



THE UNITED REPUBLIC OF TANZANIA
 PRIME MINISTER'S OFFICE
 TANZANIA INVESTMENT CENTRE

FILE BEGINS

ENDS

FILE TITLE

PART

FILE NUMBER

TICC

CONFIDENTIAL

PP.10

042548

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
F	F	DD	10/10/13	6										

FILE NUMBER
 TICC
 PP.10 / 042548

PART



TIC Evaluation Report

Name of the Company
Tanzania Mats Industries Co. Ltd.

Post Box	Gofu Area, Plot No. 25 Block Bk	COI Number	102404	Contact	Mr. Omary Makame Omary
Post Office	16532	COI Date	09/12/2013	Designation	Director
Region	Tanga	Application F. No	11422	Phone	0
Country	Tanzania	Status		Direct Phone	0
		Sector	Manufacturing	Cell Phone	0716 99 22 11
		Sub Sector	Mt	Fax	0
		File No	042548	E-Mail Address	0

Project Location		Investment Finance Plan in Millions USD											
Plot/Block	Plot No. 25 Block BK	<table border="1"> <thead> <tr> <th>Foreign Equity</th> <th>Local Equity</th> <th>Foreign Loan</th> <th>Local Loan</th> </tr> </thead> <tbody> <tr> <td>0.905</td> <td>0.87</td> <td>0</td> <td>1.272</td> </tr> </tbody> </table>	Foreign Equity	Local Equity	Foreign Loan	Local Loan	0.905	0.87	0	1.272			
Foreign Equity	Local Equity		Foreign Loan	Local Loan									
0.905	0.87		0	1.272									
Street	Gofu Area												
District	Tanga												
Region	Tanga												

Shareholders Detail			Investment Breakdown (USD Million)	
Name	Nationality	(%)	Land/Building	0.13
Al-Bayan Trading Co. Ltd.	Tanzanian	49	Plant	1.6
Mangala Green Solar LLP	Indian	51	Vehicles	1.2
			Furniture & Fittings	0.044
			Pre-expenses	0.022
			Others	0.011
			Working Capital	0.04
			Total	3.047

Employment	85	Evaluated By	,wf officer4
Capacity	85 per day	Drawn By	wf registry1
Project Turn Over		Project Type	Mixed(Local & Foreign)

Description

To establish mats production facility

Recomendations

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

Decision

MINUTE SHEET

Dokezo
No.

MINUTE SHEET

Dokezo
No.

(-0)

Ag. EXD

done
21/10/2013

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

(a) Minimum finance investment threshold has been exceeded, the project expects to invest ...US\$ 3.047 m.....

(b) Legal entity has been incorporated under certificate

No. 102404 of 05/12/2013.....

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

17th October, 2013

M/S TANZANIA MATS INDUSTRIES COMPANY LIMITED
P.O. BOX 16532

①



8th October 2013

Executive Director
Tanzania Investment Center
P.O. Box 938
DAR ES SALAAM

Dear Madam/Sir

RE: APPLICATION FOR THE INVESTMENT EXEMPTION ON RENOVATION, PURCHASE AND INSTALLATION PLANT AND MACHINERY FOR MATS MANUFACTURING AT GOFU INDUSTRIAL AREA TANGA CITY.

This has reference to the captioned subject above.

We are incorporated private limited liability company dealing with manufacturing, marketing and distribution mat products at Gofu area in Tanga city.

We are pleased to submit our application for above exemption request to enable us carryout the projection execution.

Attached herewith please find the following documents:

1. A copy of the Title Deed
2. A copy of Memorandum and Articles of Association
3. A Copy of Certificate of Incorporation
4. A copy of the valid business license
5. A Copies of TIN,
6. Reference letter from Kenya Commercial Bank Ltd Lumumba branch.
7. 2 copies of Business plan
8. A copy of the lease agreement from NHC

We hope our application will favourably be considered.

Yours faithfully
TANZANIA MATS INDUSTRIES COMPANY LIMITED

OMARY M. OMARY
DIRECTOR



THE COMPANIES ACT 2002

COMPANY LIMITED BY SHARES

MEMORANDUM

AND

ARTICLES OF ASSOCIATION

OF

***AL-BAYAAN TRADING COMPANY
LIMITED***

Incorporated thisday of2011

Drawn by:

Kombo Mohamed Sharif
(Subscriber)
P. O. 16532
DAR ES SALAAM



THE UNITED REPUBLIC OF TANZANIA



Certificate of Incorporation

No.

I hereby certify that

AL- BAYAAN TRADING COMPANY LIMITED

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

Given under my hand at Dar es Salaam
thisday ofTwo thousand and eleven.

Seal

Registrar of Companies

TANZANIA

Stamp Duty Sub. 5800 = 1000

PAID ON ORIGINAL

Receipt No. 14595 of 06/04/2011

Stamp Duty Officer

THE COMPANIES ACT (ACT No. 12 OF 2002)
COMPANY LIMITED BY SHARES
MEMORANDUM OF ASSOCIATION
OF
AL-BAYAAN TRADING COMPANY LIMITED

TANZANIA

Stamp Duty Sub. 2500 = 1000

Receipt No. 14595 of 06/04/2011

Registrar of Companies

1. The name of the Company is AL-BAYAAN TRADING COMPANY LIMITED.
2. The registered office of the Company will be situated in Tanzania.
3. The objects for which the Company is formed are:-
 - a. To acquire and take over as a going concern the business carried out under the name and style of AL-BAYAAN TRADING with all its assets and liabilities. To form, subscribe to and otherwise aid benevolent, religious, scientific, national, charitable or other institutions or objects of a public character or which have any moral or other claims to support or aid by company by reason of the nature or locality of its operations or otherwise.
 - b. To carry on the business of dealing in, importing, exporting, marketing, manufacturing stocking, buying, selling whether by wholesale or retail of various categories of goods and merchandise, and to act as commission agents and manufacturers, representatives in all fields. To establish business enterprises whether small scale, industries and generally deal in all kinds of general merchants and to import, export and all either by merchandise and articles of all description.
 - c. To carry on the business and act as managers of investments and investment company, commission agents, real estate, property managers, developers, valuers, decorators, engineers and to generally be able to carry out activities of any description with regards to land, property and real estate, investment in any type of property, buildings, lands, securities, bonds, shares and any property act as a holding company with subsidiaries and invest in any projects as the company may think fit.
 - d. To carry on the business of clearing and forwarding agents, commission agents, transporters, freighters, haulers, customs bonded ware house and go down keepers, cargo and travel agents, insurance agents, tourist agents, manufacturers' specialists, warehousemen, engineers, electrician, motor cars, cabs, omnibus, lorries, oil tank and coach proprietors and transporters, civil transport contractors and transporters by any other means of conveyance of people and goods in Tanzania and the neighbouring countries and in such other place or places as may from time to time be determined by the company, engage in and or otherwise carry on the business as transporters and transport agents, freight forwarders.

- e. To engage in investment scheme for construction, rehabilitation, erection, ownership and management of commercial buildings. Export processing Zones and special economic zones, to buy, sell, hire, manufacture, trade, and deal in property, goods produce, articles, and merchandise of all kinds and transact any and every description as development agency, distribution, marketing, commercial, industrial, manufacturing, mercantile, insurance and financial business and carry on the business of traders, general merchants, general storekeepers, metals, commission agents, business consultants, market research consultants, business transfer agents, company promoters, underwriters, financiers and bill brokers, del-credere agents, barter traders, court brokers, auctioneers and generally to execute and undertake agencies of all kind of carry on the business of warehouse construction, landscaping, engineering, general civil works and deal in all kinds of scrap metal and precious mentals.
- f. To carry on the business as principals, agents or manufacturers, representatives of importing, exporting, buying, selling distributing of new and used motor vehicles, cars, trucks, lorries or other vehicles, motor vehicles spares and parts of all descriptions, railway, fuel and other oils, petroleum of all kinds, tyres and tubes, batteries, battery solution and other spares, accessories, motor cycles, bicycles, tractors, mining equipments, fishing gears, agricultural and accessories and generally to deal in all types of motor spare parts and industrial and agricultural machinery and parts, electronic goods and accessories thereof.
- g. To promote tourism in Tanzania and elsewhere in Africa, to carry on business of travel and tourist agents and tour operators, to promote facilitate traveling to organize hunting, tented-camps, fishing and diving expeditions, safari promoters and undertakers generally and in particular to arrange and manager hunting safaris, photo safaris adventure tours, fishing trips, handling of game trophies and animal skins, catching, harbouring, transporting, marine products of all kind.
- h. To carry on the business of transportation, cargo and travel agents, commission agents, customs agents, insurance agents, tourist agents, manufacturers representatives, clearing and forwarding agents, road contractors, cargo superintendents, packers, machinery haulage specialists, warehousemen, engineers, electricians, motor cars, cabs, omnibus, lorries, oil tank and coach proprietors and transporters by any other means of conveyance of people and goods in Tanzania and the neighbouring countries and in such other place or places as may from time to time determined by the Company.
- i. To carry on the business of miners and mining in all their branches and for the said purpose to peg, purchase, take on lease, or exchange or otherwise acquire concessions, grants, easements, options, claims, properties, cassettes and effects supposed to contain minerals, diamonds, or other precious stones, and any interest therein, and to explore, mine work, excise develop and turn to account mines and mining rights and any undertaking connected therewith.

- j. To carry on the business as maintenance services providers, equipment sales, general suppliers of all sorts and types of maintenance goods and services to individuals, offices, industries, shops, schools, factories, hospitals, army, military, ministries and all other government offices, universities and all other places where the services of a supplier are needed.
- k. To carry on the business of mechanical and motor engineering, contractors, mechanical engineering, chemical engineering, air technicians, electrical engineering and telecommunication engineering. To carry on business of garage, motor, auto works, car wash, car accessories, service bay, reconditioning of cars and all kinds of mechanical engineering. To carry on the business of selling, whole or retail of all kinds of motor vehicles.
- l. To carry on the business of distribution of construction and building materials. To carry business of importing, exporting and selling of all kinds of motor machines, motor equipments, spare parts, other machinery and motor vehicles.
- m. To carry on the business of importers and exporters of, and agents, representatives and distributors for the manufacture, sale and distribution of all kinds of fertilizers, agricultural products, agricultural machines and other agricultural businesses.
- n. To carry on the business of tourism, transportation travel related services as owners, operators or agent including Hotels, Restaurants, Travel agencies, tours operators services, Tourist guides services or for other purpose may seem directly or indirectly calculated to benefit this company.
- o. To carry on the business of manufacturers, importers, exporters, dealers, agents for manufacturers, Importers, exporters and dealers in all kinds of ware, merchandise, substances, devices, articles, and things capable of being used in any such business as aforesaid and deemed requisite for the purpose of the business of the company.
- p. To act as manager, secretary, trustee, administrator, technical adviser, buying agents, commission agent, importer, exporter, or member or local or advisory committee or any other company or firm.
- q. To establish and carry on. And promote the establishment and carrying on, upon any property in which the Company is interested, any business which may be conveniently carried on upon or in connection with such property, and the establishment of which may seem calculated to enhance the value of the Company's interest in such property, for the facilitate the disposal thereof.
- r. To sell, lease, grant licences, easements and other rights over and in any other manner deal with or dispose of the undertaking, property, assets, rights and effects of the company or any part thereof for such consideration as may be thought fit and, in particular, for stock, shares or securities of any company, whether fully or partly paid up.

- s. To acquire, take over and undertake the whole or any part of the business, property and liabilities (including Mortgage Bonds) of any person or Company carrying on any business which the Company is authorized to carry on, or possessed of property suitable for the purpose of this Company.
- t. To enter into partnership or any arrangement for sharing profits, union of interest, co-operation, joint venture, reciprocal, concession or otherwise, with any person or company carrying on or engaged in, any business or transaction which this Company is authorized to carry on or engage in, or any business or transaction capable of being conducted so as to directly or otherwise acquire shares and securities of any such company, and to sell, hold, re-issue with or without guarantee, or otherwise deal with the same.
- u. To enter into any arrangements with any governments or authorities, 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, and to carry out, exercise and comply with any such arrangements, rights, privileges and concessions.
- v. To promote any company or companies for the purpose of acquiring all or any of the property, rights and liabilities of this Company, or for any other purpose which may seem directly or indirectly to benefit the Company.
- w. To erect, maintain or alter, or cause to be erected, maintained or altered upon any land acquired or hired by the Company any buildings, erections or structure of whatsoever nature and to enter into contracts with builders, architects, engineers, and others for the erection of such buildings, erections or structures.
- x. To construct, improve, maintain, develop, work, manage, carry out, or control any roads, ways, tramways, railways, branches or sidings, bridges, reservoirs, watercourses, wharves, warehouses, electric works, shops, stores and other works and conveniences which may seem calculated directly or indirectly to advance the Company's interests and to contribute to, subsidise, or otherwise assist or take part in the construction improvement, maintenance, working, management, carrying out, or control thereof.
- y. To invest and deal with the moneys of the Company not immediately required in such manner as may from time to time be determined and engage in the business of livestock and products related fisheries and products including deep sea water fishing and also drilling bore holes and dam construction and services rendered.
- z. To lend money to such persons or companies and on such terms as may seem expedient, and in particular to customers and others having dealings with the Company, and to guarantee the performance of contracts by any such person or companies.

- aa. To remunerate any person or company for services rendered, or to be rendered in placing or assisting to place or guaranteeing the placing of any of the shares in the Company's capital or any debentures, debenture stock or other securities of the Company's or in about the formation or promotion of the Company or the conduct of its business.
- bb. To draw, make, accept, endorse, discount, execute and issue, promissory notes, bills or exchange, bills of lading, warrants, debentures, and other negotiable or transferable instruments.
- cc. To carry on business as dealers, buyers, sellers importers, exporters, manufacturers, stores, processors, blenders, of agricultural and industrial chemicals, veterinary drugs, vaccines, animal health products, phosphorous chemicals, chemicals for water treatment, pharmaceuticals equipment suppliers and stores.
- dd. To engage in and carry on the business of crop farmers, dealers, buyers, sellers, importers, exporters, processors of farm produce, grain milling, juice extraction and canning, bottling, oil extraction, refining, parking and preserving, produce stock or animal feed.
- ee. To carry on the business of mine owners, mining engineering, mineral smelters, metallurgists, essayers, gold, tin, iron and steel manufactures, bran founders, engineers metal merchant and engage in engineering works of every description including civil engineering, mechanical electrical, chemical, process and automobile engineering.
- ff. To apply for, purchase, or by other means acquire and protect prolong, and renew, any patents, copyrights, trademarks, protections and concessions which may appear likely to be advantageous or useful to the Company, and to use and turn to account and to manufacture under or grant licenses or privileges in respect of the same, and to expend money in experimenting upon and testing and in improving or seeking to improve any patents, inventions, processes or rights which the Company may acquire or propose to acquire.
- gg. To carry on the business of computer and related services as owners, operators or agent including consultancy services related to the installation of computer hardware software implementation services, Data processing services, Database services and all other spare accessories and goods as may be conveniently sold therewith and all things capable of being used therewith or in the maintenance, repair and manufacture thereof.
- hh. To search for crush, win, get quarry, smelt, cancel, refine, dress reduce, amalgamate, manipulate or prepare for market or metal and mineral substances of all kinds whether by open or by underground working and including oil, salt and natural gas, gold, silver, tin, diamond, mica, rubies, gems and precious stones and generally to carry on any metallurgical operations which may seem conducive to any of the company's objects

- ii. To search for, prospect, examine and explore any claims, mines and grounds containing or supposed to contain metal or minerals of any kind including oil, salt and natural gas, gems and precious stone and to search for and obtain information with regards to any such claims, mines, and grounds and with regards to mining District and localities, supposed to contain metals or minerals of any kind including gems, precious stones, oil, salt or natural gas and with a view thereto to dispatch and employ expeditions, commissioners, engineers, experts, and other agents.
- jj. To carry on the business of general merchants, general store keeper, universal providers, exporters, importers, distributors and wholesale and/or retail traders of or otherwise dealers of and in textiles, textile piece goods, jewellery, hardware, glass ware, utensils, crockery, cutlery, leather goods including shoes, sandals, champals, hardware, hoislerly, ready made garments, sundries, ironmongery, machinery turners, spare parts of any description and other house hold fittings and requirements and other articles and commodities of personal and household use and consumption provisions, groceries, medicines, drugs, wines, spirits, liqueurs, surgical, photographic, optical and other instruments apparatus, stationery and material and generally on all manufactured goods, goods of all types and merchandise of all kinds.
- kk. To carry on the business of communication and related services including postal services, courier services, Telecommunication services, voice telephone services, packed – switched data transmission services, circuit – switched data transmission services, Telex services, Telegraph services, Facsimile services, private leased circuit services, Electronic mail, on-line information and database retrieval, Electronic data interchange Enhanced/value – added facsimile services including store and forward, store and retrieve, code and protocol conversion, on-line information and/or data processing (including transaction processing)
- ll. To carry on the business by whole sale or retail or automotive spare and parts of all description tyres and tubes, batteries, battery solution and all other spare accessories and to purchase, construct take on lease or in exchange, hire or otherwise acquire any movable and immovable property, heavy earth moving machinery, caterpillars, tractors, tippers, silos, abattoir, hatchery, cold room storage, dry store ware house and every right and privilege which the company may think necessary or convenient for the purpose of its business or may enhance the value of any other property of the company.
- mm. To give any remuneration or other compensation or reward for services rendered or to be rendered in placing or procuring subscription of, or otherwise assisting in the issue of any shares, debentures or other securities of the Company or in or about the formation of the Company or the conduct of its business.
- nn. To procure the registration or incorporation of the Company in or under the law of any place outside Tanzania

- oo. To subscribe or guarantee money for any national, charitable, benevolent, public, general or useful object, or for any exhibition, or for any purpose which may be considered likely directly or indirectly to further the objects of the Company or the interests of its members.
- pp. To grant bonuses or gratuities to any officers or employees or ex-officers or ex-employees of the Company, or of its predecessors in business or of its holding company or subsidiary companies (if any), or to the relations, connections or dependants of any such persons, and to establish support any associations, institutions, clubs, building and housing schemes, pension schemes, funds and trusts which may be considered calculated to benefit any such persons or otherwise advance the interests of the Company or of its Members.
- qq. To lend and advance money or give credit to such persons, firm or companies and on such terms as may seem expedient, and in particular to customers and others having dealings with the Company, and to give guarantee to become surety for any persons, firm or companies for the due payment of money for the performance of any obligations or liabilities.
- rr. To distribute any of the property of the Company among its members in specie or kind
- ss. To do all or any of the things or matters aforesaid in any part of the world and either as principals, agents, contractors, trustees or otherwise and by or through trustee, agents or otherwise and either alone or in conjunction with others.
- tt. To do all such other things which are incidental or conducive to the attainment of the above objects.
- uu. To carry on the business of importers, dealers and distributors of kerosene, petrol, motor spirit, mineral oil, crude oil, petroleum lubricating oil, grease and all other kinds of mineral and petroleum products.
- (vv) To establish depots and agencies in different parts of the world for the purpose of carrying on any or all of the business of the company; AND To carry on the business of all types of carpets, curtains, mats and packaging products of plastic bags, Plastic containers, Plastic bottles and Gunny bags.
- (ww) To borrow, raise or secure the payment of money in such manner as the company shall think fit, and in particular by the issue of debenture stock certificates or other securities, perpetual or otherwise charged on all any other company's rights and property present and future including any uncalled capital or without any such security and to purchase, redeem, or pay off any such security or loan.
- (xx) To amalgamate with, or enter into partnership or into any arrangement for sharing profits, union of an interest, co-operation, joint venture,

reciprocal, concession or otherwise with any person or company carrying on or engage in, or about to carry on or engage in any business or transaction which this company is authorized to carry on, or engage in any business or transaction capable of being conducted so directly or indirectly to benefit this company, And to take or otherwise acquire shares and securities of any such company, and sell, hold, re-issue with or without guarantee, or otherwise deal with the same.

- (yy) To carry on the business of the saw mills and the preparation of timber for market and the manufacture of and dealing in all articles made of or principally made of wood.
- (zz) To undertake or execute any contracts for work involving the supply or use of any machinery and to carry out any ancillary or other work comprised in such contracts, and carry on the business of carriers of goods and passengers through out the world by land, water, rail pipe line transport and air as owners, operators or agent of motor vehicles, air crafts locomotives, boats and ships.

And it is hereby declared that the word "company" in this clause, except where used in reference to this Company, shall be deemed to include any partnership or other body of persons, whether incorporated or not incorporated, and whether domiciled in Tanzania or elsewhere, and that the objects specified in the different paragraphs of this clause shall not, except where the context expressly so requires, be in anywise limited or restricted by reference to or inference from the terms of any other paragraph or the name of the Company, but may be carried out in as full and ample a manner and shall be construed in as wide a sense as if each of the said paragraphs defined the objects of a separate, distinct and independent company.

4. The liability of the Members is limited.
5. The share capital of the Company is Shillings Thirty Million (30,000,000) divided into one Thousand (1,000) shares of Shillings Thirty Thousand (30,000/=) each, and the Company shall have the power to divide the original or any increased capital into several classes, and to attach thereto any preferential, deferred, qualified rights, privileges, restrictions or conditions.

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

NAMES, ADDRESSES AND DESCRIPTION OF SUBSCRIBERS	NUMBER OF SHARES TAKEN	SIGNATURE
1. NASSOR ALLY NASSOR P.O.BOX 16532 DAR ES SALAAM	300	<i>Nassor</i>
2. MOHAMMED ALLY NASSOR P.O.BOX 16532 DAR ES SALAAM	300	<i>Mohammed Nassor</i>
3. KOMBO MOHAMMED SHARIF P.O.BOX 16532 DAR ES SALAAM	300	<i>K. M. Sharif</i>
4.	100	

Dated at DAR ES SALAAM this 6TH day of APRIL 2011

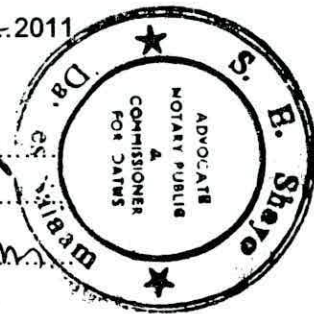
WITNESS to the above signatures:-

Signature

Postal Address

Qualification

M
11934,
DAR ES SALAAM
ADVOCATE



TANZANIA
Stamp Duty Sh. 2500/-
Receipt No. 14595
Date of 06/01/2011
Act, Registrar of Companies

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

**PRIVATE COMPANY LIMITED BY SHARES
ARTICLE OF ASSOCIATION TO A COMPANY PRECEDING
MEMORANDUM OF ASSOCIATION OF
L BAYAAN TRADING COMPANY LIMITED**

TANZANIA
Stamp Duty Sh. 2500/-
PAID ON ORIGINAL
Receipt No. 14595 of 06/01/2011
Stamp Duty Office

INTERPRENTATION

1. In these articles:-

"The Act" means the company Act;

"the articles" means the articles of the company;

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

"the seal" means any person appointed to perform the duties of the secretary of the company;

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

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

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

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 more than fifteen months shall elapse between the date of one annual general meeting of the company and that of the next.

Provided 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 meeting 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 requisitionists, as provided by section 133 of the Act. If at any time there are not within the Tanzania sufficient directors capable of acting to form a quorum, any director or any two members of the company⁷ may convene an extraordinary general meeting in the same manner as nearly as possible as that in which meeting may be convened by the directors.

NOTICE OF GENERAL MEETINGS

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 a right to attend and vote at the meeting, being a majority together representation not less than ninety – five percent of the total voting rights at that meeting of all the members.
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 to notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at the 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 reports of the directors and auditors, the election in the place of those retiring and the appointment of, and the fixing of the remuneration of the auditors.
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 of a corporation, shall be a quorum.
11. If within half an hour from the time appointed for the meeting quorum is not present, or if during the course of a meeting a quorum is not present, the meeting shall stand adjourned to the same day in the next week, at the same time and place, or to such other day and at such other time and place as the directors may determine.
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, directors present shall elect one of their number to be chairman of the meeting and, if there is only one director 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 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 (Two) members present in person or by proxy; or

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

Unless a poll be so demanded a declaration by the chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost and an entry to the effect in the book containing the minutes of proceedings of the company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against 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 demand it shall be taken in such manner as the chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demand
17. In the case of an equality of votes, whether on a shoe 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 proceeded 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 consist of several instruments in the like form 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 sea or under the hand 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 naturally certified copy of that power or authority shall be deposited at the registered office of the company or at such other place within the Territory as is specified for that purpose in the notice convening the meeting, not less than 48 hours before the time for holding the meeting of adjourned meeting at which the 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 in the following form or a form as near hereto as circumstances admit:-

..... Limited
I/Weof being a
member/members of or failing himof
..... As my/our proxy to vote for me/us on my/or behalf
at the {annual or extraordinary, as the case maybe} general meeting of the
company to be held on theday of2011..... ad at
any adjournment thereof.

Signed thisday of.....2011.....

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

"..... Limited.
I/WeofBeing a member/members of
the above named company, hereby appoint of of
.....or failing himof, 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 of2011..... and at any adjournment
thereof.

Signed thisday of2011.....

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

"Strike out which ever is not desire"

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 the duly authorized representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice of the determination was received by the company at its registered office (or at such other place at which the instrument of proxy was duly deposited) before the commencement of the meeting or adjourned meeting at which the proxy is used.

CORPORATIONS ACTING BY REPRESENTATION AT MEETINGS

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

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 traveling, hotel and other expenses properly incurred by them in attending and returning from meetings of the directors or any committee of the directors or general meetings 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.

POWERS AND DUTIES OF DIRECTORS

34. Subject to the provisions of the Act, the memorandum and the articles and to any directors given by special resolution, the directors, who may exercise all the powers of the company, shall manage the business 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.
35. The director may by power of attorney appoint any person to be the attorney or agent of the company for such purpose 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 instrument, 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 the directors present at each meeting of the directors and of any committees 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 directors:-
- (a) Without the consent of the company in general meeting holds any other office of profit under the company; or
 - (b) Becomes bankrupt or makes any arrangement or composition with his creditors generally; or
 - (c) Cases 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 by 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 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.
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 in the article or any agreement between the company and such director. Such removal shall be without prejudice to any claim such director may have for damages for breach of any contract of service between him and the company.
42. The company may by ordinary resolution appoint another person in place of a director removed from office under the immediately preceding article. Without prejudice to the powers of the directors under article 40 the company in general meeting may appoint any person to be a director either to fill a vacancy or as an additional director.
43. Subject to the provisions of the articles, the directors may regulate their meetings as they think fit. Questions arising at meeting shall be decided by a majority of votes. In case of an equality of votes, the chairman shall have a second or casting vote. A director may, and the secretary at the request of a director shall, call a meeting of the directors. It shall not be necessary to give notice of a meeting of directors to any directors who are absent from Tanzania.
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 act for the purpose of increasing the number of directors to that number, or summoning a general meeting of the company, but for no other purpose.
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 committees so formed shall in the exercise of the power so to any such regulations, the proceedings of a committee with two or more members shall be governed by the articles regulating the proceedings of directors so far as they are capable of applying.
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 there was some defect in the appointment of any such director, or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a director and was entitled to vote.
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 the 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 provision of the Act or these articles requiring or authorizing a thing to be done by or to a director and the secretary shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, the secretary.

THE SEAL

52. The seal shall only be used by the authority of the directors or of a committee of the directors authorized by the directors. The directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a director and the secretary or by a second director.
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 to which the receipt and expenditure takes place.
 - (b) all sales and purchase of goods by the company; and
 - (c) the assets and liabilities of the company.

Property books shall not be deemed to be kept if there are not kept such books of account as are necessary to give a true and 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 numbers shall (as such) have right of inspecting any accounting records or other book or document of the company except as conferred by statute or authorized by the directories 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 auditors shall not less than twenty – one days before the date of the meeting be sent to every member of, and every holder of debentures of, the company. Provided that this regulation shall not require a copy of those documents to be sent to any person of whose address the company is not aware or to more than or of the joint holders of any debentures.

AUDIT

58. Auditors shall be appointed and their duties regulated in accordance with section 170 to 179 of the Act.
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 prepared envelope addressed to the member at his registered address, or by leaving it at that address. Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying, and posting a letter containing the notice, and to have been effected at the expiration of seventy two hours after the letter containing the same was posted. A member whose registered address is not within the Tanzania and who gives to the company an address within the Tanzania at which notices may be given him shall be entitled to have notices given to him at that address, but otherwise no such member shall be entitled to receive any notice from the company.

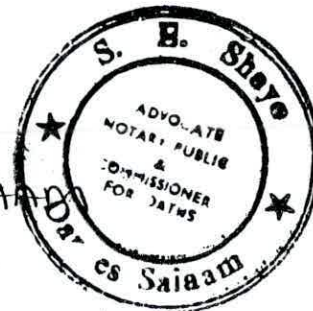
We, the several persons, whose names and addresses are subscribed, are desirous of being formed into company, in pursuance of this memorandum of Association, and we respectively agree to take the number of shares in the capital of the company set opposite our respective names.

NAME, ADDRESSES AND DESCRIPTION OF SUBSCRIBERS	NUMBER OF SHARES TAKEN	SIGNATURE
1. NASSOR ALLY NASSOR P.O.BOX 16532 DAR ES SALAAM	300	<i>NASSOR</i>
2. MOHAMMED ALLY NASSOR P.O.BOX 16532 DAR ES SALAAM	300	<i>Mohammed Ally Nassor</i>
3. KOMBO MOHAMMED SHARIF P.O.BOX 16532 DAR ES SALAAM	300	<i>K. m. Sharif</i>
4.	100	

Dated at DAR ES SALAAM this 6TH day of APRIL 2011

WITNESS to the above signatures:-

Signature : *[Signature]*
 Postal Address : 11934, DAR ES SALAAM
 Qualification : ADVOCATE



D-5/STP(V)/LLP/1035/05/09/1000-01/17

Confidential Copy of



Nature of Document :- LLP Agreement
Registration Details: Registrable / Non Registrable // Registrable Name of S.R.O _____
Folio No. 58911
Property Description in brief Village _____ Tal. _____ S.R.No. / C.T.No. _____ Area _____
Consideration Amount 1000
Stamp Purchaser Name : Nakul Chandak
Name of the Other Party : _____
If Through Name & Address : _____
Stamp Duty Paid : (in words) 1000/-
Banking Officer [Signature]

The Latur Urban Co-Op. Bank Ltd, Latur Branch Khadkeshwar Aurangabad.

