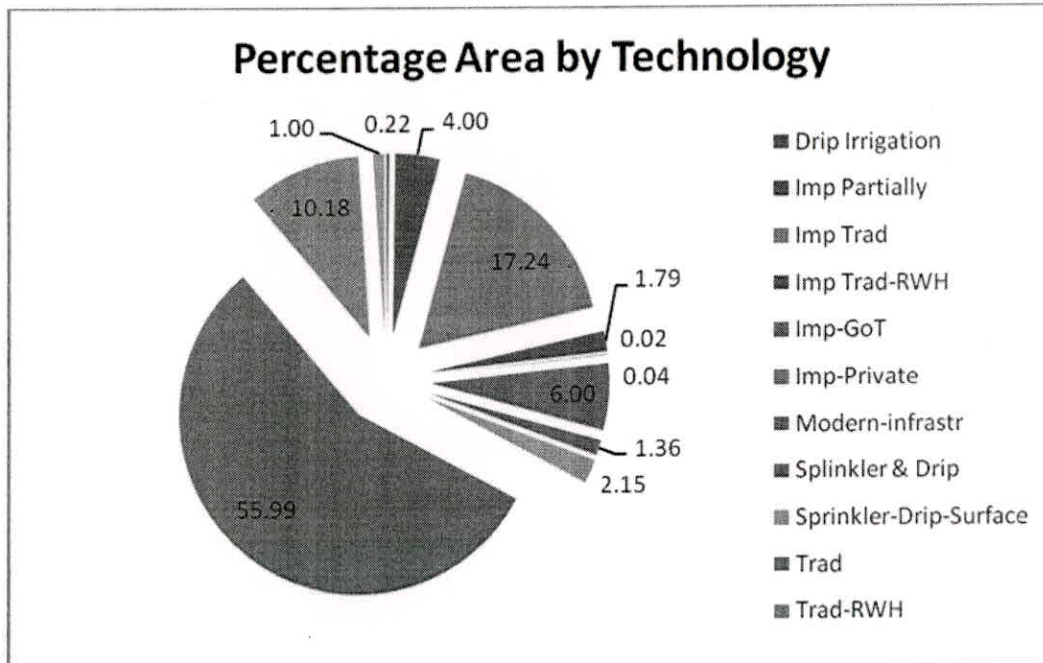


Fig 2: Percentage area by irrigation technology in place

Based on these two sets of data, there is both opportunity for growth within the perceived irrigated area and also outside the perceived irrigated area, towards achieving full irrigation potential.

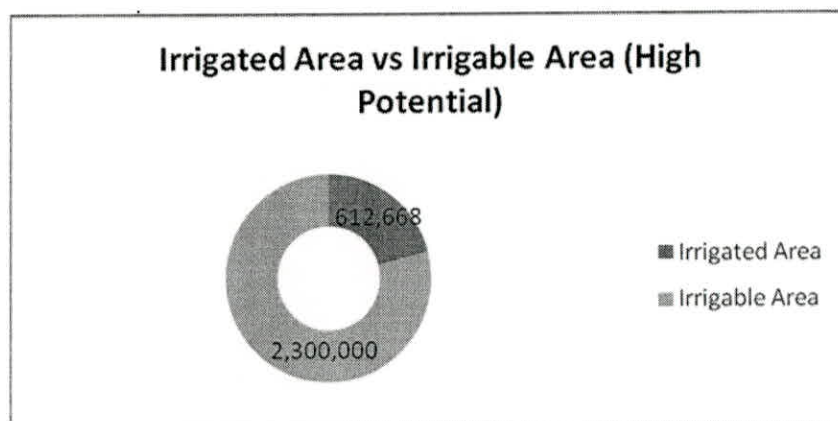


Fig 3: Irrigated area vs High Potential Irrigable Area

ARL intends in its year of inception to develop 500ha as new markets, i.e a turnover of Tshs.1, 875,000,000/=. This is going to be achieved by targeting specific crops and matching with the appropriate irrigation technology at the right scale. As an example, schemes in excess of 20ha will mostly fall under sprinkler irrigation (conventional and centre pivot), whilst areas below will be preferably under drip irrigation. The map below shows crop spatial distribution in the country. Matching

irrigation potential and crops, ARL will target areas like Morogoro, Iringa and Mbeya with the intention of making noise in an unclaimed territory and also making an impact on production levels achieved by our clients. Such areas need to be weaned from a mentality of waiting for rain and making them realize they can achieve double to triple cropping in one year.

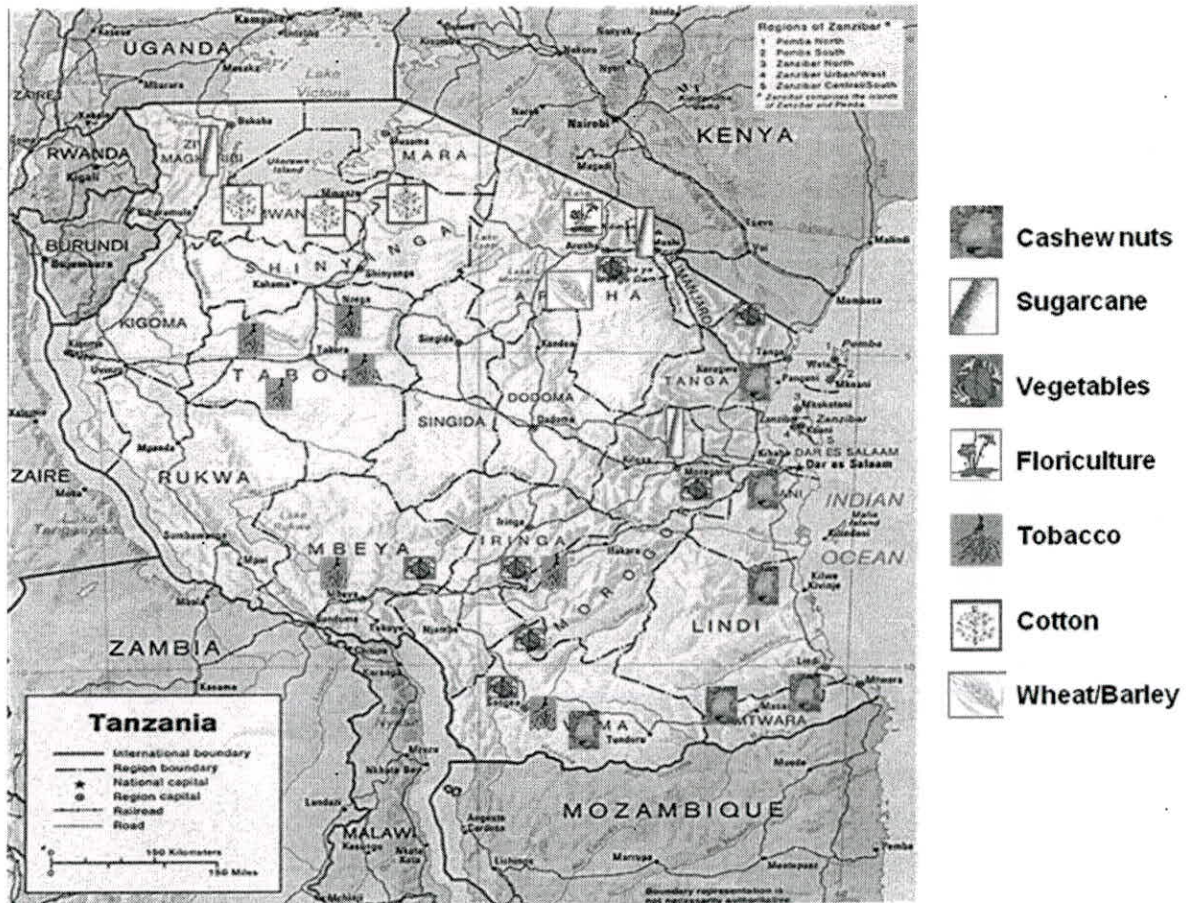


Fig 4: Spatial crop distribution across Tanzania

3.1 Competition in the Business

ARL is entering the market where others have been for the past 12 years. Balton Tanzania has been in control of this market for a long time and has been offering competitive products. Having a monopoly of the market has allowed them to grow and known in government circles as the sole irrigation services provider. Other players of significance

are external suppliers, mostly from South Africa. These have captured a greater part of the sugar and tea estates, mostly in the southern part of the country, where also Balton's presence is not significant. The argument presented by these big estates for sourcing from outside the country is that they lack confidence in local suppliers to deliver and provide back up. They have also highlighted steep prices from Balton Tanzania.

There are other small players who have basically been struggling to take off and have done mostly small projects with a 'hit and run' concept. These have failed to enter into big projects because of lack of capacity to hold stock and finance jobs which have a 30day lag period in payment (a scenario common to large estates).

Cognizant of these challenges, ARL is going in with both eyes opened and wit to tackle these weaknesses amongst current players. The anticipated response by our entry into the market is from Balton Tanzania. This company has made a name for itself within government though its monopoly in the same circles has been noted. Balton Tanzania has operations that include electro-mechanical (generators and air conditioning), agro-chemicals, seeds and fertilizers, and communication. This gives the company leverage and ability to extend credit, even at a higher risk, something the ARL would not want to delve into prematurely. Balton has the ability to hold stock, this allows the company to deliver 'on-call', whilst new players will be struggling to organize items to constitute their stock. Balton has experienced technicians who have developed their marketing and installation skills. With its huge fleet of cars, Balton can easily launch a massive marketing campaign in areas where we want to start making noise. The current market share is perceived as shown below.

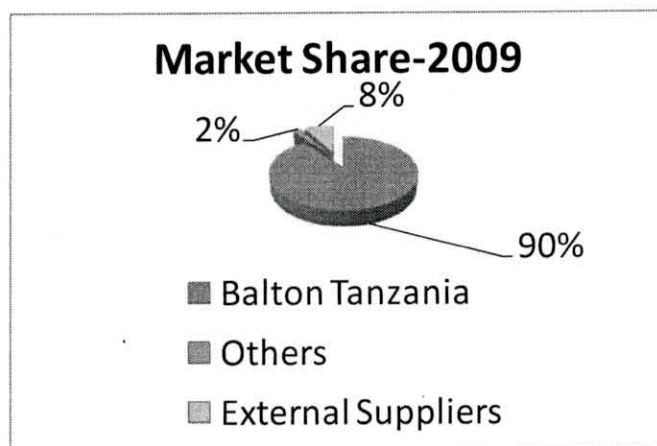


Fig 5: Tanzania's irrigation market holding

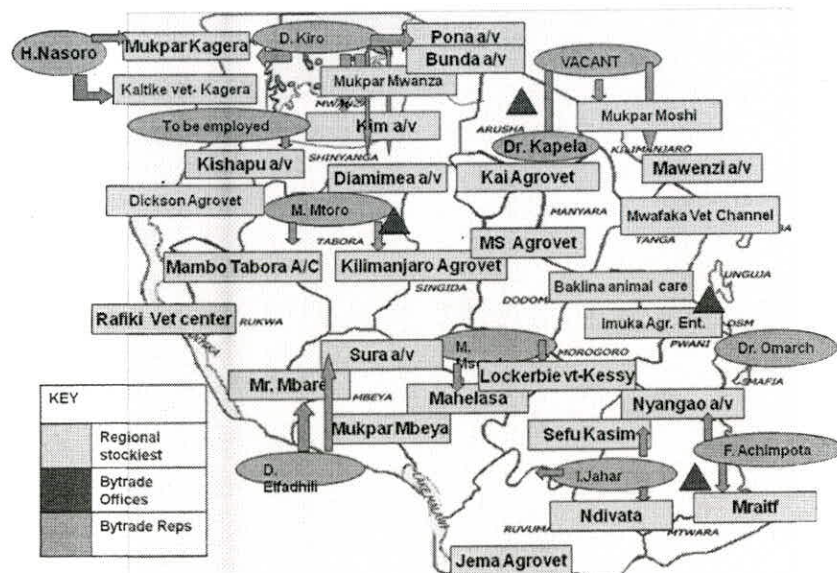
3.2 Customers (existing & potential)

ARL is going to take an all embracing approach in the beginning as it spreads its name across the country. This is meant to quickly increase our customer database. Our clients are of three types;

- *Smallholder farmers:* This group has many clients requiring small units of even 1/8acre. At ARL we do not view them individually but collectively, a 1000 smallholder farmers each with 2acres translates to 2000acres (800ha) needing irrigation equipment and services.
- *Medium Scale farmers:* This is basically a breed of metropolitans who have decided to invest part-time into farming. Within this lot, are people with information on the advantages of irrigation but have no tangible conviction to invest in irrigation. This group is best convinced by field visits and tours before they can put down their money into the ground. These farmers have land holdings of between 10-200ha
- *Large Scale Farmers:* This group constitutes mostly well established famers who have not fully realized their irrigation potential. The challenge with this group of farmers is that they prescribe the technology they want, e.g., require specifically Valley centre pivot and not our Western centre pivot. These will require patience and conviction by comparison (giving them samples to try out on a limited area).
- *Large Scale Estates:* These are large conglomerates which subscribe to a particular school of technology. These are not very different from the former though these tend to be more exposed to the knowledge about other alternatives. Given the right quality and price, they can be swayed.

3.3 Distribution channels

ARL's distribution channels are going to trail where Bytrade has established offices. This network covers Tanzania very well and should give ARL an advantage over other companies in Tanzania. Initially, stocks are going to be held in Dar es Salaam and as the market grows, appropriate items will be made available at the regional offices.



4.0 COMPANY PHILOSOPHY

4.1 Our Mission

To be a world class provider of agricultural irrigation and engineering solutions through partnering with the farmer and other stakeholders to sustainably increase productivity at farm level in an environmentally friendly manner.

4.2 Our Vision

To become a regional leader in unlocking the region's irrigation and agricultural production potential through provision quality irrigation and agricultural products and services.

4.3 Our Values

- Our business functions are centred around the client
- Uncompromised professional delivery of solutions to the client
- Constant contact with the interface of change that ushers new ideas and technologies.
- Commitment to quality and timeliness of delivery
- Effective communication with our employees and clients.

4.4 Employee Mission Statement

It is my responsibility as an employee of Agro-Rain Limited to keep myself healthy, both mind and spirit, so that I may bring as much energy and intelligence possible to my job every day. I am dedicated to remaining educated regarding the products

4.5 Objectives

1. To increase market share up to 25% by June 2010
2. To increase market share by up to 40% by December 2010
3. To develop a range of products to even out cash flow patterns for ARL
4. To develop in-house manufacturing capability for irrigation components by 2012
5. To develop agronomic services capability immediately
6. To promote employee growth by understanding potential and nurturing it.

5.0 MARKETING

5.1 ARL Customers

As indicated earlier, ARL is going to be all embracing, extending its arms as its client base increases. Our tentacles that will reach out to our clients will be well defined in such a way that they are specific to the requirements of client classes. Our clients will be mostly farmers and the government of Tanzania. Other clients will include, consultants and contractors. Most consulting firms have no irrigation expertise and sometimes they get projects with an irrigation component. This they have to sublet to ARL if we make them aware of our presence and our expertise. Contractors can come and buy some of their requirements from us, since we will be holding an array of quality items in stock. Our farmers will be classed based on the scale of their operation and the irrigation technology adopted. This information will be detailed in a database with the following fields.

Table 4: Example of ARL client classification

ARL Client Database							
Name and Contact	Region/ District	Farm Size (ha)	Crops	Irrigation System (Area)	Water Source	Energy Source	Financing
Mr. I. Wanna Farm <u>Tel:0713784767</u> Email: <u>ifarm@farm.co.tz</u>	Morogoro Kilosa	500	Maize, Soya beans, Wheat, Mangoes	Centre Pivot (80) Sprinkler (150) Drip (20)	Dam, River, Borehole	TANESCO , Generator	Land bank

5.2 ARL Competitors

Competition in this country is not significant as only one brand name (NETAFIM) is dominating the market. This has been promoted by Balton Tanzania, who are the official agents for Netafim Israel. Netafim are the pioneers and masters of drip irrigation systems in the world. However, the amount of technical investment they have put into their products has made their products to be commercially unsound. For ARL which is bringing in the competition in the form of (NaanDanJain, Irritec and Siplast), we have price as a quick entry point into the market. The competition for irrigation pipes and fittings is in the hands of two manufacturing giants (Plasco and Simba plastics). These have adequately serviced the Tanzanian market and as such, ARL will not enter into importation and manufacture of pipes. Should a client specify a particular brand name, then ARL will oblige, otherwise local products of good quality and affordable price are available.

ARL Competition			
Competitor's Name	Product Line	Market Share	Competitors Response to ARL
Balton Tanzania (Dar es Salaam and Arusha)	Irrigation (drip and sprinkler systems), greenhouses, farm machinery and implements	Major shareholder estimated at 73%	-capacitate marketing strategy and team, -Play foul by offering non profitable low prices -Give equipment on attractive credit terms
Hangs Agro Industrial Ltd. (Dar es Salaam)	Irrigation systems, agro chemicals, machinery, farm implements, fertilizers, water drilling, fumigation and agro consultancy	Unknown and has no known projects to date. Shareholding assumed insignificant.	-None expected
Kilimo Investments Ltd. (Dodoma)	Drip irrigation and sprinkler systems	Has covered Iringa and Mbeya regions but has not worked on any major projects. Market share estimated at 1%.	-Enforce hold on farmers in Dodoma and Iringa
Agricultural Provider and General Merchandise	Drip irrigation, water harvesting, consultancy for	Has tried to promote family drip kits but has been depending mostly	-None expected

5.3 ARL Collaborators

ARL Collaborators	
Collaborator's Name	Product Line
Plasco Ltd	uPVC and HDPE pipes and fittings
Simba Plastics	uPVC and HDPE pipes and fittings
Davis and Shirtliff	Pumps, engines and generators
EFAM	Pumps, engines and generators
Merry Water	Pumps, engines and generators

5.4 Market Size and Growth Rate

The market in Tanzania as alluded to earlier can only be defined in terms of the volume of irrigation development that has taken place. Its growth also can only be defined by the area earmarked for development and by the targets ARL sets for promotion of certain agronomic packages to the private sector. Based on this premise, it is important to look at ARL's own capacity to develop irrigation in the country versus the area the nation has set as a target. Getting this data will involve strong liaison with the ministry and an indication to the ministry that ARL is available as a competent service provider of irrigation equipment and services. To date, of the 1,000,000ha that was set by government in its 5year development plan, 25% has been achieved and this is inclusive of a wide spectrum of technologies with surface irrigation gravity systems on rice dominating this growth. Using this as a measure, one can assume an annual market growth rate of 5%. However, it will be worth noting that challenges leading to such a below mark achievement have not been adequately articulated in the context of trying to qualify the annual gap of 15%. Also this has been averaged over 5years and thus 5% may not necessarily typify the norm or the stabilized growth rate. Work needs to be done to source more information from ministry on their exact plans for the next 5years. It is worth noting that this above growth rate does not include private sector players, whose impact on irrigation development is not well documented. Estates like TPC Limited in Moshi, Kilombero Sugar Company, Unilever Tea and Kagera Sugar have irrigation development plans some of which are simple upgrading from one system to another.

5.5 ARL Product Uniqueness

ARL products are world class products as much thought and consideration on quality is emphasized when sourcing from overseas suppliers. Our products have been tested at specialized laboratories for irrigation and have also stood the test of time in other countries. The appropriateness of the technologies we offer makes them very acceptable to a wide range of consumers. Our knowledge of the technical profiles of the products we sell makes it easy for us to generate an appropriate solution for our clients. Our close contact with the farmer, results in participatory derivation of solutions and input by the client into technological modifications that are unique to specific conditions.

Co. Ltd (Dar es Salaam)	agricultural projects, suppliers of agro-inputs, implements and general equipment	on Kenya. Has since shifted focus to consultancy on Irrigation planning for government. Market share, insignificant.	
Nabaki Africa (Dar es Salaam)	Shrub, greenhouse and lawn irrigation	Emphasis on landscaping. They are mostly into supply and not project implementation. Market share estimated at 1%	-Strengthen their technical portfolio on irrigation to cover also farm irrigation.
Rousham Engineers Tanzania Co. Ltd. (Dar es Salaam)	Sprinkler, drip irrigation, farm and garden implements, side-rolls and centre pivots. Soil testing, designing and installation services and supply of agro-chemicals	Trouble company that had made significant strides in marketing. Implemented a few drip irrigation projects before shrinking. Market share @ 4%	-Bring in new expert to drive the company
Irri-Sol Ltd (Dar es Salaam)	Sprinkler, drip, side-roll and centre pivot irrigation systems, greenhouse and farm machinery and implements	Fly by night attempt into the business. No significant marketing done. Market share can be considered to be insignificant.	-Bring in new expert to drive the company
South African Companies	Centre pivot systems, semi-portable galvanized systems, sprinklers, pumps and drip.	Have command on large estates and hence control major projects. Share estimate at 20%	-Offer lower prices by reducing margins -Team up with ARL and grant it distributor and contractor status.
Kenyan Companies	Greenhouses and drip irrigation	Mostly in Arusha and Moshi.	-Offer lower prices by reducing margins
Overseas players	Drip irrigation and water storage	These overseas clients receive information through internet and they sometimes look for local representation. Market share is estimated at 1%	-Team up with ARL and grant it distributor and contractor status.

