THE UNITED REPUBLIC OF TANZANIA

PRIME MINISTER'S OFFICE
TANZANIA INVESTMENT CENTRE

FILE BEGINS

ENDS

PART

FILE NUMBER

TICC

PP.10
042466

PART

FILE NUMBER

PP.10/042466

FILE TITLE

CONFIDENTIAL

INDEX HEADINGS

Officer or Section	For Action F/M	Initials	Date	Action taken vide F/M	Officer or Section	For Action F/M	Initials	Date	Action taken vide F/M	Officer or Section	For Action F/M	Initials	Date	Action taken vide F/M
DH	F.1	JPry	5/06/13	6										
Khan	F.1	6	5/6/13											
EXD	M_1	t	10/6/13											
EXD	M_2	6	25/6/13											

GUDKA FOOD PACKERS
LTD

GUDKA FOOD PACKERS LIMITED

FEASIBILITY STUDY FOR ESTABLISHMENT OF A FOOD PROCESSING FACTORY

MAY 2013

Prepared by:
Mareu Services
P.O Box 13729
Tel: 027 2500745
Mobile: 0787 331999
Fax: 027 2505780
E-mail: mareuservices@yahoo.com
ARUSHA - TANZANIA

GUDKA FOOD PACKERS LIMITED
MANPOWER SALARIES & WAGES

APPENDIX: VIII

TSHS '000

CATEGORY	NO.	PER PERSON	PER MONTH	PER ANNUM
Managing Director	1	2,500.00	2,500.00	30,000.00
Factory Manager	1	1,500.00	1,500.00	18,000.00
Mill Superintendent	1	1,200.00	1,200.00	14,400.00
Human Resourses and Finance Manager	1	1,000.00	1,000.00	12,000.00
Purchasing Manager	1	900.00	900.00	10,800.00
Sales Manager	1	900.00	900.00	10,800.00
Factory Staff	60	300.00	18,000.00	216,000.00
Administration Staff	16	250.00	4,000.00	48,000.00
Drivers and Helpers	32	250.00	8,000.00	96,000.00
Sales Staff	7	250.00	1,750.00	21,000.00
Purchasing Staff	12	250.00	3,000.00	36,000.00
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
TOTAL	**133**	**9,300.00**	**42,750.00**	**513,000.00**
ADD 15% Social Benefits		**1,395.00**	**6,412.50**	**76,950.00**
TOTAL	**133**	**10,695.00**	**49,162.50**	**589,950.00**

TANZANIA

Certificate of Incorporation

Section 15

No 98984

I HEREBY CERTIFY THAT

GUDKA FOOD PACKERS 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 **3RD** day of **MAY**

TWO THOUSAND AND THIRTEEN

certified true copy of original

P.O.BOX 31902 DAR ES SALAAM ★ BURTON YESAYA MAHENGE ★ ADVOCATE NOTARY PUBLIC & COMMISSIONER FOR OATHS

Asst.Registrar of Companies

MKATABA WA UPANGISHAJI

Mkataba huu umefanyika leo.......10/05/2013.......... kati ya PRIMA ROADWAYS LIMITED wa S. L. P. 10728, Arusha, (Ambaye ni MPANGISHAJI), na GUDKA FOOD PACKERS LIMITED wa S. L. P 13729, Arusha, (Ambaye ni MPANGAJI). Mpangishaji amekubali kumkodishia Mpangaji, nyumba na eneo lote lililoko katika kiwanja kilichoko Plot No 472, Block DD, Sombetini, Manisapaa ya Arusha.

Mpangaji anakubali kumlipa mwenye eneo kodi ya TShs 500,000.00 (Laki tano tu) kwa mwezi kama kodi ya upangaji. Kodi hii italipwa kwa mkupuo wa miezi kumi na miwili, mwanzoni mwa kila kipindi cha upangaji.

VIPENGELE VYA MAKUBALIANO:

1. Muda wa mkataba huu ni miaka mitano tu.

2. Mkataba unaweza kuhuishwa baada ya miaka mitano. Mpangaji atatakiwa kutoa taarifa ya kusudio la kuendelea na upangaji mwaka mmoja kabla ya kuisha kwa mkataba.

3. Upangishaji utahusisha eneo lote lililoko katika kiwanja husika pamoja na majengo yote yaliyondani ya eneo hilo.

4. Mpangaji anatakiwa kutunza majengo na eneo lote likae katika hali ya usalama bila uharibifu wowote.

5. Mpangaji atatakiwa kulipia gharama za huduma kama vile umeme na maji atakakavyokuwa anatumia.

6. Mpangishaji atawajibika kulipia Annual Rent za kiwanja katika ofisi za Ardhi.

7. Mpangaji anaweza kuongeza majengo mengine ndani ya eneo kwa makubaliano maalum na Mpangishaji. Majengo hayo yatakuwa mali ya Mpangishaji.

8. Mkataba huu unaweza kuvunjika iwapo mojawapo ya vipengele hapo juu havitatimizwa au iwapo sheria za upangaji za Tanzania zitavunjwa.

CERTIFIED TRUE COPY OF THE ORIGINAL

F. K. MUSEI
ADVOCATE
NOTARY PUBLIC &
COMMISSIONER FOR OATHS
P. O. BOX 424, ARUSHA

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 REC011779

No.005954

Received from : GUDKA FOOD PACKERS LTD

Address P.o box 13729 arusha

Received the sum of (In words): ONE MILLION SIX HUNDRED TWENTY THOUSAND AND ZERO CENTS ONLY

Being payment in respect of : CERTIFICATE OF INCENTIVES

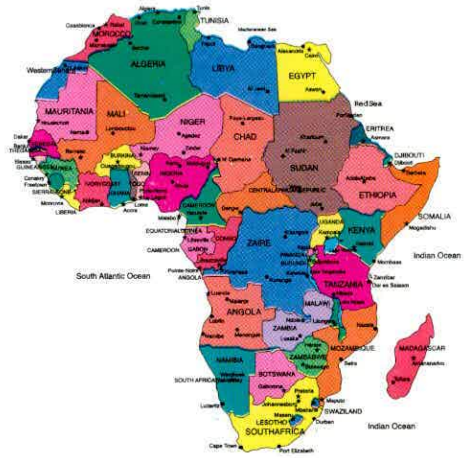
Amount : TZS 1,620,000.00

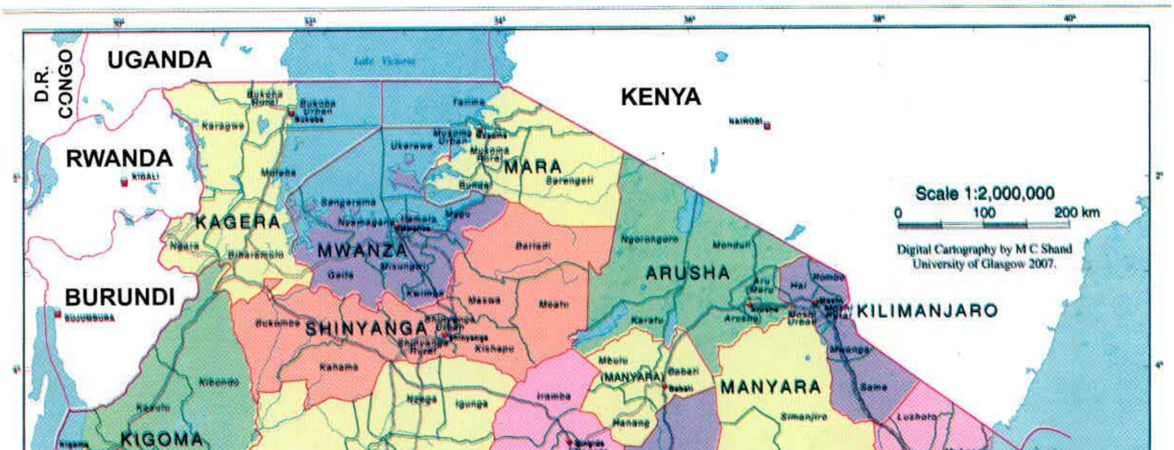
Cash / Cheque No: D/Deposit 24/06

Date : 25-Jun-2013

BUisso

Receiving Officer





UGANDA
D.R. CONGO
KENYA
Lake Victoria
RWANDA
BURUNDI
KAGERA
MWANZA
MARA
ARUSHA
KILIMANJARO
SHINYANGA
MANYARA
KIGOMA
TABORA
SINGIDA
DODOMA
TANGA
PEMBA
NORTH; SOUTH
UNGUJA
NORTH;
SOUTH & CENTRAL;
TOWN & WEST
DAR ES SALAAM
Lake Tanganyika
RUKWA
D.R. CONGO
MOROGORO
PWANI
MBEYA
IRINGA
INDIAN OCEAN
LINDI
ZAMBIA
MTWARA
RUVUMA
MALAWI
Lake Nyasa
MOZAMBIQUE
Scale 1:2,000,000
0 100 200 km
Digital Cartography by M C Shand
University of Glasgow 2007.

SKETCH MAP SHOWING PROJECT LOCATION

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

Land/Building	2,447.00
Plant	1,596.50
Vehicles	967.48
Furniture & Fittings	8.45
Pre-expenses	69.60
Others	13.97
Working Capital	560.00
TOTAL	5,663.00

Contact Details:

Name: ELISAA JOEL MBISE Title: DIRECTOR

Telephone: +255 787 331999 Fax: +255 250 5780

Email: ……………………………………

Payments to be made payable to:

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

APPLICATION SUMMARY

Company Name: GUDKA FOOD PACKERS LIMITED

Certificate of Incorporation Number: 98984 **Status:** ACTIVE

Certificate of Incorporation Date: 3rd MAY 2013

Post Box: 13729

Town: ARUSHA

Sector: MANUFACTURING **Sub-Sector:** MILLING AND FOOD PACKAGING

Investment Financing Plan in Million ~~US$~~/Tshs.

Foreign Equity	Local Equity	Foreign Loan	**Local Loan**
3,~~663~~ MILION	~~800 MILLION~~	1,200 MILLION	2.473 ~~800~~ MILLION

Project Objectives: TO ESTABLISH FOOD PROCESSING FACTORY

Capacity: 15,000 TONNES & PEANUTS ANNUIS 900 TONNS & JUICE / HONEY PERANNUM 640 TONNES & COOKING OIL PERANNUM

Employment: Foreign: 6 Local: 127 **Total:** 133

Implementation Period: 3 YEARS

Project Location

Site/Plot/Block No.: BLOCK AA, PLOT NO 472

Street: SOMBETINI District: ARUSHA Region: ARUSHA

(Attach sketch map showing project location)

Shareholders	**Nationality**	**%**
BIMAL KESHAVLAL GUDKA	KENYAN	60%
PRIYA BIMAL GUDKA	KENYAN	30%
AGNESS ERNEST MBISE	TANZANIAN	0.03%
ELISAA JOEL MBISE	TANZANIAN	0.03%

7. The intended capital investment of the Company in terms of Section 2(2) of the Act

is Tshs./~~US$~~ ....5,663,000,000.00...

8. The month and day of the financial year end is ....30th JUNE.....................................

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$~~

....160,000.00.. Being the Registration Fees. ***In the event this application is unsuccessful we understand that this fee will not be refunded.***

I, ...ELISAA JOEL MBISE..... of Post Office Number ....13729, ARUSHA......

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

au~~thorize~~d ~~agent~~ of ....GUDUA FOOD PACKERS 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 ..16TH..day of ...MAY........ 20.13...}

Applicant

Before me:

BURTON YESAYA MAHENGE
ADVOCATE
NOTARY PUBLIC
&
COMMISSIONER
FOR
OATHS
P.O. BOX 31902 DAR ES SALAAM

....
Commissioner for Oaths

Attach only where applicable, otherwise indicate "N/A"

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 BIMAL KESHAVLAL GUDKA, PRIYA BIMAL GUDKA, AGNESS ERNEST MBISE & ELISAA JOEL MBISE.

(~~diretor~~/directors/~~agent~~ of GUDKA FOOD PACKERS LIMITED

(name of business enterprise) apply for registration of ....

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 BLOCK AA, PLOT NO 472, SOMBETINI, ARUSHA MUNICIPAL.

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 BLOCK AA, PLOT NO 472, SOMBETINI.

4. The Principal Officers of the Company are ELISAA JOEL MBISE, BIMAL KESHAVLAL GUDKA, PRIYA BIMAL GUDKA & AGNESS ERNEST MBISE.

5. Auditors of the Company are TAN AUDITORS P.O BOX 11581, ARUSHA

6. The authorized share capital of the Company is Tshs./~~US$~~ THREE BILLION ONLY (Tshs 3,000,000,000.00)

....

Form PA 1 Serial No. 9070 TIC N 11080

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)

MINUTE SHEET

Dokezo No. 1.0

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$6.673 M.........

(b) Legal entity has been incorporated under certificate

No. ....98584.......... of....05/03/2013.

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
10th June, 2013

2.0

EXD

In response to the TIC letter of registration dated...10th June 2013

the project has submitted the required documents namely: -

(a) Company Board Resolution.

(b) Reference letter/Financing from...Bank of Baroda LTD

(c) ...Lease Agreement as Evidence of Land...

With the above submission EXD is requested to sign Certificate of Incentives No. ...10th June 2013........ herein attached.

25/06/2013

DIF

MINUTE SHEET

Dokezo No.

