

Afrisian Ginning Ltd

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OUR REF: AGL/TIC/2022/001

Date: 22nd Feb, 2022

To

**EXECUTIVE DIRECTOR
TANZANIA INVESTMENT CENTRE
SHAABAN ROBERT STREET, P.O. BOX 938,
DAR ES SALAAM, TANZANIA.**

Dear Sir,

RE: APPLICATION FOR EXTENSION CERTIFICATE OF INCENTIVES NO. 22312
THE PROJECT: EDIBLE OIL CRUSHING AND COOKING OIL REFINERY PLANT

With reference to the above subject, we are holding a Certificate of Incentives (22312) dated 2ND May 2019. The project which is envisioned to boost Tanzania's Edible Oil capacity by crushing Soya Seeds, Sunflower, and Cotton Seeds. Thus, help to meet the cooking oil demand the tune of 50,000 Metric Tons per annum. This would be approximately 15% of Tanzania's consumption.

This project is funded by I & M Bank in the sum of 12 million dollars and 3 million dollars in form of a CMSA-approved bond. The balance of 5 million dollars will be equity from Afrisian Ginning Limited. This project kicked off in May 2021 instead of the early planned May 2019. Please find attached Progress Report as of Date.

However, due to circumstances beyond our control, the Project took a 2-year delay from May 2019 to May 2021.

The reasons for the Delay:

1. COVID-19, the Global Pandemic has caused much havoc as Travel restrictions were imposed by many countries. This made it difficult for engineers who are from India to work on the Project as Physical Site visits were delayed. Most of the designing and machinery finalization had to be done on-line and whenever possible, some visits were done. A design work that would normally take 3 months to complete ended up taking 18 months instead.
2. Once the Designing was completed and machinery orders made, we faced several delays from Machinery Suppliers and Prefabricated Structure Suppliers. This Delay continues however; we are hopeful it will be resolved in 2022.

In the last 10 months, we have spent \$ 5,265,000/- and have completed 25% of the project. We require the Certificate of Incentives (22312) to be amended with the Implementation Period to change from: May 2019 – April 2022 to: **May 2021 – April 2024** and Operation Date to change from: May 2022 to: **May 2024**.

Thank you for your usual prompt support.

Yours Sincerely,


Samir A. Esmail
Director

