

Aqua Cool Ltd

106C Mwakalinga Road, Chang'ombe
P.O.Box 2132, Dar es Salaam, Tanzania

Email: info@kisimawater.com

Web: www.kisimawater.com

Tel: +255 22 2862363 / 2863649

Fax: +255 22 2866060 / 2112914



9th March 2021

TIC PROGRESS REPORT

Aqua Cool Ltd was established in 1998 as a pure drinking water bottler. Within the first year of operations the founder innovated the business model and moved from packaging small bottles into delivering large 20 Litre bottles to Offices and Homes. Under the brand name KISIMA Water, Aqua Cool Ltd was the first company in Tanzania to provide such a service.

KISIMA is a Swahili noun, literally translating to “water well”, which is the source of our premium drinking water. KISIMA is processed using state of the art technology in order to ensure every drop is pure, healthy and safe for human consumption.

Aqua Cool Ltd has been growing steadily since its inception. Today we have more than 120 staff members, 25 delivery trucks and a capacity to produce up to 200,000 liters of pure drinking water per day. Our logistics team ensures timely deliveries in all of Tanzania, including special arrangements for our corporate customers with branch networks upcountry.

Question 1 and 2

Planned activities for the period of 2015/2020 and its achievement made.

During the period of 2015 to 2020 Aqua Cool Ltd has expanded its operations and investments to the tune of Tsh 2.5 Billion.

Firstly in 2015 we purchased a big industrial plot of 5 acres in Chamazi District, and constructed a 1160 SQM Warehouse to house our new project of Small Bottles Water Factory, including Machinery for Water purification, Bottle blowing, Water filling, capping and sealing and shrink



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wrapping with a capacity of 6,000 bottles per hour. We also constructed offices, laboratory and staff housing. Please find attached photos.

Secondly, we have purchased a new machine of Injection Moulding in 2018 to make our 730 gram and 285 gram preforms with a capacity of 4000 preforms per day, for large plastic bottles in our HQ plant in Changombe. We have two moulds for 15-16 litres and 18.9-20 litres bottles. Please find attached photos.

Thirdly we have purchased a new machine of Injection Moulding in 2020 for making caps and handles with a capacity of 150 Tons in our Changombe HQ plant. We have two moulds to make cap and handle of 55mm neck size. Please find attached photos.

Finally, we have purchased 8 trucks from 3, 5 and 7 tons for our distribution. Please find attached photos. Of course, to run such an operation we have also increased our working capital with stocks of raw and packaging material to the tune of Tsh 400 Million.

Updated information:

1. Current shareholders;

A. ALI ASGER DHANJI	140000 shares - British
B. ASGER JAFFERALI DHANJI	175000 shares - British
C. MASUMA ASGER DHANJI	385000 shares – Tanzanian
D. MUSHARAFALI ASGER DHANJI	20000 shares - British
E. JAFFERALI ASGER DHANJI	20000 shares - British

2. Company Communication information

Email. ali@kisimawater.com

Mobile. 0768 114949/ 0788999950

P.O. Box 2132 – Dar Es Salaam (Plot 106) Chang'ombe _DSM



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3. Contact Person

ALI DHANJI

MANAGING DIRECTOR

Email. ali@kisimawater.com

Mobile. 0768 114949

- 3. Certificate of incorporation No. **32042**
- 4. TIN information. **100-149-036**
- 5. Project Core Business – **Manufacturing of Pure Drinking Water**
- 6. **Direct Employment**

Foreign Men:	3
Foreign Woman	0
Local Men	103
Local Woman	10
Total	116

4. PROJECT FINANCIAL EXPENDITURE TODATE USD

	Foreign (USD)	Local (USD)	Total (USD)
Land and Building		\$500,000	\$500,000
Plant and Machinery		\$670,000	\$670,000
Vehicle/aircraft		\$200,000	\$200,000
Furniture		\$7000	\$7000
Office equipment		\$20,000	\$20,000



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5. PROJECT FINANCING

	Amount (USD)	Source Country
Local Equity	\$316,000	Tanzania
Local Loans	\$895,000	Tanzania
Foreign Equity		
Foreign Loans		
Total Investment		

6. Problems and Solutions

The problems we have faced during this period are as per below:

- In Chamazi district we were forced to spend Tsh 110 Million out of our budget for electricity after Tanesco had previously confirmed there was adequate power to run our factory. After spending this amount to update the infrastructure (pulling 33kva 3 phase line from main road to our site), we still got too many power problems between 2016-2018 forcing us to reduce the output and incur losses.
- The excise duty on water has made our water very expensive since 2012 and we believe this is one of the reasons that water industry is not growing enough in margins, only in volumes. In essence excise duty and VAT makes up to 40% of the cost of water to final consumer, meaning it is hard to sell as much so we reduce our profit margins to accommodate the same.



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7. Future Plans

Our future plans include introducing new products to widen our basket of goods. Most likely we will embark on a project of tea and coffee packing. We are negotiating with suppliers of raw materials both locally and international and machine manufacturers. We already are in the business of Tea & Coffee Vending machines but we shall expand into the FMCG side of this business by introducing cheaper and more accessible products like Instant Tea, Instant Coffee, Hot Chocolate in sachets and bottles.

We plan to increase 6-8 trucks for upcountry sales penetration as currently 90% of our business is in Dar-es-Salaam only but we see much more potential in regions such as Mwanza, Mbeya, Arusha, Morogoro, etc.

8. Recommendations

We recommend TIC to call us for meetings or we invite them to our offices for discussions on how we can leverage our Incentives more for a win-win situation of the country and the company. We are very happy to receive news that TIC is now part of the President's Office, and we hope to work hand in hand with your esteemed authority to expand our business and our contribution to the social aspects and taxes collected of the country as well.

Regards,

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For Managing Director

