

SMART INDUSTRY
LTD

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 us\$ 1.3 m

(b) Legal entity has been incorporated under certificate

No. 96342 of 01/01/2013

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. Senzia

DIF

9th May, 2013

2.0

EXD ✓

In response to the TIC letter of registration dated 09/05/2013

the project has submitted the required documents namely: -

(a) Company Board Resolution.

(b) Reference letter/Financing from Barclays Bank

(c) Lease Agreement

With the above submission EXD is requested to sign Certificate of Incentives No. 042438 herein attached.


Ag DIF
16/05/2013

MINUTE SHEET

Dokezo
No. 3.0

OIE

Approved

EXD. *[Signature]*
18/05/13

4.0 DIF

FS contains all required documents to extend the implementation in the COI no. 042438 Thus COI can be sent to EXD for signature

[Signature] - Ag. IFM(P)

25/11/2016

5.0 Ag EXD

Certificate of incentives has been amended as per folio 9 and is hereby submitted for your signature

25/11/2016

[Signature]
DIF

**THE COMPANIES ACT 2002
COMPANY LIMITED BY SHARES
MEMORANDUM AND ARTICLES
OF
ASSOCIATION
OF
SMART INDUSTRY LIMITED**

Incorporated this..... day of.....2012

**DRAWN BY:
HASSAN FAYAD
(SUBSCRIBER)
P.O BOX 77824
DAR ES SALAAM**

TANZANIA
Stamp Duty She. PAID ON ORIGINAL
Receipt No. 30896 of 08/01/2023
Stamp Duty Officer

THE COMPANIES ACT 2002
COMPANY LIMITED BY SHARES
MEMORANDUM OF ASSOCIATION
OF
SMART INDUSTRY LIMITED

TANZANIA
Stamp Duty She. PAID
Receipt No. 30896 of 08/01/2023
Asst. Registrar of Companies

1. The name of the Company is **SMART INDUSTRY LIMITED**
2. The registered office of the Company will be situated in the United Republic of Tanzania.
3. The objects for which the Company is established are:-
 - 3.1 To carry on the business as exporters, importers, suppliers, distributors, buyers, sellers, general merchants, worldwide traders, wholesalers, retailers, dealers in all kind of baby items like diapers, baby wipes, pediasure and paper products like tissues, toilet paper, and all related items
 - 3.2 To carry on the business of process, produce. Mix, pack, preserve, freeze, extract, refine, manufacture, import, export, buy, sell, trade and deal in processed foods, health foods, protein foods, food products, agro foods, fast foods, packed foods, poultry products, sea foods, milk foods, health and diet drinks, extruded foods, frozen foods, dehydrated foods, precooked foods, canned foods, preserved foods, bakery products and confectionery items such as breads, biscuits, sweets, cakes, pastries, cookies, wafers, condoles, lemon drops, chocolate, toffees, tinned fruits, chewing gum, bubble gum, detergents, tea and coffee, vegetables, fruits, jams, jelly,

pickles, squashes, sausages, nutrient, health and diet foods / drinks, extruded foods, confectionery items, sweets, cereals products and any other food products

- 3.3 To engages in and to carry on the business of publishing, designing, drawing and making layouts for newspapers advertisement, books, postage stamps, calendars, schools items, magazines, brochures, packages, labels, letter-heads , cinema advertising slides and supplies of raw material to different kind of manufacturers
- 3.4 To carry on business of manufacturing, preserving, reining, packing, bottling, prepare, manipulate, treat, market, import, export, improve, produce, process, prepare, buy, sell, deal in and carry on the manufacturing and trading in foods and beverages like jams, jelly's, pickles, cider, chutney, marmalades, mayonnaise, mustard, desserts, coffee, tea, flavours, condiments, pancakes, doughnuts, vinegar's ketchup, sauces, juices, squashes, syrups, soups, powder (eatable), drinks, alcoholic and non-alcoholic, carbonated and non-carbonated, gelatines, essences, ice-creams, dairy products, meat, sausages, pottend meat and other meat products, marine and sea food products, table delicacies, fast food, frozen foods and other eatables, bakery products and confectionery items such as breads, biscuits, sweets, roti, pizza, papad, cakes, pastries, cookies, wafers, candoles, lemon drops, chocolates, chewing gums, toffee, lozenges, tinned, canned, bottled products, milk cream, butter, butter scotch, sauce, ghee, cheese. Condensed milk, milk powder, skimmed milk food, baby food, infant foods, milk products and milk preparation, soya milk products and preparations, soyabean based foods, protein foods, dietic products, health foods, cereal products , wheat cakes, poultry products , farm products, milk shakes, water ice products, yoghurt, mouth freshner, carbon dioxide for beverages.

- 3.5 To purchase, sell, import, export produce or otherwise deal in preserved vegetables tinned fruits and all types of food products, food grains, develop and exploit farms, horticulture, agricultural, animal husbandry, dairy, poultry and allied farming business to assist anyone in this business and to carry on the business of farming and aerial spraying.
- 3.6 To engage and or otherwise carry on business of exporter of cattles, goats, live birds, dogs, animal skins and hides, agricultural farming, livestock, fishing products, timber processors, wood, flowers, cash crops fruits, vegetables, and other edible crops
- 3.7 To carry on in the United Republic of Tanzania or elsewhere all or any one or more of the following businesses namely the buying, selling, letting, on hire, hire purchase or easy payment system of manufacturers and contractors of articles and goods of all kinds.
- 3.8 To deal in minerals, and gemstones, carry on export and local lend and advance money and give credit to such persons or companies as may seem expedient and in particular to members of the company and customers and other sharing dealings with the company and to guarantee the performance of contracts by such persons
- 3.9 To import and export all kind of food products and non food items
- 3.10 To carry on the business of processing, farming, manufacturing, distributorship, agency, broker, factors, stockiest, importer and otherwise deal in all kinds of organic and inorganic foods products and drinking products, mineral water, soft drinks, aerated mineral water, fruit drinks, artificial flavoured drinks, condensed milk and drinking products of all kinds and other consumable provision of every description for human consumption

- 3.11 To carry on business of import selling and manufacturing of generators, ice factory ,installation, maintances and services, hardware, building materials, household equipments,petroleum,lubricating oil, grease, motor spirit and other related materials and merchandise
- 3.12 To let out on hire all or any of the property of the Company (whether real or personal), including every description of apparatus or appliances of the Company.
- 3.13 To carry on business as traders, general merchants stationery, art product whether wholesale, or retail or both, commission agents, importers and exporters, and to buy, sell, hire manufacture plastic material, recycling of plastic goods, import and export, barter trade, deal in property goods, produce, articles and merchandise of all kings and transact any and every description of agency, commission, commercial, industrial manufacture, merchandise, insurance and financial business to distribute duty free goods and commodities.
- 3.14 To manufacture of washing power and liquid for normal use and special purpose, buy, sell, and generally deal in any plant, machinery, tools, goods and things of any description which in the opinion of the Company may be conveniently dealt with the Company in connection with any of its objects.
- 3.15 To enter into any contracts in relation to and to erect, construct, maintain, alter, repair, pull down and restore either alone or jointly with any other companies or persons, works, of all descriptions, including wharves, docks, piers, railways, train ways, waterways, roads, bridges, warehouses, factories, mills, engines, machinery, railway carriages, and wagons, ships and vessels of every description, gas works, power generators, solar systems, electric works, installation and servicing water filter machines

water works, , drainage and sewage works and buildings of every description.

- 3.16 To carry on any other business, whether manufacturing or otherwise, which may seem to the Company capable of being conveniently carried on in connection with the above or calculated directly or indirectly to enhance the value of or render more profitable any of the Company's property.
- 3.17 To receive money on deposit or loan and borrow or raise money in such manner as the Company shall think fit, and in particular by issue of debenture or debenture stock perpetual or otherwise, and to secure the repayment of any money borrowed, raised or owing by mortgage, charge or lien upon all or any of the property or assets of the Company both present and future including its uncalled capital and also by a similar mortgage, charge or lien to secure and guarantee the performance by the Company or any other person or company of any obligation undertaken by the Company or any other person or company as the case may be
- 3.18 To carry out the business of electrical, mechanical engineers, civil engineers, manufacturers, workers and dealers in electrical apparatus and goods and the manufacture or hire of apparatus or goods to which the application of electricity or any kind of power, or any power that can be used as a substitute therefore, is or may be useful, convenient, or ornamental, or any other business of a like nature.
- 3.19 To manufacture and produce and, either as principals or agents, trade and deal in any articles belonging to any such business and all apparatus, appliances and things used in connection therewith, or with any inventions, patents or privileges for the time being belonging to the Company.



- 3.20 To apply for, purchase, or otherwise acquire and protect and renew in any part of the world, any patents, brevets invention, trade marks, designs, licenses, concessions and the like, conferring any exclusive or non-exclusive or limited right 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 indirectly 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.
- 3.21 To purchase or otherwise acquire houses, offices, workshops, buildings, and premises, and any fixed and movable machinery, tools, engines, boilers, ironproessing plant implements, patterns, stock in trace, patents and patent rights, convenient to be used in or about the trade or business of engineers, founders, smiths or machinists. _
To undertake and transact all kind of agency or business which ordinary individuals may legally undertake.
- 3.22 To carry on in the United Republic of Tanzania or elsewhere all or any one or more of the following businesses namely the buying, selling, letting, on hire, the purchase or easy payment system of manufacturers and contractors of articles and goods If all kinds.
- 3.23 To carry on business as traders, general merchants, whether wholesale or retail or both, commission agents, importers and exporters and to buy, sell, hire, manufacture, barter, trade and deal in property, goods, produce, articles and merchandise of all kinds and to transact any and every description of agency commission, commercial, industrial, manufacture, mercantile, insurance and financial business.

- 3.24 To carry on business as bankers, industrial bankers, financiers, monetary agents, concessionaires and merchants, and to undertake and carry on and execute all kinds of financial trading and other operations.
- 3.25 To carry on any other business which may seem to the Company capable of being conveniently carried on in connection with the above or calculated directly or indirectly to enhance the value of or render profitable any of the property or rights of the Company.
- 3.26 To acquire, and undertake the whole or any part of the business property and liabilities of any person or company carrying on or proposing to carry on any business which the Company is authorized to carry on or possessed of property suitable for the purpose of the Company or which is capable of being conducted so as to directly or indirectly benefit the Company.
- 3.27 To amalgamate, enter into partnership or into any arrangement for sharing profits, union of interest cooperation, joint adventure or reciprocal concession or for limiting competition with any person or company carrying on or engaged in, or about to carry on or engage in any business or transaction which can be conjunction therewith or which is capable of being conducted so as directly or indirectly to benefit the Company.
- 3.29 To carry on the business of manufacturing, assembling and distribution of all types of electronic products, apparatus, electrical appliances, equipment and computers, word processors, any hardware and software connected with the computer industry and also sale and maintenance thereof.

- 3.30 To carry on business as transporters of passengers, goods, garage services, workshop, package merchandise, wares, couriers, luggage, personal effects and also act as agents for railways, shipping, chartering and transporting, corporations, road contractors, cargo, superintendents, warehousemen, government, parastatal, transport contractors and deal with clearing and forwarding dispatching of sea, air and land cargo to various parts or destinations in the world network
- 3.31 To manufacture, make, design, assemble, repair or maintain calculating machines, household electrical appliances, audio and video electronic equipment, alarm systems, solar systems, power conditioners, air conditioners, power generators, or any accessories or other machines, instrument parts or devices.
- 3.32 To carry on all or any of the business or manufacturers, installers, maintainers, repairers, of and apparatus of every description and If and in radio, television, munication requisites and suppliers, and electrical and electronic apparatus appliances, equipment and stores of all kinds.
- 3.33 To distribute among the members in specie any property of the Company, or any proceeds of sale or disposal of any property of the Company, but so that no distribution amounting to a reduction of capital shall be made except with the sanction, if any the time being required by law.

- 3.34 To act as agents, or brokers, and as trustees for any person or company and to undertake and perform sub-contracts and to do all or any of the above things in any part of the world, and either as principals, agents, trustees, contractors, or otherwise and either alone or jointly with others, and either by or through agents, sub-contractors, trustees or otherwise.
4. The liability of the members is limited.
5. The share capital of the Company is Tanzania Shillings 480,000,000/= divided into 10.000 shares Shillings 48,000/=, the Company shall have power from time to time to increase or subject to confirmation by the court reduce its capital into several classes and to attach thereto respectively any preferential or deferred, qualified or special rights, privileges and conditions.