6.0 MARKETING STRATEGY

The following outlines the fundamental marketing principles and tries to align Agro-Rain Limited to these principles, in a bid to capture significant market share.

The following are the tools

- **Price:** Current situation shows that market shares about 78% of the market is dominated by Balton Tanzania Ltd. Agro-Rain Limited plans to use *affordable price (reasonably lower than competitor) for supply and installation of irrigation equipment of high quality. Delivery time will be minimized, especially on equipment importation and project implementation.* The company will use low service charge for clients during the time of visit the site, a disturbance fee of 120,000/= will be applied and this will be backed by a reconnaissance report explaining the technical feasibility of the project. Provision of different designs with different prices will be developed for clients to choose from. The company will charge 50-60% of the total cost of the project before implementation. Free oral consultation for best irrigation system, economic aspects on how to invest with low cost and earning high profit will be done for office inquires.
Agro-Rain Ltd is going to accommodate all kind of clients starting from small scale to large scale farmers. All these are possible for the company because of having designing capacity for a wide range of irrigation systems.
- **Product:** - Agro-Rain Ltd products are of high quality and impressive performance. The company will sell some of the products for demonstration on easy terms so that our products are known on the market. Components and fittings are going to be distributed to existing projects in bid to create awareness that our products can adequately substitute those already on the market. There will be a need to create stock to gear the company for market response to our products.
- **Place:** - Currently the company is focused to start with five regions which are Coast Region, Morogoro, Dodoma, Iringa and Mbeya. The purpose of selecting these places is because there are some of clients who showed the interest of doing business with the company. Agro-Rain Ltd is ready to go anywhere so long as there is a business. In long plan, Agro-Rain Ltd plans to go in different areas for sensitization of use and important of irrigation.
- **Promotion:**-For promotion, the following standard promotional techniques will be used;
Adverts
Agro-Rain will use news papers (all the advert of the company will appear on the right page because it is easy to be seen), television, radio and promotional gear such as T-shirts, hats, pens, umbrellas and wheel covers. Company logos stickers will also be produced for use on our project sites to vindicate our presence. E-advertising will also be done through our website

and registering ourselves with prominent irrigation companies as a credible local dealer and contractor.

Personal sell

The 1 marketers with a technical appreciation of what they are selling, will go out to individual farmers and encourage them to buy from us, credible technology that will bring profit to their farming enterprise.

Publicity

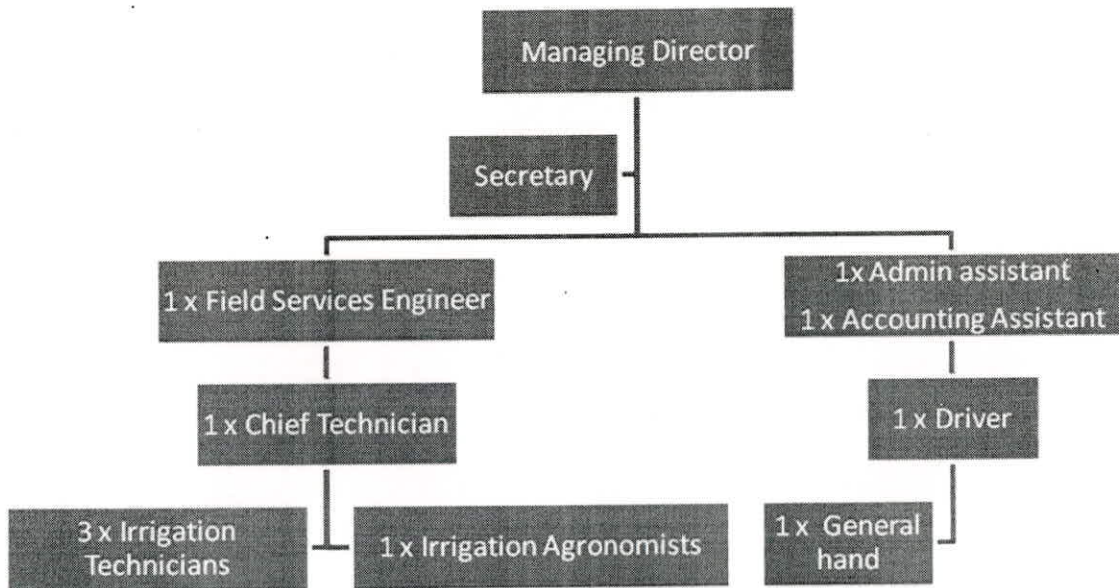
Agro-Rain Ltd will attend different trade shows, agricultural show (maonyesho ya kilimo nane nane), World Water Week (wiki ya maji). These big show platforms will be loud and geared towards inviting policy makers to take sides with us in bringing change to agriculture. Agro-Rain can also take advantage of seminar platforms to make presentations on the importance of our services to the farmers as the country campaigns to improve agriculture productivity.

6.1 Marketing plan

- Market research
- Segmentation and targeting
- Detailed outline of the product or service
- Unique selling points
- Chosen pricing strategy
- Promotional plans
- Distribution strategy (including online)
- Customer service strategy

7.0 ARL ORGANISATION STRUCTURE

ARL is going to adopt the following organogram;



Title	Role	Qualification	Grade
Managing Director (MD)	To design, develop and implement the strategic plan for the company in the most cost effective and time efficient manner. To safe guard shareholder interests and guarantee RoI	BSc. Ag. Eng, experience at management level.	E1
Field Services Engineer (FSE)	To design and supervise installation of irrigation projects, general site management is liaison with the Chief Technician. To carry out marketing for the company and generate business	BSc. Ag. Eng/Irrigation/Civil, knowledge of irrigation design	D5
Chief Technician (CT)	To implement designs approved by FSE and MD, appraise the FSE on project progress and challenges To carry out marketing for the	Dip. Civil/Irrigation plus experience in project management	D1

	company and generate business		
Irrigation Technician (IT)	To implement projects under supervision of the CT To carry out marketing for the company and generate business	Dip. Irrigation/Civil/Survey	C5
Irrigation Agronomist (IA)	To carry out marketing for the company and generate business To advise and provide extension services to clients for the sole purpose of increasing client confidence in our systems	Dip. Agriculture (crops)/Horticulture	C5
Administration Assistant (AA)	To run all administrative errands, clearing of goods, management of stock	Dip. Admin	C3
Accounting Assistant (AcA)	To keep company books in check for purposes of auditing, taxes and production of financial reports	Dip. Acc	C3
Secretary (Sec)	To run a clean office, properly filing documents, monitoring running files, maintain the MD's diary.	Dip. Sec (VETA)	B5
Driver (Dr)	To run company errands, drive technicians, equipment to site.	VETA	B2
General hand (GH)	To keep the office environment clean and safe, serve teas at set time/upon request	O level	B1

- **Training**

On the job training will be provided by ARL for new graduates. Selection for training in India and Israel will be on a competitive basis and will also have a bearing on an employee's grade. This on the job training will have a bearing on our contribution to capacity building of irrigation expertise in the country.

- **Rewards (financial & non-financial)**

Employees will be awarded a commission for meeting set and agreed targets. Excelling employees will be recognized through "employee of the year" awards, which will be a culmination of successful consistent performance as indicated by quarterly performance reviews.

7.1 Labour relations

Employees at ARL have the freedom of association as provided for by the laws of the country. ARL will reserve the right to regard any misinterpretation of the provisions of this law as an act of misconduct with a dismissal penalty. Employees will have the platform to air their grievances through the grievance procedures outline in the company's code of conduct (a document formulated in consultation with the Employment and Labour Relations Act No. 6 of 2004). ARL upholds the fundamental core rights of; prohibition of child labor, prohibition of forced labor, prohibition of discrimination in the workplace, prohibition of discrimination in trade unions and employer associations and freedom of association.

8.0 FINANCIAL PROJECTIONS

Annex 1-10 give details of the financial analysis of the business.

Annex 1: Investment and financing plan

	Equity	Loan	Total
Plant	255,750,000.00	43,760,000.00	299,510,000.00
Motor vehicle	60,000,000.00	34,000,000.00	94,000,000.00
Utilities	7,200,000.00		7,200,000.00
Renting house	16,200,000.00		16,200,000.00
Furniture and Fittings	12,750,000.00	6,106,250.00	18,856,250.00
Sub-total	351,900,000.00	83,866,250.00	435,766,250.00
Pre operational cost	45,000,000.00		45,000,000.00
Sub-total	45,000,000.00		45,000,000.00
Working capital	58,100,000.00		58,100,000.00
Sub-total	58,100,000.00		58,100,000.00
Grand total	455,000,000.00	83,866,250.00	538,866,250.00

Annex 2. Depreciation Cost

Item	Initial Value	Rate	Method	Year 1	2	3	4	5
Motor Vehicle								
Opening Balance	60,000,000.00	0.13	Straight line	60,000,000.00	52,500,000.00	45,000,000.00	37,500,000.00	30,000,000.00
Allowance				7,500,000.00	7,500,000.00	7,500,000.00	7,500,000.00	7,500,000.00
Closing Balance				52,500,000.00	45,000,000.00	37,500,000.00	30,000,000.00	22,500,000.00
Furniture & Fittings								
Opening Balance	12,750,000.00	0.13	Straight line	12,750,000.00	1,593,750.00	1,593,750.00	1,593,750.00	1,593,750.00
Allowance				1,593,750.00	1,593,750.00	1,593,750.00	1,593,750.00	1,593,750.00
Closing Balance				11,156,250.00	9,562,500.00	7,968,750.00	6,375,000.00	4,781,250.00
Total Depreciation				20,250,000.00	9,093,750.00	9,093,750.00	9,093,750.00	9,093,750.00
Total Net assets				54,093,750.00	46,593,750.00	39,093,750.00	31,593,750.00	24,093,750.00

Annex 3: Annual and Monthly Production Costs

Monthly Production Costs													
Description	Month												Total
	May	June	July	August	Sep	Oct	Nov	Dec	Jan	Feb	March	Apr	Tshs.
Cost: in millions													
Manager salary	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	90.00
Marketing	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	84.00
Utilities	7.20	7.20	7.20	7.20	7.20	7.20	7.20	7.20	7.20	7.20	7.20	7.20	86.40
Supervisor	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80	21.60
Casual Labourers	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	15.00
Total Cost	24.75	24.75	24.75	24.75	24.75	24.75	24.75	24.75	24.75	24.75	24.75	24.75	297.00
Annual Production Costs													
Description	YEAR												
	2010	2011	2012	2013	2014								
Cost: in millions													
Manager salary	90.00	90.00	90.00	90.00	90.00								
Marketing	84.00	84.00	84.00	84.00	84.00								
Utilities	86.40	86.40	86.40	86.40	86.40								
Supervisor	21.60	21.60	21.60	21.60	21.60								
Casual labourers	15.00	15.00	15.00	15.00	15.00								
Total Cost	297.00	297.00	297.00	297.00	297.00								

Annex 4. Working Capital

Item	2010	2011	2012	2013	2014
Stocks:					
Drip lines	12,000,000.00	12,000,000.00	12,000,000.00	12,000,000.00	12,000,000.00
Sprinklers	15,580,000.00	15,580,000.00	15,580,000.00	15,580,000.00	15,580,000.00
Pivot accessories	34,590,000.00	1,780,000.00	1,780,000.00	1,780,000.00	1,780,000.00
Cash	11,930,000.00	11,930,000.00	11,930,000.00	11,930,000.00	11,930,000.00
Total Working Capital	74,100,000.00	41,290,000.00	41,290,000.00	41,290,000.00	41,290,000.00
Change in Working Capital		32,810,000.00	32,810,000.00	32,810,000.00	32,810,000.00

Annex 5: Projected Revenues

Product	Unit	Price											
Drip irrigation	Ha	10,522,500											
Sprinkler irrigation	Ha	8,452,500											
Center Pivot	Ha	4,875,000											
Consultation service	Hr	350,000											
Sales Analysis													
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Total
Drip irrigation													
Sale			25,000,000			37,500,000			50,000,000			37,500,000	150,000,000
Number of Clients			3			3			3			3	12
Sprinkler Irrigation													
Sale				12,500,000			12,500,000			25,000,000			50,000,000
Number of Clients				3			3			3			9
Center pivot													
Sale		25,000,000				68,750,000				68,750,000			162,500,000
Number of Clients		6				6				6			18
Consultation service													
Sale			625,000		625,000		625,000				625,000		2,500,000
Number of Clients			12		12		12				12		48

Annex 6: Income Statement

Description	Year				
	2,010	2,011	2,012	2,013	2,014
Revenue:					
Total revenue	1,598,125,012	1,598,125,012	1,598,125,012	1,598,125,012	1,598,125,012
Operational cost	297,000,000	297,000,000	297,000,000	297,000,000	297,000,000
Gross profit	1,301,125,012	1,301,125,012	1,301,125,012	1,301,125,012	1,301,125,012
Less capital charges:					
Depreciation	20,250,000		9,093,750	9,093,750	9,093,750
Interest expenses	5,346,473				
Profit before tax	1,275,528,538	1,301,125,012	1,292,031,262	1,292,031,262	1,292,029,248
Tax 30%	153,063,424	390,337,503	387,609,378	387,609,378	387,608,774
Net profit	1,122,465,113	910,787,508	904,421,883	904,421,883	904,420,473
Retained earnings	1,122,465,113	2,033,252,622	2,937,674,505	3,842,096,389	4,746,516,862

Annex 7: Annual and Monthly Cashflow Statement

Annual Cash Flow Statement													
DESCRIPTION	YEAR												
	2010	2011	2012	2013	2014								
Cash inflows													
Equity	455,000,000												
Loan	83,866,250												
Profit before capital charges	1,301,125,012	1,301,125,012	1,301,125,012	1,301,125,012	1,301,122,998								
Total Cash Inflows	1,839,991,262	1,301,125,012	1,301,125,012	1,301,125,012	1,301,122,998								
Cash Outflows													
Investment													
Fixed Assets													
Initial Working Capital	74,100,000												
Corporate Tax	153,063,425	390,337,504	387,609,379	387,609,379	387,608,774								
Loan repayment	89,212,723				35,181,892								
Total Cash Outflow	316,376,148	390,337,504	387,609,379	387,609,379	422,790,666								
Net Cash flow	1,523,615,114	910,787,508	913,515,633	913,515,633	878,332,332								
Commulative cash flow	1,523,615,114	2,434,402,622	3,347,918,256	4,261,433,889	5,139,766,221								
Monthly Cashflow Statement													
Description	Month												Year
	December	January	February	March	April	May	June	July	August	Septem	October	November	
Cash inflow:													
Cash equity	455,000,000												455,000,000
Bank loan	83,866,250												83,866,250
Sales revenue	-	150,000,000	75,625,012	37,500,000	7,500,000	525,000,000	45,000,000	-	150,000,000	487,500,000	7,500,000	112,500,000	1,598,125,012
Total Cash Inflow	538,866,250	150,000,000	75,625,012	37,500,000	7,500,000	525,000,000	45,000,000	-	150,000,000	487,500,000	7,500,000	112,500,000	2,136,991,262
Cash outflow:													
Operational Cost	24,750,000	24,750,000	24,750,000	24,750,000	24,750,000	24,750,000	24,750,000	24,750,000	24,750,000	24,750,000	24,750,000	24,750,000	297,000,000
working Capital	74,100,000												74,100,000
Loan Repayment	1,257,994	628,997	9,015,622	8,952,722	8,889,823	8,826,923	8,764,023	8,701,123	8,638,224	8,575,324	8,512,424	8,449,525	89,212,723
Tax													153,063,425
Total Cash outflow	100,107,994	25,378,997	33,765,622	33,702,722	33,639,823	33,576,923	33,514,023	33,451,123	33,388,224	33,325,324	33,262,424	186,262,949	613,376,148
Net cash flow	438,758,256	124,621,003	41,859,390	3,797,278	(26,139,823)	491,423,077	11,485,977	(33,451,123)	116,611,776	454,174,676	(25,762,424)	(73,762,949)	1,523,615,114
Accum.cash flow	438,758,256	563,379,259	605,238,650	609,035,927	582,896,105	1,074,319,182	1,085,805,159	1,052,354,035	1,168,965,812	1,623,140,488	1,597,378,063	1,523,615,114	1,523,615,114

Annex 8: Discounted Cashflow

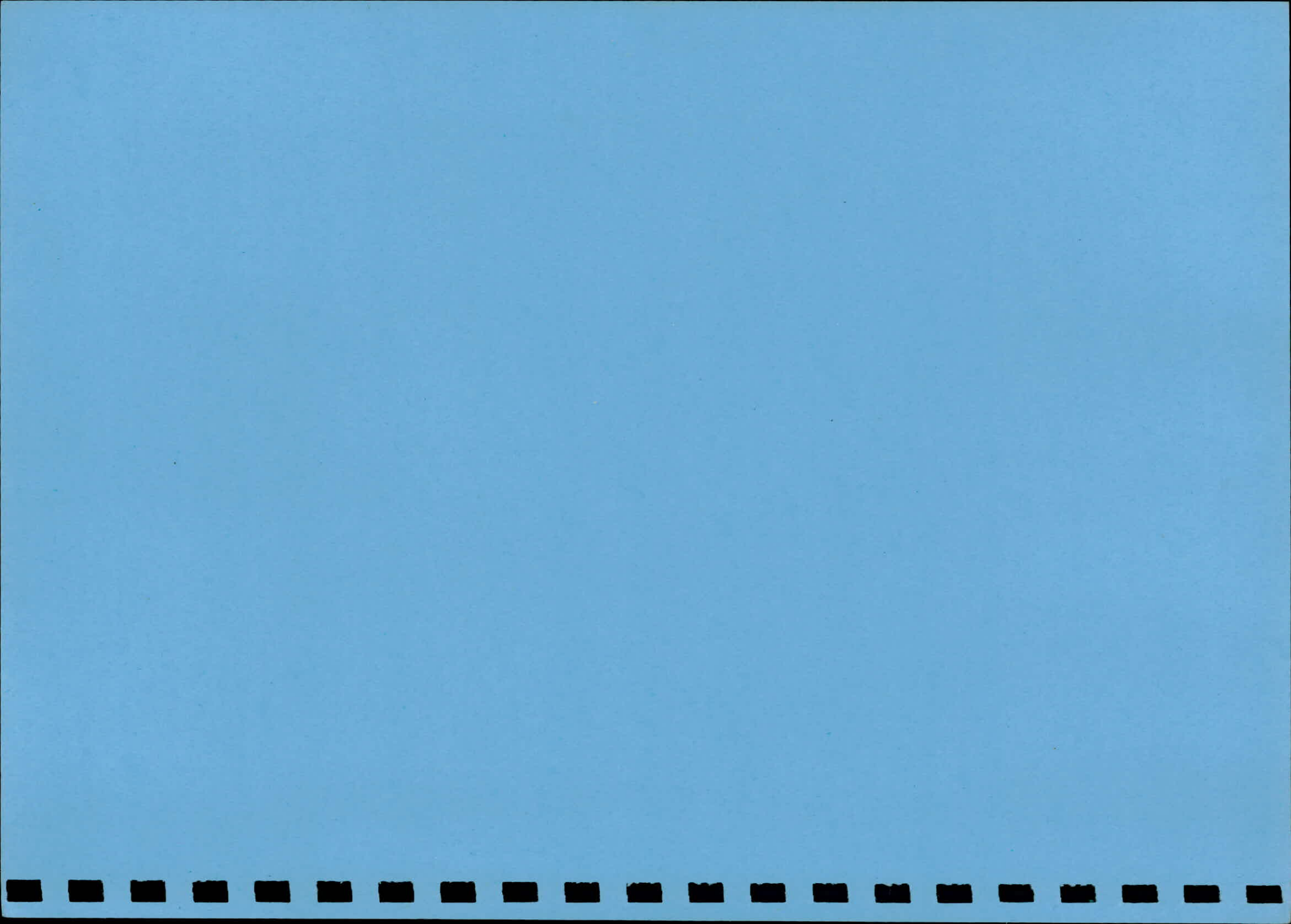
DESCRIPTION	Year				
	2010	2011	2012	2013	2014
Inflows					
Profit After Tax	1,122,465,114	910,787,508	904,421,883	904,421,883	904,420,474
Depreciation	20,250,000	-	9,093,750	9,093,750	9,093,750
Residual Working Capital				41,290,000	41,290,000
Total Inflows	1,142,715,114	910,787,508	913,515,633	913,515,633	913,514,224
Outflows					
Additional Investment	435,766,250				
Working capital	74,100,000	74,100,000	74,100,000	74,100,000	74,100,000
Loan repayment	16,773,250	33,546,500	-	-	-
Total Outflows	526,639,500	107,646,500	74,100,000	74,100,000	74,100,000
Net Cashflows	616,075,614	803,141,008	839,415,633	839,415,633	839,414,224
NPV at 21%	1,923,131,345				
IRR	0.3				

