



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

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PP. 10 / 042473

AGROSERVE

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# MINUTE SHEET

Dokezo  
No.

1.0

**EXD**

Approved  10/07/13

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

- (a) Minimum finance investment threshold has been exceeded, the project expects to invest ..U.S.\$...0.22.m.....
- (b) Legal entity has been incorporated under certificate

No. ....99320..... of....16/05/2013.....

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**

27<sup>th</sup> June, 2013

# MINUTE SHEET

Dokezo  
No.



Kamahungu Industrial Area, P.O Box 129, Karagwe,  
Kagera-Tanzania .

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**A BUSINESS PLAN FOR THE SUPER MAIZE MEAL MILLING  
PROJECT PRESENTED TO TIB BANK LTD FOR  
FINANCING CONSIDERATION UNDER THE  
AGRICLUTURAL LOANS FACILITY**

**Project Key Summary.**

- I. Name of Business Owner:** Deo P.MWOMBEKI, Trading as AGROLinks
- II. Investment Capital** TZS 315,000,000
- Current Status** (in development- 65% Completed)
- TOTAL INVESTMENT COSTS** TZS 315,000,000
- III. Purpose of Investment:** Establishment of a modern complete Maize Milling Project with Milling Capacity of 1,000 Kg/hour (24t/day), to be used in producing white Super Maize Meal Flour for human consumption , together with by products as animal feeds. Through this investment we add the Value on the Grains (Maize) and improve the profitability in our Grain Trading Business, providing a reliable and fair Market for the small Maize producers in the Region.
- IV. Investment Pay Back Period:** 5 Years ( One year of Preparation inclusive).
- V. Location of the Project:** Karagwe district , Kamahungu Industrial Area, along Kayanga-Omurushaka Road (Opposite to KDCU Coffee Hulling Factory).

A Registered Business in Tanzania No. 214922 under Ordinance (Cap.213)

## 1.0 Executive Summary

### a) Business Concept

Mr Deo P.Mwombeki , Trading as **AGROLinks**, is proposing a maize mill to service the Karagwe district and other parts of the Kagera region and beyond, including export to food insecure parts of neighbor countries of Burundi and Rwanda , taking advantage the East Africa Common Market. AGROLinks is registered Buisness Name, with experience in the Grains Trading of over five years. The investment proposed is to improve the Business productivity and profitability through adding the Value on the Grains that it is involved in Marketing , mainly Maize. Other grains market where AGROLinks has been playing a key part in the trade chain are Sorghum, Beans , Soy beans and other cereals produced in the region and beyond.

**AGROLinks** is a legally established Trade Name , **registered in 21<sup>st</sup> December 2009 with registration number 214922, under the Business Names (Registration) Ordinance (Cap 213).**

AGROLinks is registered to operate and run its business in Tanzania and its Offices are based at its own premises located at Kayanga township, Kamahungu Industrial Area in Karagwe district, Kagera region. Its founder and sole proprietor is Mr. Deo P.Mwombeki, a pro Farmers Community Organization founder and Agro-trading promoter in the region.

In this proposed Investment, AGROLinks will buy maize and produce fine maize meal with bran as a by-product. Current maize flours consumed in the district and in most parts of Kagera region see as much as a 15-20% cost increase due to transportation surcharges and import taxes as most if it imported from Uganda and as far as from Musoma in Mara region. The produced end product will be a fully de-germed meal from which most of the bran and germ have been removed ( about 100 tons of by products that are sold for animal feeding).

Super Maize meal flour in Kagera is s currently trucked in from the only Super meal maize milling plant in the Lake zone, located in Musoma somer 1,200 km away return trip , and some smuggled in from Uganda, causing a price increase of the maize meal sold in Karagwe and whole of Kagera for between TZS 23,000 and 25,000 (around 20%) more than the going rate in Mwanza, Kahama or Musoma.

In addition other benefits of the new investment in this project, it will stimulates maize production in the region, further diversifying the supply of food for the rural and urban population, and introduces new skills and technology in the milling industry to the Region.

## b) Financial Features

**AGROLinks** estimates to be processing some 500,000-700,000 Kgs of maize grains annually to produce some 15,000 bags @ 25Kg of white fine Super maize meal. The produced end product will be a fully de-germed, low fat Super Maize meal from which most of the bran and germ have been removed and which is also designated as **Â Super** and **Super sifted meals**. Peak sales season is October through March, when there is an acute drop in banana production in the region, and general shortages of food supply in many parts of the Lake zone, and the whole country.

Five Years investment capital is estimated at 315 TZS Million. Startup operation expenses are estimated at TZS 50 Million, with Milling Equipment, machineries buildings costing some TZS 125 Million. The Project buildings and other Office tools have already costs the investor some TZS 65 Million to date. Transport equipments (Trucks) further are expecting to cost the project some TZS 60 Million.

## c) Management

**AGROLinks** will seek and place hired services of experienced entrepreneurial and technical based management team from similar projects in Tanzania and where needed from neighboring Uganda, where Maize mills projects have been successful ventures among the Small and Medium Enterprise investments in East Africa block.

- a) **Mr. Deo P.Mwombeki**, a Holder of **BSc. Agriculture**(Majoring in Agricultural Economics), will oversee the over all Project, responsible for Strategic Planning and Financing.
- b) Mr. Jasson Tibenda, a holder of Diploma in Accountancy and experienced business accountant, will run the Project accounts and book keeping systems.
- c) Ms Zalida Festus, an experienced entrepreneur, brings to the table years of marketing and supply chains in grains and food markets. He will be assisted by Mr.Joram Bachukwita, another experienced Marketing clerk, with experience in Commodity storage and stock control.
- d) Mr. Deus Ngobya, an experienced Machine fitter, will be responsible of the general machinery and equipment operation. As part of the purchase agreement, the equipment supplier (KINGOAL Machinery LTD) is sending an expert to come with the machinery for installation and training of the Local operators. This training will add to the specific technical skills required in running and maintaining of the machineries.
- e) Five other support staff will be employed as full time employees when the project takes off, with other 6-8 casual laborers on daily basis.
- f) **Quality Control-** At the start a Hired expertise/consultancy service, who brings milling expertise and industry connections to the project. A local trainee will be identified to take over.

**Ownership** of this project is 100% to Mr.Deo P.Mwombeki & Partners who trades as AGROLinks in this project. As the project grows, it may attract shareholders from interested parties, who could inject additional capital to the project for expansion.

#### **d) Partnerships**

**AGROLinks** will strive to form mutually beneficial partnerships with local Maize producing farmers. Farmers will receive more favorable prices for their crops while **AGROLinks** saves significantly on transportation costs. In this investment, **AGROLinks** seeks to partner with any entity that is ready to invest for a joint venture ownership of this business, be it a local or foreign investor, who is ready to make contribution towards increasing the capital required for this enterprise. Through a sister organization **IDEAS**, **AGROLinks** will be able to reach and support a network of maize producers groups whom the mill will enter agreement with for contracting production of maize grains for supplying the factory requirements for processing it into Super maize meal.

#### **e) CAPITAL Requirement**

**Deo P.Mwombeki**, trading as **AGROLinks**, is planning to invest some **TZS 300-320 TZS Million** to this project, with some 125 TZS million already invested to the project in financing the acquisition of the modern milling equipment required for this project and buildings for the project. **AGROLinks** plans to leverage this funding with TZS 45,000,000 from Bank loan to injected into this project to leverage the operation expenses, mainly in the purchases of grains and other required supplies.

The Project building to house the mill and the product inventory is already in place, fully furnished and connected with electricity power, that is fundamental requirement in running of the milling equipment. Part of the Own equity and additional funding will be used for inventory purchases and operational expenses. The external (bank) funding when sought will be intending to reduce the financial burdens to the project proprietor and provide for a much quicker path to profitability.

#### **f) Project Social and Economic Benefits**

With current high maize meal prices and frequent shortages in the region, **AGROLinks** Mill will provide a quality affordable maize meal product and assure year round supply to consumers. Local farmers will also save costs by delivering their maize produce to a local mill for sale at a competitive price and get assured of the market for their maize crop.

Similarly more local farmers and land owners would be able to enter into contracting farming with a local mill that can buy their produce at a pre agreed price. This will stimulate the local economy and increase Karagwe District cash flow and improved livelihood of the local community.

## **2.0 Business Profile**

### **2.1. The Business**

#### **2.1.1 Goals and Objectives**

**Mission Statement** – **AGROLinks** will produce maize meal in the whole region of Kagera and beyond in order to reduce the retail price of maize meal in this outlying area.

**Vision Statement** -AGROLinks will strive to stimulate and support long term economic growth and increased cash flow of the local population of Karagwe district.

**0-18 month goals** – This is the startup period where the milling infrastructure will be built. This includes building of facilities, ordering and installation of a maize mill equipment, installation of electricity hookups, procuring maize sources, and the training of staff on operations and maintenance. Full operation will start during the first harvesting season of **year 2013 (May/June)**.

**Three year goals** – With positive cash flow AGROLinks will turn its focus on growth through farmers and consumers involvement.

AGROLinks will work with prospectus non utilized local property (land) owners to encourage them enter into semi-commercial farming and thus gaining additional maize sources. Karagwe district currently produces between 25-30,000 ton of Maize grain annually, and has the potential of producing over 40,000 tons with a support to the small scale farmers in terms of good quality seeds and improved extension services.

**Five year goals** – Malnutrition is a widespread problem throughout rural area of Tanzania AGROLinks intends to tackle this problem directly by working with the World Soy Institute, and other local institutions and related government agencies to develop a vitamin and soy protein enriched maize meal.

### **3.0. Products and Service**

AGROLinks Mill will purchase maize from local farmers and produce high quality fine maize meal. Maize will be purchased from local farmers in the Karagwe district and beyond in any quantities. The maize is typically received bagged in a 50 Kg bags. Maize will be stored until processed. Once processed, the meal will be bagged in a labeled 25kg bags and transported for sale to the markets. The grade of the meal is determined by the finished product's fineness. Degermed meal from which most of the bran and germ have been removed is the first grade meal and which is also designated as "super"

### **3.1. Type of Business**

**AGROLinks** is a legally established Trade Name, registered in 21<sup>st</sup> December 2010 with registration number 214922, under the **Business Names (Registration) Ordinance (Cap 213)**.

AGROLinks, is a Trade name registered to operate and run its business based at premises located at Kayanga township, Kamahungu Industrial Area in Karagwe district, Kagera region. Its founder and sole proprietor is Mr. Deo P.Mwombeki, a pro Farmers Community Organization founder and Agro-trading promoter in the region.

During operation the mill will require 3 to 5 full time personnel during the off and peak seasons to run at full capacity. These workers will be hired and trained prior to the commencement of the mill operations. The facility will be located at Plot Kamahungu Industrial Area, opposite Karagwe District Coop Society Coffee curing factory.

. The mill is expected to be fully operational by the next year first Maize harvesting season in **May 2013**.

Sales will be divided roughly 75% / 25% between wholesale and retail.

### **3.2. The Maize Milling Industry in Tanzania**

#### **3.2.1 Sector Description**

Tanzania Milling Sector History -Since maize meal prices were decontrolled during the late 80s to early 1990's, the milling industry has enjoyed a much more competitive market structure with smaller milling operations gaining ground against prior monopolies by state owned corporation (NMC).

#### **3.2.2 . Competition**

There are two categories of mills in Tanzania: small scale mills that only serve their immediate communities and large scale mills that sell their product throughout the country, with potential to export to food deficit neighbour countries of Burundi, Rwanda and even to Southern Sudan.

With no other medium sized local mills that can produce finer **SUPER maize meals**, the only competitors are those in Uganda, whose products finds their ways through unofficial routes by smuggling into our area. The only internal competitor products are those from Musoma Food Mills, that is found in the market in our region. Considering the transport costs and costs of bribing for smuggled meals from Uganda, our proposed mill maize meals products will be able to compete in terms of price and win a large share of the market, provided the quality is maintained, which we are prepared to control and maintain from the start of the production of this Mill.

We are prepared to spend significantly on marketing and enjoy customer brand recognition. We are located in areas of established infrastructure and communication system, and have strong relationships with maize producers, grain traders and outlets.

We have prepared to reach all consumers, even serving those remote locations. We have acquired own 10 ton Truck, which will be specifically assigned for distribution of the products to all corners of the markets.

#### **3.2.3 Competitive Advantage**

As the only medium scale mill in the Kagra region, AGROLinks Mill offers the following advantages over external competitors:

- **Location** – AGROLinks Mill is able to facilitate frequent deliveries assuring constant availability. Being local also saves transportation costs.
- **Product Quality** – There is currently no quality control enforcement in the maize meal in Tanzania. Larger mills do occasionally produce poor quality meal due to negligence or simply as a result of processing large volumes of product. Given the manageable size of the proposed AGROLinks mill, such quality control can be performed regularly as needed without any difficulties.

· **Local Knowledge** – Traditional maize marketing channels in Kagera consists of: Producer -Grain Trader -Milling Agent -Retailer -Consumer.

With sister development organization IDEAS having a close ties with local farmers in the Kagera region, AGROLiks will be able to buy maize directly from farmers, without the use of grain traders intermediaries, as well as sell roughly 50% of the product independent of retailers.