We, the several persons whose names, addresses and descriptions 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, ADDRESS AND DESCRIPTIONS OF SUBSCRIBERS	NUMBER OF SHARES TAKEN BY EACH SUBSCRIBER	SIGNATURES OF SUBSCRIBERS
HASSAN FAYAD P.O BOX. 77824 DAR ES SALAAM	5000	
NADIM FAYAD COTE D'IVOIRE 15BP, ABIDJAN 1044, YOPOUGON ZONE INDUSTRIELLE, IVORY COAST	5000	

Dated this 28th Day of December 2012

WITNESS to the above Signatures:

Name:

Signature: 

Address:

Qualifications:



TANZANIA
Stamp Duty Shs 2500/-
PAID ON ORIGINAL
Receipt No. 30996
of 08/01/2013
Stamp Duty Office

THE COMPANIES ACT 2002
COMPANY LIMITED BY SHARES
MEMORANDUM OF ASSOCIATION
OF
SMART INDUSTRY LIMITED

TANZANIA
Stamp Duty Shs 2500/-
Paid
Receipt No. 30996
of 08/01/2013
Asst. Registrar of Companies

1. The name of the Company is **SMART INDUSTRY LIMITED**
2. The registered office of the Company will be situated in the United Republic of Tanzania.
3. The objects for which the Company is established are:-
 - 3.1 To carry on the business as exporters, importers, suppliers, distributors, buyers, sellers, general merchants, worldwide traders, wholesalers, retailers, dealers in all kind of baby items like diapers, baby wipes, pediasure and paper products like tissues, toilet paper, and all related items
 - 3.2 To carry on the business of process, produce. Mix, pack, preserve, freeze, extract, refine, manufacture, import, export, buy, sell, trade and deal in processed foods, health foods, protein foods, food products, agro foods, fast foods, packed foods, poultry products, sea foods, milk foods, health and diet drinks, extruded foods, frozen foods, dehydrated foods, precooked foods, canned foods, preserved foods, bakery products and confectionery items such as breads, biscuits, sweets, cakes, pastries, cookies, wafers, condoles, lemon drops, chocolate, toffees, tinned fruits, chewing gum, bubble gum, detergents, tea and coffee, vegetables, fruits, jams, jelly,

PRIVATE COMPANY

2. The Company is a Private Company and accordingly:-
 - (a) The right to transfer shares is restricted in manner hereinafter prescribed.
 - (b) The number of members of the company (exclusive of persons who are in the employment of the Company and of persons who have been formerly in the employment of the company were while in such employment to be the member of the company) is limited fifty, provided that where two or more persons hold one or more shares in the company jointly they shall for the purpose of this regulation be tested as a single member.
 - (c) Any invitation to the public to subscribe for any shares or debentures of the Company is prohibited.
 - (d) The Company shall not have power to issue share warrants to bearer.

TRANSFER OF SHARES

3. The Directors may in their direction and without assigning any reason thereof refuse to register the transfer of any share to any person who in their opinion be undesirable for any reason whatsoever to admit to membership.
4. Subject to clauses 2 and 3 hereof the right to members to transfer their shares shall be restricted as follows;
 - (a) No share shall be transferred to a person who is not a member so long as any member of any person selected by the Directors as one who it is desirable in the interest of the Company to admit to membership.

- (b) Every shareholder or trustee in bankruptcy, or any person who may desire to sell or transfer any such shares and every who may desire to sell or transfer any such shares and every personal representatives of a deceased shareholder shall give notice in writing to the Directors that he desires to make such sale or transfer. Such notice shall constitute the Board of Directors of the Company as his agent for the sale of the said shares to any member or members of the company at the price to be agreed upon between the party giving such notice the party and the board, or in case of difference to be determined by the Auditor of the Company.
- (c) Upon price of such shares being agreed on a determined as per clause (b) above, the board shall forthwith give notice to such of the shareholders other than the shareholders desiring to sell or transfer the said shares, stating the number and price of such share inviting the person to whom notice is sent to state within 21 days from the date of such notice whether he is willing to purchase any, if so what maximum number of such shares. At the expiration of such days 21 notice the board shall apportion such shares amongst the shareholders (if more than one) who shall have expressed their desire to purchase number of shares already held by them respectively, or if there be only one such shareholder, that the whole of such shares shall be sold to him, provided no shareholder shall be obliged to take more than the maximum number of such shares stated in his answer to the said notice.

Upon such apportionment being made or such one shareholder notifying his intention to purchase, as the case may be, the party desiring to sell or transfer such shares shall be bound upon payment of the said price to transfer the shares to the respective shareholders or to single shareholder who shall have agreed to purchase the same.

5. GENERAL MEETINGS: NOTICE OF GENERAL MEETING AND PROCEEDINGS OF THE GENERAL MEETINGS.

The regulation of Companies Act shall apply to the following variations:-

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

6. DIRECTORS

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

1. HASSAN FAYAD

2. NADIM FAYAD

- 7. The shareholding qualification for Directors may be fixed by the company in General Meeting, and unless and until so fixed no qualification shall be required.
- 8. The quorum of Directors for transacting business shall, unless otherwise fixed by the Directors, be four.

9. A resolution in writing signed by all the Directors then in Tanzania shall be as valid and effectual as if it had been passed at a meeting of Directors duly called and constituted.
10. The Directors may from time to time borrow or raise any money for the purposes of the Company which may exceed the issued share capital of the company.

BORROWING POWERS

The Directors may from time to time in their discretion raise or borrow for the purpose of any Company's business such sum or sums of money as they think fit.

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

VOTE OF MEMBERS

12. On a show of hands every member present in person shall have one vote. On a roll every member shall have one vote only for the shares of which he is holder.
13. No member shall be entitled to vote at any general meeting unless all calls or other sums presently by him in respect of shares in the Company have been paid.

DISQUALIFICATION OF DIRECTORS

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

SEAL

15. The Directors shall provide for the safe custody of the Seal. The Seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board of Directors and in the presence of at least two Directors or a Director and Secretary or other person as aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.

ALTERNATE DIRECTORS

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

SECRETARY

18. The Secretary shall be appointed by the Board for such terms at such remuneration and upon such condition as it may think fit, and any Secretary so appointed may be removed by the Board.

WINDING UP

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

ALTERATION OR ADDITION

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



INDEMNITY

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

ARBITRATION

22. If and whenever any dispute or difference shall arise between the Company and any of the members or their respective representatives touching upon the construction or meaning of any of the Articles herein contained or any act matter or thing made or done or omitted to be done or with regard to the rights or
23. liabilities arising here under or arising out of the relation existing between the parties by reasons of these Articles or the Act, such differences shall (unless a sole arbitrator be agreed upon) forthwith be referred to the arbitration of three (3) arbitrators, one to be appointed by each party and the third to be appointed by the first two or, in the event of failure to agree within (Cap. 15) or any then existing statutory modifications or re-enactment thereof shall apply.

24.

NAMES, ADDRESS AND DESCRIPTIONS OF SUBSCRIBERS	NUMBER OF SHARES TAKEN BY EACH SUBSCRIBER	SIGNATURES OF SUBSCRIBERS
HASSAN FAYAD P.O BOX. 77824 DAR ES SALAAM	5000	
NADIM FAYAD COTE D'IVOIRE 15BP , ABIDJAN 1044, YOPOUGON ZONE INDUSTRIELLE, IVORY COAST	5000	

Dated this 28th Day of December 2012

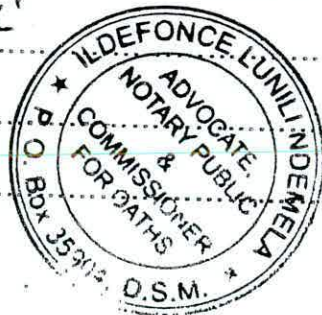
WITNESS to the above Signatures:

Name:

Signature: 

Address:

Qualifications:



SMART INDUSTRY LIMITED

A FESIBILITY STUDY REPORT

ON THE PROPOSED

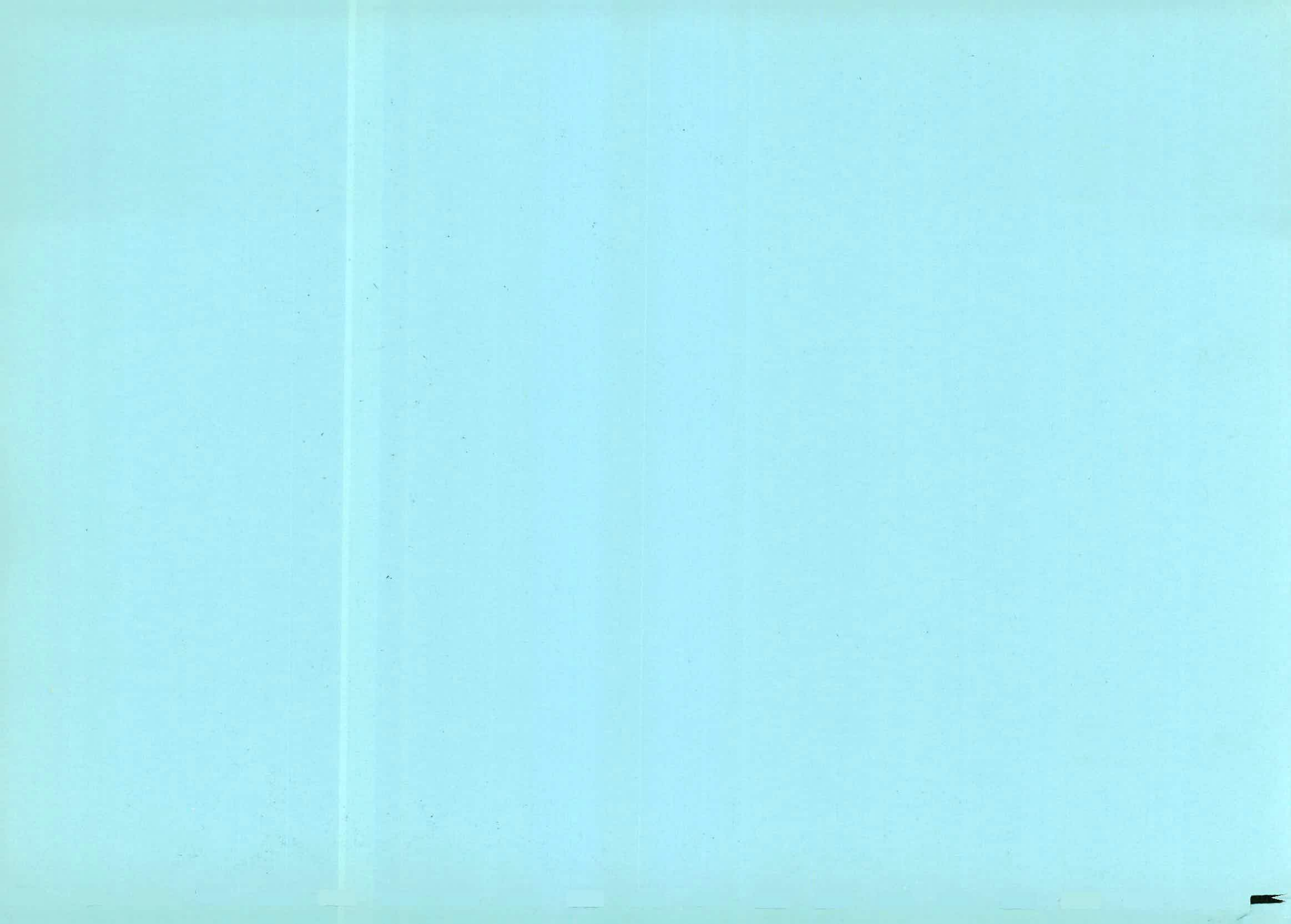
**PRODUCTION OF SNACKS AND CHIPS
PROJECT**

Prepared by:

SMART INDUSTRY LIMITED

P.O. Box 77824

DAR ES SALAAM



SMART INDUSTRY LIMITED

A FESIBILITY STUDY REPORT

ON THE PROPOSED

**PRODUCTION OF SNACKS AND CHIPS
PROJECT**

Prepared by:

SMART INDUSTRY LIMITED

P.O. Box 77824

DAR ES SALAAM

TABLE OF CONETNTS

- 1.0 EXECUTIVE SUMMARY**
 - 1.1 Introduction
 - 1.2 The Project Promoters
 - 1.3 The Project
 - 1.4 Raw Materials
 - 1.5 Project Cost and Financing
 - 1.6 Organization structure and Management.

- 2.0 CAPITAL INVESTMENT AND FINANCING PLAN**
 - 2.1 Capital Cost
 - 2.2 Land and Buildings
 - 2.3 Machinery , Equipment and Tools

- 3.0 PRODUCTS PRODUCTION PLAN AND ENVIRONMENT**
 - 3.1 The Products
 - 3.2 Choice of Technology
 - 3.3 Main Production Sections
 - 3.4 Production Process and Technologies
 - 3.5 Capital and Production Plan
 - 3.6 Capacity Utilization
 - 3.7 Environmental Concerns

- 4.0 RAW PACKAGING MATERIAL**

- 5.0 ORGANIZATION STRUCTURE MANAGEMENT**

- 6.0 PROJECT IMPLEMENTATION PLAN**

- 7.0 ECONOMIC SOCIAL BENEFITS**

- 8.0 RISK ANALYSIS**

- 9.0 FINANCIAL ANALYSIS**

- 10.0 CONCLUSION & RECOMMENDATION**

EXECUTIVE SUMMARY

1.1 Introduction

This project Feasibility Study Report gives details on a proposal by **Ms. Smart Industry Ltd** of P.O Box 77824 Dar es Salaam to establish facilities for production of snacks and other chips from the various raw materials available locally, including potatoes, cassava, grounds, salt edible oils etc. The production process is not very complicated and the company looks forward to exploit the abundance of potatoes and other materials in the country and the emerging demand for chips and other snacks in prime markets.