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**LIMITED LIABILITY PARTNERSHIP AGREEMENT
(MANGALAM GREEN SOLAR LLP)**

=====

THIS AGREEMENT OF LIMITED LIABILITY PARTNERSHIP made at AURANGABAD on
this _____ by and between

1. Mr. Nakul Satyanarayan Chandak, Occupation: Business, Indian Inhabitant, Residing At Sharadanad, Opp. Te. Bhavan, Ajab Nagar, Kranti Chowk, Aurangabad Party of the First Part
2. Mrs. Minal Nakul Chandak, Occupation: Business, Indian Inhabitant, Residing At Shanand, Opp. Tapadiya Super Market, Nirala Bazar, Aurangabad 431001 Party of The Second Part.

INTERPRETATION

In this Agreement unless the context otherwise requires:-

“Act” or “LLP Act” means the Limited Liability Partnership Act, 2008.

“LLP” means the limited liability partnership formed pursuant to this LLP Agreement.

“LLP Agreement” means this Agreement or any supplement thereof determining the mutual rights and duties of the partners and their rights and duties in relation to the LLP.

N Chandak

Minal

"Accounting Year" means the financial year as defined in the LLP Act, 2008.

"Business" includes every trade, professional service and occupation.

"Change" means a change in the constitution of the body of Partners or Designated Partners other than their admission afresh.

"Designated Partner" means any partner designated as such.

"Partner" means any person who becomes a partner in the LLP in accordance with this LLP Agreement.

"She" includes "he" or vice versa.

Other terms shall be same as given in the Act.

WITNESSES the mutual agreement of the Parties hereto as follows:

THAT the party of First Part and party of second part shall become Partners who shall be Designated Partners on incorporation of the LLP to carry on business as a Limited Liability Partnership (LLP) registered under the Limited Liability Partnership Act, 2008 (LLP Act) with a view to sharing profit upon the terms and conditions stated recorded herein, namely:-

1. BUSINESS

The Limited Liability Partnership (LLP) business shall be:

A) To carry on in India or elsewhere the business to generate, receive, produce, improve, buy, sell, acquire, use, transmit, produce, accumulate, employ, distribute, develop, handle, protect, supply and to act as agent, broker, representative, consultant, collaborator, or otherwise to deals in electric power in all its branches at such place or places as may be permitted by appropriate authorities by establishment of thermal power plants, hydraulic power plants, atomic power plants, wind power plants, solar power plants, and other power plants based on any source of energy as may be developed or invented in future.

B) To carry on in India or elsewhere the business to construct laydown, establish, promote, erect, build, install, commission, carry out and out run all necessary power sub-stations, works shops, repair shops, wires, cables, transmission lines, accumulators, street lights for the purpose of conservation, distributions, and supply of electricity to participating industries, state Electricity Boards and other Boards for industrial, commercial, domestic, public and other purpose and also to provide regular services for repairing and maintenance of all distribution and supply lines.

C) To carry on in India or elsewhere the business to acquire concessions, facilities or licenses from Electricity Boards, government, semi government or local authorities for generation, distribution, production, transmission or use of electric power and to take over alongwith all movable and immovable properties, the existing facilities on mutually agreed terms from aforesaid authorities.



2. NAME

The limited liability partnership firm name shall be MANGALAM GREEN SOLAR LLP and shall be carried on in the name and style of MANGALAM GREEN SOLAR LLP and such other name as the partners may from time to time unanimously agree upon.

3. PLACE

The limited liability partnership business shall be carried on from the premises at Shardanand, Opposite Telephone Exchange, Ajab Nagar, Kranti Chowk, Aurangabad 431005. E- mail ID: nehapagrawal@gmail.com, as the principal places/ premises of business and at such other place or places/ premises as the Partners shall from time to time unanimously agree upon.

4. TERM OF LLP

1. The limited liability partnership as constituted under this Agreement shall be deemed to have commenced on the _____ and shall continue to operate thereafter subject to the provisions of the LLP Act, 2008, until termination of this agreement by consent of all Partners for the time being of the LLP.
2. The duration of the limited liability partnership shall be "AT WILL" but if any partner desires to retire from the said partnership, he shall be at liberty to do so by giving one (1) month notice in writing to the other partners. The limited liability partnership shall not stand dissolved upon the death, retirement or insolvency of any partner but upon dissolution it shall be wound up and the assets and liabilities dealt with, in accordance with provisions of The Limited Liability Partnership act, 2008 and Limited Liability partnership Rules, 2009 and notifications issued under the Act.

5. LLP CAPITAL, PARTNERS' CONTRIBUTION, LIABILITY AND ADMISSION OF PARTNERS-

1. The capital of limited liability partnership shall be Rs. 1,00,000/- (Rupees One Lacs). Partners are not entitled to any interest on the amount of capital standing to his credit in the accounts of the firm from time to time.
2. There shall be no limit on the number of Partners to be admitted at any time and from time to time by changing the provisions of this LLP Agreement, if necessary, and as required, subject to its acceptance by all the then existing Partners at a meeting of theirs or otherwise confirmed in writing.
3. A separate capital account shall be maintained for each Partner. No Partner shall withdraw any part of his capital account while he is a Partner.
4. If at any time after the commencement of the Partnership as LLP any further capital shall be required for the purposes of the LLP, the same shall be additionally contributed by the then Partners in their respective proportion of capital contributions made, unless otherwise agreed upon by all the then Partners.





5. The obligation of a Partner to contribute (i). money or (ii) other property or benefit or to perform services [in the case of (ii) its money's worth as determined in the agreement with the Partner therefore as equivalent to his share of contribution of capital] to the LLP under this Agreement, shall be a debt due from him to the LLP. The liability of a partner or designated partner in relation to the LLP shall be as set out in the Act. It is a condition of this Agreement that the LLP shall indemnify each Partner in respect of payments made and personal liabilities incurred by him (a) in the ordinary and proper conduct of business of the LLP, and (b) in or about anything necessarily done for the preservation of the business or property of the LLP.
6. This LLP Agreement along with the LLP's Certificate of Incorporation should be laid before a meeting of the Partners to be held within 30 days of the LLP's registration, and it shall be the responsibility of the first two Designated Partners of the LLP to comply with the same.
7. After the LLP's registration, it may reimburse the Promoter-Partners the costs of promotion and registration, legal fees, cost of printing and stamp duties and all other direct costs at accruals according to the account rendered to the LLP by the Promoter-Partners, with the approval of the general meeting of Partners mentioned in (6) above.
8. The LLP shall have a Common Seal and it shall be laid before and adopted at the general meeting mentioned in (6) above. The Common Seal shall be affixed to any document or contract with approval of and in the presence of at least two of the Designated Partners of the LLP, on each occasion and the same fact be recorded chronologically in the Seal Book maintained for the purpose under their signatures.
9. All the assets owned by or belonging to the LLP including but not limited to the Intellectual Property Rights (IPRs) of whatever kind shall be the property of the LLP and no partner shall be entitled to use for himself any such property otherwise than as a client or customer.
10. No resolution or decision carried by a majority of Partners of the LLP shall be valid to be given effect to unless it includes the Partners being the original Parties hereto.
11. The contents of Para 10 shall not be alterable till the conditions stated in sub paras (3) and (4) above are fully complied with.

6. BAR AGAINST ADMISSION OF PARTNER AND A PERSON WHO HAS ANY BUSINESS INTEREST IN CONFLICT WITH THE BUSINESS OF THE LLP

A person who has any business interest in conflict with the business of the LLP shall not be admitted as its Partner, without the prior approval of the partners and any Partner who acquires such conflicting interest shall cease to be and be expelled as a Partner by a unanimous decision of the partners. Persons admitted as partners shall duly comply with the provisions of section 25(1) of LLP Act and Rule 22(1) and

N. Chandak

[Signature]

Form 6 of the LLP Rules & Forms, 2008 within a period of 15 days of any change in the name and address, to intimate the LLP.

7. INTEREST ON LOAN

Simple Interest at the rate of 12 % per annum or any other rate decided by the partners unanimously on the sum of money advanced by the partner to the partnership firm over and above his due contribution to capital, shall be treated as debt due from limited liability partnership firm to the partner advancing the same.

8. WITHDRAWAL OF LOANS

Every Partner may withdraw the loans advanced or deemed as advanced by him to the Partnership business in accordance with the terms of such sums advanced or deemed as advanced from time to time, and if any such terms are fixed for any such loan amount, the partner may withdraw the same after serving a notice of reasonable time on the LLP demanding repayment of the loan *plus* interest standing to his credit.

9. BUSINESS TRANSACTIONS OF PARTNER WITH LLP

A Partner may lend money to and transact other business with the LLP, and in that behalf the Partner shall have the same rights and obligations with respect to the loans or other business transactions as a person who is not a Partner.

10. PROFITS & LOSSES AND PARTNER'S INCOME ACCOUNT

(1). The net profits of the limited liability partnership firm arrived at after providing for payment of remuneration to the working partners and interest to partners on the loan given by them shall be divided in the following proportions:

Sr. No	Name of partner	Capital Contribution	Profit Sharing
1.	Nakul Satyanarayan Chandak	50,000/-	50%
2.	Minal Nakul Chandak	50,000/-	50%

(2) The losses of the partnership shall be divided between the partners in the ratio of their capital contribution as follows:

Sr. No	Name of partner	Capital Contribution	Profit Sharing
1.	Nakul Satyanarayan Chandak	50,000/-	50%
2.	Minal Nakul Chandak	50,000/-	50%

3) Partnership profits and losses computed as due shall be charged or credited to the separate current account of each Partner. If a Partner has no credit balance in the current account, losses shall be charged to his capital account.

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11. BOOKS OF ACCOUNTS

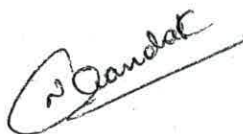
- (1) All funds of the Partnership business shall be deposited in its name in such banking account or accounts as shall be determined by the Designated Partners. All withdrawals are to be made by Cheques signed by the Designated Partners as determined by them.
- (2) Limited liability partnership shall open as many Bank Accounts as may be required for the smooth & efficient working of the business of the Limited liability partnership.
- (3) All limited liability partnership monies not required for current expenses as and when received is deposited into the bank account to the credit of the limited liability partnership account.
- (4) All cheques on the Bank Account shall be drawn and/or accepted under the joint signatures of any two of the designated partners.
- (5) Books of accounts required under the Limited Liability Partnership Act, 2008 and Rules made under the Act shall be kept properly posted up to date and shall not be removed from the place of business of the limited liability partnership without the written consent of all the partners. The accounts of the partnership shall be prepared on 31st March of each year and at the end of every year the profit and loss account & balance sheet shall be prepared and approved by any two of the designated partners.
- (6) All the partners shall have free access to the books of accounts of the limited liability partnership at all times and shall be at liberty to make such copies or extract there from as it may think fit.

12. ANNUAL STATEMENTS OF ACCOUNTS AND SOLVENCY

The Designated Partners of the LLP shall, within a period of six months from the end of each financial year, prepare the Annual Statements of Accounts and Solvency for the financial year as at its last day of all the capital contributions, assets and liabilities and of the profits and losses of the LLP, and the same shall be signed by each Partner in addition to the signing thereof by the Designated partners of the LLP as required under section 34(2) of the Act in token of his being bound thereby. If, in the event, any Partner refuses to sign the Annual Statements of Accounts and Solvency giving no valid reason, a copy of the same shall be posted to him by Registered Post at his last known address as supplied by him to the LLP, and same shall be deemed to have been signed by him on the date of such posting.

13. AUDIT

The Statements of Accounts and Solvency of the LLP made each year shall be audited by a qualified Chartered Accountant in practice in accordance with the rules prescribed under section 34(4) of the LLP Act, 2008, namely, Rule 24 of the LLP Rules & Forms, 2008. It shall be the responsibility of the Designated Partners of the LLP to comply with Rule 24 of the said Rules in every respect.





14. DIVISION OF ANNUAL PROFIT OF THE LLP

As soon as the Annual Statements of Accounts and Solvency shall have been signed by the, the net profits, if any, of the LLP business, shall be divided between the Partners in the proportion specified in and in accordance with the provisions of this Agreement.

15. REMUNERATION TO PARTNERS

Partners will be entitled to remuneration as may be decided by the partners unanimously from time to time. The partners can change the remuneration payable to the partners if it is decide unanimously.

16. MANAGEMENT OF THE LLP

(1) Partners of the LLP other than designated partners shall be sleeping Partners. Their right to participate in the management of the LLP shall be as provided in this Agreement and otherwise it is restricted to:

- Any alteration to this LLP Agreement;
- The admission of new Partners;
- Appointment of Designated Partner;
- Raising further capital under para 5(3) above,
- Acceptance of Annual Accounts and Solvency and the Auditor's Report thereon;
- Assignment and transfer of partnership rights, by the Partners in any way;
- Expulsion of any Partner;
- Any proposal of the LLP to make an application to the Central Government that the affairs of the LLP ought to be investigated;
- Change of business;
- Any sale or merger or amalgamation of the LLP with another entity or the incidence of any extraordinary loss or jeopardy or 'waste' to the property of the LLP as defined in section 66 of the Transfer of Property Act, 1882, warranting the appointment of a Receiver; and
- Winding up and dissolution of the LLP.

In deciding all the matters specified above by a 75% majority vote of the Partners present at a meeting of Partners duly called and held, irrespective of their capital contribution to the LLP's capital. The decisions so taken shall be recorded in the minutes within ten days of the general meetings and the same shall be kept at the registered office of the LLP.

(2). The Designated partners appointed by the LLP shall be responsible both for business management in its entirety and compliance management under the LLP Act and this Agreement. The management of the LLP shall be carried on jointly by the Designated Partners being the original Parties hereto as agreed upon mutually between them by themselves or otherwise so however that they both shall be the first two Designated partners to be named in the Incorporation Document submitted for the LLP's registration and to be answerable for the doing of all acts, matters and things as are required to be done by the LLP in respect of compliance of the provisions of the LLP Act, 2008 in terms of sections 7,8 and 9 of the said Act. The Partners my appoint more Designated Partners by a 75% majority vote of the Partners present at a meeting of Partners duly called and held at any time and

N. Chandak

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from time to time out of the Partners provided both the Partners being Parties to this Agreement as originally made approve the names proposed. The Designated Partners may by their unanimous decision delegate their powers to any one or more Designated Partners or any top-ranking officers of the LLP as they may consider fit or necessary in the management of the affairs of the LLP at any time or from time to time and similarly withdraw the same.

(3). Every Partner appointed as a Designated Partner by a majority of the Partners as stated in (2) above shall be entitled to take part in the management of the LLP.

(4). Any matter or issue relating to the LLP shall be decided buy a majority in number of the Designated Partners which shall in every case include the Partners being the original Parties hereto so long as they continue as the designated Partners of the LLP.

(5). Banking arrangements for the LLP shall be as unanimously decided by the Designated Partners at any time and from time to time, ensuring that all moneys received subject to requirements of current expenses, by way of Cheques, drafts or other pay orders shall be promptly paid into the LLP's banking account.

(6). Each Partner shall render true accounts and full information of all things affecting the LLP to the Designated Partner(s) and on request to any Partner or his legal representative.

(7). All decisions of the Partners shall be taken at meetings called by a notice in writing or by circular resolutions in cases of urgency. Meetings in which all Partners are entitled to participate to deliberate and decide on the matters specified in Para 18(1) above shall be called general meetings, and the meetings of the Designated Partners shall be called Executive Meetings. The provisions as are applicable to calling, holding and conducting/adjourning etc., of general meetings and Board meetings and keeping of minutes of such meetings of pure private companies limited by shares under the companies Act, 1956, shall apply respectively to the said two kinds of meetings, excluding the special resolutions, requisitioned resolutions special notices, special business and explanatory statements, requisitioned meetings and default meetings and the related jurisdiction as well as powers of the Court/Tribunal/Central government conferred under the said Act. Every such meeting shall be called by any Designated Partner on the basis of a decision of the Executive Meeting or by circular resolution passed by majority of Designated Partners in any exigency.

(8). A resolution circulated in writing and signed by a majority of the Partners and/or Designated Partners, as the case may be, depending upon whether it is a business to be transacted at a General Meeting or Executive Meeting, including the Partners who are the original Parties to this Agreement in every case, shall be deemed to be duly passed, the date of passing such circular resolution being the date of the signature of the person signing last.

17. PERFORMANCE OF WORK BY PARTNER

If at any time any work for the LLP is to be done under this Agreement or any Supplement thereto by any partner, it may be done by any of his relative or other

N. Chandak

[Signature]

agent or servant engaged by such Partner competent to do the work on condition that any payment in that behalf shall be to the account of the Partner concerned entailing nothing to be borne by the LLP. Where such a Partner fails to perform such work contracted by him with the LLP, any other Partner may do the same instead or have it done by persons competent to do the work and engaged as his agents additionally to such of the work, if any, contracted by him on his own account with the LLP, at the cost of the LLP. There is nothing contained in this para to enable a Designated partner to assign his responsibility to anyone being an outsider to interfere in the business management of the LLP entrusted to or undertaken by him.

18. DESIGNATED PARTNER'S ATTENTION TO BUSINESS

- The Partners being the original Parties hereto and other Partners appointed as designated partners of the LLP shall at all times
- Protect the property and assets of the LLP;
- Devote the whole of their attention to the said partnership business diligently and faithfully by employing themselves in it, and carry on the business for the greatest advantage of the partnership;
- Punctually pay their separate debts to the LLP, if any, duly and indemnify the LLP or other Partners towards charges, expenses or costs incurred to protect the assets of the LLP against any failure to do so; and
- Upon every reasonable request, inform the other Partners of all other Partners of all letters, writings and other things which shall come to their hands or knowledge concerning the business of the LLP.

19. NUMBER OF DESIGNATED PARTNER

The maximum number of Designated Partners appointed for the LLP shall be such as mutually agreed upon by the Partners being the original Parties hereto or as decided by the Designated Partners of the LLP unanimously at any time.

20. SLEEPING PARTNER

All the Partners other than those appointed as the Designated Partners of the LLP shall be Sleeping Partners, and they shall not interfere with the carrying on the management or conduct of the business of the LLP otherwise than as has been provided in this Agreement and those shall not sign the name of the LLP.

21. TRANSFER OR ASSIGNMENT OF SHARE OF CAPITAL CONTRIBUTION BY PARTNER

(1) No Partner shall without the consent in writing of all the Partners transfer, assign or mortgage his share of interest in the LLP by way of a share of the profits and losses of the LLP and to receive distributions under this Agreement in any way in whole or in part.

(2) On the transfer of a Partner's interest in the LLP as set out in (1). Above, section 42(2) and (3) shall become applicable to the transferor Partner and the transferee, respectively.





22. DEATH OR VOLUNTARY RETIREMENT OF PARTNER

If any Partner shall die or have voluntarily retired, a statement of account shall be taken and made out of his share of the capital and effects of the LLP add of all unpaid interest and profits due to him up to the time of his demise or retirement and be paid at the earliest as may be decided by the Designated Partners of the LLP, subject to required adjustments between his capital account and income account transactions and transfers made till the date of death or retirement, as the case may be, and balances struck as certified by the Auditor for the time being of the LLP. The said statement of account shall include the Partner's share of profit and loss for the period from the beginning of the financial year in which his death or retirement occurs until the end of the calendar month in which the event takes place.

23. REPRESENTATIVE OF DECEASED OR RETIRED PARTNER

At the discretion of the remaining Partners, the nominee or representative of the deceased or retired Partner may be admitted as a sleeping Partner against retention of the dues to the former Partner by the LLP. In no case such persons shall have the power to interfere in the management or conduct of the LLP's business by virtue of anything done by the Partner who had existed.

24. PURCHASE OF SHARE OF RETIRING, EXPELLED DECEASED OR INSOLVENT PARTNER

If a Partner shall die, retire or be expelled or become insolvent, then, the remaining Partners shall have the option of first refusal to buy the share of such a partner in the LLP, and the option may be exercised by notice in writing fixing a month's time by either side given to the other side. The purchase price shall be the amount at which such share shall stand by the last audited balance sheet prior to the date of the event of exit of the Partner net of his drawals, *plus* interest thereon at the rate as decided between the partners to the date of the event, *plus* his share of current profits, if any, in the broken part of the year next following determined in terms of this Agreement, either in one lump-sum or as otherwise agreed with the retiring Partner or his personal or legal representatives, against an indemnity provided against the debts, engagements or other liabilities of the partnership devolving to the account of the Partner that existed.

25. EXPULSION OF PARTNER

This provision of this Agreement shall operate as an express agreement of the Partner, a Partner may not be expelled by a unanimous decision of the partners save in good faith and in the interest of the partnership business only after a show-cause notice in writing is served on that Partner or designated Partner giving 7 days time for his response; and in that event the Partner expelled shall be entitled to the benefits of a retiring Partner in accordance with the provisions of this Agreement in that behalf.

26. RETIRING PARTNER NOT TO CARRY ON COMPETING BUSINESS

An outgoing or retiring Partner, whose dues have been settled and paid of in accordance with the covenants in this Agreement, shall not during the period of two (2) years from the date of his exit as Partner carry on or engage or be interested directly or indirectly in any business competing with the LLP anywhere

As Auditor

[Signature]

in the State where the LLP's registered office is situated and the state in which the business activities are carried on.

27. CONTRACTING ON BEHALF OF THE LLP

All contracting by way of placement of orders for supplies to the LLP shall be carried out only by the Designated Partners in the manner as mutually agreed upon between them at any time and from time to time.

28. GIVING CREDIT

No Designated Partner shall lend money or give credit to or have any dealings on behalf of the LLP with any person or company or LLP or other entity whose credit-worth is doubtful and who is forbidden due to former crisis of confidence confronted by the LLP in dealing with him or it.

29. ACTS FORBIDDEN

Without the consent given in writing of the other Partners, no Partner while he is a Partner for the time being of the LLP shall -

- Transfer, assign otherwise encumber his share in the assets or profits of the LLP;
- Engage or be concerned or interested in any other business, directly or indirectly as and competing with the LLP all profits made by him in that business;
- Do any act that may conflict his interest with the interest of the LLP or any of its other Partners;
- Take any apprentice or hire or dismiss (except in cases of gross misconduct) any servant or agent of the LLP;
- Lend any money or deliver upon credit any of the goods of the LLP to any person or persons whom the other Partners shall have previously in writing forbidden to trust;
- Give any unauthorized security or promise for the payment of money on account of the LLP except in the ordinary course of its business;
- Secure unauthorized surety or guarantee for anyone encumbering or otherwise charging or pledging the properties of the LLP;
- Draw or accept or endorse unauthorisedly any bill of exchange or promissory note on LLP's account;
- Lease, sell, pledge or do other disposition of any of the LLP's property otherwise than in the ordinary course of business;
- Do any act or omission rendering the LLP liable to be wound up by the Tribunal;
- Share business secrets of the LLP with outsiders;
- Derive profits from any transaction of the LLP or from the use of its name, resources or assets or business connection by carrying on a business of the nature as competes with that of the LLP, and remain without accounting for the same to the LLP;
- Submit a dispute relating to the LLP's business to arbitration;
- Open a banking account on behalf of the LLP in his own name;
- Commit to compromise or relinquish any claim in whole or in part of the LLP;
- Withdraw a suit filed on behalf of the LLP;

N. Chandak

[Signature]

- Admit any liability in a suit or proceeding against the LLP;
- Enter into any partnership joint venture; float any subsidiary LLP or company with the LLP being the promoter or acquirer of interest or control.

30. NOTICE

- (1) To the LLP - Any notice by the Partners to the LLP may be given by addressing to the LLP and leaving it at the registered office of the LLP.
- (2) To a Partner - Any notice to a Partner shall have been sufficiently given by the LLP by leaving it addressed to the Partner at the registered office of the LLP or by sending the same by registered post to his usual or last known address.

31. ARBITRATION

- (1). All the matters not expressly provided in this agreement shall be decided by the consent of all the Partners in writing. Failing that all disputes and questions about and in connection with the LLP under this Agreement arising between the Partners or between any one of them and the legal representative of the Partners or with the LLP at any time and from time to time, shall be settled by conciliation or by arbitration as provided under the Arbitration and Conciliation Act, 1996 as if the parties to the dispute have consented in writing for determination of the same as aforesaid and the provisions of the said Act apply accordingly.
- (2). If any question arises whether the dispute relates to formation, management or business of the LLP, the question shall be referred to the arbitrator, whose decision thereon shall be final.

32. ALTERATION OR AMENDMENT

No alteration to or amendment or change in this LLP Agreement including any change of business of the LLP in terms of para 8 of the First Schedule to the LLP Act shall be valid unless it is reduced to writing as a Supplement to this Agreement duly accepted by every Partner of the LLP by himself or his legal representative(s), as on the relevant date of alteration, amendment or change.

33. ENTIRE AGREEMENT, SEVERABILITY & WAIVER

- (1) The forgoing constitutes the entire agreement between the Parties hereto on the subject-matter.
- (2). If any part of this Agreement is held by any Court or authority of competent jurisdiction as void or without effect it shall be limited to that extent and be binding on all parties hereto at the relevant time as a severable part thereof with nothing to affect the rest of this Agreement.
- (3). A failure or a waiver of exercise of any right or power or benefits under this agreement by a Partner or Designated Partner or on their behalf shall not operate as a waiver of the same for ever during the term of this agreement nor any delayed exercise of any right or power or benefit by a Partner or Designated Partner or on their behalf under this Agreement deemed as a waiver.

In witness whereof the parties hereto have hereunto set and subscribed their respective hands the day and year hereinabove written.





N. Chandak

Signed and Delivered by the within named Party of the First Part

(Nakul S. Chandak)

Minal

Signed and Delivered by the within named Party of the Second Part

(Minal N. Chandak)

Witness:

1. *Suyati S. Jeehi*
2. *Atishi P. Agrawal*

Suyati

A=





H-M-RNO 11/2010-2011

Marriage Officer
Jamakhandi



Print Date
Tuesday, May 4, 2010

Government of Karnataka

Certificate of Registration of Hindu Marriage

FORM II-A
[See Rule 4(5)]

(Under the Hindu Marriage Act, 1955)
(Central Act, XXV of 1955)



(Joint Photo of Husband and Wife with their Signatures)

This is to certify that Smt. Minal Omprakash Bhutada Daughter of Omprakash Bhutada Residing at R/o Jamkhandi tq: Jamkhandi and Sri Nakul Satyanarayan Urf Satish Chandak, Son of Satyanarayan Urf Satish Chandak Residing at R/o Aurangabad (Maharashtra) have furnished the particulars in the memorandum declaring that their marriage has been solemnized on Friday 01, February, 2008 and that the same has been registered this Tuesday 04, May, 2010 entered as JAM-HM11-2010-11.



Station : JAMAKHANDI
Marriage Number : JAM-HM11-2010-11
Date : 04-May-2010
CD Number : JAMM1

[Signature]
REGISTRAR OF MARRIAGES
(G. R. NADAGODI) 587301
Registrar of Marriage,
Seal.

THE COMPANIES ACT, 2002
(ACT NO: 12 OF 2002)
COMPANY LIMITED BY SHARES
Memorandum
and
Articles of Association
of

TANZANIA MATS INDUSTRIES COMPANY
LIMITED

Incorporated thisday of2013

Drawn by:
Kombo Mohammed Sharif
(Subscriber)
P.O.Box 16532
Dar es Salaam



THE UNITED REPUBLIC OF TANZANIA



Certificate of Incorporation

No:

I HEREBY CERTIFY THAT

TANZANIA MATS INDUSTRIES COMPANY LIMITED

**Is this day incorporated under the Companies Act, 2002
(Act No.12 of 2002) and that the Company is Limited.**

**Given under my hand at Dar-es-Salaam, this
..... day of two thousand thirteen.**

Registrar of Companies

THE COMPANIES ACT 2002 (ACT NO.12 OF 2002)
COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION OF

TANZANIA MATS INDUSTRIES COMPANY LIMITED

1. The name of the Company is **TANZANIA MATS INDUSTRIES COMPANY LIMITED**
2. The registered office of the Company will be situated in United Republic of Tanzania.
3. The objects for which the company is established are:-
 - (a) To carry on business as manufacturers of all types of mats and plastic materials for domestic and industrial use as well as manufacturing of carpets, brushes, curtains and all synthetic materials of all sorts and description.
 - (b) To undertake and operate agricultural projects for crop farming, horticulture, energy farming and to engage in agro processing business for all types of agricultural products and render marketable and sell any such produce either in its prepared or manufactured or raw state and either by wholesale or retail and deal with the same either as principals or as agents.
 - (c) To carry on the business as manufacturers, importers and distributors of all types of industrial machineries, spare parts and accessories of such machineries.
 - (d) To carry on the business of importers, exporters, manufacturers, traders dealers, agents and warehouseers of all types of merchandize.
 - (e) To engage in the business of provision of health services in the country and carry such business as principles, joint venture partner, or as agents.
 - (f) To develop the resources and turn to account the lands, buildings and rights for the time being of the company in such manner as the company may think fit.

