

TANZANIA INVESTMENT CENTRE
RECEIVED
 15 FEB 2021
 P. O. Box 938
 DAR-ES-SALAAM

The Executive Directors,
 Tanzania Investment Centre,
 No 9A & B Shabani Robert Street,
 DAR ES SALAAM,
 TANZANIA.

BioSustain Tanzania Ltd.

Dr. Riyaz Haider

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SINGIDA

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Certified True Copy of the Original
 Sign. *Godfrey* Date: 2-1-2021
GODFREY JOHN AMBET
 Advocate, Notary Public & Commissioner
 for Oaths

BST/TIC/APP/01/2021

21st January, 2021

Dear Sir,

RE: APPLICATION FOR TIC CERTIFICATE OF INCENTIVES.

1. CONTACT PERSON:

1. Dr. Riyaz Haider -Tel: no. 0715 883 786 / 0784 883 786

2. Mr. Sajjad Ghulam Haider -Tel: no. 0655 786276 / 0767 300 039

1. BACKGROUND:

Biosustain Tanzania Limited is a private company registered and incorporated in Tanzania under the company Act 2002 and issue with a certificate of incorporation No. 55089 dated 3rd day of January, 2006.

The current authorized share capital of the company is TZS 10,000,000,000/- divide into 100,000 ordinary shares of TZS. 100,000/- each. 16,066 ordinary shares have been issued and paid up amounting to TZS, 1,606,600,000.

The company is owned and operated by two shareholders / Directors as given under:

	%	No. shares	Amount
Dr. Riyaz Haider	75	12,049	1,204,900,000
Mr. Sajjad G. Haider	25	4,017	401,700,000
	<u>100</u>	<u>16,066</u>	<u>1,606,600,000</u>

The company was granted first certificate of incentives way back in year 2008 and the year 2010, the company bought Singida Ginnery and rehabilitation of the ginnery with new system was completed in November 2011.

In December, 2018 TIC granted the company another certificate of Incentives No. 019213 dated 5th December, 2018 for processing cotton and sunflower seeds into edible vegetable oil. The project is now in the process of being commissioned.

2. THE NEW GINNERY INVESTMENT:

The Company is in the process of establishing a new ginnery on the same plot where the oil mill plant is installed:

This ginnery is a modern one manufactured by Bajaji industries. It consists of 36 Double roller Ginns.

The new project is as analyzed below:

PARTICULERS	LOCAL	FOREIGN	TOTAL
Land	-	-	-
Building and Civil works	108,000	72,000	180,000
Plant and machinery	150,300	350,700	501,000
Furniture and Fittings	24,000	16,000	40,000
Motor Vehicles	8,000	12,000	20,000
CCTV / Computers / Printers	6,000	14,000	20,000
TOTAL CAPITAL COSTS	296,300	464,700	761,000
Pre-operational Expenses	14,815	23,235	38,050
Mutual Working Capital	122,280	285,320	407,600
SUB TOTAL	137,095	308,555	445,650
TOTAL PROJECT COSTS	433,395	773,255	1,206,650

3. PROFITABILITY AND LIQUIDITY:

Details of financial projections are as given below for a period of five years:

(USD)

YEAR	1	2	3	4	5
Total Sales Income	26,572,249	30,878,528	34,886,283	38,963,354	42,585,654
Gross Profit	4,017,468	4,687,046	5,244,482	5,690,412	6,142,312
Profit Before Tax	2,209,155	2,864,910	3,405,408	3,815,927	4,262,827
Profit After Tax	1,546,409	2,005,437	2,383,786	2,671,149	2,987,439
Dividends -Rate	-	-	-	-	70%
-Amount	-	-	-	-	764,085
Acc Retained Profits	1,546,409	3,551,846	5,935,632	8,606,781	10,830,175
Cash Balance	(36,826)	1,963,736	3,889,707	6,691,160	9,840,306
GDP	10.75%	11.45%	11.45%	11.45%	11.45%
IRR	50+%	50+%	50+%	50+%	50+%
Breakeven Point	45%	45%	32.95%	32.95%	32.95%
Payback Period	1	-	-	-	-
Employment (permanent)	117	117	117	117	117

4. PROJECTED PRODUCTION.

The projected production for the next five year is as given below:

Cotton Lint (M/Ton)	11,400	13,300	15,200	17,100	19,000
Cotton Seeds (M/Ton)	17,400	20,300	23,200	26,100	29,000
Edible Oil -(Litre)	2,006,778	2,306,222	2,471,889	2,616,089	2,616,089

5.BENEFIT TO FARMERS –EMPLOYMENT AND MARKET.

The project will benefit approximately 24,254 farmers households by both training in cotton growing husbandry, and rotational crops. The project will also provide ready market for seed cotton and other rotational crops.

6.LONG TERM VISION

The company project is intended to convert the entire Singida region, Dodoma and other three words from Simiyu region from convention cotton growing method to organic cotton production as narrated below:

- To alleviate poverty
- To promote regional economic growth.
- To improve cotton growers/produces health by promoting sustainable cotton and the use of protective gear.
- Food Security.
- Climate smart solutions to farmers.
- Market of other rotational crops such as sunflower seeds, sesame, mung beans and Yellow gram.
- Production 2020 18,mt of seed cotton
- Production 2021 22,000mt of seed cotton
- Production 2022 24,mt of seed cotton

The ratio will be 2/3 organic cotton and 1/3 sustainable cotton called cotton made in Africa or better cotton initiative

7.SUBMISSION.

Given the above explanations the company requests the centre to consider and approve our application as soon as possible so that the nation can accomplish, the benefits as analyzed in the business plan. Also the implementation of the project is only seven (7) months. Materials for construction of the building to house the ginnery have already been mobilized, Ginnery machine are ready and down payment has been paid. Shipment will be done at the end of second week of January, 2021.

This being the case we are requesting for your total cooperation to facilitate smooth implementation. The management of our company takes this opportunity in thanking you for your corporation, advices and assistance since when we commenced the redevelopment of seed cotton and sesame production in Singida region in the year 2006 and the establishment of ginning industry.

It is our sincere hope that the same cooperation will continue.

I remain,

Yours Sincerely



Riyaz Haider –(Dr)
MANAGING DIRECTOR



Enclosed find the following attached:

1. TIC Application Form.
2. Business Plan.
3. Board Resolution.
4. Land Title Deed.
5. Certificate of incorporation No. 55029.
6. TIN certificate No. 104-809-863.
7. Memorandum and Articles of Association –Certified.
Including BRELA Amendment of shareholding and Directors.
8. Bank statements.
9. Evidence of payment to TIC of USD 1,100.00.
10. Directors Curriculum Vitae.
11. Trade Licence No. BL 20000008684.
12. Ginning Licence.