

Our Ref No: **PMM/TIC/20/15**

Executive Director,
Tanzania Investment Centre-(TIC),
Dar es Salaam.



Date: **01st /12/2020**

Handwritten signature and initials: DLE, PM, 11/12/20

Dear Sir,

VERY URGENT

RE: REQUEST FOR EXTENSION OF CERTIFICATE OF INCENTIVE NO 071068 FOR COMPLETION OF OUR PROJECT.

Please refer to our letter with ref no **PMM/TIC/20/14** dated **23rd/04/2020** requesting extension of the referred certificate of incentives for completion of our projects.

We wish to inform you that our Company has finally managed to secure total fund for completion of project from Commercial Banks namely **M/S Standard Chartered Bank and TIB Development Bank Limited**. The fund entails payments of Trucks and Trailer as part of list of deemed capital goods as per project paper previously lodged in your Office. It worth noting that the implementation of the aforesaid projects were delayed due changes of Government's policies which restricted smooth operations of ICD businesses under the jurisdiction of sectorial regulatory bodies namely **SUMATRA ,LATRA and TASAC which** retards timely availability of project funds from Commercial Banks.

Having obtained sufficient fund from Commercial Banks we strongly believe that the existing Project which had already been submitted to your good office, now will be implemented in full within the period of twelve months. Based on the stated reasons we humbly request your office to once again extend the referred certificate of incentives for the next period of twelve months from **an effective date on this month of December 2020. We kindly request special attention as some of trucks and trailers will arrive within 14 days.**

For TIC's communication purposes, below named staff are duly authorized contact persons:

| S/N | NAME OF STAFF | TITLE | TELEPHONE/MOBILE |
|-----|---------------------|--|------------------|
| 1. | Dr Judith Mhina | Executive Chairperson | 0784-780071 |
| 2. | CPA Damian J Kanuti | Director of Finance and Administration | 0754-295811 |

Attached herewith, please find the following documents:

1. Original Certificate of Incentives.
2. Project Progressive Reports for the past 6 months.
3. Different Project Photos.
4. Official application letter stating the purpose and reasons.
5. TIC Payment receipt stamped(As confirmed to be paid upon completion of TIC Physical Inspection)

Kindly do the needful.

We beg to submit.

Sincerely Yours
PMM ESTATES (2001) LIMITED



Damian J .Kanuti
For Executive Chairperson



ICD No. 0015
PMM ESTATES (2001) LTD
Inland Container Depot (ICD)

Nyerere Road, Plot No. 2384/75
P. O. Box 33790, Dar es Salaam, Tanzania
Telephone: +255 222863669 / 2863670

Our Ref No: **PMM/TIC/20/06**

Date: **01ST /12/2020**

EXECUTIVE DIRECTOR,
TANZANIA INVESTMENT CENTRE,
DAR ES SALAAM, TANZANIA.

Dear Sir,

**RE: SUBMISSION OF IMPLEMENTATION PROGRESSIVE REPORT ON
UTILIZATION OF TIC INCENTIVE CERTIFICATE NO 0223150 FOR THE
PERIOD ENDED 31ST MARCH 2019.**

Please refer to our letter with ref no **PMM/TIC/20/14** dated 23RD /12/2020 which provides a project progressive report for the period ended **30th /06/2020**.

Once again we hereby submit to your good office an implementation progressive report for the period ended **30th /12/2020** as follows:

1. Planned Activities.

As per our application we planned the following activities:

- Procurement of plant and equipment.
- Procurement of Workshops Equipment.
- Procurement of building and civil machineries.
- Procurement of building and civil materials
- Procurement of mining equipment and tools
- Procurement of logistics and transport equipment.

2. Achievement made on the project.

- ❖ We have expanded the ICD Yard Capacity from 1000 TEU to 1700 TEU with an increment on number of staff by additional 50 people to current staff level of 350 staff. The aforesaid expansion project cost USD 3,550,000.00
- ❖ We have procured plant and equipment and logistic equipment worth USD 1,755,500.
- ❖ We have procured workshop equipment worth USD 255,500.00
- ❖ We have procured civil and building equipment worth USD 195,653,200
- ❖ We have procured mining tools and equipment to the tune of USD 175,500.

3. Provide update information on the following aspects:

| S/NO | INFORMATION | DESCRIPTION | CURRENT PROJECT STATUS |
|------|-----------------------------------|---|---|
| 1. | Shareholder's Information | Current Shareholders names, nationality and percentage of ownership. | <ol style="list-style-type: none"> 1. Dr Judith Mhina Tanzanian with 50% of Equity Share 2. Mr Philip Mhina Tanzanian with 25% of Equity share 3. Mr Mhina Mhina Tanzanian with 50% of equity share |
| 2. | Company Communication Information | Email address Mobile number LAND Line Telephone Number Physical Address(plot no, block no, street, district and Region | <ul style="list-style-type: none"> • Email:info@pmmicd.com • Mobile number:0784780071/0754295811 • Land line:255 222863669 • Physical address: Plot no 2384/75,Vingunguti near CFAO Motors Ltd,Ilala in Dar es Salaam, Tanzania |
| 3. | Contact Person | Name Position Communication Details(Email, Mobile and Telephone | <ul style="list-style-type: none"> • Name :CPA Damian J Kanuti • Position: Group Financial Controller • Emails: dkabuti@pmmicd.co.tz |
| 4. | Incorporation | Certificates of Incorporation | 41402 |
| 5. | TIN Information | TIN Certificate No. | 101-061-612 |
| 6. | Project Objectives | Project Core Activities | Dry Port and logistics services |
| 7. | Capacity | Project Capacity per year | 18,000 TEU |
| 8. | Direct Employment | <ul style="list-style-type: none"> • Foreign-Men • Foreign –Women • Local-Men • Local-Woman | <ul style="list-style-type: none"> • NIL • NIL • 223 • 25 |
| 9. | Indirect Employment | <ul style="list-style-type: none"> • Estimated Total No • Types/areas of Indirect Employment | <ul style="list-style-type: none"> • 15 • Laborers |

