



**TANZANIA INVESTMENT CENTRE**

**PROJECT VERIFICATION VISIT REPORT**

**ON**

**APPLICATION FOR EXTENSION OF IMPLEMENTATION PERIOD**

**BY**

**MIRACLE EXPERIENCES TANZANIA LIMITED**

**12/10/2021**

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## 1.0 INTRODUCTION

M/S Miracle Experiences Tanzania Limited is a TIC registered project for provision of hot air balloon tour operation in Arusha. The project is located at Plot No. 45, Block LDA, Engira Street in Arusha City.

The Company was granted a TIC Certificate of Incentives No. 018178 on 17<sup>th</sup> September 2018; however, due to various challenges the actual establishment commenced in 2019, including COVID-19 pandemic. It should be noted that the Coronavirus disease (COVID-19) pandemic was identified in December 2019.

In September, 2021 Miracle Experiences Tanzania Limited submitted to TIC an application for extension of implementation period to facilitate procurement and importation of more hot air balloon tour operation equipment.

The TIC Northern Zone Manager conducted a project physical verification visit (PVV) on Tuesday, 12<sup>th</sup> October 2021 for purpose of generating PVV Report that would help the Executive Director to make a decision on the investor's request.

## 2.0 COMPANY'S GENERAL INFORMATION

The following general information on the company was obtained at the site:

**Table 1-** Company information

S/N	Information	Description	Current Project Status		
			Shareholder	Nationality	Percentage
1.	Shareholder's Information	Current Shareholders names, nationality and percentage of ownership	Hassanain S. Sajan	Tanzanian	40%
			Rakesh K. Gokhroo	Indian	40%
			Rizwan A.H. Sajan	Tanzanian	18%
			Donald D. Tindamanyire	Tanzanian	2%
			<b>Total</b>		<b>100%</b>

2.	Company Communication Information	Email address	<a href="mailto:donald@miracleexperience.co.tz">donald@miracleexperience.co.tz</a>
		Mobile Number	0754 331 820
		Landline Telephone Number	N/A
		Physical Address (Plot No., Block No, Street, District and Region)	Plot No. 45, Block LDA, Engira Street, Arusha
3.	Contact Person	Name	Donald D. Tindamanyire
		Position	Director/Shareholder
		Communication Details (Email, Mobile and telephone)	+255 754 331 820 <a href="mailto:donald@miracleexperience.co.tz">donald@miracleexperience.co.tz</a>
4.	Incorporation	Certificate of Incorporation No.	140773
5.	TIN information	TIN Certificate No.	135-709-433
6.	Project Objective	Project Core Activity	Hot Air Balloon Tour Operation
7.	Project's Capacity	Project's Capacity	5-Hot Air Balloons; 27-Vehicles
8.	Direct Employment	Foreign (Men)	3
		Foreign (Women)	-
		Local (Men)	42
		Local (Women)	1
9.	Indirect Employment	Estimated Total No.	40+
		Type/Areas of Indirect Employment	Suppliers, Construction , Training, etc.

## 2.1.2 Project Financial Expenditure to date (TZS):

**Table 2- Financial Expenditure**

	Foreign (TZS)	Local (TZS)	Total (TZS)
Land and Buildings		126,625,400.00	<b>126,625,400.00</b>
Plant and machinery		43,735,000.00	<b>43,735,000.00</b>
Vehicles	1,356,127,687.42	1,027,601,441.08	<b>2,383,729,128.50</b>
Balloons	1,344,679,850.24		<b>1,344,679,850.24</b>
Furniture		114,718,264.72	<b>114,718,264.72</b>
Office equipment		36,886,309.04	<b>36,886,309.04</b>
Insurance Cover		228,163,221.80	<b>228,163,221.80</b>
Pre-operational expenses		433,444,689.37	<b>433,444,689.37</b>
Working sub-total capital		(592,095,251.92)	<b>(592,095,251.92)</b>
<b>Grand Total</b>	<b>2,700,807,537.66</b>	<b>1,375,344,074.09</b>	<b>4,076,151,611.75</b>

### 2.1.3 Project Financing

The project has been financed as shown in the table below:

**Table 3- Financing**

	<b>Amount (USD)</b>	<b>Percentage</b>	<b>Source Country</b>
Local Equity	TZS 120,000,000/-	9%	Tanzania
Local Loans	-		-
Foreign Equity	-		-
Foreign Loans	USD 1,000,000	91%	UAE
<b>Total Investment</b>	<b>TZS 120,000,000/- &amp; USD 1,000,000/-</b>	<b>100%</b>	

### 3.0 PVV FINDINGS

During our visit, the following findings were generated:

- (i) The project started its operations in 2020;
- (ii) The project is 70% of the planned activities. Full operation of the project is projected to be in 2023;
- (iii) To-date the project has created employment (direct) to 46 people, despite of the COVID-19 pandemic, and
- (iv) The Investment capital injected to the project to-date is estimated at US\$ 1,098,000/=-, 91% of this is a long-term loan.