00220011

THE UNITED REPUBLIC OF TANZANIA

Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

No: 042466

This is to certify that

GUDKA FOOD PACKERS LIMITED

of address P.O. BOX 13729

ARUSHA

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

GUDKA FOOD PACKERS LIMITED

Which is located at PLOT NO. 472 BLOCK DD, SOMBETINI

ARUSHA

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 25TH JUNE 2013

GP.DSM

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 (%)
Elisaa Joel Mbise	Tanzanian	0.03
Agness Ernest Mbise	Tanzanian	0.03
Priya Bimal Gudka	Kenyan	33.33
Bimal Keshavlal Gudka	Kenyan	66.61

2. Proposed Activities : To establish project for food processing factory

3. Sector: Manufacturing Subsector Milling and Food Packaging

4. Investment cost: Foreign – Local USD 6.673m. Total USD 6.673m

5. Project Financing: Equity USD 3m. Loans USD 3.673m. Total USD 6.673m.

6. Source, terms and conditions of loan

7. Assets to be invested:

Capital items:	Foreign	Local	Total
	–	USD 6.673m.	USD 6.673m.

8. Technology Agreement None

9. Date of TIC Registration: 10th June 2013

10. Implementation period June 2013 - May 2016

11. Operative date June 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 ameded)

    (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

Makubaliano haya yamefanyika na kutiwa sahihi na wahusika.

MPANGISHAJI

Jina ELISAA J. MBISE

PRIMA ROADWAYS LTD

Sahihi ....

DIRECTOR

Cheo MKURUGENZI

Tarehe 10 MAY, 2013

PRIMA ROADWAYS LTD

SHAHIDI

DIRECTOR

Jina ....FRANCIS K. MUSEL

Sahihi ....

Cheo ....WAKILI...................

Tarehe ....10.5.2013...............

F. K. MUSEI ADVOCATE NOTARY PUBLIC & COMMISSIONER FOR OATHS P.O. BOX 424, ARUSHA

MPANGAJI

Jina BIMAL K. GUDKA

Sahihi ....

Cheo MKURUGENZI

GUDKA FOOD PACKERS LTD. P.O. Box 13729 ARUSHA

Tarehe 10 MAY, 2013

Jina ......FRANCIS K. MUSEI

Sahihi ....

Cheo ....WAKILI.............

Tarehe ....10.5.2013..........

F. K. MUSEI ADVOCATE NOTARY PUBLIC & COMMISSIONER FOR OATHS P.O. BOX 424, ARUSHA

CERTIFIED TRUE COPY OF THE ORIGINAL

F. K. MUSEI ADVOCATE NOTARY PUBLIC & COMMISSIONER FOR OATHS P.O. BOX 424, ARUSHA

Bank of Baroda (Tanzania) Ltd.

BOBARU/CERT/06/2013 **12-06-2013**

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

Dear Sir/Madam,

Re: Introducing M/S. GUDKA FOOD PACKERS LIMITED

In the captioned matter, we write to inform you that **M/S. GUDKA FOOD PACKERS LIMITED** is maintaining a United State Dollars account number **96020200000620** with us, the directors being Mr.Bimal Keshavlal Gudka and Mrs.Bella Bimal Gudka.

The conduct of the account has remained satisfactory since opening.

We appreciate for any assistance provided by you to **M/S. GUDKA FOOD PACKERS LIMITED.**

This letter is issued at request of our customer without any responsibility of the bank or any of the employees of the Bank.

Yours Faithfully,

BANK OF BARODA (T) LTD. ARUSHA

Udesh

(Udesh Kumar)
Act. Branch Head
Arusha -Branch

Plot No. 12, Block E, Goliondai Road, P.O. Box 3152, Arusha (Tanzania)
Phone: +255 27 2544986, 2548306, Fax:+255 27 2544955, Email: bobaru@bankofbaroda.com, www.bankofbaroda.com

TICC/PP.10/042466/3 10th June, 2013

Managing Director,
Gudka Food Packers Ltd.,
P.O. Box 13729,
ARUSHA

RE: CERTIFICATE OF INCENTIVES FOR INVESTMENT IN THE ESTABLISHMENT OF PROJECT FOR FOOD PROCESSING FACTORY

We wish to acknowledge receipt of your project proposal to establish project for food processing factory as presented in the TIC P.A. 1 Form No. 11080 and Feasibility Study with a projected investment of USD 6.673m.

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:-

- Bank Reference for equity funding or a letter from Bank/Financial Institution that a loan is granted or is under consideration as required by Section 17(3) (f) of Tanzania Investment Act, 1997.

- 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 annexture 2 also attached to this letter. Please do not hesitate to contact the Centre for any clarification if the need arises. Please also note that a facilitation fee equivalent to US$ 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:-

.../2

TICC/PP.10/042466/3 10th June, 2013

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

Juliet R. Kairuki
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

Name of the Company

Gudka Food Packers Ltd.

Post Box	Sombetini, Plot No. 472 Block Dd	COI Number	98984	Contact	Elisha Joel Mbise
Post Office	13729	COI Date	05/03/2013	Designation	Director
Region	Arusha	Application F. No	11080	Phone	0
Country	Tanzania	Status	New	Direct Phone	0
		Sector	Manufacturing	Cell Phone	0787 331 999
		Sub Sector	Milling And Food Packaging	Fax	0
		File No	042466	E-Mail Address	0

Project Location	
Plot/Block	Plot No. 472 Block DD
Street	Sombetini
District	Arusha
Region	Arusha

Investment Finance Plan in Millions USD

Foreign Equity	Local Equity	Foreign Loan	Local Loan
0	3	1.2	2.473

Shareholders Detail

Name	Nationality	(%)
Elisaa Joel Mbise	Tanzanian	.03
Agness Ernest Mbise	Tanzanian	.03
Priya Bimal Gudka	Kenyan	33.33
Bimal Keshavlal Gudka	Kenyan	66.61

Investment Breakdown (USD Million)

Land/Building	1.53
Plant	0.99
Vehicles	0.6
Furniture & Fittings	0.005
Pre-expenses	0.04
Others	0.008
Working Capital	3.5
Total	6.673

Employment	133	Evaluated By	,wf officer4
Capacity	xxxx	Drawn By	wf registy2
Project Turn Over		Project Type	Mixed(Local & Foreign)

Description

To establish project for food processing factory

Recomendations

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

Decision Approved

Ag ED

6/6

(1)

GUDKA FOOD PACKERS LIMITED

THE HOME OF FINE PACKED FOODS

P.O.Box 13729

TEL: +255 787 331999
Fax: +255 27 2505780

ARUSHA – TANZANIA.

Our Ref: GFPL/TIC/2013/01

Date: 15th May, 2013

Your Ref: ....

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

TANZANIA INVESTMENT CENTRE
05 JUN 2013
TANZANIA

Dear Sir,

RE: APPLICATION FOR A CERTIFICATE OF INCENTIVES

We are submitting this application requesting your office to grant us with Certificate of Incentives to enable us enjoy the privileges as provided under TIA 1997.

Enclosed please find herewith the following documents in support of our application.

1. 3 Copies of the project feasibility study.
2. Duly filled TIC application form.
3. A copy of the Company Memorandum and Articles of Association.
4. A certified copy of the Certificate of Incorporation.
5. Company Board Resolution.
6. Introduction Letter from Bank
7. Copy of the rental agreement

04 JUN 2013

Yours sincerely,

....
Elisaa Joel Mbise
Board Chairman

GUDKA FOOD PACKERS LTD.
P.O.Box13729
ARUSHA

BOARD RESOLUTIONS

RESOLUTION NO 01/2013

Registering the Company with the Tanzania Investment Centre (TIC)

WHEREAS, the Board of Directors of **GUDKA FOOD PACKERS LIMITED**, has adopted the Motion to register the company with the Tanzania Investment Centre and

WHEREAS, the company is committed to establish a Food Processing Factory within the Arusha Municipality in Arusha Region and to hold a Certificate of Incentives;

NOW, THEREFORE, BE IT RESOLVED that the board hereby approves the motion to register the company with the Tanzania Investment Centre (TIC);

BE IT FURTHER RESOLVED that, consistent with the company vision for growth, the Board hereby authorizes the Management to seek and hold a Certificate of Incentives from the Tanzania Investment Centre.

Adopted by the Board of Directors
On 10th May, 2013

....
Elisaa Joel Mbise, *Chairman*

....
Shigongo Joseph Kimogele, *Company Secretary*

Form PA 1 Serial No. 9070 TIC N 11080

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 BIMAL KESHAVLAL GUDKA, PRIYA BIMAL GUDKA, AGNESS ERNEST MBISE & ELISAA JOEL MBISE.

(~~diretor~~/directors/~~agent~~ of GUDKA FOOD PACKERS LIMITED

(name of business enterprise) apply for registration of ....

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 BLOCK AA, PLOT NO 472, SOMBETINI, ARUSHA MUNICIPAL

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 BLOCK AA, PLOT NO 472, SOMBETINI.

4. The Principal Officers of the Company are ELISAA JOEL MBISE, BIMAL KESHAVLAL GUDKA, PRIYA BIMAL GUDKA & AGNESS ERNEST MBISE.

5. Auditors of the Company are TAN AUDITORS P.O BOX 11581, ARUSHA

6. The authorized share capital of the Company is Tshs./~~US$~~ THREE BILLION ONLY (Tshs 3,000,000,000:00)

7. The intended capital investment of the Company in terms of Section 2(2) of the Act

is Tshs./~~US$~~ ....5,663,000,000:00....

8. The month and day of the financial year end is ....30th JUNE....

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$~~

....160,000:00.... Being the Registration Fees. ***In the event this application is unsuccessful we understand that this fee will not be refunded.***

I, ...ELISAA JOEL MBISE.... of Post Office Number ....13729 ARUSHA....

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

~~authorized~~ agent of ....GUAUA FOOD PACKERS 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 16TH day of MAY..... 2013 }

Applicant

Before me:

BURTON YESAYA MAHENGE
ADVOCATE
NOTARY PUBLIC
&
COMMISSIONER
FOR
OATHS
P.O.BOX 21902 DAR ES SALAAM

....
Commissioner for Oaths

Attach only where applicable, otherwise indicate "N/A"

APPLICATION SUMMARY

Company Name: GUDKA FOOD PACKERS LIMITED

Certificate of Incorporation Number: 98984 Status: ACTIVE

Certificate of Incorporation Date: 3rd MAY, 2013

Post Box: 13729

Town: ARUSHA

Sector: MANUFACTURING **Sub-Sector:** MILLING AND FOOD PACKAGING

Investment Financing Plan in Million US$/Tshs.

Foreign Equity	Local Equity	Foreign Loan	Local Loan
3,665 MILION		1,200 MILLION	800 MILION

Project Objectives: TO ~~EST~~ ESTABLISH FOOD PROCESSING FACTORY

Capacity: 15,000 TONNES ~~&~~ ~~FLOURS~~ PER ANNUM 900 TONNES & JUICE HONEY PER ANNUM 640 TONNES of COOKING OIL PERANNUM

Employment: Foreign: 6 Local: 127 Total: 133

Implementation Period: 3 YEARS.

Project Location

Site/Plot/Block No.: BLOCK AA, PLOT NO 472

Street: SOMBETINI District: ARUSHA Region: ARUSHA
(Attach sketch map showing project location)

Shareholders	Nationality	%
BIMAL KESHAVLAL GUDKA	KENYAN	60%
PRIYA BIMAL GUDKA	KENYAN	30%
AGNESS ERNEST MBISE	TANZANIAN	0.03%
ELISAA JOEL MBISE	TANZANIAN	0.03%

Investment Breakdown ~~US$~~/Tshs.M

Land/Building	2,447.00
Plant	1,596.50
Vehicles	967.48
Furniture & Fittings	8.45
Pre-expenses	69.60
Others	13.97
Working Capital	560.00
TOTAL	5,663.00

Contact Details:

Name: ELISAA JOEL MBISE Title: DIRECTOR

Telephone: +255 787 331999 Fax: +255 250 5780

Email: ....

Payments to be made payable to:

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

GUDKA FOOD PACKERS LIMITED

FEASIBILITY STUDY FOR ESTABLISHMENT OF A FOOD PROCESSING FACTORY

MAY 2013

Prepared by:
Mareu Services
P.O Box 13729
Tel: 027 2500745
Mobile: 0787 331999
Fax: 027 2505780
E-mail: mareuservices@yahoo.com
ARUSHA - TANZANIA

1.0 BACKGROUND INFORMATION

Company's Legal Status

Gudka Food Packers Limited is a private incorporated limited liability company registered in Tanzania, under the Companies Act, 2002 and issued with a certificate of registration No 98984 dated 3rd May 2013.

Ownership

The company is owned by:
Bimal Keshavlal Gudka 1,800 shares - Kenyan
Priya Bimal Gudka with 900 shares -Kenyan
Agness Ernest Mbise with 1 share – Tanzanian
Elisaa Joel Mbise with 1 share - Tanzanian

Location

The head office of the company will be situated at Block DD, Plot No 472, Sombetini, Arusha Municipality.

Business Activity

The company was registered in 2013 with one major aim that of becoming a leading company in the processing of dry human foodstuffs especially maize and wheat flour. The company will also process other foodstuffs such as cassava, millet, sorghum, soybeans, which will be processed into flour and packaged for human consumption. At a later stage the company will also process liquid foodstuffs such as sunflower oil, honey and fruit based products such as juices, jam, butter and the like. As an initial stage, to put the company into business in the shortest possible time, the company intends to acquire the food processing facilities now owned by Jamahedo First Foods Limited. At a later stage, our company will expand the current factory and establish new factories in order to achieve our aim of becoming a major food processing company in northern Tanzania. In order to make a better contribution in the food processing industry, the company will also acquire land for production of food crops that form part of the raw materials used in our factories.