Memorandum and Articles of Association of TANZANIA MATS INDUSTRIES COMPANY LIMITED

- (g) To carry on any other business (whether manufacturing or otherwise) which may seem to the company capable of being conveniently carried on in connection with the above, or calculated directly or indirectly to enhance the value of or render profitable any of the company's property or rights.
- (h) To acquire and undertake the whole, or any part of the business property and liabilities of any person or company carrying on any business which the company is authorised to carry on, or possessed of property suitable for the purposes of the company.
- (i) To enter into partnership or into any arrangement for sharing profits, union or interests, co-operation, joint venture, reciprocal concession or otherwise, with any city council, municipal council, town council, village government or any person or company carrying on or engage in any business, interest, project or transaction which this company is authorized to carry on or engaged in, or any business or transaction capable of being conducted so as directly or indirectly to benefit this company.
- (j) To guarantee the repayment of money by and the contracts of, or otherwise assist, any person, firm or company, and to take or otherwise acquire shares and securities of any such company and to sell, hold, reissue, with or without guarantee, or otherwise deal with the same.
- (k) To take, or otherwise acquire and hold shares in any other company having objects altogether or in part similar to those of this company, or enter into joint venture arrangements with any other business entity.
- (l) To enter into any arrangements with any Governments or authorities, 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 is desirable to obtain, and to carry out, any such arrangements, rights, privileges and concessions which the company may think it desirable to obtain, and to carry out, exercise and comply with any such arrangements, rights, privileges and concessions.
- (m) To promote any company or companies for the purpose of acquiring all or any of the property, rights and liabilities of the company, or for any other purpose, which may seem directly or indirectly calculated to benefit this company.

Memorandum and Articles of Association of TANZANIA MATS INDUSTRIES COMPANY LIMITED

- (n) To invest the money of the company not immediately required in such manner as may from time to time be determined.
- (o) To lend money to such persons or companies and on such terms as may seem expedient, and in particular to customers and others having dealings with the company, or contracts by any persons, firms or companies.
- (p) To borrow or raise or secure the payment of money in such manner as the company shall think fit, and in particular by the issue of debentures or debenture stock, perpetual or otherwise, charged upon all or any of the company's property (both present and future) including its uncalled capital, and to purchase, redeem or pay off any such securities.
- (q) To amalgamate with any other company having objects altogether or in part similar to those of the company.
- (r) To remunerate any person or company for services rendered or to be rendered, in placing or assisting to place or guaranteeing and placing of any of the shares in the company's capital or any debenture stock or other securities of the company, or in or about the formation or promotion of the company or the conduct of its business.
- (s) To draw, make, accept, endorse, discount, execute and issue promissory notes, bills of lading, warrants, debentures and other negotiable or transferable instruments.
- (t) To sell or dispose of the undertaking of the company or any part thereof for such consideration as the company may think fit, and in particular for shares, debentures or securities of any other company having objects altogether or in part similar to those of this company.
- (u) To obtain any provisions order, Ordinance or Act of Parliament for enabling the company to carry on any of its objects into effect or for effecting any modification of the company's constitution, or for any proceedings or applications which may seem expedient, and to oppose any proceedings or applications which may seem calculated, directly or indirectly, to prejudice the company's interest.
- (v) To sell, improve, manage, develop, exchange, lease, change, mortgage, dispose of, turn to account or otherwise deal with all or any part of the property and rights of the company.

Memorandum and Articles of Association of TANZANIA MATS INDUSTRIES COMPANY LIMITED

- (w) To distribute any of the property of the company among the members in specie.
- (x) To do all or any of the above things in any part of the world and as principals, managing agents, agents, contractors, trustees, or otherwise, and by or through trustees, managing agents, or otherwise, and either alone or in conjunction with others.

To do all such other things as are incidental or conducive to the attainment of the above objects.

And it is hereby declared that "company" in this clause, except where used in reference to this Company, shall include any partnership or other body of persons, whether incorporated or not incorporated, and wherever formed, incorporated, domiciled or resident.

"Person" shall include any company as well as any other legal or natural person,

"Securities" shall include any fully, partly or nil paid or no par value share, stock, unit, debenture, debenture or loan stock, deposit receipt, bill, note, warrant, coupon, right to subscribe or convert, or similar right or obligation,

"And" and "or" shall mean "and/or" where the context so permits,



"Other" and "otherwise" shall not be construed *ejusdem generis* where a wider construction is possible.

The objects specified in the different paragraphs of this clause shall not, except where the context expressly so requires, be in any way limited or restricted by reference to or inference from the terms of any other paragraph or the name of the Company or the nature of any business carried on by the Company, but may be carried out in as full and ample a manner and shall be construed in as wide a sense as if each of the said paragraph defined the objects of a separate, distinct and independent company.

4. The liability of the members is limited.
5. The share capital of the company is Tshs 10,000,000,000/= (Shillings Ten Billion) divided into 100,000 shares of Tshs 100,000/= each, and the Company shall have the power to divide the original or any increased capital into several classes, and to attach thereto any preferential, deferred, qualified or other special rights, privileges restrictions or conditions.

Memorandum and Articles of Association of TANZANIA MATS INDUSTRIES COMPANY LIMITED

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

NAMES, ADDRESSES AND DESCRIPTIONS OF SUBSCRIBERS	NUMBER OF SHARES TAKEN BY EACH SUBSCRIBER	SIGNATURES OF SUBSCRIBERS
MANGALAM GREEN SOLAR LLP SHARDANAND, OPP TELEPHONE EXCHANGE, AURANGABAD INDIA	<p align="center">51000</p>	
AL BAYAAN TRADING COMPANY LIMITED Polit No - 33, House No - 77, Sikukuu Street, Kariakoo PO Box 16532 DAR ES SALAAM TANZANIA	<p align="center">49000</p>	

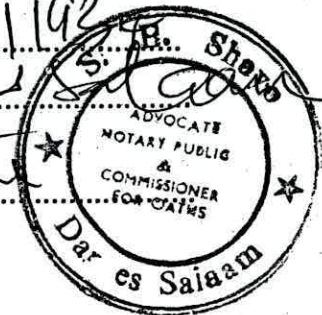
Dated at Dar es Salaam this 9th day of September 2013

Witness to all the signatures above:

Signature:

Postal address: P. O. Box 1192
Dar es Salaam
Advocate

Qualification:



Handwritten note: Certified copy

Drawn by: Kumbo Mohammed Sharif (subscriber) P.O. Box 16532 Dar es Salaam

TANZANIA
Stamp Duty Shts. 5000/-
PAID ON ORIGINAL
Stamp No. 37616 11-9-2013
Stamp Duty Office

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

PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION

OF

TANZANIA MATS INDUSTRIES COMPANY LIMITED

TANZANIA
Stamp Duty Shts. 2500/-
Stamp No. 37616 11-9-2013
Assl. Registrar of Companies

PRELIMINARY

1. The regulations in Table A in the First Schedule to the Companies Act, 2002 shall not apply to the Company except so far as the same are repeated or contained in these Articles.

INTERPRETATION

In these Articles, unless the subject or context otherwise requires, the words standing in the first column of the table next hereinafter contained shall bear the meanings set opposite to them respectively in the second column thereof.

WORDS AND MEANINGS

"Articles" these Articles of Association as originally framed or as altered from time to time by special resolution.

"Articles" means these Articles of Association of TANZANIA MATS INDUSTRIES COMPANY LIMITED.

"Board" means the board of Directors of the Company or the Directors present at a duly convened meeting of Directors at which a quorum has been attained.

"Company" shall mean TANZANIA MATS INDUSTRIES COMPANY LIMITED

"Month" shall mean a calendar month.

"A Shareholder" : Any holder from time to time of the shares.

"The Directors" : The directors for the time being of the Company present at a duly convened meeting of the directors at which a quorum is present.

- "The Office" : The registered office for the time being of the company.
- "The Act" : The Companies Act, 2002 and every statutory modification and re-enactment thereof for the time being in force.

2. The company is private company and accordingly, no invitation or offer shall be made to the public (whether for cash or otherwise) to subscribe for any shares in or debentures of the company, nor shall the company allot or agree to allot (whether for cash or otherwise) any shares in or debentures of the company with a view to all or any of those shares or debentures being offered for sale to the public.

The company may pay to any person a commission in consideration of his subscribing or agreeing to subscribe, whether absolute or conditional, for any shares in the company, provided that such commission shall not exceed 10 per cent of the price at which such shares are issued, or an amount equivalent to such percentage and the requirements of section 56 of the Act shall be observed.

3. (a) The Directors may subject to Article 48 hereof allot, grant options over, or otherwise deal with or dispose of any relevant securities of the company in accordance with the provisions of these Articles and the Act to such persons and generally on such terms and conditions as the Directors think proper.

(b) The general authority conferred by paragraph (a) of this article shall be conditional upon due compliance with Article 48 hereof and shall extend to the amount of the authorized share capital of the company upon its incorporation.

(c) The Directors shall be entitled under the general authority conferred by paragraph (a) of this Article to make at any time before the expiry of such authority any offer or agreement which will or might require relevant securities of the company to be allotted after the expiry of such authority.

4. If two or more persons are registered as joint holders of any shares any one of such persons may give effectual receipts for any dividends or other moneys payable in respect of such shares.
5. No person shall be recognized by the company as holding any share upon any trust and the company shall not be bound by or required to recognize an equitable, contingent, future or partial interest in any share or any right whatsoever in respect of any share other than an absolute right to the

entirety thereof in the registered holder, except as by these Articles otherwise expressly provide or as required by law.

SHARE CAPITAL

6. The authorized share capital of the company is 10,000,000,000/= (Ten Billion) divided into 100,000 (one hundred thousand) shares of shillings 100,000 (one hundred thousand) each, each with such rights, privileges or conditions as may for the time being be provided by the regulations of the Company.

SHARES

7. Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares any share in the capital of the company may be issued with such preferred, differed or other special rights or such restrictions, whether in regard to dividend, voting return of capital or otherwise as the company may from time to time by ordinary resolution determine.
8. Subject to the provisions of Companies Act, 2002, any preference shares may with the sanction of an ordinary resolution be issued on the terms that they are or at the option of the company are liable to be redeemed on such terms and in such manner as the company before the issue of the shares may by special resolution determine.
9. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed not to be varied by the creation or issuance of further shares ranking pari-passu therewith.
10. If any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may be varied with the consent in writing of the holders of the three fourths of the issued shares of that class, or with the sanction of an extraordinary resolution passed at a separate general meeting. Provisions of these articles relating to general meetings shall mutants apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one-third of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll.
11. Every person whose name is entered as member in the register of members shall without payment, be entitled to one certificate under the common seal of the company specifying the share or shares held by him

and the amount paid up thereon, provided that in respect of a share or shares held jointly by several persons the company shall be bound to issue more than one certificate and delivery of certificate of shares to one of several jointly holders shall be sufficient delivery to all.

12. If a share certificate is defaced, lost, or destroyed, it may be renewed on payment of such fee, if any, not exceeding one thousand shillings, and on such terms, if any, as to evidence and indemnity as the directors think fit.

LIEN

13. The company shall have a lien on every share for all moneys (whether present payable or not) called or payable at a fixed time in respect of that share and the company shall also have a lien on all shares standing registered in the name of a single person for all moneys presently payable by him or her or his/her estate to the company, but the directors may at any time declare any shares to be wholly or in part exempt from the provisions of this article. The company's lien, if any, on a share shall extend to all dividends payable thereon.
14. The company may sell, in such manner as the directors think fit, any shares on which the company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable, nor until the expiration of fourteen days after a notice in writing, stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the shares or the person entitled by reason of his/her death or bankruptcy to the share.
15. For giving effect to any such sale the directors may authorise some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer and he/she shall not be found to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in references to the sale.
16. The proceeds of sale shall be applied in payment of such part of the amount in respect of which the lien exists as is presently payable and the residue shall be held (subject to a like lien for sums not presently payable as existed upon the shares prior to the sale) by the company on behalf of the person entitled to the shares at the date of the sale.

CALLS ON SHARES

17. The directors may from time to time make calls upon the members in respect of any moneys unpaid on their shares and each member shall (subject to perceiving at least fourteen days notice specifying the time or times of payment) pay to the company at the time or times of specified the amount called in his shares. A call shall be deemed to have been made at the time when the resolution of the directors authorising the call was passed.
18. The joint holders of shares shall be jointly and severally liable to pay all calls in respect hereof.
19. If sum called in respect of a share is not paid before or on the date appointed for payment thereof, the person from whom the sum is due shall pay interest upon the sum at bank rate prevailing from time to time from the day appointed for payment thereof to the time of actual payment, but the directors shall be at liberty to waive payment of the interest wholly or in part.
20. The provisions of these articles as to the liability of joint holders and as to payment of interest shall apply in the case of non-payment of any sum which, by the terms of issue of shares, becomes payable at a fixed time, whether on account of the amount of the shares, or by way of premium, as if the same has become payable by virtue of a call dully made and notified.
21. The directors may make arrangements on the issue of shares for a difference between the holders in the amount of calls to be paid and in the times of payment.
22. The directors may, if they think fit, receive from any member willing to advance the same all or any part of the moneys uncalled and unpaid upon any shares held by him and upon all or any of the moneys so advanced may (until the same would but for such advance, become presently payable) pay interest at such rated (not exceeding, without the sanction of any company in general meeting the bank rate existing from time as may be agreed upon between the member paying the sum in advance and the directors.

TRANSFER AND TRANSMISSION

23. Subject to the provisions hereinafter continued shares in the company shall be transferable by written instrument in the common form signed by both the transfer and transferee, ad the transferor shall be deemed to remain

the holder of the share until the name of the transferee is entered in the register of members in respect thereof.

24. The directors may in their absolute discretion and without assigning any reason therefore decline to register any transfer of shares to any person whom they do not approve not being already a member of the Company and may also decline to register any transfer of share on which the Company has alien. The directors may also suspend the registration of transfers during the fourteen days immediately proceeding the ordinary general meeting in each year. The directors may decline to recognize any instrument of transfer unless:-

- (a) A fee not exceeding shillings two thousand five hundred is paid to the Company in respect thereof, and
- (b) The instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the directors may reasonably require to show the right of the transfer to make the transfer.

If the directors refuse to register a transfer of any shares, they shall within two months after the date on which the transfer was lodged with the Company send to the transferee notice of the refusal.

25. The personal representatives of a deceased sole holder of share shall be the only person recognized by the Company as having any title to the share. In the case of shares register in the names of two or more holders, the survivors or survivor, or the personal representatives of the deceased survivor, shall be the only persons recognized by the company as having any title to the share.
26. Any person becoming entitled to a share in consequence of the death or bankruptcy of a member shall, upon such evidence being produced as may from time to time be required by the directors, have the right, either to be registered as a member in respect of the shares or, instead of being registered himself/herself, to make such transfers of share as the deceased or bankrupt person could have made; but the directors shall, in either case, have same right to decline or suspend registration as they would have had in the case of transfer of the share by the deceased or bankrupt person before the death or bankruptcy.
27. Except as hereinafter provide no share in the company shall be transferred unless and until the rights of pre-emption hereinafter conferred shall have been exhausted.

28. Every member or other person referred to in article 26 hereof who intends to transfer shares (hereinafter called the vendor) shall give notice in writing to the board of his/her intention. The notice shall constitute the board his/her agent for the sale of the said shares in one or more lots at the discretion of the board to members of the Company at a price to be agreed upon by the vendor and the board, and in default of agreement, at a price which the auditor of the Company for the time being shall certify, by writing under his/her hand, to be in his/her opinion, the fair selling value thereof as between a willing vendor and a willing purchaser.
29. Upon the price being fixed as aforesaid the board shall forthwith give notice to all the members of the Company other than holders of employees' shares of the number and price of the shares to be sold and invite each of them to state in writing within twenty one days from the date of the said notice whether he/she is willing to purchase any, and if so, what maximum number, of the said shares.
30. At the expiration of the said twenty-one days the board shall allocate the said shares to or among the member or members who shall have expressed his/her or their willingness to purchase as aforesaid, and (if more than one) so far as may be pro rata according to the number of shares already held by them respectively, provided that no member shall be obliged to take more than the said maximum number of shares so notified by him as aforesaid. Upon such allocation being made the vendor shall bound on payment of the said price to transfer the shares to the purchaser or purchasers. If he/she makes default in so doing the chairman for the time being of the directors of the Company or failing him one of the directors duly nominated by resolution of the board for that purpose shall forthwith be deemed to be duly appointed attorney of the vendor with full power to execute complete and deliver in the name and on behalf of the vendor a transfer of the shares to the purchasing member and the board may receive and give a good discharge for the purchase money on behalf of the vendor and enter the name of the purchaser in the register of members as holder by transfer of the shares purchased by him.
31. In the event of the whole of the said shares not being purchased under article 28 the vendor may, at any time within six calendar months after the expiration of the said twenty-one days, transfer the shares not sold to any person (subject to article 17) and at any price.
32. Articles 25,26,27,28 and 29 hereof shall not apply to a transfer to a person who is already a member of the company, nor to a transfer merely for the purpose of effecting the appointment of new trustees, nor to a transfer by personal representatives to a legatee under the will of, or to the husband, wife or next of kin of a deceased member, nor to a transfer by trustee to a

~~beneficiary~~, provided that it is proved to the satisfaction of the board that the transfer bona fide falls within one of these exceptions.

**FORFEITURE OF SHARES AND EXPROPRIATION OF
SMALL HOLDINGS**

33. If a member fails to pay any call or installment of a call, on the day appointed for payment thereof, the directors may at any time thereafter during such time as any part of such call or installments remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.
34. The notice shall name a further day (not earlier than the expiration of fourteen days from the date of the notice) on or before which the payment required by the notice is to be made and shall state that in the event of non-payment at or before the time appointed the shares in respect of which the call was made will be liable to be forfeited.
35. If the requirements of any such notice as aforesaid are not complied with, any shares in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the directors to that effect and such forfeiture shall extend to any dividends in respect of any shares so forfeited not actually paid at the date of the said notice.
36. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the directors think fit, and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the directors think fit.
37. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall notwithstanding, remain liable to pay to the company all moneys which, at the date of the forfeiture, were presently payable by him to the company in respect of the shares, but his liability shall cease if and when the company receives payment in the full of the nominal amount of the shares.
38. The holders for the time being of four fifths of the issued shares in the company shall be entitled at any time to purchase ex dividend all or any of the shares held by any member of the company at a price equal to the sum paid up thereon and upon the tender of that price by the holders of four fifths of the issued shares to any other member for the shares held by him that member shall execute transfer of the shares to the members by whom the tender is made or their nominees in such shares and proportions as

they shall direct. If the member to whom the tender is made neglects or refuses to accept the sum tendered or to execute transfers of the shares the company may on proof of his neglect or refusal accept and give a good discharge for the moneys tendered on behalf of the member to whom the same shall have been tendered, and the provisions of article 23 shall apply to the execution of transfer of the shares and the registration of the members by whom the tender was made or their nominees as owners of the said shares.

39. A statutory declaration in writing that declarant is a director of the company and that a share in the company has been duly forfeited or expropriated on a date sated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The company may receive the consideration, if any, given for the shares in favour of the person to whom the share is sold or disposed of and he shall thereupon be registered as the holder of the share, and shall not be bound to see to the application of the purchase money, if any nor shall his title to the share be affected by any irregularity or invalidity in the proceeding in reference to the forfeiture or expropriation, sale or disposal of the share.
40. The provisions of these articles as to forfeiture shall apply in the case of non-payment of any sum which by terms of issue of share, becomes payable at a fixed time, whether on account of the amount of the share, or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

ALTERATION OF CAPITAL

41. The company may, from time to time by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount as the resolution shall prescribe.
42. Subject to any direction to the contrary that may be given by the resolution sanctioning the increase of share capital, all new shares shall, before issue be offered to such persons as at the date of the offer are entitled to receive notices from the company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered and limiting a time within which the offer, if not accepted, will be deemed to be declined, and after the expiration to that time or on receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered the directors may dispose of the same in such manner as they think most beneficial to the company. The directors may likewise so dispose of any new shares which (by reason of

the ratio which the new shares bear to shares held by persons entitled to an offer of new shares cannot in the opinion of the director, be conveniently offered under this article.

43. The new shares shall be subject to the same provisions with reference to payment of calls, lien, transfer, transmission, forfeiture, expropriation and otherwise as the shares in the original share capital.
44. The company may by any ordinary resolution:-
 - (a) Consolidate and divide all or any of its share capital into shares of larger amount than existing shares.
 - (b) Sub-divide its existing shares, or any of them, into shares of smaller amount than is fixed by the memorandum of association, subject, nevertheless, to the companies Act.
 - (c) Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and may by special resolution.
 - (d) Reduce its share capital and any capital redemption reserve fund in any manner and with, and subject to, any incident authorized and consent required by law.

GENERAL MEETINGS

45. The company shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year, and shall specify the meeting as such in the notices calling it, and not more than fifteen months shall elapse between the date of one annual general meeting 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 at such place as the directors shall appoint.
46. All general meeting other than the annual general meeting shall be called extraordinary general meetings.
47. The directors may, whenever they think fit, convene an extraordinary general meeting. If at any time there are not within the United Republic of Tanzania sufficient directors capable of acting to form a quorum, any director or any one member of the company may convene an extraordinary general meeting in the same manner as nearly as possible as that in which meeting may be convened by the directors.

PROCEEDINGS AT GENERAL MEETINGS

48. An annual general meeting and a meeting called for the passing of special resolution shall be called by twenty one days' notice in writing at the least and all other meetings by fourteen days' notice in writing at least. Such notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given and shall specify the place, the day and the hour of meeting and, in case of special business, the general nature of the business shall be given in the manner hereinafter mentioned, or in such other manner, if any as may be prescribed by company in general meeting to such persons as are under these articles, entitled to receive such notices from the company, but with the consent of all the members entitled to receive notice of some particular meeting, that meeting may be convened by such shorter notice and in such manner as those members may think fit.
49. The accidental omission to give notice to or the non-receipt of notice of a meeting by any member shall not invalidate the proceedings at any meetings.
50. All business shall be deemed special that is transacted at an extraordinary general meeting and all that is transacted at an annual general meeting, with the exception of sanctioning a dividend, the consideration of the accounts and balance sheet and the ordinary report of the directors and auditors, the election of directors in the place of those retiring by rotation, and the appointment and fixing of the remuneration of the directors.
51. 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, same as herein otherwise provided two members personally present shall be a quorum.
52. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved and in any other case it shall stand adjourned to the same day in the next week, at the same time and place and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the meeting shall be dissolved.
53. The chairman, if any of the board of directors shall preside as chairman at every general meeting of the company.
54. If there is no such chairman, or if at any meeting he is not present within fifteen minutes after the time appointed for holding the meeting or is

unwilling to act as chairman, the members present shall choose someone of their number to be chairman.

55. 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 business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty or more days, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of any adjournment or of the business to be transacted at an adjourned meeting.
56. 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 by at least one member entitled to vote present in person or by proxy and unless a poll is so demanded, a declaration by the chairman that the resolution has, on a show of hands, been carried or carried unanimously, or by particular majority or lost and an entry to that effect in the minute book shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
57. If a poll is duly demanded it shall be taken in same manner as the chairman directs and the result of the poll shall be deemed to be a resolution of the meeting at which the poll was demanded.
58. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place, or at which the poll is demanded, shall be entitled to a second or casting vote.
59. A poll demanded on the election of a chairman, or in a question of adjournment, shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of the meeting directs.
60. Any ordinary resolution of the company determined on without any general meeting and evidenced by writing under the hands of all the directors or a sole director and of members of the company holding three-fourths of the issued shares of the company shall be as valid and effectual as an ordinary resolution duly passed at a general meeting of the company duly convened and held.

VOTES OF MEMBERS

61. On a show of hands every member present in person shall have one vote. On a poll every member shall have one vote for each shares of which he is the holder.
62. In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the register of member.
63. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or curator bonus, or other person in the nature of a committee or curator bonus appointed by that court and any such committee, curator bonus, or other person may, on a poll, vote by proxy.
64. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him/her in respect of shares in the company have been paid.
65. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purpose. Any such objection made in due time shall be referred to the chairman of the meeting whose decision shall be final and conclusive.
66. On a poll votes may be given either personal or by proxy.
67. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorized in writing, or if the appointer is a corporation, either under the common seal, or under the hand of an officer or attorney so authorized. A member shall not be entitled to appoint more than one proxy to attend on the same occasion nor may a proxy vote except at a poll.
68. The instrument appointing a proxy and the power of attorney or other authority, if any under which it is signed or a naturally certified copy of that power or authority shall be deposited at the registered office of the company not less than forty-eight hours before the time for holding the meeting, or adjourned meeting, or taking of the poll at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid.

69. An instrument appointing a proxy may be in the following form, or in any other form which the directors shall approve:-

TANZANIA MATS INDUSTRIES COMPANY LIMITED

"I..... being a member of **TANZANIA MATS INDUSTRIES COMPANY LIMITED**, hereby appoint.....of, my proxy to vote for me and on my behalf at the Annual/ Extraordinary General meeting of the company to be held on the.....day of.....200.....and at any adjournment thereof".

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

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

DIRECTORS

71. The first directors shall be not less than two in number and shall be appointed by the subscribers to the Memorandum of Association. Unless and until otherwise determined by the company by ordinary resolution, the number of directors shall not be less than two.

72. The names of the first directors of the company are as follows:-

1. Nakul Satyanarayan Aliassatish Chandak
2. Minal Bhutada Chandak
3. Mohammed Ally Nassor
4. Kombo Mohammed Sharif

73. (1) The remuneration of the directors shall from time to time be determined by the company in general meeting.

(2) In addition to their usual remuneration the directors shall also be paid such travelling, hotel and other expenses as may reasonably be incurred by them in the exercise of their duties, including any such expenses incurred in connection with their attendance at meetings of directors.

74. Any director may in writing appoint any person, who is approved by the majority of the directors to be his/her proxy and to represent him in

meetings, which he/she is unable to be present. Every such alternate shall be entitled to notice of meeting of the directors and to attend and vote there at as a director when the person appointing him is not personally present, and where he is a director, to have a separate vote on behalf of the director he is representing in addition to his own vote. A director may at any time in writing revoke the appointment of an alternate appointed by him. Every such alternate shall be an officer of the company and shall not be deemed to be the agent of the director appointing him. The remuneration of such alternate shall be payable to the director appointing him and the proposition thereof shall be agreed between them. An alternate director need not hold any share qualification.

75. A director and alternate director shall not require a share qualification but nevertheless shall be entitled to attend and speak at any general meeting of the company and at any separate meeting of the holders of any class of shares in the company.
76. The company may by extraordinary resolution remove any director before the expiration of his period of office, and may by an ordinary resolution appoint another person in his stead. A vacancy occurring in the board of directors may be filled up by the company by an ordinary resolution.

POWERS AND DUTIES OF DIRECTORS

77. The business of the company shall be managed by the directors, who may pay all expenses incurred in forming and registering the company, and may exercise all such powers of the company as are not, by the companies Act 2002 or any statutory modification thereof, for the time being in force, or by these articles, require to be exercised by the company in general meeting subject nevertheless to the provisions of these articles and of the said ordinance and the exercise of such powers shall be subject to control of any general meeting of the company specially convened for the purpose, but no resolution of the company in general meeting shall invalidate any prior act of the directors which would have been valid if that resolution had not been passed.
78. The directors may from time to time appoint one or more of their body to the office of managing director or manager for such term and at such remuneration (whether by way of salary or commission or participation in profits, or partly in one way and partly in another) as they may think fit. The office of managing director shall be subject to determination ipso facto if he/she ceases from any cause to be a director, or if the company in general meeting resolves that his tenure of the office of managing director or manager be determined.

79. The directors may exercise all the powers of the company to borrow money and to mortgage or charge its undertaking, property, uncalled capital, or any part thereof and to issue debentures, debenture stock, and other securities whether outright or as security for any debt liability or obligation of the company or of any third party.
80. The directors shall duly comply with the provisions of the Companies Act, 2002 or any statutory modification thereof for the time being in force, and particular with the provisions in regard to registration of the particulars of mortgages and charges affecting the property of the company, or created by it, and to keeping a register of the directors and secretaries and to sending to the Registrar of Companies an annual list of members, and a summary of particulars relating thereto, and notice of any consolidation or increase of shares capital, or conversion of shares into stock, and copies of special and extraordinary resolutions, and a copy of the register of directors and notification of any changes therein.
81. The directors shall cause minutes to be made in the books provided for the purpose:-
- (a) Of all appointments of officers made by the directors
 - (b) Of the names of the directors present at each meeting of the directors and of any committee of the directors
 - (c) Of all resolutions and proceedings at all meetings of the Company, and of the directors, and of committees of directors and every director present at any meeting of directors shall sign his name in a book to be kept for that purpose.

DISQUALIFICATION OF DIRECTORS

82. The office of any director shall be vacated, if the director:
- (a) Resigns his office by notice in writing to the company; or
 - (b) Becomes bankrupt in this Territory or in any other territory which is declared to be a reciprocating territory under section 147 of the Bankruptcy Ordinance; or
 - (c) Is found to be lunatic or becomes unsound mind or
 - (d) Is punished with imprisonment of a term exceeding six months without the option of fine; or
 - (e) Is requested in writing by all his/her co-directors to resign.
83. Any director or any company of firm of which a director is a member, may enter into contracts with the Company and any director may vote as a director or shareholder in respect of such contract and retain for his/her own use profits made by him/her under any such contract, provided

always that unless he/she be at the time sole director he must disclose his/her interest to his/her co-directors before the contract is entered into by the directors, and if he/she be at the time sole directors be interested contract the contract must be entered into by the company in general meeting, and before the contract is entered into the director or directors must disclose his/her or their interest to the meeting.

PROCEEDINGS OF DIRECTORS

84. The directors may meet together for the dispatch of, adjourn and otherwise regulate their meetings, as they think fit, question arising at any meeting shall be decided by a majority of votes. In case of any equality of votes the chairman shall have a second or casting vote. A director may, and the secretary on the requisition of a director shall, at any time summon a meeting of the directors.
85. The quorum necessary for the transaction of the business of the directors may be fixed by the directors, and unless so fixed shall be two.
86. The continuing directors may act notwithstanding any vacancy in the body, but, if and so long as their number is reduced below the number fixed by or pursuant to these articles as the quorum of directors, the continuing director may act for the purpose of increasing the number of directors to that number, or summoning a general meeting of the company, but for no other purpose.
87. The directors may elect a chairman of their general meeting and determine the period for which he/she is to hold office, but if no such chairman is elected, 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 their meeting.
88. The directors may delegate any of their powers to committees consisting of such members of their body as they think fit, any committee so formed shall in the exercise of the powers so delegated conform to any regulation that may be imposed on them by the directors.
89. A committee may elect a chairman of their meeting, if no such chairman is elected, or if at any meeting the chairman is not present within five minutes after the time appointed for holding the same, the members present may choose any of their number to be chairman of the meeting.
90. A committee may meet and adjourn as they think proper. Questions arising at any meeting shall be determined by a majority of votes of the

members present, and in the case of any equality of votes the chairman shall have a second or casting vote.

