

TANZANIA INVESTMENT CENTRE

DAR ES SALAAM

PROGRESS REPORT

(Information required for the project's progress report after every six months or for amendment of Certificate of Incentives)

1. Planned activities for the period

The planned activities are mentioned below:

- Establishing and operating a project for cargo transportation in Tanzania Mainland and neighbouring countries
- Importing Fleet of cargo vehicles such as truck, tractors, truck head/ horse and supporting vehicles and related equipment for implementation of the intended cargo haulage.
- Acquiring our own Vehicles Yard and shifting from Tabata where we leased from Mount Meru Petroleum Limited
- Application for Duty exemption on Capital/ Deemed Capital Goods for the Implementation of Cargo Transportation Project.
- We are now wishing to apply for additional trucks to make our cargo project economical and financially viable

2. Achievements made on the project implementation to date

The intended cargo transportation Project has so far achieved the following:

1. Commencement of Cargo haulage Project.
2. Implementation of the cargo haulage by importing Trucks, Tractors, Truck Head, Horse and related facilities.
3. Acquiring our own Vehicles Yard and shifting from Tabata where we leased from Mount Meru Petroleum Limited

In addition to that M/S KDG (AFRICA) LIMITED was granted Import Duty Exemption on Fleet of Cargo transportation vehicles such as trucks, tractors, truck head, horse, and supporting vehicles and related equipment i.e. Capital / Deemed Capital Goods by the Commissioner for Customs & Excise TRA for the purpose of implementing the cargo Project as per Investment Proposal

- So far M/S KDG (AFRICA) LIMITED has 26 trucks and has invested us dollar 1,098,950
- The CARGO Project has an investment mote that what was proposed earlier by us dollar 2 million us Dollars.

Construction within the Yard is underway.

3. Provide updated information on the following aspects:

S/N o.	Information	Description	Current Project Status																									
1	Shareholder's Information	<p>Previous:</p> <table border="1"> <thead> <tr> <th>S. No</th> <th>Name of Shareholder</th> <th>Nationality</th> <th>Allotted Shares</th> <th>Holding %</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Ms. Shveta Lohia</td> <td>Indian</td> <td>2,09,441</td> <td>97%</td> </tr> <tr> <td>2</td> <td>Mr. Manav Lohia</td> <td>Indian</td> <td>1,200</td> <td>1%</td> </tr> <tr> <td>3</td> <td>Mr. Vikrant Kapoor</td> <td>Indian</td> <td>4,198</td> <td>2%</td> </tr> <tr> <td></td> <td>Total</td> <td></td> <td>2,14,839</td> <td></td> </tr> </tbody> </table> <p>Current: Same as previous.</p>	S. No	Name of Shareholder	Nationality	Allotted Shares	Holding %	1	Ms. Shveta Lohia	Indian	2,09,441	97%	2	Mr. Manav Lohia	Indian	1,200	1%	3	Mr. Vikrant Kapoor	Indian	4,198	2%		Total		2,14,839		
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	Total		2,14,839																									
2	Company communication Information	Email address: rahul.tyagi@kdgafrica.com Mobile Number: +255695282605 Address: Plot No 58/2 First Floor Mandela Road Dar Es Salaam Tanzania P.O BOX 78845																										
3	Contact Person	Name: Mr. Rahul Tyagi Position: Director Mobile Number: +255695282605																										
4	Incorporatio	165806522																										

	n		
5	TIN Information	165-806-522	
6	Project Objective	Project Core Activity	
7	Capacity	Project capacity per year	
8	Direct Employment	Foreign Men Foreign Women Local Men Local Women	
9	Indirect employment	Type/areas of Indirect employment	

4. Project Financing Expenditure todate (USD)

	Foreign (USD)	Local (USD)	Total (USD)
Land and Buildings			
Plant and machinery			
Vehicles/Aircrafts		1,098,905	
Furniture			
Office equipment			
Insurance Cover			
Pre-operational expenses			
Working sub-total capital			
Grand Total		1,098,905	

5. Project Financing

Explain how the project is being financed e.g equity, loans, sources of loans, conditions etc. see table below:-

	Amount (USD)	Source Country
Local equity		
Local loans		
Foreign equity		
Foreign Loans	1,098,905	Dubai
Total Investment	1,098,905	

6. Problems and Solutions

There is delay in granting exemption due to long procedure of rechecking, physical verification which cause the project to suffer Port storage and demurrage charges.

Delay in cargo Clearance due to Documentation/ Classification and valuation Process which also cause the project to suffer Port storage and demurrage charges.

Another problem is Inflation as time goes on the rise of prices of capital / deemed capital goods due to drop of our local currency which increases the hardship in project implementation

Delay in Licensing/ Approving authorities

Getting VAT Refund for our Cargo Transportation Project

B/SOLUTION:

Early submission of list for exemption to the Commissioner for Customs & excise in order to be granted exemption before the goods arrive at Port to avoid Port storage and Demurrage charges

M/S KDG (AFRICA) LIMITED has appointed Good and competent clearing Agent who can do the Clearing job perfectly without mistake in documentation & Classification.

M/S KDG (AFRICA) LIMITED Resolved to Combat Inflation by shareholders equity contribution or Bank Loan.

7. Future Plans

M/S KDG (AFRICA) LIMITED, being a project for cargo transportation, intends to expand more and diversify the project. In addition to that the project will expand its services within Tanzania and to cover East and Central Africa.

8. Recommendations and any other comments

M/S KDG (AFRICA) LIMITED recommends to the Government to put in place better investment Laws and Policies which are investment friendly. AND give more exemptions to investments and remove all forms of bureaucracy to investors from authorities which grants exemptions, licenses, permits.