Project Concept

Project is based on the concept of processing farm products into usable and packaged foodstuffs. This includes the milling of cereals such maize, wheat, millet and sorghum. Other farm products that may produce flour will also be processed, this include cassava, soybean and spices.

The company will also process liquid foods such as sunflower oil, safflower oil, and other vegetable oils for human consumption. The company will also process fruits into jam and packaged juices.

Gudka Food Packers Limited is geared to provide its clients with quality packaged foods that will improve their bodies' health. The project will involve the acquisition of a processing plant, land and support machinery and equipments including vehicles and packaging material. The land so acquired will be used for expanding the processing plant while the vehicles and motorcycles will be for distribution of finished products and collecting raw materials from farmers and suppliers.

Gudka Food Packers Limited will also offer training services to our customers such that they may be able to use our packaged foods efficiently in their homes. The company will campaign for promotion of right eating habits by different stake-holders in order to improve the health status of most Tanzanians.

Capacity of the Project Activity

The food processing plant will have a capacity to produce 15,000 tonnes of packaged flour per annum, from different cereals and other farm products such as cassava. The company will also produce 1,000,000 litres of packaged juices and honey (equivalent to 900 tonnes) and 800,000 litres of cooking oil (equivalent to 640 tonnes) per annum.

Initially all the processing of food-staffs will be done at the factory to be purchased from Jamahedo First Foods Limited. At a later stage, additional plant facilities will be acquired and installed at other locations to be acquired in Arusha and elsewhere in Tanzania.

Type and Source of Raw Materials

All raw materials (foods) required for production of our finished/processed and packaged will be procured locally. The startup factory will be acquired locally. Some of the machines for the expansion project will be imported. Packaging materials will be mostly sourced locally.

70% of the construction materials will be procured locally within Tanzania. This will include sand, coarse aggregates; cement, hard stones etc. 30% will be procured abroad and this will include the fittings, equipments and finishing.

Costs associated with the project

A summary of the costs associated with the purchase of land, plant, materials, equipments and other costs associated with implementing the proposed investment into food processing and packaging is presented below:

No	DESCRIPTION	COST (TShs)
1	LAND	805,000,000.00
2	FACTORY AND OTHER BUILDINGS	1,642,000,000.00
3	PLANTS, EQUIPMENTS AND MACHINES	1,596,500,000.00
4	VEHICLES	967,480,000.00
5	FURNITURE AND FITTINGS	8,450,000.00
6	OTHER COSTS	13,970,000.00
7	PRE-EXPENSES	69,600,000.00
	TOTAL	**5,103,000,000.00**

2.0 ORGANIZATION AND MANAGEMENT

Organizational Chart

There is a board of directors that include shareholders and directors of the company, plus company secretary. Under the board there is the MD supported by the Factory Manager, Mill Superintendent, the Human Resources and Finance Manager, Purchasing Manager, and Sales Manager. The company will employ professionals in all areas to make sure that, everything runs under professional management.

Project Implementation Schedule

Firming up finance - 3 Months
Acquisition of Factory from Jamahedo First Foods Limited – 3 Months
Construction of buildings (Expansion of Facory and new offices) – 24 Months
Ordering Vehicles, Plant, Equipments and utensils – 8 Months
Implementation period is expected to take 3 years.

3.0 MARKET ANALYSIS

Demand and Supply Trends

Tanzania is a country blessed with fertile land coupled with good weather in most years resulting to good production of agricultural crops including staple food crops such as maize, wheat, cassava and sunflower. The regions of Manyara, Arusha, parts of Dodoma and Kilimanjaro, produce plenty of the raw materials that will be used to produce the processed and packaged foodstuffs in the Gudka Food Packers Limited factories in Arusha.

The requirement of packaged flour and other foods is rising in recent years due to change in the life style of many families. The old ways of processing foods before cooking including milling using the grinding stone and the like, have been replaced by milling machines. Also many families now prefer to buy pre-processed flour rather than going through the tedious process of buying for example maize, cleaning it and then taking it to the local posho mill. The same applies to other food staffs.

The food products produced in Tanzania have a ready market in countries north of Tanzania including Kenya, Ethiopia, Somalia and Southern Sudan. Currently the food produce are largely exported un-processed, this reduces the value of the goods our country exports to the mentioned countries. Processing and packaging the farm products, will add much value to the Tanzanian exports.

Demand of packaged maize, wheat and cassava flour, will always be on the rise, as ugali, the staple food for eastern and southern African countries, and will always rise with the rise in the population of people. Demand for other packaged foodstuffs will also rise in tune with the rise of the population. In general the worldwide supply of food crops is below the requirements; hence foodstuffs are always required urgently in one place or another.

Future Outlook

The future outlook of packaged flour and other packaged foodstuffs is bright. The change in lifestyle, the population growth, the promotion of trade among EAC countries makes the demand of foodstuffs produced from our factory look bright in the foreseeable future.

Market Size and Projected Portion

Once operational, Gudka Food Packers Limited will be among the first 10 food packers in northern Tanzania in terms of quantity and quality.

Marketing Plan and Distribution Channels

Gudka Food Packers Limited plans to market its products using various outlets and promotional means. The primary outlet will be at the factory to be purchased at Themi Industrial Area. Products will also be distributed from our current head offices at Sombetini in which area, we will construct godowns.

The company will also establish distribution centers in neighboring countries including Kenya, Ethiopia, Southern Sudan and Somalia in collaboration with business partners in those countries.

Analysis of Competition
Little competition is expected as demand for the products to be offered exceeds demand.

4.0 FINANCIAL ANALYSIS

Estimated Project Cost
The total cost for establishing the food processing business is estimates at **TShs 5,663,000,000.00.**

The cost items are summarized as follows:

Land acquisition: The cost for acquiring land for the processing and packaging of foodstuffs is estimated at **Tshs 865,000,000.00**

Pre-Operational costs: These are costs such as transfer fees, capital gain taxes, business plan preparation, other fees etc. This is estimated at **TShs 73,970,000.00**

Buildings to house the factory and other infrastructure: These are costs to purchase the factory buildings and for the construction of new buildings for expansion of the factory estimated at **TShs 1,642,000,000.00**

Furniture and Fittings for the whole project are estimated to cost **TShs 8,450,000.00**

Plant and Equipments estimated to cost **TShs 1,596,500,000.00**

Vehicles and Motor cycles are estimated to cost **TShs 967,000,000.00**

Other costs or Contingents amount to cater for omissions, cost overruns etc estimated to cost **TShs 13,970,000.00**

Working Capital for the first year of operations is estimated to amount to **TShs 560,000,000.00**

Annual Operating Costs associated with the Food Processing and Packaging project are estimated as follows:

- Directors Remuneration TShs 72,000,000.00
- Water and Electricity TShs 132,000,000.00
- License, Legal fees and Property Tax TShs 36,000,000.00
- Printing and Stationeries TShs 6,000,000.00
- Traveling and Advertising Costs TShs 54,000,000.00

- Telephone, Fax and entertainment TShs 7,200,000.00
- Insurance TShs 10,764,000.00

Proposed Financing Plan

The proposed project will be financed both from local sources as well as foreign sources.

Proposed Source of Funding

The company will fund more than half of the project costs while the remainder will cone from loans and overdraft from financial institutions. Gudka Food Packers Limited will fund TShs 3,663,000,000.00, while TShs 2,000,000,000.00, will be funded through term loans and overdrafts from financial institutions, as shown below:

No	SOURCE OF FUNDING	AMOUNT	PERCENTAGE
1	Directors Contribution - Equity	3,663,000,000.00	65%
2	Term Loan	1,200,000,000.00	21%
3	Overdraft	800,000,000.00	14%
	TOTAL	**5,663,000,000.00**	**100.00%**

Projected Income Statement

Analysis for the viability of the project has been done for a period of ten years. Total Income from the project during the ten years is estimated at TShs 148,500,000,000.00. Income will come from the sale of processed and packed foodstuffs.

Projected Profit and Loss Account and Cash flow

From the fourth year of operations, the proposed project will have a positive cash flow. The project is expected to realize an after tax profit of TShs 4,878.86 Million for the ten years analyzed. See appendix VI for details.

Projected Income Tax

The project is expected to pay income tax amounting to TShs 2,384.46 million for the ten years of analysis.

5.0 RISK ASSESSMENT

Weakness of the Business

The company is new in the food processing and distribution of food products. However the experience gained in running other businesses by our directors, the high demand of food stuffs in Tanzanian Urban areas and countries in the horn of Africa and experienced management team to be employed, will more than counter the weaknesses we have.

Risk Associated with Business

(i) Bad weather including little rainfall, wind and hailstorms that may affect farm produce.

(ii) Volatile world market due to poor economic conditions reducing the purchasing power of our customers.

Contingency Plans

(i) The company plans to have extension services to small farmers to teach them protective agriculture including drip irrigation methods.

(ii) The company will promote and educate people that eating raw food is cheaper than eating cooked foodstuffs.

6.0 ENVIRONMENT AND GENDER ISSUES

Environment Impact Assessment

Most human activities are prone to causing negative environmental effect if carried out improperly and carelessly. Food processing and packaging activities may cause environmental degradation due to the refuse produced, packaging materials as well as oils, grease and fuel used machines and our vehicles may also cause environmental degradation. Sources of consumables such as foodstuffs, drinks, fuels and oils may also be detrimental to the environment.

Mitigation

All company employees will be trained in environmental awareness. They will strictly be directed to adhere to the set standards and regulations in all areas of their work. Our factory manager and staff will be those trained in renowned institutions such that they will have the necessary skills for safe and environmentally friendly operations.

The Impact of the Project on Gender

The project is expected to employ about one hundred and thirty three employees directly for running the various operations associated with the food processing and packaging business. A considerable number of the employees will be women.

7.0 PROJECT BENEFITS

Employment

Once the acquisition procedures of M/S Jamahedo First Foods Limited are finalized, M/S Gudka Food Packers Limited will adopt most of the employees now currently working for the factory owner. Thus our company will provide direct employment for about thirty people.

The project will also provide employment to a considerable number of people during the expansion of the factory, when construction of the factory and new offices will be done. Those that will be employed directly by the contractor, those employed by Gudka Food Packers Limited, as well as those indirectly employed by providing services to others, such as the mama lishe providing food for construction workers. The construction phase is expected to create direct and indirect employment for about 120 people of both sexes.

Once expansion construction activities are completed and the business is running at full capacity, it is expected that the number of permanent employees will be approximately 150 of both sexes. This will include employees in the support areas such as transportation, sales and storage.

Government Taxes

The project will benefit the government in terms of taxes in the form of Income Tax, Property Tax and other taxes and contributions.

Foreign Exchange Earnings

Some of the packaged foods will be exported thus adding to the foreign exchange earnings for our country.

8.0 CONCLUSION AND RECOMMENDATIONS

Analysis of the project indicates that the project is viable. The project will create employment, increase foreign currency earnings, and also financially viable as it will result into a profitable venture. The project is highly economic attractive. Strong sponsors promote the project with the ability to manage food processing activities.

From a national point of view, the timely implementation of the project will lead to the following benefits:-

- The food processing and packaging factory will contribute towards provision of quality food for citizens thus improving the health of Tanzanians.
- The business will create much needed employment for Tanzanian citizens.
- The business will create more than 133 direct employments.

- Efficient operation of the business will increase foreign exchange earning base for the country.
- The government will earn substantial revenue from the operation of the business in the form of corporation tax and other taxes.

Conclusively, it is recommended to offer a certificate of incentives so as to enable the company timely implementation of the food processing and packaging business.

It is also recommended to assist GUDKA FOOD PACKERS LIMITED in obtaining all other statutory requirements for the project.