### **3.3. Market Characteristics**

Kagera traditionally used to rely on banana as the staple diet. In the past ten years or so, the banana production became fluctuating in part of the year (November through March). Also with increasing threats from diseases such as banana wilt which has invaded the region from neighboring Uganda, Maize flour meals has even become more important element in the diet of the population of Kagera region than before. In some other parts of the region (e.g Biharamulo and Ngara), maize may account for 50-65 per cent of the total calorie intake of the population.

An average family in this region, with 5-7 adults would normally consume around 3000 Kg of maize meal per year, with banana diets making a large portion of the family meals (about 60%). The maize meal is also commonly used for making soft porridge for breakfast, hard porridge (Ugali) for lunch and dinner with various side dishes. In the urban and township centres of the region, a 25Kg bag of maize meal means food security for an average family for 3-4 weeks and is their first priority when receiving a salary.

#### **3.3.1 Local Target Market**

Kagera region has a has a combined population of around 2.3 million people.

The region has well developed roads infrastructure and connected to telephone services, and some internet services, which further provide good environment supporting business and marketing for the products locally produced. Kagera receives much trough traffic from Mwanza and Kahama, which are among the largest commercial towns in the Lake zone part of Tanzania. The region has well connection roads to neighbor countries of Uganda, Rwanda and Burundi, which provides potential markets for the milled food products from this region.

This mill, will well sell its products directly to the fishing and livestock keeping communities, who traditionally are not involved in farming but sourcing their food from the markets, and these communities diets constitutes up to 85-90% maize derived meals hence a good target of AGROLiks Milled maize meals.

Institutions like public and private Secondary schools, as well as hospitals, prisons and others will be vigorously chased to buy from our mills, as they are among the largest consumers of the maize derived meals in the region and the country.

· **Other Outlets** -There are several small shops in the local area that can serve as retail outlets and who will benefit from AGROLiks delivery as they rely on public transportation to Kahama and Mwanza to buy for their stores.

· From the Mill to the Public –AGROLinks will also incorporate a small outlet at the mill premises to supply the immediate surrounding customers of Kayanga and Omurushaka township, and other small whole buyers from across the district and elsewhere.

### **3.3.2 By-product Market**

A maize mill produces bran as a by-product. Not fit for human consumption, maize bran is a nutritious component of livestock feeds and is even used by some farmers as a complete replacement for expensive livestock feeds. A 75-80 Kg Bags of maize bran (Pumba) currently sells for TZS 18-20,000, which is around 25% of the price of the same weight in maize meal. The demand for this product is always high in Kagera region, as the region is among the largest zero grazing producers of Dairy cattle in Tanzania. With some semi-commercial fattening small ranch now mushrooming business in the region, especially among the ranch block owners In Karagwe and Misenyi districts, the demand and market for the animal feeds are very much expanding.

In Karagwe district alone there are several small scale cattle and chicken feed suppliers that currently have to drive to Kahama and beyond regularly (up to Over 900 kms return trip) in order to buy maize bran for sale at their retail animal feed shops.

### **3.4. Industry Dynamics**

#### **3.4.1 Sales Fluctuations**

Seasonal Fluctuations -Throughout rural Kagera region, farmers plant small areas of maize around their huts to supply most of their needs. After drying and cleaning the maize they grind it into a rough maize meal with small diesel powered milling units called hammer mills in their rural areas. This practice effectively removes these sustenance farmers from the commercial maize meal demand, temporarily.

However, every year between October through March there is again a sharp increase in demand for milled maize as these farmers once again start relying on commercial packed meal. This is due to the fact during this period, normally there is an acute shortage of banana supply in the region as most of the banana plants are regenerating after a brief dry months of June-August, and most of the mature banana are ripen and plantain thereafter are left without mature banana for own use or selling.

-Also rural farmers do not have access to adequate storage facilities for their maize. If there is a big surplus of maize during the harvesting season (February) most or all of it might spoil because of rain and high humidity, and opt to sell the surplus normally at lower prices, and later buying it at almost double costs when there is already deficit in the market.

The demand for commercial meal once again drops in May through August every year when people again start harvesting their own crops. Also during this period there is normally overproduction of banana in their plantains.

In all eight district headquarter towns of the Kagera region, with a mix of residents from across the country, majority of them being civil servants estimated at over 35,000, this section of the population does not grow own crop and they solely rely on commercial meals to supply their family diets.

## 4.0 Climate Surrounding The Project investment

**4.1 Political Climate** -Tanzania is one of the few countries in Southern Africa that never had to win its independence through warfare, and 50 years of independence have been of peace and tranquility ..

This peaceful aspect of Tanzania development as an independent African country is visible in its economy and socio-political system today.

Tanzania is currently enjoying the presence of many foreign investors in various sectors of the economy, although still very little has focused in Agro-processing industries.

With the current government program of boosting Agricultural production through its **KILIMO Kwanza** initiatives, the production of Maize is expected to increase like many other major cash and food crops, and hence assurance of supply to our project.

Tanzania is a democracy with healthy opposition to its ruling party. Freedom of speech is protected and exercised. The current positive political situation, provide the prolific investment atmosphere .

**4.2 Natural Climate** -There are two main seasons in the Kagera region, like many other parts of the Lake Victoria regions.

The long rainy season (September through December), and the short rains season (March through May), both of the seasons providing sufficient rains for the growth of Maize along with legumes, which provide the bulk of the grains produced in the region.

## 5.0. The Market .

### 5.1. Target Market

The target market is the Kagera region with a population of over 2.3 million people, with about 65 ,000 being in the townships across the eight districts that forms the region. These township residents , whose majority are the civil servants, are the primary target of the project products, as they sorely depend on the market food to supply for their family diets needs. In additional , there is another 500,000 rural residents, especially in those areas where communities do not have access to reliable supply of own gown food , such as the livestock producers and fishing communities. Biharamulo, Chato and Ngara have population that do not grow banana, and hence depends on grains for the large portion of their diets and will fully supplied with the project products.

The production area is well connected by all weather roads networks, that allow supply of the raw materials and transportation of the products to various market places.

The project products are positioned to reach as far markets as the towns of Kahama, Shinyanga , Mwanza and Kigoma as the production levels will be allowing. Food deficit regions of the neighboring countries of Burundi and Rwanda will be vigorously chased to take advantage of the opened opportunities under the East Africa Common market initiatives.

## 5.2. Marketing Plan

**Product Use and Benefit:** AGROLinks Mill will be filling a need within the Kagera region that is inherent to its remote and outlying location. AGROLinks will provide a lower priced product as it will be locally produced. AGROLinks will also ensure a high quality product with consistent availability.

**Price Point:** Maize meal (roller meal) in Kagera, currently retails at TZS 23,000, 10,000 and 5,000 per 25kg, 10Kg and 5 Kg bag respectively. This price is on average between TZS 4,000 and TZS 5,500 more than retail prices in Mwanza and Shinyanga due to the added transportation costs. As a local mill, AGROLinks will provide super maize meal to this market without the transportation surcharges allowing for a whole sale price of TZS 19,500 -20,000 per 25 Kg. AGROLinks Mill will also offer some retail sales its selected sales points to cater the needs of the isolated residents. The whole sale will be determined to allow the typical 13-15% retail markup. At this price point with a quality product market acceptance is assured.

**Sales Channels:** Sales are divided roughly 75% / 25% between wholesale and retail. All retail sales and wholesale sales will be mostly cash sales except for a few large accounts with outlets who will receive net 30 days payment terms.

**Marketing:** Due to limited advertising media, AGROLinks will promote its product through direct sales calls to businesses and retails outlets. Maize meal is a staple food and product of importance and word of mouth advertising will account for a large portion of the general public's product awareness. By providing a quality product at a fair price, AGROLinks is virtually removing all barriers to product acceptance. The brand name and logo "**Super Star Maize Meal**", with a Swahili phrase "**Unga wa Mahindi wa Supa**".

**Customer Relations:** Having the capacity to deliver maize meal directly to retailers and businesses will allow us to create and sustain healthy relations with our customers. This is an important aspect in ensuring continued business with them.

**Local Knowledge:** The normal maize marketing channels in Karagwe consists of: **Producer → Grain Trader → Milling Agent → Retailer → Consumer**. Our farmers support partner organization IDEAS, has close ties with several small scale maize producers, as well as direct links with some large sized consumers, notably a number of local livestock and fishing communities, whom it has been working with in several development projects in Kagera region. With our sister organization extensive local contact base and knowledge of the area we would be able to acquire all our maize without using grain traders and a large percentage of our product (estimated 25-30%) will be sold independent of retailers.

**Market for By-products** A by-product of such milling plants as we intend to install is maize bran. Not fit for human consumption, maize bran makes an excellent replacement for expensive livestock feeds. 70-75kg Bags of maize bran currently sell for TZS 20,000-22,500, which is around 38% of the price of the same weight in roller meal. The demand for this product is always high in Kagera region, with **cattle fattening and zero grazing well embraced by local small and new semi-commercial**

farmers in Kagera, as animal feeds are very expensive and there are so many livestock farmers. In Karagwe and Misenyi districts alone there are several small and medium scale cattle and chicken farmers that currently drive to Kahama and Mwanza regularly (up to 600 away) in order to buy maize bran.

## **6.0. Description of Product and Business Operations**

### **6.1. Product Manufacture/Service Provision**

Maize milling is the process where dried maize kernels are refined to maize meal. The maize milling process is a mechanical process and consists of cleaning, grinding and sieving operations. After each sieving operations, product of a particular quality is drawn and the residue is recycled for further grinding or milling.

**Equipment / Facilities:** The production of maize meal requires a maize mill. The mill is constructed of various parts each responsible for performing functions such as sorting, cleaning, conveying, conditioning, grinding, crushing, purifying, and bagging. The mill will be housed in a building that contains all of its operations. Roughly 150m<sup>2</sup> is required for the milling equipment with another 50m<sup>2</sup> for surrounding working space. A building with an additional 50m<sup>2</sup> is required as temporary storage for the daily finished maize meal product prior to being delivered.

**Raw Materials:** The only raw materials required to produce Super maize meal are dried maize and water. Maize is purchased at various quantities bagged in 50kg bags. AGROLINKS will give all local farmers of Karagwe first priority before purchasing from other places. Water is from a rainwater harvest Tank, with additional requirement from a nearby stream, which is just some 500 meters away. The pre-processed maize is stored in a building with floor dimensions of 20m x 15m or 300m<sup>2</sup> and ceiling height of 6m thus capable of containing 350 tons of maize. A water tank is also available that is required to maintain 400L of water supply per day for the mill's operations.

**Regulations:** Although not regulated yet, the Project will be ready to consult the **Tanzania Food and Drug Control Board** and the **Tanzania Bureau of Standards** whenever needs arise to ensure quality and safety standards of the products produced. Fortification of the produced super maize meals will be considered in the future to embrace the programs to fortify maize meal with multiple nutrients at the levels that are stipulated by the **TFDC Board of Tanzania**. This is the strategic plan to prevent and control vitamin A deficiency in the region, and the whole of Tanzania.

Both **protein and Vitamin A deficiency** is a well know fact throughout Africa. A report by the UN children's Fund (**UNICEF**) states that micronutrients deficiencies debilitate minds and bodies. A long term goal is to attack the protein deficiency problem directly by working with government and other stakeholders such as the World Soy Forum to develop a soy protein enriched maize meal.

**Quality Control:** AGROLINKS project will maintain a strict quality control of both incoming raw materials as well as the finished processed maize meal product.

## 6.2 Operational Plan

### 6.2.1 Current Status

**AGROLinks** is an established Trading Name , registered in December 2010 to meet the inherent Agricultural related trading potentials within the outlying Kagera region and other parts of North Western corners of Tanzania.

In order to produce quality Super maize meal by the first 2013 harvesting season, AGROLinks will erect a facility for a maize mill with surrounding infrastructure during the three months following funding. AGROLinks has completed a Building to house the equipments and storage facility for this project raw materials and products.

A detailed financial, operational and business startup planning is already prepared and under discussion with potential financiers.

Post funding, AGROLinks is ready to proceed with the following startup activities:

- Ordering maize mill equipment (From KINGOAL Machinery –China, Already the equipment is paid for and is waiting for completion and ready for shipment in early March )
- Securing contracts for raw material procurement from small scale Farmers in Karagwe, Misenyi and Ngara districts, where already we have a good partnership with small scale farmers there in over 13 wards since 2005

### Activities and Milestones

The following timeline illustrates the detailed activities planned during the startup phase.

These activities are a one-time expenditure. Once completed, minimal maintenance will assure a continual working infrastructure for a successful milling operation.

#### Startup activities according to a 12 month timeline:

December 2012- February 2013 Administrative: Licensing, permits, exemption etc  
Continuation on switching to a Three phase electricity application with **TANESCO** .  
Finishing work on the Mills Building , sourcing of raw materials .  
Strategic planning of maize purchases for Sept-Dec 2012 crop season (Harvests Feb – March 2013)  
Shipment of equipment & Packaging materials from China- end of February/early March 2013  
Delivery/installation of equipment – by end of March  
Commissioning of Project/ Start initial milling operational training- April 2013  
Further training on milling operations  
Sales calls and procuring customers  
Securing maize sources under contract  
Hiring and training of staff members  
By mid April 2013–First products to be released for Market , Marketing and delivery of product to clients.