On completion the project shall have capacity of processing chips and various other snacks to cater for both local and export markets.

The project will be established at leased premises, preferably in Millennium Business Park, located in Ubungo Area along Morogoro Road Dar es salaam or any other part of Dare s Salaam. The premises to be rented building will need some modification to suit the project establishment requirements. The project promoters will ensure the total leased area will be enough to contain all the manufacturing operations, materials storage and stockyard and office space. The future plan is to construct own production site at a later stage. Total project capital investment is estimated at US\$ 1,300,000 with implementation period of 5 years. Owners will contribute 100% to the project financing

The objectives of this Feasibility study Report are two fold. First is to determine the viability of the proposed project. Second is to facilitate the application for Tanzania Investment Centre (TIC) Certificate of Incentives so as to access exemptions on duties.VAT deterrments and other benefits and protections as statutorily provided for under Tanzania Investment Act (1997) for the Project. The project is wholly financed through sponsor's equity contribution.

1.2 The Project Promoters

The Project is promoted by **M/S Smart Industry Ltd**, which is a recently registered local private limited liabilities company incorporated in Tanzania on 10th January 2013 under Certificate of Incorporation No. 96342 The Company was purposely created for the main objective of undertaking the project under review. The Company's is owned by the following shareholders.

NAMES OF SUBSCRIBERS	NATIONALITY	% SHARE HOLDING
Nadim Fayad	Ivorian	50%
Hassan Fayad	Ivorian	50%

1.3 The Project

As discussed elsewhere the project involves setting up of facilities for production of chips and other snacks from the various raw materials available locally, including potatoes, cassava, groundnuts, salt edible oils etc, the production process is not very complicated and the company looks forward to exploit the abundance of potatoes and other materials in the country and the emerging demand for chips and other snacks in prime markets.

The project to be located at leased premises, within Millennium Business Park, located in Ubungo Area, along Morogoro Road Dar es Salaam will involve the following main activities.

- Renovation of leased factory building out buildings, courtyard, drainage and water storage facilities.
- Procurement of plant and machinery for production of chips and other snacks
- Procurement of a fleet of motor vehicle and other transportation facilities for the distribution of snacks.
- Procurement of office equipment and furniture.

1.4 Raw Materials

M/S Smart Industry Ltd will utilize locally grown corn maize, grown potatoes, cassava, groundnuts and other crops grown in mostly in Coast, Tanga, Morogoro and Iringa regions and outside Tanzania. Other materials to be used include corn maize, palm oil, corn starch, flavours, ground nuts and salt.

1.5 Project Cost and Financing

The total cost of the proposed project is estimated at US\$1,300,000 inclusive of US\$1,200,000 as fixed Investment and US\$100,000 as initial working capital. The table below shows the summarized investment cost:

INVESTMENT PLAN	USD
Land & Building	90,000.00
Plant and Machinery	1,000,000.00
Furniture/Fixtures	40,000.00
Vehicles	70,000
Initial W/Capital	100,000.00
GRAND TOTAL	1,300,000.00

Project Financing Plan

The above investment costing US\$ is proposed to be financed per plan below:

Source	Foreign	Local
Equity	1,300,000	
Loan		

1.6 Organization Structure and Management

The company shall be managed through the Board of Directors responsible for the formulation of the company policies. The Board will consist of the shareholders of the company.

The day to day operations of the company will be under the Managing Director who will be supported by well trained and experienced functional managers such as Production Manager, Accountant, Supervisor and Marketing Manager

The Company shall employ a total of 8 core staff of different skills and categories and a number of support staff whose number will depend on demand for their services.

2.0 CAPITAL INVESTMENT FINANCING PLAN

2.1 CAPITAL COST

The Capital cost outlay for completion of the project is currently estimated at US\$ 1,300,000 summarized as follows:

INVESTMENT PLAN	USD
Land & Building	90,000.00
Plant and Machinery	1,000,000.00
Furniture/Fixtures	40,000.00
Vehicles	70,000
Initial W/Capital	100,000.00
GRAND TOTAL	1,300,000.00

Project Financing Plan

It is anticipated that the investment will be financed under the following pattern:

Source	Foreign	Local
Equity	1,300,000	
Loan		

2.2 Land and Building

Sponsors will lease premises, preferable in Millennium Business Park, located in ubungu Area along Morogoro Road Dar es Salaam. The location is most ideal for agro industrial establishments and well served with basic utilities including permanent road electricity and water

It is planned that the project site will house the chips and other snacks production plants and equipment and stores. The other factory building will house the fruit processing plant and store. Other major consideration will be to ensure supply of water.

2.3 Machinery Equipment and tools

The Project will install facilities for production of chips and other snacks. It is also planned to mechanize material handling by acquiring mechanical washing, inspection and conveyance system, facilitates which become necessary at higher volume of production.

The scope of supply by the foreign companies will comprise complete mechanical and electrical equipment, supervision of erection, training of core operators and commissioning of the plants

3.0 PRODUCTS, PRODUCTION PLANT ENVIRONMENT

3.1 Products

M/S Smart Industry Ltd main products will be chips and other snacks for domestic as well as hotel uses. At a later stage, chips will be produced for export purposes and the company is exploring export possibilities for the other products, for which it expects to find a ready market in the neighboring countries especially in Kenya. Export proceeds will be used primary for serving the foreign currency obligation including importation of packing materials, essential spare parts and consumables.

3.2 Choice of Technology

The processing technology used in evaluating the investment proposal is based on facilities to be procured mainly from Indian Companies. The companies are well known in the design and construction of a wide range of plant and equipment for foods industry. The production process is expected to be the first of its kind in Tanzania in compliance with standards set by the International Standards Organization (ISO) as well as food safety (HACCP) The plant and machinery will be of international standards, with hygiene and safety a priority issues

These high standards will prove to be benchmark in the food processing industry and change the whole scenario related to snack food production practices.

3.3 Main Production Sections

The selected plant to produce chips and related products will be semi automated and the main items will include:

Washing:

- Sorting and inspection conveyor where potatoes , cassava and other material will be sorted manually ready for washing
- Potato and cassava washer fitted with conveyor belt with blower and jets through which Potato and Cassava are thoroughly washed to remove dirty, dust, sand etc , ready for slicing and drying

Slicing and Drying

- Potatoes and cassava are sliced in required sizes. After slicing potatoes and cassava are washed again to remove starch. Afterwards they are dried in order to remove water, which is inconvenient to mix with oil in the fryer.

Frying

- Potatoes/ cassava, are put into the fryer, where they are fried for approximately 3,5 minutes in palm oil which gives them the required golden look.

Sorting

- After trying the potato/cassava slices are dropped on a conveyor belt monitored by employees who spot burnt and broken chips for rejection .This can be done manually

Addition of herbs

- After sorting , chips in crisp form are carried to vessel, where herbs are added manually, before crisps are rotated for a couple of minutes , Crisp are then dropped on conveyor belt which carries them to packaging machine

Packaging and Quality Control

- Pre printed rolls with company logo and features are installed in the packaging machine which cuts the bags. It also weighs the crisps. Final quality control is then carried out. The bags are packed in boxes ready for transportation

3.4 The Production Processes and Technologies

Above production processes and technologies are considered as the most ideal since they ensures constant quality id chips and other snacks under processing while, achieving high yield rates due to properties of the facilities. The technologies under consideration have the proven ability to produce foods in accordance with International Standards Organization Specifications. To enhance production, the project's future needs will include installation of additional processing lines and automation of cleaning, conveyance and packaging.

3.5 Capacity and Production Plan

On completion the chips and other snacks line should be able to process about 6 million bags each weighing around 40g per annum, In this regard; it is intended to acquire a processing plant with a related capacity

3.6 Capacity Utilization

In Consideration of local production constraints, the plant will commence operations at a capacity level of around 70% of the installed capacity during the first year. As

efficiency improves, capacity utilization should improve to 100% by the second year onwards leading to the production plan outlined overleaf.

3.7 Conserving the Environment

As Tanzania's economy opens up to market forces, the country's business sector is becoming an important agent for development. But in its pursuit of growth, the business community has to export resources and in the process, one of the casualties is often the environment. Together with desertification arising from depletion of vegetation and forest reserves, the destruction of ozone layer which is done through depletion by substances such as CFCS is now responsible for globally warming which in turn has led to vagaries of weather is currently experienced worldwide. Protection of vegetation, industrial waste, pollution and the ozone layer are now leading conservation issues in the world

3.8 Environmental Concerns

In recognition of the need to protect the environment, Tanzania is now a part to all environment conservation protocols in which member countries are required to phase out the production and use of environmentally destructive elements and processes. The lime is therefore ripe for the Tanzanian Business Community to take a similar approach if the dual objectives of growth and environment conservation are to be attained in sustained manner

M/S Smart Industry Ltd has taken the initiative designed to address environmental concerns in the production of chips and related snacks. There are very and minimum environmentally hazardous areas of the firms operation and the selected technology and these would be associated with improper waste disposal that could lead to general pollution of surroundings.

To ensure safe disposal, however the company is planning a system of collecting all potato and cassava peelings and other biodegradable waste and disposing it through a dedicated area. The few plastic containers and covers that might be destroyed would also be collected and sent to plastic products manufactures for recycling. Civil works will entail installation of air lowers at the factory for ducting potential dust and humid air in the bid to ensure a fresh air environment .It is generally accepted that food production process is environmental safe.

4.0 RAW AND PACKING MATERIALS

4.1 Source of Raw Materials

The project will utilize locally grown potatoes, cassava and other crops obtained mainly from Dar es Salaam, Coast, Dodoma, Morogoro, Iringa, Mbeya and Tanga regions. In

the event of poor supply from the above, the company will source the same from prominent regions of Arusha and Kilimanjaro which are well connected with Dar es Salaam by Road

- 4.2 It is worthy noting that production from the major potatoes, cassava and related crops surplus regions has been normal for quite a long period though some fluctuations were recorded attributable to slight weather changes
- 4.3 Large scale farming of crops like potatoes and cassava in Tanzania is expanding following weather improvement in the key farming areas and the emergence of private buyers capable of ensuring prompt payment to private farmers
- 4.4 Future supply of such crops is expended to improve dramatically following emergence of financial institutions supporting the agriculture sector in terms of funds for procurement of inputs and for trading in the crops
- 4.5 **M/s Smart Industry Ltd** intends to purchase potatoes, cassava and related crops directly from selected private farmers during harvesting season in the growing areas. The long term plan is to negotiate with prominent potatoes, cassava and related crop farmers for contract farming whereby **M/S Smart Industry Ltd** would support the farmers with basic inputs and part of the working capital requirement thereby ensuring steady supply.
- 4.6 Following the liberalization of crop marketing Tanzania in 1989 open market forces now determined the price of potatoes, cassava and related crop.
- 4.7 Crisp and other snacks will be packed in rolls of pre printed bags produced locally. Based on outlined assumptions raw material costs are summarized overleaf.

5.0 ORGANISATION STRUCTURE FOR MANAGEMENT

The management of the project falls under the **M/S Smart Industry Ltd** organization structure which consists of a Board of Directors, headed by a Chairman and Managing Director. The management team of the project would comprise of the Managing Director as the officer in charge of the project assisted by the Production Manager, Marketing Manager.

Accountant and Supervisor. Other key staff would include a Quality Controller and Food Technologist. The organization structure and long term manpower strength should be as shown hereunder

6.0 IMPLEMENTATION PLAN

- 6.1 It is intended that the project enter into commercial production of crisp and other snacks later in Oct 2013. On approval of the project by the TIC and full mobilization of funds, sponsors will embark on procurement and installation of plant and equipment
- 6.2 Sponsors have acquired ideal site to enable installation of plants and machinery. It is expected that construction work be accomplished within a period of eight weeks by which time the imported machinery and accessories will have been delivered at site ready for installation.
- 6.3 Installation of plant and machinery , testing and trial production is expected to take a period of four weeks
- 6.4 The project should be ready for commissioning and commencement of commercial operations by the end of August 2013. The tentative implementation schedule is summarized as follows

IMPLEMENTTION SCHEDULE

EVENT	DURATION(WEEKS)	COMPLETION DATE
Project Promotion Fund Mobilization	16	June 2013
Civil Works Importation of Plaint	8	August 2013
Installation Trial Run	4	September 2013
Commercial Operation		

7.0 ECONOMIC AND SOCIAL NENEFITS

The successful completion of the project will lead to the following social economic benefits

- The project will provide an additional outlet for potatoes, cassava, groundnuts and other crops from farmers in the growing regions such as Mbeya, Coast, Morogoro, Iringa and Tanga.
- Foreign exchange will be generated in the near future through the export of crips and other snacks.
- The project will create about 8 direct employments at a time when the country is experiencing mass unemployment through retrenchment programmers in public enterprises and government departments

- Operation of the project will increase government revenue through value added tax, duties and other levies
- The project will help reduce the need to import crisps and other snacks from other countries.

