

To: Ag. DIF

From: ZM (C)

Date: 25<sup>th</sup> August 2022

**Re: PROJECT VERIFICATION VISIT (PVV) REPORT FOR PURANDARE INDUSTRIES (T) LIMITED-DABALO VILLAGE, CHAMWINO, DODOMA TANZANIA CONDUCTED ON 25<sup>th</sup> AUGUST, 2022**

		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 to TIC consequently delay in issuance of the Derivative Right to Investors. DR was issued in May, 2019
2.	Contact persons	Mr. Satish Purandare Tel +919422069393/+255 687 894 539	
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, But the investor requested extension twice, i.e. 2020-2021 and 2021-2022
5.	Sector	Agriculture and Agro-processing	
6.	Sub Sector	Sugar Processing Facility-Obtaining raw materials i.e. sugar cane from small scale farmers in Dabalo village, Chamwino using out grower system	
7.	Objective of the Visit	To verify project implementation status subsequent to an application for extension for project implementation period (CoI extension)	
8.	Planned Activities/Investment	On phone conversation and physical conversations, investor informed the PVV team that shipment of the first consignment is expected to arrive by the second week of September 2022 consisting of 10 tractors, Planter machine and 100 sprayers (commitment for the said items to be submitted by investor as was requested to submit). Construction to start	Previous written Commitments were not fulfilled, the investor has a lot of wordy commitments.

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		<p>in November 2022 to March 2023</p> <p>First trial to start March 2023 June 2023, September 2023-full operationalization of the factory. (Commitment for these have been requested). After the TIC extension is obtained the company will be able to use its exemption list for the imported items for the factory and initiate importation of further plant and machinery.</p>	
9.	Reasons for Extension	Investor has applied for project implementation period extension for One year to enable the company to start project construction after a long wait for the COVID-19 restrictions in India in 2020-2022 .	
10.	Current Status and Findings	<p>Investor had obtained initial approvals including a MoU with Chamwino District Council, Derivative Right, NEMC, TBS and TRA capital/deemed capital goods list and building permit earlier as 2021. However, the project infrastructure construction such as buildings and installation of plant and machinery has not started therefore at present only fencing the area with wires, construction of a weighbridge cabin has been done, a temporary small iron sheet store, office and guard residence has been erected, three phase electricity installed and one borehole has been drilled awaiting sufficient power for water to be pumped out. During the visit, investor Mr Satish was not on site and telephone communication was used to discuss the visit, rather a site supervisor was present with the PVV team. The investor informed the team that currently the arrangement to import the first consignment is under way that is expected to arrive in September 2022.</p> <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 are still awaiting the investor to start construction and field work to bring hope to farmers who have been discouraged by his speed in investing for the sugar factory. Previously SBT and Chamwino DC had promised to mobilize seeds would be distributed to small farmers once the investor</p>	<ul style="list-style-type: none"> <li>• Delay in obtaining the Derivative Right caused by the lengthy process in land issuance to foreign investors as stipulated in the Village Land Act, No 5 of 1999 and the Land Act No. 4 of 1999.</li> <li>• Investor has also shown concern in regard to inadequate infrastructure such as access road connecting the site to facilitate transportation of plant and machinery to the site (though TARURA claims to be ready awaiting commitment from the project implementer).</li> <li>• Chamwino District Authorities pessimistic/suspicious over the investor's financial and technical capability to undertake such project hence suggesting a meeting to set up new investment implementation targets as well as</li> </ul>

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		<p>is ready and has started construction.</p> <p>The meeting between the team and Chamwino District Office via the Head of Agriculture department during the PVV revealed that Authorities and small famers 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 bringing up new issues/excuses from time to time as reasons for not being able to mobilize the project construction materials. Chamwino authorities are of opinion that prior extending the CoI by TIC, investor be rechecked and if possible a very firm commitment to be placed by the investor and start the construction as soon as possible. The district is also of opinion that a due diligence on investor's financial and technical capability in undertaking such project be conducted in collaboration with Tanzania Embassy in India.</p>	<p>conducting a due diligence to the investor, this is in line with the question on how to compensate the farmers who devoted time and resources to rise seedlings to await the project for long time .</p>
		So far there is only one local permanent employment created (The site supervisor) and few irregular temporary and indirect employment 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	
		Import duty 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 (had not ordered the items previously). Currently the investor has submitted to us the evidence(invoices) for the order about nine(9) different items such as Power Tillers Equipment, Tiller spares, Seedling Trays, Seedling cutter, Organic Fertilizers(Nursery Kit-In set), Power Tillers Knapsack Pumps, Seedling Trans planter ( The copy-invoices attached with different dates)	
11.	Zonal Manager Recommendations	Since the investor has provided three invoices evidencing ordering /purchase of some items /materials for the project, claiming that COVID-	

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		19 restrictions have ended in India. Therefore; The extension of the CoI for one year (1 year) sought be granted on the ground that the investor's claims to import some materials for the project within this September 2022 is fulfilled. Failure of which and without justifiable reasons TIC should consider revocation of the certificate. Close project follow-up on implementation should be observed to ensure compliance on plans and promises.	
12.	Project Photos	At present there some few project development on site as seen on the project status photos taken.(Attached photo with the report)	

I submit,

Venance M. Mashiba  
**ZONAL MANAGER -CENTRAL ZONE**

## PROJECT PHOTOS-PURANDARE PROJECT



*One bore hole drilled at site*



*Constructed temporary house for materials, wokers' office and security guards(above), Weight Bridge cabin(below)*



*Project area, weigh bridge cabin and factory construction area with a sketch mapping of all the project area*





Master Plan of Purandare Industries (Tanzania) Limited, Dabalo Village, District of Morogoro



*Discussion at the bore hole drilled for supply of water for the project, the drilled well is expected to have a capacity of about 10,000 litres of water per hour.*