## Startup Costs

There are several startup costs that are due to infrastructure development. These costs are one-time expenditures totaling **TZS 175,000,000** and include:

- **TZS 75,000,000**-The purchase of the maize mill equipment (Ready paid for since Sept 2012)
- **TZS 75,000,000** -Buildings to house the mill, stores for Raw materials and processed maize meal (**Ready completed**)
- **TZS 35,000,000** – Purchase of starting up stock of maize grains from Farmers (starting February-March).
- **TZS 2,500,000** –25,000 Litres Water tank construction (**Completed**)
- **TZS 2,500,000** – Switch to a Three Phase Electricity lines Service Line (By end of February)
- **TZS 6,000,000** Commissioning, and installation costs

(All costs include labor, transportation, and fees where appropriate)

## Workforce

Post startup, during normal operation the mill will require **6 to 8 casual laborers** respectively during the off and peak seasons to run the mill at 40-60% at capacity level during the first three years of operation. There will be some **5 full time management and support** staff to the run and operate the mill.

Operations management will consist of overseeing milling operations, labor, maintenance, quality control and product delivery. Financial management will consist of sales, marketing and administration. Workers will be trained on location and will be responsible for running the mill.

## Business Capacity

The mill will have a throughput capacity of 1,000 Kgs (20 t/day) of maize per hour. The down time on a mill is about 15% with 10% idle time. A six hour milling period will result in roughly 6.2 tons of maize meal per day.

## 6.3. Risk Analysis

**Strengths:** As the Super meals milling industry is a well established industry in neighbouring Uganda, AGROLINKS is able to efficiently implement a maize mill in the Karagwe district in Kagera which is close and well connected to most parts of Uganda, with whom we have very good relations. Information and expertise is available on the subject. As these mills are operating in different country, there will be no competition with AGROLINKS mill in Tanzania, and hence they will be ready to provide and share experience in this industry and giving a helping hand whenever needed.

Failure modes as well as recommended fixes are well documented in Uganda. Parts are standard and easy to keep in stock.

Maize meal is the staple food of majority of Tanzanians, and is always in high demand, especially in the remote outlying areas.

With the only Super Maize mill located in Musumo-Mara region, some 600 Kms away, and due to the vast distances on less than ideal roads, our targets markets areas comprises outlying areas that have been neglected by the larger prominent meal producers based in larger cities only.

The added transportation costs are typically reflected in the meal prices sold in our places, like in Karagwe district. These conditions provide AGROLinks with an easy entry point to the market with potential for quick market penetration. AGROLinks will be able to gain a very loyal consumer base in the Kagera region and its neighborhood, by offering better prices and maintaining a consistent inventory. Local knowledge and firm relationships with many of the surrounding commercial businesses will be instrumental in the market penetration and overall product acceptance. Many of these businesses will feed a workforce of between 80 and 200 workers on a daily bases and collectively account for roughly 45% of all sales.

Having the capacity to deliver maize meal directly to retailers and businesses will allow AGROLinks to create and sustain healthy relations with customers. This is an important aspect in ensuring repeat business.

**Weaknesses:** The maize industry, as with all agriculture, is one that is at the mercy of Mother Nature. Although Kagera region enjoys one of the most stable agricultural weather climates in Tanzania, rains still remains unpredictable from time to time. Establishing a milling operation in a remote outlying area like Karagwe will require a relatively large capital investment. Legal or illegal imports from neighbor countries(Uganda) with established Super maize mills could drive prices down drastically if the government fails to observe and charge the appropriate import duties to protect the local producers.

**Opportunities:** Sufficient fertile land in the River Kagera basin is available with a relatively good rain pattern of two seasons, which enable farmers to supply the maize needed to produce the target level of maize meal by the project. Reliable electricity supply from Uganda enjoyed by the Kagera region compared to other regions of the country who depend on National grids who suffers recurrent power rationing in most parts of the years due insufficient levels of water in our hydropower stations of Tanzania.

**Threats:** The Tanzania government, through TANESCO, might consider to terminate power supply from Uganda for the Kagera region, and hence subject the mill to power rationing as most other regions of the Tanzania main land.

The **strengths** and **opportunities** of maize processing in Kagera **outweigh weaknesses** and **threat**.

## 7.0. Organization and Management

**Organization:** AGROLINKS is a registered Business Name owned by Mr. Deo P.Mwombeki & Family. Ownership interest is allocated at 100% to Mr. Deo P.Mwombeki & Family.

**Management:** The Family members together with Mill staff, will jointly plan long term strategy and day to day operations .

Operations management will consist of overseeing milling operations, labor, maintenance, quality control and product delivery. Financial management will consist of sales, marketing and administration.

**Technical Expertise:** An experienced Miller from Uganda with technical expertise in the milling process will be appointed to provide technical advices to the Mill on consultancy basis.

**Human Resources:** Human resource requirements for a maize mill are minimal. Laborers will upload and download the bags of maize and maize meal, monitor the mill during operation, clean the mill and surrounding areas and seal the bags of processed maize meal. Typical wages for local labour is around TZS 2,500-3,000 per day.

#### **8.0. Summary of Operational Finances, Sources, and Uses of Funds**

In comparison to other business models a maize mill financial model is relatively straight forward. Maize is purchased, and maize meal is sold. AGROLINKS will be able to sell 25-30% of its product at retail and the remainder at wholesale.

AGROLINKS is expected to be committing some TZS 220 Million in new capital investment funding from own equity and other external sources for this project during the first four years of the project. To date a sum of TZS 115 Million as own equity contribution has already been committed to this project in various forms of expenditures, including machinery and buildings for the project and up TZS 85-100 Million is expected to be spent towards the shipment of the equipment, inland delivery, and order of two box lorries to support the operation of the milling project. When needed the part of the operation cost funding will be sought from the Bank as a Loan, and already CRDB is willing to support the operation costs of purchasing the raw materials (grains) that will be milled by this project to add value to the farmers produces and stabilize the local food market. Some 45 TZS Million is accessible from CRDB and these funds will provide AGROLINKS with the needed inventory capital as well as operational cash flow.

Capital investment total TZS 220 Millions. Capital going towards inventory is TZS 175 Millions, while operating expenses for the first year are estimated at TZS 45 millions including anticipated taxes. Gross sales are estimated at TZS 120 millions for the first year with an annual growth rate of 5 to 8%.

As the entire industry is mostly a cash industry, AGROLINKS will pay all accounts in cash never carrying any debt. AGROLINKS also expects all sales except for a few large accounts to be cash. These accounts will be net 30 days.

The financial model has been formatted to align with the annual agricultural season with the start of the year in May and ending in April. **AGROLinks** is further anticipating being able to sell virtually all inventory prior to new acquisitions in the new year.

## 7.0 THE FEASIBILITY OF MAIZE PROCESSING PROJECT IN KAGERA REGION..

### 7.1 Technical Feasibility

The maize can be processed in to variety of products like grits, germ and Super fine flour meals by dry milling and other products especially corn flakes at small scale level. Such units can be set up any where in the Kagera region, like Karagwe where maize is one of the major cereal crop. But, in view of the high market surplus of maize grain in the region, large scale units may be required to be set up to manufacture value added products. The technology of maize processing to produce the finest Super meal is already available in Tanzania, especially in parts like Musoma, and in neighbor Uganda,, which can be transferred easily to our region.

### 7.2 Financial Viability

The economics of a minimum viable unit are given in Annexures. Various techno-economic parameters for the model maize processing unit are assumed keeping in view the existing situation and market conditions. The techno-economic parameters assumed are given in Annexures. Even though, the Minimum selling Price (MSP) for procurement of maize for the current year 2011, is TZS 250-280 per Kg , we have assumed an average price of TZS 300/- per Kg in consideration of the situation prevailing in Tanzania, field data collected and also the variations in MSP announced year to year. A unit is considered viable if its IRR works out to greater than 15 per cent at 15 per cent discounting factor. Further, the Milling unit is considered as bankable if its DSCR is greater than 1.5.

### 7.3 Plant Installed capacity

The project plans to acquire a **15T/Day capacity , model 6 FYDT--20 series complete set equipment** from Hebei Kingold Machinery Co., Ltd (China)

This **6 FYDT--20 series complete set equipment** has the following operation features which has influenced our choice.

1. Automatcally,easy operate
2. high efficiency,low noise
3. high production,high precision

**Kingol brand maize grinding mill**

The Corn grinding equipment/ corn flour mill/corn processing machine

1. Double yield of complete sets of equipment
2. Capacity:5T/d---20T/day
3. Material :stainless steel and iron
4. processing type :corn/maize

**Technical indicators of the proposed 6 FYDT--20 series complete set of a Milling equipment :**

The total product rate can reach 75%

**grits:**45-50%,  
**flour:**30%,  
**skin & germ:**19%,  
**lost:**1%.

This line can produce three type grits ,two kinds of flour,one kernel,skin & germ(every kinds of product can adjust by the markert requirement )

**A 6 FYDT--20 series complete set equipment** is composed of high efficiency vibration sifter, destoner , peeling crusher, polisher , grading machine, roller mill , single-section plansifter, whole dry-method processing .

**An appearance of a 6FYDT-20 Maize flour/grits processing line**

This processing line is composed of cleaning part, peeling & degerming, and grits/flour making part. From the corm, after processed by this equipment, you can get high quality food materials such as low fat corn grits (size adjustable), corn flour, even high precision corn oil (oil press equipment not included in this complete set)



**Main parameters**

Model Items	6FYDT-20
Production capacity (T/24h)	15-20
Main machines and processing techniques	High efficiency vibration sifter, Destoner, Damper, Peeling crusher Embryo separator, Roller mill, Grading machine, Super-micro-particle pulverizer, Produce flour and grits at same time
Products and extraction rate (%)	Corn flour: 40-50% Corn grits: 35-40% Corn bran, coarser fodder: 10-12% Embryo: 8-10% It can produce fine corn flour (all through 100M sifter)
Products quality	Sand content: $\leq 0.02\%$ Magnetic metal content: $\leq 0.003\%$ Moisture content: $\leq 13.5-14.5\%$ (based on the raw corn according with national standard for raw grain storage) Fat content: $\leq 2.5\%$
Power required (kW)	Around 132
Size of workshop (L×W×H, m)	20×7×5

**Remark:** this equipment adopts technology of dry methods to make corn peel and de-germinate according to the customer standard to adjust the art designing

A proposed milling unit with dry milling maize crushing capacity of about 10-20 tons per day is considered as a minimum viable unit. A unit of this capacity will produce the following products.

Item Particulars	Installed Capacity		
	Kg per hour	Kg per day (10 hours)	Total Kg per Year (300 work days)
MAIZE GRAIN (Raw Material)	1,000	10,000	3,000,000
<b>FINISHED PRODUCTS:</b>			
Super Meal (Finished Product)	600	6,000	1,800,000
Bran (By product as animal Food)	400	4,000	1,200,000
<b>TOTAL</b>		20,000	70,000,000

The plant will function one shift per day during year one, and two shifts of 7 hour per shift in the following years. Keeping in view, the nature of activity the capacity utilisation of 50%, 70% and 90%, during first, second and third year onwards can be achieved easily.

#### 7.4 Project Cost

The initial project investment cost for setting up of a 1,000 (20 tons/day) Kg dry milling of maize has been assessed at TZS 315,000,000, where some 175,000,000 is for the Capital Investment (Equipment and building), and the remaining is for the for the startup working capital and support to the project works, including transport equipments (trucks acquisition).

S.No	Particulars	Amount (TZ Shillings)	Remarks
1	Land and Land development	15,000,000	100% Completed
2	Buildings and Civil works	75,000,000	95% Completed
3	Plant and Machinery (incl. shipping)	75,000,000	80% Financed ready, delivery in March 2013
4	Misc Fixed assets (Two box Trucks)	60,000,000	Ordered and partly financed, delivery in March 2013
5	Pre-operative expenses	10,000,000	85% Completed
6	Margin money for Working Capital	45,000,000	CRDB Bank loan- Renewal released in February 2013
7.	Fees & Taxes (Import duties, VAT , Income taxes, etc )	45,000,000	Seeking for exemption, process started.
	<b>TOTAL</b>	<b>315,000,000</b>	

#### 7.4 Working Capital (WC) Requirement

The working capital requirement of the Milling unit is estimated at about TZS 40,000 per month **Annexure A1 (Monthly Cash Flow Forecat table)** . As the raw material is seasonal in nature, there will be high inventories during the first three months of January, February and March, during the harvesting period for maize in most parts of the Lake zone, when large stock will be purchased and stocked to take advantage of the lower prices during the harvest period. The working capital will increase as the production level expand from year to year.

The farmers will be required to be paid immediately, hence, the creditors of one week are assumed. Maze meal and bran is marketed through traders and it takes one month to realise the sale proceeds. Keeping, this in view a debtors of 30 day period is assumed.

#### 7.5 Financial Viability

The cash flow statement of the unit is given in Annexure A1 &A2. The financial indicators of our Project are:

Financial Indicator	Estimated	Requirements
NPW	1.0	Should be Positive (+ve)
IRR	1.5%	15%
BCR	1.31	Should be > 1.0
DSCR	1.23	Should be > 1.5

All the financial indicators meet the requirement, hence a dry milling unit of 1,000 Kg per hour maize crushing capacity in Karagwe district , Kagera region will be a viable unit as well as bankable.

