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 23 JAN 2020  
 P.O. BOX 858  
 PRESS-SALAM

To: Ag. DIF

From: ZM (C )

Date: 23<sup>rd</sup> Jan 2020

**Re: PROJECT VERIFICATION VISIT (PVV) REPORT FOR PURANDARE INDUSTRIES (T) LIMITED-CHAMWINO, DODOMA TANZANIA CONDUCTED ON 23<sup>RD</sup> JANUARY, 2020**

	STATUS	CHALLENGES
1. Project Name	Purandare Industries (T) Limited	
Project Location	Plot No 1 Block A Dabalo-Chamwino District, Dodoma Region	Delayed issuance of title deed and hence Derivative Right Investors. DR was issued in
2. Contact persons	Mr. Satish Purandare Tel +919422069393	
3. Project Registration date	January, 2017 valid to December, 2019	
4. Project Implementation Period	January, 2017-December, 2019	Project Implementation period expired in January, 2020
5. Sector	Agriculture and Agro-processing	
6. Sub Sector	Sugar Processing Facility-Obtaining raw materials i.e. sugar cane from small scale farmers in Chamwino using out grower system	
7. Objective of the Visit	To verify project implementation status subsequent to an application for project implementation period extension	
8. Planned Activities/Investment	On phone conversation, investor informed the PVV team that only after the TIC extension is obtained the company will initiate importation of plant and machinery.	
9. Reasons for Extension	Investor has applied for project implementation period extension for 28 months to enable the company to start project construction after land DR has been granted	
10. Current Status and Findings	Investor has obtained initial approvals including a MoU with Chamwino District Council. Derivative Right. NEMC. TBS and TRA capital//deemed	<ul style="list-style-type: none"> <li>Delay in obtaining the Right caused by</li> </ul>

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	<p>capital goods list. However the project infrastructure construction such as buildings and installation of plant and machinery has not started therefore at present only bare land is there. During the visit, investor Mr Satish was not on site and telephone communication was used to discuss the visit. He informed the team that currently he is in India where he is mobilizing project plant, machinery and equipment. The delay on construction of the project has been caused by delay in obtaining the land approvals which was finally obtained in May, 2019.</p>	<p>process in land is foreign investors as per the Village Land Act 1999 and the Land Act 1999.</p> <ul style="list-style-type: none"> <li>Investor has also shown in regard to infrastructure such as connecting the site to transportation of machinery to the site.</li> <li>Chamwino District pessimistic/suspicious investor's financial and capability to undertake project hence suggesting meeting to set up new implementation targets conducting a due diligence investor</li> </ul>
	<p>In order for the project to be implemented smoothly, it will require a smooth flow of sugar cane from out growers. Investor is therefore required to work with government authorities to mobilize and facilitate small farmers to engage in the sugar cane farming activities. At present the Sugar Board of Tanzania (SBT) and Chamwino Authorities have jointly financed and established a 40 acres seed cane nursery at the site of which seeds would be distributed to small farmers once the investor is ready to start construction. The fact that the project has delayed construction, the out grower and seed cane activities have been suspended.</p>	
	<p>The meeting between the team and Chamwino DED during the PVV revealed that Authorities have lost trust with Purandare and that they strongly feel that investor is not financial and technically capable to undertake this project reasons being his tendency to bring up new issues/excuses from time to time as reasons for not being able to mobilize the project construction. Chamwino authorities are of opinion that prior extending the CoI by TIC, investor be recalled from India to meet key stakeholders including TIC, Chamwino DED, SBT with view to review project implementation and agree way forward on the project implementation. The meeting should take place tentatively early February, 2020 and DED will contact investor in this regard. DED office is also of opinion that a due diligence on investor's financial and</p>	

	STATUS	CHALLENGES
	collaboration with Tanzania Embassy in India.	
	So far no any local employment has been created direct or indirect by the project	
	Estimated Revenue Contribution-No direct tax Revenue collected except for the land fees paid to the Ministry of Lands (Tsh 8,378,915) during processing of the Derivative Right.	
	Foreign Immigrant quota-No any foreign employee to the project	
	Total Tax Exemption-TIC and TRA tax exemption approval on the project comprehensive item list has been granted but investor has not utilized exemption due to failure to begin project construction.	
11.	Zonal Manager Recommendations	The extension of the CoI be kept on hold until when clearance is given by the Chamwino DED office following the outcome of the Government/Investor joint meeting to be held in February, 2020 on project's way forward as proposed by the Chamwino DED office
12.	Project Photos	At present there is no any project development on site therefore no project status photos were taken.

I submit



Revocatus A. Rasheli

Zonal Manager Central Zone