APPENDIX: 1

GUDKA FOOD PACKERS LIMITED

INVESTMENT COST

TSHS '000

ITEM	FOREIGN	LOCAL	TOTAL
Builidings and Civil Works	500,000.00	1,142,000.00	1,642,000.00
Plants, Machinery and Equipments	450,000.00	1,146,500.00	1,596,500.00
Land		805,000.00	805,000.00
Motor Vehicles and Motor bikes	910,000.00	57,480.00	967,480.00
Furniture and Fittings	4,000.00	4,450.00	8,450.00
Others	5,500.00	8,470.00	13,970.00
Pre-Operational Expenses	4,200.00	65,400.00	69,600.00
TOTAL FIXED INVESTMENT	1,873,700.00	3,229,300.00	5,103,000.00
Initial Working Capital	60,000.00	500,000.00	560,000.00
TOTAL INVESTMENT COST	1,933,700.00	3,729,300.00	5,663,000.00

APPENDIX: II

GUDKA FOOD PACKERS LIMITED
DEPRECIATION SCHEDULE

TSHS '000

ITEM	TOTAL	%	1	2	3	4	5	6	7	8	9	10
Buildings and Civil Works	1,642,000	4.0	65,680	65,680	65,680	65,680	65,680	65,680	65,680	65,680	65,680	65,680
Plants, Equipments and Utencils	1,596,500	12.5	199,563	199,563	199,563	199,563	199,563	199,563	199,563	199,563		
Motor Vehicles	967,480	25.0	241,870	241,870	241,870	241,870						
Land	805,000	2.0	16,100	16,100	16,100	16,100	16,100	16,100	16,100	16,100	16,100	16,100
Furniture and Fittings	8,450	12.5	1,056	1,056	1,056	1,056	1,056	1,056	1,056	1,056		
Pre-Operational Expenses	69,600	20.0	13,920	13,920	13,920	13,920	13,920					
TOTAL	**5,089,030**		**538,189**	**538,189**	**538,189**	**538,189**	**296,319**	**282,399**	**282,399**	**282,399**	**81,780**	**81,780**

APPENDIX: III

ADMINISTRATIVE COSTS

TSHS '000

	0	1	2	3	4	5	6	7	8	9	10
Directors Renumeration	72,000	72,000	72,000	72,000	72,000	72,000	72,000	72,000	72,000	72,000	72,000
Water and Electricity	132,000	132,000	132,000	132,000	132,000	132,000	132,000	132,000	132,000	132,000	132,000
Licenses, Legal Fees, Property Tax	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000
Printing and Stationery	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Travelling, Advertising and Intertainment	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000
Telephone/Fax/Internet	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200
Insuarance		10,764	10,764	10,764	10,764	5,926	5,648	5,648	5,648	1,636	1,636
TOTAL	**307,200**	**317,964**	**317,964**	**317,964**	**317,964**	**313,126**	**312,848**	**312,848**	**312,848**	**308,836**	**308,836**

GUDKA FOOD PACKERS LIMITED REVENUE SCHEDULE APPENDIX: IV TSHS '000

REVENUE/YEARS	1	2	3	4	5	6	7	8	9	10
Packaged Dry Foods	7,500,000	9,000,000	12,000,000	15,000,000	15,000,000	15,000,000	#########	15,000,000	15,000,000	15,000,000
Packaged Liquid Foods		900,000	1,500,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000
TOTAL REVENUE	**7,500,000**	**9,900,000**	**13,500,000**	**16,800,000**	**16,800,000**	**16,800,000**	**#########**	**16,800,000**	**16,800,000**	**16,800,000**

GUDKA FOOD PACKERS LIMITED APPENDIX: V
OPERATING COSTS

TSHS '000

ITEM/YEARS	1	2	3	4	5	6	7	8	9	10
Buy Maize, wheat, cassava etc	4,875,000	5,850,000	7,800,000	9,750,000	9,750,000	9,750,000	9,750,000	9,750,000	9,750,000	9,750,000
Buy Fruits, Sunflower, honey etc	-	522,000	870,000	1,044,000	1,044,000	1,044,000	1,044,000	1,044,000	1,044,000	1,044,000
Plant Maintanance + Repairs	1,350,000	1,782,000	2,430,000	3,024,000	3,024,000	3,024,000	3,024,000	3,024,000	3,024,000	3,024,000
Vehicles Running Costs	357,968	357,968	357,968	357,968	357,968	357,968	357,968	357,968	357,968	357,968
Other Operating Costs	172,500	227,700	310,500	386,400	386,400	386,400	386,400	386,400	386,400	386,400
Salaries and Wages	294,975	442,463	589,950	589,950	589,950	589,950	589,950	589,950	589,950	589,950
Administration Overheads	317,964	317,964	317,964	317,964	317,964	317,964	317,964	317,964	317,964	317,964
TOTAL OPERATING COSTS	**7,368,406**	**9,500,094**	**12,676,381**	**15,470,281**	**15,470,281**	**15,470,281**	**#########**	**15,470,281**	**15,470,281**	**15,470,281**

GUDKA FOOD PACKERS LIMITED
PROFIT AND LOSS A/C

APPENDIX: VI

US $

ITEM/YEARS	1	2	3	4	5	6	7	8	9	10
Revenue	7,500,000	9,900,000	13,500,000	16,800,000	16,800,000	16,800,000	##########	16,800,000	16,800,000	16,800,000
Less Operating Cost	7,368,406	9,500,094	12,676,381	15,470,281	15,470,281	15,470,281	##########	15,470,281	15,470,281	15,470,281
Gross Profit Before Tax	131,594	399,906	823,619	1,329,719	1,329,719	1,329,719	1,329,719	1,329,719	1,329,719	1,329,719
Less Depreciation	538,189	538,189	538,189	538,189	296,319	282,399	282,399	282,399	81,780	81,780
Profit Before Tax	(406,595)	(138,283)	285,430	791,530	1,033,400	1,047,320	1,047,320	1,047,320	1,247,939	1,247,939
Taxation 30%			85,629	237,459	310,020	314,196	314,196	314,196	374,382	374,382
Profit After Tax	**(406,595)**	**(138,283)**	**199,801**	**554,071**	**723,380**	**733,124**	**733,124**	**733,124**	**873,557**	**873,557**
Cummulative Profit	**(406,595)**	**(544,878)**	**(345,077)**	**208,994**	**932,374**	**1,665,498**	**2,398,622**	**3,131,746**	**4,005,303**	**4,878,860**

GUDKA FOOD PACKERS LIMITED
MANPOWER SALARIES & WAGES

APPENDIX: VIII

TSHS '000

CATEGORY	NO.	PER PERSON	PER MONTH	PER ANNUM
Managing Director	1	2,500.00	2,500.00	30,000.00
Factory Manager	1	1,500.00	1,500.00	18,000.00
Mill Superintendent	1	1,200.00	1,200.00	14,400.00
Human Resourses and Finance Manager	1	1,000.00	1,000.00	12,000.00
Purchasing Manager	1	900.00	900.00	10,800.00
Sales Manager	1	900.00	900.00	10,800.00
Factory Staff	60	300.00	18,000.00	216,000.00
Administration Staff	16	250.00	4,000.00	48,000.00
Drivers and Helpers	32	250.00	8,000.00	96,000.00
Sales Staff	7	250.00	1,750.00	21,000.00
Purchasing Staff	12	250.00	3,000.00	36,000.00
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
TOTAL	**133**	**9,300.00**	**42,750.00**	**513,000.00**
ADD 15% Social Benefits		**1,395.00**	**6,412.50**	**76,950.00**
TOTAL	**133**	**10,695.00**	**49,162.50**	**589,950.00**

GUDKA FOOD PACKERS LIMITED

FEASIBILITY STUDY FOR ESTABLISHMENT OF A FOOD PROCESSING FACTORY

MAY 2013

Prepared by:
Mareu Services
P.O Box 13729
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Mobile: 0787 331999
Fax: 027 2505780
E-mail: mareuservices@yahoo.com
ARUSHA - TANZANIA

1.0 BACKGROUND INFORMATION

Company's Legal Status

Gudka Food Packers Limited is a private incorporated limited liability company registered in Tanzania, under the Companies Act, 2002 and issued with a certificate of registration No 98984 dated 3rd May 2013.

Ownership

The company is owned by:
Bimal Keshavlal Gudka 1,800 shares - Kenyan
Priya Bimal Gudka with 900 shares -Kenyan
Agness Ernest Mbise with 1 share – Tanzanian
Elisaa Joel Mbise with 1 share - Tanzanian

Location

The head office of the company will be situated at Block DD, Plot No 472, Sombetini, Arusha Municipality.

Business Activity

The company was registered in 2013 with one major aim that of becoming a leading company in the processing of dry human foodstuffs especially maize and wheat flour. The company will also process other foodstuffs such as cassava, millet, sorghum, soybeans, which will be processed into flour and packaged for human consumption. At a later stage the company will also process liquid foodstuffs such as sunflower oil, honey and fruit based products such as juices, jam, butter and the like. As an initial stage, to put the company into business in the shortest possible time, the company intends to acquire the food processing facilities now owned by Jamahedo First Foods Limited. At a later stage, our company will expand the current factory and establish new factories in order to achieve our aim of becoming a major food processing company in northern Tanzania. In order to make a better contribution in the food processing industry, the company will also acquire land for production of food crops that form part of the raw materials used in our factories.

Project Concept

Project is based on the concept of processing farm products into usable and packaged foodstuffs. This includes the milling of cereals such maize, wheat, millet and sorghum. Other farm products that may produce flour will also be processed, this include cassava, soybean and spices.

The company will also process liquid foods such as sunflower oil, safflower oil, and other vegetable oils for human consumption. The company will also process fruits into jam and packaged juices.

Gudka Food Packers Limited is geared to provide its clients with quality packaged foods that will improve their bodies' health. The project will involve the acquisition of a processing plant, land and support machinery and equipments including vehicles and packaging material. The land so acquired will be used for expanding the processing plant while the vehicles and motorcycles will be for distribution of finished products and collecting raw materials from farmers and suppliers.

Gudka Food Packers Limited will also offer training services to our customers such that they may be able to use our packaged foods efficiently in their homes. The company will campaign for promotion of right eating habits by different stake-holders in order to improve the health status of most Tanzanians.

Capacity of the Project Activity

The food processing plant will have a capacity to produce 15,000 tonnes of packaged flour per annum, from different cereals and other farm products such as cassava. The company will also produce 1,000,000 litres of packaged juices and honey (equivalent to 900 tonnes) and 800,000 litres of cooking oil (equivalent to 640 tonnes) per annum.

Initially all the processing of food-staffs will be done at the factory to be purchased from Jamahedo First Foods Limited. At a later stage, additional plant facilities will be acquired and installed at other locations to be acquired in Arusha and elsewhere in Tanzania.

Type and Source of Raw Materials

All raw materials (foods) required for production of our finished/processed and packaged will be procured locally. The startup factory will be acquired locally. Some of the machines for the expansion project will be imported. Packaging materials will be mostly sourced locally.

70% of the construction materials will be procured locally within Tanzania. This will include sand, coarse aggregates; cement, hard stones etc. 30% will be procured abroad and this will include the fittings, equipments and finishing.

Costs associated with the project

A summary of the costs associated with the purchase of land, plant, materials, equipments and other costs associated with implementing the proposed investment into food processing and packaging is presented below:

No	DESCRIPTION	COST (TShs)
1	LAND	805,000,000.00
2	FACTORY AND OTHER BUILDINGS	1,642,000,000.00
3	PLANTS, EQUIPMENTS AND MACHINES	1,596,500,000.00
4	VEHICLES	967,480,000.00
5	FURNITURE AND FITTINGS	8,450,000.00
6	OTHER COSTS	13,970,000.00
7	PRE-EXPENSES	69,600,000.00
	TOTAL	**5,103,000,000.00**

2.0 ORGANIZATION AND MANAGEMENT

Organizational Chart

There is a board of directors that include shareholders and directors of the company, plus company secretary. Under the board there is the MD supported by the Factory Manager, Mill Superintendent, the Human Resources and Finance Manager, Purchasing Manager, and Sales Manager. The company will employ professionals in all areas to make sure that, everything runs under professional management.

Project Implementation Schedule

Firming up finance - 3 Months
Acquisition of Factory from Jamahedo First Foods Limited – 3 Months
Construction of buildings (Expansion of Facory and new offices) – 24 Months
Ordering Vehicles, Plant, Equipments and utensils – 8 Months
Implementation period is expected to take 3 years.

3.0 MARKET ANALYSIS

Demand and Supply Trends

Tanzania is a country blessed with fertile land coupled with good weather in most years resulting to good production of agricultural crops including staple food crops such as maize, wheat, cassava and sunflower. The regions of Manyara, Arusha, parts of Dodoma and Kilimanjaro, produce plenty of the raw materials that will be used to produce the processed and packaged foodstuffs in the Gudka Food Packers Limited factories in Arusha.

The requirement of packaged flour and other foods is rising in recent years due to change in the life style of many families. The old ways of processing foods before cooking including milling using the grinding stone and the like, have been replaced by milling machines. Also many families now prefer to buy pre-processed flour rather than going through the tedious process of buying for example maize, cleaning it and then taking it to the local posho mill. The same applies to other food staffs.

The food products produced in Tanzania have a ready market in countries north of Tanzania including Kenya, Ethiopia, Somalia and Southern Sudan. Currently the food produce are largely exported un-processed, this reduces the value of the goods our country exports to the mentioned countries. Processing and packaging the farm products, will add much value to the Tanzanian exports.

Demand of packaged maize, wheat and cassava flour, will always be on the rise, as ugali, the staple food for eastern and southern African countries, and will always rise with the rise in the population of people. Demand for other packaged foodstuffs will also rise in tune with the rise of the population. In general the worldwide supply of food crops is below the requirements; hence foodstuffs are always required urgently in one place or another.

Future Outlook

The future outlook of packaged flour and other packaged foodstuffs is bright. The change in lifestyle, the population growth, the promotion of trade among EAC countries makes the demand of foodstuffs produced from our factory look bright in the foreseeable future.

Market Size and Projected Portion

Once operational, Gudka Food Packers Limited will be among the first 10 food packers in northern Tanzania in terms of quantity and quality.

Marketing Plan and Distribution Channels

Gudka Food Packers Limited plans to market its products using various outlets and promotional means. The primary outlet will be at the factory to be purchased at Themi Industrial Area. Products will also be distributed from our current head offices at Sombetini in which area, we will construct godowns.

The company will also establish distribution centers in neighboring countries including Kenya, Ethiopia, Southern Sudan and Somalia in collaboration with business partners in those countries.

Analysis of Competition
Little competition is expected as demand for the products to be offered exceeds demand.