8.0 RISK ANALYSIS

Main predictable risks likely to face a project of this type in Tanzania include

- Heavy initial capital expenditure in terms of premises and equipment
- Delayed implementation and high preliminary expenses associated with financial charges
- Extended drought leading to poor harvests hence high priced crops which are an important input
- Inability to market the crisps and other snacks in the targeted area amidst competition from existing manufactures with well extended outlets

- 8.1 Since the project can be implemented on a short period of time, it is highly unlikely that the company will unduly incur high establishment costs to threaten the envisaged operations and profitability
- 8.2 Support from associated companies, should enable the company raise adequate financial resources without undue delay and should be valuable in mitigating cost overruns while ensuring availability of short term credit facilities for purchasing crops from up country sources during times of need
- 8.3 While the shareholders have sound managerial experience, the company will recruit experienced organization capable of commissioning running, marketing and managing the various departments.
- 8.4 The project is being established at a most opportune time when an enabling environment has been created for investments in Tanzania .Through the promoters have ability to mobilize all the resources required to implement the project upon certification and licensing future success hinges on the ability to market the proposed products and to offer services that will attract small and medium scale customers.
- 8.5 It is planned to open agencies all over the neighboring regions for marketing purposes.

9.0 FINANCIAL ANALYSIS

9.1 Projected Profit Loss Accounts

The projected profit and Loss accounts show that profit after tax will increase from US\$ 607,222 in the first year of operation to US\$ 1,061,825 by tenth year of the operations

9.2 Projected Cash flow

The projected cash flow indicates that the proposed project will have enough funds to meet other cash obligations including reinvestment as the fall due. Cash flow at end of year increases from US\$764,722 in first year of operation to US\$9,120,099 by tenth year of the operation

9.3 Projected Balance Sheet

The projected balance sheet show a very healthy situation throughout the life span of the project .The long term liabilities are well covered by the net fixed assets. Similarly the current assets.Net assets increase from US\$1,907,222 in the first year of operation to US\$ 2,361,825 in the tenth year of operation

10.0 CONCLUSION AND RECOMMENDATIONS

Evaluation of the **M/S Smart Industry Ltd** project proposal and its attached projected financial statements indicates that the project proposal is technically feasible, financially attractive and economically viable. In order to realize the envisaged benefits from the proposed project. It is recommended that he Tanzania Investment Centre together with other authorities should offer the necessary approvals and support to **M/S Smart Industry Ltd** for timely establishment of the crisps and other snacks projects in Dar es Salaam

FINANCIAL STATEMENTS

APPENDIX 1

INVESTMENT PLAN	USD
Land & Building	90,000.00
Plant and Machinery	1,000,000.00
Furniture/Fixtures	40,000.00
Vehicles	70,000
Initial W/Capital	100,000.00
GRAND TOTAL	1,300,000.00

WORKING CAPITAL

YEAR	1	2	3	4	5	6	7	8	9	10
ADMINISTRATION EXPENSES	446,540	464,287	489,267	503,525	412,712	435,922	460,775	487,401	490,942	521,552
DEBTORS (5% OF REVENUE)	65,700	68,985	72,434	76,056	79,856	83,852	88,044	92,446	97,069	101,922
DAMAGES, SPOILAGES ETC	0	0	0	0	0	0	0	0	0	0
OTHERS	0	0	0	0	0	0	0	0	0	0
TOTAL	512,240	533,272	561,701	576,581	492,571	519,774	548,819	0579,847	588,011	623,474

MONTHLY WORKING CAPITAL WILL BE \$ 42,687

CASH FLOW

YEAR	1	2	3	4	5	6	7	8	9	10
INFLOW										
EQUITY	1,300,000	0	0	0	0	0	0	0	0	0
DEPRECIATION	157,500	157,500	157,500	157,500	45,000	45,000	45,000	45,000	20,000	20,000
PRETAX PROFIT	867,460	915,413	959,418	1,017,594	1,184,463	1,241,112	1,300,111	1,361,529	1,450,435	1,516,893
TOTAL INFLOW	2,324,960	1,072,913	1,116,918	1,175,094	1,229,463	1,286,112	1,345,111	1,406,529	1,470,435	1,536,893
OUT FLOW;										
INVESTMENT	1,300,000	0	0	0	0	0	0	0	0	0
CORP. TAX 30%	260,238	274,624	287,825	305,278	355,339	372,334	390,033	408,459	435,130	455,068
TOTAL OUTFLOW	1,560,238	274,624	287,825	305,278	355,339	372,334	390,033	408,459	435,130	455,068
NET	764,722	798,289	829,092	869,816	874,124	913,778	955,075	998,070	1,035,304	1,081,825
CUMMULATIVE	764,722	1,563,011	2,392,104	3,261,919	4,136,043	5,049,822	6,004,899	7,002,970	8,038,274	9,120,099

OPERATING COST SCHEDULE

YEAR	1	2	3	4	5	6	7	8	9	10
UTILITIES										
ELECTRICITY & WATER	6,000	6,600	7,260	7,986	8,785	9,663	10,629	11,692	12,862	14,148
FIXED/SEMI FIXED COST;										
DEPRECIATION	157,500	157,500	157,500	157,500	45,000	45,000	45,000	45,000	20,000	20,000
ADMINISTRATION COST;										
SALARIES & WAGES	83,400	87,570	91,949	96,546	101,373	106,442	111,764	117,352	123,220	129,381
OTHER ADMIN. EXPENSES	199,640	212,617	172,395	241,493	257,554	274,817	293,381	313,356	334,861	358,024
TOTAL	446,540	464,287	489,267	503,525	412,712	435,922	460,775	487,401	490,942	521,552

PROFIT & LOSS ACCOUNT

FIGURES IN US\$

YEAR	1	2	3	4	5	6	7	8	9	10
REVENUE	1,314,400	1,379,700	1,448,685	1,521,119	1,597,175	1,677,034	1,760,886	1,848,930	1,941,376	2,038,445
LESS EXPENSES										
FUEL COST	131,400	137,970	144,869	152,112	159,718	167,703	176,089	184,893	194,138	203,845
SALARIES & WAGES	83,400	87,570	91,949	96,546	101,373	106,442	111,764	117,352	123,220	129,381
ELECTRICITY & WATER	6,000	6,600	7,260	7,986	8,785	9,663	10,629	11,692	12,862	14,148
INSURANCE	5,000	5,500	6,050	6,655	7,321	9,663	8,858	9,744	10,718	11,790
BUSINESS TRAVELING	5,000	5,500	6,050	6,655	7,321	8,053	8,858	9,744	10,718	11,790
MINOR REPAIRS & MAINT	500	550	605	666	732	805	886	974	1,072	1,179
PRINT & STATIONERY	2,000	2,200	2,420	2,662	2,928	3,221	3,543	3,897	4,287	4,716
TELEPHONE	3,000	3,300	3,630	3,993	4,392	4,832	5,315	5,846	6,431	7,074
NSSF CONTRIBUTION	8,340	8,757	15,211	9,655	10,137	10,644	11,176	11,735	12,322	12,938
BANK CHARGES	200	220	242	266	293	322	354	390	429	472
BUSINESS LICENSE	200	220	242	266	293	322	354	390	429	472
SUNDRY EXPENSES	3,000	3,300	3,630	3,993	4,392	4,832	5,315	5,846	6,431	7,074
ADVERTISEMENT	5,000	5,500	6,050	6,655	7,321	8,053	8,858	9,744	10,718	11,790
DIRECTORS REMUNERATION	36,000	39,600	43,560	47,916	52,708	57,978	63,776	70,174	77,169	84,886
DEPRECIATION	157,500	157,500	157,500	157,500	45,000	45,000	45,000	45,000	20,000	20,000
TOTAL ADMINIST. COST	446,540	464,287	489,267	503,525	412,712	435,922	460,775	487,401	490,942	521,552
PRETAX PROFIT	867,460	915,415	959,418	1,017,594	1,184,463	1,241,112	1,300,111	1,361,529	1,450,435	1,516,893
CORP. TAX 30%	260,238	274,624	287,825	305,278	355,339	372,334	390,033	408,459	435,130	455,068
NET PROFIT	607,222	640,789	671,592	712,316	829,124	868,778	910,078	953,070	1,015,304	1,061,825

BALANCE SHEET

FIGURES IN US\$

YEAR	1	2	3	4	5	6	7	8	9	10
FIXED ASSETS	1,150,000	992,500	835,000	677,500	520,000	475,000	430,000	385,000	340,000	320,000
LESS DEPRECIATION	157,500	157,500	157,500	157,500	45,000	45,000	45,000	45,000	20,000	20,000
NET CURRENT ASSETS	914,772	1,105,500	1,294,092	1,492,316	1,738,778	1,825,078	1,825,078	1,913,070	1,995,304	2,061,825
TOTAL	1,907,222	1,940,789	1,971,592	2,012,316	2,168,778	2,253,070	2,210,078	2,253,070	1,995,304	2,361,825
REPRESENTED BY;										
EQUITY	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000
PRETAX PROFIT	867,460	915,413	959,418	1,017,594	1,184,463	1,241,112	1,300,111	1,361,529	1,450,435	1,516,893
LESS TAXATION	260,238	274,624	287,825	305,278	355,339	372,334	390,033	408,459	435,130	455,068
NET PROFIT	607,222	640,789	671,592	712,316	829,124	868,778	910,078	953,070	1,015,304	1,061,825
RESERVES	0	607,222	1,248,011	1,919,604	2,631,919	3,461,043	4,329,822	5,239,899	6,192,970	7,208,274
TOTAL	1,907,222	1,940,789	1,971,592	2,012,316	2,129,124	2,168,778	2,210,078	2,253,070	2,315,304	2,361,825

ECONOMIC RATE OF RETURN ON EQUIT

FIGURES IN US\$

YEAR	1	2	3	4	5	6	7	8	9	10
PROFIT AFTER TAX	607,222	640,789	671,592	712,316	829,124	868,778	910,078	953,070	1,015,304	1,061,825
EQUITY	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000
% RATE OF RETURN	47	49	52	55	64	67	73	73	78	82

VALUE ADDED CONTRIBUTION

FIGURES IN US\$

YEAR	1	2	3	4	5	6	7	8	9	10
FIXED ASSETS	1,150,000	992,500	835,000	677,500	520,000	475,000	430,000	385,000	340,000	320,000
NET CURRENT ASSETS	914,722	1,105,789	1,294,092	1,492,316	1,654,124	1,738,778	1,825,078	1,913,070	1,995,304	2,061,825
TOTAL ASSETS	2,064,722	2,098,289	2,129,092	2,169,816	2,174,124	2,213,778	2,255,078	2,298,070	2,335,304	2,381,825
NET WORTH	2,064,772	2,098,289	2,129,092	2,169,816	2,174,124	2,213,778	2,255,078	2,298,070	2,335,304	1,061,825
ADD CONTRIBUTION (NET)	607,222	640,789	671,592	712,316	829,124	868,778	910,078	953,070	1,015,304	1,061,825
% OF ADDED CONT.										
OVER NET WORTH	29	31	32	33	38	39	40	41	43	45

ECONOMIC RATE OF RETURN ON INVESTMENT

FIGURES IN US\$

YEAR	1	2	3	4	5	6	7	8	9	10
PRETAX PROFIT	867,460	915,413	959,418	1,017,594	1,184,463	1,241,112	1,300,111	1,361,529	1,450,435	1,516,893
TOTAL INVESTMENT	1,300,000	850,000	850,000	850,000	850,000	850,000	850,000	850,000	850,000	850,000
% RATE OF RETURN	67	108	113	120	139	146	153	160	171	178



00219885

5

THE UNITED REPUBLIC OF TANZANIA

Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

No: 042438

This is to certify that

SMART INDUSTRY LIMITED

of address P.O. BOX 77824

DAR ES SALAAM

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

SMART INDUSTRY LIMITED

Which is located at PLOT NO. 56, BLOCK 45C, KIJITONYAMA SERVICE

TRADE AREA, KINONDONI - DAR ES SALAAM

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

Executive Director

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

Dated 16TH MAY 2013



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 (%)
	Nadim Fayad	Ivorian	50
	Hassan Fayad	Ivorian	50
2.	Proposed Activities : To establish and operate a project for snacks and chips production		
3.	Sector: Manufacturing	Subsector	Food & Snacks Processing
4.	Investment cost:	Foreign USD 1.3m.	Local - Total USD 1.3m.
5.	Project Financing:	Equity USD 1.3m.	Loans - Total USD 1.3m.
6.	Source, terms and conditions of loan		
7.	Assets to be invested:		
	Capital items:	Foreign USD 1.3m.	Local - Total USD 1.3m.
8.	Technology Agreement None		
9.	Date of TIC Registration: 9th May 2013		
10.	Implementation period May 2013 - April 2016		
11.	Operative date May 2016		
12.	Investment Incentive Grade: As defined in part III Section 19 (1), (2) and Section 20 of the Tanzania Investment Act, 1997		
	(i)	Applicable Import Duty And VAT as per Customs Tariff Act, 1976 & VAT Act, 1997	
	(ii)	Applicable with-holding Tax As per Income Tax Act, 2004 (as amended)	
	(iii)	Eligibility of Capital Allowances As per Income Tax Act, 2004 (as amended)	
13.	Protection of Investment, Arbitration and Transfer of Foreign Currency: as defined in part III Section 21, 22 and 23 of the Act.		
14.	Conditions attached to this Certificate of Incentives		
	(i)	Date of Commencement of investment has to be notified to the Centre.	
	(ii)	Certificate not to be transferred, assigned or amended	
	(iii)	Failure to commence implementation within two years invalidates Certificate	
	(iv)	Failure to operate investment must be notified to the Centre	
	(v)	Changes in shareholding, project activities and level of invested capital must be notified to the centre	
15.	Additional conditions attached to Certificate		
	Finished goods are not allowed under this Certificate		

Signed 
Executive Director

CTIN: 1738274

ISO 9001 : 2008 Certified



TANZANIA REVENUE AUTHORITY

CERTIFICATE OF REGISTRATION

FOR

TAXPAYER IDENTIFICATION NUMBER (TIN)

(ISSUED UNDER SECTION 133 OF THE INCOME TAX ACT NO. 11 OF 2004)

THIS IS TO CERTIFY THAT

SMART INDUSTRY LIMITED

.....