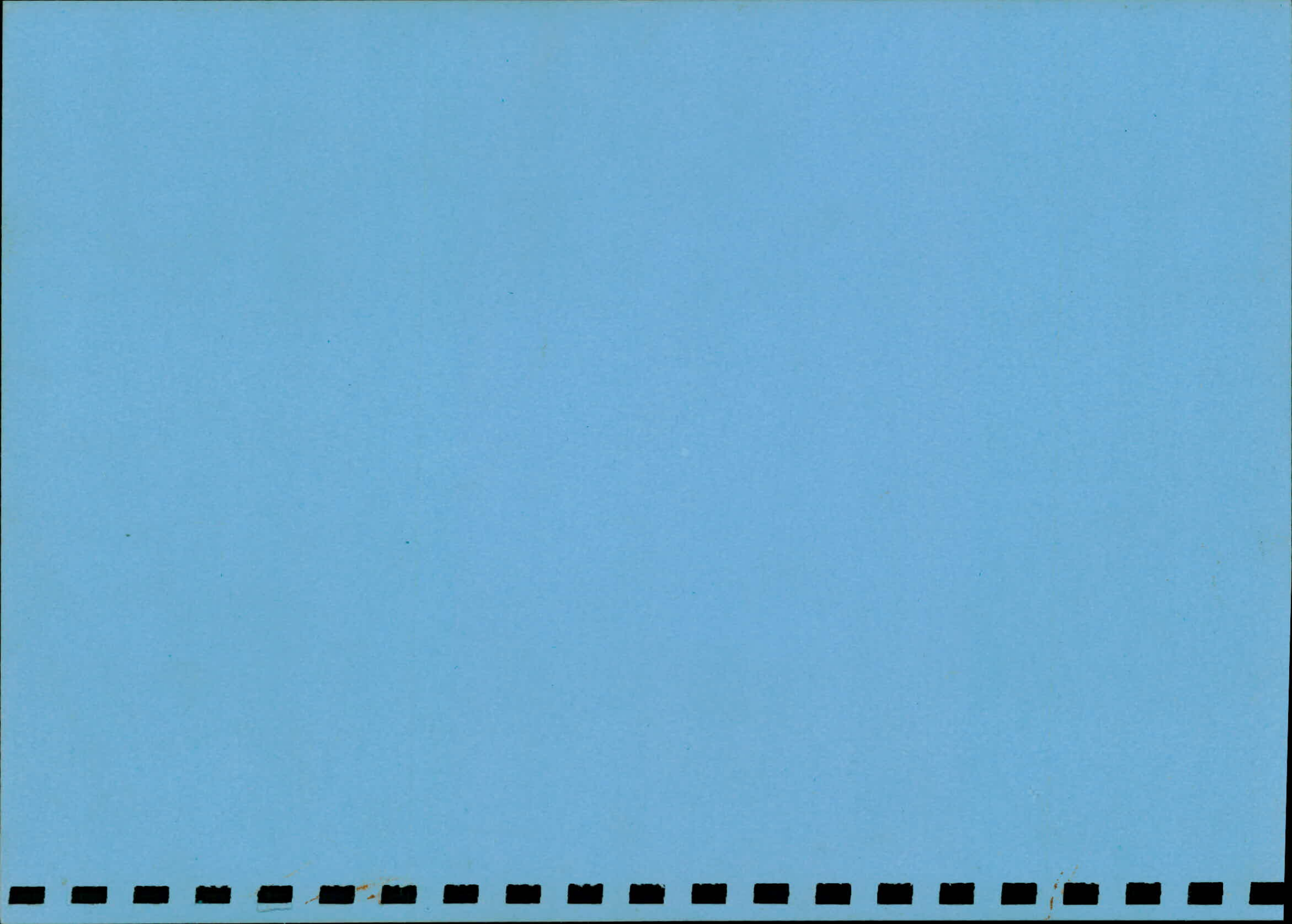
Annex 9: Balance Sheet Projections

Year	2010	2011	2012	2013	2014
CURRENT ASSETS					
Cash	1,523,615,114	2,434,402,622	3,347,918,256	4,261,433,889	5,139,766,221
Working Capital	74,100,000	74,100,000	74,100,000	74,100,000	74,100,000
Total Current Assets	1,597,715,114	2,508,502,622	3,422,018,256	4,335,533,889	5,213,866,221
CURRENT LIABILITIES					
NET CURRENT ASSETS	1,597,715,114	2,508,502,622	3,422,018,256	4,335,533,889	5,213,866,221
FIXED ASSETS (NET DEP.)					
Motor Vehicle	52,500,000	45,000,000	37,500,000	30,000,000	22,500,000
Furniture & Fittings	11,156,250	9,562,500	7,968,750	6,375,000	4,781,250
Total Fixed Assets	63,656,250	54,562,500	45,468,750	36,375,000	27,281,250
TOTAL ASSETS	1,661,371,364	2,563,065,122	3,467,487,006	4,371,908,889	5,241,147,471
REPRESENTED BY:					
Equity	455,000,000	455,000,000	455,000,000	455,000,000	455,000,000
Retained Earnings	1,122,465,114	2,033,252,622	2,937,674,506	3,842,096,389	4,746,516,863
Loan	83,906,250	74,812,500	74,812,500	74,812,500	39,630,608
TOTAL	1,661,371,364	2,563,065,122	3,467,487,006	4,371,908,889	5,241,147,471

Annex 10: Loan Repayment

Seasonal loan												
* Interest Rate 18 % p.a.												
* Initial Period 6 months												
* Repayment : 3 Years												
DESCRIPTION												
Months	May	June	July	August	Sept	Oct	Nov	Dec	Jan	Feb	March	April
Opening Balance	83,866,250	83,866,250	83,866,250	75,479,625	67,093,000	58,706,375	50,319,750	41,933,125	33,546,500	25,159,875	16,773,250	8,386,625
Principal Repayment	-	-	8,386,625	8,386,625	8,386,625	8,386,625	8,386,625	8,386,625	8,386,625	8,386,625	8,386,625	8,386,625
Closing Balance	83,866,250	83,866,250	75,479,625	67,093,000	58,706,375	50,319,750	41,933,125	33,546,500	25,159,875	16,773,250	8,386,625	-
Interest	1,257,994	628,997	628,997	566,097	503,198	440,298	377,398	314,498	251,599	188,699	125,799	62,900
Loan repayment	1,257,994	628,997	9,015,622	8,952,722	8,889,823	8,826,923	8,764,023	8,701,123	8,638,224	8,575,324	8,512,424	8,449,525
Loan Servicing per annum				19,855,335				35,181,892				34,175,497





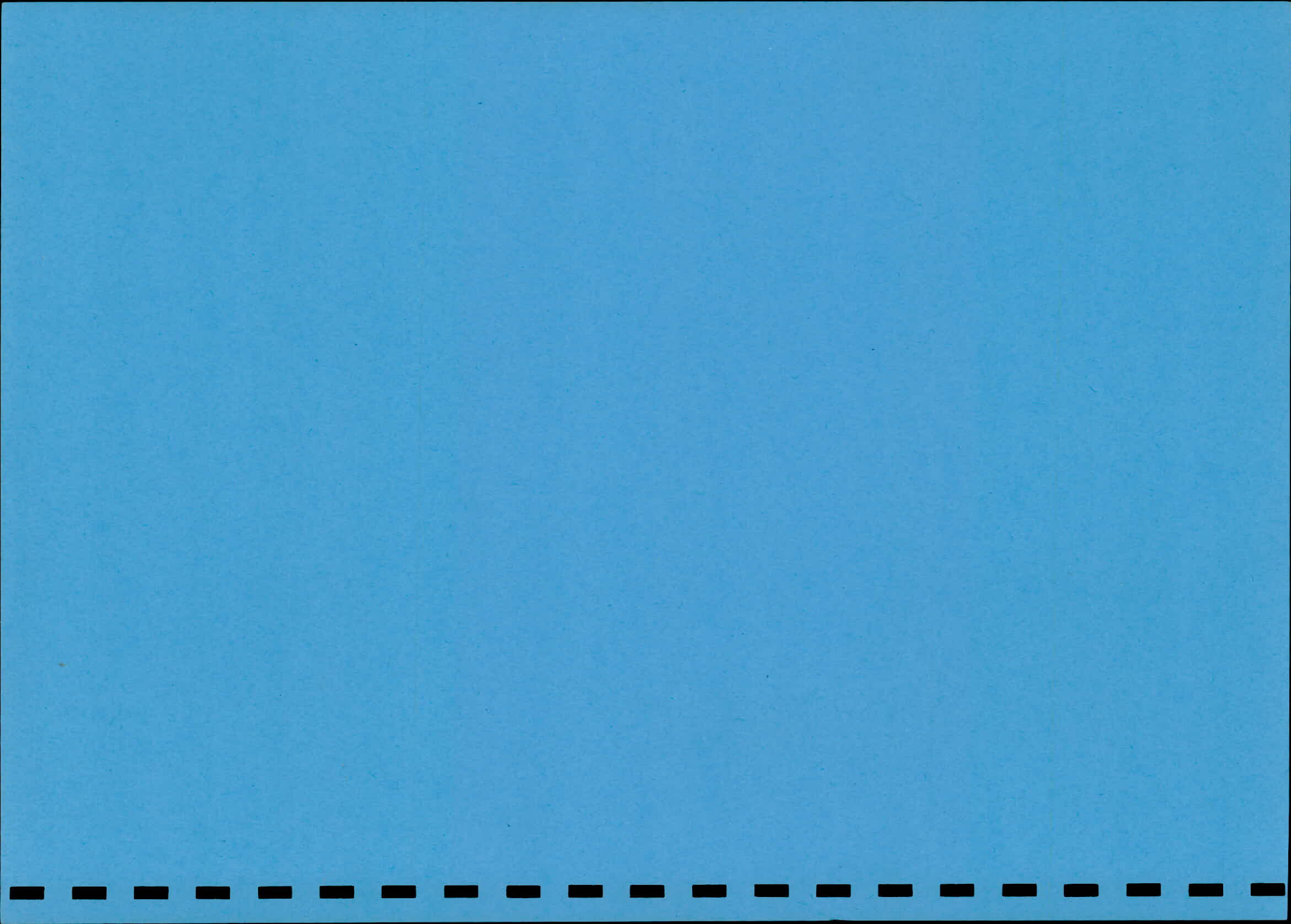
BUSINESS PLAN
FOR
AGRO-RAIN LIMITED



"We increase your profits in agriculture"

INCEPTION: 2010

AGRO-RAIN LIMITED
P.O. BOX 31589
KIJITONYAMA
DAR ES SALAAM



BUSINESS PLAN
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EXECUTIVE SUMMARY

Agro-Rain Limited is an agricultural engineering company that is geared towards promoting precision agriculture in Tanzania and the region through the provision of quality equipment, services and training for the efficient utilization of scarce resources, in an eco-friendly manner, whilst ensuring sustainable achievement of food security at all levels and shareholder satisfaction. The term agricultural engineering has been deliberately used as it is believed the untackled challenges faced by farmers are of this nature, i.e., irrigation, farm machinery and implements, farm structures and value addition techniques.

ARL will be predominantly engaged in the assembling of irrigation systems whilst developing its capacity to manufacture components of the irrigation systems.

The market for this business are the farmers who largely have been depending on natural rain, hence the name Ago-Rain Limited (ARL). ARL's market is going to constitute the entire strata of farmers (small scale, medium scale and large scale private). The greatest consumer is anticipated to be government through its accelerated irrigation development programme under the Kilimo Kwanza initiative.

The potential for the business is untapped and therefore positive. The rate of growth is what ARL will have to set boldly and pursue vigorously, this is mainly because of the existence of one player in the business, whose impact and significance is restricted to a small portion of the northern part of the country (Arusha and Moshi).

ARL projects P&L translation into a 30% IRR and Tshs.1.9 Billion NPV at 21% over five years on the Tshs.538,866,250/= investment.

ARL's funding requirements stand at Tshs.538, 866,250/= Financing of project activities is expected from shareholders, loans from bank and internally generated funds.

ARL has great potential and any wise investor knows this business will always be required. Its demand based foundation will drive it for a long time whilst technological advancement will keep it dynamic. The ROI is good and as such should be able to strike the right key with lenders.

1.0 INTRODUCTION

This plan introduces Agro-Rain Limited, it defines who we are, our plan and our expectations. Agro-Rain Limited is a brain child of four members (Salum Diwani, Harish Dhutia, Farida Karimjee and Ian Samakande). This company is aims to provide agricultural engineering services across the whole strata of farmers in Tanzania and the region for the sole purpose of improving livelihoods of farmers through the provision of affordable state of the art precision agriculture solutions. This solution gap is quite evident in Tanzania where only 1% of the potential irrigable has been developed for irrigation. Personal encounters with farmers have pointed to a knowledge gap of agriculture technologies that improve productivity on their farms. This knowledge gap has contributed significantly to slow uptake of improved farming techniques in the country. The absence of private sector players has also resulted in a slow growth of the sector and general monopoly of the business by one company.

1.1 General Information

Legal Name: Agro-Rain Limited

Directors: Salum Diwani, Harish Dhutia, Farida Karimjee and Ian Samakande

Main Office Address: Plot No. 81, Mikocheni Light Industrial Area, P.O. Box 31589, Kijitonyama, Dar es Salaam, Tanzania.

Telephone (Land): +255 22 2773338, 2773456

Telephone (Fax): +255 22 2773401

Telephone (Mobile): +255 767 669911

Email: info@agrorain.com or agrorain@gmail.com

Certificate of Incorporation: No.

Shareholders: Salum Diwani, Harish Dhutia, Farida Karimjee

Auditors: SMW Consultants

Legal Advisors: Vine Chambers Advocates

Bankers: Exim Bank Tanzania

2.0 DESCRIPTION OF THE BUSINESS

2.1 ARL's business

The business stems from a gap of knowledge within the agricultural sector. This is knowledge of precision agriculture techniques that result in increased farm productivity. This knowledge gap has been broadly classed under agricultural engineering but it can be split into specific intervention classes. For ARL, the quick entry point and the anticipated major income generator will be agricultural consultancy, irrigation and farm structures business. These three pillars are going to form the core of ARL's success as it redefines farming in Tanzania. Other business options will include farm machinery and equipment, farm power and fumigation services unit.

ARL was mooted as a division within Bytrade Tanzania Limited, a company that deals with seeds and agrochemicals. After further consideration, it was resolved that the irrigation division be a standalone company (Agro-Rain Limited) so that its capabilities can be easily monitored and redirected to suit the investors' expectations. The company is owned by four members who bring a wealth of exposure in starting up business and technical understanding of the business.

Name	Strength
Salum Diwani	Business development strategist and technocrat, strong network links and access to crucial platforms. He is also a commercial farmer with exposure to farming challenges in Tanzania
Harish Dhutia	Strong marketing and negotiating skills, excellent people skills and strong network
Farida Karimjee	Strong financial control, designer of effective control systems, excellent administrator
Ian Samakande	Agricultural engineer with exposure to the Tanzanian irrigation market. Excellent knowledge of market, good links with suppliers and clear on development strategies.

ARL will be housed physically at Plot No. 81, Mikocheni Light Industrial Area, P.O. Box 31589, Kijitonyama, Dar es Salaam, Tanzania. However its service provision will cover the entire country and in the near future, offices will be established in all the regions of great potential.

2.2 Products and Services

ARL will be a strong provider of agricultural consultancy, irrigation and farm structures. Agriculture consultancy in most cases has been restricted to review of the following parameters; inputs (seeds, fertilizers and chemicals), machinery (power tillers, tractors and implements) and access to markets. There has not been serious consideration of irrigation as an input to the farming business and in cases where irrigation has been considered, appropriateness and viability have not been put into the equation. ARL is in a

agronomic package that maximizes resource utilization, resulting in higher productivity. Irrigation in itself as a service to farmers is in short supply and in some cases, where it has been supplied not enough consideration has been put in the design process. ARL offers a unique service in that it is able to assess and plan in a participatory manner, thus involving the client in the design process and strengthening his/her knowledge of the system that is going to invest in. Efforts are made to ensure judicious utilization of energy for the sustainability of the project.

2.2.1 IRRIGATION PRODUCTS OFFERED BY ARL

2.2.1.1 Localized Irrigation Systems

Localized systems are irrigation systems that generally apply water within the immediate surroundings of the crop. In this class, we have drip, micro-jet and mini-sprinkler irrigation systems. Drip irrigation is the slow frequent application of water directly to the root zone. This technique ensures that the root zone is always near field capacity and hence crops do not have difficulty accessing water. Drip irrigation saves water, by 30 - 50%, it uses less water than conventional watering methods, such as sprinklers. This method of irrigation improves growth as smaller amounts of water applied over a longer amount of time provide ideal growing conditions. Drip irrigation extends watering times for plants, and prevents soil erosion and nutrient runoff. Also, because the flow is continuous, water penetrates deeply into the soil to get well down into the root zone. Because only a limited area is wetted, it discourages weeds growth since water is only delivered where it's needed. Drip saves time compared to sprinkler irrigation where one has to set and move sprinklers. Drip systems can be automated to include a timer for automatic watering and a fertigation system for application of soluble fertilizers. Since drip applies water directly to the root zone, there is no foliar contact; it therefore helps control fungal diseases, which grow quickly under moist conditions. Also, wet foliage can spread disease. The system is very adaptable, e.g., a drip irrigation system can be designed to accommodate wide variety of crops with different agronomic requirements. ARL is going to promote the adoption of technology in light of the challenges of energy and water that are prevalent in the country. Systems for different farm sizes and budget are available.

2.2.1.2 Sprinkler Irrigation Systems

Sprinkler irrigation simulates rainfall. This system applies water through small nozzles that release a fine spray jet above the crop canopy. This technology requires a significant amount of energy compared to other irrigation systems. Within sprinkler systems, there are options for fully portable system, semi-portable system, fixed system, rain guns, centre pivot systems and linear move systems. These systems have their appropriate applications depending on site conditions, farmer preference and budget. This technology finds

application to wide number of plants though the greatest advantage is realized on field crops such as cereals. ARL provides the whole spectrum of systems and has competent designers to support you in the management of your system.

2.2.1.3 Landscape Irrigation Systems

Landscape irrigation is essentially an application of the above systems but designed in such a way to provide aesthetic appeal or home, hotels and recreational facilities (sports fields and golf courses).

2.2.1.4 Water Storage Facilities

Water is a scarce resource and is now regarded as an economic good and not a mere social good. In light of such value bestowed upon it, having it is having value and having it entails one's ability to store and use it as efficiently as possible. Water storage facilities include elevated reservoirs, galvanized tanks, plastic tanks, collapsible tanks, concrete reservoirs and night storage dams and small earth dams. ARL commands expertise in the design/selection, installation and management of such storage facilities. These services are provided at affordable prices without compromising on quality and safety.

2.2.1.5 Environmental Control Products

ARL offers environmental control in crop production. This service includes design and installation of greenhouse structures, shade nets and tunnels. A greenhouse will allow the farmer to induce environmental conditions that ensure maximum crop performance regardless of the external environmental conditions. Through this technology, a farmer can chose when he/she wants to enter the market to realize best value, i.e. when supply is low and demand is high.