4.0 FINANCIAL ANALYSIS

Estimated Project Cost
The total cost for establishing the food processing business is estimates at **TShs 5,663,000,000.00.**

The cost items are summarized as follows:

Land acquisition: The cost for acquiring land for the processing and packaging of foodstuffs is estimated at **Tshs 865,000,000.00**

Pre-Operational costs: These are costs such as transfer fees, capital gain taxes, business plan preparation, other fees etc. This is estimated at **TShs 73,970,000.00**

Buildings to house the factory and other infrastructure: These are costs to purchase the factory buildings and for the construction of new buildings for expansion of the factory estimated at **TShs 1,642,000,000.00**

Furniture and Fittings for the whole project are estimated to cost **TShs 8,450,000.00**

Plant and Equipments estimated to cost **TShs 1,596,500,000.00**

Vehicles and Motor cycles are estimated to cost **TShs 967,000,000.00**

Other costs or Contingents amount to cater for omissions, cost overruns etc estimated to cost **TShs 13,970,000.00**

Working Capital for the first year of operations is estimated to amount to **TShs 560,000,000.00**

Annual Operating Costs associated with the Food Processing and Packaging project are estimated as follows:

- Directors Remuneration TShs 72,000,000.00
- Water and Electricity TShs 132,000,000.00
- License, Legal fees and Property Tax TShs 36,000,000.00
- Printing and Stationeries TShs 6,000,000.00
- Traveling and Advertising Costs TShs 54,000,000.00

- Telephone, Fax and entertainment TShs 7,200,000.00
- Insurance TShs 10,764,000.00

Proposed Financing Plan

The proposed project will be financed both from local sources as well as foreign sources.

Proposed Source of Funding

The company will fund more than half of the project costs while the remainder will cone from loans and overdraft from financial institutions. Gudka Food Packers Limited will fund TShs 3,663,000,000.00, while TShs 2,000,000,000.00, will be funded through term loans and overdrafts from financial institutions, as shown below:

No	SOURCE OF FUNDING	AMOUNT	PERCENTAGE
1	Directors Contribution - Equity	3,663,000,000.00	65%
2	Term Loan	1,200,000,000.00	21%
3	Overdraft	800,000,000.00	14%
	TOTAL	**5,663,000,000.00**	**100.00%**

Projected Income Statement

Analysis for the viability of the project has been done for a period of ten years. Total Income from the project during the ten years is estimated at TShs 148,500,000,000.00. Income will come from the sale of processed and packed foodstuffs.

Projected Profit and Loss Account and Cash flow

From the fourth year of operations, the proposed project will have a positive cash flow. The project is expected to realize an after tax profit of TShs 4,878.86 Million for the ten years analyzed. See appendix VI for details.

Projected Income Tax

The project is expected to pay income tax amounting to TShs 2,384.46 million for the ten years of analysis.

5.0 RISK ASSESSMENT

Weakness of the Business

The company is new in the food processing and distribution of food products. However the experience gained in running other businesses by our directors, the high demand of food stuffs in Tanzanian Urban areas and countries in the horn of Africa and experienced management team to be employed, will more than counter the weaknesses we have.

Risk Associated with Business

(i) Bad weather including little rainfall, wind and hailstorms that may affect farm produce.
(ii) Volatile world market due to poor economic conditions reducing the purchasing power of our customers.

Contingency Plans

(i) The company plans to have extension services to small farmers to teach them protective agriculture including drip irrigation methods.

(ii) The company will promote and educate people that eating raw food is cheaper than eating cooked foodstuffs.

6.0 ENVIRONMENT AND GENDER ISSUES

Environment Impact Assessment

Most human activities are prone to causing negative environmental effect if carried out improperly and carelessly. Food processing and packaging activities may cause environmental degradation due to the refuse produced, packaging materials as well as oils, grease and fuel used machines and our vehicles may also cause environmental degradation. Sources of consumables such as foodstuffs, drinks, fuels and oils may also be detrimental to the environment.

Mitigation

All company employees will be trained in environmental awareness. They will strictly be directed to adhere to the set standards and regulations in all areas of their work. Our factory manager and staff will be those trained in renowned institutions such that they will have the necessary skills for safe and environmentally friendly operations.

The Impact of the Project on Gender

The project is expected to employ about one hundred and thirty three employees directly for running the various operations associated with the food processing and packaging business. A considerable number of the employees will be women.

7.0 PROJECT BENEFITS

Employment

Once the acquisition procedures of M/S Jamahedo First Foods Limited are finalized, M/S Gudka Food Packers Limited will adopt most of the employees now currently working for the factory owner. Thus our company will provide direct employment for about thirty people.

The project will also provide employment to a considerable number of people during the expansion of the factory, when construction of the factory and new offices will be done. Those that will be employed directly by the contractor, those employed by Gudka Food Packers Limited, as well as those indirectly employed by providing services to others, such as the mama lishe providing food for construction workers. The construction phase is expected to create direct and indirect employment for about 120 people of both sexes.

Once expansion construction activities are completed and the business is running at full capacity, it is expected that the number of permanent employees will be approximately 150 of both sexes. This will include employees in the support areas such as transportation, sales and storage.

Government Taxes

The project will benefit the government in terms of taxes in the form of Income Tax, Property Tax and other taxes and contributions.

Foreign Exchange Earnings

Some of the packaged foods will be exported thus adding to the foreign exchange earnings for our country.

8.0 CONCLUSION AND RECOMMENDATIONS

Analysis of the project indicates that the project is viable. The project will create employment, increase foreign currency earnings, and also financially viable as it will result into a profitable venture. The project is highly economic attractive. Strong sponsors promote the project with the ability to manage food processing activities.

From a national point of view, the timely implementation of the project will lead to the following benefits:-

- The food processing and packaging factory will contribute towards provision of quality food for citizens thus improving the health of Tanzanians.
- The business will create much needed employment for Tanzanian citizens.
- The business will create more than 133 direct employments.

- Efficient operation of the business will increase foreign exchange earning base for the country.
- The government will earn substantial revenue from the operation of the business in the form of corporation tax and other taxes.

Conclusively, it is recommended to offer a certificate of incentives so as to enable the company timely implementation of the food processing and packaging business.

It is also recommended to assist GUDKA FOOD PACKERS LIMITED in obtaining all other statutory requirements for the project.

APPENDIX: 1

GUDKA FOOD PACKERS LIMITED
INVESTMENT COST

TSHS '000

ITEM	FOREIGN	LOCAL	TOTAL
Builidings and Civil Works	500,000.00	1,142,000.00	1,642,000.00
Plants, Machinery and Equipments	450,000.00	1,146,500.00	1,596,500.00
Land		805,000.00	805,000.00
Motor Vehicles and Motor bikes	910,000.00	57,480.00	967,480.00
Furniture and Fittings	4,000.00	4,450.00	8,450.00
Others	5,500.00	8,470.00	13,970.00
Pre-Operational Expenses	4,200.00	65,400.00	69,600.00
TOTAL FIXED INVESTMENT	1,873,700.00	3,229,300.00	5,103,000.00
Initial Working Capital	60,000.00	500,000.00	560,000.00
TOTAL INVESTMENT COST	1,933,700.00	3,729,300.00	5,663,000.00

APPENDIX: II

GUDKA FOOD PACKERS LIMITED
DEPRECIATION SCHEDULE

TSHS '000

ITEM	TOTAL	%	1	2	3	4	5	6	7	8	9	10
Buildings and Civil Works	1,642,000	4.0	65,680	65,680	65,680	65,680	65,680	65,680	65,680	65,680	65,680	65,680
Plants, Equipments and Utencils	1,596,500	12.5	199,563	199,563	199,563	199,563	199,563	199,563	199,563	199,563		
Motor Vehicles	967,480	25.0	241,870	241,870	241,870	241,870						
Land	805,000	2.0	16,100	16,100	16,100	16,100	16,100	16,100	16,100	16,100	16,100	16,100
Furniture and Fittings	8,450	12.5	1,056	1,056	1,056	1,056	1,056	1,056	1,056	1,056		
Pre-Operational Expenses	69,600	20.0	13,920	13,920	13,920	13,920	13,920					
TOTAL	**5,089,030**		**538,189**	**538,189**	**538,189**	**538,189**	**296,319**	**282,399**	**282,399**	**282,399**	**81,780**	**81,780**

APPENDIX: III

ADMINISTRATIVE COSTS

TSHS '000

	0	1	2	3	4	5	6	7	8	9	10
Directors Renumeration	72,000	72,000	72,000	72,000	72,000	72,000	72,000	72,000	72,000	72,000	72,000
Water and Electricity	132,000	132,000	132,000	132,000	132,000	132,000	132,000	132,000	132,000	132,000	132,000
Licenses, Legal Fees, Property Tax	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000
Printing and Stationery	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Travelling, Advertising and Intertainment	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000
Telephone/Fax/Internet	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200
Insuarance		10,764	10,764	10,764	10,764	5,926	5,648	5,648	5,648	1,636	1,636
TOTAL	**307,200**	**317,964**	**317,964**	**317,964**	**317,964**	**313,126**	**312,848**	**312,848**	**312,848**	**308,836**	**308,836**

GUDKA FOOD PACKERS LIMITED REVENUE SCHEDULE APPENDIX: IV TSHS '000

REVENUE/YEARS	1	2	3	4	5	6	7	8	9	10
Packaged Dry Foods	7,500,000	9,000,000	12,000,000	15,000,000	15,000,000	15,000,000	#########	15,000,000	15,000,000	15,000,000
Packaged Liquid Foods		900,000	1,500,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000
TOTAL REVENUE	**7,500,000**	**9,900,000**	**13,500,000**	**16,800,000**	**16,800,000**	**16,800,000**	**#########**	**16,800,000**	**16,800,000**	**16,800,000**

GUDKA FOOD PACKERS LIMITED APPENDIX: V
OPERATING COSTS

TSHS '000

ITEM/YEARS	1	2	3	4	5	6	7	8	9	10
Buy Maize, wheat, cassava etc	4,875,000	5,850,000	7,800,000	9,750,000	9,750,000	9,750,000	9,750,000	9,750,000	9,750,000	9,750,000
Buy Fruits, Sunflower, honey etc	-	522,000	870,000	1,044,000	1,044,000	1,044,000	1,044,000	1,044,000	1,044,000	1,044,000
Plant Maintanance + Repairs	1,350,000	1,782,000	2,430,000	3,024,000	3,024,000	3,024,000	3,024,000	3,024,000	3,024,000	3,024,000
Vehicles Running Costs	357,968	357,968	357,968	357,968	357,968	357,968	357,968	357,968	357,968	357,968
Other Operating Costs	172,500	227,700	310,500	386,400	386,400	386,400	386,400	386,400	386,400	386,400
Salaries and Wages	294,975	442,463	589,950	589,950	589,950	589,950	589,950	589,950	589,950	589,950
Administration Overheads	317,964	317,964	317,964	317,964	317,964	317,964	317,964	317,964	317,964	317,964
TOTAL OPERATING COSTS	**7,368,406**	**9,500,094**	**12,676,381**	**15,470,281**	**15,470,281**	**15,470,281**	**#########**	**15,470,281**	**15,470,281**	**15,470,281**

GUDKA FOOD PACKERS LIMITED
PROFIT AND LOSS A/C

APPENDIX: VI

US $

ITEM/YEARS	1	2	3	4	5	6	7	8	9	10
Revenue	7,500,000	9,900,000	13,500,000	16,800,000	16,800,000	16,800,000	#########	16,800,000	16,800,000	16,800,000
Less Operating Cost	7,368,406	9,500,094	12,676,381	15,470,281	15,470,281	15,470,281	#########	15,470,281	15,470,281	15,470,281
Gross Profit Before Tax	131,594	399,906	823,619	1,329,719	1,329,719	1,329,719	1,329,719	1,329,719	1,329,719	1,329,719
Less Depreciation	538,189	538,189	538,189	538,189	296,319	282,399	282,399	282,399	81,780	81,780
Profit Before Tax	(406,595)	(138,283)	285,430	791,530	1,033,400	1,047,320	1,047,320	1,047,320	1,247,939	1,247,939
Taxation 30%			85,629	237,459	310,020	314,196	314,196	314,196	374,382	374,382
Profit After Tax	**(406,595)**	**(138,283)**	**199,801**	**554,071**	**723,380**	**733,124**	**733,124**	**733,124**	**873,557**	**873,557**
Cummulative Profit	**(406,595)**	**(544,878)**	**(345,077)**	**208,994**	**932,374**	**1,665,498**	**2,398,622**	**3,131,746**	**4,005,303**	**4,878,860**

41. The company may by ordinary resolution, of which special notice had been given in accordance with section 144 of the Act, remove any director before the expiration of his period of office notwithstanding anything is the article or any agreement between the company and such director. Such removal shall be without prejudice to any claim such director may have for damages for breach of any contract of service between him and the company.

42. The company may be ordinary resolution appoint another person in place of a director removed from office under the immediately preceding article. Without prejudice to the powers of the directors under article 40 the company in general meeting may appoint any person to be a director either to fill a vacancy or as an additional director.

Proceedings of Directors

43. Subject to the provisions of the articles, the directors may regulate their meetings as they think fit. Questions arising at a meeting shall be decided by a majority of votes. In case of an equality of votes, the chairman shall have a second or casting vote. A director may, and the secretary at the request of a director shall, call a meeting of the directors. It shall not be necessary to give notice of a meeting of directors to any director who is absent from Tanzania.

44. The quorum necessary for the transaction of the business of the directions may be fixed by the directors and unless so fixed shall be two.