#### 7.6 Sensitivity and Risk Analysis

Keeping all variables constant, the critical factors like number of shifts per day and installed capacity were subjected to sensitivity analysis. The results are given as under:

*The installed capacity of a dry milling unit of 8,000 Kg per day is viable; but the Super meals plant machinery Model 6FYDT-20 from KINGOAL MACHINERY Co LTD , which we desire, is designed for 1,000Kg per hour , hence, minimum 10,000 Kgs of maize crushing capacity unit is considered as viable unit for this Project.*

#### 7.7 Break Even Analysis

From the break even analysis in other similar projects in Asia and Southern African countries, it was found that a dry milling unit of 20 MTPD maize crushing capacity will break even at 40-60 per cent of capacity utilisation during the 3<sup>rd</sup> year of operation.

## 7.8 Repayment

The investment repayment period of a maize dry milling unit is given in Annexure .The investment capital is expected to be repaid with in a period of 5 years including 1 year of project resource mobilization and construction .

## 7.9 Risk Analysis

### 7.9.1 Subjective Risk Analysis

Raw material procurement risk during off season

Risk of natural calamity like drought etc.

Marketing of Super maize meal and other by products

### 7.9.2 Objective Risk Analysis

We have assumed a very conservative capacity utilisation of 50%, 70% and 90% during first 3 years. The project has been subjected to objective risk analysis . It has been found that from the risk analysis, t all the parameters i.e. IRR, BCR, NPV and DSCR are not influenced much. The probability of negative outcome in respect of IRR is 2%, which indicate that the risk of project becoming unviable is quite low. The sensitivity analysis in absolute terms has been carried out and the results are found to be satisfactory. **It can be concluded from the above that the project is not sensitive to identified risk variables**

## 7.10. Financing Arrangement.

The project up to this stage is being financed by own equity, but in the future , but since the milling project of such size requires high quantum of working capital, hence the bank loan may be required in the future to sanction separate working capital limit to the unit. All financial indicators of the project present a bankable project that many local financials institutions may be willing to support.

**AGROLINKS-Proposed Investment Project to Add Value on Maize Grain by Producing Super Meal Flour.**  
**Sales Projections - 3 Years Forecast at 50-60% Production Capacity Level**

YEAR 1													
	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL
Super Maize Meal (Kg)	0	0	0	0	50,000	50,000	50,000	50,000	55,000	55,000	55,000	55,000	628,000.00
Sale Price per Unit (TShs)	0	0	0	0	700	700	700	700	700	700	800	800	
<b>Total for Super Maize Meal</b>	-	-	-	-	35,000,000.00	35,000,000.00	35,000,000.00	35,000,000.00	38,500,000.00	38,500,000.00	44,000,000.00	44,000,000.00	305,000,000.00
Sifted Maize Meal (Kg)	0	0	0	0	10000	10000	10000	10000	11000	11000	11000	11000	128,000.00
Sale Price per Unit (TShs)	0	0	0	0	500	500	500	500	500	500	500	500	
<b>Total for Sifted Maize Meal</b>	-	-	-	-	5,000,000.00	5,000,000.00	5,000,000.00	5,000,000.00	5,500,000.00	5,500,000.00	5,500,000.00	5,500,000.00	42,000,000.00
Maize Bran (Pumba) for Anmial Feed (Kg)	0	0	0	0	20000	20000	20000	20000	22000	22000	22000	22000	188,000.00
Sale Price per Unit (TShs)	-	-	-	-	250	250	250	250	250	250	250	250	
<b>Total for Bran (Pumba)</b>	-	-	-	-	5,000,000.00	5,000,000.00	5,000,000.00	5,000,000.00	5,500,000.00	5,500,000.00	5,500,000.00	5,500,000.00	42,000,000.00
<b>TOTAL</b>	-	-	-	-	45,000,000.00	45,000,000.00	45,000,000.00	45,000,000.00	49,500,000.00	49,500,000.00	55,000,000.00	55,000,000.00	389,000,000.00

YEAR 2													
	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL
Super Maize Meal (Kg)	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	55,000	55,000	55,000	55,000	628,000.00
Sale Price per Unit (TShs)	700	700	700	700	700	700	700	700	700	700	800	800	
<b>Total for Super Maize Meal</b>	35,000,000.00	35,000,000.00	35,000,000.00	35,000,000.00	35,000,000.00	35,000,000.00	35,000,000.00	35,000,000.00	38,500,000.00	38,500,000.00	44,000,000.00	44,000,000.00	445,000,000.00
Sifted Maize Meal (Kg)	10000	10,000	10,000	10,000	10000	10000	10000	10000	11000	11000	11000	11000	128,000.00
Sale Price per Unit (TShs)	500	500	500	500	500	500	500	500	500	500	500	500	
<b>Total for Sifted Maize Meal</b>	5,000,000.00	5,000,000.00	5,000,000.00	5,000,000.00	5,000,000.00	5,000,000.00	5,000,000.00	5,000,000.00	5,500,000.00	5,500,000.00	5,500,000.00	5,500,000.00	62,000,000.00
Maize Bran (Pumba) for Anmial Feed (Kg)	20000	20000	20000	20000	20000	20000	20000	20000	22000	22000	22000	22000	248,000.00
Sale Price per Unit (TShs)	250	250	250	250	250	250	250	250	250	250	250	250	
<b>Total for Bran (Pumba)</b>	5,000,000.00	5,000,000.00	5,000,000.00	5,000,000.00	5,000,000.00	5,000,000.00	5,000,000.00	5,000,000.00	5,500,000.00	5,500,000.00	5,500,000.00	5,500,000.00	62,000,000.00
<b>TOTAL</b>	45,000,000.00	45,000,000.00	45,000,000.00	45,000,000.00	45,000,000.00	45,000,000.00	45,000,000.00	45,000,000.00	49,500,000.00	49,500,000.00	55,000,000.00	55,000,000.00	569,000,000.00

# Proposed Investment Project to Add Value on Maize Grain by Milling to Produce Super Meal Flour.

## Monthly Cash Flow - Year One ( 2013) Monthly Forecast ( in TZSH '000 )

	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL
<b>Beginning Cash Balance</b>	0	980	1,960	2,090	3,165	6,445	13,525	23,005	33,635	46,915	70,295	92,375	294,390
<b>Cash Inflows</b>													
Acct. rec. collections	0	0	0	0	0	5,000	5,000	5,000	5,000	4,950	5,000	5,000	34,950
Cash & cash equivalent sales	0	0	0	0	40,000	40,000	40,000	40,000	45,000	45,000	50,000	55,000	355,000
Loan proceeds	0	0	65,000	10,000	0	0	0	0	0	0	0	0	75,000
Owners' investment	35,000	25,000	15,000	5,000	0	0	0	0	0	0	0	0	80,000
Other:	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	2,500	1,200	1,200	15,700
<b>Total Cash Inflows</b>	<b>36,200</b>	<b>26,200</b>	<b>81,200</b>	<b>16,200</b>	<b>41,200</b>	<b>46,200</b>	<b>46,200</b>	<b>46,200</b>	<b>51,200</b>	<b>52,450</b>	<b>56,200</b>	<b>61,200</b>	<b>560,650</b>
<b>Available Cash Balance</b>	<b>36,200</b>	<b>27,180</b>	<b>83,160</b>	<b>18,290</b>	<b>44,365</b>	<b>52,645</b>	<b>59,725</b>	<b>69,205</b>	<b>84,835</b>	<b>99,365</b>	<b>126,495</b>	<b>153,575</b>	<b>855,040</b>
<b>Cash Outflows</b>													
<b>Operations</b>													
Office rent & utilities	50	50	50	50	100	300	300	300	350	350	350	350	2600
Internet connection & hosting	40	40	40	40	40	40	40	40	40	40	40	40	480
Telephone service	100	100	100	100	100	100	100	100	100	100	100	100	1200
Salaries & wages	0	0	0	0	1200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	9600
Office supplies	15	15	15	20	20	20	20	20	20	20	20	20	225
Postage	15	15	15	15	15	15	15	15	15	15	15	15	180
Office equipments - purchase	0	0	1,500	0	0	0	0	0	0	0	0	0	1500
Vehicle expenses	0	15,000	0	0	0	0	0	0	0	0	0	0	15000
Inventories - purchase	0	10,000	14,000	3,500	28,000	28,000	28,000	28,000	28,000	21,000	21,000	14,000	223500
Equipments - purchase	0	0	65,000	10,000	0	0	0	0	0	0	0	0	75000
Building & Construction	35,000	0	0	0	0	0	0	0	0	0	0	0	35000
Maintenance	0	0	0	0	0	0	0	0	0	0	0	0	3500
Delivery and Transportation	0	0	0	0	3,500	3,500	3,500	3,500	4,000	4,000	4,000	4,000	30000
Other:	0	0	0	0	0	500	500	500	500	500	500	500	3500
<b>Total Operations</b>	<b>35220</b>	<b>25220</b>	<b>80720</b>	<b>13725</b>	<b>32975</b>	<b>33675</b>	<b>33675</b>	<b>33675</b>	<b>34225</b>	<b>27225</b>	<b>27225</b>	<b>23725</b>	<b>370500</b>
<b>Finance &amp; Administration</b>													
Salaries & wages	0	0	0	0	1500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	12000
Employee training	0	0	0	500	500	500	500	0	0	0	0	0	2000
Professional fees	0	0	0	0	2,100	2,100	0	0	500	0	0	400	5100
Bank charges	0	0	300	300	70	70	70	70	70	70	70	70	1160
Credit card fees	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan principal payment	0	0	0	0	0	0	0	0	0	0	0	2,500	2500
Interest	0	0	0	500	500	500	500	500	500	500	500	500	4500
Insurance	0	0	0	0	100	100	100	100	100	100	100	100	800
Payroll taxes	0	0	0	0	75	75	75	75	75	75	75	75	600
Permits & licenses	0	0	50	0	0	0	0	0	0	0	0	0	50
Taxes	0	0	0	0	0	0	0	0	600	0	0	0	1200
Dividend	0	0	0	0	0	0	0	0	0	0	0	0	0
Investments	0	0	0	0	0	0	0	0	0	0	0	0	0
Charitable contribution	0	0	0	0	0	0	200	0	200	0	0	0	600
Other:	0	0	0	0	0	0	0	0	0	0	0	100	100
<b>Total Finance &amp; Administration</b>	<b>0</b>	<b>0</b>	<b>350</b>	<b>1300</b>	<b>4845</b>	<b>4845</b>	<b>2945</b>	<b>2245</b>	<b>3545</b>	<b>2245</b>	<b>2245</b>	<b>6045</b>	<b>30610</b>
<b>Sales &amp; Marketing</b>													
Professional services	0	0	0	0	200	200	200	100	100	100	100	1000	2000
Advertising	0	0	0	0	500	500	500	200	200	200	200	200	2500
Travelling	0	0	0	100	100	100	100	50	50	50	50	50	650
Sales expenses	0	0	0	0	500	1,000	500	500	500	500	500	500	4500
Salaries & wages	0	0	0	0	1200	1200	1200	1200	1200	1200	1200	1200	9600
Sales commissions	0	0	0	0	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	20000
Other:	0	0	0	0	100	100	100	100	100	100	100	100	800
<b>Total Sales &amp; Marketing</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>100</b>	<b>5100</b>	<b>5600</b>	<b>5100</b>	<b>4650</b>	<b>4650</b>	<b>4650</b>	<b>4650</b>	<b>5550</b>	<b>40050</b>
<b>Total Cash Outflows</b>	<b>35220</b>	<b>25220</b>	<b>81070</b>	<b>15125</b>	<b>42920</b>	<b>44120</b>	<b>41720</b>	<b>40570</b>	<b>42420</b>	<b>34120</b>	<b>34120</b>	<b>35320</b>	<b>441160</b>
<b>Net Increase (Decrease) in Cash</b>	<b>980</b>	<b>980</b>	<b>130</b>	<b>1075</b>	<b>-1720</b>	<b>2080</b>	<b>4480</b>	<b>5630</b>	<b>8780</b>	<b>18330</b>	<b>22080</b>	<b>25880</b>	<b>119490</b>
<b>Ending Cash Balance</b>	<b>980</b>	<b>1960</b>	<b>2090</b>	<b>3165</b>	<b>1445</b>	<b>8525</b>	<b>18005</b>	<b>28635</b>	<b>42415</b>	<b>65245</b>	<b>92375</b>	<b>118255</b>	

