

KARAM ENGINEERING WORKS LIMITED

P.O.BOX 2323,
ARUSHA,
TANZANIA

May 6, 2021

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

Dear Sir,

**RE: PROGRESS REPORT FOR INVESTMENT IN ENGINE REBUILDING FACILITY IN ARUSHA
CERTIFICATE OF INCENTIVES 040724**

Dear Sir,

We would like to submit progress report on our above project for the period ended 30th September 2007.

Overall Comment

The Company completed its project implementation in July 2007.

The Company secured lease of a larger workshop during implementation of its project.

1. Planned activities for the period:

- A. Modifications & Renovation to Workshop premises
- B. Ordering, Purchase, Importation of machinery and equipment.
- C. Training Staff in use of machinery & equipment
- D. Advertising & Marketing of the operations

2. Achievements

Modifications & Renovations to Workshop Premises

Modernisation and refurbishment of workshop premises was undertaken.

Purchase of Machinery & Equipment

The following machines have been acquired over the period:

| Serial No | ITEM | Quantity |
|-----------|--|----------|
| 1 | Vertical Cylinder Honing Machine | one |
| 2 | Vertical Cylinder Fine Boring Machine | one |
| 3 | Vertical Hydraulic Surface Grinder | one |
| 4 | Line Boring Machine | one |
| 5 | Rod Alignment Checking Device | one |
| 6 | Connecting Rod Boring Machine | one |
| 7 | Crank Shaft Grinding Machine | one |
| 8 | Valve Guiding Machine | two |
| 9 | Seat Cutting Machine | one |
| 10 | Hydraulic Jack for Hand Operated Press | one |
| 11 | Adjustable Rimmer | one |
| 12 | Lathe Machine | one |
| 13 | Power Press | one |
| 14 | Stand-by Generator | one |
| 15 | 2 tonnes Pick-up Truck | one |

Training Staff in use of machinery & equipment

The staff training program is on-going

Advertising & Marketing of the operations:

Aggressive marketing of the operations was undertaken and the project has achieved turnover of Tshs. 310.0 million for the period ended 31.12.2005.

3. Project Financial Expenditure to date (Tzs)

| | <u>Foreign</u> | <u>Local</u> | <u>Total</u> |
|--------------------------|--------------------|-------------------|--------------------|
| Land and buildings | - | 20,900,000 | 20,900,000 |
| Vehicles | 21,450,000 | 2,178,000 | 23,628,000 |
| Machinery & Equipment | 177,536,700 | 32,887,800 | 210,424,500 |
| Pre-operational expenses | 2,420,000 | 2,334,200 | 4,754,200 |
| Sub-total capital | <u>201,406,700</u> | <u>58,300,000</u> | <u>259,706,700</u> |
| Working Capital | 0 | 30,035,500 | 30,035,500 |
| GRAND TOTAL | <u>201,406,700</u> | <u>88,335,500</u> | <u>289,742,200</u> |

4. Project Financing

| | |
|------------------|--------------------|
| Equity | 222,721,400 |
| Suppliers Credit | <u>67,020,800</u> |
| GRAND TOTAL | <u>289,742,200</u> |

5. Problems and Solution

Problems

Due to space constraints earlier, all the required machinery could not be acquired. However, since larger premises have been secured, the company acquired machinery to have a fully complementary engine rebuilding facility.

Expansion project

The Company acquired machinery and vehicles as envisaged during the period 2003 to 2007.

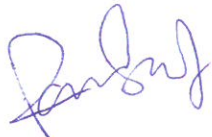
6. Future Plans

The Company intends to diversify its main business of engine re-building to installation of machinery and equipment for small scale agro-processing industry.

7. Recommendations and any other comments

The Company thanks the Tanzania Investment Centre, Tanzania Revenue Authority and various other Government authorities for the assistance accorded in the implementation of the Company's project implementation.

Submitted for and on behalf of Karam Engineering Works Limited



Ram Singh Panesar
Managing Director,