45. The continuing directors may act notwithstanding any vacancy but, if and so long as their number is reduced below the number fixed by or pursuant to the articles of the company as the necessary quorum of directors, the continuing directors or director may act for the purpose of increasing the number of directors to that number, or of summoning a general meeting of the company, but for no other purpose.

46. The directors may appoint one of their numbers to be the chairman of the board of directors and determine the period of which he is to hold office. Unless he is unwilling to do so, the director so appointed shall preside at every meeting of directors at which he is present. But if no such chairman is appointed, or if he is unwilling to preside, or if at any meeting the chairman is not present within five minutes after the time appointed for holding the same, the directors present may choose one of their number to be chairman of the meeting

47. The directors may delegate any of their powers to any committee consisting of one or more directors; any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the directors. Subject to any such regulations, the proceedings of a committee with two or more members shall be governed by the articles regulating the proceedings of directors so far as they are capable of applying.

48. All acts done by a meeting of the directors or of a committee of directors or by a person acting as a director shall, notwithstanding that it be afterwards discovered that disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a director and was entitled to vote.

49. A resolution in writing, signed by all the directors entitled to receive notice of a meeting of the directors, or of a committee of directors, shall be as valid and effectual as if it had been passed at a meeting of the directors or (as the case may be) a committee of directors duly convened and held, and may consist of several documents in th like form each signed by one or more directors.

Secretary

50. The secretary shall be appointed by the directors for such term, at such remuneration and upon such conditions as they may think fit; and any secretary so appointed may be removed by them.

51. A provisions of the Act or these articles requiring or authorising a thing to be done by or to a director and the secretary shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, the secretary.

The Seal

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

The Accounts

53. The directors shall cause proper books of account to be kept with respect to:-

(a) all sums of money received and expended by the company and the matters in respect of which the receipt and expenditure takes place.
(b) All sales and purchase of goods by the company; and
(c) The assets and liabilities of the company.

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

54. The books of account shall be kept at the registered officer of the company, or subject to section 151(4) of the Act, at such other place or places as the directors think fit, and shall always be open to the inspection of the directors.

55. No member shall (as such) have any right of inspecting any accounting records or other book or document of the company except as conferred by statute or authorised by the directors or by ordinary resolution of the company.

56. The directors shall from time to time in accordance with sections 153, 155 and 150 of the Act, cause to be prepared and to be laid before the company in general meeting, such profit and loss accounts, balance sheets, group accounts (if any) and reports as are referred to in those sections.

57. In accordance with section 164 of the Act, the copy of the company's annual accounts to be laid before the company in general meeting together with a copy of the director's report and the auditor's report shall not less than twenty-one days before the date of the meeting be sent to every member of, and every holder of debentures of the company. Provided that this regulation shall not require a copy of those documents to be sent to any person of whose address the company is not aware or to more than one of the joint holders of any debentures.

Audit

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

Notices

59. Any notice to be given to or by any person pursuant to the articles shall be in writing except that a notice calling a meeting of directors need not be in writing. The company may give any notice to a member either personally or by sending it by post in a prepaid envelope addressed to the member at his registered address, or by leaving it at that address. Where a notice is sent by post, service of the notice shall be deemed to be affected by properly addressing, prepaying, and posting a letter containing the notice, and to have been effected at the expiration of seventy-two hours after the letter containing the same was posted.

A member whose registered address is not within the Tanzania and who gives to the company an address within the Tanzania at which notices may be given him shall be entitled to have notices given to him at that address, but otherwise no such member shall be entitled to receive any notice from the company.

Names, Postal address and Occupation of subscriber	Number of shares taken by each subscriber	Signature of Subscriber
BIMAL KESHAVLAL GUDKA P. O. Box 13729, ARUSHA - TANZANIA Businessman.	1800	B.u...
PRIYA BIMAL GUDKA P. O. Box 13729, ARUSHA - TANZANIA Businesswoman.	900	Priya Gudka
AGNESS ERNEST MBISE P. O. Box 13729, ARUSHA - TANZANIA Businesswoman.	1	[illegible]
ELISAA JOEL MBISE P. O. Box 13729, ARUSHA - TANZANIA Businessman.	1	[illegible]

Dated this....28th....day of....APRIL...., 2013

Witness to the above signatures:

....
Advocate

F. K. MU... ADVOCATE NOTARY ... COMMIS... FOR ... P. O. BOX ...4 ARUSHA

1.0BACKGROUND INFORMATION

Company's Legal Status

Gudka Food Packers Limited is a private incorporated limited liability company registered in Tanzania, under the Companies Act, 2002 and issued with a certificate of registration No 98984 dated 3rd May 2013.

Ownership

The company is owned by:
Bimal Keshavlal Gudka 1,800 shares - Kenyan
Priya Bimal Gudka with 900 shares -Kenyan
Agness Ernest Mbise with 1 share – Tanzanian
Elisaa Joel Mbise with 1 share - Tanzanian

Location

The head office of the company will be situated at Block DD, Plot No 472, Sombetini, Arusha Municipality.

Business Activity

The company was registered in 2013 with one major aim that of becoming a leading company in the processing of dry human foodstuffs especially maize and wheat flour. The company will also process other foodstuffs such as cassava, millet, sorghum, soybeans, which will be processed into flour and packaged for human consumption. At a later stage the company will also process liquid foodstuffs such as sunflower oil, honey and fruit based products such as juices, jam, butter and the like. As an initial stage, to put the company into business in the shortest possible time, the company intends to acquire the food processing facilities now owned by Jamahedo First Foods Limited. At a later stage, our company will expand the current factory and establish new factories in order to achieve our aim of becoming a major food processing company in northern Tanzania. In order to make a better contribution in the food processing industry, the company will also acquire land for production of food crops that form part of the raw materials used in our factories.

Project Concept

Project is based on the concept of processing farm products into usable and packaged foodstuffs. This includes the milling of cereals such maize, wheat, millet and sorghum. Other farm products that may produce flour will also be processed, this include cassava, soybean and spices.

The company will also process liquid foods such as sunflower oil, safflower oil, and other vegetable oils for human consumption. The company will also process fruits into jam and packaged juices.

Gudka Food Packers Limited is geared to provide its clients with quality packaged foods that will improve their bodies' health. The project will involve the acquisition of a processing plant, land and support machinery and equipments including vehicles and packaging material. The land so acquired will be used for expanding the processing plant while the vehicles and motorcycles will be for distribution of finished products and collecting raw materials from farmers and suppliers.

Gudka Food Packers Limited will also offer training services to our customers such that they may be able to use our packaged foods efficiently in their homes. The company will campaign for promotion of right eating habits by different stake-holders in order to improve the health status of most Tanzanians.

Capacity of the Project Activity

The food processing plant will have a capacity to produce 15,000 tonnes of packaged flour per annum, from different cereals and other farm products such as cassava. The company will also produce 1,000,000 litres of packaged juices and honey (equivalent to 900 tonnes) and 800,000 litres of cooking oil (equivalent to 640 tonnes) per annum.

Initially all the processing of food-staffs will be done at the factory to be purchased from Jamahedo First Foods Limited. At a later stage, additional plant facilities will be acquired and installed at other locations to be acquired in Arusha and elsewhere in Tanzania.

Type and Source of Raw Materials

All raw materials (foods) required for production of our finished/processed and packaged will be procured locally. The startup factory will be acquired locally. Some of the machines for the expansion project will be imported. Packaging materials will be mostly sourced locally.

70% of the construction materials will be procured locally within Tanzania. This will include sand, coarse aggregates; cement, hard stones etc. 30% will be procured abroad and this will include the fittings, equipments and finishing.

Costs associated with the project

A summary of the costs associated with the purchase of land, plant, materials, equipments and other costs associated with implementing the proposed investment into food processing and packaging is presented below:

No	DESCRIPTION	COST (TShs)
1	LAND	805,000,000.00
2	FACTORY AND OTHER BUILDINGS	1,642,000,000.00
3	PLANTS, EQUIPMENTS AND MACHINES	1,596,500,000.00
4	VEHICLES	967,480,000.00
5	FURNITURE AND FITTINGS	8,450,000.00
6	OTHER COSTS	13,970,000.00
7	PRE-EXPENSES	69,600,000.00
	TOTAL	**5,103,000,000.00**

2.0 ORGANIZATION AND MANAGEMENT

Organizational Chart

There is a board of directors that include shareholders and directors of the company, plus company secretary. Under the board there is the MD supported by the Factory Manager, Mill Superintendent, the Human Resources and Finance Manager, Purchasing Manager, and Sales Manager. The company will employ professionals in all areas to make sure that, everything runs under professional management.

Project Implementation Schedule

Firming up finance - 3 Months
Acquisition of Factory from Jamahedo First Foods Limited – 3 Months
Construction of buildings (Expansion of Facory and new offices) – 24 Months
Ordering Vehicles, Plant, Equipments and utensils – 8 Months
Implementation period is expected to take 3 years.

3.0 MARKET ANALYSIS

Demand and Supply Trends

Tanzania is a country blessed with fertile land coupled with good weather in most years resulting to good production of agricultural crops including staple food crops such as maize, wheat, cassava and sunflower. The regions of Manyara, Arusha, parts of Dodoma and Kilimanjaro, produce plenty of the raw materials that will be used to produce the processed and packaged foodstuffs in the Gudka Food Packers Limited factories in Arusha.

The requirement of packaged flour and other foods is rising in recent years due to change in the life style of many families. The old ways of processing foods before cooking including milling using the grinding stone and the like, have been replaced by milling machines. Also many families now prefer to buy pre-processed flour rather than going through the tedious process of buying for example maize, cleaning it and then taking it to the local posho mill. The same applies to other food staffs.

The food products produced in Tanzania have a ready market in countries north of Tanzania including Kenya, Ethiopia, Somalia and Southern Sudan. Currently the food produce are largely exported un-processed, this reduces the value of the goods our country exports to the mentioned countries. Processing and packaging the farm products, will add much value to the Tanzanian exports.

Demand of packaged maize, wheat and cassava flour, will always be on the rise, as ugali, the staple food for eastern and southern African countries, and will always rise with the rise in the population of people. Demand for other packaged foodstuffs will also rise in tune with the rise of the population. In general the worldwide supply of food crops is below the requirements; hence foodstuffs are always required urgently in one place or another.

Future Outlook

The future outlook of packaged flour and other packaged foodstuffs is bright. The change in lifestyle, the population growth, the promotion of trade among EAC countries makes the demand of foodstuffs produced from our factory look bright in the foreseeable future.

Market Size and Projected Portion

Once operational, Gudka Food Packers Limited will be among the first 10 food packers in northern Tanzania in terms of quantity and quality.

Marketing Plan and Distribution Channels

Gudka Food Packers Limited plans to market its products using various outlets and promotional means. The primary outlet will be at the factory to be purchased at Themi Industrial Area. Products will also be distributed from our current head offices at Sombetini in which area, we will construct godowns.

The company will also establish distribution centers in neighboring countries including Kenya, Ethiopia, Southern Sudan and Somalia in collaboration with business partners in those countries.

Analysis of Competition

Little competition is expected as demand for the products to be offered exceeds demand.

4.0 FINANCIAL ANALYSIS

Estimated Project Cost

The total cost for establishing the food processing business is estimates at **TShs 5,663,000,000.00.**

The cost items are summarized as follows:

Land acquisition: The cost for acquiring land for the processing and packaging of foodstuffs is estimated at **Tshs 865,000,000.00**

Pre-Operational costs: These are costs such as transfer fees, capital gain taxes, business plan preparation, other fees etc. This is estimated at **TShs 73,970,000.00**

Buildings to house the factory and other infrastructure: These are costs to purchase the factory buildings and for the construction of new buildings for expansion of the factory estimated at **TShs 1,642,000,000.00**

Furniture and Fittings for the whole project are estimated to cost **TShs 8,450,000.00**

Plant and Equipments estimated to cost **TShs 1,596,500,000.00**

Vehicles and Motor cycles are estimated to cost **TShs 967,000,000.00**

Other costs or Contingents amount to cater for omissions, cost overruns etc estimated to cost **TShs 13,970,000.00**

Working Capital for the first year of operations is estimated to amount to **TShs 560,000,000.00**

Annual Operating Costs associated with the Food Processing and Packaging project are estimated as follows:

- Directors Remuneration TShs 72,000,000.00
- Water and Electricity TShs 132,000,000.00
- License, Legal fees and Property Tax TShs 36,000,000.00
- Printing and Stationeries TShs 6,000,000.00
- Traveling and Advertising Costs TShs 54,000,000.00

- Telephone, Fax and entertainment TShs 7,200,000.00
- Insurance TShs 10,764,000.00

Proposed Financing Plan

The proposed project will be financed both from local sources as well as foreign sources.

Proposed Source of Funding

The company will fund more than half of the project costs while the remainder will cone from loans and overdraft from financial institutions. Gudka Food Packers Limited will fund TShs 3,663,000,000.00, while TShs 2,000,000,000.00, will be funded through term loans and overdrafts from financial institutions, as shown below:

No	SOURCE OF FUNDING	AMOUNT	PERCENTAGE
1	Directors Contribution - Equity	3,663,000,000.00	65%
2	Term Loan	1,200,000,000.00	21%
3	Overdraft	800,000,000.00	14%
	TOTAL	**5,663,000,000.00**	**100.00%**

Projected Income Statement

Analysis for the viability of the project has been done for a period of ten years. Total Income from the project during the ten years is estimated at TShs 148,500,000,000.00. Income will come from the sale of processed and packed foodstuffs.