91. All acts done by any meeting of the directors or of a committee of directors, or any person acting as a director, shall, notwithstanding that it is afterwards discovered that there was some defects in the appointment of any such directors or persons acting as aforesaid, or that they or any them were disqualified, be as valid as if every such person had been duly appointed to be a director.
92. A resolution determined on without any meeting of directors and evidenced by writing under the hands of all directors, or sole director, or of all members of a committee, or of sole member of a committee, shall be as valid and effectual as resolution duly passed at meeting of the directors or of such committee.

MANAGING DIRECTOR

93. The Directors may from time to time appoint a Managing Director who may not necessarily be out of their body for such a period and on such terms as they think fit, and subject to the terms of agreement entered into any such particular case, may revoke such an appointment.
94. Managing Director shall receive such remuneration as the Directors may determine.

SECRETARY

95. The Directors shall appoint a Secretary of the Company on such terms, at such remuneration and upon such conditions, as they may think fit, and they may remove the Secretary appointed by director's board resolution.

THE SEAL

96. The Director shall provide for the safe custody of the seal, which shall only be used by the authority of the directors or of a committee of the directors or of a committee of the directors authorized by the directors in that behalf, and every instrument to which the Seal Secretary or by a second director or by some other person appointed by the directors for the purpose but so that the directors may by resolution determine, either generally or in any particular case, that the signature of any director may be affixed by some mechanical means to be specified in such resolution, provided that the use of such means is by such restricted to certificates which have first been approved for sealing by the Auditors, Transfer Auditors, Transfer Agents or Bankers of the company in writing.

DIVIDENDS AND RESERVE

97. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the directors.
98. The directors may from time to time pay to the members such interim dividends as appear to the directors to be justified by the profits of the company.
99. No dividends shall be paid otherwise than out profits.
100. Subject to the rights of persons, if any, entitled to shares with special rights as to dividends all dividends shall be declared and paid according to the amounts paid on the shares, but if and so long as nothing is paid up on any of shares in the company dividends may be declared and paid according to the amount of the shares. No amount paid on a share in advance of call shall, while carrying interest, be treated for purpose of this article as paid on the share.
101. The directors may, before recommending any dividend, set aside out of the profits of the company such sums as they think proper as a reserve or reserves which shall, at the discretion of the directors, be applicable for meeting contingencies, or for equalizing dividends, or for any other purpose to which the profits of the company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the directors may from time to time think fit.
102. If several persons are registered as joint holders of any share any one of them may give effectual receipts for any dividends payable on the shares.
103. No dividend shall bear interest against the company.

ACCOUNTS

104. The directors shall cause proper books of accounts to be kept with respect to:-
 - All sums of money received and expended by the company, and the matters in respect of which the receipt and expenditure takes place.
 - All sales and purchases of goods by the company and the Assets and liabilities of the company.Proper books of accounts means such books as are necessary to give a true and fair view of the state of the company's affairs and to explain its transaction.

105. The books of accounts shall be kept at the registered office of the company, or at such other place or places as the directors think fit, and shall always be open to the inspection of the directors.
106. The directors shall from time to time determine whether and to what extent and at what time and places and under what conditions or regulations the accounts and books of the company or any of them shall be open to the inspection of members not being directors, and no member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by statute or authorized by the directors or by the company in general meeting.
107. The directors shall from time to time in accordance with section 153 of the Companies Act 2002 or any statutory modification thereof for the time being in force, cause to be prepared and to be laid before the company in general meeting such profit and loss accounts, balance sheet, group accounts (if any) and reports as are referred to in those sections.
108. A copy of every balance sheet (including every document required by the law to be annexed thereto) which is to be laid before the company in General meeting before the date of the meeting together either a copy of the auditors report, shall not less than twenty one days be sent to every member of, and every holder of debentures of, the company and to every person registered under regulations 19. Provided that the regulation shall not require a copy of those documents to be sent to any member of whose address the company is not aware or to more than one of the joint holders of any shares or debentures.

CAPITALISATION OF PROFITS

109. The company in a general meeting may upon the recommendation of the directors resolve that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and accordingly that such sum be set free for distribution amongst the members who would have been entitled there to be distributed by law of dividend and in the same proportions on conditions that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such members respectively or paying up in full unissued shares or debentures of the company to be allotted and distributed, credited as fully paid up to and amongst such members in the proportion aforesaid, or partly in the one way and partly in the other, and the directors shall give effect to such resolution.

Provided that a shares premium account and capital redemption reserve fund may, for the purpose of this regulation, only be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares.

110. Whenever such resolution as aforesaid shall have been passed the directors shall make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issue of ~~fully paid up shares or debentures, if any, and generally shall do all acts and things to give effect thereto, with full power to the directors to make such provision by the issue of fractional certificates or by payment in cash or otherwise as they think fit for the case of shares or debentures becoming distributable in fractions, and also to authorize any person to enter on behalf of all members entitled thereto into an agreement with the company providing for the allotment to them respectively, credited as fully paid up, or any other shares or debentures to which they may be entitled up on such capitalization, or (as the case may require) for the payment up by the company or their behalf, by the application thereto of their respective proportions of the profits of the resolved to be capitalized of the amounts or any part of the amounts remaining unpaid on their existing shares, and any agreement made under such authority shall be effectively and binding on all such members.~~

AUDIT

111. Once at least in every year the accounts of the Company shall be examined and the correctness of the balance sheet ascertained by an auditor.
112. The Directors shall appoint the first auditor who will hold office until the first annual general meeting.
113. The Directors may fill up any casual vacancy in the office of auditor.
114. The remuneration of the auditor shall be fixed by the Company in general meeting, except that the remuneration of any auditor appointed by the Directors may be fixed by the Directors.

NOTICES

115. A notice may be given by the company to any member either personally or by sending it by post to him or to his registered address, or (if has registered address in Tanzania, to the address, if any, within Tanzania supplied by him/her to the company for the giving of notices to him/her. Where a notice is sent by post, service of the notice shall be deemed effected by properly addressing, prepaying and posting a letter containing the notice and , unless the contrary is proved, to have been

effected at the time at which the letter would be delivered in the ordinary course of post.

116. If a member has no registered address in Tanzania and has not supplied to the company an address within The United Republic of Tanzania for the giving of notices to him/her, a notice addressed to him/her, and displayed in the registered office of the company, shall be deemed to be duly given on the day on which it is so displayed.
117. A notice may be given by the company to the joint holders of a share by giving the notice to the joint holder named first in the register in respect of the share.
118. A notice may be given by the company to the persons entitled to a share in consequence of the death or bankruptcy of a member by sending it through the post in a prepaid letter addressed to them by name, or the title of representatives of the deceased, or trustees of the bankrupt, or by any like description, at the address, if any in the United Republic of Tanzania supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by giving the notice in any manner in which the same might have been given if the death or bankruptcy had not occurred.
119. Notice of any general meeting shall be given in the same manner hereinbefore authorized to (a) every member of the company except those members who (having no registered address within the United Republic of Tanzania) have not supplied to the company an address within the United Republic of Tanzania for the giving of notices to them, (b) every person entitled to share in consequence of death or bankruptcy of a member, who, but for his/her death or bankruptcy, would be entitled to receive notice of the meeting and (c) the auditors for the time being of the company. No other person shall be entitled to receive notices of general meetings.

WINDING UP

120. If the company shall be wound up the liquidator may, with the sanction of an extraordinary resolution of the company and any other sanction required by the Companies Act, 2002 divide amongst the members in specie or kind the whole or any part of the assets of the company (whether they shall consist of property of the same kind or not) and may, for such purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. The Liquidator may, with sanction, vest the whole or any part of the assets in trustees up on such trusts for the benefit of the contributors as the liquidator, with the

like sanction shall think fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

INDEMNITY

121. Subjected to the provisions of the Companies Act, 2002 every director, managing director, agent, auditor, secretary and other officer for the time being of the Company shall be indemnified in any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted.



ALTERATIONS OR ADDITIONS

122. Subject to the provisions of the Act and to those contained in the Memorandum of Association, the Company may by special resolution make alterations or additions to the Articles of Association and any such alterations or additions as made shall be as valid and effectual as if originally contained in these Articles and be subject in like manner to alteration by Special Resolution.

ARBITRATION

123. If and whenever any dispute or difference shall arise between the Company and any of the members of their respective representative touching upon the construction or meaning of any of the Articles herein contained or any act, matter or thing made or done or omitted to be done or with regard to the rights or liabilities arising there under or arising out of the relation existing between the parties by reason of these Articles or the Ordinance such differences shall (unless a sole arbitrator be agreed upon) forthwith be referred to the arbitration of three (3) arbitrators, one to be appointed by each party and the third to be appointed by the first two or, in the event of failure to agree within thirty (30) days the procedure laid down in the Arbitration Ordinance Cap 15 or any enactment replacing the Arbitration Ordinance shall apply.

Memorandum and Articles of Association of TANZANIA MATS INDUSTRIES COMPANY LIMITED

NAMES, ADDRESSES AND DESCRIPTIONS OF SUBSCRIBERS	NUMBER OF SHARES TAKEN BY EACH SUBSCRIBER	SIGNATURES OF SUBSCRIBERS
MANGALAM GREEN SOLAR LLP SHARDANAND, OPP TELEPHONE EXCHANGE, AURANGABAD INDIA	<p style="text-align: center;">51000</p>	
AL BAYAAN TRADING COMPANY LIMITED Polit No - 33, House No - 77, Sikukuu Street, Kariakoo PO Box 16532 DAR ES SALAAM TANZANIA	<p style="text-align: center;">49000</p>	

Dated at Dar es Salaam this 9th day of September 2013

Witness to all the signatures above:

Signature:

Postal address: P. O. Box 11934
Dar es Salaam
Tanzania

Qualification:





Lease No

Region Code

Title No

COMMERCIAL LEASE

BETWEEN

THE NATIONAL HOUSING CORPORATION
(LESSOR)

AND

MOHAMED SHARIF ICOMBO

(LESSEE)

LEASE OF APARTMENT NO. 001
LOCATED ON PLOT NO. 28/103 IX, GOFU STREET, TANGA

LEASE

THIS LEASE is made the 15th day of August, 2012, between THE NATIONAL HOUSING CORPORATION a statutory corporation established by virtue of the National Housing Corporation Act No. 2 of 1990, whose Head Office is situated at Plot Number 233, along Nelson Mandela Road (Opp. Uhuru Stadium), Temeke District, P.O. Box 2977, Dar es Salaam (Hereinafter is to be referred to as "the Lessor," which expression shall, where the context so admits, include its successors and assigns), of the one part, and KOMBO MOHAMED SHARIFF whose registered office is situate on GOFU Street, Post Office Box 16532, TANGA (Hereinafter is to be referred to as "the Lessee", which expression shall, where the context so admits, include its successors and assigns), of the other part.

PREAMBLE:

WHEREAS, the Lessor is the registered proprietor of the demised premises and desires to lease the Premises to the Lessee and Lessee desires to take the said Premises from the Lessor for the term, at the agreed rental amount stated herein below and upon the provisions set forth herein, and

WHEREAS, the Lessor declares that the property is not free from all and any encumbrances, however, further declares that the encumbrances will not affect in any way the Lessee's peaceful and uninterrupted occupation of the demised Premises.

NOW IN CONSIDERATION of the rent and the mutual covenants hereinafter reserved and contained in schedule one - Terms and Conditions - attached hereto, THIS LEASE WITNESSETH as follows:-

1. Physical Residential Address of the lessee

The Lessee hereby declares/warrants that he is residing at _____ in House No. _____ situated on Plot No. _____ Street, _____ Municipality.

2. Lettable area & Measurement

The Lessor hereby demises unto the Lessee all that area measuring 1047.36 square metres on the GROUND floor of the building (hereinafter referred to as "the demised premises") in the building situate on Plot No. 23/131X, GOFU Street, TANGA Municipality (the said building hereinafter called "the building," and the entire plot hereinafter called "the Estate"); the said demised premises having been more particularly described in Schedule 2 hereto and delineated on the plan in Schedule 3 annexed hereto and thereon marked in red.

3. Rent per square meter

Rent payable per one square meter is Tanzanian shillings/United States Dollars 800/=
Other charges include _____ plus the costs, charges and expenses which the Lessor may from time to time incur in connection with or in procuring the remedying of any breach by the Lessee of any of the covenants on the part of the Lessee contained in this Lease.

1.0 DEFINITIONS

In this Lease Agreement, the following words shall have the respective meanings ascribed to them:-

1. "Demised premises" means

- (a) The floors of the building delineated by red on the plans annexed hereto including:-
 - (i) The paint paper and other decorative finishes to the interior of the external walls of the demised premises.
 - (ii) The floor finishes so that the lower limit of the premises includes such finishes but does not extend to anything below them.
 - (iii) All ceilings within the demised premises and the void above them.
 - (iv) The ceiling finishes (here not meaning any false ceilings) so that the upper limit of the demised premises includes such finishes but does not extend to anything above them.
 - (v) The entirety of any non-load-bearing internal walls wholly within the demised premises.
 - (vi) The inner half severed medially of the internal non-load bearing walls dividing the demised premises from other parts of the Building.
 - (vii) The doors and windows and the door and window frames.
 - (viii) All additions and improvements to the demises premises.
 - (ix) All the Lessor's fixtures and fittings and fixtures of every kind which shall from time to time be in or upon the demised premises whether originally affixed or fastened to or upon the demised premises or otherwise except any such fixture installed by the Lessee that can be removed from the demised premises without defacing the same.
 - (x) Any pipes wholly in or on the demised premises that exclusively serve the demised premises.
 - (xi) Any equipment or apparatus (for air extraction or otherwise) that is in or on and that exclusively serves the demised premises'.
 - (xii) The car parking spaces to be allocated to the Lessee more particularly described in Clause 1.1 above.
- (b) "Practical completion" means the date upon which the Lessor's consultant certifies that the premises are practically completed and available to the Lessee.

2. "Lettable Areas" means

All areas within the Building which are let or designed to be let or designed or constructed so as to be capable of letting, inclusive of the demised premises over which the **Lessee** shall have exclusive rights and the pro-rata portion of the Building Common Parts.

3. "Retained Parts" means all parts of the building other than the Lettable Areas.

4. "Structure" means:

- (a) The entirety of the roofs and foundations of the building.
- (b) The entirety of all floors and ceilings of the building (but excluding the floor and ceiling finishes).
- (c) The entirety of all external walls of the building (but excluding the paint paper and other decorative finishes applied to the internal faces of such walls).
- (d) The entirety of all load-bearing walls pillars and other structures of the building.
- (e) The windows and window frames in the building.
- (f) All other parts of the structure of the building not referred to in the preceding paragraphs 12(a) to 12(e).

5. "Plant" means

All apparatus plant machinery and equipment within the building or on the estate from time to time including (without prejudice to the generality of the above) lifts, lift-shafts (if any) stand-by generators and boilers, and items relating to mechanical ventilation, heating, cooling public address and closed circuit television systems.

6. "Accountant" means

Any appropriately qualified person or firm appointed by the **Lessor** (including an employee of the **Lessor** or an associate company of the **Lessor**) to perform any of the functions of the Accountant under this Lease.

"Surveyor" means

Any person or firm appointed by the **Lessor** (including an employee of the **Lessor** or an associate company of the **Lessor**) to perform any of the functions of the Surveyor under this lease.

8. "Building Common Parts" means

The areas and amenities made available from time to time by the Lessor for use in common by the tenants and occupiers of the building and all persons expressly or by implication authorised by them including the pedestrian ways, forecourts, car parks, loading bays, service roads, landscaped areas, entrance halls, landings, lifts, staircases, passages rooftops and areas designated for the keeping and collection of refuse, but not limited to them.

2.0 **LESSEE'S COVENANTS:**

The Lessee hereby covenants with the **Lessor** on the following:

2.1 **Rent & Other Payments:**

- 2.1.1 To pay the rent and other applicable charges on the days and in the manner set out in this Lease and not to exercise or seek to exercise any right to withhold rent whether by way of legal or equitable set-off.
- 2.1.2 The Lessee shall pay security deposit equal to three- months rent. The deposit shall not bear interest and shall be repaid to the Lessee at the end of the agreement or on its termination, provided that the lessee has fulfilled its obligation.
- 2.1.3 To pay and to indemnify the **Lessor** against:-
 - (i) All rates, taxes, assessments, duties, charges, impositions and any other costs of a similar nature which are now, or shall, during the Term, be charged, assessed or imposed upon the demised premises or upon the owner or occupier of them, **PROVIDED** that this covenant shall not oblige the **Lessee** to pay any taxes which are, by Statute, payable by the **Lessor**.
 - (ii) Each party shall pay its respective taxes as per the current Tax Laws.

2.2 **Penalty Clauses for Delayed Payments:**

- (i) If and whenever during the said term the rent or any other sum due shall remain unpaid for 30 days from the date when such rent fell due, the lessor shall serve the lessee a one month notice of intention to terminate its tenancy or Leases Agreement and if the rent is not paid within 30 days from the date of issuing the notice of reminder, the Lessor shall evict the Lessee without further notice.
- (ii) Any delayed payments shall attract a monthly penalty of 4% above the NBC lending rates.
- (iii) Nothing in the preceding clause shall entitle the **Lessee** to withhold or delay any payment of the rent or any other sum due under this Lease after the date upon which they fall due or in any way prejudice, affect or derogate from the rights of the **Lessor** in relation to such non-payment including (but without prejudice to the generality of the above) the **Lessor's** right under the proviso for re-entry contained in this Lease

3 **Charges for Utilities on Demised Premises:**

To pay to the suppliers thereof and to indemnify the **Lessor** against all charges for water, telephone, electricity, diesel and oil for standby generator, sewerage, gas and other services consumed or used at or in relation to the demised premises.

2.4 Repair, Cleanliness & Replacement of Fixtures in Demised Premises:

- (i) At all times during the term to repair and keep the interior of the demised premises in good and substantial repair and condition (fair wear and tear exempted).
- (ii) To clean the demised premises and the surrounding keep them in a clean and tidy condition and clear of all rubbish and to clean as often as may be necessary the inside of the window panes and frames of the demised premises.
- (iii) To replace the **Lessor's** fixtures and fittings, if any, in the demised premises which may be or become beyond repair at any time during or at the expiration of the term as a result of any act, omission or negligence on the part of the **Lessee**, fair wear and tear excepted.
- (iv) To maintain the building common parts in clean sanitary condition and to bear, pay and discharge all sewerage and cesspit emptying charges attributed to the demised premises.
- (v) The premises are placed at the disposal of the lessee as designated and in its condition as on the date of allocation. The lessee is always deemed to have seen and visited the premises, and has perfect knowledge of the premises.

2.5 Waste and Alterations on Demised Premises:

- (i) Not to commit any waste.
- (ii) **Alterations:**
 - (1) Not to make any structural alterations or additions to the demised premises.
 - (2) Not to make any internal non-structural alterations to the demised premises or unite the demised premises with any adjoining premises without:-
 - (a) Obtaining and complying with all necessary consents of any competent authority and paying all charges of any such authority in respect of such consents.
 - (b) Making an application to the **Lessor** supported by drawings and where appropriate a specification in duplicate, prepared by an architect or member of some other appropriate profession or professional organisation (who shall supervise the work throughout to completion).
 - (c) Paying the reasonable fees of the **Lessor** and the **Lessor's** professional advisers in connection with the approval of such alterations, and
 - (d) Entering into such covenants as the **Lessor** may reasonably require as to the execution and reinstatement of the alterations.
 - (e) Obtaining the consent of the **Lessor**, such consent not to be unreasonably withheld or delayed.

This sub-Clause shall not apply to the erection by the **Lessee** of internal demountable partitioning of a design and of materials and layout which are approved in writing by the Lessor subject to the **Lessee** removing the same at the determination of the Term and making good all damage caused by its installation and subsequent removal.
- (iii) To remove any additions, alterations or improvements made to the demised premises at the expiration of the Term if so required by the Lessor to the reasonable satisfaction of the Lessor or its Surveyor (as defined in Schedule A) and to repair any parts of the demised premises which may be damaged by such removal.

2.6 User Clauses:

- (i) **Abandoning Demised Premises:**

Not to cease carrying on business in the demised premises or leave the demised premises continuously unoccupied for more than one month without:-

 - (a) Notifying the **Lessor**; and
 - (b) Providing such caretaking or security arrangements as the **Lessor** shall reasonably require and the insurers shall require in order to protect the demised premises from vandalism, theft, damage or unlawful occupation.
- (ii) **Sale or transfer of business:**

Not to transfer, sale, assign or part with your business howsoever along with the demised premises. On such incidents, the premises should be surrendered to the **Lessor** for reallocation or else the buyer of your business shall be evicted from the premises.

- (iii) **Pollution:**
Not to discharge into the pipes serving the demised premises and the building common parts any oil or grease or any objectionable dangerous poisonous or explosive matter or substance and to take all reasonable measures to ensure that any effluent so discharged into the pipes will not be corrosive or otherwise harmful to the pipes or cause obstruction or disrepair to them.
- (iv) **Ceiling and Floor Loading:**
(a) Not to bring or permit to remain on the demised premises articles, equipment tools which may damage the demised premises or any part thereof.
(b) Not to suspend anything from the partition walls or ceiling of the demised premises or use the same for the storage of goods or place weight on them which may damage the same.
- (v) **Machinery:**
Not to install or use in or upon the demised premises any machinery or apparatus which will cause noise or vibration which can be heard or felt in nearby premises or outside the demised premises or which may cause structural damage.
- (vi) **Heating, Cooling and Ventilation:**
(a) Not to do anything which interferes with the heating, cooling or ventilation of the building or which imposes an additional load on any heating cooling or ventilation plant and equipment in the demised premises or the building.
(b) Not to operate the ventilation equipment in the demised premises otherwise than in accordance with the regulations for such purpose made by the **Lessor** from time to time.
- (vii) **Other User Clauses:**
(a) Not to erect any pole, mast, dish or wire (whether in connection with telegraphic, telephonic, radio or television communication or otherwise) upon the premises without the prior written consent of the **Lessor** and such consent shall not be unreasonably withheld or delayed.
(b) Not without prior written consent of the **Lessor** to fix or install any signage on the exterior of the building and such consent shall not be unreasonably withheld or delayed.
(c) Not to make connection with the pipes that serve the demised premises without the **Lessor's** prior written consent which shall not be unreasonably withheld other than in accordance with plans and specifications approved by the **Lessor** and subject to consent to make such connection having been previously obtained from the competent statutory authority.
(d) Not to do in or near the demised premises any act or thing by reason of which the **Lessor** may under any statute incur, have imposed upon it or become liable to pay any penalty, damages, compensation, costs, charges or expenses.
(e) Without prejudice to the generality of the above to comply in all respects with the provisions of any statutes and any other obligations imposed by law or by any by-laws applicable to the demised premises or in regard to carrying on in the trade or business for the time being carried in the demised premises.
(f) Not to do nor allow to remain upon the demised premises anything which may be or become or cause a nuisance, annoyance, disturbance, injury or damage to the **Lessor** or its other Lessees or to the owners or occupiers of the adjoining buildings or passersby.
(g) Not to use the demised premises for a sale by auction or for any dangerous, noxious, noisy or offensive trade business manufacture or occupation nor for any illegal or immoral act or purpose.
(h) Not to use the demised premises other than as an office for purposes of carrying out the **Lessee's** licensed and authorised business, as at the date of commencement of the lease.
(i) Not to use the demised premises as sleeping accommodation or for residential purposes nor keep any animal, fish, reptile or bird anywhere on the demised premises.
(j) Not to stop up, darken or obstruct any external windows or light belonging to the premises, without the **Lessor's** consent, such consent not to be unreasonably withheld or delayed.

2.7 Lessor's Right of Entry:

- (a) To permit the **Lessor** and its agents and all persons authorised by them, in the company of a lessee representative and subject to the lessee's security procedures:-
 - (i) To enter upon the demised premises at reasonable times and upon reasonable prior notice except in the case of an emergency for the purpose of ascertaining that the covenants, schedules and conditions of this Lease have been observed and performed.
 - (ii) To view the state of repair and condition of the demised premises.
 - (iii) To give to the **Lessee** (or leave upon the demised premises) a notice specifying any repairs, cleaning maintenance and painting that the **Lessee** has failed to execute in breach of the terms of this Lease Agreement and to request the **Lessee** to execute the same as soon as reasonably practicable.
- (b) The **Lessee** covenants to provide access to the **Lessor** and his authorised agents at reasonable times and upon reasonable prior notice, for the purposes of undertaking any work to the demised premises of the **Lessee**, or that of any adjoining tenant, which may be required to be undertaken by the **Lessor**.
- (c) If within two months of the service of such a notice as referred to in Clause 2.8 [a] (iii), the **Lessee** shall not have commenced and be proceeding diligently with the execution of the work referred to in the notice or shall fail to complete the work within four months or if in the **Lessor's** reasonable opinion the **Lessee** is unlikely to have completed the work within such period to permit the **Lessor** to enter the demised premises to execute such work as may be necessary to comply with the notice and to pay to the **Lessor** the cost of so doing and all expenses properly incurred by the **Lessor** in connection therewith (including legal costs and surveyor's fees) within fourteen days of a written demand.

2.8 Alienation of Demised Premises:

- (a) Not to hold on trust for another or (save pursuant to a transaction permitted by and effected in accordance with the provisions of this Lease) part with the possession of the whole or any part of the demised premises or permit another person to occupy the whole or any part of the demised premises.
- (b) Not to assign, underlet or charge any part of or the whole of the demised premises.
- (c) In case of an intergovernmental organisation the **Lessee** may share the occupation of the whole or any part of the demised premises with another organisation affiliated to it.
- (d) To pay the **Lessor's** reasonable charges in connection with the granting and registration of any such under leases or assignments which applies to intergovernmental entities only.

2.9 Indemnity for Non-Statutory Expenses:

- (a) To pay to the **Lessor** on an indemnity basis all reasonable and proper costs, fees, charges, disbursements and expenses (including without prejudice to the generality of the above those payable to lawyers surveyors and) properly incurred by the **Lessor** in relation to or incidental to:
 - (i) Every application made by the **Lessor** for a consent or licence required by the provisions of this Lease whether such consent or licence is granted or refused or preferred subject to any lawful qualifications or condition or whether the application is withdrawn (but not where consent is unreasonably withheld or preferred subject to unreasonable conditions contrary to the express provisions of this Lease).
 - (ii) The recovery or attempted recovery of arrears of rent or other sums due from the **Lessee**.
 - (iii) Any steps taken in contemplation of or in direct connection with the preparation and service with good cause of a schedule of dilapidation during or within six months after the expiration of the Term but in all respects relating to matters arising during the Term, such schedule to be based upon inspection of the premises which shall be carried out after the expiration of the term at a time mutually agreed between the **Lessee** and the **Lessor**.
- (b) To be responsible for and to keep the **Lessor** fully indemnified against all damages, losses, costs, expenses, actions, proceedings, claims and liabilities made against or suffered or incurred by the **Lessor** arising directly or indirectly
 - (i) Any act, omission or negligence of the **Lessee** or any persons at the demised premises expressly or impliedly with the **Lessee's** authority and under the **Lessee's** control, or

- (iii) Any breach or non-observance by the **Lessee** of the covenants, conditions or other provisions of the Lease Agreement or any of the matters to which this demise is subject.

2.10 Notice of Re-letting:

To permit the **Lessor** upon service of reasonable notice at any time during the last three (3) months of the Term and at any time thereafter (or sooner should any of the events listed in Clause 4.1 of this Lease occur) to permit persons with the written authority of the **Lessor** or its agent at reasonable times of the day to be agreed upon in advance with the **Lessee** to view the demised premises.

2.11 Yielding up:

At the expiration of the Term:

- A. To yield up the demised premises in good and substantial repair in accordance with the terms of this Lease Agreement.
- Provided that the **Lessee** shall pay a sum equivalent to any loss of rent incurred by the **Lessor** (which shall be calculated at the level paid by the **Lessee** under this Lease) during such period as is reasonably required for the carrying out of works at the expiration of the term by reason of any breach of repairing and decorating covenants.
- B. To give up all keys of the demised premises to the **Lessor**, and
- C. To remove all signs erected by the **Lessee** in, upon or near the demised premises and immediately to make good any damage caused by such removal.

2.12 Viewings:

To permit upon reasonable notice at a mutually agreed time during the Term prospective buyers, developers or agents instructed in connection with the sale of the **Lessor's** reversion or of any other interest superior to the Term to view the demised premises without interruption, provided that they are authorised in writing by the **Lessor** or its agents.

2.13 Notices of Defects:

- (i) Upon becoming aware of the same to give notice to the **Lessor** of any defect in the demised premises which might give rise to an obligation on the **Lessor** to do or refrain from doing any act or thing in order to comply with the provisions of this Lease or the duty of care imposed on the **Lessor** pursuant to any law.
- (ii) To give full particulars to the **Lessor** of any notice, directions, order or proposal for the demised premises made, given or issued to the Lessee by any public authority within fourteen days of receipt and if so required by the **Lessor** to produce it to the **Lessor**.