ARL is technically able to deliver on all spheres of irrigation technologies (drip, sprinkler, centre pivots). Our contingent of design engineers and technicians who are backed up (technically) by our suppliers' technical team, have the capacity to localize these technologies and thus be in a position to offer technical backup services. This competency ensures that our client's downtime due to equipment failure will be minimized. The agronomic packages that we will devise will be branded and where feasible into off the shelf DIY packages. These packages will be developed through a strong collaboration between engineers from ARL and agronomists from our sister company Bytrade. All products supplied by ARL are of high quality standards, with certification from International Standards bodies. The products are the outcome of applied research and are engineered to give the best performance for the harsh tropical climate.

3.0 MARKET ANALYSIS

There is no solid data to give a full understanding of the market. However, in terms of irrigation potential, the country has 29.4 million ha that is suitable for irrigation with 2.3million ha classified as high development potential and 4.8million ha is deemed to be of medium development potential. However, this data is not backed up by a review of the water resources and energy. The graph below shows the distribution of this potential across the country.

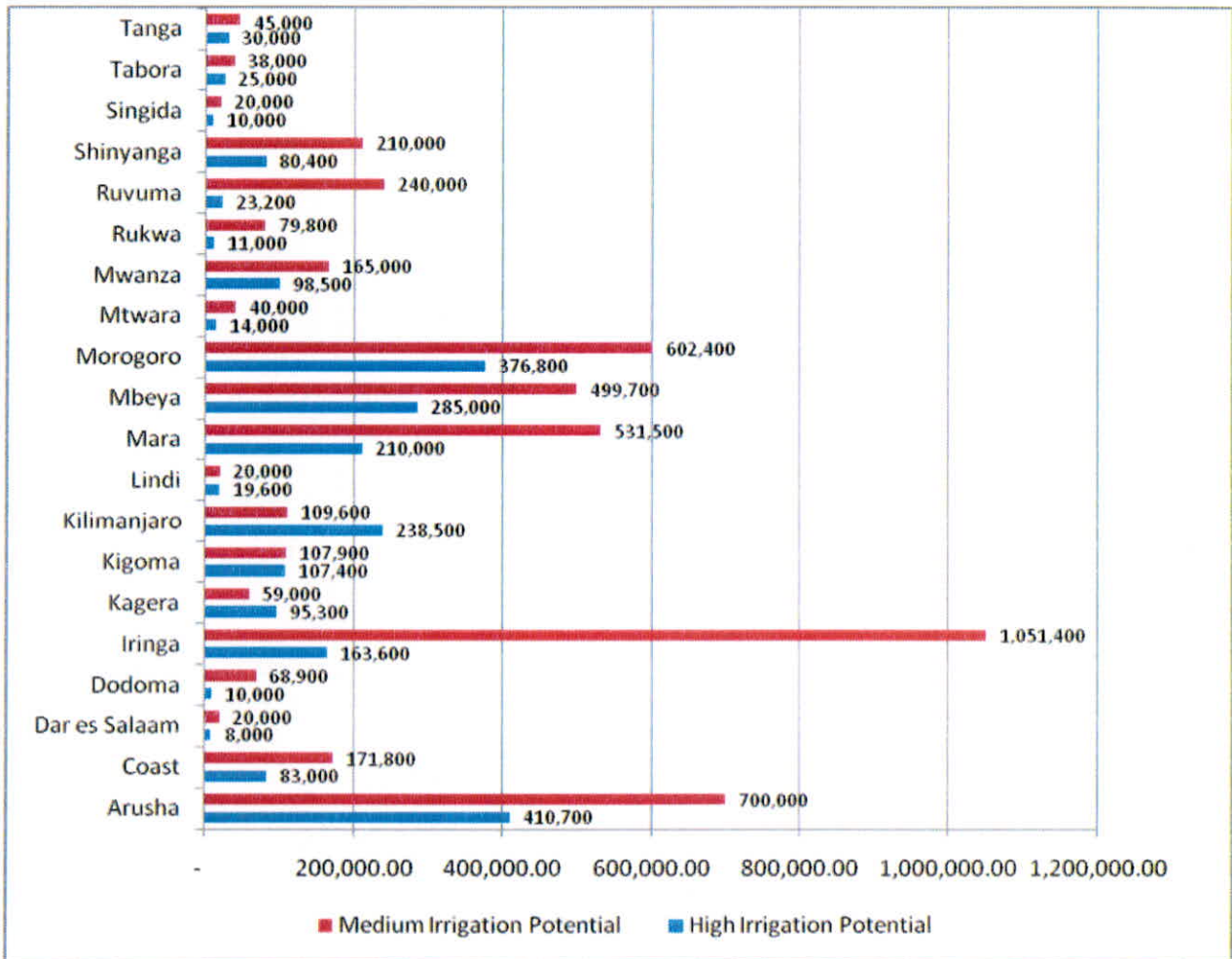


Figure 1: Graph of the spatial distribution of potential irrigable areas in Tanzania

A close analysis of the information above indicate irrigation scoring areas as Arusha, Morogoro, Mbeya, Kilimanjaro, Mara and Iringa. This shows the extent to which the market full capacity can be achieved. Literature from government source is not firm on the exact irrigated area to date but estimates can be between 310,000ha to 613,000ha of which according to the chart below, less than 10% of the area is under modern irrigation techniques. A bulk of the area under irrigation is under low efficiency irrigation methods and is mostly in the hands of smallholder farmers.

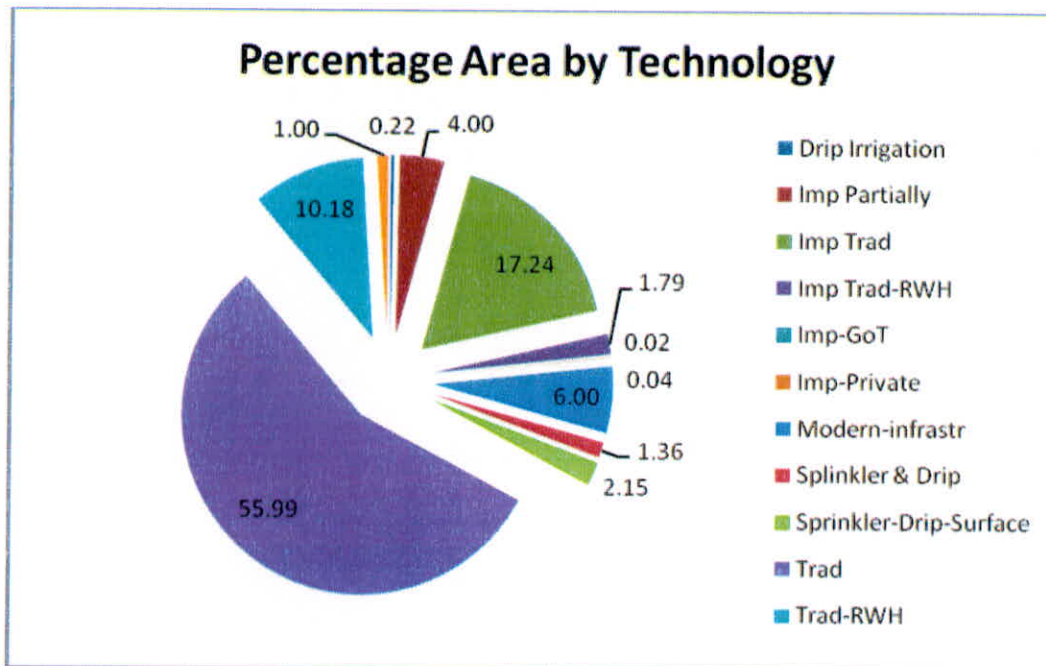


Fig 2: Percentage area by irrigation technology in place

Based on these two sets of data, there is both opportunity for growth within the perceived irrigated area and also outside the perceived irrigated area, towards achieving full irrigation potential.

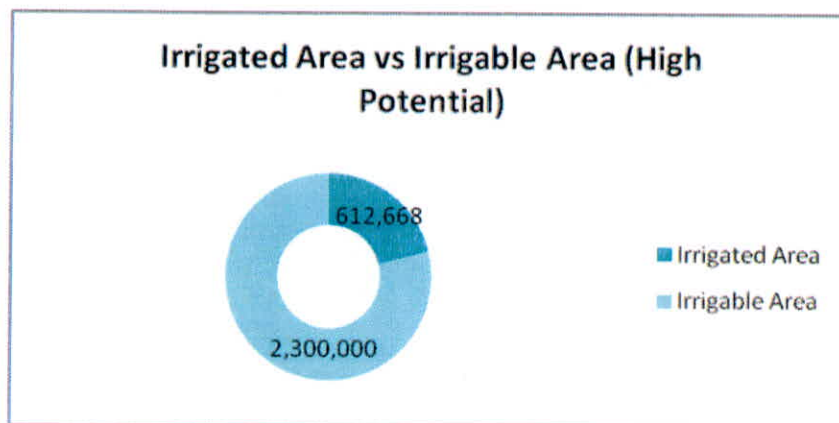


Fig 3: Irrigated area vs High Potential Irrigable Area

ARL intends in its year of inception to develop 500ha as new markets, i.e a turnover of Tshs.1, 875,000,000/=. This is going to be achieved by targeting specific crops and matching with the appropriate irrigation technology at the right scale. As an example, schemes in excess of 20ha will mostly fall under sprinkler irrigation (conventional and centre pivot), whilst areas below will be preferably under drip irrigation. The map below shows crop spatial distribution in the country. Matching

irrigation potential and crops, ARL will target areas like Morogoro, Iringa and Mbeya with the intention of making noise in an unclaimed territory and also making an impact on production levels achieved by our clients. Such areas need to be weaned from a mentality of waiting for rain and making them realize they can achieve double to triple cropping in one year.

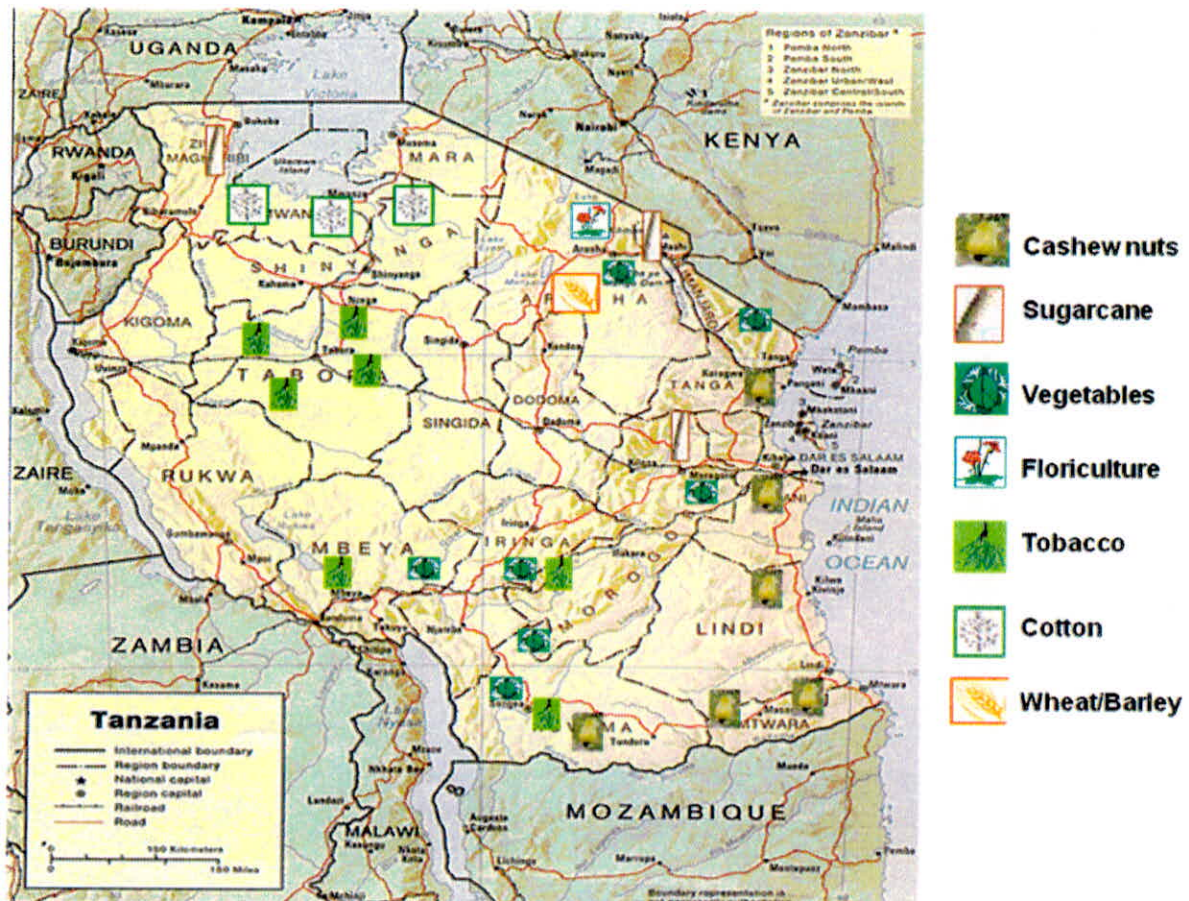


Fig 4: Spatial crop distribution across Tanzania

3.1 Competition in the Business

ARL is entering the market where others have been for the past 12 years. Balton Tanzania has been in control of this market for a long time and has been offering competitive products. Having a monopoly of the market has allowed them to grow and known in government circles as the sole irrigation services provider. Other players of significance

are external suppliers, mostly from South Africa. These have captured a greater part of the sugar and tea estates, mostly in the southern part of the country, where also Balton's presence is not significant. The argument presented by these big estates for sourcing from outside the country is that they lack confidence in local suppliers to deliver and provide back up. They have also highlighted steep prices from Balton Tanzania.

There are other small players who have basically been struggling to take off and have done mostly small projects with a 'hit and run' concept. These have failed to enter into big projects because of lack of capacity to hold stock and finance jobs which have a 30day lag period in payment (a scenario common to large estates).

Cognizant of these challenges, ARL is going in with both eyes opened and wit to tackle these weaknesses amongst current players. The anticipated response by our entry into the market is from Balton Tanzania. This company has made a name for itself within government though its monopoly in the same circles has been noted. Balton Tanzania has operations that include electro-mechanical (generators and air conditioning), agro-chemicals, seeds and fertilizers, and communication. This gives the company leverage and ability to extend credit, even at a higher risk, something the ARL would not want to delve into prematurely. Balton has the ability to hold stock, this allows the company to deliver 'on-call', whilst new players will be struggling to organize items to constitute their stock. Balton has experienced technicians who have developed their marketing and installation skills. With its huge fleet of cars, Balton can easily launch a massive marketing campaign in areas where we want to start making noise. The current market share is perceived as shown below.



Fig 5: Tanzania's irrigation market holding

3.2 Customers (existing & potential)

ARL is going to take an all embracing approach in the beginning as it spreads its name across the country. This is meant to quickly increase our customer database. Our clients are of three types;

- *Smallholder farmers:* This group has many clients requiring small units of even 1/8acre. At ARL we do not view them individually but collectively, a 1000 smallholder farmers each with 2acres translates to 2000acres (800ha) needing irrigation equipment and services.
- *Medium Scale farmers:* This is basically a breed of metropolitans who have decided to invest part-time into farming. Within this lot, are people with information on the advantages of irrigation but have no tangible conviction to invest in irrigation. This group is best convinced by field visits and tours before they can put down their money into the ground. These farmers have land holdings of between 10-200ha
- *Large Scale Farmers:* This group constitutes mostly well established famers who have not fully realized their irrigation potential. The challenge with this group of farmers is that they prescribe the technology they want, e.g., require specifically Valley centre pivot and not our Western centre pivot. These will require patience and conviction by comparison (giving them samples to try out on a limited area).
- *Large Scale Estates:* These are large conglomerates which subscribe to a particular school of technology. These are not very different from the former though these tend to be more exposed to the knowledge about other alternatives. Given the right quality and price, they can be swayed.

3.3 Distribution channels

ARL's distribution channels are going to trail where Bytrade has established offices. This network covers Tanzania very well and should give ARL an advantage over other companies in Tanzania. Initially, stocks are going to be held in Dar es Salaam and as the market grows, appropriate items will be made available at the regional offices.



4.0 COMPANY PHILOSOPHY

4.1 Our Mission

To be a world class provider of agricultural irrigation and engineering solutions through partnering with the farmer and other stakeholders to sustainably increase productivity at farm level in an environmentally friendly manner.

4.2 Our Vision

To become a regional leader in unlocking the region's irrigation and agricultural production potential through provision quality irrigation and agricultural products and services.

4.3 Our Values

- Our business functions are centred around the client
- Uncompromised professional delivery of solutions to the client
- Constant contact with the interface of change that ushers new ideas and technologies.
- Commitment to quality and timeliness of delivery
- Effective communication with our employees and clients.

4.4 Employee Mission Statement

It is my responsibility as an employee of Agro-Rain Limited to keep myself healthy, both mind and spirit, so that I may bring as much energy and intelligence possible to my job every day. I am dedicated to remaining educated regarding the products

4.5 Objectives

1. To increase market share up to 25% by June 2010
2. To increase market share by up to 40% by December 2010
3. To develop a range of products to even out cash flow patterns for ARL
4. To develop in-house manufacturing capability for irrigation components by 2012
5. To develop agronomic services capability immediately
6. To promote employee growth by understanding potential and nurturing it.

5.0 MARKETING

5.1 ARL Customers

As indicated earlier, ARL is going to be all embracing, extending its arms as its client base increases. Our tentacles that will reach out to our clients will be well defined in such a way that they are specific to the requirements of client classes. Our clients will be mostly farmers and the government of Tanzania. Other clients will include, consultants and contractors. Most consulting firms have no irrigation expertise and sometimes they get projects with an irrigation component. This they have to sublet to ARL if we make them aware of our presence and our expertise. Contractors can come and buy some of their requirements from us, since we will be holding an array of quality items in stock. Our farmers will be classed based on the scale of their operation and the irrigation technology adopted. This information will be detailed in a database with the following fields.

Table 4: Example of ARL client classification

ARL Client Database							
Name and Contact	Region/District	Farm Size (ha)	Crops	Irrigation System (Area)	Water Source	Energy Source	Financing
Mr. I. Wanna Farm Tel:0713784767 Email: ifarm@farm.co.tz	Morogoro Kilosa	500	Maize, Soya beans, Wheat, Mangoes	Centre Pivot (80) Sprinkler (150) Drip (20)	Dam, River, Borehole	TANESCO , Generator	Land bank

5.2 ARL Competitors

Competition in this country is not significant as only one brand name (NETAFIM) is dominating the market. This has been promoted by Balton Tanzania, who are the official agents for Netafim Israel. Netafim are the pioneers and masters of drip irrigation systems in the world. However, the amount of technical investment they have put into their products has made their products to be commercially unsound. For ARL which is bringing in the competition in the form of (NaanDanJain, Irritec and Siplast), we have price as a quick entry point into the market. The competition for irrigation pipes and fittings is in the hands of two manufacturing giants (Plasco and Simba plastics). These have adequately serviced the Tanzanian market and as such, ARL will not enter into importation and manufacture of pipes. Should a client specify a particular brand name, then ARL will oblige, otherwise local products of good quality and affordable price are available.

ARL Competition			
Competitor's Name	Product Line	Market Share	Competitors Response to ARL
Balton Tanzania (Dar es Salaam and Arusha)	Irrigation (drip and sprinkler systems), greenhouses, farm machinery and implements	Major shareholder estimated at 73%	-capacitate marketing strategy and team, -Play foul by offering non profitable low prices -Give equipment on attractive credit terms
Hangs Agro Industrial Ltd. (Dar es Salaam)	Irrigation systems, agro chemicals, machinery, farm implements, fertilizers, water drilling, fumigation and agro consultancy	Unknown and has no known projects to date. Shareholding assumed insignificant.	-None expected
Kilimo Investments Ltd. (Dodoma)	Drip irrigation and sprinkler systems	Has covered Iringa and Mbeya regions but has not worked on any major projects. Market share estimated at 1%.	-Enforce hold on farmers in Dodoma and Iringa
Agricultural Provider and General Merchandise	Drip irrigation, water harvesting, consultancy for	Has tried to promote family drip kits but has been depending mostly	-None expected

Co. Ltd (Dar es Salaam)	agricultural projects, suppliers of agro-inputs, implements and general equipment	on Kenya. Has since shifted focus to consultancy on Irrigation planning for government. Market share, insignificant.	
Nabaki Africa (Dar es Salaam)	Shrub, greenhouse and lawn irrigation	Emphasis on landscaping. They are mostly into supply and not project implementation. Market share estimated at 1%	-Strengthen their technical portfolio on irrigation to cover also farm irrigation.
Rousham Engineers Tanzania Co. Ltd. (Dar es Salaam)	Sprinkler, drip irrigation, farm and garden implements, side-rolls and centre pivots. Soil testing, designing and installation services and supply of agro-chemicals	Trouble company that had made significant strides in marketing. Implemented a few drip irrigation projects before shrinking. Market share @ 4%	-Bring in new expert to drive the company
Irri-Sol Ltd (Dar es Salaam)	Sprinkler, drip, side-roll and centre pivot irrigation systems, greenhouse and farm machinery and implements	Fly by night attempt into the business. No significant marketing done. Market share can be considered to be insignificant.	-Bring in new expert to drive the company
South African Companies	Centre pivot systems, semi-portable galvanized systems, sprinklers, pumps and drip.	Have command on large estates and hence control major projects. Share estimate at 20%	-Offer lower prices by reducing margins -Team up with ARL and grant it distributor and contractor status.
Kenyan Companies	Greenhouses and drip irrigation	Mostly in Arusha and Moshi.	-Offer lower prices by reducing margins
Overseas players	Drip irrigation and water storage	These overseas clients receive information through internet and they sometimes look for local representation. Market share is estimated at 1%	-Team up with ARL and grant it distributor and contractor status.