Projected Profit and Loss Account and Cash flow

From the fourth year of operations, the proposed project will have a positive cash flow. The project is expected to realize an after tax profit of TShs 4,878.86 Million for the ten years analyzed. See appendix VI for details.

Projected Income Tax

The project is expected to pay income tax amounting to TShs 2,384.46 million for the ten years of analysis.

5.0 RISK ASSESSMENT

Weakness of the Business

The company is new in the food processing and distribution of food products. However the experience gained in running other businesses by our directors, the high demand of food stuffs in Tanzanian Urban areas and countries in the horn of Africa and experienced management team to be employed, will more than counter the weaknesses we have.

Risk Associated with Business

(i) Bad weather including little rainfall, wind and hailstorms that may affect farm produce.
(ii) Volatile world market due to poor economic conditions reducing the purchasing power of our customers.

Contingency Plans

(i) The company plans to have extension services to small farmers to teach them protective agriculture including drip irrigation methods.

(ii) The company will promote and educate people that eating raw food is cheaper than eating cooked foodstuffs.

6.0 ENVIRONMENT AND GENDER ISSUES

Environment Impact Assessment

Most human activities are prone to causing negative environmental effect if carried out improperly and carelessly. Food processing and packaging activities may cause environmental degradation due to the refuse produced, packaging materials as well as oils, grease and fuel used machines and our vehicles may also cause environmental degradation. Sources of consumables such as foodstuffs, drinks, fuels and oils may also be detrimental to the environment.

Mitigation

All company employees will be trained in environmental awareness. They will strictly be directed to adhere to the set standards and regulations in all areas of their work. Our factory manager and staff will be those trained in renowned institutions such that they will have the necessary skills for safe and environmentally friendly operations.

The Impact of the Project on Gender

The project is expected to employ about one hundred and thirty three employees directly for running the various operations associated with the food processing and packaging business. A considerable number of the employees will be women.

7.0 PROJECT BENEFITS

Employment

Once the acquisition procedures of M/S Jamahedo First Foods Limited are finalized, M/S Gudka Food Packers Limited will adopt most of the employees now currently working for the factory owner. Thus our company will provide direct employment for about thirty people.

The project will also provide employment to a considerable number of people during the expansion of the factory, when construction of the factory and new offices will be done. Those that will be employed directly by the contractor, those employed by Gudka Food Packers Limited, as well as those indirectly employed by providing services to others, such as the mama lishe providing food for construction workers. The construction phase is expected to create direct and indirect employment for about 120 people of both sexes.

Once expansion construction activities are completed and the business is running at full capacity, it is expected that the number of permanent employees will be approximately 150 of both sexes. This will include employees in the support areas such as transportation, sales and storage.

Government Taxes

The project will benefit the government in terms of taxes in the form of Income Tax, Property Tax and other taxes and contributions.

Foreign Exchange Earnings

Some of the packaged foods will be exported thus adding to the foreign exchange earnings for our country.

8.0CONCLUSION AND RECOMMENDATIONS

Analysis of the project indicates that the project is viable. The project will create employment, increase foreign currency earnings, and also financially viable as it will result into a profitable venture. The project is highly economic attractive. Strong sponsors promote the project with the ability to manage food processing activities.

From a national point of view, the timely implementation of the project will lead to the following benefits:-

- The food processing and packaging factory will contribute towards provision of quality food for citizens thus improving the health of Tanzanians.
- The business will create much needed employment for Tanzanian citizens.
- The business will create more than 133 direct employments.

- Efficient operation of the business will increase foreign exchange earning base for the country.
- The government will earn substantial revenue from the operation of the business in the form of corporation tax and other taxes.

Conclusively, it is recommended to offer a certificate of incentives so as to enable the company timely implementation of the food processing and packaging business.

It is also recommended to assist GUDKA FOOD PACKERS LIMITED in obtaining all other statutory requirements for the project.

APPENDIX: II

GUDKA FOOD PACKERS LIMITED
DEPRECIATION SCHEDULE

TSHS '000

ITEM	TOTAL	%	1	2	3	4	5	6	7	8	9	10
Buildings and Civil Works	1,642,000	4.0	65,680	65,680	65,680	65,680	65,680	65,680	65,680	65,680	65,680	65,680
Plants, Equipments and Utencils	1,596,500	12.5	199,563	199,563	199,563	199,563	199,563	199,563	199,563	199,563		
Motor Vehicles	967,480	25.0	241,870	241,870	241,870	241,870						
Land	805,000	2.0	16,100	16,100	16,100	16,100	16,100	16,100	16,100	16,100	16,100	16,100
Furniture and Fittings	8,450	12.5	1,056	1,056	1,056	1,056	1,056	1,056	1,056	1,056		
Pre-Operational Expenses	69,600	20.0	13,920	13,920	13,920	13,920	13,920					
TOTAL	**5,089,030**		**538,189**	**538,189**	**538,189**	**538,189**	**296,319**	**282,399**	**282,399**	**282,399**	**81,780**	**81,780**

APPENDIX: III

ADMINISTRATIVE COSTS

TSHS '000

	0	1	2	3	4	5	6	7	8	9	10
Directors Renumeration	72,000	72,000	72,000	72,000	72,000	72,000	72,000	72,000	72,000	72,000	72,000
Water and Electricity	132,000	132,000	132,000	132,000	132,000	132,000	132,000	132,000	132,000	132,000	132,000
Licenses, Legal Fees, Property Tax	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000
Printing and Stationery	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Travelling, Advertising and Intertainment	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000
Telephone/Fax/Internet	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200
Insuarance		10,764	10,764	10,764	10,764	5,926	5,648	5,648	5,648	1,636	1,636
TOTAL	**307,200**	**317,964**	**317,964**	**317,964**	**317,964**	**313,126**	**312,848**	**312,848**	**312,848**	**308,836**	**308,836**

GUDKA FOOD PACKERS LIMITED REVENUE SCHEDULE APPENDIX: IV TSHS '000

REVENUE/YEARS	1	2	3	4	5	6	7	8	9	10
Packaged Dry Foods	7,500,000	9,000,000	12,000,000	15,000,000	15,000,000	15,000,000	#########	15,000,000	15,000,000	15,000,000
Packaged Liquid Foods		900,000	1,500,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000
TOTAL REVENUE	**7,500,000**	**9,900,000**	**13,500,000**	**16,800,000**	**16,800,000**	**16,800,000**	**#########**	**16,800,000**	**16,800,000**	**16,800,000**

GUDKA FOOD PACKERS LIMITED
OPERATING COSTS

APPENDIX: V

TSHS '000

ITEM/YEARS	1	2	3	4	5	6	7	8	9	10
Buy Maize, wheat, cassava etc	4,875,000	5,850,000	7,800,000	9,750,000	9,750,000	9,750,000	9,750,000	9,750,000	9,750,000	9,750,000
Buy Fruits, Sunflower, honey etc	-	522,000	870,000	1,044,000	1,044,000	1,044,000	1,044,000	1,044,000	1,044,000	1,044,000
Plant Maintanance + Repairs	1,350,000	1,782,000	2,430,000	3,024,000	3,024,000	3,024,000	3,024,000	3,024,000	3,024,000	3,024,000
Vehicles Running Costs	357,968	357,968	357,968	357,968	357,968	357,968	357,968	357,968	357,968	357,968
Other Operating Costs	172,500	227,700	310,500	386,400	386,400	386,400	386,400	386,400	386,400	386,400
Salaries and Wages	294,975	442,463	589,950	589,950	589,950	589,950	589,950	589,950	589,950	589,950
Administration Overheads	317,964	317,964	317,964	317,964	317,964	317,964	317,964	317,964	317,964	317,964
TOTAL OPERATING COSTS	**7,368,406**	**9,500,094**	**12,676,381**	**15,470,281**	**15,470,281**	**15,470,281**	**#########**	**15,470,281**	**15,470,281**	**15,470,281**

GUDKA FOOD PACKERS LIMITED
PROFIT AND LOSS A/C

APPENDIX: VI

US $

ITEM/YEARS	1	2	3	4	5	6	7	8	9	10
Revenue	7,500,000	9,900,000	13,500,000	16,800,000	16,800,000	16,800,000	##########	16,800,000	16,800,000	16,800,000
Less Operating Cost	7,368,406	9,500,094	12,676,381	15,470,281	15,470,281	15,470,281	##########	15,470,281	15,470,281	15,470,281
Gross Profit Before Tax	131,594	399,906	823,619	1,329,719	1,329,719	1,329,719	1,329,719	1,329,719	1,329,719	1,329,719
Less Depreciation	538,189	538,189	538,189	538,189	296,319	282,399	282,399	282,399	81,780	81,780
Profit Before Tax	(406,595)	(138,283)	285,430	791,530	1,033,400	1,047,320	1,047,320	1,047,320	1,247,939	1,247,939
Taxation 30%			85,629	237,459	310,020	314,196	314,196	314,196	374,382	374,382
Profit After Tax	**(406,595)**	**(138,283)**	**199,801**	**554,071**	**723,380**	**733,124**	**733,124**	**733,124**	**873,557**	**873,557**
Cummulative Profit	**(406,595)**	**(544,878)**	**(345,077)**	**208,994**	**932,374**	**1,665,498**	**2,398,622**	**3,131,746**	**4,005,303**	**4,878,860**

GUDKA FOOD PACKERS LIMITED
MANPOWER SALARIES & WAGES

APPENDIX: VIII

TSHS '000

CATEGORY	NO.	PER PERSON	PER MONTH	PER ANNUM
Managing Director	1	2,500.00	2,500.00	30,000.00
Factory Manager	1	1,500.00	1,500.00	18,000.00
Mill Superintendent	1	1,200.00	1,200.00	14,400.00
Human Resourses and Finance Manager	1	1,000.00	1,000.00	12,000.00
Purchasing Manager	1	900.00	900.00	10,800.00
Sales Manager	1	900.00	900.00	10,800.00
Factory Staff	60	300.00	18,000.00	216,000.00
Administration Staff	16	250.00	4,000.00	48,000.00
Drivers and Helpers	32	250.00	8,000.00	96,000.00
Sales Staff	7	250.00	1,750.00	21,000.00
Purchasing Staff	12	250.00	3,000.00	36,000.00
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
TOTAL	**133**	**9,300.00**	**42,750.00**	**513,000.00**
ADD 15% Social Benefits		**1,395.00**	**6,412.50**	**76,950.00**
TOTAL	**133**	**10,695.00**	**49,162.50**	**589,950.00**

THE COMPANIES ACT, 2002

COMPANY LIMITED BY SHARES

MEMORANDUM

AND

Articles of Association

OF

GUDKA FOOD PACKERS LIMITED

Incorporated this.......day of.............2013.

DRAWN BY:
FRANCIS K. MUSEI
(ADVOCATE)
P.O.BOX 424,
ARUSHA

(f) To establish and carry on the business of super market, dealing all kind of foodstuff, grocery, spices, vegetables, fresh fruits, fish mongers, ship chandlers, exporters, importers, children's wear, ladies and gent's wear, wholesale and retail merchants and in general all types of merchandise, fancy goods, children wear and piece goods merchant, advertising agents and any other business and may be useful carried on in connection with such business, which may be usefully carried on in connection therewith.

(g) To carry on the business of keepers of a holding house, to operate as suppliers of all types of boarding and accommodation establishments including lodge, hotel, restaurant, café, apartments, roadhouses, home stays, out-coast motel safaris or holiday Camp-keepers.

(h) To own and operate hotel schools and study centres and act as consultants in catering, house keeping and providers of food and beverage services.

(i) To carry on the business of a management and serving company and to act as managers or to direct the managers of other companies or of the business, property and estates of corporations, private persons or companies and to undertake and carry out all such services in connection therewith as my be deemed expedient and to exercise its powers as a controlling shareholder of the companies.

(j) To carry on the business as proprietors of hotels, lodges, restaurants, refreshment and tea rooms, cafes and mild and snack bars, beer-house and lodging-house keepers, house keepers, wine, beer, spirits, soft drinks and soda suppliers, and merchants and sellers of the same brewers, distillers and as caterers and contractors in their respective branches and to earn in and sell all commodities.

(k) To carry on the business of importers of construction and mining equipments, sell or hire the same.

(l) To carry on the business of repairing or maintaining construction and mining equipments, import and sell spare parts for mining and construction equipments.

(m) To engage in the business of mining, buying and selling of all gemstones found in the United Republic of Tanzania and to engage in exportation of rough and cut and polished gemstones to different parts of the world and to open up lapidaries and to acquire mine workings and mining grounds in Tanzania.

(n) To purchase take on lease, or otherwise acquire freehold and other lands, properties mines and mineral properties and also grant, concessions, leases, claims, licences of or other interests in mines, mining right, lands, mineral properties, water rights, and either absolutely or conditionally, and either solely or jointly with others.

(o) To prospect, explore, open and work claims or mines, drill and sink shafts or walls and raise, pump, dig and quarry for gold, silver, diamonds and precious stones, oil, petroleum, coal, earth, and other substances.

(p) To acquire by purchase, concession or lease, or take in exchange or otherwise or to erect and construct, and wherever necessary to alter buildings, railways, tramways, roads, shafts, furnaces, quartz crushing and other machinery, works for smelting or otherwise for treating, removing and storing metals and minerals and drawing and pumping appliances, or waterworks, and crushing, working, manufacturing purifying, cutting, polishing, or otherwise dealing with gold, silver, precious metals, minerals, ores, coals, diamonds and precious stones, earth and other substances.