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

119-490-728

.....

with effect from 18-01-2013

.....



P. N. Kassera

OFFICIAL SEAL

COMMISSIONER FOR DOMESTIC REVENUE

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


**GENERAL MEETING OF SHAREHOLDERS
HELD ON 6th April 2013**

Agenda

- i) Registration with Tanzania Investment Centre
- ii) AOB

At 10.00 a.m. on April 6th 2013 the shareholders of **M/S SMART INDUSTRY LIMITED** held a meeting to discuss the agenda above. It was unanimously agreed that **M/S SMART INDUSTRY LIMITED** would register with Tanzania Investment Centre for **production of snacks and chips project**.

There being no other business to discuss. The meeting was closed at 10.30 a.m.



.....
Hassan Fayad
Chairman



.....
Nadim Fayad
Secretary

REF: BBT/RET/TIC/01/2013

09th March, 2013.

To, TIC

Dear Madam/Sir

RE: INTRODUCTION OF SMART INDUSTRY LIMITED

The above mentioned is the customer of Barclays Bank Tanzania Ltd. They have relationship with our Bank which has been operated to our satisfaction. We consider Smart Industry Limited respectable, trustworthy and good for their normal engagements as far as their transactions with our bank are concerned.

Should you require further information, please contact us on +255 754 744 450 or email: kiure.suleiman@barclays.com

This information is afforded to you in strict confidence for your use only and upon the express instruction that neither the Bank nor any of its staff shall be held responsible for giving it

Further assistance to him will be highly appreciated.

Yours Sincerely,



Suleiman Kiure | Branch Sales Team Leader |
Mobile +255 (0) 754 744 450 | kiure.suleiman@barclays.com
Barclays Bank Tanzania, Slipway Premier Branch, P.O Box 5137, Dar es Salaam, Tanzania
[Barclays.com/ Africa](http://Barclays.com/Africa) | www.barclays.co.tz



TANZANIA INVESTMENT CENTRE

REGISTRATION FORM

FOR

CERTIFICATE OF INCENTIVES

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

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

(Please fill the form in duplicate)

UNITED REPUBLIC OF TANZANIA

THE TANZANIA INVESTMENT ACT
(No. 26 of 1997)

APPLICATION FOR REGISTRATION
(Made under Regulation 42)

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

1. I/We HASSAN FAYAD
(director/directors/agent of SMART INDUSTRY LIMITED
(name of business enterprise) apply for registration of CERTIFICATE OF INCENTIVES
under Section 17 of the Act and Part IV of the Investment Regulations, 2002.
2. The registered office of the company will be situated at MILLENNIUM PARK UBUNGO

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 MILLENNIUM PARK UBUNGO
4. The Principal Officers of the Company are 1. HASSAN FAYAD
2. NADIM FAYAD
5. Auditors of the Company are TO BE REAPPOINTED
6. The authorized share capital of the Company is Tshs./US\$ 480,000,000/-



7. The intended capital investment of the Company in terms of Section 2(2) of the Act is Tshs./US\$ 1,300,000/-

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

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

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

I, HASSAN FAYAD of Post Office Number 77824 DSM

..... do solemnly and sincerely declare that I am a director/duty authorized agent of SMART INDUSTRY LIMITED


AND that all the requirements of the Tanzania Investment Act, 1997 in respect of matters precedent to the registration of the business enterprise under the Act and incidental thereto have been complied with, **AND I** make this solemn declaration conscientiously believing the same to be true.


Declared at Dar es Salaam }
..... }

The 17 day of April 2013 }
..... }


Applicant

Before me:

..... 
Commissioner for Oaths



APPLICATION SUMMARY

Company Name: SMART INDUSTRY LIMITED

Certificate of Incorporation Number: 96342 Status: NEW

Certificate of Incorporation Date: 10th JANUARY 2013

Post Box: 77824

Town: DAR ES SALAAM

Sector: MANUFACTURING Sub-Sector: FOOD & SNACKS PROCESSING

Investment Financing Plan in Million US\$/Tshs.

Foreign Equity	Local Equity	Foreign Loan	Local Loan
1.3			

Project Objectives: TO ESTABLISH PROJECT FOR SNACKS AND CHIPS PRODUCTION

Capacity: 6 million bags/Annium

Employment: Foreign: 5 Local: 23 Total: 28

Implementation Period: 3 YRS

Project Location

Site/Plot/Block No.: UBUNGU MILLENIUM PARK

Street: UBUNGU District: ILALA Region: DAR ES SALAAM
(Attach sketch map showing project location)

Shareholders	Nationality	%
HASSAN FAYAD	IVORIAN	50
NADIM FAYAD	IVORIAN	50%

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

Land/Building 90,000/-
Plant 1,000,000/-
Vehicles 70,000/-
Furniture & Fittings 40,000/-
Pre-expenses
Others
Working Capital 100,000/-
TOTAL 1,300,000/-

Contact Details:

Name: HASSAN FAYAD

Title: DIRECTOR

Telephone: 0659886886

Fax:

Email:

Payments to be made payable to:

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



1

P.O.Box 77824

Ref.No: SIL/TIC/2/2013

23rd April 2013

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



Dear Sir,

RE: APPLICATION FOR TIC CERTIFICATE OF INCENTIVES

We have incorporated the company for the purpose of establishing a factory for production of snakes and chips. The proposed project will be in Millenium park at Ubungo Dar es Salaam region. It is due to this reasons that we hereby submit our application for TIC Certificate of Incentives to facilitate implementation of the project.

Please find the attached herewith the following basic documents for your approval:

1. Duly completed and signed application form
2. A copy of our Certificate of Incorporation
3. A copy of Campany's Memorandum and Article of Association
4. Company Board resolution to register with TIC
5. Acertified copy of Lease Agreement
6. A copy of our feasibility study showing the implemenation period

Thanks you for your kind consideration

Yours Sincerely,


.....
HASSAN FAYAD

3

TICC/PP.10/042438/3

9th May, 2013

Managing Director,
Smart Industry Ltd.,
P.O. Box 77824,
DAR ES SALAAM

**RE: CERTIFICATE OF INCENTIVES FOR INVESTMENT IN THE
ESTABLISHMENT AND OPERATING PROJECT FOR SNACKS AND
CHIPS PRODUCTION**

We wish to acknowledge receipt of your project proposal to establish and Operate a project for snacks and chips production as presented in the TIC P.A. 1 Form No. 10990 and Feasibility Study with a projected investment of USD 1.3m.

We have studied your project proposal and we are pleased to inform you that your investment proposal is now officially registered and therefore your project will be granted a CERTIFICATE OF INCENTIVES, given under authority conferred upon TIC under Part III, Section 17 (1-8) of the Tanzania Investment Act, 1997. In order to enable TIC prepare your Certificate of Incentives, You will be required to submit the following:-

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

You will also be required to submit to the Centre a Progress Report on the implementation of the project after every six months for our information and review. Guidelines for the preparation of the report are contained in annexure 2 also attached to this letter. Please do not hesitate to contact the Centre for any clarification if the need arises.

.../2

TICC/PP.10/042438/3

9th May, 2013

Please also note that a facilitation fee equivalent to US\$ 1000.00 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:-

*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



TIC Evaluation Report

Name of the Company
Smart Industry Ltd.

Post Box	Ubungo Millenium Park	COI Number	96342	Contact	Mr. Hussein Fayad
Post Office	77824	COI Date	01/10/2013	Designation	Director
Region	Dar Es Salaam	Application F. No	10990	Phone	0
Country	Tanzania	Status	New	Direct Phone	0
		Sector	Manufacturing	Cell Phone	0
		Sub Sector	Food & Snacks Processing	Fax	0
		File No	042438	E-Mail Address	0

Project Location		Investment Finance Plan in Millions USD											
Plot/Block	Ubungo Millenium Park	<table border="1"> <thead> <tr> <th>Foreign Equity</th> <th>Local Equity</th> <th>Foreign Loan</th> <th>Local Loan</th> </tr> </thead> <tbody> <tr> <td>1.3</td> <td>0</td> <td>0</td> <td>0</td> </tr> </tbody> </table>	Foreign Equity	Local Equity	Foreign Loan	Local Loan	1.3	0	0	0			
Foreign Equity	Local Equity		Foreign Loan	Local Loan									
1.3	0		0	0									
Street	Ubungo												
District	Kinondoni												
Region	Dar es Salaam												

Shareholders Detail			Investment Breakdown (USD Million)	
Name	Nationality	(%)	Land/Building	0.09
Nadim Fayad	Ivorian	50	Plant	1
Hassan Fayad	Ivorian	50	Vehicles	0.07
			Furniture & Fittings	0.04
			Pre-expenses	0
			Others	0
			Working Capital	0.1
			Total	1.3

Employment	28	Evaluated By	wf officer3
Capacity	6 million bags pa.	Drawn By	wf registry2
Project Turn Over		Project Type	Foreign

Description

To establish and Operate a project for snacks and chips production

Recommendations

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

Decision *Approved as recommended*
Shungu
Ag Exd
7/5

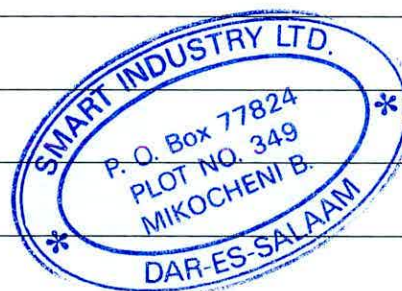
SMART INDUSTRY LTD
LIST OF CAPITAL GOODS FOR 2013

S/N	<i>A. MACHINERY & WORKSHOP EQUIPMENTS</i>	QUANTITY
(1)	Stainless Steel Screw Conveyor Machine	5pcs
(2)	Maddox Stainless Steel Vertical Mixer Capacity Of 700lbs	3pcs
(3)	Extruder Capacity 150kgs Of Finished Product 50hp Upgraded With New Control Panel & Speed Invertors	3pcs
(4)	Vibratory Conveyor & Sifter Machine	3pc
(5)	Transport Incline Conveyor	3pcs
(6)	Blower For Machine	3pc
(7)	Rotary Oven 4m Long Gaz Fired & Electrically Heated By 18 Heaters Of 2kw Each Machine	3pc
(8)	Twin Slurry Mixers All St. St With Rudolph Pump & Inverters For Agitators	3pcs
(9)	Flavor Drum 415cm Long & 77cm Width. Steel Base	3pcs
(10)	Wright Twin Tube Bagger With 6 Cups Volumetric System On Each Tube Capacity Around 120 Bags/Min	3pcs
(11)	Take Off Conveyor 2m Long	3Pcs
(12)	Cross Transport Conveyor 2m Long	3Pcs
(13)	Accumulating Conveyor 4m Long	3Pcs
(14)	Coated Machines	15pcs
(15)	Packaging Machines For Snacks	20Pcs
(16)	Generators	5pcs
(17)	Refrigerated Container	5Units
(18)	Lifting Machine	10 pc
(19)	Pallet Truck	30pcs



SMART INDUSTRY LTD
LIST OF CAPITAL GOODS FOR 2013

(20)	CCTV CAMERAS (Security cameras & Television)	30pcs
(21)	SEALING MACHINE	30pcs
(22)	COLD ROOM EQUIPMENT Steel aluminium sheet	3pcs
(23)	Air Compressor	5 pcs
S/N	B. UTILITY VEHICLES	QUANTITY
(1)	Forklifts	5Units
(2)	Refrigerated Truck	5 Units
(3)	Trucks	5 Units
(4)	Pick up (Single cab)	15Units
(5)	Refrigrated van	10Units
S/N	C.OFFICE EQUIPMENTS	QUANTITY
(1)	Fax Machine	2Pcs
(2)	Lap top	15Pcs
(3)	Fire Extinguisher & hose reel	10Pcs
(4)	Air conditions	50pcs
(5)	Packaging printing machine	5Pcs
(6)	Stabilizer	3Pcs
(7)	Fire alarm system	50Sets
(8)	Trolley	10Pcs
(9)	Mixing machine	5Pcs



SMART INDUSTRY LTD
LIST OF CAPITAL GOODS FOR 2013

(10)	Laser Printer	10 Pcs
------	---------------	--------



Unclaimed refund beyond three years will be forfeited



4

TANZANIA INVESTMENT CENTRE

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

RECEIPT REC011251

No. **005488**

Received from : **SMART INDUSTRY LTD**

Address : **P.O. Box 77824, Dar Es Salaam**

Received the sum of (In words): **ONE THOUSAND AND 00 CENTS ONLY**



Being payment in respect of **CERTIFICATE OF INCENTIVE**

Amount : **USD 1,000.00**

Cash / Cheque No: **D/DEP/13/5**

Buiseo

Date : **13-May-2013**

Receiving Officer

such cases and so often as the same shall happen the rent herein before reserved or a fair and just proportion thereof according to the nature and extent of the injury sustained shall cease and be suspended during and so long as the premises hereby demised or the destroyed or damaged part shall remain inhabitable or unfit for use by reason of such destruction or damage.