5.3 ARL Collaborators

ARL Collaborators	
Collaborator's Name	Product Line
Plasco Ltd	uPVC and HDPE pipes and fittings
Simba Plastics	uPVC and HDPE pipes and fittings
Davis and Shirtliff	Pumps, engines and generators
EFAM	Pumps, engines and generators
Merry Water	Pumps, engines and generators

5.4 Market Size and Growth Rate

The market in Tanzania as alluded to earlier can only be defined in terms of the volume of irrigation development that has taken place. Its growth also can only be defined by the area earmarked for development and by the targets ARL sets for promotion of certain agronomic packages to the private sector. Based on this premise, it is important to look at ARL's own capacity to develop irrigation in the country versus the area the nation has set as a target. Getting this data will involve strong liaison with the ministry and an indication to the ministry that ARL is available as a competent service provider of irrigation equipment and services. To date, of the 1,000,000ha that was set by government in its 5year development plan, 25% has been achieved and this is inclusive of a wide spectrum of technologies with surface irrigation gravity systems on rice dominating this growth. Using this as a measure, one can assume an annual market growth rate of 5%. However, it will be worth noting that challenges leading to such a below mark achievement have not been adequately articulated in the context of trying to qualify the annual gap of 15%. Also this has been averaged over 5years and thus 5% may not necessarily typify the norm or the stabilized growth rate. Work needs to be done to source more information from ministry on their exact plans for the next 5years. It is worth noting that this above growth rate does not include private sector players, whose impact on irrigation development is not well documented. Estates like TPC Limited in Moshi, Kilombero Sugar Company, Unilever Tea and Kagera Sugar have irrigation development plans some of which are simple upgrading from one system to another.

5.5 ARL Product Uniqueness

ARL products are world class products as much thought and consideration on quality is emphasized when sourcing from overseas suppliers. Our products have been tested at specialized laboratories for irrigation and have also stood the test of time in other countries. The appropriateness of the technologies we offer makes them very acceptable to a wide range of consumers. Our knowledge of the technical profiles of the products we sell makes it easy for us to generate an appropriate solution for our clients. Our close contact with the farmer, results in participatory derivation of solutions and input by the client into technological modifications that are unique to specific conditions.

6.0 MARKETING STRATEGY

The following outlines the fundamental marketing principles and tries to align Agro-Rain Limited to these principles, in a bid to capture significant market share.

The following are the tools

- **Price:** Current situation shows that market shares about 78% of the market is dominated by Balton Tanzania Ltd. Agro-Rain Limited plans to use *affordable price (reasonably lower than competitor) for supply and installation of irrigation equipment of high quality. Delivery time will be minimized, especially on equipment importation and project implementation.* The company will use low service charge for clients during the time of visit the site, a disturbance fee of 120,000/= will be applied and this will be backed by a reconnaissance report explaining the technical feasibility of the project. Provision of different designs with different prices will be developed for clients to choose from. The company will charge 50-60% of the total cost of the project before implementation. Free oral consultation for best irrigation system, economic aspects on how to invest with low cost and earning high profit will be done for office inquires.

Agro-Rain Ltd is going to accommodate all kind of clients starting from small scale to large scale farmers. All these are possible for the company because of having designing capacity for a wide range of irrigation systems.

- **Product:** - Agro-Rain Ltd products are of high quality and impressive performance. The company will sell some of the products for demonstration on easy terms so that our products are known on the market. Components and fittings are going to be distributed to existing projects in bid to create awareness that our products can adequately substitute those already on the market. There will be a need to create stock to gear the company for market response to our products.
- **Place:** - Currently the company is focused to start with five regions which are Coast Region, Morogoro, Dodoma, Iringa and Mbeya. The purpose of selecting these places is because there are some of clients who showed the interest of doing business with the company. Agro-Rain Ltd is ready to go anywhere so long as there is a business. In long plan, Agro-Rain Ltd plans to go in different areas for sensitization of use and important of irrigation.
- **Promotion:**-For promotion, the following standard promotional techniques will be used;
 - Adverts
Agro-Rain will use news papers (all the advert of the company will appear on the right page because it is easy to be seen), television, radio and promotional gear such as T-shirts, hats, pens, umbrellas and wheel covers. Company logos stickers will also be produced for use on our project sites to vindicate our presence. E-advertising will also be done through our website

and registering ourselves with prominent irrigation companies as a credible local dealer and contractor.

Personal sell

The marketers with a technical appreciation of what they are selling, will go out to individual farmers and encourage them to buy from us, credible technology that will bring profit to their farming enterprise.

Publicity

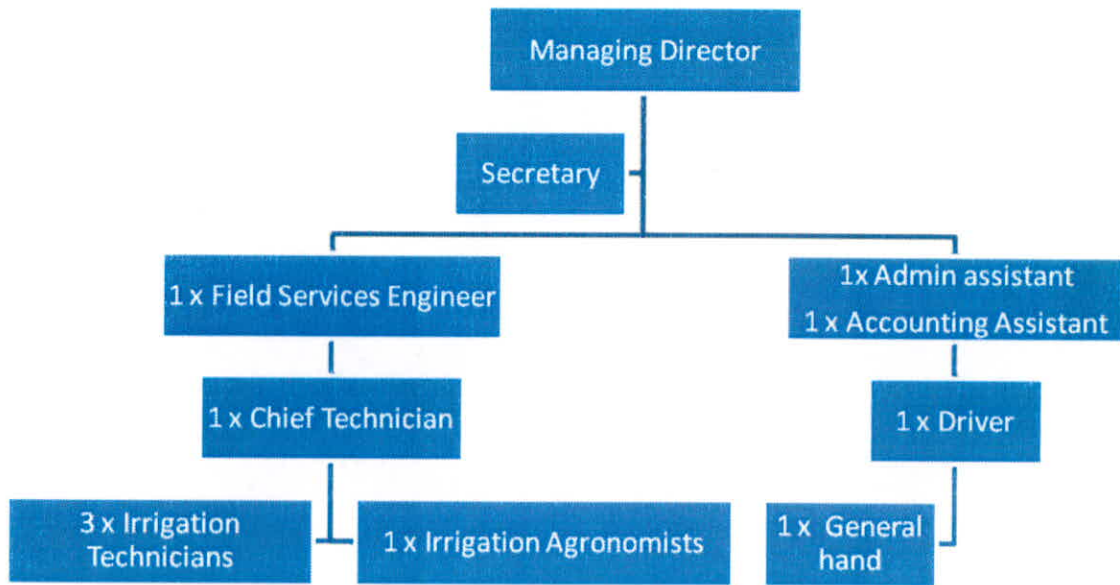
Agro-Rain Ltd will attend different trade shows, agricultural show (maonyesho ya kilimo nane nane), World Water Week (wiki ya maji). These big show platforms will be loud and geared towards inviting policy makers to take sides with us in bringing change to agriculture. Agro-Rain can also take advantage of seminar platforms to make presentations on the importance of our services to the farmers as the country campaigns to improve agriculture productivity.

6.1 Marketing plan

- Market research
- Segmentation and targeting
- Detailed outline of the product or service
- Unique selling points
- Chosen pricing strategy
- Promotional plans
- Distribution strategy (including online)
- Customer service strategy

7.0 ARL ORGANISATION STRUCTURE

ARL is going to adopt the following organogram;



Title	Role	Qualification	Grade
Managing Director (MD)	To design, develop and implement the strategic plan for the company in the most cost effective and time efficient manner. To safe guard shareholder interests and guarantee Rol	BSc. Ag. Eng, experience at management level.	E1
Field Services Engineer (FSE)	To design and supervise installation of irrigation projects, general site management is liaison with the Chief Technician. To carry out marketing for the company and generate business	BSc. Ag. Eng/Irrigation/Civil, knowledge of irrigation design	D5
Chief Technician (CT)	To implement designs approved by FSE and MD, appraise the FSE on project progress and challenges To carry out marketing for the	Dip. Civil/Irrigation plus experience in project management	D1

	company and generate business		
Irrigation Technician (IT)	To implement projects under supervision of the CT To carry out marketing for the company and generate business	Dip. Irrigation/Civil/Survey	C5
Irrigation Agronomist (IA)	To carry out marketing for the company and generate business To advise and provide extension services to clients for the sole purpose of increasing client confidence in our systems	Dip. Agriculture (crops)/Horticulture	C5
Administration Assistant (AA)	To run all administrative errands, clearing of goods, management of stock	Dip. Admin	C3
Accounting Assistant (AcA)	To keep company books in check for purposes of auditing, taxes and production of financial reports	Dip. Acc	C3
Secretary (Sec)	To run a clean office, properly filing documents, monitoring running files, maintain the MD's diary.	Dip. Sec (VETA)	B5
Driver (Dr)	To run company errands, drive technicians, equipment to site.	VETA	B2
General hand (GH)	To keep the office environment clean and safe, serve teas at set time/upon request	O level	B1

- **Training**

On the job training will be provided by ARL for new graduates. Selection for training in India and Israel will be on a competitive basis and will also have a bearing on an employee's grade. This on the job training will have a bearing on our contribution to capacity building of irrigation expertise in the country.

- **Rewards (financial & non-financial)**

Employees will be awarded a commission for meeting set and agreed targets. Excelling employees will be recognized through "employee of the year" awards, which will be a culmination of successful consistent performance as indicated by quarterly performance reviews.

7.1 Labour relations

Employees at ARL have the freedom of association as provided for by the laws of the country. ARL will reserve the right to regard any misinterpretation of the provisions of this law as an act of misconduct with a dismissal penalty. Employees will have the platform to air their grievances through the grievance procedures outline in the company's code of conduct (a document formulated in consultation with the Employment and Labour Relations Act No. 6 of 2004). ARL upholds the fundamental core rights of; prohibition of child labor, prohibition of forced labor, prohibition of discrimination in the workplace, prohibition of discrimination in trade unions and employer associations and freedom of association.

8.0 FINANCIAL PROJECTIONS

Annex 1-10 give details of the financial analysis of the business.

Annex 1: Investment and financing plan

	Equity	Loan	Total
Plant	255,750,000.00	43,760,000.00	299,510,000.00
Motor vehicle	60,000,000.00	34,000,000.00	94,000,000.00
Utilities	7,200,000.00		7,200,000.00
Renting house	16,200,000.00		16,200,000.00
Furniture and Fittings	12,750,000.00	6,106,250.00	18,856,250.00
Sub-total	351,900,000.00	83,866,250.00	435,766,250.00
Pre operational cost	45,000,000.00		45,000,000.00
Sub-total	45,000,000.00		45,000,000.00
Working capital	58,100,000.00		58,100,000.00
Sub-total	58,100,000.00		58,100,000.00
Grand total	455,000,000.00	83,866,250.00	538,866,250.00

Annex 2. Depreciation Cost

Item	Initial Value	Rate	Method	Year 1	2	3	4	5
Motor Vehicle								
Opening Balance	60,000,000.00	0.13	Straight line	60,000,000.00	52,500,000.00	45,000,000.00	37,500,000.00	30,000,000.00
Allowance				7,500,000.00	7,500,000.00	7,500,000.00	7,500,000.00	7,500,000.00
Closing Balance				52,500,000.00	45,000,000.00	37,500,000.00	30,000,000.00	22,500,000.00
Furniture & Fittings								
Opening Balance	12,750,000.00	0.13	Straight line	12,750,000.00	1,593,750.00	1,593,750.00	1,593,750.00	1,593,750.00
Allowance				1,593,750.00	1,593,750.00	1,593,750.00	1,593,750.00	1,593,750.00
Closing Balance				11,156,250.00	9,562,500.00	7,968,750.00	6,375,000.00	4,781,250.00
Total Depreciation				20,250,000.00	9,093,750.00	9,093,750.00	9,093,750.00	9,093,750.00
Total Net assets				54,093,750.00	46,593,750.00	39,093,750.00	31,593,750.00	24,093,750.00

Annex 3: Annual and Monthly Production Costs

Monthly Production Costs													
Description	Month												Total
	May	June	July	August	Sep	Oct	Nov	Dec	Jan	Feb	March	Apr	Tshs.
Cost: in millions													
Manager salary	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	90.00
Marketing	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	84.00
Utilities	7.20	7.20	7.20	7.20	7.20	7.20	7.20	7.20	7.20	7.20	7.20	7.20	86.40
Supervisor	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80	21.60
Casual Labourers	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	15.00
Total Cost	24.75	24.75	24.75	24.75	24.75	24.75	24.75	24.75	24.75	24.75	24.75	24.75	297.00

Annual Production Costs

Description	YEAR				
	2010	2011	2012	2013	2014
Cost: in millions					
Manager salary	90.00	90.00	90.00	90.00	90.00
Marketing	84.00	84.00	84.00	84.00	84.00
Utilities	86.40	86.40	86.40	86.40	86.40
Supervisor	21.60	21.60	21.60	21.60	21.60
Casual laboures	15.00	15.00	15.00	15.00	15.00
Total Cost	297.00	297.00	297.00	297.00	297.00

Annex 4. Working Capital

Item	2010	2011	2012	2013	2014
Stocks:					
Drip lines	12,000,000.00	12,000,000.00	12,000,000.00	12,000,000.00	12,000,000.00
Sprinklers	15,580,000.00	15,580,000.00	15,580,000.00	15,580,000.00	15,580,000.00
Pivot accessories	34,590,000.00	1,780,000.00	1,780,000.00	1,780,000.00	1,780,000.00
Cash	11,930,000.00	11,930,000.00	11,930,000.00	11,930,000.00	11,930,000.00
Total Working Capital	74,100,000.00	41,290,000.00	41,290,000.00	41,290,000.00	41,290,000.00
Change in Working Capital		32,810,000.00	32,810,000.00	32,810,000.00	32,810,000.00

Annex 5: Projected Revenues

Product	Unit	Price
Drip irrigation	Ha	10,522,500
Sprinkler irrigation	Ha	8,452,500
Center Pivot	Ha	4,875,000
Consultation service	Hr	350,000

Sales Analysis

	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Total
Drip irrigation													
Sale			25,000,000			37,500,000			50,000,000			37,500,000	150,000,000
Number of Clients			3			3			3			3	12
Sprinkler irrigation													
Sale				12,500,000			12,500,000			25,000,000			50,000,000
Number of Clients				3			3			3			9
Center pivot													
Sale		25,000,000				68,750,000				68,750,000			162,500,000
Number of Clients		6				6				6			18
Consultation service													
Sale			625,000		625,000		625,000				625,000		2,500,000
Number of Clients			12		12		12				12		48

Annex 6: Income Statement

Description	Year				
	2,010	2,011	2,012	2,013	2,014
Revenue:					
Total revenue	1,598,125,012	1,598,125,012	1,598,125,012	1,598,125,012	1,598,125,012
Operational cost	297,000,000	297,000,000	297,000,000	297,000,000	297,000,000
Gross profit	1,301,125,012	1,301,125,012	1,301,125,012	1,301,125,012	1,301,125,012
Less capital charges:					
Depreciation	20,250,000		9,093,750	9,093,750	9,093,750
Interest expenses	5,346,473				
Profit before tax	1,275,528,538	1,301,125,012	1,292,031,262	1,292,031,262	1,292,029,248
Tax 30%	153,063,424	390,337,503	387,609,378	387,609,378	387,608,774
Net profit	1,122,465,113	910,787,508	904,421,883	904,421,883	904,420,473
Retained earnings	1,122,465,113	2,033,252,622	2,937,674,505	3,842,096,389	4,746,516,862

Annex 7: Annual and Monthly Cashflow Statement

Annual Cash Flow Statement

DESCRIPTION	YEAR				
	2010	2011	2012	2013	2014
Cash inflows					
Equity	455,000,000				
Loan	83,866,250				
Profit before capital charges	1,301,125,012	1,301,125,012	1,301,125,012	1,301,125,012	1,301,122,998
Total Cash Inflows	1,839,991,262	1,301,125,012	1,301,125,012	1,301,125,012	1,301,122,998
Cash Outflows					
Investment					
Fixed Assets					
Initial Working Capital	74,100,000				
Corporate Tax	153,063,425	390,337,504	387,609,379	387,609,379	387,608,774
Loan repayment	89,212,723			-	35,181,892
Total Cash Outflow	316,376,148	390,337,504	387,609,379	387,609,379	422,790,666
Net Cash flow	1,523,615,114	910,787,508	913,515,633	913,515,633	878,332,332
Commulative cash flow	1,523,615,114	2,434,402,622	3,347,918,256	4,261,433,889	5,139,766,221

Monthly Cashflow Statement

Description	Month												Year
	December	January	February	March	April	May	June	July	August	Septem	October	November	1
Cash inflow:													
Cash equity	455,000,000												455,000,000
Bank loan	83,866,250												83,866,250
Sales revenue	-	150,000,000	75,625,012	37,500,000	7,500,000	525,000,000	45,000,000	-	150,000,000	487,500,000	7,500,000	112,500,000	1,598,125,012
Total Cash Inflow	538,866,250	150,000,000	75,625,012	37,500,000	7,500,000	525,000,000	45,000,000	-	150,000,000	487,500,000	7,500,000	112,500,000	2,136,991,262
Cash outflow:													
Operational Cost	24,750,000	24,750,000	24,750,000	24,750,000	24,750,000	24,750,000	24,750,000	24,750,000	24,750,000	24,750,000	24,750,000	24,750,000	297,000,000
working Capital	74,100,000												74,100,000
Loan Repayment	1,257,994	628,997	9,015,622	8,952,722	8,889,823	8,826,923	8,764,023	8,701,123	8,638,224	8,575,324	8,512,424	8,449,525	89,212,723
Tax												153,063,425	153,063,425
Total Cash outflow	100,107,994	25,378,997	33,765,622	33,702,722	33,639,823	33,576,923	33,514,023	33,451,123	33,388,224	33,325,324	33,262,424	186,262,949	613,376,148
Net cash flow	438,758,256	124,621,003	41,859,390	3,797,278	(26,139,823)	491,423,077	11,485,977	(33,451,123)	116,611,776	454,174,676	(25,762,424)	(73,762,949)	1,523,615,114
Accum.cash flow	438,758,256	563,379,259	605,238,650	609,035,927	582,896,105	1,074,319,182	1,085,805,159	1,052,354,035	1,168,965,812	1,623,140,488	1,597,378,063	1,523,615,114	1,523,615,114