THE LESSOR'S COVENANTS:

Subject to the **Lessee** paying the **Lessor** the Rent, and all other charges payable under this Lease and complying with the covenants and other terms of this Lease the **Lessor** covenants with the **Lessee** to use all reasonable endeavours:

- 3.1 To permit the **Lessee** peacefully and quietly to hold and enjoy the demised premises without any interruption or disturbance from or by the **Lessor** or any person claiming under or in trust for the **Lessor**.
- 3.2 Subject to the provisions of clause 2.1.2(i) hereinbefore, to pay all existing and future land rents and other rates, taxes, assessments, impositions and outgoings, which are now payable by the **Lessor** or which may thereafter be imposed or charged on the **Lessor** in respect of the demised premises or building.
- 3.3 To apply from the relevant authorities, within a reasonable time for approvals, permits and consent for the purpose of registering the Lease Agreement.
- 3.4 To submit to the relevant authorities whenever required the Certificate of Title of the Right of Occupancy in respect of the Estate to facilitate registration of the Lease Agreement.
- 3.5 At the **Lessor's** own expense to execute all works and provide and maintain all arrangements upon or in respect of the demised premises or the use to which the demised premises are being put that are required in order to comply with the requirements of any statute (already or in the future to be passed) or directive of any government department, local authority or other public or competent authority or court of competent jurisdiction regardless of whether such requirements are imposed on the **Lessor**, the **Lessee** or any other occupier and provided that the **Lessor** shall not be responsible for matters which are the express liability of the **Lessee** or any other Tenant in the building under these presents.

4.0 GENERAL CLAUSES

The Lessor and Lessee further mutually agree and declare as follows:-

4.1 Lessor's Termination Rights:

If and whenever during the Term:-

- (a) The rent (or any other monies) due under this Lease are outstanding for thirty days after becoming due whether formally demanded or not, or
- (b) There is a breach by the **Lessee** of any covenant or other terms of this Lease; or
- (c) The **Lessor** wants the building for its own use; or
- (d) The demised premises have been eye-marked for development plans or for any reasonable reason howsoever.
- (e) **The Lessee:-**
 - (i) Enters into liquidation whether compulsory or voluntary (but not if the liquidation is for amalgamation or reconstruction of a solvent company) ;or
 - (ii) Has sold its business to a third party.
It shall be lawful for the Lessor or any person or persons duly authorised by the Lessor in that behalf to give one (1) month written notice to the Lessee of its intention to terminate the Lease and upon expiry the lessee should give vacant possession forthwith

4.2 Disputes with Occupiers of Adjoining Premises:

If any dispute arises between the **Lessee** and other **Lessees** or occupiers of the building as to any easement, right or privilege in connection with the use of the demised premises and any other part of the building or as to the boundary structures separating the demised premises from any other property the dispute shall be decided by the **Lessor** or in such manner as the **Lessor** shall reasonably direct or at the **Lessor's** option by the Surveyor acting as an expert and not as an arbitrator.

4.3 Dispute Resolution:

- 4.3.1 The parties shall attempt to resolve any dispute arising out of or relating to this contract through negotiations between senior executives of the parties, who have authority to settle the same
- 4.3.2 If the matter is not resolved by negotiation within 7 days of receipt of a written 'invitation to negotiate', the parties will attempt to resolve the dispute in good faith through an agreed **Alternative Dispute Resolution (ADR)** procedure, or in default of agreement, through an ADR procedure as recommended to the parties by the President or the Deputy President, for the time being, of the Tanzania Institute of Arbitrators.
- 4.3.3 If the matter has not been resolved by an agreed or recommended ADR procedure as stipulated in clause 4.3.2 above or if any party will not participate in such an agreed or recommended ADR procedure, within 60 days of the initiation of that procedure, the dispute may be referred to arbitration by any party. The seat of the arbitration shall be Tanzania Mainland. The arbitration shall be governed by both the **Arbitration Act 1996 and Rules** as agreed between the parties. Should the parties be unable to agree on an arbitrator or arbitrators, or be unable to agree on the Rules for Arbitration, any party may, upon giving written notice to other parties, apply to the President or the Deputy President, for the time being, of the Tanzania Institute of Arbitrators for the appointment of an Arbitrator or Arbitrators and for any decision on rules that may be necessary. Nothing in clauses 4.3.1.- 4.3.3. shall be construed as prohibiting a party or its affiliate from applying to a court for interim injunctive relief.
- 4.3.4 Should all the ADR procedure referred to in clause 4.3.1- 4.3.3 above fail to resolve the dispute within stipulated time then the parties shall submit themselves to the court of competent jurisdiction.

4.4. Grounds for review:

The Lessor shall have the right to review rent when reasonable need arise thereto. The said reasonable need shall include, but not limited to, the following:

- a) Where the Lessor will renovate the house so as to make it more habitable, modern.
- b) Where the Market Value of that particular place has changed so as to attract the increase of rent.
- c) Where that particular place has been changed in status in accordance with Governmental or Municipal order/decision.

1.5. Other General Clauses:

- (a) **Severability**
The effectiveness, invalidity or unenforceability of any provision or part thereof of this Lease Agreement shall not affect any other provisions or the remainder thereof, all of which shall remain in full force and effect.
- (b) **Waiver**
Each of the **Lessee's** covenants shall remain in full force both at law and in equity notwithstanding that the **Lessor** shall have waived or released temporarily any such covenant or waived or released temporarily or permanently, revocably or irrevocably a similar covenant or similar covenants affecting the leases with other **Lessees** of premises in the building.
- (c) The **Lessor** shall not be responsible to the **Lessee** or to anyone at the demised premises expressly or by implication with the **Lessee's** authority for any accident happening or injury suffered or for any damage to or loss of any chattel sustained in the demised premises, except to the extent that such an accident, happening, injury, damage or loss is due to the act or neglect of the **Lessor** or any person authorised by the lessor.
- (d) **Entire Agreement**
This Agreement constitutes the entire agreement and understanding between the Parties relating to the subject matter. Except as may be expressly stated in this Agreement, it super sedes and cancels all prior agreements, statements, representations, understandings, negotiations and discussions, whether oral or written, between the Parties. Each of the Parties acknowledges and agrees that in entering into this Agreement it does not rely on any statement, representation, warranty or understanding made prior to this Agreement save to the extent that such statement, representation, warranty or understanding is incorporated into this Agreement. Each of the Parties acknowledges and agrees that in entering into this Agreement it has not relied on (nor has been induced to enter into this Agreement by) any statement, representation, warranty or understanding made prior to this Agreement."
- (e) If after the **Lessee** has vacated the demised premises on the expiry of the Term any property of the **Lessee** remains in or on the demised premises and the **Lessee** fails to remove it within fourteen days after being requested in writing by the **Lessor** to do so or if after using its reasonable endeavours the **Lessor** is unable to make such a request to the **Lessee** within twenty eight days from the first attempt so made by the **Lessor**:
- (i) The **Lessor** may remove such property and keep it in a warehouse for a period of Thirty (30) days. The Lessee shall be responsible for the storage charges and any other charges in relation to the removal of such property from the demised premises to the warehouse.
 - (ii) On the expiration of Thirty (30) days stipulated above and on failure of the Lessee to turn up and collect its property together with making payment of all charges there unto, the Lessor shall have the right to take necessary legal actions and/or procedure in relation to such property.
 - (iii) If the **Lessor**, having made reasonable efforts, is unable to locate the **Lessee** the **Lessor** shall be entitled to retain such proceeds of sale absolutely unless the **Lessee** shall claim them within six months of the date upon which the **Lessee** vacated the demised premises. The Lessee shall indemnify the **Lessor** against any damage occasioned to the demised premises and any actions, claims, proceedings, costs, expenses and demands made against the **Lessor** caused by or related to the presence of the property in or on the demised premises or warehouse.

1.6 Easements and Other Rights of the Lessee:

The **Lessee** and all persons expressly or by implication authorised by it shall have the right in common with the **Lessor** and all other persons having a like right, to use the building's common parts for the purposes of access to and egress from the building and for all purposes in connection with the use and enjoyment of the demised premises including the right:-

- (a) To have access to and egress from the car park area on specific spaces allocated by the Lessor for private motorcars **PROVIDED** that the **Lessor** by a written notice may reposition or reallocate the car parking spaces for the interest of good estate management.
- (b) To use such toilets in the building reasonably proximate to the demised premises as shall be designated by the **Lessor** from time to time. (except those included within another **lessee's** demise).
- (c) To the free passage and running of electricity, telephone and other services or supplies (subject to temporary interruption for repair alteration or replacement) to and from the demised premises in and through the pipes that now or during the lease term serve the demised premises presently laid in or over or under other parts of the building or the estate.
- (d) To display in the reception area of the building a name-plate or sign in positions and of sizes to be specified by the **Lessor** showing the **Lessee's** name and any other details approved by the **Lessor** such approval not to be unreasonably withheld or delayed.

4.7 The Lessor's Right to Alter the Property

The Lessor shall be entitled at all and any times during the term of this Lease to complete, alter, repair, improve, reconstruct, rebuild, redevelop and/or add to the building and the Site (other than the Leased Premises) and for such purpose to erect scaffolding, hoardings and building equipment in, at, near or in front of the Leased Premises, as well as such devices as may be required by law or which the Architect may certify to be reasonably necessary for the protection of any person against injury arising out of the building operations, in such manner as may be reasonably necessary for the purposes of any of the works aforesaid. The Lessor shall further be entitled by itself or through its workmen or its agent to all such rights of access to any portion of the Leased Premises as may reasonably be necessary for the purpose aforesaid. In exercising its above rights the Lessor shall use its best endeavours to minimise interference with the Lessee's occupation of the Leased Premises and in particular shall not enter the Leased Premises without reasonable prior notice to the Lessee, save in the event of emergency, when immediate entry upon the Leased Premises shall be permissible. Notwithstanding the implementation of any work as contemplated herein, the Lessee shall have no right to object to such work or to claim any rebate of rental or Operating Costs nor shall the Lessee have any claim for damages or compensation as a result of the implementation of any such work.

5.0 GOVERNING LAW

This Lease shall be governed by and construed in accordance with the laws of Tanzania.

6.0 NOTICES

6.1 Any notice to be given under this Lease may be given by sending the same by post, by the quickest mail available or by telex, e-mail, telefax addressed to the party concerned at its address as given herein below:-

In the case of the Lessor:-

**The Director General,
National Housing Corporation,
P.O. Box 2977,
DAR ES SALAAM.
Tel: (022) 2851590
Fax: (022) 2851442
E-mail: dg@nhctz.com
Website: www.nhctz.com**

7.0 RENEWAL/TERMINATION CLAUSE

Break Clause

7.1 The Lease shall be terminated by either party following the revelation that any of the warrants granted by the other party to this agreement are false or have seized to be true.

7.2 Either party shall be at liberty to terminate this Lease upon giving 90 (Ninety) days notice in writing.

Termination

7.3 This lease shall terminate on the expiry of the lease Term herein reserved. Provided that the Lessee gives three (3) months written notice prior to the lease expiry of his intention to renew, and the Lessor is willing to renew the lease to the Lessee, the Lease will be renewed for a further period subject to agreement of terms and conditions between the parties.

"Force Majeure" Termination

7.4 Whenever the demised premises or any essential part thereof shall be destroyed or rendered unfit or unavailable for further tenancy through fire, vandalism, earthquake, flood, storm, war, civil disturbance, government action or other similar casualty or event beyond the Lessor's control this Lease shall, at the option of the Lessee, immediately terminate. In the case of partial destruction, damage, unfitness or incapacity, this Lease may be terminated in whole or in part at Lessee's option. Should the Lessee exercise this option, he shall provide written notice to the Lessor and no rent shall accrue to the Lessor after such termination, which shall be effective as of the date of the premises being rendered unusable.


If this Lease is terminated the Lessor shall, within forty-five (45) business days of termination, refund all advance rental payments in excess of rental liability accrued as calculated by multiplying the rental rate per day times the number of days of Lessee's occupancy under the Lease from the beginning of the current quarter, or the commencement of the Term whichever date is later, to the date of termination.

Should the Lessee elect to remain in the demised premises rendered partially untenable, the Lessor shall be obligated to proceed with all reasonable diligence and expedition to restore or repair the premises to the condition in which they were immediately prior to such destruction or damage. It is agreed that if the said repairs are made, the materials used shall be at least equal to those that existed at the time of the said damage. In this event, the Lessee shall be entitled to a proportionate reduction of rent from the day of such partial destruction until the said restoration is completed.

In addition, the Term shall be automatically extended for such period of time as may be necessary to offset any period for which the rent has been suspended under the foregoing provisions.

SEALED with the COMMON SEAL of the said
National Housing Corporation
and DELIVERED in our presence
this 23rd day of August 2013

REGIONAL MANAGER
SEAL
NATIONAL HOUSING CORPORATION
TANGA

Names : ISAYA MSHAMBA
Postal Address : P.O BOX 5041
TANGA
Qualification/Designation : REGIONAL MANAGER
Signature : 

Names : MWATUA MDUBA
Postal Address : SDUI TANGA
Qualification/Designation : HOUSING TECHNICIAN
Signature : Mshamba - 23/08/2013




SEALED with the COMMON SEAL of the said
KOMBO MOHAMED SHARIF
and DELIVERED in our presence
day of _____, 201____

SEAL

Names : KOMBO MOHAMED SHARIF K. M. Sharif
Postal Address : 16532
TANGA
Qualification/Designation : BUSINESSMAN
Signature : K. M. Sharif

Names : BRISITA G.A.
Postal Address : 97 TANGA
Qualification/Designation :
Signature : 

Confidential Copy


HAKIMU M/MWANZO NKUU
MJINI - TANGA

RENEWALS

1 The validity of this lease agreement is extended/renewed up to _____ day of _____ 20____. However, the terms and conditions of the lease agreement remain the same/has been changed as per annexure No _____ dated _____ annexed to the main lease

Lessor	Lessee
Name: _____	Name: _____
Signature: _____	Signature: _____
Qualifications: _____	Qualifications: _____
Date: _____	Date: _____
Name: _____	Name: _____
Signature: _____	Signature: _____
Qualifications: _____	Qualifications: _____
Date: _____	Date: _____

2 The validity of this lease agreement is extended/renewed up to _____ day of _____ 20____. However, the terms and conditions of the lease agreement remain the same/has been changed as per annexure No _____ dated _____ annexed to the main lease

Lessor	Lessee
Name: _____	Name: _____
Signature: _____	Signature: _____
Qualifications: _____	Qualifications: _____
Date: _____	Date: _____
Name: _____	Name: _____
Signature: _____	Signature: _____
Qualifications: _____	Qualifications: _____
Date: _____	Date: _____



*Paid Vide IRA
receipt no 01998872
21/08/03*

COMMISSIONER FOR DOMESTIC REVENUE
TANZANIA CUSTOMS AUTHORITY
P.O. BOX 1400
TANGA

[Handwritten signature]

RENEWALS

3. The validity of this lease agreement is extended/renewed up to _____ day of _____ 20____. However, the terms and conditions of the lease agreement remain the same/has been changed as per annexure No _____ dated _____ annexed to the main lease.

Lessor

Name: _____

Signature: _____

Qualifications: _____

Date: _____

Name: _____

Signature: _____

Qualifications: _____

Date: _____

Lessee

Name: _____

Signature: _____

Qualifications: _____

Date: _____

Name: _____

Signature: _____

Qualifications: _____

Date: _____

4. The validity of this lease agreement is extended/renewed up to _____ day of _____ 20____. However, the terms and conditions of the lease agreement remain the same/has been changed as per annexure No _____ dated _____ annexed to the main lease.

Lessor

Name: _____

Signature: _____

Qualifications: _____

Date: _____

Name: _____

Signature: _____

Qualifications: _____

Date: _____

Lessee

Name: _____

Signature: _____

Qualifications: _____

Date: _____

Name: _____

Signature: _____

Qualifications: _____

Date: _____

RENEWALS:

5 The validity of this lease agreement is extended/renewed up to _____ day of _____ 20____. However, the terms and conditions of the lease agreement remain the same/has been changed as per annexure No _____ dated _____ annexed to the main lease.

Lessor	Lessee
Name: _____	Name: _____
Signature: _____	Signature: _____
Qualifications: _____	Qualifications: _____
Date: _____	Date: _____
Name: _____	Name: _____
Signature: _____	Signature: _____
Qualifications: _____	Qualifications: _____
Date: _____	Date: _____

6. The validity of this lease agreement is extended/renewed up to _____ day of _____ 20____. However, the terms and conditions of the lease agreement remain the same/has been changed as per annexure No _____ dated _____ annexed to the main lease.

Lessor	Lessee
Name: _____	Name: _____
Signature: _____	Signature: _____
Qualifications: _____	Qualifications: _____
Date: _____	Date: _____
Name: _____	Name: _____
Signature: _____	Signature: _____
Qualifications: _____	Qualifications: _____
Date: _____	Date: _____

TANZANIA



Certificate of Incorporation

Section 15

No 102404

I HEREBY CERTIFY THAT

TANZANIA MATS INDUSTRIES COMPANY 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 12TH day of SEPTEMBER

TWO THOUSAND AND THIRTEEN


Asst. Registrar of Companies

M/S TANZANIA MATS INDUSTRIES COMPANY LIMITED

FEASIBILITY STUDY FOR MATS MANUFACTURING, MARKETING AND DISTRIBUTION
(LOCAL DISTRIBUTION AND EXPORT) AT PLOT NUMBER 28 / KBIX GOFU INDUSTRIAL
COMPLEX TANGA CITY.

PURPOSE: TO ACQUIRE INVESTMENT EXEMPTION CERTIFICATE FROM TANZANIA
INVESTMENT CENTRE (TIC).

PREPARED FOR:

M/s Tanzania Mats Industries Company Limited
P.O. BOX 16532
TANGA

OCTOBER 2013

1.0 EXECUTIVE SUMMARY

1.1 TANZANIA MATS INDUSTRIES COMPANY LIMITED

M/s Tanzania Mats Industries Company Limited is a newly formed company incorporated in Tanzania under the Companies Act, 2002 with certificate of incorporation number 102404 dated 12th September 2013. The company has been established to carry out the business of manufacturing, marketing & distribution of Mats and related products for local and export market. The company being the first of its kind in the country will be important in making available locally mat products which would otherwise be imported. As such clients by investing in this industry will have played vital role in stimulating economic growth in Tanzania and neighbouring countries as whole.

The investors have chosen to invest in Tanzania due to combination of factors such as:-

- i) Fast economic development in the country with GDP of USD 10.0 Billion (see the diagram below)
- ii) Geographical location which saves as a getaway to many land locked countries
- iii) Population (size of the market)
- iv) Political stability
- v) Prospective power stability

TABLE I.1. THE BROADER EAST AFRICAN MARKET

COUNTRY	POPULATION	GDP ^a	GDP PPP ^b	GDP PER CAPITA ^c	GDP PER CAPITA PPP ^d
	millions 2003	\$ billions 2003	\$ billions 2003	\$ 2003	\$ 2003
Burundi	7	0.7	4.5	139	627
Ethiopia	69	6.6	49.1	115	716
Kenya	32	13.8	33.0	320	1 035
Rwanda	8	1.6	10.4	301	1 268
Sudan	34	17.8	68.7	347	2 046
TANZANIA	36	9.9	21.9	221	611
Uganda	25	6.2	37.2	366	1 471
Zambia	10	4.3	9.2	437	883

Source: Adapted from the World Bank (2004e).

M/s Tanzania Mats Industries Company Limited is established in Tanga city with the second largest port in the country. The objective of the study is to analyze the viability of the project for acquiring TIC investment incentives under exemption law of Tanzania for the company to carry out investment project at plot no. 28 block KB-IX, Gofu Street in Tanga City worth over Tshs 4.876 billion.

The project is to be evaluated on a stand-alone basis and therefore has to meet all exemption criterions including the size of the investment, employment opportunities etc. to justify the award of the investment incentives.

The Management is committed to provide the centre with all required information to facilitate the application for the investment incentives.

The project covered here is a new establishment and the exemption required is intended to facilitate project execution. The existing shareholders and management are considering the expected exemption as very important to help the company consolidate its resources to meet the required costing of the project.

The study is aimed at enabling the directors to establish the viability of the project and thereby secure the TIC investment incentives needed to support project execution and meet other expenses related to the business.

The proposed integrated industrial development in Tanga is designed to capture the fast growing market in mats products in the country and indeed neighbouring markets in a more dynamic way. The project aims to contribute to Tanzania gaining a good reputation as a destination of international investment.

1.2 Study Objectives

1.2.1 Primary objectives

The objective of the study is to analyze the project viability for acquisition of TIC investment incentives for M/s Tanzania Mats Industries Company Limited in order to generate additional income for the company, create employment and generate income to the government authorities. The aim is to achieve the highest possible sales revenues at the lowest possible cost, while controlling leakage – **maximization of profitability.**

1.2.2 Secondary objectives

- a) To provide a quality mat products to customers via a professional staff complement that is well presented, confident, efficient, polite and willing to meet customers' needs, with an awareness of the need for personal attention.
- b) To provide high quality of products that is always well maintained, available, functioning and clean.
- c) To provide quality products and services to meet the needs of demanding local and international clientele.
- d) To develop a superior image that is relaxing and friendly while sophisticated.
- e) To provide products and services that are seen by the consumers as good value for money.
- f) To maintain a positive relationship with the local community by purchasing products and services at reasonable prices and through modest support of local activities.

1.3 Mission statement

M/s Tanzania Mats Industries Company Limited aims to provide a high standard of industrial products in Tanga city and offer the highest quality products & services to the

customers. The promoters aim to achieve and maintain maximum profitability through offering the highest standards of mat products for all sorts of business community in the industry.

The company also aims at developing complex facilities that will in the end help in job creation for many people and contribute to the government efforts of poverty eradication.

1.4 Share holding.

At present the company has three shareholders with their respective shares as shown below:-

Name of the s/holder	Share %
Mangalam green solar llp Shardanand, opp telephone Exchange, Aurangabad India	51
Al bayaan trading company Limited, Tanzania (EAC)	49
TOTAL	100

The shareholders are corporate bodies, one foreign (owning 51%) from India and another local (with 49%).

2.0 Project description

M/s Tanzania Mats Industries Company Limited has come up with the proposal of establishing a modern, well managed and marketed mats manufacturing at Gofu street industrial area in Tanga city for commercial and domestic purposes. The project involves installation of plant and machinery, renovation of the office block and storage facilities.

The project is expected to offer one of the best mat products manufacturing facilities in the area. These facilities are badly needed at the moment as the economy is rapidly opening to the foreign investments through good governance and investment laws.

The company expects to carry out mass mat products manufacturing targeting corporate customers, individuals and general public. According to the market research conducted by the company, many clients in the mats business have shown great interest of buying from the company as opposed to the importation they are making as of now. They insisted on the quality products and competitive prices as bottom line in their demand.

M/s Tanzania Mats Industries Company Limited is ambitious out of the research results and therefore is expecting to undertake this investment as soon as the TIC exemptions and investment incentives are in place.

2.1 Project implementation

M/s Tanzania Mats Industries Company Limited have estimated the project execution period to be six months which means come April 2014 the mats manufacturing in the factory will have been started.

2.2 Total Investment

The total investment cost of the project in terms of acquisition, site renovation and development, labour and other costs is Tshs 4.876 billion. The promoters' investment / contribution in the proposed investment (**TAB 2**) are TZS 2.876 billion (or 59%) own funds and TZS 2.0 Billion (or 41%) will be a five year loan from their prospective bankers or reputable financial institution.

2.3 Project Objectives

Providing modern industrial facilities designed to manufacture mats of all sorts for local and outside buyers from countries like Malawi and Zambia, Rwanda, Burundi etc.

Strategies

- a) Building up a modern industrial complex with an up to date manufacturing technology.
- b) Creating an opportunity for technology transfer through employment and training of local staff.
- c) Promoting effective local resources utilization
- d) Promoting local and foreign investments
- e) Increase the revenue to the investor, employees as well as government
- f) Increasing the availability of products and services in the society.

3.0 Project sponsors

M/s Tanzania Mats Industries Company Limited a private liability company is sponsoring the project.

3.1 Project Justification

This is the first industry of its kind in the country and indeed in the east Africa with capacity to employ over 85 permanent staff mostly locals. The company will encourage utilization of local resources available which is an important step towards growth in the domestic industrial sector.

With total investment of TZS 4.876 billion, the project will definitely provide a remarkable impact in the Tanzanian economy and employment of young graduates that will help in the poverty eradication. The project is further a step forward towards building up internal capability in making use of own resources as technology grows locally.

3.2 Office location

The company's current offices are located at plot number 28 block KB-IX Gofu Industrial area Tanga city in the north east part of the country. The location provides site for the factory, office and storage facilities.

3.3 Contact details

Contact Address

Omary Makame Omary
M/s Tanzania Mats Industries Company Limited
P.O. Box 16532
TANGA
Phone: 0716-992211

Position: Director Operation

4.0 Industry Analysis

M/s Tanzania Mats Industries Company Limited has decided to invest in fire mats manufacturing industry. This is one of the fast growing sectors of the economy probably due to the growth in other sectors of the economy as mentioned elsewhere in the study.

The need for investment in that sector becomes apparent and that why the decision by the company is a commendable one. After all this company is the first of its kind in the region with a monopoly in the manufacturing at the moment.

4.1 Future Outlook

Investment in the mats manufacturing is an important step in developing the industrial sector in the country. As the country is struggling to stabilize power supply, investors are becoming interested in investing in Tanzania.

M/s Tanzania Mats Industries Company Limited, being the long time investor in mats manufacturing (through Mangalam green solar llp Shardanand, opp telephone Exchange, Aurangabad India, a shareholder and manufacturers' of mats in India) has now decided to set up their own investment house complex.

The demand for the company's for the time being is just too high that any investment in that sector assures the investor not only quick pay back but sustainable profit. So it could be accepted that the company has made right decision at the right time to invest in the industry.

Granting TIC investment incentives to such project is worth economically as more business will be opened and it is part of their social responsibilities as society benefits out of it through employments and taxes payable to the government. Indeed the future of the project is quite bright a gives a lot of promises for investment made.

4.2 Competition.

The industry is just new and sole manufacturer in Tanzania at least by now. So far the company's products will compete against imported products as there are no other manufacturers of similar products locally. Many properties commercial and residential in the city are condemned and need to be broken down and reconstructed. So the competition in the industry as such is not severe and threatening.

The demand for such new and modern properties from business executives and public at large on the importance of such facilities is growing very fast. Frankly speaking the market guarantees unlimited opportunities in the industry eliminating effect of competition at the moment.

4.3 Market Segmentation

As manufacturers the company is targeting agents, wholesalers, corporate clients and retailers who will be in touch with the final consumers. Definitely the company will contract agents or dealers for easy distribution of their products in the market once the production starts somewhere in April – may 2014. The company is prepared to offer the products and services at an international standard targeting this class of customers.

The company is planning to charge reusable and affordable rates (without of course affecting quality and standards of products and or services offered) that will leave their clients satisfied and feel the value for the money at the same time generate good margins to the company to repay back the investment.

Under no circumstances the company is prepared to compromise on the quality of products and or services offered to jeopardize the market.

5.0 Risk Analysis

5.1 Management

The company is under the team of people highly motivated and well coordinated by Ms **Minal Nakul Chandak**, the managing director. The holder of bachelor of commerce, dynamic and visionary director. He has excellent managerial skills which makes him adaptable to any business environment. He is the one of the founders and a shareholder of Mangalam Green Solar LLP with 51% of shares. He is an overall responsible for procurement, marketing and administration functions of the company.

Of course he works on principal of delegation and places sufficient confidence on his working team. Competent staffs with varying skills and experiences are employed across the company to ensure that a lot of work is perfectly done with or without his involvement.

Every director is fully responsible for the outcome in his / her department. It quite obvious under such type of management style, the management risk is not a big deal.

The management strategy behind success is delivery of quality goods and or services and timely delivery.

5.2 Business.

The major business risk that the prospective investor could face is losing business due to poor quality goods and or services. Frankly speaking, the client's success has been through hard working, controlling and improving quality and services to the consumers' standards, which remains to be the most important company's business strategy.

5.3 Market.

The market for the mat products is growing very fast making the demand for the applicants' products and or services increasing faster than the supply of the same. Though the industry is not threatened by market risk at the moment, clients are not taking that situation for granted.

The management has worked hard using their experience, skills, exposure and they have proved beyond reasonable doubt that they could sustain competition if any. They are operating under strict high quality products and or services, prompt and timely delivery to customers as their main marketing strategy.

5.4 Competition

The level of competition from other providers of similar products and or services does not adversely affect the proposal given that:-

The client is the only manufacturer of these products in the country. They have enough experience and modern technology from India. So far they have been selling these products in Tanzania and neighbouring countries from India through various importers in the region.

High level of goodwill and customers' confidence to the company created over years of their existence is great asset to them today.

The survey conducted indicates that what suppliers are offering to the market (demand) is only 30% to 35% of the actual market demand in the housing sector.

6.0 Marketing

6.1 Marketing objectives.

The promoters recognize the importance of investing time and financial resources into the successful marketing of the company's products and or services. This will involve a heavy personal and financial input at any time.

The organization aims to achieve a well balanced marketing mix which includes an emphasis on the products and services offered; location; pricing policy; staff; and promotional activities.:

Strategies:-

- i. To maximize sales and profitability
- ii. To analyze the markets, competition and future trends;
- iii. Identify the specific needs of the target market or customers at any particular time;
- iv. Create and develop products to meet the changing needs of the customers;
- v. Determine price levels acceptable to the customers while balancing the concern with the long-term profitability of the organization;
- vi. Identify and select suitable channels through which the customers will be attracted to the organization;

6.2 Marketing strategy

6.2.1 Pricing Policy

The overall objective of the company's pricing policy is to keep prices as reasonable as possible, while maximizing profits.

Strategies:-

- a) Prices for products and services to be determined by reviewing competition and offering competitive rates;
- b) Effective positioning of the products offered to ensure customers perception of value for money, taking care not to jeopardize the overall image of the company.

6.2.2 Products and Services

Products and or services are clearly stated elsewhere in the study, but as their role in the marketing strategy is so important and unique, it is useful to indicate that awareness in this section.

6.2.3 Promotion

The purpose of advertising and promotional activities is to attract attention, create a need to customers and foster a desire and to inspire action to purchase the product and or services on offer.

6.2.4 Staff Development Policy

An integral part of M/s Tanzania Mats Industries Company Limited marketing strategy is the customer perception of service excellences. It will therefore be the company's task to ensure that all staff are equipped with necessary skills and are directly responsible for selling products and or services.

The company's human resource development policy will aim at ensuring that staff are not only adequately prepared to deliver the standards required, but are aware of their role in the overall marketing strategy.

