



**MINISTRY OF INVESTMENT, INDUSTRY AND
TRADE**

**TANZANIA INVESTMENT CENTRE
LAKE ZONE**

MWANZA HUDUMA LIMITED PVV REPORT

15TH JUNE 2022

**PVV CONDUCTED BY
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IPFO - LAKE**

1. INTRODUCTION

Mwanza Huduma Company Ltd is a TIC registered project with certificate of incentives **No. 022384** registered with TIC in 2019. The company was registered with BRELA with certificate of incorporation **No. 56669** for establishing and operating cargo transportation project in Mwanza Region. The project is located at Plot No. 237 Block T, Mkuyuni, Kenyatta Road, Mwanza.

Mwanza Huduma Company Ltd submitted an application to TIC requesting the extension of their certificate of incentive which expired in May, 2022.

TIC Lake zone office was instructed by the head office in May 2022 to undertake the PVV for Mwanza Huduma Company Ltd project implementation site in order to determine the project implementation status and to verify the investment with reference to capital/deemed capital expenditure for purposes of justification of the project Extension.

2. COMPANY INFORMATION

Table 1- Mwanza Huduma Company Ltd Company information

S/No.	Information	Description	Current Project Status
1.	Shareholder's Information	Current Shareholders names, nationality and percentage of Ownership	1. Zulfikar E. Nanji 48%, Nationality Tanzania 2. Rosemin Z. Esmail -

			12% , Nationality
2.	Company Communication Information	Email address	mzahuduma@gmail.com
		Mobile Number	+255784970971
		Land Line Telephone Number	+255 28 2502247
		Physical Address (Plot No., Block No, Street, District and Region	Plot No. 237 Block T,Kenyatta Road, Mwanza.
3.	Contact Person	Name	Amit Dilip Karelia
		Position	Manager
		Communication Details (Email, Mobile and telephone)	+255784970971 mzahuduma@gmail.com
4.	Incorporation	Certificate of Incorporation No.	56669
5.	TIN Information	TIN Certificate No.	109-930-709
6.	Project Objective	Project Core Activity	Cargo transportation

4. PROJECT PERFORMANCE

Description of actual project performance and issues observed (findings) in tabular format below;

Table 2- Project Actual Performance

S/N	Information	Description	Current Status	
1.	Investment Financing amounts in USD	Financing Type	Amount (USD)	Source Country
		Local Equity	8,500,000	Tanzania
		Local Loans	-	-
		Foreign Equity	-	-
		Foreign Loans	-	-
		Total Investment	8,500,000/= USD	
2.	Capacity	Project Capacity per Year	1000 tons of Cargo	
3.	Direct Employment	Foreign-Men	0	
		Foreign-Women	0	
		Local-Men	295	
		Local-Women	05	
4.	Indirect employment	Estimated Total No.	20	
		Type/areas of Indirect Employment	<i>Food suppliers</i>	

5. OBSERVATION AND FINDINGDS OF THE PROJECT IMPLEMENTATION

The project is located at Plot No. 237 Block T, Kenyatta Road, Mkuyuni - Mwanza. The project was registered with TIC in June,2019 with the aim of establishing and operating a cargo transportation project in Mwanza and the neighboring regions.

The project is currently operating and has managed to import 270 vehicles for the project. Mwanza Huduma Limited is main transporter of Twiga Cement in the Lake Zone Regions, mining sites as well as on various big government projects such as Kigongo- Busisi bridge, Rufiji bridge, Wami bridge etc. The project has a shortage of 100 vehicles to operate smoothly.

In 2019 project promoters applied for tax exemption of 300 trucks, but the exemption was approved for 150 trucks only. From the approved list of 150 trucks, the project promoters managed to purchase on loan 60 trucks locally from SINO SCHUAS due to shortage of funds/financial challenges.

The project has employed a total of 300 permanent employees in which 270 are drivers and the remaining are administrative staffs. The project has the capacity of transporting 1,000 tons of cargo per year.

6. PROJECT IMPLEMENTATION STATUS

TIC Lake Zone Office confirms through the project promoters that implementation of the project is almost 90% complete. The delay in execution was due to the delay in fund mobilization due to outbreak of COVID 19. The project promoters expected to finance the project through loan from local banks to enable them purchase 150 trucks approved by TRA to be exempted. After COVID 19, project promoters failed to get a loan as it was expected and decided to start purchasing some of the trucks on loan from Chinese locally.

So far we have observed the company has implemented the following in the project site;

- Building offices
- Purchase 270 trucks for the project
- Import some equipment for the project such as excavator and rollers.

7. ISSUES OF CONCERN AND PVV FINDINGS ON THE REQUEST

The project promoters demonstrated delays in fund mobilization as the main reason for the delays in implementation of the project. The delay has affected the project in the following ways:

- a) The project failed to import trucks as it was planned which affected the operation of the project.
- b) Project promoters failed to import some machinery and equipment for the project.

8. FUTURE PLANS

Upon TIC approval the project is expected to execute and implement the above targeted activities within a span of one **(1)** year expected completion of the above activities would be June 2023 depending on the approval and the project is expected to surpass the proposed project value:

- ✓ The company intends to start procurement of 100 trucks for the project.
- ✓ Procure machinery for garage and fuel filling for the trucks.

Once the extension is done the project will double its capacity from transporting 1,000 tons per year up to 1,500 tons of cargo per year and increase employment from 300 employees to 400 employees.

9. RECOMMENDATIONS

Through an observation from the project site and based on the project verification done at Plot No. 237 Block T, Kenyatta Road-Mkuyuni Area, Mwanza, I would like to recommend **one year extension** of this project. We believe the extension would stimulate further development in the transportation industry and support completion of the project.

10. CONCLUSION

Mwanza Huduma Company Ltd has demonstrated the importance of cargo transportation in the Lake Zone regions and the country at large. Transportation sector is one of the crucial sectors in stimulating growth of the economy for any country. Approval to import more trucks for this project will continue to improve the availability of the service, employ more people as well as contributing to the country's revenue by paying more taxes.

APPENDICES