Annex 8: Discounted Cashflow

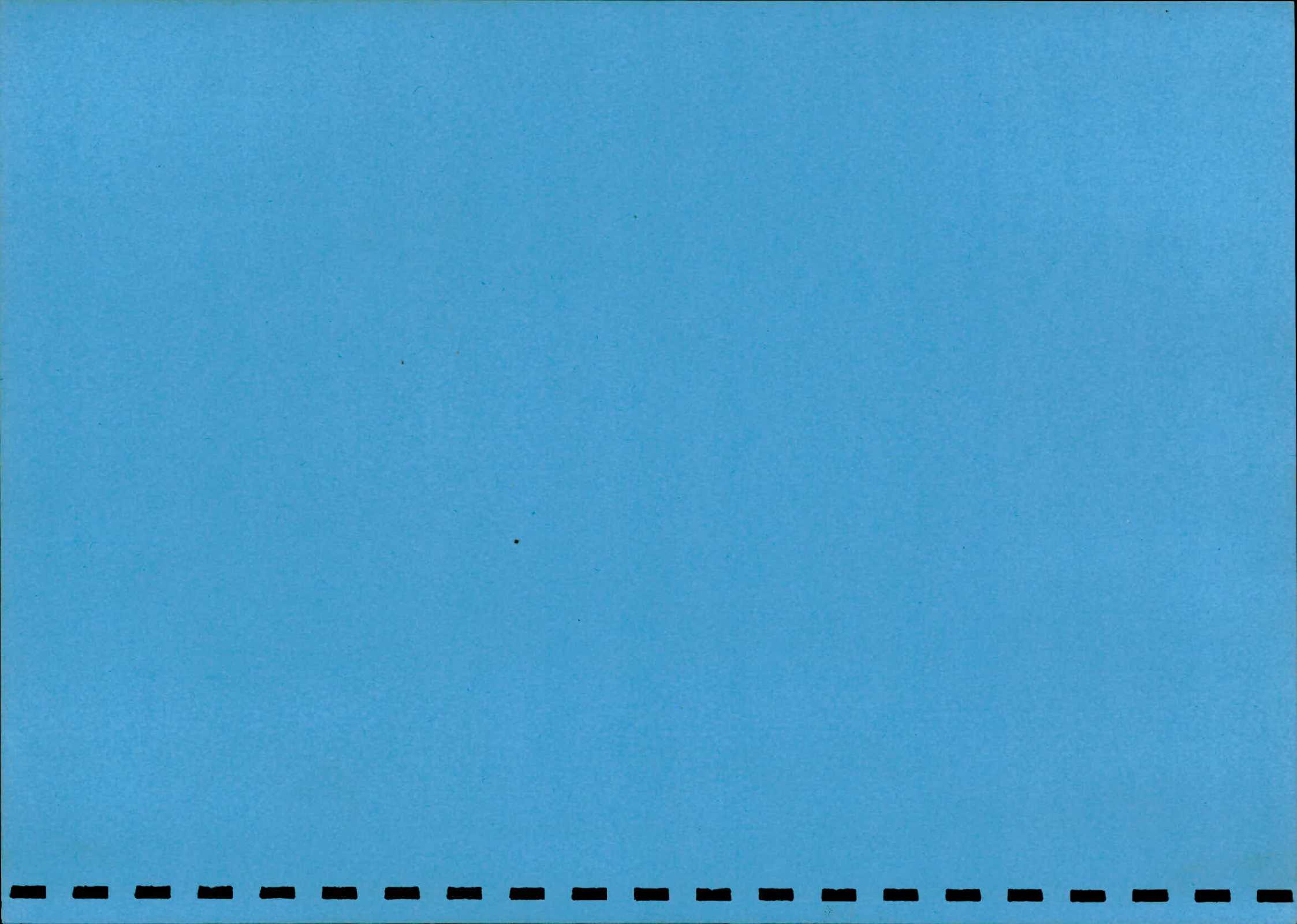
DESCRIPTION	Year				
	2010	2011	2012	2013	2014
Inflows					
Profit After Tax	1,122,465,114	910,787,508	904,421,883	904,421,883	904,420,474
Depreciation	20,250,000	-	9,093,750	9,093,750	9,093,750
Residual Working Capital				41,290,000	41,290,000
Total Inflows	1,142,715,114	910,787,508	913,515,633	913,515,633	913,514,224
Outflows					
Additional Investment	435,766,250				
Working capital	74,100,000	74,100,000	74,100,000	74,100,000	74,100,000
Loan repayment	16,773,250	33,546,500	-	-	-
Total Outflows	526,639,500	107,646,500	74,100,000	74,100,000	74,100,000
Net Cashflows	616,075,614	803,141,008	839,415,633	839,415,633	839,414,224
NPV at 21%	1,923,131,345				
IRR	0.3				

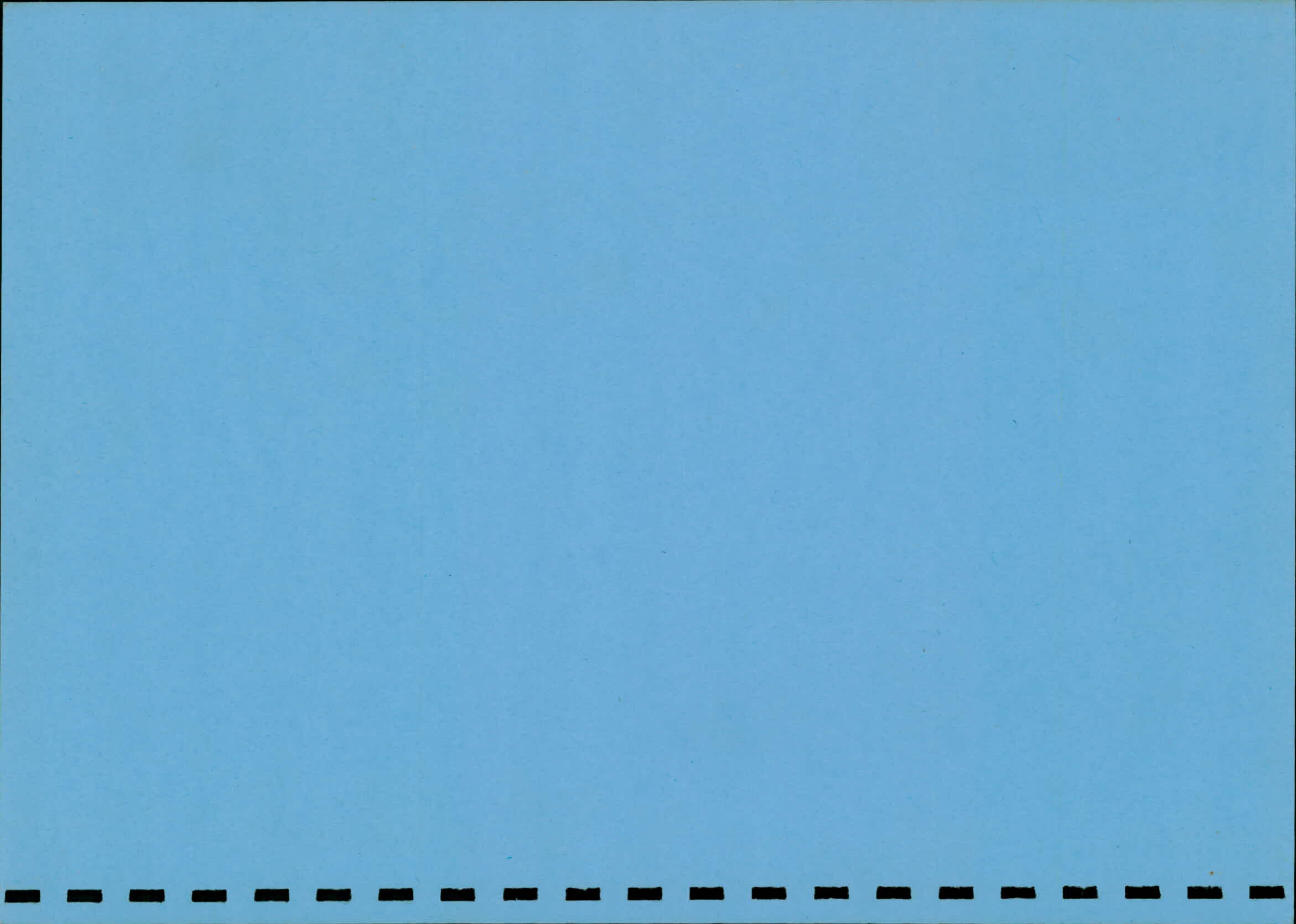
Annex 9: Balance Sheet Projections

Year	2010	2011	2012	2013	2014
CURRENT ASSETS					
Cash	1,523,615,114	2,434,402,622	3,347,918,256	4,261,433,889	5,139,766,221
Working Capital	74,100,000	74,100,000	74,100,000	74,100,000	74,100,000
Total Current Assets	1,597,715,114	2,508,502,622	3,422,018,256	4,335,533,889	5,213,866,221
CURRENT LIABILITIES					
NET CURRENT ASSETS	1,597,715,114	2,508,502,622	3,422,018,256	4,335,533,889	5,213,866,221
FIXED ASSETS (NET DEP.)					
Motor Vehicle	52,500,000	45,000,000	37,500,000	30,000,000	22,500,000
Furniture & Fittings	11,156,250	9,562,500	7,968,750	6,375,000	4,781,250
Total Fixed Assets	63,656,250	54,562,500	45,468,750	36,375,000	27,281,250
TOTAL ASSETS	1,661,371,364	2,563,065,122	3,467,487,006	4,371,908,889	5,241,147,471
REPRESENTED BY:					
Equity	455,000,000	455,000,000	455,000,000	455,000,000	455,000,000
Retained Earnings	1,122,465,114	2,033,252,622	2,937,674,506	3,842,096,389	4,746,516,863
Loan	83,906,250	74,812,500	74,812,500	74,812,500	39,630,608
TOTAL	1,661,371,364	2,563,065,122	3,467,487,006	4,371,908,889	5,241,147,471

Annex 10: Loan Repayment

Seasonal loan												
* Interest Rate 18 % p.a.												
* Initial Period 6 months												
* Repayment : 3 Years												
DESCRIPTION												
Months	May	June	July	August	Sept	Oct	Nov	Dec	Jan	Feb	March	April
Opening Balance	83,866,250	83,866,250	83,866,250	75,479,625	67,093,000	58,706,375	50,319,750	41,933,125	33,546,500	25,159,875	16,773,250	8,386,625
Principal Repayment	-	-	8,386,625	8,386,625	8,386,625	8,386,625	8,386,625	8,386,625	8,386,625	8,386,625	8,386,625	8,386,625
Closing Balance	83,866,250	83,866,250	75,479,625	67,093,000	58,706,375	50,319,750	41,933,125	33,546,500	25,159,875	16,773,250	8,386,625	-
Interest	1,257,994	628,997	628,997	566,097	503,198	440,298	377,398	314,498	251,599	188,699	125,799	62,900
Loan repayment	1,257,994	628,997	9,015,622	8,952,722	8,889,823	8,826,923	8,764,023	8,701,123	8,638,224	8,575,324	8,512,424	8,449,525
Loan Servicing per annum				19,855,335				35,181,892				34,175,497





THE COMPANIES ACT, 2002
COMPANY LIMITED BY SHARES

MEMORANDUM

AND

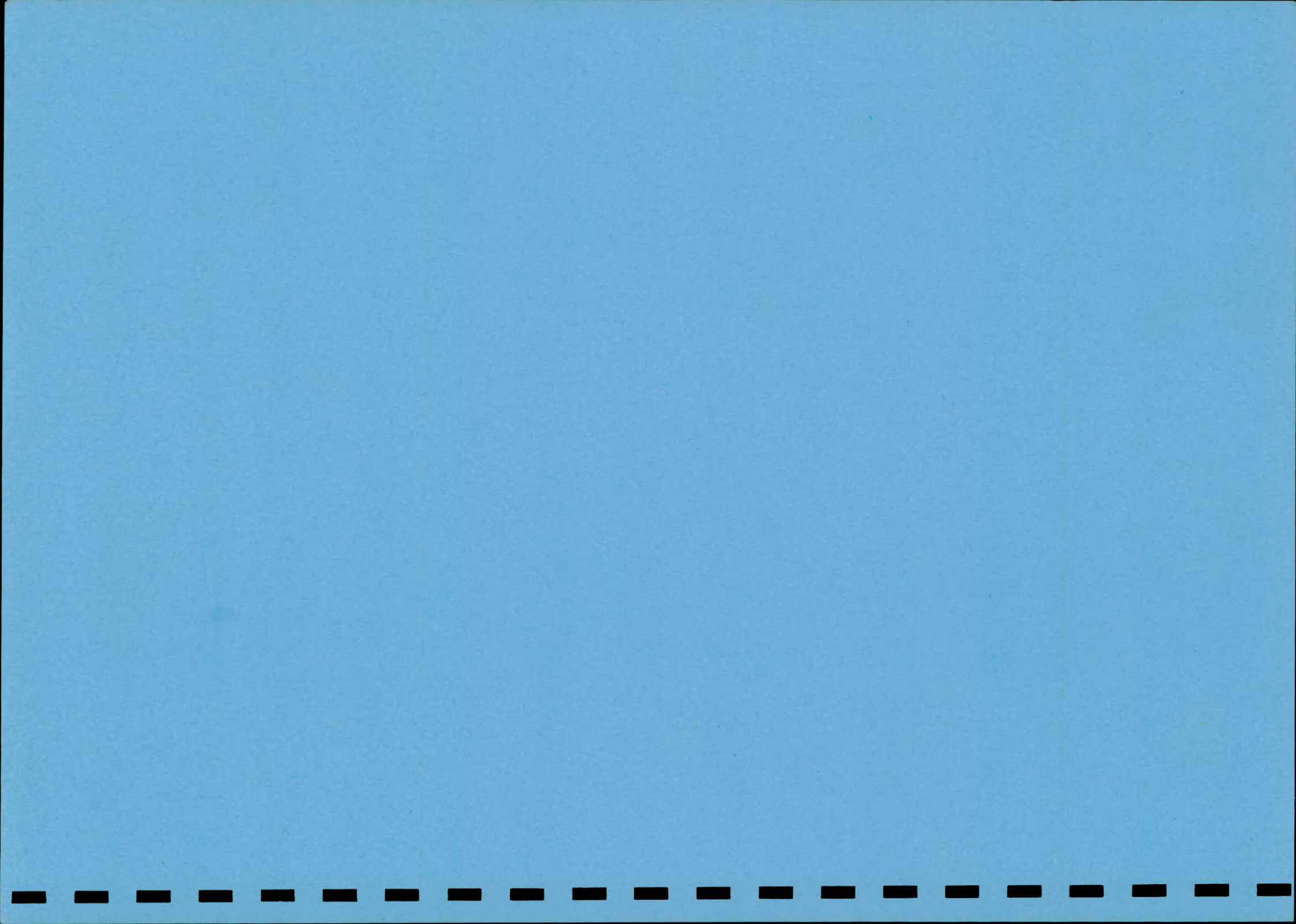
ARTICLES OF ASSOCIATION

OF

AGRO-RAIN LIMITED

Incorporated at thisday of.....2009

DRAWN BY:
HARISH J. DHUTIA
(SUBSCRIBER)
P.O. BOX 2506
DAR ES SALAAM.



THE COMPANIES ACT, 2002
COMPANY LIMITED BY SHARES

MEMORANDUM

AND

ARTICLES OF ASSOCIATION

OF

AGRO-RAIN LIMITED

Incorporated at thisday of.....2009

DRAWN BY:
HARISH J. DHUTIA
(SUBSCRIBER)
P.O. BOX 2506
DAR ES SALAAM.

THE COMPANIES ACT, 2002
COMPANY LIMITED BY SHARES
MEMORANDUM OF ASSOCIATION
OF
AGRO-RAIN LIMITED

3282/4/11/09
S282/4/11/09
[Signature]

3282/4/11/09
S282/4/11/09
[Signature]

1. The name of the company "AGRO-RAIN LIMITED"
2. The Registered office of the Company will be situated in Tanzania.
3. The objects for which the Company is established are:-
 - (a) To carry on the business of importation, distribution and manufacturing of green-house structures, shed nets, propagation tunnels and related accessories.
 - (b) To carry out the business of importation, distribution and manufacturing of storage bins, grain silos and elevator pits.
 - (c) To carry on the business of importation, distribution and manufacturing of agricultural machineries, implements, solar panels, windmills and related products.
 - (d) To carry on the business of agricultural advisory services, consultancy and training.
 - (e) To carry on the business of importation, distribution, installation and manufacturing of irrigation systems, equipments and replacement parts.
 - (f) To carry on the business of importers, exporter and distributors of all kinds of chemicals, pesticides, insecticides, fungicides, herbicides, solvents and allied products.
 - (g) To carry on the business of importers, exporters, manufacturers of dealers in and distributing agents for all kinds of surgical, pharmaceuticals and/or related items, auto-car care products, cosmetics, packing materials, laboratory equipments, clinical apparatus, diagnostic equipments, medical equipments, hospital furniture and health care products.
 - (h) To carry out, promote or sponsor, research in the manufacture processing use and marketing of chemicals and chemical products and in any other aspect of the chemical industry and allied industries; by agreement acquire and hold interest in any undertaking enterprises or project associated with the development of the chemical industry.
 - (i) To promote the development of the chemical industry in Tanzania: to conduct or engage in the business of manufacturers, processors exporters and importers of chemicals pharmaceuticals and other chemical products; to participate in sponsor or encourage the establishment, development or expansion of the chemical industry and allied industries.
 - (j) To manufacture, produce, refine, process, formulate, mix or prepare or otherwise acquire invest in own hold use lease mortgage pledge buy sell exchange deistribute assign transfer or

otherwise dispose of trade deal in and import or export all classes and kinds of agricultural chemicals industrial chemicals, specialty chemicals, petro chemicals and all classes and kinds of chemicals.

- (k) To carry on the business of chemists, druggists dry-salters out and colourmen importers and exporters and manufacturers of and dealers in pharmaceutical medicinal chemical products inorganic and organic synthetic or natural industrial household insecticides fertilizers disinfectants detergents and cosmetics.
- (l) To carry on the business of import, export, manufacture, dealers, distributors of consumer products, chemicals, acids, salts, fertilizers, oils, colours, varnishes, in wholesale or retail all kinds of surgical and scientific appliances and apparatus, dealers in dental equipments, hearing aids and other aids for the relief of defects of body.
- (m) To transact every kind of agency business, marketing laboratory equipments, glassware, surgical instruments, laboratory solutions, reagents, to manufacture, pack, brand and distribute to hospitals, schools, universities.
- (n) To hold, sell, let on lease, alienate, mortgage or otherwise dispose of all or any such lands, property, tenements or hereditaments or such part or parts thereof as may be considered expedient.
- (o) To develop and turn to account any land acquired by or in which the Company is interested and in particular by laying out and preparing the same for building purposes, and by constructing, re-constructing, altering, improving, decorating, furnishing and maintaining offices, flats, houses, factories, warehouses, shops, buildings works and conveniences of all kind, and by consolidating or connecting and sub-dividing properties and by leasing and disposing of the same.
- (p) To engage in and carry out the exportation from Tanzania of timber and wood products of any type whatsoever marketing of said timber and wood products throughout Tanzania, reprocessing, grading and preservation of timber and wood products. The promotion and exportation of lesser known lesser known timber species, marketing research and promotion of timber and products within Tanzania and throughout the world and any business conducive or incidental thereto.
- (q) To carry on business as manufacturers of and dealers in furniture, plywood, wood carvers, joiners, carpenters, turners, wheel wrights carriers, haulers, stevedores, builders, shop and office outfitters, and general contractors.
- (r) To acquire by any means the whole or any part of the assets and to undertake the whole or any part of the liabilities, of any person carrying on or proposing to carry on any business which the Company is authorized to carry on which can be carried on in connection therewith, or to acquire an interest in amalgamate or enter into any arrangement for sharing profits or for cooperation or for limiting competition or for mutual assistance, with any such person and to give or accept, by way of consideration for any of the acts or things aforesaid of property acquired, and shares, whether fully or partly paid up, debentures, or other securities or rights that may be agreed upon.

- (s) To acquire and hold shares or other interest in or securities of any other company and otherwise invest and deal with the moneys of the Company.
- (t) To lent money or give credit to such terms as may seem expedient, and in particular to customers and other having dealing with the Company.
- (u) To draw, make accept, endorse, discount, execute and issue promissory notes, bill of exchange, bill of lading, warrants, debentures and other negotiable or transferable instruments.
- (v) To apply for, promote and obtain any state, charters, privileges, concessions licenses or authorization of any government, state or municipality or other authority for enabling the company to carry any of its objects into effect or for extending any other purpose which may seem expedient, and oppose actions, steps, proceedings or applications which may seem calculated directly or indirectly to prejudice the interests of the company of its members.
- (w) To enter into any arrangement with any government or authorities supreme, municipal, local or otherwise, or any corporations, companies, or person that may seem conducive to company's objects or any of them, and to obtain from any such government, authority, corporation, company or persons any character contracts, decrees rights, privileges and concessions which the company may think desirable and to carry out, exercise, and comply with any such character, contracts, decrees, rights privilege and concessions which the company may think desirable and to carry out, exercise, and comply with any such characters contracts decrees, rights, privileges and concessions.
- (x) To establish maintain or procure the establishment and maintenance of any person or superannuation funds (whether contributory or otherwise) for the benefit of, and to give or procure the giving of donations, gratuities, pensions, allowances and emoluments to any person who are or were at any time in employment or service of the company, or of any company, of any company which is a subsidiary or any of the predecessors of the company of any such other company aforesaid, and the wives, widow, families and dependants of any, such person, and to establish, subsidies and subscribe to any institutions, associations, societies clubs and funds calculated to for the benefit of, or to advance the interest and well being of the company or other company as aforesaid, or of any such persons as aforesaid, and to make payments for and to subscribe or guarantee money for charitable or benevolent objects, or for any matters aforesaid either alone or in connection with any other company as aforesaid.
- (y) To carry on the business of planters, growers, cultivators, horticulturalists, agriculturists, market gardeners, agriculturalist and buyers and exporters added value goods, concentrates, semi processed part-processed and processed goods, refined products of animal, vegetable , mineral flora and fauna origin; to prepare, preserve, process, cure blend refine, manufactured, raw or other state, either by wholesale or retail, in such manner as to promote development in the economy of the country and infrastructure.
- (z) To issue and deposit any securities which the Company has power to issue by was of mortgage or secure any such sum less than the nominal amount of such securities, and also by way of security for the performance of any contract or obligations of the Company or of its customers or of any other company or person having dealings with the company, or in whose business or undertaking the company is interested.