(q) To establish and carry on the business of super market, dealing in all kind of foodstuff, caterers, grocery, spices, vegetables, fresh fruits, fish mongers, ship chandlers, exporters, importers, wholesale and retail merchants and in general all types of merchandise, fancy goods, children wear and piece goods merchant, advertising agents and any other business, and may be useful carried on in connection with such business, and to acquire and undertake the whole or part of the business, or any other business, which may be usefully carried on in connection therewith.

(r) To establish and carry on the business of hoteliers, confectioners and restaurant operators, food packing, take away foods, night club, car wash, cleaning services, camp sites, beach holiday, pay toilets and to engage in and carry the business of dealers in trophies, antiques, curios and boutiques, of all types and descriptions.

(s) To open and operate Bureau de Change branches in other regions of the United Republic of Tanzania.

(t) To engage in importation agencies of different machineries, equipment, spare parts, building materials, hardwires, electrical materials and other goods and to engage in international Trade.

(u) To treat, cure can, bottle, submit to any process or manufacture and prepare for market any produce or commodities and to buy, store, transport, land and water and deal in any produce commodities either by wholesale or retail.

(v) To carry on the business of clearing and forwarding agents, land and estate agents, commission agents, air, road and shipping line agents, financial agents and agents for all classes of insurance.

(w) To carry out research, developing and processing of medical herbs, extracting concentrates, sale the same, contract farmers to commercialise the herbs, Import, Export and appoint Agents, raising plants anywhere in the world, develop capsules and tablets.

(x) Engage in development and relief activities and any consultation in Finance, aqua, mining, agriculture, transport, manufacturing, building construction, road construction, and all general consultations.

(y) To enter into contracts, agreements and arrangements with any other company or person whether in Kenya, Tanzania or elsewhere, for the carrying out by such other company or person on behalf of the Company of any or all of the objects for which the Company is formed.

(z) To enter into any arrangements with any government or authority, supreme, municipal, local or otherwise, that may seem conducive to the Company's objects or any of them, and to obtain from any such government or authority any rights, privileges and concessions which the Company may think it desirable to obtain, carry out, exercise and comply with any such arrangements, rights, privileges and concessions.

(aa) To procure the registration or incorporation of the company in or under the laws of any place outside Tanzania.

(ab) To carry on any other trade or business whatsoever this can, in the opinion of the Board of Directors, be advantageously carried on by the Company in connection with or as ancillary to any of the above businesses or the general business of the Company.

(ac) To purchase, take on lease or in exchange, hire or otherwise acquire and hold for any estate or interest any lands, buildings, rights, privileges, concessions, patents, paten tights, censes, ret processes, machinery, plant, stock-in-trade, and real or personal property of any kind necessary or convenient for the purpose of or in connection with the Company's business or any branch or department thereof, and develop the said property.

(ad) To invest and deal with the money of the Company not immediately required for the purpose of its business in such manner as may from time to time be determined.

(ae) To accept payment for any property or rights sold or otherwise disposed of or dealt with by the Company, either in cash, by instalments or otherwise, or in fully or partly paid-up shares of any Company or corporation, with or without deferred or preferred or guaranteed rights in respect of dividend or repayment of capital or otherwise or in debentures or mortgage debentures or debenture stock, mortgages or other securities of any company or corporation, or partly in one mode and partly in another, and generally on such terms as the Company may determine, and to hold, dispose of or otherwise deal with any shares, stock or securities so acquired.

(af) To enter into any partnership or joint-purse arrangement or arrangement for sharing profits, union of interests or co-operation with any company, firm or person carrying on or proposing to carry on any business within the objects of this Company, and to acquire and hold sell, deal with or dispose of shares, stock or securities of any such company, and to guarantee the contracts or liabilities of or the payment of the dividends, interest or capital of any shares, stock or securities of any to subsidize or otherwise assist any such company.

4. The Liability of the members is limited.

5. The share capital of the company is shillings Three Billion only (3,000,000,000/=) divided into Three thousand (3,000) ordinary shares of shilling One Million (TShs. 1,000,000/=) each with power for the Company to increase or reduce the said capital and to issue any part of its capital, original or increased with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions.

We, the several persons whose names, postal addresses and descriptions are sub-scribed below 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, Postal address and Occupation of subscriber	Number of shares taken by each subscriber	Signature of Subscriber
BIMAL KESHAVLAL GUDKA P. O. Box 13729, ARUSHA - TANZANIA Businessman.	1800	
PRIYA BIMAL GUDKA P. O. Box 13729, ARUSHA - TANZANIA Businesswoman.	900	Priya Gudka
AGNESS ERNEST MBISE P. O. Box 13729, ARUSHA - TANZANIA Businesswoman.	1	
ELISAA JOEL MBISE P. O. Box 13729, ARUSHA - TANZANIA Businessman.	1	

Dated this 28th day of APRIL, 2013
Witness to the above signatures:

....
Advocate

THE COMPANIES ACT, 2002

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

GUDKA FOOD PACKERS LIMITED

Interpretation

1. In these Regulations:

"the Act" means the Companies Act, 2002 (Act. No. 12)

"the articles" means the articles of the company

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

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

"the seal" means the summon seal of the company.

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

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

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

Members

2. The number of members with which the company proposes to be registered is but the directors may from time to time register an increase of members

3. The subscribers to the memorandum of association and such other persons as the directors shall admit to membership shall be members of the company.

General Meetings

4. The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year, and shall specify the meeting as such in the notice calling it; and not more than fifteen months shall elapse between the date of one annual general meeting of the company and that of the next.

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

5. All general meetings other than annual general meetings shall be called extraordinary general meetings.

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

Notice of General Meetings.

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

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

(a) in the case of a meeting called as the annual general meeting, by all the members entitled to attend and vote thereat; and

(b) in the case of any other meeting, by a majority in number of the members having aright to attend and vote at the meeting, being a majority together representing not less than ninety-five percent of the total voting rights at that meeting of all the members.

8. Subject to the provisions of the articles, the notice shall be given to all the members, to all persons entitled to a share in consequence of the death or bankruptcy of a member and to the directors and auditors. The accidental omission to give notice of a meeting to, or the non receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

Proceedings at General Meetings

9. All business shall be deemed special that is transacted at an extraordinary general meeting, and also all that is transacted at an annual general meeting, with the exception of declaring a dividend, the consideration of the accounts, balance sheets, and the ports of the directors and auditors, the election in the place of those retiring and the appointment of, and the fixing of the remuneration of the auditors.

10. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business; two persons, entitled to vote on the business to be transacted, each being a member or a proxy for a member or a duly authorized representative or a corporation, shall be a quorum.

11. If within half an hour from the time appointed for the meeting a quorum is not present, or if during the course of a meeting a quorum is not present, the meeting shall stand adjourned to the same day in the next week, at the same time and place, or to such other day and at such other time and place as the directors may determine.

12. The chairman, if any, of the board of directors or in his absence some other director nominated by the directors shall preside as chairman of the general meeting, but if neither the chairman nor such other director (if any) be present within fifteen minutes after the time appointed for the holding of the meeting and willing to act, the directors present shall elect one of their members to be chairman of the meeting and, if there is only one director present and willing to act, he shall be chairman.

13. If at any meeting no director is willing to act as chairman or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their numbers to be a chairman of the meeting.

14. The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen days or more, at least seven clear days notice of the adjourned meeting shall be given specifying the time and place of the meeting and the general nature of the business to be transacted. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

15. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is before or on the declaration of the result of the show of hands demanded-

   a. by the chairman; or
   b. by at least (three) members present in person or by proxy; or
   c. by any member or members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting.

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

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

16. Except as provided in article 18, if a poll is duly demanded it shall be taken in such manner as the chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

17. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to a second or casting vote.

18. A poll demanded on the election of a chairman, or on a question of adjournment, shall be taken immediately,. A poll demanded on any other question shall be taken either immediately or at such time as the chairman of the meeting directs, and any business other than upon which a poll has been demanded may be preceded with pending the taking of the poll.

19. A resolution in writing executed by or on behalf of each member who would have been entitled to vote upon it if it had been proposed at a general meeting at which he was present shall have effect as if it had been passed at a general meeting duly convened and held, and may consist of several instruments in the like from each executed by or on behalf of one or more member.

Vote of Members

20. Every member shall have one vote.

21. A member in respect of whose estate a manager has been appointed under section 26 of the Mental Diseases Ordinance, may vote, whether on a show of hands or on a poll, by his said manager, and any such manager may, on a poll, vote by proxy.

22. No member shall be entitled to vote at any general meeting unless all moneys presently payable by him to the company have been paid.

23. On a poll votes may be given either personally or by proxy.

24. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorized in writing/or, if the appointer is a corporation, either under seal or under the hand the of an officer or attorney duly authorized. A proxy need not be a member of the company.

25. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office of the company or at such other place within the Territory as is specified for holding the meeting of adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

26. An instrument appointing a proxy shall be the in following a form as near thereto as circumstances admit

"....................................Limited

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

Signed this..............................day of.............................20...."

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

"..Limited

I/We..of ...., being a member/members of the above named company, hereby appoint of ....of...................or failing him........................of...................., as my/our proxy to vote for me/us on my/our behalf at the (annual or extraordinary, as the case may be} general meeting of the company to be held on the ....day of............. ....20........., and at any adjournment thereof.

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

*Strike out which ever is not desired.

28. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

29. A vote given in accordance with the terms of an instrument of proxy, or poll demanded by proxy, or by the duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice of the determination was received by the company at its registered office (or at such other place at which the instrument or proxy was duly deposited) before the commencement of the meeting or adjourned meeting at which the proxy is used.

Corporations Acting By Representation at Meetings

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

Directors

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

32. The remuneration of the directors shall from time to time be determined by the Company in general meeting. Such remuneration shall be deemed to accrue from day to day. The directors shall also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the directors or any committee of the directors or general meetings of the company or in connection with the business of the company.

Borrowing Powers

33. The director may exercise all the powers of the company to borrow money, and to mortgage or charge its undertaking and property, or any part thereof, and to issue debentures, debenture stock and other securities, whether outright or as security for any debt, liability or obligation of the company or any third party.

Power and Duties of Directors

34. Subject to the provisions of the Act, the memorandum and the articles and to any directions given by special resolution, the business of the company shall be managed by the directors, who may exercise all the powers of the company. No alteration of the memorandum or articles and no such directions shall invalidate any prior act of the directors which would otherwise have been valid. The powers given by this article shall not be limited by any special power given to the directors by the articles and a meeting of directors at which a quorum is present may exercise all powers exercisable by the directors.

(f) To establish and carry on the business of super market, dealing all kind of foodstuff, grocery, spices, vegetables, fresh fruits, fish mongers, ship chandlers, exporters, importers, children's wear, ladies and gent's wear, wholesale and retail merchants and in general all types of merchandise, fancy goods, children wear and piece goods merchant, advertising agents and any other business and may be useful carried on in connection with such business, which may be usefully carried on in connection therewith.

(g) To carry on the business of keepers of a holding house, to operate as suppliers of all types of boarding and accommodation establishments including lodge, hotel, restaurant, café, apartments, roadhouses, home stays, out-coast motel safaris or holiday Camp-keepers.

(h) To own and operate hotel schools and study centres and act as consultants in catering, house keeping and providers of food and beverage services.

(i) To carry on the business of a management and serving company and to act as managers or to direct the managers of other companies or of the business, property and estates of corporations, private persons or companies and to undertake and carry out all such services in connection therewith as my be deemed expedient and to exercise its powers as a controlling shareholder of the companies.

(j) To carry on the business as proprietors of hotels, lodges, restaurants, refreshment and tea rooms, cafes and mild and snack bars, beer-house and lodging-house keepers, house keepers, wine, beer, spirits, soft drinks and soda suppliers, and merchants and sellers of the same brewers, distillers and as caterers and contractors in their respective branches and to earn in and sell all commodities.

(k) To carry on the business of importers of construction and mining equipments, sell or hire the same.

(l) To carry on the business of repairing or maintaining construction and mining equipments, import and sell spare parts for mining and construction equipments.

(m) To engage in the business of mining, buying and selling of all gemstones found in the United Republic of Tanzania and to engage in exportation of rough and cut and polished gemstones to different parts of the world and to open up lapidaries and to acquire mine workings and mining grounds in Tanzania.

(n) To purchase take on lease, or otherwise acquire freehold and other lands, properties mines and mineral properties and also grant, concessions, leases, claims, licences of or other interests in mines, mining right, lands, mineral properties, water rights, and either absolutely or conditionally, and either solely or jointly with others.

35. The directors may by power of attorney appoint any person to be the attorney or agent of the company for such purposes and on such conditions as they determine, including authority for the attorney or agent to delegate all or any of his powers.

36. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for moneys paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as they case may be, in such manner as the directors shall from time to time by resolution determine.

37. The directors shall cause minutes to be made in books provided for the purpose:-

(a) of all appointments of officers made by the directors;
(b) of the names of he directors present at each meeting of the directors and of any committee of the directors;
(c) of all resolutions and proceedings at all meetings of the company, and of the directors, and of committees of directors.

Disqualification of Directors

38. The Office of director shall be vacated if the director:-

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

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

39. The company may be ordinary resolution appoint a person who is willing to act as director to fill a vacancy or be an additional director.

40. The directors may appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director, but so that the total number of directors shall not at anytime exceed the number fixed by or in accordance with these articles. Any director so appointed shall hold office only until the next following annual general meeting, and shall then be eligible for re-election.