- 9.2 PROVIDED that if the Lessor shall fail or neglect to reinstate the demised premises as aforesaid in 1 month period from the date of such damage or destruction, then the Lessee at his own option may terminate this lease forthwith by notice in writing and the Lessor shall refund to the Lessee any rent received in advance for the un expired period of the lease;
- 9.3 Should the Lessee desire to vacate the demised premises during the continuation of the Lease, the Lessee shall give three months written notice signifying such intention;
- 9.4 If the Lessee shall be desirous of taking a lease of the demised premises for any further term upon the expiration of the term hereby granted he shall be obliged to give the Lessor a three months notice of such desire prior to the expiration of the term hereby granted;
- 9.5 That either party shall be at liberty to terminate this lease by giving the other a three (3) months notice of his desire to do so and the lease shall terminate on the expiration of the notice so given, provided that if the lease is terminated by the Lessor the Lessor shall refund to the Lessee any rent received in advance for the un expired period of the lease.
- 9.6 The Lessee shall be responsible for insurance of the demised premises and for of its materials and items stored in the demised premises.
- 9.7 Any notice under this Lease Agreement shall be in writing and notice to the Lessee shall be sufficiently served if addressed to him at the demised premises, if sent by registered post addressed to him at his usual place of business, and any notice to the Lessor shall be sufficiently served if sent to him by registered post addressed to him at his usual place of business.

10 Dispute Resolution

Any dispute or difference whatsoever which shall at any time hereafter whether during the continuance of the lease or upon or after its discharge or termination arise between the parties hereto touching or concerning this lease the single arbitrator will be appointed by the parties, and the rules for Arbitration should be those under the Arbitration Act , Cap 15.

11 Governing Law

This Lease Agreement shall be governed by the laws of Unite Republic of Tanzania.

12 Execution Copies

This Lease shall be executed in duplicate; one shall be retained by the Lessee and the second by the Lessor

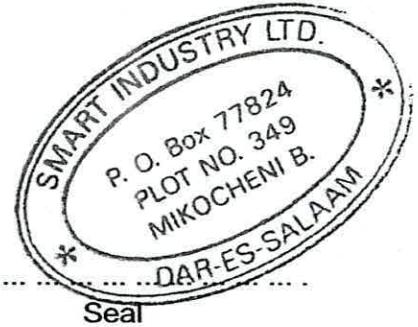
In Witness whereof, the Lessor and the Lessee have put their respective signatures on this agreement on the day, month and year hereinbefore appearing.

Sealed with the Common Seal of the said **Sardinia Industries Limited** and delivered In Dar es Salaam in the presence of us this 7th day of **May 2013** within the Lessor above named

Seal

Signature: [Signature]
Name: EL-NASIR, HASI
Address: P.O. Box 15282
DAR ES SALAAM
Qualification: Director

Sealed with the Common Seal of the said **Smart Industry Limited**, and delivered in Dar es Salaam in the presence of us this 7th day of **May 2013** within the Lessee above named



Signature: [Signature]
Name: Hassan Fayad
Address: P.O. Box 77824
Dar es salaam
Qualification: Director

Grace Toram Mott
[Signature]
7.5.2013
[Notary Seal: ADVOCATE NOTARY PUBLIC & COMMISSIONER FOR LATIS]

TICC/PP.10/150045/5

27/05/2013

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

Dear Sir,

**RE: DUTY/VAT REMISSIONS ON CAPITAL/ DEEMED CAPITAL
GOODS OF CERTIFICATE OF INCENTIVES NO: 150045**

M/S VIASAT 1 Tanzania Limited is a TIC registered company with certificate of incentives **No. 150045** which is valid up to **April 2016**

The company has been registered with objectives of establishing Television Station Project.

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

Yours sincerely

TANZANIA INVESTMENT CENTRE



N.A. Senzia

FOR: EXECUTIVE DIRECTOR

TICC/PP.10/042438/7

24/05/2013

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

Dear Sir,

**RE: DUTY/VAT REMISSIONS ON CAPITAL/ DEEMED CAPITAL
GOODS OF CERTIFICATE OF INCENTIVES NO: 042438**

M/S Smart Industry Limited is a TIC registered company with certificate of incentives **No. 042438** which is valid up to **April 2016**

The company has been registered with objectives of establishing and operating a project for snacks and chips production.

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

Yours sincerely

TANZANIA INVESTMENT CENTRE



N.A. Senzia

FOR: EXECUTIVE DIRECTOR

Tic



Commissioner of Customs & Excise

Tanzania Revenue Centre,

Date: 22/05/2013

P.O. Box 9053,

DAR ES SALAAM

Received on
23/5/2013

for
TIC

UFS

Executive Director,

Tanzania Investment Centre,

P.o. Box 938,

DAR ES SALAAM



Dear Sir,

RE: DUTY & VAT EXEMPTION ON CAPITAL/ DEEMED CAPITAL GOODS FOR CERTIFICATE OF INCENTIVES NO: 042438

We are Tic approved project with certificate of incentives No; 042438

Which is valid up to May 2016

The Company has been registered with objectives of establishing and operating a project for snacks and chips production

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

Yours sincerely,



Managing Director

Lease Agreement

Between

Sardinia Industries Limited

And

Smart Industry Limited

Lease Agreement

This Agreement is made at Dar es Salaam this 7TH ... day of May 2013.

By and Between

Sardinia Industries Limited a limited liability company duly registered and operating in Tanzania and of Post Office Box Number 15282, Dar es Salaam, Tanzania, hereinafter referred to as "the Lessor" which expression shall where the context so requires includes its administrators, executors and assigns of the one part

And

Smart Industry Limited, a limited liability company duly registered and operating in Tanzania and of Post Office Box Number 77824, Mikocheni 'B', Plot No. 349, Sangara Street, Dar es Salaam, Tanzania, hereinafter referred to as "the Lessee" which expression shall where the context so requires includes its administrators, executors and assigns of the other part;

WHEREAS the Lessor is the registered owner of a the Premises located on Plot No. 56, Block '45C', Kijitonyama Service Trade, Kinondoni Municipality, Dar es Salaam, particularly described under Certificate of Title No. 186240/129 (Hereinafter referred to as "the demised premises")

AND WHEREAS the Lessor is desirous of letting of his demised premises to the Lessee and the Lessee is desirous of renting from the Lessor the said premises at the rate and on the terms and conditions as hereunder;

Now This Agreement Witnesseth as follows:

1 Lease

In pursuance of the said Agreement and in consideration of the rent hereby reserved and the Lessee's Covenants hereinafter mentioned, the Lessor hereby demises unto the Lessee his demised premises situated on Plot 56, Block '45C' Kijitonyama Service Trade, Kinondoni District, Dar es Salaam together with all the developments, appurtenances, fixtures and fittings, herein referred to as 'the demised premises' for a period of **Five years**.

- 1.1 The Lessee shall take possession of demise premises after execution of the lease agreement on 7TH May 2013, and the Lessor properties shall removed in the leased demised premises within ten days after the signing date and lease shall commencing on the 5TH August 2013 after the grace period of 90 days for renovation to 4TH August 2018, with the option of renewal for the period of five years upon the mutual consent and the letter from the Lessee to the Lessor three months before the expiry of the lease.

2 Use of Property

The demised premises shall only be used as a factory; warehouse and company employee's residential. Any other use of the demised shall not be without express consent of the Lessor.

3 Payment of the Rent

The rent herein reserved shall be United States Dollars Four Thousand only (US\$ 4000) per month VAT exclusive, payable annually in advance to the Lessor or to any other person nominated by the Lessor, and shall remain fixed for the whole term of the lease.

4 Renewal of the Term

Pursuant to the terms and conditions that would be mutually agreed by both parties to this Agreement, the term of this Lease may be renewed for a further period of five years on the terms and conditions to be mutually agreed between the parties.

5 Lessor's Warranties and Representations

The Lessor warrants and represent to the Lessee that it is a legal owner in possession of the premises herein demised and that it is legally capable and duly authorised to enter into this Agreement and perform all the obligations set out herein.

6 Lessees' Rights and Obligations

The Lessee hereby covenant with the Lessor as follows:-

- 6.1 To pay rent and any other additional payments hereinafter mentioned at the times and in the manner herein provided.
- 6.2 To insure and keep insured the demised premises and the Lessee's fixtures against loss, or damage by fire and such other risks as the Lessee shall deem desirable or expedient
- 6.3 To pay all fees for sanitary, all rates and charges for use of water, electricity and security services in respect of demised premises during the said term.
- 6.4 To conduct only legal and licensed business in the said premises.
- 6.5 At all times to keep the interior of the demised premises and the appurtenances thereof including doors, windows and other fixtures, fittings, fastening, electrical wires and fittings, water drains and other pipes and painting and decoration thereof in good and substantial repair and good condition.
- 6.6 To keep the surrounding ground of the demised premises in good order and condition.
- 6.7 To permit the Lessor and or his agents with or without workmen at all reasonable times during day time by prior appointment to enter upon the demised premises for the purposes of viewing and executing any repair necessary under the covenants herein contained.
- 6.8 Not to make any alterations or additions to the demised premises without first obtaining the written consent of the Lessor.
- 6.9 Not to assign, underlet or part with possession of the demised premises or any part thereof without the written consent of Lessor, such consent not to be unreasonably withheld PROVIDED ALWAYS that the occupation of the demised

premises or any part thereof by any person in the service or employment of the Lessee shall not constitute an assignment, underlies or parting with the possession of the demised premises or any part thereof.

- 6.10 Not to use the demised premises in a way that would create annoyance, nuisance, or any danger to the public, neighbours or other lessees.
- 6.11 On the expiration or sooner after termination of the term hereby granted, to deliver up the demised premises to the Lessor in good tenantable condition and having been repaired (reasonable) wear and tear (damage by fire, earthquakes and lighting excepted) and maintained in accordance with covenants and conditions herein contained.

7 Lessor's Rights and Obligations

The Lessor hereby covenants with the Lessee as follows:

- 7.1 Subject to the Lessee's performance of all the covenants herein above specified, not to interfere or allow other person rightfully claiming under or in trust for the Lessor to interfere, interrupt or intrude upon the Lessee's peaceful enjoyment of the demised premises throughout the said term.
- 7.2 The Lessee not obscuring the foregoing covenant hereinbefore reserved, and performing the several covenants and stipulations herein on his part contained shall peacefully hold and enjoy the demised premises during the term created without interruption by the Lessor or any person rightfully claiming under or in trust for him.
- 7.3 Not to do anything that will invalidate the policy of insurance against or that which may increase the premium and in such event to pay the Lessee sums paid by way of increased premiums and all expenses incurred by the Lessee due to the Lessor breach of this covenant
- 7.4 During the subsistence of this Agreement the Lessor shall be allowed to sell the demised premises in the manner prejudicial to the Lessee's rights contained under this Agreement.
- 7.5 During the subsistence of the lease, the Lessor will be responsible for payment of Property Tax, Land Rent, Stamp Duty or any other Tax/Levy related to the demised property levied by the City Council or Government of Tanzania.

8 Lessees' Default

In the event the Lessee fails to fulfil any of its obligations under this Lease, and where this Lease specifically provides no other remedy for such failure, the Lessor shall give the Lessee notice in writing to remedy the breach within a period of not less than one month. If upon notice, the Lessee fails to remedy the default, the Lessor will be entitled to issue three months notice of termination of the Lease.