Ms Nohamed Ally Nassor (TZ) – Director
Ms Kombo Mohamed Sharif (TZ) - Director

Brief CVs of the Key personnel.

Ms Minal Nakul Chandak

MANAGING DIRECTOR

Ms. Minal Nakul Chanda is the holder of degree in commerce and management, the share holder and one of the founder members of the Mangalam Green Solar LLP with 51% of shares, the company that is holding 51% of shares in Tanzania Mats Industries Company Limited.

She is a prominent businessman with huge experience from the field over years. With over 10 years of business experience in the Mats industry, he is in fact the pillar of the company in terms of ideas and business negotiations.

She is highly experienced with an extensive business exposure through attendance of various training, sessions, workshops and seminars. She is dynamic, flexible and visionary managing director. She is open for criticism and challenges from his staff as well as his customers.

Although he makes most of the operational decision, he respects the ideas and suggestion of his staff before reaching certain conclusion.

Ms Nakul Satyanarayan Chandak

Summary of Human Capital ability

Name	Title	Qualification	Expierience
Gaudagar Singh Lal	Managing Director	Prominent Businessman.	10 years
Ms Nakul Satyanarayan Chandak	Finance Director	Graduate in export management	20 years
Nassor Ally Nassor	Director	Graduate in Business management	15 years
Nohamed Ally Nassor	Director	Graduate in Accounts	12 Years
Kombo Mohamed Sharif	Director	Graduate in business administration	20 Years

9. ECONOMIC BENEFITS

a) Employments

The Company will create employment to Tanzanians and expatriates on this project. To begin with at least 85 workers will be employed on permanent basis.

b) Products:

Currently the average supplies of mat products manufacturing facilities are less than the average demand. With this project supply of quarry products will increase and ease constructing activities.

- c) Income to the government through taxes such as corporate Tax, P.A.Y.E, VAT etc.
- d) Reliable Supply of transport facilities with international standards to clients both local and foreigners hence contribute to the modernization of the economy.

10. ENVIRONMENT IMPACT ACCESSMENT

The business of investing in the fabrication facilities does not have any serious known environmental degradation. However the Company will conduct its activities in a manner that is not detrimental to the environment.

11. MARKET AND MARKETING ANALYSIS

The demand for mat products is very high for the time being. The Company however, will not take any thing for granted and will explore and make sure that their products and services are of high quality. Timely delivery and competitive prices are expected to be company's priority.

11.1 COMPETITION

The level of competition from other companies with similar products / services does not adversely affect the proposal. Tanga and Tanzania at large is one of the emerging and fast growing markets in the transportation sector. The market demand for the company's products is higher than supply and the company's determination is to provide quality products at reasonable and competitive prices.

11.2 CONTACT CHANNELS

The fabrication and mats manufacturing facilities will be available to individuals, companies, NGOs and general public. M/s Tanzania Mats Industries Company Limited has already contacted a number of prospective users of facilities, who have shown interest to do business with the company now and when the installation at Gofu project is completed.

12. SWOT ANALYSIS

1) Strength

The strength on the project lies in the capacity and experience of its directors and staff who have gained in managing business over years. The company through its directors and good past performances has become famous in among dealers in he industry of mat products manufacturing works in the city.

Directors are so aggressive and creative this credibility which could now easily be transferred to their other businesses and economic ventures in future. In fact this has resulted in the demand for the firm's products and services to always be on increase.

2) Weakness of the company

The client main limitation is implementation of technology in the new environment. It is agreed that technology is changing very fast. The company management is trying the best and putting some good investment in the field of technology through sponsoring staff for seminars, work shops and courses to impact them with new technology that will substantially reduce production cost and maximize profit to the company.

3) Opportunity of the company

The company has unlimited opportunities for similar project and even partnership ventures in mats manufacturing business especially in a big city such as Tanga. This is vital in technology transfer as clients have resources to buy new technology during execution of their projects.

4) Threat to the Company

The firm's products are threatened by competitors mostly the big players in the market. Clients are however proud of high quality goods and or services and prompt delivery which has given them huge credibility to their customers. Furthermore, competitive prices is added advantage for clients' efforts to overcome market competition

13. Projected Revenue

Clients have projected that in the coming 8 years the hosing facilities will generate revenue of Tshs 3.4 billion for the first financial year of operation (in 2014) and an achieve revenue collection of Tshs 12.4 billion in the year 2021. The business will break even on the first year of operation **(TAB 15)**.

At this point the operation will not give any profit to the company but will be applied in absorbing investment incurred. The projected sales revenue is presented on **(TAB 11)** of the annexure.

14. Projected variable or direct costs

The company has projected fixed or indirect costs such as estate manager sand office attendants' salaries, annual repair and maintenance costs presented on **(Tab 5A)** to range from Tshs 2.1 billion in 2014 to Tshs 2.4 billion in 2021.

15. Projected fixed or indirect costs

The company has projected fixed or indirect costs such as estate manager sand office attendants' salaries, annual repair and maintenance costs presented on **(Tab 5B)** to range from Tshs 99.5 million in 2014 to Tshs 238.2 million in 2021..

16. Pay back period

From the foregoing revenues and costing schedules, it could be deduced that the Investors will recoup (break even point) all their investment in 1 years duration **(TAB 15)**

INVESTMENT SCHEDULE:							
SN	DETAILS OF THE EXPENDITURE	UNIT COST	QUANTINTY PIECES	FINANCING ARRANGEMENT			TOTAL [US \$]
				EQUITY	LOAN	TOTAL [Tshs]	
[A]	LAND AND BUILDINGS [TSHS]:						
	Land Acquisition			0.00		0.00	-
	Buildings (Hire & development)			219,072,000.00	0.00	219,072,000.00	134,400
[B]	PLANT, MACHINERY, TOOLS & EQUIPMENTS:						
1	Type rf-2200 jacquard weaving machine (11sets)			534,966,000.00	1,500,000,000.00	2,034,966,000.00	1,248,445
2	Extruder for pp mat with inveter control (6 sets)			270,254,000.00		270,254,000.00	165,800
3	Type aw-4d warping machine with creel stand			23,472,000.00		23,472,000.00	14,400
4	Type at-100 tumbler mixer			10,432,000.00		10,432,000.00	6,400
5	Sewing machine ly2-3300 (straight)			14,099,500.00		14,099,500.00	8,650
6	Compressor (hitachi)			10,676,500.00		10,676,500.00	6,550
7	Jacquard design pattern card			36,349,000.00		36,349,000.00	22,300
8	Spare beam for 36- inch			8,997,600.00		8,997,600.00	5,520
9	Forklift			175,000,000.00		175,000,000.00	107,362
[C]	UTILITY VEHICLES						
1	Saloon Cars	15,000,000.00	2	30,000,000.00	0.00	30,000,000.00	18,405
2.	Pick-ups	18,500,000.00	2	37,000,000.00	0.00	37,000,000.00	22,699
3	Mini buses	45,000,000.00	2	90,000,000.00	0.00	90,000,000.00	55,215
4	Delivery trucks	85,000,000.00	3	255,000,000.00		255,000,000.00	156,442
5	Horses and Semi Trailers	195,000,000.00	5	975,000,000.00	500,000,000.00	1,475,000,000.00	904,908
[D]	FURNITURES, FIXTURE & FITIINGS:						
1	Refrigerators, computers & its accessories			18,650,000.00	0.00	18,650,000.00	11,442
2	Furniture & fittings	-		54,000,000.00	0.00	54,000,000.00	33,129
	Sub-total			2,762,968,600.00	2,000,000,000.00	4,762,968,600.00	2,922,066.63
[E]	PRE-OPERATIONAL EXPENSES [TSHS]:						
1.	Fuel and oil		1	8,500,000.00	0.00	8,500,000.00	5,215
2.	Feasibility Study Preparation	1,500,000	1	1,500,000.00	0.00	1,500,000.00	920
3.	Legal Documentation/Licence	6,600,000	1	6,600,000.00	0.00	6,600,000.00	4,049
4.	Directors Renumeration	2,500,000	3	7,500,000.00	0.00	7,500,000.00	4,601
5.	Salary and Wages (First Month)	2,750,000	20	55,000,000.00	0.00	55,000,000.00	33,742
6.	Electricity	-	0	4,500,000.00	0.00	4,500,000.00	2,761
7.	Casual labour	-	0	6,000,000.00	0.00	6,000,000.00	3,681
8	Bore hole pump Installation	-	0	12,000,000.00	0.00	12,000,000.00	7,362
9	Other expenses			11,500,000.00	0.00	11,500,000.00	7,055
	Sub-total			113,100,000.00	0.00	113,100,000.00	69,387
	TOTAL INVESTMENT COSTS			2,876,068,600.00	2,000,000,000.00	4,876,068,600.00	2,991,453
NB: Exchange Rate used is 1US \$ = Tshs 1,630.00				FINANCING %AGE	59.0%	41.0%	100%

KEY ASSUMPTIONS AND CONSIDERATION:						Table 1
SN	PARTICULARS	FOREX RATE	EQUIVALENCY	CONVERSION DATE	INTEREST RATE	SENSITIVITY FACTOR ****
[A]	EXCHANGE RATE:					
1.	US\$ to Tshs	1.00	1630.00000	2013		
2.	£ to Tshs	1.00	2500.00000	2013		
3.	£ to US\$	1.00	1.53374	2013		
4.	JYen to Tshs	1.00	5.02520	2013		
5.	US\$ to JYen	1.00	324.36520	2013		
[B]	INTEREST RATES:					
1.	Overdrafts				21%	
2.	Term Loan				18%	
[C]	SENSITIVITY FACTOR:					
	Used to test the projects strengths in case of changes in the exchange rate					1.00
[D]	OTHERS:					
	A margin on goods purchased is projected at:					
	Efficiency Utilisation	54.0%	65.0%	75.0%	85.0%	85.0%

PROVISIONAL LOAN REPAYMENT SCHEDULE [TSHS]:

Table 3

SN	PARTICULARS/YEARS	2013	2014	2015	2016	2017	2018
1.	Balance B/F		2,000,000,000	1,720,444,316	1,390,568,610	1,001,315,276	541,996,342
2.	Loan Disbursement	2,000,000,000					
	Interest Capitalized	0					
3.	Interest Payment during grace period	180,000,000	360,000,000	309,679,977	250,302,350	180,236,750	97,559,342
4.	Principal Payment		279,555,684	329,875,707	389,253,334	459,318,934	541,996,342
5.	Balance C/F	2,000,000,000	1,720,444,316	1,390,568,610	1,001,315,276	541,996,342	(0)
6.	Total Loan Service		639,555,684	639,555,684	639,555,684	639,555,684	639,555,684
NOTE:							
The loan repayment schedule has been prepared under the following provisional assumptions:							
1. The interest rate is as provided in Table # 1.							
2. Credit period is assumed to be 5 years.							
3. Grace period is assumed to be six months - covering activities such as loan processing, purchase of the items and equipment, and Installation activities.							
4. Repayment frequency of monthly is assumed in the proposal; as this will give the project enough time between the instalments to enable them sale minerals and be able to pay instalme							

PROJECTED PRODUCTION:				Table 6 A							Table 6		
SN	DESCRIPTION OF ITEMS	UNIT OF MEASURE	NUMBER OF TONS	AV. COST/UNIT [Tshs]	2013	2014	2015	2016	2017	2018	2019	2020	2021
1	Mats	No.	3,500.0	594,000	2,079,000,000	2,494,800,000	2,993,760,000	3,592,512,000	4,311,014,400	5,173,217,280	6,207,860,736	7,449,432,883	8,939,319,460
2.		No.			-	-	-	-	-	-	-	-	-
3.					-	-	-	-	-	-	-	-	-
4.					-	-	-	-	-	-	-	-	-
5.													
6.													
7													
	TOTAL WEIGHT FOR ONE CONTAINER (TON		40		2,079,000,000	2,494,800,000	2,993,760,000	3,592,512,000	4,311,014,400	5,173,217,280	6,207,860,736	7,449,432,883	8,939,319,460
			TOTAL [US \$ 000]		1,275,460.12	1,530,552.15	1,836,662.58	2,203,995.09	2,644,794.11	3,173,752.93	3,808,503.52	4,570,204.22	5,484,245.07

PROJECTED DIRECT EXPENSES:					Table 5A							
SN	PARTICULARS	UNIT OF MEASURE	COST/MONTH	QUANTITY	2013	2014	2015	2016	2017	2018	2019	2020
[A]	SERVICE OVERHEADS											
1.	Water Utilities	Bundles	20,000	10	400,000	408,000	416,160	424,483	432,973	441,632	450,465	459,474
2.	Electricity	Pcs of 0.018 cu meter	350	1,300	910,000	928,200	946,764	965,699	985,013	1,004,714	1,024,808	1,045,304
3.	Packing Materials	Cartoons	40,000	12	960,000	979,200	998,784	1,018,760	1,039,135	1,059,918	1,081,116	1,102,738
4.	Strings	Cartoons	25,000	12	600,000	612,000	624,240	636,725	649,459	662,448	675,697	689,211
	Sub-Total				2,870,000	2,927,400	2,985,948	3,045,667	3,106,580	3,168,712	3,232,086	3,296,728
[B]	OTHER DIRECT COSTS:											
1.	Advertisement				210,000	214,200	218,484	222,854	227,311	231,857	236,494	241,224
2.	Promotional Materials				200,000	204,000	208,080	212,242	216,486	220,816	225,232	229,737
3.	Others				14,000	14,280	14,566	14,857	15,154	15,457	15,766	16,082
4.	Mats		3,500	594,000	2,079,000,000	2,120,580,000	2,162,991,600	2,206,251,432	2,250,376,461	2,295,383,990	2,341,291,670	2,388,117,503
5.	0		-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-
	Sub-Total				2,079,424,000	2,121,012,480	2,163,432,730	2,206,701,384	2,250,835,412	2,295,852,120	2,341,769,163	2,388,604,546
	TOTAL				2,082,294,000	2,123,939,880	2,166,418,678	2,209,747,051	2,253,941,992	2,299,020,832	2,345,001,249	2,391,901,274

PROJECTED INDIRECT EXPENSES:				Table 5B							
SN	DESCRIPTION	# OF STAFF	SALARY/MONTH	2013	2014	2015	2016	2017	2018	2019	2020
[A]	PAYROLL EXPENSES:										
1.	Managing Director	1	1,200,000	14,400,000	16,560,000	18,878,400	19,067,184	22,117,933	24,993,265	29,242,120	33,628,438
2.	Marketing Manager	1	1,000,000	12,000,000	13,800,000	15,732,000	16,046,640	18,614,102	21,033,936	24,609,705	28,301,161
3.	Food technologist	1	750,000	9,000,000	10,350,000	11,799,000	12,034,980	13,960,577	15,775,452	18,457,279	21,225,870
4.	Factory Engineer	1	750,000	9,000,000	10,350,000	11,799,000	12,034,980	13,960,577	15,775,452	18,457,279	21,225,870
5.	Supervise	1	500,000	6,000,000	6,900,000	7,866,000	8,023,320	9,307,051	10,516,968	12,304,852	14,150,580
6	Drivers	7	200,000	16,800,000	19,320,000	22,024,800	22,465,296	26,059,743	29,447,510	34,453,587	39,621,625
7	Secretary/Receptionist	1	250,000	3,000,000	3,450,000	3,933,000	4,011,660	4,653,526	5,258,484	6,152,426	7,075,290
8	Guards	3	100,000	3,600,000	4,140,000	4,719,600	4,813,992	5,584,231	6,310,181	7,382,911	8,490,348
9	Casual Labourers	25	75,000	22,500,000	25,875,000	29,497,500	30,087,450	34,901,442	39,438,629	46,143,196	53,064,676
	Add Social Benefits 20%										
	Sub-Total	41	4,825,000	96,300,000	110,745,000	126,249,300	128,585,502	149,159,182	168,549,876	197,203,355	226,783,858
[B]	OTHER OVERHEADS:										
1.	Travelling expenses			140,000	168,000	201,600	241,920	290,304	348,365	418,038	501,645
2.	Postage and Telephone			15,000	18,000	21,600	25,920	31,104	37,325	44,790	53,748
3.	Printing and Stationery			50,000	60,000	72,000	86,400	103,680	124,416	149,299	179,159
4.	Taxes			500,000	600,000	720,000	864,000	1,036,800	1,244,160	1,492,992	1,791,590
5.	Insurance and Licence			200,000	240,000	288,000	345,600	414,720	497,664	597,197	716,636
6.	Fuel and other utilities			2,000,000	2,400,000	2,880,000	3,456,000	4,147,200	4,976,640	5,971,968	7,166,362
7.	Others (10% of other administrative expenses)			290,500	348,600	418,320	501,984	602,381	722,857	867,428	1,040,914
	Sub-Total			3,195,500	3,834,600	4,601,520	5,521,824	6,626,189	7,951,427	9,541,712	11,450,054
	TOTAL			99,495,500	114,579,600	130,850,820	134,107,326	155,785,371	176,501,303	206,745,067	238,233,912

PROJECTED DIRECT & INDIRECT OPERATING EXPENSES:				Table 5C			Table 8		
SN	PARTICULARS/YEARS	2013	2014	2015	2016	2017	2018	2019	2020
[A]	DIRECT EXPENSES:								
1.	Service Overhead	2,870,000	2,927,400	2,985,948	3,045,667	3,106,580	3,168,712	3,232,086	3,296,728
2.	Other Direct Overhead	2,079,424,000	2,121,012,480	2,163,432,730	2,206,701,384	2,250,835,412	2,295,852,120	2,341,769,163	2,388,604,546
3.									
4									
	Sub-total	2,082,294,000	2,123,939,880	2,166,418,678	2,209,747,051	2,253,941,992	2,299,020,832	2,345,001,249	2,391,901,274
[B]	INDIRECT EXPENSES:								
1.	Salaries and Wages	96,300,000	110,745,000	126,249,300	128,585,502	149,159,182	168,549,876	197,203,355	226,783,858
2.	Other Administrative Expenses	3,195,500	3,834,600	4,601,520	5,521,824	6,626,189	7,951,427	9,541,712	11,450,054
	Sub-total	99,495,500	114,579,600	130,850,820	134,107,326	155,785,371	176,501,303	206,745,067	238,233,912
	TOTAL	2,181,789,500	2,238,519,480	2,297,269,498	2,343,854,377	2,409,727,363	2,475,522,135	2,551,746,315	2,630,135,186

PROJECTED WORKING CAPITAL ESTIMATE:							Table 10		Table 10	
SN	PARTICULARS/YEARS	2013	2014	2015	2016	2017	2018	2019	2020	2021
[A]	CASH:									
1.	2% of total operating costs	0	-	-	-	-	-	-	-	-
[B]	DEBTORS:									
1.	2% of total revenue	0	177,147	212,577	255,092	306,110	367,333	440,799	528,959	634,751
[C]	STOCKS:									
1.	Service Overhead	2,870,000	2,927,400	2,985,948	3,045,667	3,106,580	3,168,712	3,232,086	3,296,728	-
2.	Other Direct Overhead	2,079,424,000	2,121,012,480	2,163,432,730	2,206,701,384	2,250,835,412	2,295,852,120	2,341,769,163	2,388,604,546	-
3.		0	-	-	-	-	-	-	-	-
4.		0	-	-	-	-	-	-	-	-
	Sub-total	2,082,294,000	2,124,117,027	2,166,631,254	2,210,002,143	2,254,248,103	2,299,388,165	2,345,442,048	2,392,430,232	634,751
[D]	CREDITORS:									
1.	Utilities and other staff [1 month]	3,195,500	3,834,600	4,601,520	5,521,824	6,626,189	7,951,427	9,541,712	11,450,054	-
2.	Salaries, Wages [1 month]	8,025,000	9,228,750	10,520,775	10,715,459	12,429,932	14,045,823	16,433,613	18,898,655	-
	Sub-total	11,220,500.00	13,063,350.00	15,122,295.00	16,237,282.50	19,056,120.66	21,997,249.56	25,975,324.78	30,348,709.10	-
		2,071,073,500.00	2,111,053,677.24	2,151,508,959.29	2,193,764,860.68	2,235,191,981.94	2,277,390,914.97	2,319,466,722.89	2,362,081,523.36	634,750.59
1.	TOTAL CASH	0	-	-	-	-	-	-	-	-
2.	TOTAL DEBTORS	-	177,147.24	212,576.69	255,092.02	306,110.43	367,332.52	440,799.02	528,958.82	634,750.59
3.	TOTAL STOCKS	2,082,294,000.00	2,123,939,880.00	2,166,418,677.60	2,209,747,051.15	2,253,941,992.18	2,299,020,832.02	2,345,001,248.66	2,391,901,273.63	-
4.	TOTAL CREDITORS	11,220,500.00	13,063,350.00	15,122,295.00	16,237,282.50	19,056,120.66	21,997,249.56	25,975,324.78	30,348,709.10	-
1.	CHANGE IN CASH	0	-	-	-	-	-	-	-	-
2.	CHANGE IN DEBTORS	0	177,147.24	35,429.45	42,515.34	51,018.40	61,222.09	73,466.50	88,159.80	105,791.76
3.	CHANGE IN STOCKS	0	41,645,880.00	42,478,797.60	43,328,373.55	44,194,941.02	45,078,839.84	45,980,416.64	46,900,024.97	- 2,391,901,273.63
4.	CHANGE IN CREDITORS	0	1,842,850.00	2,058,945.00	1,114,987.50	2,818,838.16	2,941,128.90	3,978,075.22	4,373,384.31	- 30,348,709.10
			43,665,877.24							

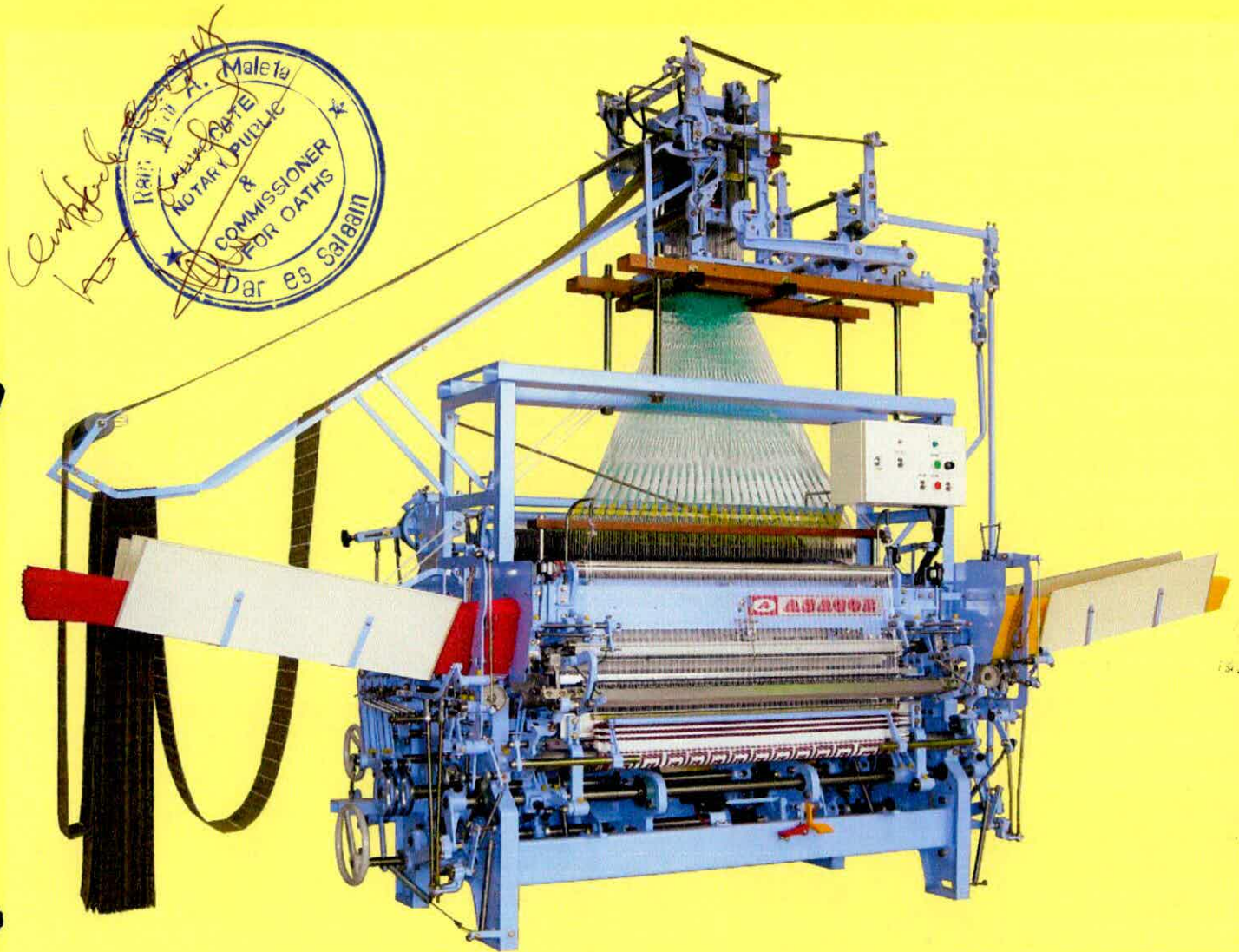
PROJECTED INCOME [TSHS]:					Table 11					Table 11
PARTICULARS/YEARS	2013	2014	2015	2016	2017	2018	2019	2020	2021	
Total Revenue	0	3,465,000,000	4,158,000,000	4,989,600,000	5,987,520,000	7,185,024,000	8,622,028,800	10,346,434,560	12,415,721,472	
LESS:										
Total Direct Costs	0	(2,082,294,000)	(2,123,939,880)	(2,166,418,678)	(2,209,747,051)	(2,253,941,992)	(2,299,020,832)	(2,345,001,249)	(2,391,901,274)	
OPERATING PROFIT	0	1,382,706,000	2,034,060,120	2,823,181,322	3,777,772,949	4,931,082,008	6,323,007,968	8,001,433,311	10,023,820,198	
LESS:										
Total Indirect Costs	0	(99,495,500)	(114,579,600)	(130,850,820)	(134,107,326)	(155,785,371)	(176,501,303)	(206,745,067)	(238,233,912)	
GROSS PROFIT	0	1,283,210,500	1,919,480,520	2,692,330,502	3,643,665,623	4,775,296,637	6,146,506,665	7,794,688,245	9,785,586,286	
LESS:										
Depreciation	0	(60,834,513)	(51,123,330)	(43,619,883)	(63,181,060)	(52,249,172)	(43,855,613)	(37,373,598)	(32,332,728)	
Interest Capitalised		0								
Interest paid		(180,000,000)	(360,000,000)	(309,679,977)	(250,302,350)	(180,236,750)	(97,559,342)	0	0	
Pre-operating Costs		0	0	0	0	0	0	0	0	
PROFIT BEFORE TAX	0	1,042,375,988	1,508,357,190	2,339,030,642	3,330,182,213	4,542,810,715	6,005,091,711	7,757,314,647	9,753,253,558	
LESS:										
Corporation Tax 20%	0	(208,475,198)	(301,671,438)	(467,806,128)	(666,036,443)	(908,562,143)	(1,201,018,342)	(1,551,462,929)	(1,950,650,712)	
PROFIT AFTET TAX	0	833,900,790	1,206,685,752	1,871,224,514	2,664,145,770	3,634,248,572	4,804,073,369	6,205,851,717	7,802,602,846	
Operating Surplus Percentage	0%	40%	49%	57%	63%	69%	73%	77%	81%	
Gross Profit Percentage	0%	37%	46%	54%	61%	66%	71%	75%	79%	
Net Profit Percentage	0%	24%	29%	38%	44%	51%	56%	60%	63%	
RETAINED EARNINGS	0	833,900,790	1,206,685,752	1,871,224,514	2,664,145,770	3,634,248,572	4,804,073,369	6,205,851,717	7,802,602,846	
CUMMULATIVE RETAINING	0	833,900,790	2,040,586,542	3,911,811,055	6,575,956,826	10,210,205,397	15,014,278,766	21,220,130,484	29,022,733,330	

PROJECTED BALANCE SHEET [TSHS]:					Table 13			Table 13	
PARTICULARS/YEARS	2013	2014	2015	2016	2017	2018	2019	2020	2021
CURRENT ASSETS:									
Cash	0	5,146,346,423	6,177,340,780	7,886,188,259	10,279,464,949	13,706,970,526	18,263,283,557	24,814,338,659	35,409,908,788
Debtors	0	177,147	212,577	255,092	306,110	367,333	440,799	528,959	634,751
Stocks	2,082,294,000	2,123,939,880	2,166,418,678	2,209,747,051	2,253,941,992	2,299,020,832	2,345,001,249	2,391,901,274	0
TOTAL CURRENT ASSETS	2,082,294,000	7,270,463,450	8,343,972,034	10,096,190,402	12,533,713,051	16,006,358,691	20,608,725,605	27,206,768,891	35,410,543,539
OTHER INVESTMENTS:									
Pre-operating Costs	0	0	0	0	0	0	0	0	0
TOTAL INVESTMENTS	0	0	0	0	0	0	0	0	0
FIXED ASSETS:									
Total Fixed Assets	0	732,117,988	680,994,657	637,374,774	675,793,713	623,544,541	579,688,928	542,315,331	509,982,603
TOTAL FIXED ASSETS	0	732,117,988	680,994,657	637,374,774	675,793,713	623,544,541	579,688,928	542,315,331	509,982,603
TOTAL ASSETS	2,082,294,000	8,002,581,438	9,024,966,691	10,733,565,176	13,209,506,765	16,629,903,232	21,188,414,533	27,749,084,222	35,920,526,142
CURRENT LIABILITIES:									
Corporation Tax	0	208,475,198	301,671,438	467,806,128	666,036,443	908,562,143	1,201,018,342	1,551,462,929	1,950,650,712
Creditors	11,220,500	13,063,350	15,122,295	16,237,283	19,056,121	21,997,250	25,975,325	30,348,709	0
TOTAL CURRENT LIABILITIES	11,220,500	221,538,548	316,793,733	484,043,411	685,092,563	930,559,392	1,226,993,667	1,581,811,638	1,950,650,712
NET ASSETS	2,071,073,500	7,781,042,890	8,708,172,958	10,249,521,765	12,524,414,202	15,699,343,839	19,961,420,866	26,167,272,584	33,969,875,430
FINANCED BY:									
Share Capital	0	0	2,876,068,600	2,876,068,600	2,876,068,600	2,876,068,600	2,876,068,600	2,876,068,600	2,876,068,600
Equity Capital	0	2,876,068,600	0	0	0	0	0	0	0
Loan Balance	0	2,000,000,000	1,720,444,316	1,390,568,610	1,001,315,276	541,996,342	(0)	(0)	(0)
Capital Reserve	0	2,071,073,500	2,071,073,500	2,071,073,500	2,071,073,500	2,071,073,500	2,071,073,500	2,071,073,500	2,071,073,500
Retaining Earnings	0	833,900,790	2,040,586,542	3,911,811,055	6,575,956,826	10,210,205,397	15,014,278,766	21,220,130,484	29,022,733,330
TOTAL EQUITY	0	7,781,042,890	8,708,172,958	10,249,521,765	12,524,414,202	15,699,343,839	19,961,420,866	26,167,272,584	33,969,875,430

EFFICIENCY RATIOS:									
Debt Equity Ratio	na	0.3	0.2	0.1	0.1	0.0	0.0	0.0	0.0
Debt Ratio	na	0.2	0.2	0.1	0.1	0.0	0.0	0.0	0.0
Debt Coverage Ratio	na	na	2.3	3.6	5.1	7.0	9.3	na	na
CREDITWORTHINESS RATIOS:									
Return on Assets	na	13.0%	16.7%	21.8%	25.2%	27.3%	28.3%	28.0%	27.2%
Return on Sales	na	43.3%	46.1%	46.5%	45.3%	43.2%	40.7%	37.3%	34.6%
Operatin Ratio	na	63.0%	53.8%	46.0%	39.1%	33.5%	28.7%	24.7%	21.2%

ASAGOE JACQUARD WEAVING MACHINE

ASAGOE *NEW* MODEL RF-2200



SPECIFICATION

Width	Speed (rpm)	Pipe Length (m)	Pipe weight (g)	Mat weight (g)	Production Capacity
36"	180 (usual) 200 (max)	1000(+10)	0.37 gram (Pipe dia. 1.6mm)	840 (Mat Size 36"W x 72"L)	8.6 (m/hr) (4.2 mats/hr)
48"	150 (usual) 165 (max)	1350(+10)	0.51 gram (Pipe dia. 1.8mm)	985 (Mat Size 48"W x 72"L)	8.4 (m/hr) (4.0 mats/hr)
60"	120 (usual) 135 (max)	1660(+20)	0.66 gram (Pipe dia. 1.8mm)	1310 (Mat Size 60"W x 72"L)	6.7 (m/hr) (3.2 mats/hr)
72"	100 (usual) 115 (max)	1970(+20)	0.81 gram (Pipe dia. 1.8mm)	1910 (Mat Size 72"W x 85"L)	5.6 (m/hr) (2.3 mats/hr)

Production Capacity is based on 100% production rate under "usual" rotation speed (recommended)

ASAGOE MACHINE MFG. CO., LTD.
950-1 Mishima Okavama City, Okavama Pref., Japan



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)

7. The intended capital investment of the Company in terms of Section 2(2) of the Act is Tshs./US\$ 4,876,068,600/-

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

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

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

I, OMARY MAMUWE OMARY of Post Office Number

..... do solemnly and sincerely declare that I am a director/duly authorized agent of TANZANIA MASS INDUSTRIES Co-LTD

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

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

The 9th day of October 2013 }

OMARY
Applicant

Before me:



APPLICATION SUMMARY

Company Name: TANZANIA MATS INDUSTRIES Co. LTD

Certificate of Incorporation Number: 1022404 **Status:** NEW

Certificate of Incorporation Date: 12th SEPT 2013

Post Box: 16532

Town: TANGA

Sector: AGRICULTURE

Sub-Sector: MANUFACTURE HOUSEHOLD

Investment Financing Plan in Million US\$/Tshs.

