



BioSustainTanzania Ltd.

P.O.Box 15101

Dar-Es-Salaam

Tanzania

Tel: ++255-(0)22-2762077

Fax: ++255-(0)22-2762078

Mobile: +255 784-883786

E-Mail: haider@biosustain.de

www.biosustain.de

Singida

P. O. Box 979

Tel: +255 26-2503170

Fax: +255-26-2502838

28th January, 2022

The Executive Director,

Tanzania Investment Centre,

P. O. Box 938,

DAR ES SALAAM

PROGRESS REPORT FOR THE PERIOD ENDING 31ST DECEMBER 2021 AND REQUEST

FOR AN EXTANTION OF IMPLEMENTATION PERIOD FOR A FURTHER 24 MONTHS EFFECTIVE FROM 1ST JANUARY 2022 TO 31ST DECEMBER, 2023

With reference to your certificate of incentive No. 0223817 issued on 5th December 2018. Given below is the third project progress report for the period ending 31ST December 2021

1.0 HISTORICAL BACKGROUND

The project approval was granted by Tanzania Investment Centre on 5th December, 2018 and printed Formal Certificate of incentive No.0223817 on 5th December, 2018 was issued to the company. Mobilization of building material and machinery started in January, 2019 and civil work construction started in March, 2019. Since then production hall has been completed and oil mill processing plant installed except oil refining plant and solvent extraction plant. God owns for storage have been completed.

2.0 SHAREHOLDERS

The shares, shareholdings, nationality and addresses are as follows:-

NAME	NATIONALITY	SHAREHOLDING	ADDRESS
1.Riyaz Haider	German	75%	P. O. BOX 15101 Dar Es salaam Tanzania
2.Sajjad Ghulam Haider	Tanzanian	25%	P. O. BOX 15101 Dar Es salaam Tanzania

3.0 TYPE OF ENTERPRISE

Procurement of seed cotton and Ginning into lint and cotton seeds and Processing of edible oil from cotton and sunflower seeds.

4.0 DECIPTION OF THE ENTERPRISE

Promotion of high quality organic cotton and sunflower seeds. Ginning of high quality organic seed cotton into high quality organic lint and cotton seeds. Processing of cotton and sunflower seeds into edible oil, cotton and sunflower cake for manufacturing of animal feeds for both local consumption and ex

5.0 PROJECTED AND ACTUAL INVESTMENT COSTS TO DATE

The total project cost is estimated as US \$11.8 Million. To date the company has disbursed a total of US \$3.53 million for land acquisition, building and civil works, plant and machinery, motor vehicles, bicycles, Furniture and fittings, CCTV, system, computer, oil mill machinery, construction of back office and production halls.

The cost breakdown is therefore as given below.

(USD)

ITEM	EXISTING ASSETS AS AT 31.12.2021			ESTIMATED DEFERSIFICATION COST			ACTUAL SPENT IN DEFERSIFICATION AS AT 31.12.2021		
	LOCAL	FOREIGN	TOTAL	LOCAL	FOREIGN	TOTAL	LOCAL	FOREIGN	TOTAL
Land Acquisition	998,341	-	998,341	-	-	-	52,119	-	52,119
Building & Civil works	1,409,871	-	1,409,871	1,445,044	720,079	2,165,123	385,143	165,061	550,204
Plant and machinery	489,382	-	489,382	1,010,841	2,358,628	3,369,469	29,049	67,782	96,831
Furniture and Fixtures	14,837	-	14,537	44,038	79,485	123,523	2,362	5,510	7,872
Office equipment	29,171	-	29,171	-	-	-	2,532	5,907	8,439
Motor Vehicle	587,250	-	587,250	1,472,240	2,208,361	3,680,601	140,437	327,687	468,124
SUB TOTAL	3,628,852	-	3,528,852	3,972,163	5,366,553	9,338,716	611,642	571,947	1,183,589
PRE OPERATIONAL EXPENSES									
Feasibility Study	-	-	-	2,435	-	2,435	2,435	-	2,435
Bank Charges	-	-	-	4,052	26,050	30,102	9,031	21,071	30,102
SUB TOTAL	-	-	-	6,487	26,050	32,537	11,466	21,071	32,537
TOTAL PROJECT COST	3,528,552	-	3,528,852	3,978,650	5,392,603	9,371,253	623,108	593,018	1,216,126

According to Quality Surveyor's Report Civil work construction and machinery installation are 45% complete and the overall project implementation is at 22.1% completed. This has taken into account the plant, equipment, furniture and fixtures already installed.

6.0 PROJECT FINANCE

The Project is being fully financed by way of Equity of USD 2.4 million and the balance of USD 6.97 million by self-generated funds from company operations. The Fund are being disbursed by shareholders as and when required. To date USD 1.216 million has been disbursed into the project account by the shareholders and spent as per item 5.0 above.

7.0 ASSETS TO BE INVESTED

	FOREIGN	LOCAL	TOTAL
Capital Items	5,392,603	3,978,650	9,371,253
Raw Materials	-	-	-
TOTAL	5,392,603	3,978,650	9,371,253

8.0 DATE OF TANZANIA INVESTMENT CENTER APPROVAL

The project was approved by TIC on 5th December 2018 and formal Certificate of Incentives issued on the same date.

9.0 PROJECT IMPLEMENTATION VARIATION-PLANT AND MACHINERY

Plant and machinery five (5) units for processing of cotton seed into edible oil have already been imported and installed at the factory and will be commissioned in July this year Total cost for machinery and the installation cost amount to USD 489,382 building and civil work USD 1,409,871 furniture and fixtures USD 14,837 motor vehicle USD 587,250 and office equipment USD 29,171.

The remaining plant and machinery for processing sunflower seeds into edible are in the process of being ordered and expected to arrive in the country sometimes in May.2022 and installation will commence immediately. The remaining plant and machinery will cost about USD 3.05 million including installation and commissioning costs.

10.0 PROBLEMS ENCOUNTERED AND ACTIONS TAKEN DURING IMPLEMENTATION

During this period of implementation the Financers opted for further negotiations and demanded for revised terms and conditions, and therefore resulting into non disbursement of funds by them to the project as previously promised. The management has now decided to cancel the loan application as the terms and conditions demanded by Financers are not viable to the company.

In the main time the company is still implementing the project from self-generated funds.

It is further planned to continue implementing the project in phases by utilizing the company self-generated fund based on the company expanded business operations and improved cashflows in the next seasons which started in year 2021

This has therefore forced the company to extend the implementation period for another two years. The already installed machinery will be commissioned when this year season starts in July 2022 Production is planned to be in full starting from August 2022.

11.0 EMPLOYMENT:

Currently the project has employed two permanent employees. Oil processing specialist/ Engineer and an assistant.

It is expected that in full operation it will employ (50) fifty permanent personnel in various disciplines and an unquantified number of those associated with distribution of the edible oil production industry.

12.0 SUBMISSION

Due to the above stated changes in financing the project we are requesting the Center to grant an implementation period extension of twenty four (24) months effective from 1st January 2022 to 31st December, 2023 in order to complete the project

Prepared by: Biosustain Tanzania Limited

P. O. BOX 15101,

DAR-ES-SALAAM.


.....

DR. RIYAZ HAIDER

DIRECTOR