4. Project Financial Expenditure to date is as follows:

| | Foreign(USD) | Local(USD) | Total(USD) |
|---------------------------|---------------------|---------------------|-------------------|
| Land and Buildings | 3,715,755.00 | 1,250,500.00 | 4,966,255.00 |
| Plant and Machinery | 3,129,745.15 | 654,563.00 | 3,784,308.15 |
| Motor Vehicles/Aircrafts | 2,456,256.00 | 796,456.00 | 3,252,712.00 |
| Furniture | 256,750.00 | 101,604.00 | 358,354.00 |
| Office Equipment | 298,653.00 | 125,655.00 | 424,308.00 |
| Insurance Cover | | 155,653.00 | 155,653.00 |
| Pre-operational expenses | | 111,655.00 | 111,655.00 |
| Working sub-total capital | | 212,750.00 | 212,750.00 |
| GRAND TOTAL | 9,857,159.15 | 3,408,839.00 | 13,265,995.15 |

5. Project Financing.

The project is financed by TIB Development Bank Term loan facility of USD 5 Million and an overdraft facility of USD 4.7 Million from TIB Corporate Bank Limited as well as Standard Chartered Bank Tanzania Limited for USD 6.5 Million. Moreover the Project retained the total of USD 651,162 from accrued profit for expansion programs. The project financing structure is summary below:

| | Amount(USD) | Source Country |
|-------------------------|----------------------|---|
| Local Equity | 4,319,654.00 | Profits Accumulation from Businesses-Tanzania |
| Local Loans | 17,700,000 | Commercial Banks |
| Foreign Equity | | |
| Foreign Loans | | |
| Total Investment | 22,019,654.00 | |

6. Problems and Solution.

The Project encounter the following challenges which hinder its timely implementation to its final completion stages:

- Inflation and untimely release of fund from Commercial Banks have negative effects towards implementation of this project.
- Shorter given grace period from Commercial Banks forced repayments of respective principals and interest from other sources apart from imported plants and machinery.

- Suddenly changes of regulations governing ICD and logistics business industry as advocated by then SUMATRA and now the TASAC. For instance the Government announcement of shifting all ICD Businesses from Dar es Salaam Region to Kwala in Coastal Region about 115 kilometers from the port.
- Slowdown of importation in general and other economic issues related to COVIC 19 pandemic diseases.
- Slowdown of importation of containers by Kariakoo Traders and other business persons on market constraints.

7. Future Plans.

- Request of extension of TIC Certificate of incentives to procure below mentioned items.
- Embark on modernization and new redesign for implementation of the proposed Vingunguti Container Satellite Project to the state of an art for warehouse facilities and bonded warehouse.
- The capital expenditures required for the remaining portion of the project are as follows:

| S/N | ITEM NAME | QTY | AMOUNT IN USD | Duration |
|------|--------------------------|-----|---------------------|----------|
| 1.0 | Head Tractor | 48 | 1,250,000.00 | 15 DAYS |
| 2.0 | Trailers | 48 | 650,000.00 | 15 DAYS |
| 3.0 | Semi-Trailers | 30 | 450,000.00 | 6 MONTHS |
| 4.0 | Reach Stacker | 6 | 1,350,000.00 | 1 YEARS |
| 5.0 | Low Loaders | 5 | 355,000.00 | 1 YEARS |
| 6.0 | Low Bed | 5 | 350,000.00 | 1 YEARS |
| 7.0 | Side Loaders | 4 | 250,000.00 | 1 YEARS |
| 8.0 | Fuel Tankers | 10 | 355,000.00 | 1 YEARS |
| 9.0 | Cranes | 5 | 450,000.00 | 1 YEARS |
| 10.0 | Crane Truck-over 45 Tons | 1 | 750,000.00 | 1 YEARS |
| 11.0 | Quarry Plant | 2 | 1,500,000.00 | 60 DAYS |
| | Total in USD | | 7,710,000.00 | |

8. Recommendations and Comments.

The PMM Management is hereby recommend for extension of the duration of TIC Incentive Packages as well as making additions and expansion of list of capital/deemed capital goods for certificate of incentives.

Attached herewith, please find a parking lists and bill of lading of imported trucks and trailers from China which are scheduled to be delivered within 15-30 days this month.

We beg to submit.

Sincerely Yours

PMM ESTATES (2001) LIMITED



Damian J Kanuti

For: Executive Chairperson