## Proposed Investment Project to Add Value on Maize Grain by Milling to Produce Super Meal Flour.

### Monthly Cash Flow - Year One ( 2013) Monthly Forecast ( in TZSH '000 )

	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL
<b>Beginning Cash Balance</b>	0	980	1,960	2,090	3,165	6,445	13,525	23,005	33,635	46,915	70,295	92,375	294,390
<b>Cash Inflows</b>													
Acct. rec. collections	0	0	0	0	0	5,000	5,000	5,000	5,000	4,950	5,000	5,000	34,950
Cash & cash equivalent sales	0	0	0	0	40,000	40,000	40,000	40,000	45,000	45,000	50,000	55,000	355,000
Loan proceeds	0	0	65,000	10,000	0	0	0	0	0	0	0	0	75,000
Owners' investment	35,000	25,000	15,000	5,000	0	0	0	0	0	0	0	0	80,000
Other:	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	2,500	1,200	1,200	15,700
<b>Total Cash Inflows</b>	<b>36,200</b>	<b>26,200</b>	<b>81,200</b>	<b>16,200</b>	<b>41,200</b>	<b>46,200</b>	<b>46,200</b>	<b>46,200</b>	<b>51,200</b>	<b>52,450</b>	<b>56,200</b>	<b>61,200</b>	<b>560,650</b>
<b>Available Cash Balance</b>	<b>36,200</b>	<b>27,180</b>	<b>83,160</b>	<b>18,290</b>	<b>44,365</b>	<b>52,645</b>	<b>59,725</b>	<b>69,205</b>	<b>84,835</b>	<b>99,365</b>	<b>126,495</b>	<b>153,575</b>	<b>855,040</b>
<b>Cash Outflows</b>													
<b>Operations</b>													
Office rent & utilities	50	50	50	50	100	300	300	300	350	350	350	350	2600
Internet connection & hosting	40	40	40	40	40	40	40	40	40	40	40	40	480
Telephone service	100	100	100	100	100	100	100	100	100	100	100	100	1200
Salaries & wages	0	0	0	0	1200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	9600
Office supplies	15	15	15	20	20	20	20	20	20	20	20	20	225
Postage	15	15	15	15	15	15	15	15	15	15	15	15	180
Office equipments - purchase	0	0	1,500	0	0	0	0	0	0	0	0	0	1500
Vehicle expenses	0	15,000	0	0	0	0	0	0	0	0	0	0	15000
Inventories - purchase	0	10,000	14,000	3,500	28,000	28,000	28,000	28,000	28,000	21,000	21,000	14,000	223500
Equipments - purchase	0	0	65,000	10,000	0	0	0	0	0	0	0	0	75000
Building & Construction	35,000	0	0	0	0	0	0	0	0	0	0	0	35000
Maintenance	0	0	0	0	0	0	0	0	0	0	0	3500	3500
Delivery and Transportation	0	0	0	0	3,500	3,500	3,500	3,500	4,000	4,000	4,000	4,000	30000
Other:	0	0	0	0	0	500	500	500	500	500	500	500	3500
<b>Total Operations</b>	<b>35220</b>	<b>25220</b>	<b>80720</b>	<b>13725</b>	<b>32975</b>	<b>33675</b>	<b>33675</b>	<b>33675</b>	<b>34225</b>	<b>27225</b>	<b>27225</b>	<b>23725</b>	<b>370500</b>
<b>Finance &amp; Administration</b>													
Salaries & wages	0	0	0	0	1500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	12000
Employee training	0	0	0	500	500	500	500	0	0	0	0	0	2000
Professional fees	0	0	0	0	2,100	2,100	0	0	500	0	0	400	5100
Bank charges	0	0	300	300	70	70	70	70	70	70	70	70	1160
Credit card fees	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan principal payment	0	0	0	0	0	0	0	0	0	0	0	2,500	2500
Interest	0	0	0	500	500	500	500	500	500	500	500	500	4500
Insurance	0	0	0	0	100	100	100	100	100	100	100	100	800
Payroll taxes	0	0	0	0	75	75	75	75	75	75	75	75	600
Permits & licenses	0	0	50	0	0	0	0	0	0	0	0	0	50
Taxes	0	0	0	0	0	0	0	0	600	0	0	600	1200
Dividend	0	0	0	0	0	0	0	0	0	0	0	0	0
Investments	0	0	0	0	0	0	0	0	0	0	0	0	0
Charitable contribution	0	0	0	0	0	0	200	0	200	0	0	200	600
Other:	0	0	0	0	0	0	0	0	0	0	0	100	100
<b>Total Finance &amp; Administration</b>	<b>0</b>	<b>0</b>	<b>350</b>	<b>1300</b>	<b>4845</b>	<b>4845</b>	<b>2945</b>	<b>2245</b>	<b>3545</b>	<b>2245</b>	<b>2245</b>	<b>6045</b>	<b>30610</b>
<b>Sales &amp; Marketing</b>													
Professional services	0	0	0	0	200	200	200	100	100	100	100	1000	2000
Advertising	0	0	0	0	500	500	500	200	200	200	200	200	2500
Traveling	0	0	0	100	100	100	100	50	50	50	50	50	650
Sales expenses	0	0	0	0	500	1,000	500	500	500	500	500	500	4500
Salaries & wages	0	0	0	0	1200	1200	1200	1200	1200	1200	1200	1200	9600
Sales commissions	0	0	0	0	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	20000
Other:	0	0	0	0	100	100	100	100	100	100	100	100	800
<b>Total Sales &amp; Marketing</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>100</b>	<b>5100</b>	<b>5600</b>	<b>5100</b>	<b>4650</b>	<b>4650</b>	<b>4650</b>	<b>4650</b>	<b>5550</b>	<b>40050</b>
<b>Total Cash Outflows</b>	<b>35220</b>	<b>25220</b>	<b>81070</b>	<b>15125</b>	<b>42920</b>	<b>44120</b>	<b>41720</b>	<b>40570</b>	<b>42420</b>	<b>34120</b>	<b>34120</b>	<b>35320</b>	<b>441160</b>
<b>Net Increase (Decrease) in Cash</b>	<b>980</b>	<b>980</b>	<b>130</b>	<b>1075</b>	<b>-1720</b>	<b>2080</b>	<b>4480</b>	<b>5630</b>	<b>8780</b>	<b>18330</b>	<b>22080</b>	<b>25880</b>	<b>119490</b>
<b>Ending Cash Balance</b>	<b>980</b>	<b>1960</b>	<b>2090</b>	<b>3165</b>	<b>1445</b>	<b>8525</b>	<b>18005</b>	<b>28635</b>	<b>42415</b>	<b>65245</b>	<b>92375</b>	<b>118255</b>	

**THE UNITED REPUBLIC OF TANZANIA**

**THE LAND**

**(NO. 4 OF 1999)**

**DEED OF ASSIGNMENT**

**(Under Section 62)**

C.T. No. 36357

L.O. No. 358724

Plot No. 108 Block "C" Kayanga Urban

**KARAGWE**

I, **DEOGRATIAS PAULO MWOMBEDI**, a natural person and director of **AGROSERVE COMPANY LIMITED** of P.O. Box 129, Kayanga – Karagwe, Kagera (hereinafter referred to as the "**Assignor**") hereby **ASSIGNS**

**TO**

**AGROSERVE COMPANY LIMITED**, a body corporate duly established and existing under the laws of Tanzania of Postal Office Number 129, Kayanga – Karagwe, Kagera (hereinafter referred to as the "**Assignee**") the properties registered under the above reference.

**THIS DEED WITNESSES** as follows:

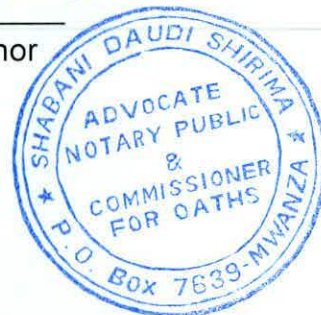
1. In consideration of the payment of the sum of Tanzania Shillings One Thousand (Tshs. 1,000/=) only (for purposes of stamp duty payment), receipt for which the Assignor hereby acknowledges, the Assignor hereby Assigns to the Assignee all rights, title and interests in the property registered under the above reference, as part of the Assignor's equity contribution to **AGROSERVE COMPANY LIMITED** of which he is a shareholder.
2. The Assignor warrants that he has full title to the property and authority to assign the same free from any encumbrances.
3. This agreement shall be binding upon the parties, their successors and assigns.

**IN WITNESS** of which the parties have signed this deed in the manner as appearing here in below:

**SIGNED** at and **DELIVERED** by the said **DEOGRATIAS PAULO MWOMBeki** Who is known to me personally/identified to me by CHRISTOPHER KARUNDE the latter being known to me personally this 30<sup>th</sup> day of May 2013

Shabani Daudi Shirima

Assignor



BEFORE ME:

NAME:

SHABANI DAUDI SHIRIMA

SIGNATURE:

[Signature]

ADDRESS:

P.O. Box 7639, Mwanza

QUALIFICATION:

ADVOCATE

**SIGNED** at and **DELIVERED** by the said **AGROSERVE COMPANY LIMITED** Who is known to me personally/Identified to me by CHRISTOPHER KARUNDE the latter being known to me personally this 30<sup>th</sup> day of May 2013

Deogratias Paulo Mwombeki

Assignee



BEFORE ME:

NAME:

SHABANI DAUDI SHIRIMA

SIGNATURE:

[Signature]

ADDRESS:

P.O. Box 7639, Mwanza

QUALIFICATION:

ADVOCATE

Drawn by:

**SILVEREY ATTORNEY'S**  
**P.O. BOX 7639**  
**MWANZA**

[Signature]

36357  
2.2012  
11.00 A  
M. Mawray

Land Form No. 22

1006  
44894953  
11.1.2012  
fine M. Mawray

THE UNITED REPUBLIC OF TANZANIA

THE LAND ACT, 1999  
(NO. 4 OF 1999)

3906  
44894953  
11.1.2012  
M. Mawray

CERTIFICATE OF OCCUPANCY  
(Under Section 29)

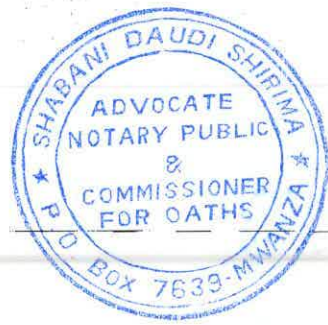
Title No. 36357  
L.O. No. 358724  
L.D. No. KR/AR/143

The 3rd day of February Two thousand and twelve.

THIS IS TO CERTIFY that DEOGRATIAS PAULO MWOMBeki of P.O. Box 129, Karugwe (hereinafter called "the Occupier") is entitled to the Right of Occupancy (hereinafter called "the Right") in and over the land described in the Schedule hereto (hereinafter called "the Land") for a term of thirty three years from the first day of January, Two thousand and twelve according to the true intent and meaning of the Land Act and subject to the provisions thereof and to any regulations made there under and to any enactment in substitution there for or amendment thereof and to the following special conditions:-

1. The Occupiers having paid rent up to the thirtieth day of June, 2012 shall hereafter pay rent of shillings four thousand five hundred only (Tshs. 4,500/=) a year in advance on the first day of July in every year of the term without deduction PROVIDED that the rent may be revised by the Commissioner for Lands.
2. The Occupiers shall-
  - (i) Be responsible for the protection of all beacons on the land throughout the term of the Right. Missing beacons will have to be re-established at any time at the Occupier's expenses as assessed by the Director responsible for Surveys and Mapping.

Certified as a True Copy of the Original



Signature  
20th May 2013

- (ii) Do everything necessary to preserve the environment and protect the soil and prevent soil erosion on the land and do all things which may be required by the authorities responsible for environment and to achieve such objective.
  - (iii) Maintain on the land buildings (hereinafter called "the buildings") in permanent materials designed for use in accordance with the conditions of the Right and which conform to the building line (if any) decided by the Karagwe District council (hereinafter called "the authority");
  - (iv) At all times during the term of the Right have on the land buildings as approved by the Authority and maintain them in good order and repair to the satisfaction of the Commissioner for Lands (hereinafter called "the Commissioner");
  - (v) Not erect or commence to erect on the land any building except in accordance with building plans and specifications, which shall have been first approved by the Authority;
3. USER: The land and the buildings erected thereon shall be maintained and the same shall be used for Residential purposes only. Use Group 'A' use class (a) and (c) as defined in the Town and Country Planning (Use Classes) Regulations, 1960 as amended in 1993.
4. The occupiers shall not assign the right within three years of the date hereof without the prior approval of the Commissioner.
5. The Occupiers shall deliver to the Commissioner notification of disposition in prescribed form before or at the time the disposition is carried out together with the payment of all premier, taxes and dues prescribed in connection with that disposition.
6. The President may revoke the right for good cause or in public interest.



*Certified as a true copy of the Original*

*[Signature]*  
*30th May 2013*

**SCHEDULE**

All land known as **PLOT NO. 108** Block "C" Situated at **KAYANGA URBAN AREA** in **KARAGWE DISTRICT** Containing **Three hundred seventy three (373) square meters** shown for identification only red on the plan attached to this Certificate and defined on the registered Survey Plan Numbered **14995** Deposited at the Office of the Director for Surveys and mapping at Dar es Salaam.  
Given under my hand and official seal the day and year first above written

*[Handwritten Signature]*  
**Act COMMISSIONER FOR LANDS**

I, the within named **DEOGRATIAS PAULO MWOMBEKI** Hereby accept the terms and conditions contained in the foregoing certificate of occupancy.