- (aa) To apply for, purchase, or otherwise acquire and protect and renew in any part of the world any patent, patent rights, brevets d'invention, trade marks, designs, licenses, concession, and the like, conferring any exclusive or non-exclusive or limited rights to their use, or any secret or other information as to any invention which may seem capable of being used for any of the purposes of the company, or the acquisition of which may seem calculated directly or indirectly by to benefit the company, and to use, exercise, develop, or grant licenses in respect of, or otherwise turn to account the property, rights or information so acquired, and to expend money in experimenting upon, testing or improving any such patent, inventions or rights.
- (bb) To borrow or raise or secure the payment of money by bank overdraft, mortgages, or by the issue of debentures or debenture stocks, perpetual or otherwise, or in such other manner as the Company shall deem fit, and for the purposes aforesaid or for any other lawful purpose to charge all or any of the company's property or assets, present and future, including its uncalled capital, and collaterally or further to secure any securities of the company by a trust deed or other assurance.
- (cc) Company shall deem fit, and for the purposes aforesaid or for any other lawful purpose to charge all or any of the Company's property or assets, present and future, including its uncalled capital, collaterally or further to secure any securities of the Company trust deed or other assurance
- (dd) To buy, sell, otherwise dispose of and to deal in any real or personal property and any stocks, funds shares, and securities of every description, on commission or otherwise, or to act as agent for any of the above or the like purposes.
- (ee) To establish and maintain branches and agencies for the purposes of the Company in any part of Tanzania or elsewhere and from time to time to discontinue and regulate the same.
- (ff) To purchase or otherwise acquire the undertaking and/or any of the goodwill, business property, and liabilities of any other company, or of any partnership or person carrying on any business which the Company is authorized to carry on, or which may seem to the Board of Directors of the Company to be calculated, directly and indirectly, to benefit the Company, and to pay for the same in cash or by bills or shares in the Company, or otherwise.
- (gg) To grant pensions, allowance, gratuities, bonuses to offices, ex-officers, employees of ex-employees of the Company or the dependants of such person, to establish and maintain or concur in establishing and maintaining trusts, funds or schemes (whether contributory or non-contributory) with a view to providing pensions or other benefits for any such persons as aforesaid and their dependants and to institute and maintain any club or other establishment for the benefit of the Company's employees.
- (hh) To subscribe to or otherwise and benevolent charitable national or other institutions or object of a public character.
- (ii) To purchase take on lease or otherwise acquire for the purpose of the Company any estates lands buildings easements or other interest in real estate and to sell let on leas or otherwise dispose of or grant rights over any real property belonging to the Company.

- (jj) To purchase or otherwise acquire erect maintain reconstruct and adapt any building works plant and machinery and other things found to be necessary or convenient for the purposes of the Company.
- (kk) To sell, improve, manage, develop, turn to account, exchange, let on rent, share profits or otherwise grant licenses, easements and other rights in respect of and in any other manner deal with or dispose of the undertaking of the Company or any part thereof, or all or any of the property for the time being of the Company, and for any consideration whether in cash or in shares (fully or partly paid) debentures, debenture stock or other interest in or securities of any company or otherwise.
- (ll) To amalgamate with any other company whose objects are or include objects similar to those of the company whether by sale or purchase (for fully or partly paid shares or otherwise) of the undertaking subject to the liabilities of the Company or any such other company as aforesaid with or without winding up or by purchase (for fully or partly paid shares or otherwise) of all or a controlling interest in shares or stock of any such other company or in any other manner.
- (mm) To register the Company, if the Directors should so think fit, in any other Country in Africa or elsewhere, and to take such other steps as may be necessary to give the Company so far as may be the same rights and privileges abroad as are possessed by local companies or partnerships of a like character, and to promote and obtain any Act of Parliament or similar authority of any foreign government for the purposes of the Company's objects.
- (nn) To pay the costs, charges and expenses preliminary and incidental to the promotion, formation establishment and registration of the company both in Tanzania or elsewhere, and to remunerate any persons, company or association, for services rendered, or to be rendered for.

And it is hereby declared that:-

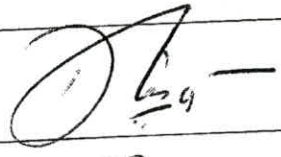

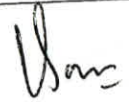

The word "company" in this clause, except where used in reference to this Company, shall be deemed to include any partnership or other body of persons, whether corporate or incorporate, and whether domiciled in the United Republic of Tanzania or elsewhere.

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

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

4. The Liability of the Members is Limited.
5. The capital of the Company is Shillings 100,000,000/= divided into 10,000 shares of Shillings 10,000/= each. The Company shall have powers to increase its capital and to divide the shares in its capital for the time being into several classes of stock or shares and to attach thereto respectively such preferential, deferred or special rights, privileges, or conditions as may be determined by or in accordance with the Articles of Association of the Company.

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

NAMES, ADDRESSES, AND DESCRIPTION OF SUBSCRIBERS	NUMBER OF SHARES TAKEN	SIGNATURE
HARISH JAMNADAS DHUTIA P.O. BOX 2506 DAR ES SALAAM.	30	
SALUM ABDALLAH DIWANI P.O. BOX 9451 DAR ES SALAAM.	30	
IAN SAMAKANDE P.O. BOX 79013 DAR ES SALAAM.	30	
FARIDA ABBAS KARIMJEE P.O. BOX 3491 DAR ES SALAAM.	10	

Dated at ArM this 27 day of Nov 2009

Witness to the above signatures

Name : _____
 Signature : _____
 Postal Address : _____
 Qualification : _____



THE COMPANIES ACT, 2002
COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
AGRO-RAIN LIMITED

INTERPRETATION

1. In these articles:-

"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 deemed to be given and the day for which it is given or on which it is to take effect;

"the seal" means Common Seal of the Company;

"Secretary" shall mean any person appointed to perform the duties of Secretary of the Company;

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

Unless the context otherwise requires, words or expressions contained in these articles shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these articles become binding on the company.

PRIVATE COMPANY

2. The Company is a 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 (exclusive of persons who are in the employment of the Company and of persons who, having been formerly in the employment of the Company, were while in such employment to be the Members of the Company) is limited to fifty. PROVIDED THAT where two or more persons hold one or more shares in the Company jointly, they shall, for the purpose of this Article, be treated as a single Member,
- (c) Any invitation to the public to subscribe for any shares or debentures is prohibited.
- (d) The Company shall not have power to issue share warrants to bearer.

MEMBERS

3. The number of members with which the company proposes to be registered is four (4) but the directors may from time to time register an increase of members.
4. The subscribers to the memorandum of association and such other persons as the directors shall admit to membership shall be members of the company.

GENERAL MEETINGS

5. 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 notice 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.

Provided that so long as the company holds its first annual general meeting within eighteen months of its incorporation, it need not hold it in the year of its incorporation or in the following year. The annual general meeting shall be held at such time and place, as the directors shall appoint.

6. All general meetings other than annual general meetings shall be called extraordinary general meetings.
7. The directors may, whenever they think fit, convene an extraordinary general meeting, and extraordinary general meetings shall also be convened on such requisition, or in default, may be convened by such requisitionists, as provided by section 133 of the Act. If at any time there are not within the Tanzania sufficient directors capable of acting to form a quorum, any director or any two members of the company may convene an extraordinary general meeting in the same manner as nearly as possible as that in which meeting may be convened by the directors.

NOTICE OF GENERAL MEETINGS

8. Every general meeting shall be called by twenty-one clear days' notice in writing at the least. The notice shall specify the place, the day and hour of meeting and, in case of special business, the general nature of that business:

Provided that a meeting of the company shall, notwithstanding that it is called by shorter notice than that specified in this article be deemed to have been duly called if it so agreed:-

- (a) in the case of a meeting called as the 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 representation not less than ninety - five percent of the total voting rights at that meeting of all the members.
9. Subject to the provisions of the articles, 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 omission to give notice of a meeting to, or the non receipt to notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

PROCEEDINGS AT GENERAL MEETINGS

10. All business shall be deemed special that is transacted at an extraordinary 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, balance sheets, and the reports of the directors and auditors, the election in the place of those retiring and the appointment of, and the fixing of the remuneration of the auditors.
11. 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.
12. If within half an hour from the time appointed for the meeting quorum is not present, or if during the course of a meeting a quorum is not 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 and at such other time and place as the directors may determine.
13. 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 members to be chairman of the meeting and, if there is only one director and willing to act, he shall be chairman.
14. 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 a chairman of the meeting.
15. 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 notice of the adjourned meeting shall be given specifying the time and place of the meeting and the general nature of the business to be transacted. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
16. 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 demand:-
 - (a) by the chairman; or
 - (b) by at least (three) members present in person or by proxy; or
 - (c) by any member or members present in person or by proxy and representing not less than one – tenth of the total voting rights of all the members having the right to vote at the meeting.

Unless a poll be so demanded a declaration by the chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost and an entry to the effect in the book containing the minutes of proceedings of the company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

The demand for a poll may, before the poll is taken, be withdrawn

17. Except as provided in article 18, if a poll is duly demand 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 demand.
18. 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 second or casting vote.
19. A poll demanded on the election of a chairman, or on a question of adjournment, shall be taken immediately. A poll demanded on any other question shall be taken either immediately or at such time as the chairman of the meeting directs, and any business other than upon which a poll has been demanded may be proceeded with pending the taking of the poll.
20. 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 duly convened and held, and consist of several instruments in the like form each executed by or on behalf of one or more member.

VOTE OF MEMBERS

21. Every member shall have one vote.
22. A member in respect of whose estate a manager has been appointed under section 26 of the Mental Diseases Ordinance, may vote, whether on a show of hands or on a poll, by his said manager, and any such manager may, on a poll, vote by proxy.
23. No member shall be entitled to vote at any general meeting unless all moneys presently payable by him to the company have been paid.
24. On a poll votes may be given either personally or by proxy.
25. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorized in writing, or, if the appointer is a corporation, either under sea) or under the hand of an officer or attorney duly authorized. A proxy need not be a member of the company.
26. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office of the company or at such other place within the Territory as is specified for that purpose in the notice convening the meeting, not less than 48 hours before the time for holding the meeting of adjourned meeting at which the per son named in the instrument proposes 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 in default the instrument of proxy shall not be treated as valid.

27. An instrument appointing a proxy shall be in the following form or a form as near hereto as circumstances admit:-

" Limited
I/We of, being a member/ members of the above –
named company, hereby appoint, of or failing him
..... of, as my/our proxy to vote for me/us on my/or behalf
at the {annual or extraordinary, as the case maybe} general meeting of the company to be held
on theday of200....., and at any
adjournment thereof.
Signed this day of,200"

28. 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 near thereto as circumstances admit:-

" Limited
I/Weof Being a member/members of the above named
company, hereby appoint ofof or failing him of
....., as my/our proxy to vote for me/us on my/our behalf at the {annual or extraordinary,
as the case may be} general meeting of the company to be held on theday
of.....200....., and at any adjournment thereof.
Signed this day of,200"

This form is to be used* in favour of/against the resolution. Unless otherwise instructed, the proxy will vote as he thinks fit.

*Strike out which ever is not desire"

29. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
30. 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 of the authority of the person voting or demanding a poll unless notice of the determination was received by the company at its registered office (or at such other place at which the instrument of proxy was duly deposited) before the commencement of the meeting or adjourned meeting at which the proxy is used.

CORPORATIONS ACTING BY REPRESENTATION AT MEETINGS

31. Any corporation which is a member of the company may be resolution of its directors or other governing body authorize such person as it thinks fit to act as its representative at any meeting 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.

DISQUALIFICATION OF DIRECTORS

40. The office of director shall be vacated if the directors:-
- (a) Without the consent of the company in general meeting holds any other office of profit under the company; or
 - (b) Becomes bankrupt or makes any arrangement or composition with his creditors generally; or
 - (c) Ceases to be a director by virtue of any provision of the Act or becomes prohibited by law from being a director; or
 - (d) Becomes of unsound mind; or
 - (e) Resigns his office by notice in writing to the company; or
 - (f) Is directly or indirectly interested in any contract with the company and fails to declare the nature of his interest in manner required by the Act.

A director shall not vote in respect of any contract in which he is interested or any matter arising thereat, and if he does so vote shall not be counted.

41. The company may by ordinary resolution appoint a person who is willing to act as director to fill a vacancy or be an additional director.
42. The directors may appoint a person who is to act to be a director, either to fill a vacancy or as an additional director, but so that the total number of directors shall not at anytime exceed the number fixed by or in accordance with these articles. Any director so appointed shall hold office only until the next following annual general meeting, and shall then be eligible for re-election.
43. The company may by ordinary resolution, of which special notice had been given in accordance with section 144 of the Act, remove any director before the expiration of his period of office notwithstanding anything in the article or any agreement between the company and such director. Such removal shall be without prejudice to any claim such director may have for damages for breach of any contract of service between him and the company.
44. The company may by ordinary resolution appoint another person in place of a director removed from office under the immediately preceding article. Without prejudice to the powers of the directors under article 40 the company in general meeting may appoint any person to be a director either to fill a vacancy or as an additional director.
45. 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 directors. It shall not be necessary to give notice of a meeting of directors to any directors who are absent from Tanzania.
46. The quorum necessary for the transaction of the business of the directions may be fixed by the directors, and unless so fixed shall be two.

47. The continuing directors may act notwithstanding any vacancy but, if and so long as their number is reduced below the number fixed by or pursuant to the articles of the act for the purpose of increasing the number of directors to that number, or summoning a general meeting of the company, but for no other purpose.
48. 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 at 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 members to be chairman of the meeting.
49. The directors may delegate any of their powers to any committee consisting of one or more directors; any committees so formed shall in the exercise of the powers so to any such regulations, the proceedings of a committee with two or more members shall be governed by the articles regulating the proceedings of directors so far as they are capable of applying.
50. All act 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 that 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 valid as if every such person had been duly appointed and was qualified and had continued to be a director and was entitled to vote.
51. A resolution in writing signed by all the directors entitled to receive notice of a meeting of the directors, or of a 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 duly convened and held, and may consist of several documents in the like form each signed by one or more directors.

SECRETARY

52. 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.
53. A provisions of the Act or these articles 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

54. The seal shall only be used by the authority of the directors or of a committee of the directors authorized by the directors. 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.

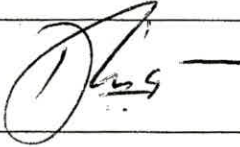



55. The directors shall cause proper books of account to be kept with respect to:-
- (a) all sums of money received and expended by the company and the matters in respect to which the receipt and expenditure takes place;
 - (b) all sales and purchase of goods by the company; and
 - (c) the assets and liabilities of the company.

Property 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 air view of the state of the company's affairs and to explain its transactions.

56. The books of account shall be kept at the registered officer 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.
57. No member shall (as such) have 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.
58. The directors shall from time to time in accordance with sections 153,155 and 150 of the Act, cause to be prepared and to be laid before the company in general meeting, such profit and loss accounts, balance sheets, group accounts (if any) and reports as are referred to in those sections.
59. In accordance with section 164 of the Act, the copy of the company's annual accounts to be laid before the company in general meeting together with a copy of the directors' report and the auditors 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 debentures.

AUDIT


60. Auditors shall be appointed and their duties regulated in accordance with sections 170 to 179 of the Act.
61. 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 either personally or by sending it by post in a prepared envelope 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, prepaying, 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 an address within the Tanzania at which notices may be given him shall be entitled to have notices given to him at that address, but otherwise no such member shall be entitled to receive any notice from the company.

NAMES, ADDRESSES, AND DESCRIPTION OF SUBSCRIBERS	NUMBER OF SHARES TAKEN	SIGNATURE
HARISH JAMNADAS DHUTIA P.O. BOX 2506 DAR ES SALAAM.	30	
SALUM ABDALLAH DIWANI P.O. BOX 9451 DAR ES SALAAM.	30	
IAN SAMAKANDE P.O. BOX 79013 DAR ES SALAAM.	30	
FARIDA ABBAS KARIMJEE P.O. BOX 3491 DAR ES SALAAM.	10	

Dated at Dsm this 27th day of Nov 2009

Witness to the above signatures

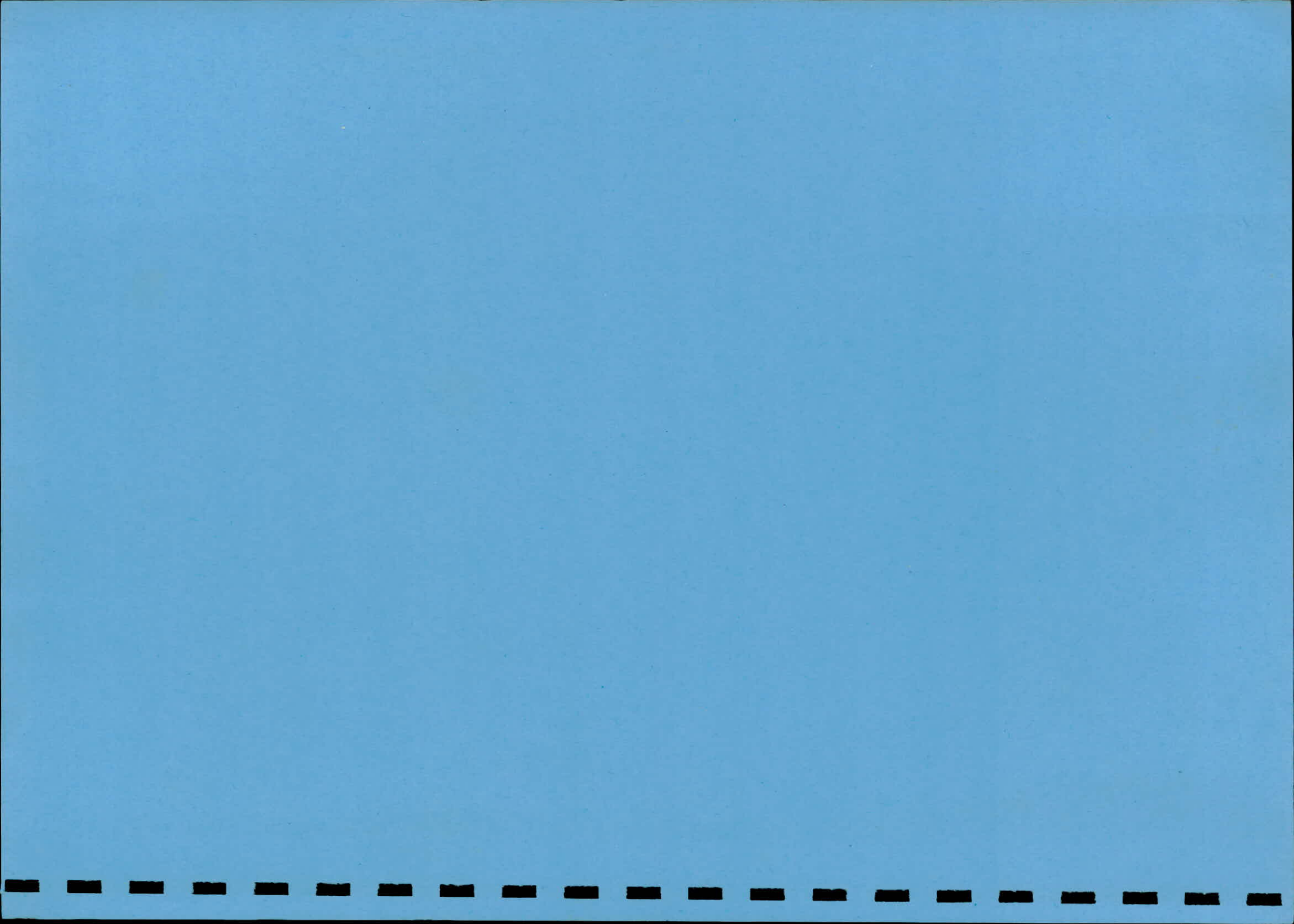
Name :