9 General Terms and Conditions

It is hereby provided always and it is hereby expressly agreed and declared as follows:

- 9.1 If at any time during the term of lease for the demised premises or any part thereof shall be destroyed or damaged by the (Act of God) force majeure the any

TANZANIA



Certificate of Incorporation

Section 15

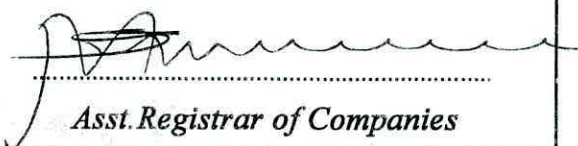
No 96342

I HEREBY CERTIFY THAT

SMART INDUSTRY 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 **10TH** day of **JANUARY****TWO THOUSAND AND THIRTEEN**
Asst. Registrar of Companies



00219885

Original copy
of the original
Stamp: *[Signature]*
Date: 17/5/2013
For: Executive Director
Tanzania Investment Centre

THE UNITED REPUBLIC OF TANZANIA

Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

No: 042438

This is to certify that

SMART INDUSTRY LIMITED

of address P.O. BOX 77824

DAR ES SALAAM

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

SMART INDUSTRY LIMITED

Which is located at PLOT NO. 56, BLOCK 45C, KIJITONYAMA SERVICE

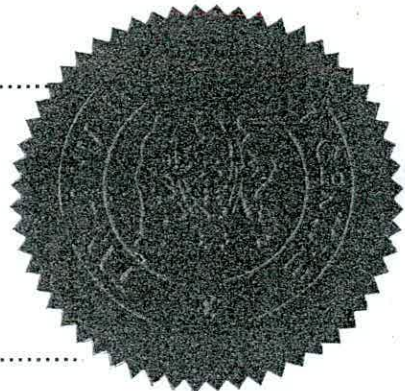
TRADE AREA, KINONDONI - DAR ES SALAAM

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

[Signature]

Executive Director

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



Dated 16TH MAY 2013

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 (%) |
|---------------------|----------------|------------------|
| Nadim Fayad | Ivorian | 50 |
| Hassan Fayad | Ivorian | 50 |
2. Proposed Activities: **To establish and operate a project for snacks and chips production**
3. Sector: **Manufacturing** Subsector: **Food & Snacks Processing**
4. Investment cost: Foreign **USD 1.3m.** Local **—** Total **USD 1.3m.**
5. Project Financing: Equity **USD 1.3m.** Loans **—** Total **USD 1.3m.**
6. Source, terms and conditions of loan.....
7. Assets to be invested:
- | Capital items: | Foreign | Local | Total |
|----------------|------------------|----------|------------------|
| | USD 1.3m. | — | USD 1.3m. |
8. Technology Agreement **None**
9. Date of TIC Registration: **9th May 2013**
10. Implementation period **May 2013 - April 2016**
11. Operative date **May 2016**
12. Investment Incentive Grade: As defined in part III Section 19 (1), (2) and Section 20 of the Tanzania Investment Act, 1997
- (i) Applicable Import Duty **And VAT as per Customs Tariff Act, 1976 & VAT Act, 1997**
 - (ii) Applicable with-holding Tax **As per Income Tax Act, 2004 (as amended)**
 - (iii) Eligibility of Capital Allowances **As per Income Tax Act, 2004 (as amended)**
13. Protection of Investment, Arbitration and Transfer of Foreign Currency: as defined in part III Section 21, 22 and 23 of the Act.
14. Conditions attached to this Certificate of Incentives
- (i) Date of Commencement of investment has to be notified to the Centre.
 - (ii) Certificate not to be transferred, assigned or amended
 - (iii) Failure to commence implementation within two years invalidates Certificate
 - (iv) Failure to operate investment must be notified to the Centre
 - (v) Changes in shareholding, project activities and level of invested capital must be notified to the centre
15. Additional conditions attached to Certificate
Finished goods are not allowed under this Certificate

Signed 
Executive Director



TANZANIA REVENUE AUTHORITY

CERTIFICATE OF REGISTRATION

FOR

TAXPAYER IDENTIFICATION NUMBER (TIN)

(ISSUED UNDER SECTION 133 OF THE INCOME TAX ACT NO. 11 OF 2004)

THIS IS TO CERTIFY THAT

SMART INDUSTRY LIMITED

.....

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

119-480-728

.....

with effect from 18-01-2013

.....


P. N. Kassera

OFFICIAL SEAL

COMMISSIONER FOR DOMESTIC REVENUE



SMART INDUSTRY LIMITED PROGRESS REPORT

Smart Industry commenced its operation in Tanzania in January 2013 trade as Smart Industry Limited. Smart Industry is locally registered company set up to produce and sells food snacks.

That on 16th May 2013, That Smart Industry was issued a certificate of incentive number **042438** by the Tanzania Investment Center.

That on May 2016 the operative of incentives came to an end wherefore we lodge letter of application for renewal of incentives:

1. PLANNED ACTIVITIES FOR A PERIOD

Planned activities is to provide to establish operate and improving a projects for food snacks in the newly introduced mechanized industry in Tanzania taking advantage of the vast resources and experiences existing within Smart Industry.

2. ACHIEVEMENT MADE ON PROJECT IMPLEMENTATION TO DATE

The company started with the twenty five employees, two expatriates and 23 Tanzania nationals. To date the company now employs eighty five employees in various disciplines including Human Resource, Marketing, logistic, finance, administrations and security. With total number of employee one hundred employees are Tanzanian nationals and four are expatriates.

That the Production Industry as such more efforts were directed in developing skills base of Tanzania to be able to provide highly production in order to meet demand and supply of the international standards and expectations. To date more and more Tanzanians nationals have been developed to take more responsible roles and some have gone to work in other parts of the world.

The size of services and production of foods snacks of Smart Industry Tanzania has significantly increased in such a way most of the services that might be highly needed .That the products can now be efficiently supplied whole over the country.

3. PROJECT FINANCIAL EXPENDITURE TO DATE

The company started with initial capital of **USD 1.3 m** to date owner equity had expanded to a remarkable **USD 2. m** as indicate below.

<u>AS AT 30TH JUNE 2016</u>	<u>USD</u>
LAND AND BULDING	NIL
PLANT AND MACHINERY	1,200,000.00
VEHICLES	300,000.00
FUNIRUTURE	50,000.00
OFFICE EQUIPMENT	20,000.00
INSURANCE COVER	50,000.00
PRE OCCUPATIONAL EXPENSES	250,000.00
GRAND TOTAL	1,870,000.00

4. PROJECT FINANCING

The business is financed by equity and loans. The main source of the loans is through Capital income and loan by finance company and Bank Loan.

5. PROBLEMS AND SOLUTION

Main problems facing the business results from industrial characteristics and country based

- **falling of commodity prices**

These are falling commodity prices in the local market which lead to customers reducing demands as such affecting our business.

- **limited skill level**

Tanzania only has around 20 years since it experience in the mechanized as a result the company had to start from a low experience level and to train its employees in various sector. Once they have been trained some of these employees have left the company to work for other companies outside of Tanzania and due to this reason the company has had to continue requires expatriates to ensuring smooth operations and training new Tanzanian nationals.

- **unpredictable tax regime**

The tax regime had a lot of challenges in interpretations and implementations of the existing tax laws. For health and smooth operation the company needs clear and not ambiguous laws. These might leads to high litigation costs.

- **infrastructure**

Transport, electricity ,Gas and Rent of the blinding though have experienced remarkable changes but still have a long way to go to meet international standards and reach maximum potential.

To solve the above problems a number of initiatives had been employed

- Falling commodity prices, it has to be managed by employing various techniques among them downsizing, operation etc.
- Increase Marketing to customers to increase profitability.
- Limited skills level; training Tanzania nationals internally.

6. FUTURE PLANS

To continue to supply and support Smart Industry of manufacturing food snacks to the current and future for Smart Industry in Tanzania including providing new products that allow these customers to enjoy quality through branding by inventing new technology.

To continue training local Tanzanian employees to be competent in sales and support for the smart products through being more actively involved in apprentice programs.

For the aim of develop a rebuild facility in for the rebuild o the Smart Industry shall imports the following machines.

- 1) **Ribon Nixez 6 pcs,**
- 2) **Coating Tumbla 6 pcs,**
- 3) **Cooling Bed 18 pcs**
- 4) **Batch Roaster 4 pcs**
- 5) **Salting Drun 3 pcs**
- 6) **Mixing Tank 3pc**



P O Box 77824, Plot No.56 Block No.45c Kijitonyama, Kinondoni, Dar es
Salaam Tel Mob +255 659 271110, +255 659 886 886 E-mail
smart.industry1@gmail.com

15th November 2016

The Director,
Tanzania Investment Center,
Shaban Robert Street,
P.O.Box 938,
Dar es Salaam,
Tanzania.

Dear Sir,

**Re; REQUEST FOR EXTENSION OF TWO YEAR RENEWAL OF CERTIFICATE OF
INCENTIVES OF SMART INDUSTRY LIMITED**

I can recall that **SMART INDUSTRY LIMITED** was granted a certificate of incentive number
042438 on 16th May 2013 on the implimentation period that will end on April 2016.Do to the
economic challenges and newly economic plan of next year that aim to import machines for
our industry.With all due respet we request your good office to approval our applicaion
herein.

Enclosed with this letter I submit

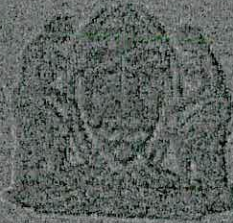
- 1). Original certificate of incentive
- 2). Copy of certificate of incorporation
- 3). Progress report
- 4). Photos of various sites activities.