SIGNED and DELIVERED by the said ) *[Handwritten Signature]*  
**DEOGRATIAS PAULO MWOMBEKI** )  
Who is known to me personally/identified to )  
me by..... )  
The latter being known to me personally )  
In my presence this..... )  
..... day of..... 2012 )  
Witness' )  
Signature: *[Handwritten Signature]* )  
Postal Address: *[Handwritten Address]* )  
Qualification: *[Handwritten Qualification]* )



*Certified as a true copy of the original*

*[Handwritten Signature]*  
*30th May 2013*

IN THE UNITED REPUBLIC OF TANZANIA

THE OATHS (JUDICIAL PROCEEDINGS) AND STATUTORY DECLARATIONS ACT CAP 34 R.E 2002

**AFFIDAVIT SUPPORTING THE FACT THAT DEO PAUL MWOMBEKI IS THE ONE AND THE SAME PERSON AS DEOGRATIAS PAUL MWOMBEKI**

I, **DEO PAUL MWOMBEKI** Tanzanian, Adult, Christian of **P.O.BOX 129 KARAGWE , KAGERA, TANZANIA**, solemnly SWEAR and state as follows;

1. That in all my certificates I have used the names of DEO PAUL MWOMBEKI
2. That it should be expressly known that is the one and the same person as DEOGRATIAS PAUL MWOMBEKI
3. That what is stated above is true to the best of my knowledge and belief.
4. That I make this declaration consciously believing the same to be true under THE OATHS (JUDICIAL PROCEEDINGS) AND STATUTORY DECLARATION ACT CAP 34 R.E 2002

Dated at Kayanga this 03.....day of 06.....2013



DEPONENT

AFFIRMED and DELIVERED at Karagwe

by the said DEO PAUL MWOMBEKI

who is known to me personally/ who is introduced


to me by ANITA JUMBEKI the latter being known

to me personally. This 03.....Day of 06..... 2013



DEPONENT

BEFORE ME:





**COMMISSIONER FOR OATHS**

 **AGROSERVE Company Limited**

**Kamanungu Industrial Area P.O. Box 129, Karagwe,  
Kagera-Tanzania.**

**Tel + 255 28 2227062/784 306787, E-mail: [agrolinkstz@gmail.com](mailto:agrolinkstz@gmail.com)**

Date: June 06, 2013

**Ref. No: ASCL/TIC/2013/02**

EXTRACT FROM THE MINUTES OF THE BOARD OF DIRECTORS MEETING HELD AT THE  
OFFICE COMPANY – KAMAHUNGU INDUSTRIAL AREA 21st DAY OF MAY 2013.

Present

1. DEOGRATIAS PAULO MWOMBeki - Chairman/Director
2. LEWICE MWOMBeki - Director/Secretary
3. ZALIDA FESTUS – Director /Member
4. ALICE KOKUBANZA – DIRECTOR/ Member

At its meeting on 21/05/2013 at around 12.10 hrs, the Board of Directors of AGROSERVE COMPANY LIMITED resolved to apply for the Certificate of Incentive from TIC to facilitate implementation of establish and operate state of art Maize Milling project . The total project capital investment cost is estimated at TZS. 315,000,000/=

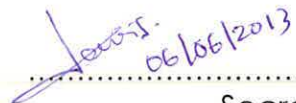
The Board resolved further that:

- o This Certificate shall be used only for the purpose of the stated project and not otherwise.
- o *Mr. Deogratias Paulo Mwombeki*, Director and Shareholder of this company be and is hereby authorized, directed and empowered to execute for and on behalf of this company and its name any and all documents required in connection with this application.

The meeting was closed by the Chairman at around 13.25pm hours.



Chairman

  
06/06/2013

Secretary

**THE COMPANIES ACT, 2002**  
[Cap. 212 R.E. 2002]

**COMPANY LIMITED BY SHARES**

=====

**Memorandum**

and

**Articles of Association**

of

**AGROSERVE COMPANY LIMITED**

Incorporated this 16<sup>th</sup> day of MAY 2013

Drawn by  
Subscribers  
P.O.Box 129  
KARAGWE

TANZANIA  
Stamp Duty Shs. 5000/-  
PAID (IN ORIGINAL)  
Receipt No. 33899 of 29/04/13

Stamp Duty Officer

**THE COMPANIES ACT, 2002**  
[CAP. 212 R. E. 2002]

COMPANY LIMITED BY SHARES

**MEMORANDUM OF ASSOCIATION  
OF  
AGROSERVE COMPANY LIMITED**

TANZANIA  
Stamp Duty Shs. 5000/-  
PAID (IN ORIGINAL)  
Receipt No. 33899 of 29/04/13

Stamp Duty Officer

1. The name of the Company is **"AGROSERVE COMPANY LIMITED"**.
2. The registered office of the company will be situated in the United Republic of Tanzania.
3. The objects for which the company is being established are:-
  - (i) To carry on the business of wholesale and retail of agricultural inputs and plant and animal medicines of all kinds and dealers in instrumental appliances related thereto.
  - (ii) To carry on the business of construction, building contractors, road contractors , structure contractors, high way contractors and engineers, electrical contractors, electrical engineers, civil engineers and contractors, water engineers, telecommunication, information technology engineers and contractors, chemical engineers and contractors.
  - (iii) To deal with milling and food processing, agricultural input and seeds supply.
  - (iv) To deal with Farming of varieties of crops, and Livestock keeping.
  - (v) To deal with business of all types of water supply system, fire suppression system, waste management system and demographic record control system.
  - (vi) To carry on the business of real estates, leasing and developing properties, property developers, entering into Joint venture, Partnership, Private Public Partnership for purposes of carrying out property development business.
  - (vii) To carry on the business of all types of courier services, money and parcel transfer.
  - (viii) To carry on the business of establishing or managing schools and institutes of all levels and kinds including primary schools, secondary and high schools, universities and colleges, including vocational and other specialised institutes and colleges.

universities and colleges, including vocational and other specialised institutes and colleges.



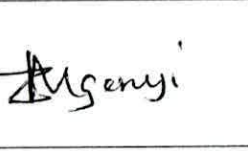
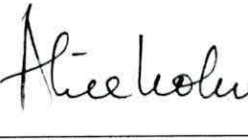
- (x) To carry on the business of establishing or managing hotels, hotel resorts, gaming including casinos, pool games, lotteries and the like with all their supporting facilities.
- (xi) To carry on the business of auctioneers and brokers.
- (xii) To carry on all or any of the business of manufacturer's representatives, importers, exporters, buyers and sellers (both wholesale and retail), insurance agents, land agents, general merchants, traders and manufacturers of and dealers in and agents and representative for goods, merchandise, food and agricultural commodities, materials, furniture, furnishings, appliances, equipment, machinery, stores, products, provision commodities, substances and effects of all kinds and to establish factories for the manufacture of any of them. .
- (xiii) To carry on and deal in the business of pharmaceuticals, medical preparations, chemicals, manufacturing, making and assembling of machines, equipment and technology appropriate and applicable to human treatment.
- (xiv) To purchase, own or otherwise acquire lands, real property, easements, rights and other property, real or personal for the purpose and conducive to the objects of the company including farming and cultivation of agricultural crops and to carry on the business of mill manufacturers, grain, corn, hay-straw and fodder merchants.
- (xv) To transact any and every description of commission agency, shipping agents, provisional merchants stockists, commercial, industrial, manufacturing, mercantile and financial business.
- (xvi) To receive money on deposit or loan and borrow or raise money in such manner as the Company shall think fit, and in particular by the issue of debentures, or debenture stock (perpetual or otherwise) and to secure the repayment of money borrowed, raised or owing by mortgage, charge or lien upon all or any of the property or assets of the Company (both present and future), including its uncalled capital and also by a similar mortgage, charge or lien to secure and guarantee the performance by the Company or any other person or company as the case may be.
- (xvii) To sell or otherwise dispose of the whole or any part of the business or property of the Company either together or in portions, for such consideration as the Company thinks fit, and in particular for shares debentures, or securities of any company purchasing the same.
- (xviii) To draw, make accept endorse, discount, negotiate, execute and issue, buy, sell and deal in bills of exchange, promissory notes and other negotiable or transferable instruments.
- (xix) 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

- (xix) To act as agents, or brokers and as trustees for any persons or company and to undertake and perform sub-contracts and to do all or any of the above business in any part of the world, and either as principals, agents, trustees, contractors or otherwise, and either alone or jointly with others and either by or through agents, sub-contractors trustees or otherwise.
- (xx) To invest in and deal with the money of the Company not immediately required for the purpose of its business in such manner and on such terms as may from time to time be determined.
- (xxi) To carry on any other trade or business whatsoever which can, in the opinion of the Board of Directors, be advantageously carried out by the Company in connection with or ancillary to any of the above businesses or the general business of the Company.
- (xxii) To do all such other things as are incidental or conducive to the above objects or any of them.

**AND** it is hereby declared that the word "Company" in this clause, except where used in reference of 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 intention is that each of the objects set forth in any sub-clause or by the name of the Company, none of such sub-clause or the objects herein specified or the powers thereby conferred shall be deemed subsidiary or auxiliary merely to the objects mentioned in the first sub-clauses, but the company shall have full powers to exercise all or any of the powers conferred by any part of this clause and notwithstanding that the business undertaking, property or acts proposed to be transacted, acquired, dealt with or performed do not fall within the objects of the first sub-clauses of this clause.

4. The liability of the members is limited.
5. The authorized share capital of the company is Tshs. 50,000,000/= (Tshs. Fifty Million Only) divided into 50,000 (Fifty Thousand) shares of Tshs 1,000 (Tshs. One Thousand only) each, with power for the company to increase or reduce the said share capital and to issue any part of its capital, original or increased, with or without any preference, any postponement of rights or to any conditions or restrictions and so that unless the conditions of issue of shares, whether declared to be preference or otherwise, shall be subject to the power herein before contained.

We, the several persons whose names, addresses and descriptions 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 opposite our respective names.

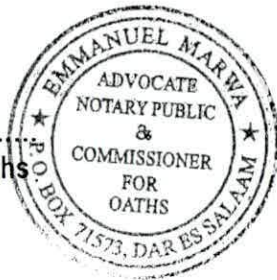
NAMES, ADDRESSES AND DESCRIPTION OF SUBSCRIBERS	NUMBER OF SHARE	SIGNATURES
DEO PAUL MWOMBEKI P.O. BOX 129, KAYANGA KARAGWE	7000	
LEWICE MWOMBEKI P.O. BOX 129 KAYANGA, KARAGWE	1000	
ZALIDA FESTUS P.O. BOX 129 KAYANGA, KARAGWE	1000	
ALICE KOKUBANZA P.O. BOX 129 KAYANGA, KARAGWE	1000	

Dated at DAR ES SALAAM this 26 day of April .....2013

Before me:-



Commissioner for Oaths



TANZANIA  
Stamp Duty  
PAID  
38894  
29/09/13  
Stamp Duty Office

**THE COMPANIES ACT, 2002**  
[Cap. 212 R. E. 2002]

COMPANY LIMITED BY SHARES

**ARTICLES OF ASSOCIATION  
OF  
AGROSERVE COMPANY LIMITED**

TANZANIA  
Stamp Duty  
PAID  
38894  
29/09/13  
Stamp Duty Office

**APPLICATION OF TABLE "A"**

- 1) Subject as hereinafter provided, the regulations contained in Part 1 of Table "A" in the Companies Act, Act No. 212 of 2002 which shall be referred hereinafter as the ((Act) shall apply to the company same for regulation 22.

**INTERPRETATION**

- 2) In these Articles unless the context otherwise requires:
  - (a) **"Articles"** Means these Articles of Association of **AGROSERVE COMPANY LIMITED**
  - (b) **"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
  - (c) **"Company"** Shall mean **AGROSERVE COMPANY LIMITED**
  - (d) **"Clear days"** In relation to the period of a notice means that a period excluding the day when the notice is given or deemed to be and the day for which is given or which it is to take effect.
  - (e) **"Directors"** Shall mean the Directors for the time being of the Company or if there only be one Director then such one Director.
  - (f) **"Member"** Shall mean a registered shareholder in the Company.
  - (g) **"Month "** shall mean a calendar month.
  - (h) **"Office"** shall mean the registered office of the Company.
  - (i) **"The Act"** shall mean the **COMPANIES ACT (ACT NO. 212 OF 2002)** or any statutory enactment or modification thereof for the time being in force, and reference to any section or provisions of the Act shall include reference to any statutory re-enactment or modification of such section or provision for the time being in force;
  - (j) **"The Seal"** shall mean the Common Seal of the Company;
  - (k) **"The Board"** shall mean the Board of Directors of the Company
  - (l) **"Secretary"** shall mean any person appointed to perform the duties of Secretary of the Company.
  - (m) **"In writing" or "written"** shall include printing and lithography and any other mode or modes of representing or producing words in a visible form.

- (n) "Office" shall mean the registered office of the Company
- (o) Words importing any gender include other genders and words in the singular include the plural, and vice versa, and words importing a person shall include a body corporate.

#### **PRIVATE COMPANY**

- 3) The Company has been formed as a private company, and accordingly:-
  - (a) The number of members of the company (not including persons who are in the employment of the Company, and persons, who having been formerly in the employment of the Company were while in such employment and have continued after the determination of such employment to be members of the Company) is limited to fifty; provided that where two or more persons hold one or more shares in the Company jointly they shall for the purpose of this Article be treated as a single member;
  - (b) Any invitation to the public to subscribe for any shares or debentures of the company is prohibited;
- 4) The right to transfer shares is restricted in the manner hereinafter provided in these articles.