Foreign Equity	Local Equity	Foreign Loan	Local Loan
1,466,794,986	1,401,273,614	—	2,000.0

Project Objectives: INVESTMENT EXEMPTION TO FACILITATE MANUFACTURING OF MAT PRODUCTS

Capacity: 85

Employment: Foreign: 25 Local: 60 Total: 85

Implementation Period: SIX MONTHS

Project Location

Site/Plot/Block No.: PLOT 25 Block BM-IX GOFU AREA, TANGA

Street: GOFU AREA **District:** TANGA **Region:** TANGA

(Attach sketch map showing project location)

Shareholders	Nationality	%
MANGALA GREEN	.....	.....
SOKAR LLP	(INDIA)	51
AL-BAYAN TRADING	.....	.....
COMPANY LTD	(TANZANIA)	49

Investment Breakdown US\$/Tshs.M

Land/Building	.....219.0720.....
Plant	.....2,584,2466.....
Vehicles	.....1,887.0000.....
Furniture & Fittings	.....72.6500.....
Pre-expenses	.....36.1000.....
Others	.....11.5000.....
Working Capital	.....65.5000.....
TOTAL	.....4,876.0686.....

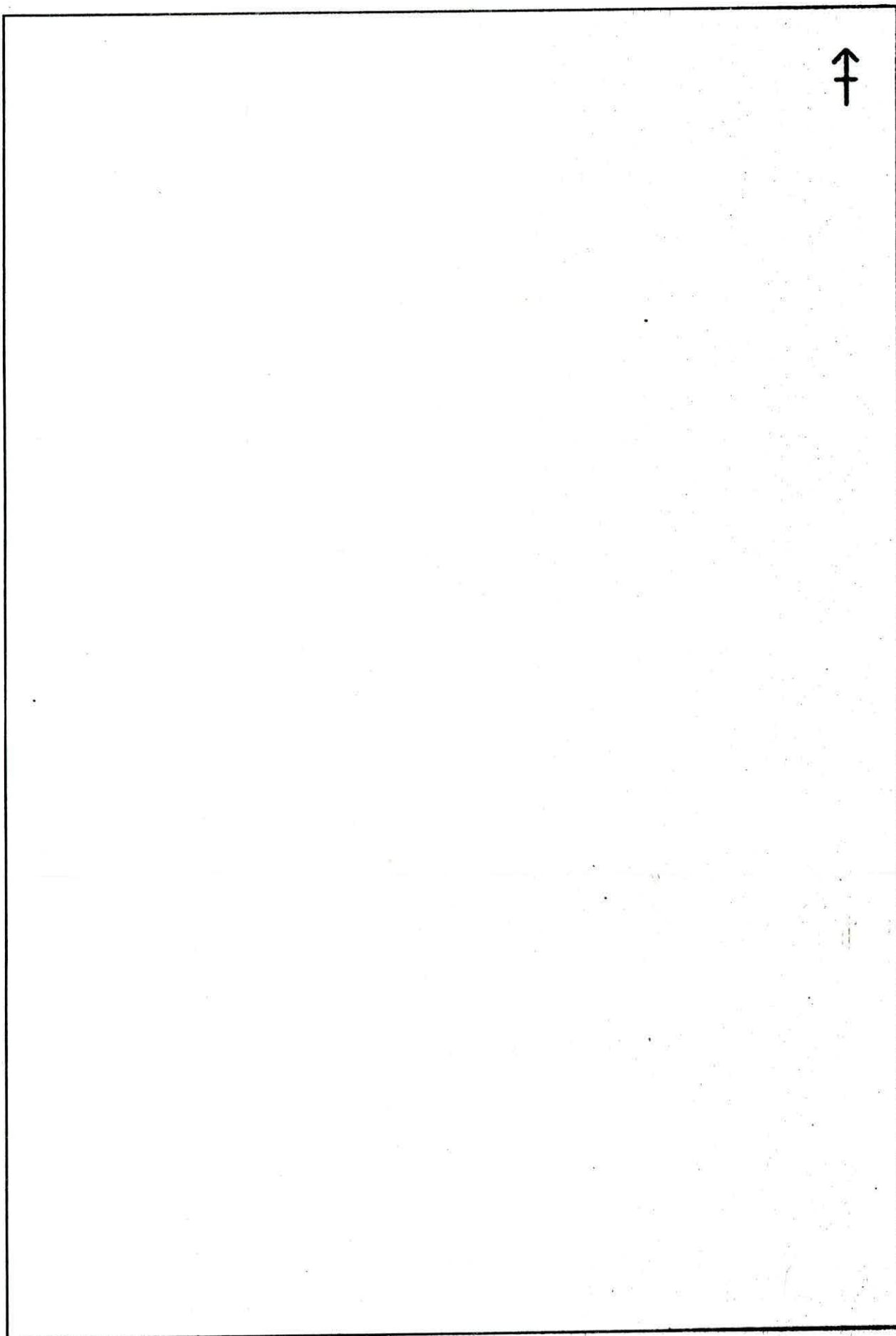
Contact Details:

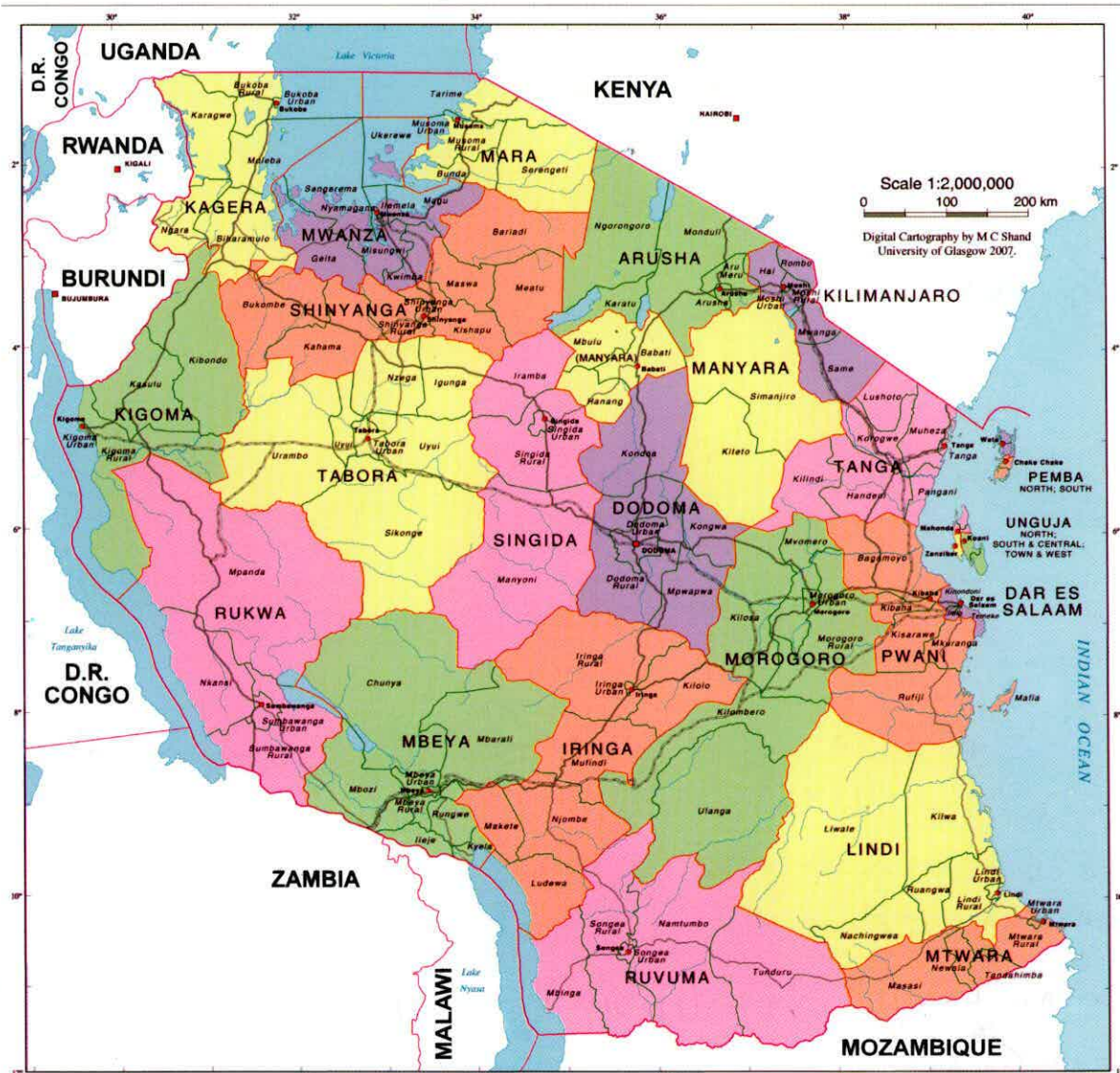
Name: OMARYU KAKAME OMARYU Title: DIRECTOR
Telephone: 0716-992211 Fax:
Email:

Payments to be made payable to:

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

SKETCH MAP SHOWING PROJECT LOCATION





TICC/PP.10/042548/3

11th October, 2013

Managing Director,
Tanzania Mats Industries Co. Ltd,
P.O. Box 16532,
Tanga.

**RE: CERTIFICATE OF INCENTIVES FOR MATS PRODUCTION FACILITY
IN TANGA**

We wish to acknowledge receipt of your project proposal to establish mats production facility as presented in the TIC P.A. 1 Form No. 11422 and Feasibility Study with a projected investment amounting to USD 3.047m.

We are pleased to inform you that your investment proposal is officially registered by TIC and therefore the project will be granted a certificate of incentives 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:-

Board resolution accompanied with 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 from BRELA showing current status of company shareholders

Also be informed you will have to submit a project implementation report in every six months for centre's information and review. Guidelines for the preparation of the report are contained in annexure attached to this letter. Please do not hesitate to contact the Centre for any clarification if the need arises. Also note that a facilitation fee equivalent to US\$ 1000.00 is payable at the ruling exchange rate prior issuance of certificate of incentives. Please make deposit direct to the bank as per bank details below:

.../2

TICC/PP.10/042548/3

11th October, 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


Abdi S. Kagomba

Ag: Executive Director

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

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

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



TIC Evaluation Report

Name of the Company
Tanzania Mats Industries Co. Ltd.

Post Box	Gofu Area, Plot No. 25 Block Bk	COI Number	102404	Contact	Mr. Omary Makame Omary
Post Office	16532	COI Date	09/12/2013	Designation	Director
Region	Tanga	Application F. No	11422	Phone	0
Country	Tanzania	Status	New	Direct Phone	0
		Sector	Manufacturing	Cell Phone	0716 99 22 11
		Sub Sector	Mt	Fax	0
		File No	042548	E-Mail Address	0

Project Location		Investment Finance Plan in Millions USD											
Plot/Block	Plot No. 25 Block BK	<table border="1"> <tr> <th>Foreign Equity</th> <th>Local Equity</th> <th>Foreign Loan</th> <th>Local Loan</th> </tr> <tr> <td>0.905</td> <td>0.87</td> <td>0</td> <td>1.272</td> </tr> </table>	Foreign Equity	Local Equity	Foreign Loan	Local Loan	0.905	0.87	0	1.272			
Foreign Equity	Local Equity		Foreign Loan	Local Loan									
0.905	0.87		0	1.272									
Street	Gofu Area												
District	Tanga												
Region	Tanga												

Shareholders Detail			Investment Breakdown (USD Million)	
Name	Nationality	(%)	Land/Building	0.13
Al-Bayan Trading Co. Ltd.	Tanzanian	49	Plant	1.6
Mangala Green Solar LLP	Indian	51	Vehicles	1.2
			Furniture & Fittings	0.044
			Pre-expenses	0.022
			Others	0.011
			Working Capital	0.04
			Total	3.047

Employment	85	Evaluated By	wf officer4
Capacity	85 per day	Drawn By	wf registry1
Project Turn Over		Project Type	Mixed(Local & Foreign)

Description

To establish mats production facility

Recommendations

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

Decision

approved as recommended.
Ag E.D
11/10/2013

M/S TANZANIA MATS INDUSTRIES COMPANY LIMITED

FEASIBILITY STUDY FOR MATS MANUFACTURING, MARKETING AND DISTRIBUTION
(LOCAL DISTRIBUTION AND EXPORT) AT PLOT NUMBER 28 / KBIX GOFU INDUSTRIAL
COMPLEX TANGA CITY.

PURPOSE: TO ACQUIRE INVESTMENT EXEMPTION CERTIFICATE FROM TANZANIA
INVESTMENT CENTRE (TIC).

PREPARED FOR:

M/s Tanzania Mats Industries Company Limited
P.O. BOX 16532
TANGA

OCTOBER 2013

1.0 EXECUTIVE SUMMARY

1.1 TANZANIA MATS INDUSTRIES COMPANY LIMITED

M/s Tanzania Mats Industries Company Limited is a newly formed company incorporated in Tanzania under the Companies Act, 2002 with certificate of incorporation number 102404 dated 12th September 2013. The company has been established to carry out the business of manufacturing, marketing & distribution of Mats and related products for local and export market. The company being the first of its kind in the country will be important in making available locally mat products which would otherwise be imported. As such clients by investing in this industry will have played vital role in stimulating economic growth in Tanzania and neighbouring countries as whole.

The investors have chosen to invest in Tanzania due to combination of factors such as:-

- i) Fast economic development in the country with GDP of USD 10.0 Billion (see the diagram below)
- ii) Geographical location which saves as a getaway to many land locked countries
- iii) Population (size of the market)
- iv) Political stability
- v) Prospective power stability

COUNTRY	POPULATION	GDP ^a	GDP PPP ^b	GDP PER CAPITA ^c	GDP PER CAPITA PPP ^d
	millions 2003	\$ billions 2003	\$ billions 2003	\$ 2003	\$ 2003
Burundi	7	0.7	4.5	139	627
Ethiopia	69	6.6	49.1	115	716
Kenya	32	13.8	33.0	320	1 035
Rwanda	8	1.6	10.4	301	1 268
Sudan	34	17.8	68.7	347	2 046
TANZANIA	36	9.9	21.9	221	611
Uganda	25	6.2	37.2	366	1 471
Zambia	10	4.3	9.2	437	883

Source: Adapted from the World Bank (2004e).

M/s Tanzania Mats Industries Company Limited is established in Tanga city with the second largest port in the country. The objective of the study is to analyze the viability of the project for acquiring TIC investment incentives under exemption law of Tanzania for the company to carry out investment project at plot no. 28 block KB-IX, Gofu Street in Tanga City worth over Tshs 4.876 billion.

The project is to be evaluated on a stand-alone basis and therefore has to meet all exemption criterions including the size of the investment, employment opportunities etc. to justify the award of the investment incentives.

The Management is committed to provide the centre with all required information to facilitate the application for the investment incentives.

The project covered here is a new establishment and the exemption required is intended to facilitate project execution. The existing shareholders and management are considering the expected exemption as very important to help the company consolidate its resources to meet the required costing of the project.

The study is aimed at enabling the directors to establish the viability of the project and thereby secure the TIC investment incentives needed to support project execution and meet other expenses related to the business.

The proposed integrated industrial development in Tanga is designed to capture the fast growing market in mats products in the country and indeed neighbouring markets in a more dynamic way. The project aims to contribute to Tanzania gaining a good reputation as a destination of international investment.

1.2 Study Objectives

1.2.1 Primary objectives

The objective of the study is to analyze the project viability for acquisition of TIC investment incentives for M/s Tanzania Mats Industries Company Limited in order to generate additional income for the company, create employment and generate income to the government authorities. The aim is to achieve the highest possible sales revenues at the lowest possible cost, while controlling leakage – **maximization of profitability.**

1.2.2 Secondary objectives

- a) To provide a quality mat products to customers via a professional staff complement that is well presented, confident, efficient, polite and willing to meet customers' needs, with an awareness of the need for personal attention.
- b) To provide high quality of products that is always well maintained, available, functioning and clean.
- c) To provide quality products and services to meet the needs of demanding local and international clientele.
- d) To develop a superior image that is relaxing and friendly while sophisticated.
- e) To provide products and services that are seen by the consumers as good value for money.
- f) To maintain a positive relationship with the local community by purchasing products and services at reasonable prices and through modest support of local activities.

1.3 Mission statement

M/s Tanzania Mats Industries Company Limited aims to provide a high standard of industrial products in Tanga city and offer the highest quality products & services to the

customers. The promoters aim to achieve and maintain maximum profitability through offering the highest standards of mat products for all sorts of business community in the industry.

The company also aims at developing complex facilities that will in the end help in job creation for many people and contribute to the government efforts of poverty eradication.

1.4 Share holding.

At present the company has three shareholders with their respective shares as shown below:-

Name of the s/holder	Share %
Mangalam green solar llp Shardanand, opp telephone Exchange, Aurangabad India	51
Al bayaan trading company Limited, Tanzania (EAC)	49
TOTAL	100

The shareholders are corporate bodies, one foreign (owning 51%) from India and another local (with 49%).

2.0 Project description

M/s Tanzania Mats Industries Company Limited has come up with the proposal of establishing a modern, well managed and marketed mats manufacturing at Gofu street industrial area in Tanga city for commercial and domestic purposes. The project involves installation of plant and machinery, renovation of the office block and storage facilities.

The project is expected to offer one of the best mat products manufacturing facilities in the area. These facilities are badly needed at the moment as the economy is rapidly opening to the foreign investments through good governance and investment laws.

The company expects to carry out mass mat products manufacturing targeting corporate customers, individuals and general public. According to the market research conducted by the company, many clients in the mats business have shown great interest of buying from the company as opposed to the importation they are making was of now. They insisted on the quality products and competitive prices as bottom line in their demand.

M/s Tanzania Mats Industries Company Limited is ambitious out of the research results and therefore is expecting to undertake this investment as soon as the TIC exemptions and investment incentives are in place.

2.1 Project implementation

M/s Tanzania Mats Industries Company Limited have estimated the project execution period to be six months which means come April 2014 the mats manufacturing in the factory will have been started.

2.2 Total Investment

The total investment cost of the project in terms of acquisition, site renovation and development, labour and other costs is Tshs 4.876 billion. The promoters' investment / contribution in the proposed investment (**TAB 2**) are TZS 2.876 billion (or 59%) own funds and TZS 2.0 Billion (or 41%) will be a five year loan from their prospective bankers or reputable financial institution.

2.3 Project Objectives

Providing modern industrial facilities designed to manufacture mats of all sorts for local and outside buyers from countries like Malawi and Zambia, Rwanda, Burundi etc.

Strategies

- a) Building up a modern industrial complex with an up to date manufacturing technology.
- b) Creating an opportunity for technology transfer through employment and training of local staff.
- c) Promoting effective local resources utilization
- d) Promoting local and foreign investments
- e) Increase the revenue to the investor, employees as well as government
- f) Increasing the availability of products and services in the society.

3.0 Project sponsors

M/s Tanzania Mats Industries Company Limited a private liability company is sponsoring the project.

3.1 Project Justification

This is the first industry of its kind in the country and indeed in the east Africa with capacity to employ over 85 permanent staff mostly locals. The company will encourages utilization of local resources available which is an important step towards growth in the domestic industrial sector.

With total investment of TZS 4.876 billion, the project will definitely provide a remarkable impact in the Tanzanian economy and employment of young graduates that will help in the poverty eradication. The project is further a step forward towards building up internal capability in making use of own resources as technology grows locally.

4.2 Competition.

The industry is just new and sole manufacturer in Tanzania at least by now. So far the company's products will compete against imported products as there are no other manufacturers of similar products locally. Many properties commercial and residential in the city are condemned and need to be broken down and reconstructed. So the competition in the industry as such is not severe and threatening.

The demand for such new and modern properties from business executives and public at large on the importance of such facilities is growing very fast. Frankly speaking the market guarantees unlimited opportunities in the industry eliminating effect of competition at the moment.

4.3 Market Segmentation

As manufacturers the company is targeting agents, wholesalers, corporate clients and retailers who will be in touch with the final consumers. Definitely the company will contract agents or dealers for easy distribution of their products in the market once the production starts somewhere in April – may 2014. The company is prepared to offer the products and services at an international standard targeting this class of customers.

The company is planning to charge reusable and affordable rates (without of course affecting quality and standards of products and or services offered) that will leave their clients satisfied and feel the value for the money at the same time generate good margins to the company to repay back the investment.

Under no circumstances the company is prepared to compromise on the quality of products and or services offered to jeopardize the market.

5.0 Risk Analysis

5.1 Management

The company is under the team of people highly motivated and well coordinated by Ms **Minal Nakul Chandak**, the managing director. The holder of bachelor of commerce, dynamic and visionary director. He has excellent managerial skills which makes him adaptable to any business environment. He is the one of the founders and a shareholder of Mangalam Green Solar LLP with 51% of shares. He is an overall responsible for procurement, marketing and administration functions of the company.

Of course he works on principal of delegation and places sufficient confidence on his working team. Competent staffs with varying skills and experiences are employed across the company to ensure that a lot of work is perfectly done with or without his involvement.

Every director is fully responsible for the outcome in his / her department. It quite obvious under such type of management style, the management risk is not a big deal.

The management strategy behind success is delivery of quality goods and or services and timely delivery.

5.2 Business.

The major business risk that the prospective investor could face is losing business due to poor quality goods and or services. Frankly speaking, the client's success has been through hard working, controlling and improving quality and services to the consumers' standards, which remains to be the most important company's business strategy.

5.3 Market.

The market for the mat products is growing very fast making the demand for the applicants' products and or services increasing faster than the supply of the same. Though the industry is not threatened by market risk at the moment, clients are not taking that situation for granted.

The management has worked hard using their experience, skills, exposure and they have proved beyond reasonable doubt that they could sustain competition if any. They are operating under strict high quality products and or services, prompt and timely delivery to customers as their main marketing strategy.

5.4 Competition

The level of competition from other providers of similar products and or services does not adversely affect the proposal given that:-

The client is the only manufacturer of these products in the country. They have enough experience and modern technology from India. So far they have been selling these products in Tanzania and neighbouring countries from India through various importers in the region.

High level of goodwill and customers' confidence to the company created over years of their existence is great asset to them today.

The survey conducted indicates that what suppliers are offering to the market (demand) is only 30% to 35% of the actual market demand in the housing sector.

6.0 Marketing

6.1 Marketing objectives.

The promoters recognize the importance of investing time and financial resources into the successful marketing of the company's products and or services. This will involve a heavy personal and financial input at any time.

The organization aims to achieve a well balanced marketing mix which includes an emphasis on the products and services offered; location; pricing policy; staff; and promotional activities.:

Strategies:-

- i. To maximize sales and profitability
- ii. To analyze the markets, competition and future trends;
- iii. Identify the specific needs of the target market or customers at any particular time;
- iv. Create and develop products to meet the changing needs of the customers;
- v. Determine price levels acceptable to the customers while balancing the concern with the long-term profitability of the organization;
- vi. Identify and select suitable channels through which the customers will be attracted to the organization;

6.2 Marketing strategy

6.2.1 Pricing Policy

The overall objective of the company's pricing policy is to keep prices as reasonable as possible, while maximizing profits.

Strategies:-

- a) Prices for products and services to be determined by reviewing competition and offering competitive rates;
- b) Effective positioning of the products offered to ensure customers perception of value for money, taking care not to jeopardize the overall image of the company.

6.2.2 Products and Services

Products and or services are clearly stated elsewhere in the study, but as their role in the marketing strategy is so important and unique, it is useful to indicate that awareness in this section.

6.2.3 Promotion

The purpose of advertising and promotional activities is to attract attention, create a need to customers and foster a desire and to inspire action to purchase the product and or services on offer.

6.2.4 Staff Development Policy

An integral part of M/s Tanzania Mats Industries Company Limited marketing strategy is the customer perception of service excellences. It will therefore be the company's task to ensure that all staff are equipped with necessary skills and are directly responsible for selling products and or services.

The company's human resource development policy will aim at ensuring that staff are not only adequately prepared to deliver the standards required, but are aware of their role in the overall marketing strategy.

2.1 Project implementation

M/s Tanzania Mats Industries Company Limited have estimated the project execution period to be six months which means come April 2014 the mats manufacturing in the factory will have been started.

2.2 Total Investment

The total investment cost of the project in terms of acquisition, site renovation and development, labour and other costs is Tshs 4.876 billion. The promoters' investment / contribution in the proposed investment (**TAB 2**) are TZS 2.876 billion (or 59%) own funds and TZS 2.0 Billion (or 41%) will be a five year loan from their prospective bankers or reputable financial institution.

2.3 Project Objectives

Providing modern industrial facilities designed to manufacture mats of all sorts for local and outside buyers from countries like Malawi and Zambia, Rwanda, Burundi etc.

Strategies

- a) Building up a modern industrial complex with an up to date manufacturing technology.
- b) Creating an opportunity for technology transfer through employment and training of local staff.
- c) Promoting effective local resources utilization
- d) Promoting local and foreign investments
- e) Increase the revenue to the investor, employees as well as government
- f) Increasing the availability of products and services in the society.

3.0 Project sponsors

M/s Tanzania Mats Industries Company Limited a private liability company is sponsoring the project.

3.1 Project Justification

This is the first industry of its kind in the country and indeed in the east Africa with capacity to employ over 85 permanent staff mostly locals. The company will encourage utilization of local resources available which is an important step towards growth in the domestic industrial sector.

With total investment of TZS 4.876 billion, the project will definitely provide a remarkable impact in the Tanzanian economy and employment of young graduates that will help in the poverty eradication. The project is further a step forward towards building up internal capability in making use of own resources as technology grows locally.

3.2 Office location

The company's current offices are located at plot number 28 block KB-IX Gofu Industrial area Tanga city in the north east part of the country. The location provides site for the factory, office and storage facilities.

3.3 Contact details

Contact Address

Omary Makame Omary
M/s Tanzania Mats Industries Company Limited
P.O. Box 16532
TANGA
Phone: 0716-992211

Position: Director Operation

4.0 Industry Analysis

M/s Tanzania Mats Industries Company Limited has decided to invest in fire mats manufacturing industry. This is one of the fast growing sectors of the economy probably due to the growth in other sectors of the economy as mentioned elsewhere in the study.