Your consideration of our application is highly appreciated,

Kind regards, *cmx*

.....
Hassan Fayad, Director





Certificate of Incorporation

Section 15

No 96342

I HEREBY CERTIFY THAT


SMART INDUSTRY LIMITED

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

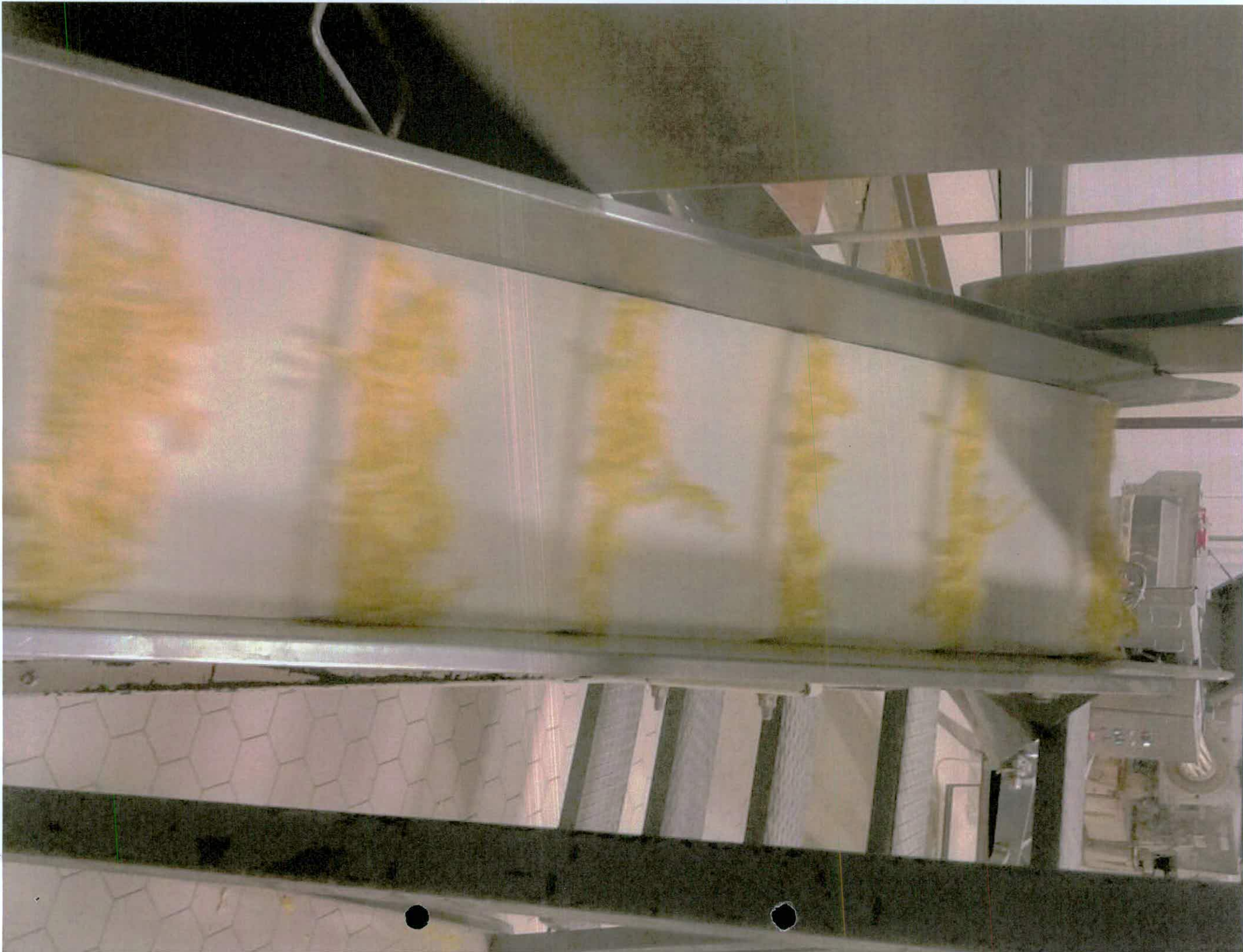
Given under my hand at Dar es salaam

this 10TH day of JANUARY

TWO THOUSAND AND THIRTEEN

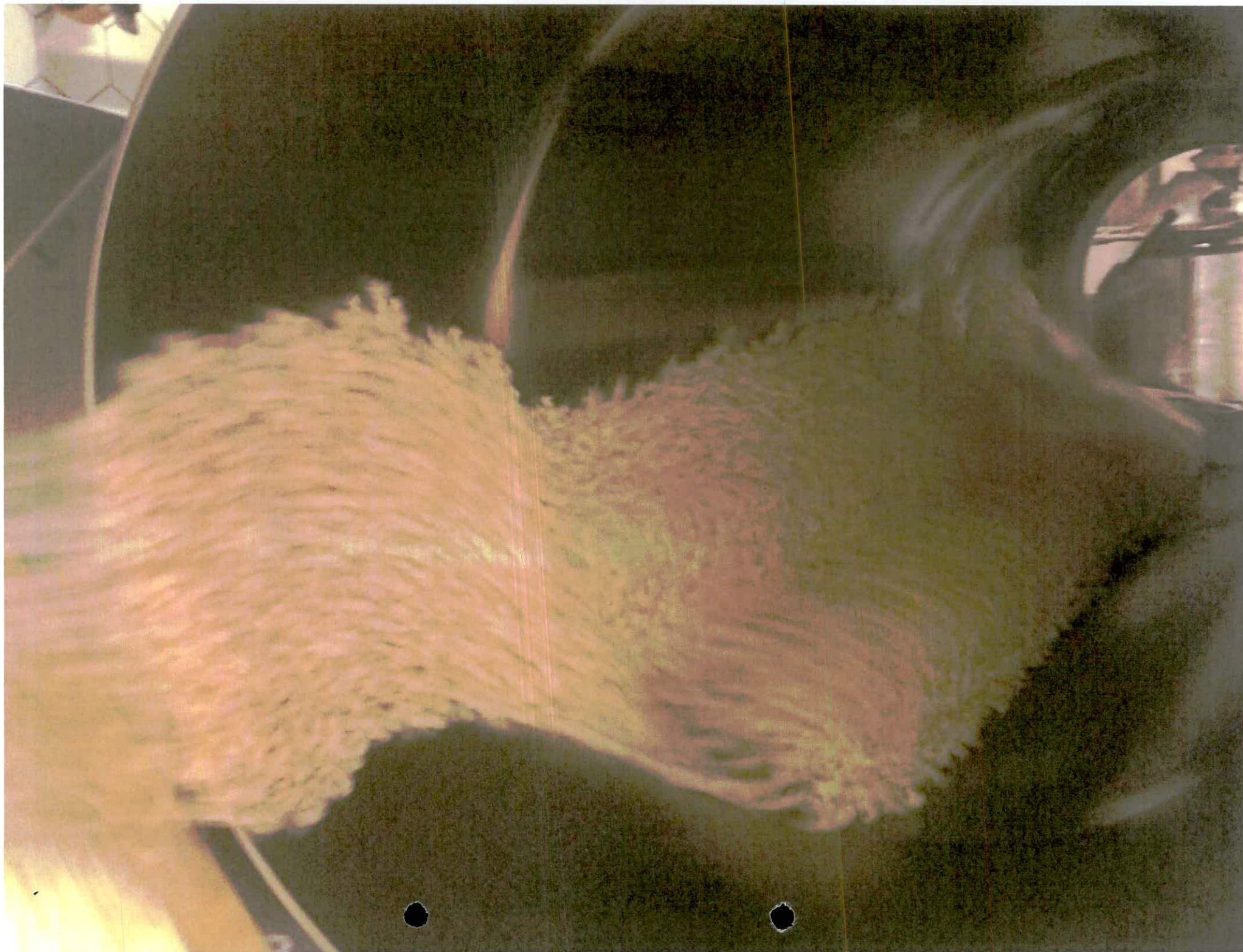
Certified true copy of the Original
Sign:  Date: 3/8/2013
AIDAN M. KITARE
Advocate, Notary Public & Commissioner
for Oaths













0222877

THE UNITED REPUBLIC OF TANZANIA

Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

THIS CERTIFICATE REPLACE/
EXTENDS THE PREVIOUS ONE
NO. 042438 ISSUED ON
16/5/2013

042438

AMENDMENT ON SECTION 10&11
HAVE BEEN EFFECTED

No:

Signature

Signature

This is to certify that

SMART INDUSTRY LIMITED

of address..... P.O. BOX 77824

DAR ES SALAAM

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

SMART INDUSTRY LIMITED

Which is located at PLOT NO. 56, BLOCK 45C, KIJITONYAMA SERVICE

TRADE AREA, KINONDONI - DAR ES SALAAM

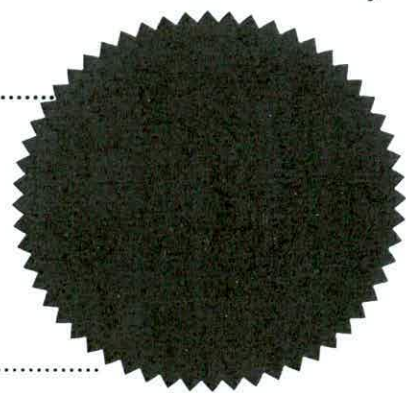
Further particulars required by Section 17 of the Tanzania Investment Act are set out overleaf.

Signature

Ag. Executive Director

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

Dated 25TH NOVEMBER 2016



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

Nadim Fayad	Nationality Ivorian	Shareholding (%) 50
Hassan Fayad	Ivorian	50
2. Proposed Activities: **To establish and operate a project for snacks and chips production**
3. Sector: **Manufacturing** Subsector: **Food & Snacks Processing**
4. Investment cost: Foreign **USD 1.3m.** Local **-** Total **USD 1.3m.**
5. Project Financing:

Equity USD 1.3m.	Loans -	Total USD 1.3m.
-------------------------	----------------	------------------------
6. Source, terms and conditions of loan.....
7. Assets to be invested:

Capital items:	Foreign	Local	Total
	USD 1.3m.	-	USD 1.3m.
8. Technology Agreement **None**
9. Date of TIC Registration: **9th May 2013**
10. Implementation period **May 2013 - April 2017**
11. Operative date..... **May 2017**
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,	14
(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 ammended
 - (iii) Failure to commence implementation within two years invalidates Certificate
 - (iv) Failure to operate investment must be notified to the Centre
 - (v) Changes in shareholding, project activities and level of invested capital must be notified to the Centre
15. Additional conditions attached to Certificate
Finished goods are not allowed under this Certificate

Signed 
Ag. Executive Director

Unclaimed refund beyond three years will be forfeited



TANZANIA INVESTMENT CENTRE

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

RECEIPT REC028968

No. 022239

Received from : SMART INDUSTRY LTD

Address P. O. Box 77824, Dar Es Salaam

Received the sum of (In words): ONE THOUSAND AND ZERO CENTS ONLY

Being payment in respect of: CERTIFICATE OF INCENTIVES

Amount : T 500,000.00

in / Cheque No: D/Deposit 24/11

Date :

24-Nov-2016

B. Uisso

Receiving Officer

9

PROJECT FOR EXTENSION OF IMPLEMENTATION PERIOD

Name of the Project: SMART INDUSTRY LIMITED

Project Description: Certificate No: 042438

To establish and operate project for snacks and chips production

Approval Date: 9th May, 2013

Implementation Period Expiry: May 2013 – April 2016

Number of Previous Extensions: NIL

Reasons for this Extension:

To accomplish the implementation of the project

Recommendations:

I recommend the project implementation period be extended for one year

Decision:

APPROVED BY EXI

Sign:.....

Unjinder

Date:.....

23/11/2016



TANZANIA REVENUE AUTHORITY

TRA/CE/C/P20/8/3179

06.06.2013

The Managing Director,
Smart Industry limited,
P. O. Box 77824,
Dar es Salaam

Dear Sir,

**RE: DUTY/VAT EXEMPTION ON CAPITAL/DEEMED CAPITAL GOODS-
CERTIFICATE OF INCENTIVES NO. 042438 OF 16.05.2013**

We are writing in response to your letter dated 22.05.2013 and letter TICC/PP.10/042438/7 of 24/05/2013 from Tanzania Investment Centre regarding the captioned subject.

We hereby confirm and approve three -page list herewith attached as capital/deemed goods for establishment and operation of the project with certificate of incentives mentioned above and items therein deleted could not be approved because they are not eligible for exemption The age of approved vehicle at the time of importation should be within the limit specified in the law.

The approved goods will be granted Import Duty exemption to the tune of 90% of the amount that the goods would otherwise be liable and VAT will be relieved to the tune of 45% of the amount payable. However, VAT relief will be granted upon completion of form 224 and submit the same for approval to the Commissioner for Customs and Excise for all imported items; and for locally procured items, the forms should be submitted for approval to the Commissioner for Domestic Revenue.

Sincerely yours,

Novat Kaboigora

For: COMMISSIONER FOR CUSTOMS AND EXCISE

RS/

c.c. Commissioner for Domestic Revenue
c.c. Manager – Customer Service Centre
c.c. Manager-Tax Exemption
c.c. The Executive Director
Tanzania Investment Centre
Dar es Salaam

ISO 9001 : 2008 Certified

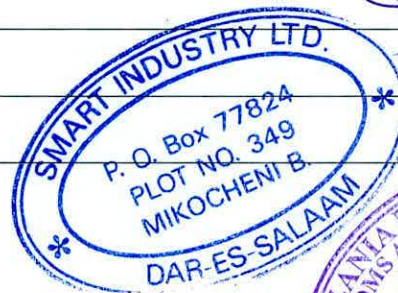
CUSTOMS & EXCISE DEPARTMENT

Sokoine Drive, P.O. Box 9053, Dar es Salaam, Tanzania

Tel: +255-22-2117765, or 255-22-2127783/4/6/8 Fax: +255 22 2138878/2135193

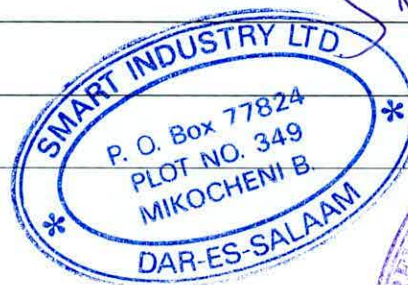
SMART INDUSTRY LTD
LIST OF CAPITAL GOODS FOR 2013

S/N	A. MACHINERY & WORKSHOP EQUIPMENTS	QUANTITY
(1)	Stainless Steel Screw Conveyor Machine	5pcs
(2)	Maddox Stainless Steel Vertical Mixer Capacity Of 700lbs	3pcs
(3)	Extruder Capacity 150kgs Of Finished Product 50hp Upgraded With New Control Panel & Speed Invertors	3pcs
(4)	Vibratory Conveyor & Sifter Machine	3pc
(5)	Transport Incline Conveyor	3pcs
(6)	Blower For Machine	3pc
(7)	Rotary Oven 4m Long Gaz Fired & Electrically Heated By 18 Heaters Of 2kw Each Machine	3pc
(8)	Twin Slurry Mixers All St. St With Rudolph Pump & Inverters For Agitators	3pcs
(9)	Flavor Drum 415cm Long & 77cm Width. Steel Base	3pcs
(10)	Wright Twin Tube Bagger With 6 Cups Volumetric System On Each Tube Capacity Around 120 Bags/Min	3pcs
(11)	Take Off Conveyor 2m Long	3Pcs
(12)	Cross Transport Conveyor 2m Long	3Pcs
(13)	Accumulating Conveyor 4m Long	3Pcs
(14)	Coated Machines	15pcs
(15)	Packaging Machines For Snacks	20Pcs
(16)	Generators	5pcs
(17)	Refrigerated Container	5Units
(18)	Lifting Machine	10 pc
(19)	Pallet Truck	30pcs



**SMART INDUSTRY LTD
LIST OF CAPITAL GOODS FOR 2013**

(20)	CCTV CAMERAS (Security cameras & Television)	30pcs
(21)	SEALING MACHINE	30pcs
(22)	COLD ROOM EQUIPMENT Steel aluminium sheet	3pcs
(23)	Air Compressor	5 pcs
S/N	B. UTILITY VEHICLES	QUANTITY
(1)	Forklifts	5Units
(2)	Refrigerated Truck	5 Units
(3)	Trucks	5 Units
(4)	Pick up (Single cab)	15 Units
(5)	Refrigerated van	10Units
S/N	C.OFFICE EQUIPMENTS	QUANTITY
(1)	Fax Machine	2Pcs
(2)	Lap top	15Pcs
(3)	Fire Extinguisher & hose reel	10Pcs
(4)	Air conditions	50pcs
(5)	Packaging printing machine	5Pcs
(6)	Stabilizer	3Pcs
(7)	Fire alarm system	50Sets
(8)	Trolley	10Pcs
(9)	Mixing machine	5Pcs



SMART INDUSTRY LTD
LIST OF CAPITAL GOODS FOR 2013

(10)	Laser Printer	10 Pcs
------	---------------	--------

SKB
Approved