#### **SHARES**

- 5) The Share capital of the Company is Tshs. 50,000,000/= (Tshs. Fifty Million Only) divided into 50,000 (Fifty Thousand) shares of Tshs 1,000 (Tshs. One Thousand Only) each with such rights, privileges or conditions as may be determined by or in accordance with the regulations of the Company, and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the Company.
- 6) Subject to the provisions, if any, in that behalf of the Memorandum of Association, and without prejudice to any special rights previously conferred on the holders of existing shares, any share may be issued with such preferred, deferred or other special rights or such restriction, whether in regard to dividend, voting, return of share capital or otherwise, as the Company may from time to time by special resolution determine, and any preference share may, with the sanction of a special resolution, be issued on the terms that it is, or at the option of the Company is liable to be redeemed.
- 7) The instrument of transfer of any share shall be executed by or on behalf of the transferor and transferee and, the transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
- 8) Subject to such restriction in these regulations as may be applicable, any member may transfer all or any of his shares by instrument in writing in any usual or common or any other form which the Directors may approve, provided that the members of the company then present shall have the right of pre-emption in transfer by purchase.
- 9) The Directors may decline to register the transfer of a share to a person of whom they shall not approve, and they may also decline to register the transfer of a share on which the company has a lien.

- 10) If the Directors refuse to register a transfer they shall within two months after the date of which the transfer was lodged with the Company send to the transferee notice of the refusal.

#### **TRANSMISSION OF SHARES**

- 11) In the case of death of a member the survivor or survivors where the deceased was a joint holder, and the legal personal representatives of the deceased where he was a sole holder, shall be the only persons recognized by the Company as having title to his interest in the shares but nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share which he has been jointly held by him with other persons.
- 12) Any persons becoming entitled to a share in the consequence of death or bankruptcy of a member may upon such evidence being produced as may from time to time properly be required by the Directors and subject as hereinafter provided, elect either to be registered himself as holder of the share or to have some person nominated by him registered as a transferee thereof, but the Directors will, in either case, have the same right to decline or suspend registration as they would have in the case of a transfer of the share by that member before his death or bankruptcy.

#### **ALTERATION OF CAPITAL**

- 13) 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 but such increase in value of the shares shall not affect the number of shares initially taken up by the subscribers to the Memorandum of the Company.
- 14) The Company may by ordinary resolution:
- (a) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - (b) Sub-divide existing shares, or any of them into shares of smaller amount than is fixed by the Memorandum of Association.

#### **GENERAL MEETINGS**

- 15) The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meeting in that year, and shall specify the meeting as such in the notice calling it and not more than fifteen months shall elapse between the date of one annual general meeting and that of the next. Provided that so long as the company hold its first annual general meeting within eighteen months of its incorporation, it need not hold it in the year of incorporation or in the following year. The annual general meeting shall be held at such time and place, as the Directors shall appoint.
- 16) All general meetings other than annual general meetings shall be called extraordinary general meetings.
- 17) The Directors may, whenever they think fit, convene an extraordinary general meeting, and extraordinary general meetings shall be convened on such requisition, as provided for in the Act.
- 18) An annual general meeting and a meeting called for the passing of a special resolution shall be called by twenty one days' notice in writing at the least, and a meeting or a meeting for the

passing of an ordinary resolution shall be called by fourteen days' notice in writing at the least. The notice shall be exclusive of the day for which it is given, and shall be given, in a manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company in a general meeting, to such other persons as are, under the regulations of the company, entitled to receive such notices from the company.

#### PROCEEDINGS AT GENERAL MEETINGS

- 19) All business shall be deemed special that is transacted at an annual general meeting and also that is transacted at any general meeting, with the exception of declaring a dividend, the consideration of accounts, balance sheets and the reports of the Directors and auditors, the election of Directors in the place of those retiring and the appointment of, and fixing, the remuneration of the auditors.
- 20) Two members, either present in person or by proxy shall constitute a quorum.
- 21) If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon requisition of members shall be dissolved, in any case it 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.
- 22) The Chairman, if any, of the board of Directors shall preside as chairman of every general meeting of the company, or if there is no such chairman or if he shall not be present within fifteen minutes after the time appointed for the holding of the general meeting or is unwilling to act the Directors present shall elect one of their member to be chairman of the meeting.

#### DIRECTORS

- 23) Unless determined by the Company in general meeting the Directors shall not be less than two and not more than ten in number.
- 24) The following persons shall be first Directors to the Company:-
  1. DEO PAUL MWOMBEKI
  2. LEWICE MWOMBEKI
  3. ZALIDA FESTUS
  4. ALICE KOKUBANZA
- 25) The shareholding qualifications for Directors may be fixed by the Company in general meeting and unless and until so fixed no qualification shall be required.
- 26) The quorum of Directors, for transacting business shall unless otherwise fixed, by Directors, be two.
- 27) A resolution in writing signed by all Directors then in Tanzania shall be valid and effectual as if it had been passed at a meeting of Directors duly called and constituted.
- 28) The Directors may from time to time borrow, raise moneys for the purpose of the Company which may exceed the issued share capital of the Company.

#### BORROWING POWERS

- 29) The Directors may exercise all powers of the Company to borrow money, and to mortgage or charge its undertaking, property and uncalled capital or 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.

#### **POWERS AND DUTIES OF DIRECTORS**

- 30) The business of the Company shall be managed by the Directors, who may pay all expenses incurred in promoting and registering the Company, and may exercise all such powers of the Company as are not by the Act, or by these regulations, required to be exercised by the Company in general meeting; subject nevertheless, to any of these regulations, to the provisions of the Act and to such regulations being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in general meeting, but no regulation made by the Company in general meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.
- 31) The Directors may from time to time and at any time by power of attorney appoint any company, firm or person or body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purpose and with such powers, authorities and discretion (not exceeding those vested in or exercisable by the Directors under these regulations) and for such period and subject to such conditions as they may think fit.

#### **DISQUALIFICATION OF DIRECTORS**

- 32) The office of director shall be vacated if the director:
- (a) resigns;
  - (b) becomes of unsound mind
  - (c) becomes prohibited from being a director by reason of any Court Order;
  - (d) dies;
  - (e) in case of a life director, ceases to be a member of the Company;
  - (f) is voted out of office by an ordinary resolution in General Meeting;
  - (g) is prohibited from acting as a director by the provisions of the Act.

#### **MANAGING DIRECTOR**

- 33) 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.
- 34) A Managing Director shall receive such remuneration as the Directors may determine.

#### **SECRETARY**

- 35) 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 the Secretary appointed may be removed by them.

#### **THE SEAL**

- 36) The Directors 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 authorised by the Directors in that behalf, and every instrument shall be countersigned by the Secretary or by a second director or by some other person appointed by the Directors for the purpose.

### ACCOUNTS

- 37) The Directors shall cause true accounts to be kept:
- (a) of the assets and liabilities of the Company;
  - (b) of all sums of money received and expended by the Company and the manner in respect of which receipts and expenditures take place. The books of accounts shall be always open for the inspection of the Directors and shall be kept at a place decided by the Directors.
- 38) The Directors shall from time to time determine whether in any particular case or cases or generally and to what extent and at what time and place and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of the members and no member (not being a director) shall have any right of inspecting any book or documents of the Company except as conferred by statute or authorised by the Directors.

### AUDIT

- 39) 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.
- 40) The Directors shall appoint the first auditor who will hold office until the first annual general meeting.
- 41) The Directors may fill up any casual vacancy in the office of auditor.
- 42) 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.

### CAPITALIZATION OF PROFITS

- 43) The Company in 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 thereto, if distributed by way of dividend and in the same proportions on condition that the same shall not be paid in cash but be applied either in or toward paying up any amounts for the time being unpaid or any shares held by such members respectively.

### NOTICES

- 44) A notice may be given by the Company to any member either personally or by sending it by post to him at his registered address, and/or if he has no registered address, to his last known address, if any, supplied by him or her to the Company for the giving of notice to him. Where a notice is sent by post, service of the notice shall be deemed to have been effective if the notice was posted.
- 45) Notice of every general meeting shall be given in any manner herein before authorized to every member at his or her registered address or last known address.

- 46) Every person upon whom the ownership of a share devolves by reason of his being a legal personal representative of a trustee or a trustee in bankruptcy of a member where the member but for his death or bankruptcy would be entitled to receive notice of the meeting; and the auditor for the time being of the Company.

#### **WINDING UP**

- 47) 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 Act, 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 purposes set such value as he may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefits 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 where there is any liability.

#### **INDEMNITY**

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


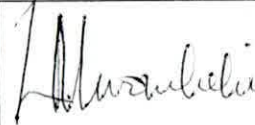


#### **ALTERATIONS OR ADDITIONS**

- 49) 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 addition 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**

- 50) 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 Act such differences shall (unless a sole arbitrator be agreed upon) forthwith be referred to the arbitration of three (3) arbitrators, one to be appointed by each party and the third to be appointed by the first two or, in the event of failure to agree within thirty (30) days the procedure laid down in the Arbitration Act Cap 15 or any enactment replacing the Arbitration Act.

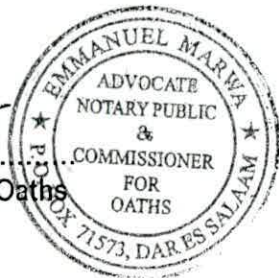
We, the several persons whose names, addresses and descriptions are subscribed, are desirous of being formed into a company in pursuance of these Articles of Association, and we respectively agree to take the number of shares in the capital of the company opposite our respective names.

NAMES, ADDRESSES AND DESCRIPTION OF SUBSCRIBERS	NUMBER OF SHARE	SIGNATURES
DEO PAUL MWOMBEKI P.O. BOX 129 KAYANGA KARAGWE	7000	
LEWICE MWOMBEKI P.O. BOX 129 KAYANGA KARAGWE	1000	
ZALIDA FESTUS P.O. BOX 129 KAYANGA KARAGWE	1000	
ALICE KOKUBANZA P.O. BOX 129 KAYANGA KARAGWE	1000	

Dated at DAR ES SALAAM this 26 day of April 2013

Before me:-

  
.....  
Commissioner for Oaths





# Certificate of Incorporation

Section 15

No 99320

I HEREBY CERTIFY THAT

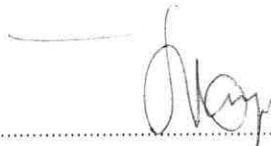
**AGROSERVE COMPANY LIMITED**

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

Given under my hand at Dar es salaam

this **16TH** day of **MAY**

**TWO THOUSAND AND THIRTEEN**

  
Asst.Registrar of Companies



# **TANZANIA INVESTMENT CENTRE**

## **REGISTRATION FORM**

**FOR**

## **CERTIFICATE OF INCENTIVES**

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

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

**(Please fill the form in duplicate)**

UNITED REPUBLIC OF TANZANIA

THE TANZANIA INVESTMENT ACT

(No. 26 of 1997)

APPLICATION FOR REGISTRATION

(Made under Regulation 42)

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

1. I/We DEO GRATIAS PAULO MWOMBeki  
(director/directors/agent of AGROSERVE COMPANY LIMITED  
(name of business enterprise) apply for registration of .....  
under Section 17 of the Act and Part IV of the Investment Regulations, 2002.

2. The registered office of the company will be situated at PLOT N° 108, BLOCK "C"  
KAYANGA URBAN AREA IN KARAGWE DISTRICT.

Copies of the following documents are attached to this application:

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

3. The Head Office of the Company will be situated at PLOT N° 108, BLOCK "C"  
KAYANGA URBAN - KARAGWE.

4. The Principal Officers of the Company are .....  
① DEO GRATIAS PAULO MWOMBeki ② LEWICE MWOMBeki  
③ ZALIDA FESTUS ④ ALICE KOKUBANZA.

5. Auditors of the Company are .....  
TO BE APPOINTMENT LATER.

6. The authorized share capital of the Company is Tshs./~~US\$~~ 50,000,000/=  
DIVIDED INTO 50,000 SHARES OF 1,000/= (Tshs.)

7. The intended capital investment of the Company in terms of Section 2(2) of the Act is Tshs./US\$ 315,000,000/=
8. The month and day of the financial year end is 31<sup>st</sup> 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, DEOGRATIAS PAULO MWOMBeki of Post Office Number 129- KARAGWE

KAGERA do solemnly and sincerely declare that I am a director/~~duly~~ ~~authorized agent~~ of AGROSERVE COMPANY LIMITED

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

Declared at ~~Dares Salaam~~ MWANZA

The 4<sup>th</sup> day of JUNE 2013

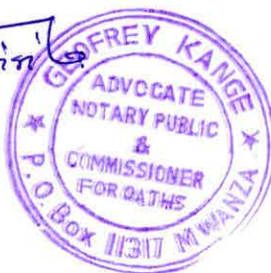
Mwombeki

Applicant

Before me:

[Signature]

Commissioner for Oaths



APPLICATION SUMMARY

Company Name: AGROSERVE COMPANY LIMITED

Certificate of Incorporation Number: 99320 Status: NEW

Certificate of Incorporation Date: 16<sup>th</sup> MAY 2013

Post Box: 129

Town: KARAGWE - KAGERA

Sector: MANUFACTURING Sub-Sector: FOOD PROCESSING

Investment Financing Plan in Million US\$/Tshs.

Foreign Equity	Local Equity	Foreign Loan	Local Loan
-	270,000,000/-	-	45,000,000/-

Project Objectives: INVEST IN THE STATE OF ART MAIZE MILLING PROJECT THAT WILL PRIMARILY CARTER FOR EXPORT AND LOCAL MARKETS.

Capacity: 24 TONS/DAY

Employment: Foreign: 5 Local: 56 Total: 61

Implementation Period: FOUR (4) YEARS.