The need for investment in that sector becomes apparent and that why the decision by the company is a commendable one. After all this company is the first of its kind in the region with a monopoly in the manufacturing at the moment.

4.1 Future Outlook

Investment in the mats manufacturing is an important step in developing the industrial sector in the country. As the country is struggling to stabilize power supply, investors are becoming interested in investing in Tanzania.

M/s Tanzania Mats Industries Company Limited, being the long time investor in mats manufacturing (through Mangalam green solar llp Shardanand, opp telephone Exchange, Aurangabad India, a shareholder and manufacturers' of mats in India) has now decided to set up their own investment house complex.

The demand for the company's for the time being is just too high that any investment in that sector assures the investor not only quick pay back but sustainable profit. So it could be accepted that the company has made right decision at the right time to invest in the industry.

Granting TIC investment incentives to such project is worth economically as more business will be opened and it is part of their social responsibilities as society benefits out of it through employments and taxes payable to the government. Indeed the future of the project is quite bright a gives a lot of promises for investment made.

The long-term objective of the policy is to develop second-line staff to carry out some of these functions or as vital backup during crisis. Staff training and development will be on continuous and a regular in-house training basis.

6.2.5 Anticipated Competitor response

M/s Tanzania Mats Industries Company Limited is anticipating that as the company carries out expansion or growth, competitors will respond by reviewing their pricing policy. They may also improve their own marketing strategy through attempts at repositioning their product offering, both in terms of pricing and promotional activities.

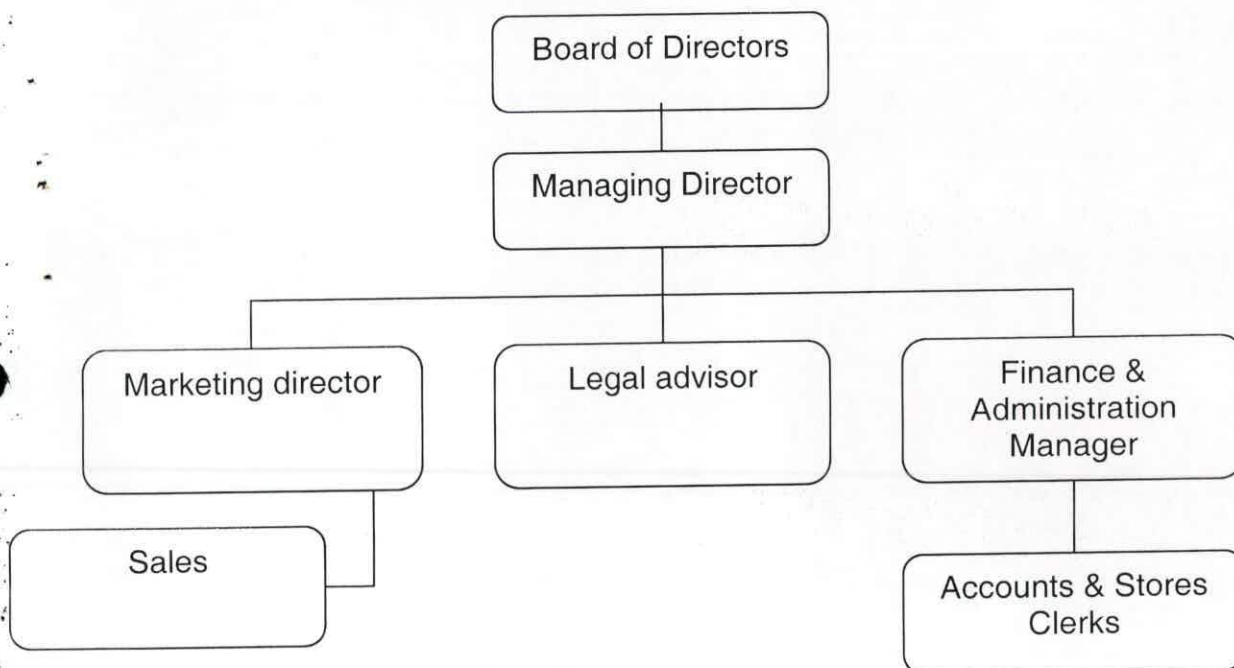
The company is committed towards providing a level of service and products standards that is superior to those offered by most of the competitors

7.0 Management Structure

The company management structure is as shown below:-

ORGANIZATIONAL STRUCTURE

The organization structure of the Company is depicted here below:-



8. BOARD OF THE DIRECTORS

The policy decisions of M/s Tanzania Mats Industries Company Limited will be vested in the Board of Directors. The Board of the Directors consists of:

- Ms Minal Nakul Chandak (India) - MD
- Ms Nakul Satyanarayan Chandak (India) - Director
- Ms Nassor Ally Nassor (TZ) – Director

Ms Nohamed Ally Nassor (TZ) – Director
Ms Kombo Mohamed Sharif (TZ) - Director

Brief CVs of the Key personnel.

Ms Minal Nakul Chandak

MANAGING DIRECTOR

Ms. Minal Nakul Chanda is the holder of degree in commerce and management, the share holder and one of the founder members of the Mangalam Green Solar LLP with 51% of shares, the company that is holding 51% of shares in Tanzania Mats Industries Company Limited.

She is a prominent businessman with huge experience from the field over years. With over 10 years of business experience in the Mats industry, he is in fact the pillar of the company in terms of ideas and business negotiations.

She is highly experienced with an extensive business exposure through attendance of various training, sessions, workshops and seminars. She is dynamic, flexible and visionary managing director. She is open for criticism and challenges from his staff as well as his customers.

Although he makes most of the operational decision, he respects the ideas and suggestion of his staff before reaching certain conclusion.

Ms Nakul Satyanarayan Chandak

Summary of Human Capital ability

Name	Title	Qualification	Expirience
Gaudagar Singh Lal	Managing Director	Prominent Businessman.	10 years
Ms Nakul Satyanarayan Chandak	Finance Director	Graduate in export management	20 years
Nassor Ally Nassor	Director	Graduate in Business management	15 years
Nohamed Ally Nassor	Director	Graduate in Accounts	12 Years
Kombo Mohamed Sharif	Director	Graduate in business administration	20 Years

9. ECONOMIC BENEFITS

a) Employments

The Company will create employment to Tanzanians and expatriates on this project. To begin with at least 85 workers will be employed on permanent basis.

b) Products:

Currently the average supplies of mat products manufacturing facilities are less than the average demand. With this project supply of quarry products will increase and ease constructing activities.

- c) Income to the government through taxes such as corporate Tax, P.A.Y.E, VAT etc.
- d) Reliable Supply of transport facilities with international standards to clients both local and foreigners hence contribute to the modernization of the economy.

10. ENVIRONMENT IMPACT ACCESSMENT

The business of investing in the fabrication facilities does not have any serious known environmental degradation. However the Company will conduct its activities in a manner that is not detrimental to the environment.

11. MARKET AND MARKETING ANALYSIS

The demand for mat products is very high for the time being. The Company however, will not take any thing for granted and will explore and make sure that their products and services are of high quality. Timely delivery and competitive prices are expected to be company's priority.

11.1 COMPETITION

The level of competition from other companies with similar products / services does not adversely affect the proposal. Tanga and Tanzania at large is one of the emerging and fast growing markets in the transportation sector. The market demand for the company's products is higher than supply and the company's determination is to provide quality products at reasonable and competitive prices.

11.2 CONTACT CHANNELS

The fabrication and mats manufacturing facilities will be available to individuals, companies, NGOs and general public. M/s Tanzania Mats Industries Company Limited has already contacted a number of prospective users of facilities, who have shown interest to do business with the company now and when the installation at Gofu project is completed.

12. SWOT ANALYSIS

1) Strength

The strength on the project lies in the capacity and experience of its directors and staff who have gained in managing business over years. The company through its directors and good past performances has become famous in among dealers in he industry of mat products manufacturing works in the city.

Directors are so aggressive and creative this credibility which could now easily be transferred to their other businesses and economic ventures in future. In fact this has resulted in the demand for the firm's products and services to always be on increase.

2) Weakness of the company

The client main limitation is implementation of technology in the new environment. It is agreed that technology is changing very fast. The company management is trying the best and putting some good investment in the field of technology through sponsoring staff for seminars, work shops and courses to impact them with new technology that will substantially reduce production cost and maximize profit to the company.

3) Opportunity of the company

The company has unlimited opportunities for similar project and even partnership ventures in mats manufacturing business especially in a big city such as Tanga. This is vital in technology transfer as clients have resources to buy new technology during execution of their projects.

4) Threat to the Company

The firm's products are threatened by competitors mostly the big players in the market. Clients are however proud of high quality goods and or services and prompt delivery which has given them huge credibility to their customers. Furthermore, competitive prices is added advantage for clients' efforts to overcome market competition

13. Projected Revenue

Clients have projected that in the coming 8 years the hosing facilities will generate revenue of Tshs 3.4 billion for the first financial year of operation (in 2014) and an achieve revenue collection of Tshs 12.4 billion in the year 2021. The business will break even on the first year of operation (**TAB 15**).

At this point the operation will not give any profit to the company but will be applied in absorbing investment incurred. The projected sales revenue is presented on (**TAB 11**) of the annexure.

14. Projected variable or direct costs

The company has projected fixed or indirect costs such as estate manager sand office attendants' salaries, annual repair and maintenance costs presented on (**Tab 5A**) to range from Tshs 2.1 billion in 2014 to Tshs 2.4 billion in 2021.

15. Projected fixed or indirect costs

The company has projected fixed or indirect costs such as estate manager sand office attendants' salaries, annual repair and maintenance costs presented on (**Tab 5B**) to range from Tshs 99.5 million in 2014 to Tshs 238.2 million in 2021..

16. Pay back period

From the foregoing revenues and costing schedules, it could be deduced that the Investors will recoup (break even point) all their investment in 1 years duration (**TAB 15**)

17. Conclusion

Analysis has revealed that the proposed project is technically feasible, financially and economically viable and socially beneficial. Therefore the fast implementation of the project is strongly recommended. The basis of recommendation being supported by the following facts:-

- i. General demand for the company's products and or services is high and keeps on increasing.
- ii. There is potential income to the developer, employees (salaries), central government and Municipalities (taxes and levies).

INVESTMENT SCHEDULE:							
SN	DETAILS OF THE EXPENDITURE	UNIT COST	QUANTINTY PIECES	FINANCING ARRANGEMENT			TOTAL [US \$]
				EQUITY	LOAN	TOTAL [Tshs]	
[A]	LAND AND BUILDINGS [TSHS]:						
	Land Acquisition			0.00		0.00	-
	Buildings (Hire & development)			219,072,000.00	0.00	219,072,000.00	134,400
[B]	PLANT, MACHINERY, TOOLS & EQUIPMENTS:						
1	Type rf-2200 jacquard weaving machine (11sets)			534,966,000.00	1,500,000,000.00	2,034,966,000.00	1,248,445
2	Extruder for pp mat with inveter control (6 sets)			270,254,000.00		270,254,000.00	165,800
3	Type aw-4d warping machine with creel stand			23,472,000.00		23,472,000.00	14,400
4	Type at-100 tumbler mixer			10,432,000.00		10,432,000.00	6,400
5	Sewing machine ly2-3300 (straight)			14,099,500.00		14,099,500.00	8,650
6	Compressor (hitachi)			10,676,500.00		10,676,500.00	6,550
7	Jacquard design pattern card			36,349,000.00		36,349,000.00	22,300
8	Spare beam for 36- inch			8,997,600.00		8,997,600.00	5,520
9	Forklift			175,000,000.00		175,000,000.00	107,362
[C]	UTILITY VEHICLES						
1	Saloon Cars	15,000,000.00	2	30,000,000.00	0.00	30,000,000.00	18,405
2.	Pick-ups	18,500,000.00	2	37,000,000.00	0.00	37,000,000.00	22,699
3	Mini buses	45,000,000.00	2	90,000,000.00	0.00	90,000,000.00	55,215
4	Delivery trucks	85,000,000.00	3	255,000,000.00		255,000,000.00	156,442
5	Horses and Semi Trailers	195,000,000.00	5	975,000,000.00	500,000,000.00	1,475,000,000.00	904,908
[D]	FURNITURES, FIXTURE & FITTINGS:						
1	Refrigerators, computers & its accessories			18,650,000.00	0.00	18,650,000.00	11,442
2	Furniture & fittings	-		54,000,000.00	0.00	54,000,000.00	33,129
	Sub-total			2,762,968,600.00	2,000,000,000.00	4,762,968,600.00	2,922,066.63
[E]	PRE-OPERATIONAL EXPENSES [TSHS]:						
1.	Fuel and oil		1	8,500,000.00	0.00	8,500,000.00	5,215
2.	Feasibility Study Preparation	1,500,000	1	1,500,000.00	0.00	1,500,000.00	920
3.	Legal Documentation/Licence	6,600,000	1	6,600,000.00	0.00	6,600,000.00	4,049
4.	Directors Renumeration	2,500,000	3	7,500,000.00	0.00	7,500,000.00	4,601
5.	Salary and Wages (First Month)	2,750,000	20	55,000,000.00	0.00	55,000,000.00	33,742
6.	Electricity	-	0	4,500,000.00	0.00	4,500,000.00	2,761
7.	Casual labour	-	0	6,000,000.00	0.00	6,000,000.00	3,681
8	Bore hole pump Installation	-	0	12,000,000.00	0.00	12,000,000.00	7,362
9	Other expenses			11,500,000.00	0.00	11,500,000.00	7,055
	Sub-total			113,100,000.00	0.00	113,100,000.00	69,387
	TOTAL INVESTMENT COSTS			2,876,068,600.00	2,000,000,000.00	4,876,068,600.00	2,991,453
NB: Exchange Rate used is 1US \$ = Tshs 1.630.00			FINANCING %AGE	59.0%	41.0%	100%	

Table 1

KEY ASSUMPTIONS AND CONSIDERATION:						
SN	PARTICULARS	FOREX RATE	EQUIVALENCY	CONVERSION DATE	INTEREST RATE	SENSITIVITY FACTOR ****
[A]	<u>EXCHANGE RATE:</u>					
1.	US\$ to Tshs	1.00	1630.00000	2013		
2.	£ to Tshs	1.00	2500.00000	2013		
3.	£ to US\$	1.00	1.53374	2013		
4.	JYen to Tshs	1.00	5.02520	2013		
5.	US\$ to JYen	1.00	324.36520	2013		
[B]	<u>INTEREST RATES:</u>					
1.	Overdrafts				21%	
2.	Term Loan				18%	
[C]	<u>SENSITIVITY FACTOR:</u>					
	Used to test the projects strengths in case of changes in the exchange rate					1.00
[D]	<u>OTHERS:</u>					
	A margin on goods purchased is projected at:					
	Efficiency Utilisation	54.0%	65.0%	75.0%	85.0%	85.0%

PROVISIONAL LOAN REPAYMENT SCHEDULE [TSHS]:						Table 3	
SN	PARTICULARS/YEARS	2013	2014	2015	2016	2017	2018
1.	Balance B/F		2,000,000,000	1,720,444,316	1,390,568,610	1,001,315,276	541,996,342
2.	Loan Disbursement	2,000,000,000					
	Interest Capitalized	0					
3.	Interest Payment during grace period	180,000,000	360,000,000	309,679,977	250,302,350	180,236,750	97,559,342
4.	Principal Payment		279,555,684	329,875,707	389,253,334	459,318,934	541,996,342
5.	Balance C/F	2,000,000,000	1,720,444,316	1,390,568,610	1,001,315,276	541,996,342	(0)
6.	Total Loan Service		639,555,684	639,555,684	639,555,684	639,555,684	639,555,684
NOTE:							
The loan repayment schedule has been prepared under the following provisional assumptions:							
1. The interest rate is as provided in Table # 1.							
2. Credit period is assumed to be 5 years.							
3. Grace period is assumed to be six months - covering activities such as loan processing, purchase of the items and equipment, and Installation activities.							
4. Repayment frequency of monthly is assumed in the proposal; as this will give the project enough time between the instalments to enable them sale minerals and be able to pay instalme							

PROJECTED PRODUCTION:				Table 6 A							Table 6		
SN	DESCRIPTION OF ITEMS	UNIT OF MEASURE	NUMBER OF TONS	AV. COST/UNIT [Tshs]	2013	2014	2015	2016	2017	2018	2019	2020	2021
1.	Mats	No.	3,500.0	594,000	2,079,000,000	2,494,800,000	2,993,760,000	3,592,512,000	4,311,014,400	5,173,217,280	6,207,860,736	7,449,432,883	8,939,319,460
2.		No.			-	-	-	-	-	-	-	-	-
3.					-	-	-	-	-	-	-	-	-
4.					-	-	-	-	-	-	-	-	-
5.													
6.													
7.													
	TOTAL WEIGHT FOR ONE CONTAINER (TON)		40		2,079,000,000	2,494,800,000	2,993,760,000	3,592,512,000	4,311,014,400	5,173,217,280	6,207,860,736	7,449,432,883	8,939,319,460
			TOTAL [US \$ 000]		1,275,460.12	1,530,552.15	1,836,662.58	2,203,995.09	2,644,794.11	3,173,752.93	3,808,503.52	4,570,204.22	5,484,245.07

Table 5A

PROJECTED DIRECT EXPENSES:												
SN	PARTICULARS	UNIT OF MEASURE	COST/MONTH	QUANTITY	2013	2014	2015	2016	2017	2018	2019	2020
[A]	SERVICE OVERHEADS											
1.	Water Utilities	Bundles	20,000	10	400,000	408,000	416,160	424,483	432,973	441,632	450,465	459,474
2.	Electricity	Pcs of 0.018 cu meter	350	1,300	910,000	928,200	946,764	965,699	985,013	1,004,714	1,024,808	1,045,304
3.	Packing Materials	Cartoons	40,000	12	960,000	979,200	998,784	1,018,760	1,039,135	1,059,918	1,081,116	1,102,738
4.	Strings	Cartoons	25,000	12	600,000	612,000	624,240	636,725	649,459	662,448	675,697	689,211
	Sub-Total				2,870,000	2,927,400	2,985,948	3,045,667	3,106,580	3,168,712	3,232,086	3,296,728
[B]	OTHER DIRECT COSTS:											
1.	Advertisement				210,000	214,200	218,484	222,854	227,311	231,857	236,494	241,224
2.	Promotional Materials				200,000	204,000	208,080	212,242	216,486	220,816	225,232	229,737
3.	Others				14,000	14,280	14,566	14,857	15,154	15,457	15,766	16,082
4.	Mats		3,500	594,000	2,079,000,000	2,120,580,000	2,162,991,600	2,206,251,432	2,250,376,461	2,295,383,990	2,341,291,670	2,388,117,503
5.	0		-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-
	Sub-Total				2,079,424,000	2,121,012,480	2,163,432,730	2,206,701,384	2,250,835,412	2,295,852,120	2,341,769,163	2,388,604,546
	TOTAL				2,082,294,000	2,123,939,880	2,166,418,678	2,209,747,051	2,253,941,992	2,299,020,832	2,345,001,249	2,391,901,274

PROJECTED INDIRECT EXPENSES:				Table 5B							
SN	DESCRIPTION	# OF STAFF	SALARY/MONTH	2013	2014	2015	2016	2017	2018	2019	2020
[A]	PAYROLL EXPENSES:										
1.	Managing Director	1	1,200,000	14,400,000	16,560,000	18,878,400	19,067,184	22,117,933	24,993,265	29,242,120	33,628,438
2.	Marketing Manager	1	1,000,000	12,000,000	13,800,000	15,732,000	16,046,640	18,614,102	21,033,936	24,609,705	28,301,161
3.	Food technologist	1	750,000	9,000,000	10,350,000	11,799,000	12,034,980	13,960,577	15,775,452	18,457,279	21,225,870
4.	Factory Engineer	1	750,000	9,000,000	10,350,000	11,799,000	12,034,980	13,960,577	15,775,452	18,457,279	21,225,870
5.	Supervise	1	500,000	6,000,000	6,900,000	7,866,000	8,023,320	9,307,051	10,516,968	12,304,852	14,150,580
6.	Drivers	7	200,000	16,800,000	19,320,000	22,024,800	22,465,296	26,059,743	29,447,510	34,453,587	39,621,625
7.	Secretary/Receptionist	1	250,000	3,000,000	3,450,000	3,933,000	4,011,660	4,653,526	5,258,484	6,152,426	7,075,290
8.	Guards	3	100,000	3,600,000	4,140,000	4,719,600	4,813,992	5,584,231	6,310,181	7,382,911	8,490,348
9.	Causal Labourers	25	75,000	22,500,000	25,875,000	29,497,500	30,087,450	34,901,442	39,438,629	46,143,196	53,064,676
	Add Social Benefits 20%										
	Sub-Total	41	4,825,000	96,300,000	110,745,000	126,249,300	128,585,502	149,159,182	168,549,876	197,203,355	226,783,858
[B]	OTHER OVERHEADS:										
1.	Travelling expenses			140,000	168,000	201,600	241,920	290,304	348,365	418,038	501,645
2.	Postage and Telephone			15,000	18,000	21,600	25,920	31,104	37,325	44,790	53,748
3.	Printing and Stationery			50,000	60,000	72,000	86,400	103,680	124,416	149,299	179,159
4.	Taxes			500,000	600,000	720,000	864,000	1,036,800	1,244,160	1,492,992	1,791,590
5.	Insurance and Licence			200,000	240,000	288,000	345,600	414,720	497,664	597,197	716,636
6.	Fuel and other utilities			2,000,000	2,400,000	2,880,000	3,456,000	4,147,200	4,976,640	5,971,968	7,166,362
7.	Others (10% of other administrative expenses)			290,500	348,600	418,320	501,984	602,381	722,857	867,428	1,040,914
	Sub-Total			3,195,500	3,834,600	4,601,520	5,521,824	6,626,189	7,951,427	9,541,712	11,450,054
	TOTAL			99,495,500	114,579,600	130,850,820	134,107,326	155,785,371	176,501,303	206,745,067	238,233,912

PROJECTED DIRECT & INDIRECT OPERATING EXPENSES:					Table 5C	Table 8			
SN	PARTICULARS/YEARS	2013	2014	2015	2016	2017	2018	2019	2020
[A]	DIRECT EXPENSES:								
1.	Service Overhead	2,870,000	2,927,400	2,985,948	3,045,667	3,106,580	3,168,712	3,232,086	3,296,728
2.	Other Direct Overhead	2,079,424,000	2,121,012,480	2,163,432,730	2,206,701,384	2,250,835,412	2,295,852,120	2,341,769,163	2,388,604,546
3.									
4.									
	Sub-total	2,082,294,000	2,123,939,880	2,166,418,678	2,209,747,051	2,253,941,992	2,299,020,832	2,345,001,249	2,391,901,274
[B]	INDIRECT EXPENSES:								
1.	Salaries and Wages	96,300,000	110,745,000	126,249,300	128,585,502	149,159,182	168,549,876	197,203,355	226,783,858
2.	Other Administrative Expenses	3,195,500	3,834,600	4,601,520	5,521,824	6,626,189	7,951,427	9,541,712	11,450,054
	Sub-total	99,495,500	114,579,600	130,850,820	134,107,326	155,785,371	176,501,303	206,745,067	238,233,912
	TOTAL	2,181,789,500	2,238,519,480	2,297,269,498	2,343,854,377	2,409,727,363	2,475,522,135	2,551,746,315	2,630,135,186

PROJECTED WORKING CAPITAL ESTIMATE:		Table 10						Table 10		
SN	PARTICULARS/YEARS	2013	2014	2015	2016	2017	2018	2019	2020	2021
[A]	CASH:									
1.	2% of total operating costs	0	-	-	-	-	-	-	-	-
[B]	DEBTORS:									
1.	2% of total revenue	0	177,147	212,577	255,092	306,110	367,333	440,799	528,959	634,751
[C]	STOCKS:									
1.	Service Overhead	2,870,000	2,927,400	2,985,948	3,045,667	3,106,580	3,168,712	3,232,086	3,296,728	-
2.	Other Direct Overhead	2,079,424,000	2,121,012,480	2,163,432,730	2,206,701,384	2,250,835,412	2,295,852,120	2,341,769,163	2,388,604,546	-
3		0	-	-	-	-	-	-	-	-
4		0	-	-	-	-	-	-	-	-
	Sub-total	2,082,294,000	2,124,117,027	2,166,631,254	2,210,002,143	2,254,248,103	2,299,388,165	2,345,442,048	2,392,430,232	634,751
[D]	CREDITORS:									
1.	Utilities and other staff [1 month]	3,195,500	3,834,600	4,601,520	5,521,824	6,626,189	7,951,427	9,541,712	11,450,054	-
2.	Salaries, Wages [1 month]	8,025,000	9,228,750	10,520,775	10,715,459	12,429,932	14,045,823	16,433,613	18,898,655	-
	Sub-total	11,220,500.00	13,063,350.00	15,122,295.00	16,237,282.50	19,056,120.66	21,997,249.56	25,975,324.78	30,348,709.10	-
		2,071,073,500.00	2,111,053,677.24	2,151,508,959.29	2,193,764,860.68	2,235,191,981.94	2,277,390,914.97	2,319,466,722.89	2,362,081,523.36	634,750.59
1.	TOTAL CASH	0	-	-	-	-	-	-	-	-
2.	TOTAL DEBTORS	-	177,147.24	212,576.69	255,092.02	306,110.43	367,332.52	440,799.02	528,958.82	634,750.59
3.	TOTAL STOCKS	2,082,294,000.00	2,123,939,880.00	2,166,418,677.60	2,209,747,051.15	2,253,941,992.18	2,299,020,832.02	2,345,001,248.66	2,391,901,273.63	-
4.	TOTAL CREDITORS	11,220,500.00	13,063,350.00	15,122,295.00	16,237,282.50	19,056,120.66	21,997,249.56	25,975,324.78	30,348,709.10	-
1.	CHANGE IN CASH	0	-	-	-	-	-	-	-	-
2.	CHANGE IN DEBTORS	0	177,147.24	35,429.45	42,515.34	51,018.40	61,222.09	73,466.50	88,159.80	105,791.76
3.	CHANGE IN STOCKS	0	41,645,880.00	42,478,797.60	43,328,373.55	44,194,941.02	45,078,839.84	45,980,416.64	46,900,024.97	2,391,901,273.63
4.	CHANGE IN CREDITORS	0	1,842,850.00	2,058,945.00	1,114,987.50	2,818,838.16	2,941,128.90	3,978,075.22	4,373,384.31	30,348,709.10
			43,665,877.24							

PROJECTED INCOME [TSHS]:					Table 11					Table 11
PARTICULARS/YEARS	2013	2014	2015	2016	2017	2018	2019	2020	2021	
Total Revenue	0	3,465,000,000	4,158,000,000	4,989,600,000	5,987,520,000	7,185,024,000	8,622,028,800	10,346,434,560	12,415,721,472	
LESS:										
Total Direct Costs	0	(2,082,294,000)	(2,123,939,880)	(2,166,418,678)	(2,209,747,051)	(2,253,941,992)	(2,299,020,832)	(2,345,001,249)	(2,391,901,274)	
OPERATING PROFIT	0	1,382,706,000	2,034,060,120	2,823,181,322	3,777,772,949	4,931,082,008	6,323,007,968	8,001,433,311	10,023,820,198	
LESS:										
Total Indirect Costs	0	(99,495,500)	(114,579,600)	(130,850,820)	(134,107,326)	(155,785,371)	(176,501,303)	(206,745,067)	(238,233,912)	
GROSS PROFIT	0	1,283,210,500	1,919,480,520	2,692,330,502	3,643,665,623	4,775,296,637	6,146,506,665	7,794,688,245	9,785,586,286	
LESS:										
Depreciation	0	(60,834,513)	(51,123,330)	(43,619,883)	(63,181,060)	(52,249,172)	(43,855,613)	(37,373,598)	(32,332,728)	
Interest Capitalised		0								
Interest paid		(180,000,000)	(360,000,000)	(309,679,977)	(250,302,350)	(180,236,750)	(97,559,342)	0	0	
Pre-operating Costs		0	0	0	0	0	0	0	0	
PROFIT BEFORE TAX	0	1,042,375,988	1,508,357,190	2,339,030,642	3,330,182,213	4,542,810,715	6,005,091,711	7,757,314,647	9,753,253,558	
LESS:										
Corporation Tax	0	(208,475,198)	(301,671,438)	(467,806,128)	(666,036,443)	(908,562,143)	(1,201,018,342)	(1,551,462,929)	(1,950,650,712)	
20%										
PROFIT AFTET TAX	0	833,900,790	1,206,685,752	1,871,224,514	2,664,145,770	3,634,248,572	4,804,073,369	6,205,851,717	7,802,602,846	
Operating Surplus Percentage	0%	40%	49%	57%	63%	69%	73%	77%	81%	
Gross Profit Percentage	0%	37%	46%	54%	61%	66%	71%	75%	79%	
Net Profit Percentage	0%	24%	29%	38%	44%	51%	56%	60%	63%	
RETAINED EARNINGS	0	833,900,790	1,206,685,752	1,871,224,514	2,664,145,770	3,634,248,572	4,804,073,369	6,205,851,717	7,802,602,846	
CUMMULATIVE RETAINING	0	833,900,790	2,040,586,542	3,911,811,055	6,575,956,826	10,210,205,397	15,014,278,766	21,220,130,484	29,022,733,330	

EFFICIENCY RATIOS:									
Debt Equity Ratio	na	0.3	0.2	0.1	0.1	0.0	0.0	0.0	0.0
Debt Ratio	na	0.2	0.2	0.1	0.1	0.0	0.0	0.0	0.0
Debt Coverage Ratio	na	na	2.3	3.6	5.1	7.0	9.3	na	na
CREDITWORTHINESS RATIOS:									
Return on Assets	na	13.0%	16.7%	21.8%	25.2%	27.3%	28.3%	28.0%	27.2%
Return on Sales	na	43.3%	46.1%	46.5%	45.3%	43.2%	40.7%	37.3%	34.6%
Operatin Ratio	na	63.0%	53.8%	46.0%	39.1%	33.5%	28.7%	24.7%	21.2%