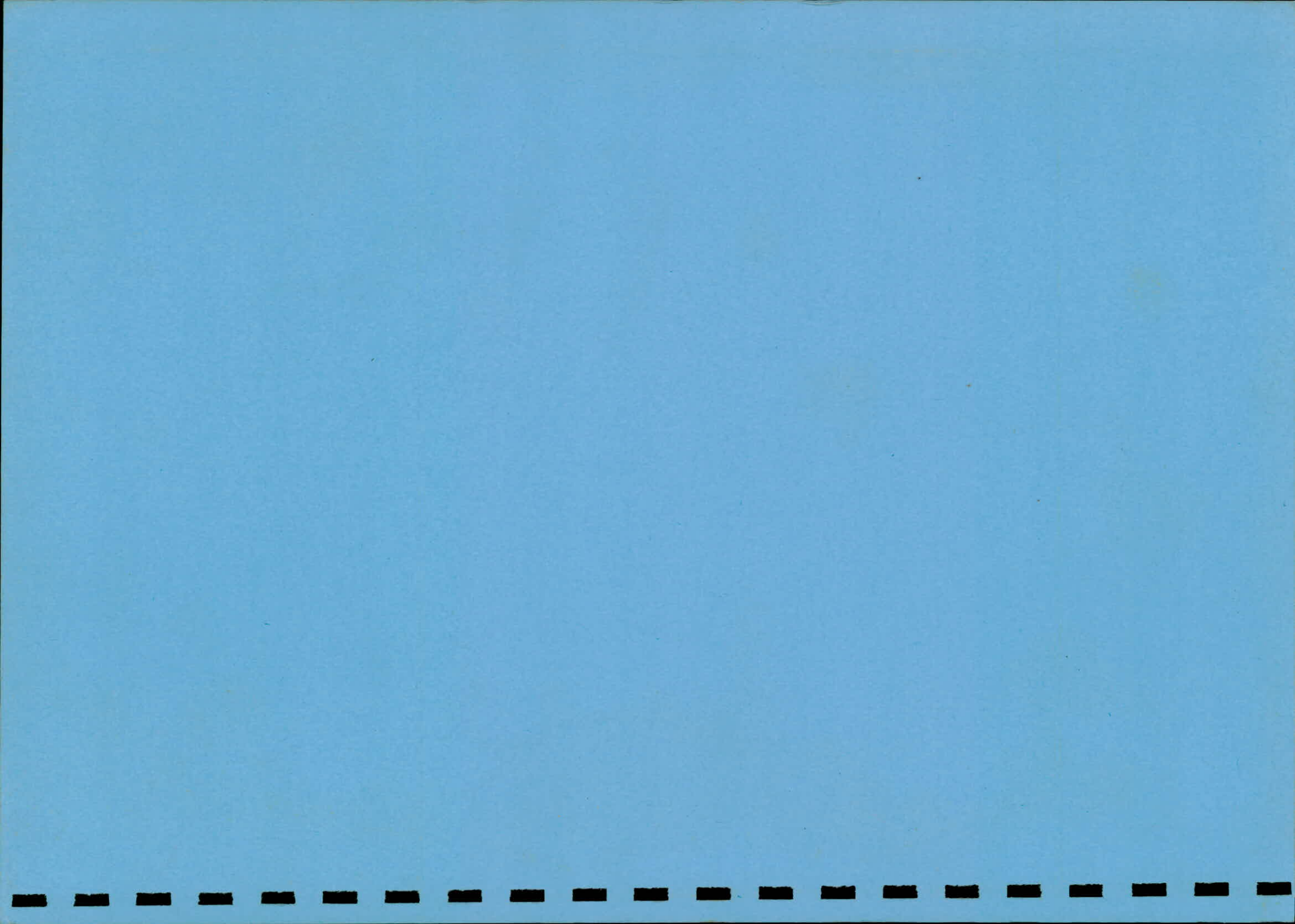
Signature : 

Postal Address :

Qualification :







TANZANIA



Certificate of Incorporation

Section 15

No 73516

I HEREBY CERTIFY THAT

AGRO-RAIN 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 5TH day of NOVEMBER

TWO THOUSAND AND NINE

Certified as ~~True Copy~~ of the Original

GODFREY MAPUNDA

Advocate, Notary Public & Commissioner of Oaths

11/4/2010

Asst. Registrar of Companies



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. We HARISH JAMNADAS DHUWA, SALUM ABDALLAH DIWANI, FARIDA ABBAS KARIMJEE
(~~director~~/directors/agent of AGRO-RAIN LTD
(name of business enterprise) apply for registration of AGRO-RAIN 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 PLOT 81, MIKOCHENI LIGHT
INDUSTRIAL AREA P.O. BOX 31589, DAR-ES-SALAAM

Copies of the following documents are attached to this application:

- (i) The Memorandum and Articles of Association/or partnership agreement
- (ii) Certificate of Incorporation/Registration
- (iii) A copy of the Project Profile or Feasibility Study showing the implementation period, programme of implementation and operative date
- (iv) Evidence of financing and evidence of land ownership for the project

3. The Head Office of the Company will be situated at PLOT 81, MIKOCHENI LIGHT INDUSTRIAL AREA

4. The Principal Officers of the Company are HARISH JAMNADAS DHUWA, SALUM
ABDALLAH DIWANI, FARIDA ABBAS KARIMJEE AND IAN
SAMAKANDE

5. Auditors of the Company are SMW MANAGEMENT CONSULTANTS
P.O. BOX 63389 DAR-ES-SALAAM

6. The authorized share capital of the Company is Tshs./US\$ 100 x 10,000

7. The intended capital investment of the Company in terms of Section 2(2) of the Act is Tshs./US\$ 538,866,250/=
8. The month and day of the financial year end is 31.12.1

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\$

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

I, SAUM DIWANI of Post Office Number 3491 DAR-ES-SALAAM

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

authorized agent of AGRO - RAIN 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 }
AGRO - RAIN LTD

The 02 day of DECEMBER 2010



Applicant

Before me:

PANAL KARLO KALOMO
 ATTORNEY AT LAW
 & COMMISSIONER FOR OATHS
 P. O. BOX 10433 DSM

.....
 Commissioner for Oaths

APPLICATION SUMMARY

Company Name: AGRO - RAIN LIMITED

Certificate of Incorporation Number: 73516 Status:

Certificate of Incorporation Date: 5/11/09

Post Box: 31589

Town: DAR-ES-SALAAM

Sector: MANUFACTURING

Sub-Sector: Agricultural Irrigation Equipment

Investment Financing Plan in Million US\$/Tshs.

Foreign Equity	Local Equity	Foreign Loan	Local Loan
.....	<u>455,000,000/-</u>	<u>83,866,250/-</u>

Project Objectives: To assemble agricultural Irrigation Equipment

Capacity:

Employment: Foreign: 2 Local: 15 Total: 17

Implementation Period: NOVEMBER 2009

Project Location

Site/Plot/Block No.: 81

Street: MIKACHENI LIGHT District: KINONDONI Region: DAR-ES-SALAAM
 (Attach sketch map showing project location)

Shareholders	Nationality	%
<u>S. DIWANI</u>	<u>TANZANIAN</u>	<u>30</u>
<u>F. KARIMJEE</u>	<u>TANZANIAN</u>	<u>10</u>
<u>H. DHULLA</u>	<u>TANZANIAN</u>	<u>30</u>
<u>I. SAMAKANDE</u>	<u>ZIMBAB</u>	<u>30</u>
.....

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

Land/Building(Renting)	.. 16,200,000/=
Plant	.. 299,510,000/=
Vehicles	94,000,000/=
Furniture & Fittings	.. 18,856,250/=
Pre-expenses	.. 45,000,000/=
Others	.. 7,200,000/=
Working Capital	.. 58,100,000/=
TOTAL	.. 538,866,250/=

Contact Details:

Name: .. DR. SAUM DIWANI Title: .. DIRECTOR

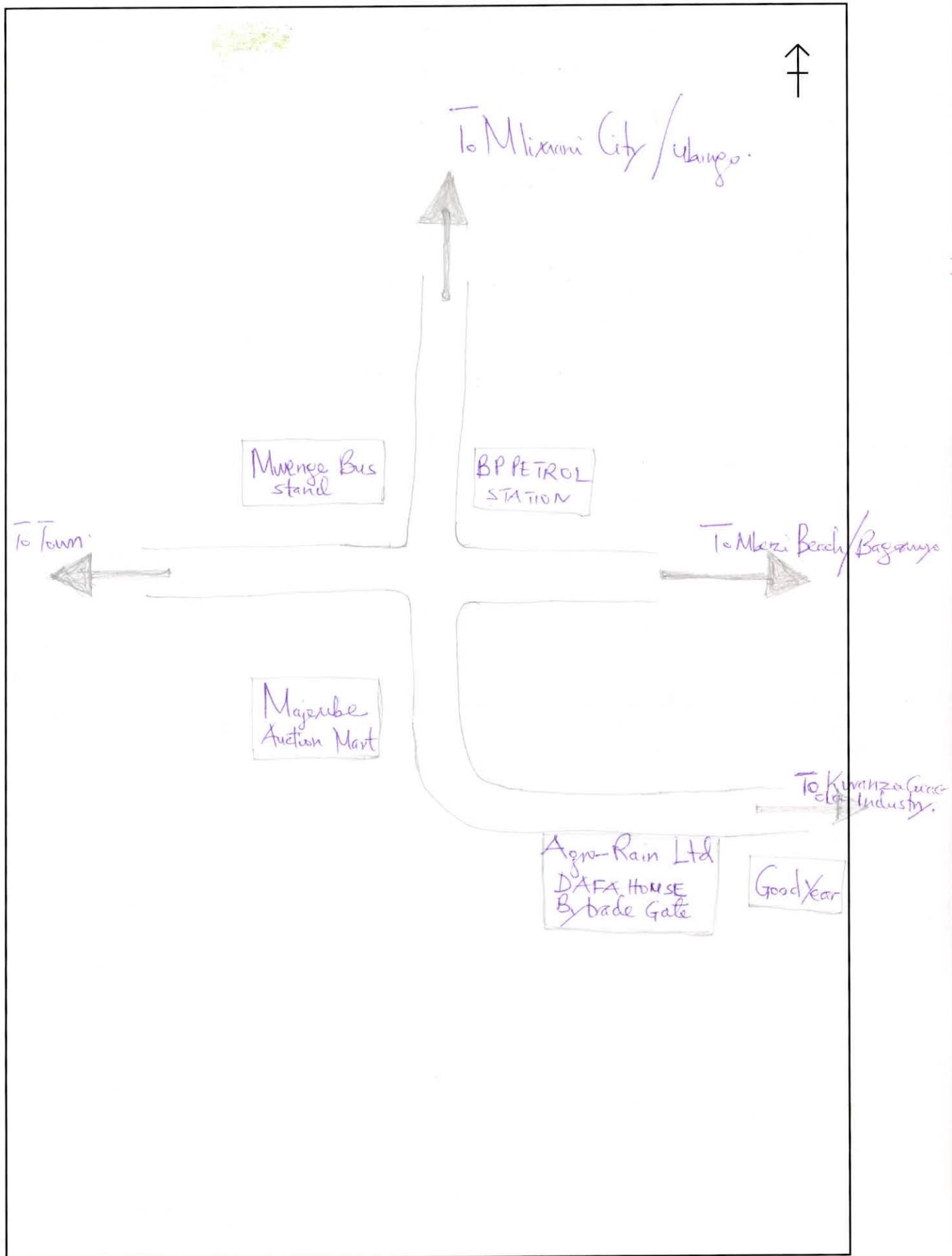
Telephone: .. +255 222773338 Fax: .. +255 22 2773401

Email: .. S. diwani@bytrade - com ..

Payments to be made payable to:

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

SKETCH MAP SHOWING PROJECT LOCATION



**EXTRACT OF BOARD RESOLUTION
TO REGISTER AGRO-RAIN LTD WITH TANZANIA INVESTMENT CENTRE**

**AT THE MEETING OF THE BOARD OF DIRECTORS OF AGRO-RAIN LIMITED
HELD AT ITS REGISTERED OFFICES ON 27th OCTOBER 2010 AT MIKOCHE NI,
THE FOLLOWING RESOLUTION WAS PASSED:**

1. that the Company is authorized to register itself with Tanzania Investment Centre (TIC)

CERTIFIED TRUE EXTRACT



Dr. Salum A. Diwani
CHAIRMAN



Ian Samakande
SECRETARY

Date: 27th October, 2010



REF: EXBMTL/HP/11/19

25th August, 2011

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

RE: AGRO-RAIN LIMITED

This is to certify that M/S AGRO-RAIN LIMITED of P.O. Box 31589 Dar es Salaam is one of our valued customer.

The Company is maintaining TZS Current Account No. 0835783333 and USD Account No. 0835783005 with our Bank. Their dealings with us have been satisfactory.

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


Any assistance to them will be high appreciated.


.....

Rose Kanijo
Senior Branch Manager
Hill Park Branch

Exim Bank (Tanzania) Ltd.

P.O. Box 1431, Dar es Salaam,
Tel: (255) 22-2113091 Fax: (255) 22-2119737
website : www.eximbank-tz.com
E-mail: enquiry@eximbank-tz.com



1



"We make agriculture profitable"

REF: ARL/TIC..01/11

24th Aug 2011

Tanzania Investment Centre
9A & B Shaaban Robert Street
P.O. Box 938
Dar es Salaam



Dear Sir/Madam,

RE: APPLICATION FOR TIC CERTIFICATE OF INCENTIVES

The above matter refers;
Agro-Rain Limited (ARL) hereby applies for the TIC Certificate of Incentives given by your organisation. ARL is an irrigation and agricultural engineering company that deals with the provision of appropriate agricultural solutions to its clients (farmers, government, NGOs and the private sector). Our mission is to be part of the solution in the realization of Tanzania's agricultural potential, placing it to feed the region and Africa at large. ARL was launched in November 2009 and is a growing business in the agriculture sector. We hope through the TIC Certificate of Incentives, we will stand to benefit and grow much faster to achieve our overall mission.

We hope our application meets your requirements.

Yours faithfully,

AGRO-RAIN LIMITED



Dafa House, Mezzanine Floor, Plot 81, Coca-Cola Rd, Mikocheni Light Industrial Area
P.O. Box 31589, Kijitonyama, Dar es Salaam, Tanzania.
Tel: +255 222 774 945/612 669 911, Fax: +255 222 773 401, Mobile: +255 767 669 911/655 501 521
Email: info@agrorain.com/agrorain@gmail.com



TIC Evaluation Report

Name of the Company
Agro-Rain Ltd.

Post Box	Mikocheni Light Industrial Area, Plot No. 81	COI Number	73516	Contact	Dr. Salum Diwani
Post Office	31589	COI Date	11/05/2009	Designation	Director
Region	Dar Es Salaam	Application F. No	08772	Phone	022 2773338
Country	Tanzania	Status	New	Direct Phone	0
		Sector	Manufacturing	Cell Phone	0
		Sub Sector	Assembling Of Agriculture Equipment	Fax	022 2773401
		File No	042119	E-Mail Address	S.Diwani@Bytrade.Com

Project Location		Investment Finance Plan in Millions USD			
Plot/Block	Plot No. 81	Foreign Equity	Local Equity	Foreign Loan	Local Loan
Street	Mikocheni Light Industrial Area	0	0.455	0	0.084
District	Kinondoni				
Region	Dar es Salaam				

Shareholders Detail			Investment Breakdown (USD Million)	
Name	Nationality	(%)	Land/Building	0.0162
H. Dhutia	Tanzanian	30	Plant	0.2995
F. Karimjee	Tanzanian	10	Vehicles	0.094
S. Diwani	Tanzanian	60	Furniture & Fittings	0.019
			Pre-expenses	0.045
			Others	0.0072
			Working Capital	0.0581
			Total	0.539

Employment	17	Evaluated By	wf officer2
Capacity	xxxxx	Drawn By	wf registry1
Project Turn Over		Project Type	Local

Description

To establish a facility to assemble agriculture irrigation equipment

Recommendations

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

Decision

Approved
[Signature]
AG FXD
07/11/11

TICC/PP.10/042119/3

9th November, 2011

Managing Director,
Agro-Rain Ltd.,
P.O. Box 30589,
DAR ES SALAAM

**RE: CERTIFICATE OF INCENTIVES FOR INVESTMENT IN THE
ESTABLISHMENT OF A FACILITY TO ASSEMBLE AGRICULTURE
IRRIGATION EQUIPMENT**

We wish to acknowledge receipt of your project proposal to establish a facility to assemble agriculture irrigation equipment as presented in the TIC P.A. 1 Form No. 08772 and Feasibility Study with a projected investment of USD 0.539m.

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
- To submit a certified Lease agreement covering a period not less than 3 years.

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 make deposit direct to the bank as per bank details below:-

TICC/PP.10/042119/3

9th November, 2011

*Tanzania Investment Centre
Standard Chartered Bank (T) Ltd
US Dollar A/C 8702006002000
T.Shs A/C 0102006002000*

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,
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

OFFICE FACILITY SERVICES

This is a service agreement effective 01/03/10,

BETWEEN: Bytrade Tanzania Ltd.

Of P. O. Box 3491

Dar es Salaam

Here in referred to as the provider

AND: Agro- Rain Ltd

Of P. O. Box 31589,

Dar es Salaam

Here in referred to as the receiver

RECITALS

This service agreement is for provision of office facilities by the provider located at **Plot 81, Mikocheni Light Industrial Area, Dar es Salaam** to the Receiver for the period of 1/03/2010 to 31/12/2014.

Now, therefore, it is agreed as follows:

- 1.0 Permission is hereby granted to the receiver to conduct all business operations on the premises described above at **Plot 81, Mikocheni Light Industrial.**
- 2.0 The receiver shall be required to conform to all obligations and covenants of the provider as set forth in this office facility service agreement, all provision of the said service remaining effective for the entire term.

3.0 The service

Office facility services will include provision of following facilities

- Electricity
- Janitorial
- Water
- Parking
- Security

3.1 Service Fee

The Receiver will pay service fee at the rate 500,000/= per MONTH on monthly basis.

3.2 The Receiver shall be required to keep the office premises in good condition.

IN WITNESS WHEREOF, the parties have executed this Office Facility Service Agreement as of the date mentioned above:

PROVIDER



BYTRADE (T) LIMITED
P.O. Box 3491
TEL: 022 2773338
DAR-ES-SALAAM - TANZANIA

Authorized signature

RECEIVER



Authorized signature



Hemish Dhuria
Print Name and Title

AN SAMARANDE
Print Name and Title



21/12/2011
Certified as a True Copy
of the Original



TANZANIA INVESTMENT CENTRE

Shaaban Robert Street, P.O. Box 938, Dar Es Salaam, Tel. +255 22 2116328-31, Fax: +255 22 2118253

RECEIPT REC005622

No. 000383

Received from : AGRO RAIN LIMITED

Address P. O. Box 31589 Dar Es Salaam

Received the sum of (In words): SEVEN HUNDRED FIFTY AND ZERO CENTS ONLY

Being payment in respect of: CERTIFICATE OF INCENTIVES

Amount : USD 750.00

Cash / Cheque No: 132395 of 20/12

Date : 21-Dec-2011

BUISSO

Receiving Officer

01410



4

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 (%)
	H. Dhutia	Tanzanian	30
	F. Karimjee	Tanzanian	10
	S. Diwani	Tanzanian	60
2.	Proposed Activities: To establish facility to assemble agriculture irrigation equipments		
3.	Sector: Manufacturing	Subsector: Assembling of Agriculture equipments	
4.	Investment cost:	Foreign: -	Local: USD 0.539m. Total: USD 0.539m.
5.	Project Financing:	Equity: USD 0.455m.	Loans: USD 0.084m. Total: USD 0.539m.
6.	Source, terms and conditions of loan:		
7.	Assets to be invested:		
	Capital items:	Foreign: -	Local: USD 0.539m. Total: USD 0.539m.
8.	Technology Agreement: None		
9.	Date of TIC Registration: 9th November 2011		
10.	Implementation period: November 2011 - October 2014		
11.	Operative date: November 2014		
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		
	None		

Signed 
Ag. Executive Director