Project Location

Site/Plot/Block No.: PLOT N<sup>o</sup> 108, BLOCK "C"

Street: KAYANGA URBAN District: KARAGWE Region: KAGERA (Attach sketch map showing project location)

Shareholders	Nationality	%
DEOGRATIUS PAULO MWOMBeki	TANZANIAN	70%
LEWICE MWOMBeki	TANZANIAN	10%
ZALIDA FESTUS	TANZANIAN	10%
ALICE KOKUBANZA	TANZANIAN	10%

**Investment Breakdown** ~~US\$~~ Tshs, M

Land/Building	90,000,000/=
Plant	75,000,000/=
Vehicles	60,000,000/=
Furniture & Fittings	
Pre-expenses	10,000,000/=
Others	45,000,000/=
Working Capital	45,000,000/=
<b>TOTAL</b>	<b>315,000,000/=</b>

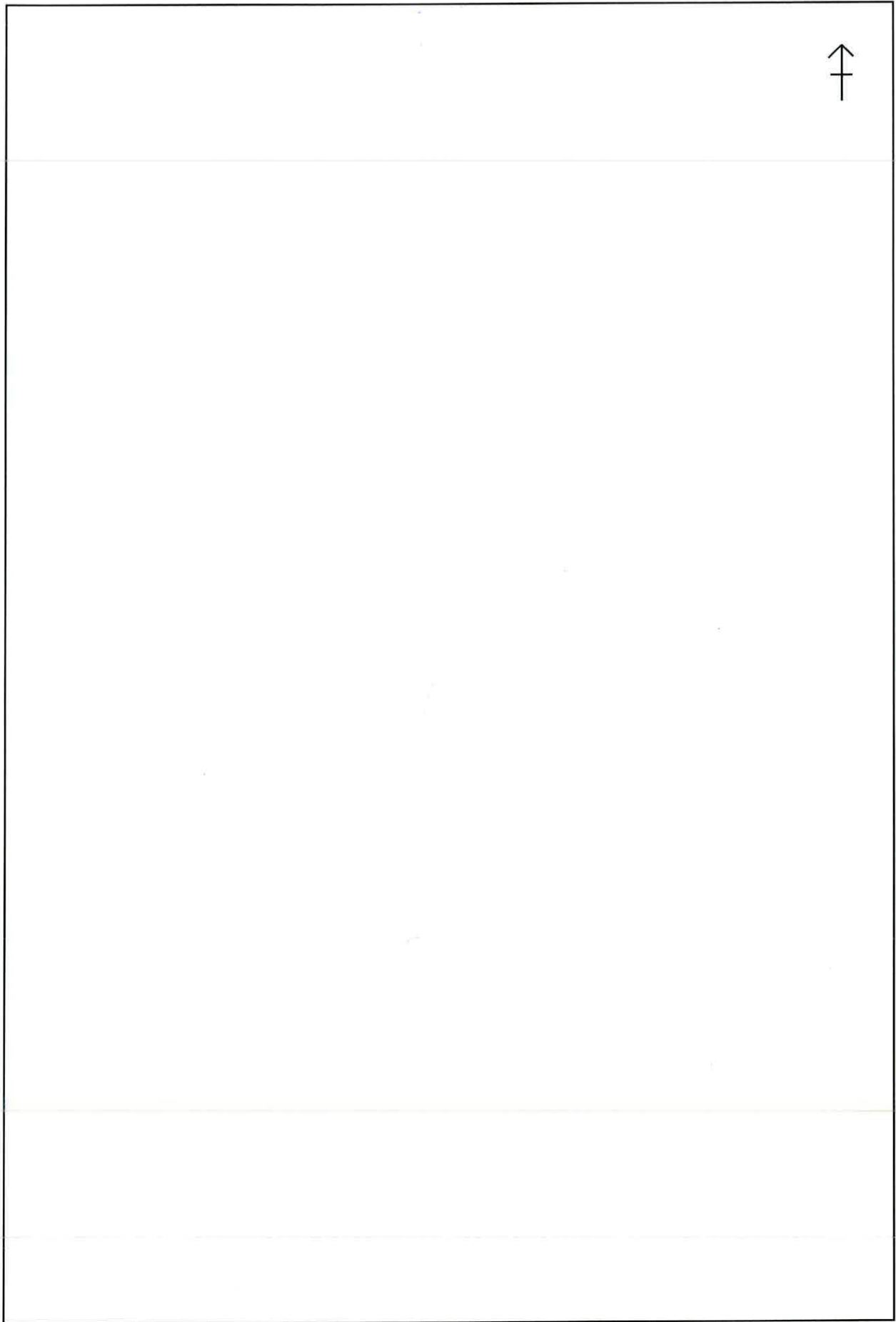
**Contact Details:**

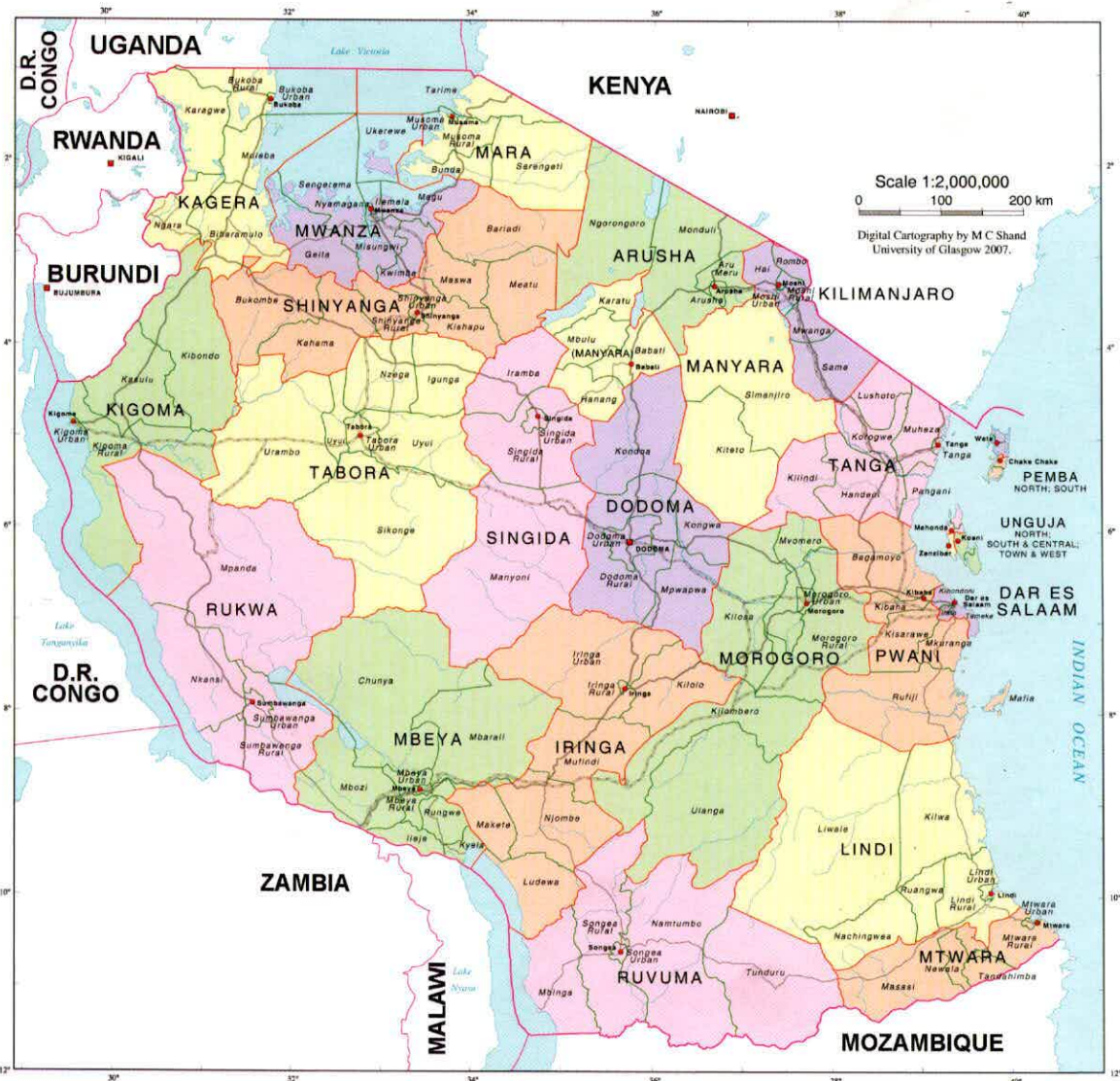
Name: DEOGRATIAS PAULO MWOMBeki Title: DIRECTOR  
Telephone: +255 767 306 787 Fax: .....  
Email: agrolinkst2@gmail.com

**Payments to be made payable to:**

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

**SKETCH MAP SHOWING PROJECT LOCATION**





 **AGR Serve Company Limited**

**Kamahungu Industrial Area, P.O Box 129, Karagwe,  
Kagera-Tanzania.**

Tel + 255 28 2227062/784 306787, E-mail: [agrolinkstz@gmail.com](mailto:agrolinkstz@gmail.com)

①

Date: June 06, 2013

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



Dear Madaam,

**RE: AGRICULTURE PROJECT FOR MAIZE MILLING.**

We are in the process of establishing a Modern Complete Maize Milling with milling capacity of 1,000 kg /hour, to be used in producing white super maize meal Flour for human consumption at Karagwe District, Kamahungu Industrial Area. It is due to this reason that we kindly submit our application for TIC Certificate of Incentives to facilitate smooth implementation of our project. Attached herewith please find the following basic documents for your perusal and necessary action:

1. One (1) duly completed and signed Application Form for TIC Certificate.
2. A certified copy of our Certificate of Incorporation
3. A certified copy of the company's Memorandum and Articles of Association
4. Evidence of the land at Kayanga Urban Karagwe from Karagwe District in Kagera.
5. Assignment of property / Deed of assignment.
6. A letter of credibility from our Banker.
7. Company Board Resolution to register with TIC
8. A copy of our Business Plan.
9. Overall covering letter
10. Affidavit of Names in respect of Deogratias Paul Mwombeki

Thanking you for your kind consideration.

Yours' sincerely,



Deogratias Paulo Mwombeki  
**MANAGING DIRECTOR**  
**AGROSERVE COMPANY LIMITED**



# TIC Evaluation Report

**Name of the Company**  
**Agroserve Co. Ltd.**

Post Box	Kayanga Urban, Plot No. 108 Block C	COI Number	99320	Contact	Mr. Deogratias Paulo Mwombeki
Post Office	129	COI Date	16/05/2013	Designation	Director
Region	Kagera	Application F. No	11116	Phone	0
Country	Tanzania	Status	New	Direct Phone	0
		Sector	Manufacturing	Cell Phone	0767 306 787
		Sub Sector	Food Processing	Fax	0
		File No	042473	E-Mail Address	0

Project Location		Investment Finance Plan in Millions USD											
Plot/Block	Plot No. 108 Block C	<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</td> <td>0.17</td> <td>0</td> <td>0.05</td> </tr> </tbody> </table>	Foreign Equity	Local Equity	Foreign Loan	Local Loan	0	0.17	0	0.05			
Foreign Equity	Local Equity		Foreign Loan	Local Loan									
0	0.17		0	0.05									
Street	Kayanga Urban												
District	Karagwe												
Region	Kagera												

Shareholders Detail			Investment Breakdown (USD Million)	
Name	Nationality	(%)	Land/Building	0.06
Alice Kokubanza	Tanzanian	10	Plant	0.05
Zalida Festus	Tanzanian	10	Vehicles	0.04
Lewice Mwombeki	Tanzanian	10	Furniture & Fittings	0
Deogratias Paulo Mwombeki	Tanzanian	70	Pre-expenses	0.01
			Others	0.03
			Working Capital	0.03
			Total	0.22

Employment	61	Evaluated By	wf officer3
Capacity	24 tons/day	Drawn By	wf registry1
Project Turn Over		Project Type	Local

### Description

To establish and Operate state of art maize milling plant project.

### Recommendations

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

on

*Approved. Rm 27.06.13*

TICC/PP.10/042473/3

27<sup>th</sup> June, 2013

Managing Director,  
Agroserve Co. Ltd.,  
P.O. Box 129,  
**Kagera.**

**RE: CERTIFICATE OF INCENTIVES FOR INVESTMENT IN THE  
ESTABLISHMENT AND OPERATING STATE OF ART MAIZE MILLING  
PLANT PROJECT**

We wish to acknowledge receipt of your project proposal to establish and operate state of art maize milling plant project. as presented in the TIC P.A. 1 Form No. 11116 and Feasibility Study with a projected investment of USD 0.22m.

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

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

You will also be required to submit to the Centre a Progress Report on the implementation of the project after every six months for our information and review. Guidelines for the preparation of the report are contained in annexure 2 also attached to this letter. Please do not hesitate to contact the Centre for any clarification if the need arises. Please also note that a facilitation fee equivalent to US\$ 1000.00 is payable at the ruling exchange rate before your Certificate of Incentives is prepared. Please make deposit direct to the bank as per bank details below:-

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

TICC/PP.10/042473/3

27<sup>th</sup> June, 2013

We wish you every success in the implementation of the project.

Yours sincerely,

**TANZANIA INVESTMENT CENTRE**



Juliet R. Kairuki

**EXECUTIVE DIRECTOR**

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

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

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