#### **4.0 REMAINING ACTIVITIES**

From what we observed and investors' explanations at the site, the most pending activities are:

- a) Purchase and importation of more vehicles for tour operation activities;
- b) Purchase and importation of more hot air balloons equipment for tour operation activities;
- c) Construction and importation of permanent tented camps equipment at Kogatende and Seronera including SPA

**The major challenges observed are:**

**(i) COVID-19 Pandemic**

It is evident that the COVID-19 pandemic impacted the tourism industry in quite hard around the world and in Tanzania, mainly due to the lockdown and travel restrictions that were imposed. This project being in the tourism sector was affected as well.

**(ii) Financial Constraints**

The company faced financial distress in its operations between 2019 and 2020. However, recently project promoters secured a long term loan worth USD 1,000,000 from Rivag General Trading LLC, of the United Arab Emirates and thereafter registered by the Central Bank of Tanzania **(Please see Annex 1)**.

## 5.0 CONCLUSIONS

In view of the findings above, the following are our conclusions regarding the objective of the PVV:

- 5.1 The investors appear to be serious with the project. The reasons provided for the need for extension period seem to be genuine;
- 5.2 The implementation of the company's proposed activity is per TIC Certificate of Incentives No. 018178. See Project Pictures presented as **Annex 2** of this report. I confirm that the photographs attached to their PVV Report are genuine, and that they reflect a true picture of the current affairs of the project at site.
- 5.3 This is the investors' first application for extension of implementation period;
- 5.4 The investors have already injected about US\$ 1,098,000 in their project to-date which is above the investment capital declared in the project proposal (business plan) and TIC certificate of Incentives. This is a healthy investment effort;
- 5.5 Investors have secured a long term foreign loan worth USD 1,000,000 from Rivag General Trading LLC, of the United Arab Emirates to facilitate implementation of the project; and
- 5.6 From economic point of view, grant of the requested extension of the implementation period for this company will generate substantial benefits to the community and project promoters.

## 6.0 RECOMMENDATIONS

From the above findings and conclusions, we wish to recommend the following:

6.1 That, the company's efforts in implementing the project and remaining/pending activities reported above justify approval of the additional extension of the implementation period applied for. This will assist investors in importation of vehicles and necessary equipment to complete the project as per their plan;

6.2 That, based on the above reasons, we recommend for **the first extension of the implementation period of 12 months** enabling them complete implementation of the project as requested.



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Daudi Riganda  
**TIC Northern Zone Manager**

# ANNEX 1: FOREIGN LOAN TO MIRACLE EXPERIENCES REGISTERED BY BoT

Benki Kuu ya Tanzania2  
Mtaa wa Mirambo  
S.L.P 2939  
11884 Dar es Salaam - Tanzania Simu ya  
mdomo: 2233378/2233379Nukushi:  
2234056



Bank of Tanzania2  
Mirambo Street  
P. O. Box 2939  
11884 Dar es Salaam - Tanzania  
Phone: 2233378/2233379  
Fax: 2234056

GF.56/354/01/82

14 September 2021

Managing Director,  
Absa Bank Tanzania Limited,  
Ohio Street,  
P.O. Box 5137,

**DARES SALAAM** - Attn: Irene Sengati-giattas/Genade MzeeDear  
Sir/Madam,

**RE: REGISTRATION OF FOREIGN LOAN IN FAVOR OF MIRACLE EXPERIENCES TANZANIA LTD USD 1,000,000**

Reference is made to your letter with reference number ABT/CRED/BOT/2021/29, dated 30<sup>th</sup> August 2021, regarding the above captioned subject.

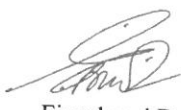
We are pleased to inform you that the above-cited loan worth **USD 1,000,000** in favor of MiracleExperiences Tanzania Limited, of Tanzania from Rivag General Trading LLC, of the United Arab Emirates has been assigned Debt Registration Number **(DRN) 2021049**.


In accordance with the provisions of the Foreign Exchange Act, 1992 and subsequent Regulations and Circulars, you are required to comply with the following conditions:

- i. Report to the Bank on debt service payments on this loan as per debt service schedule;
- ii. All transactions relating to this loan should be made through the approving bank;
- iii. The borrower should inform the Bank in case of change of name, physical address, termination and/or any other change(s) in relation to the loan agreement; and
- iv. Ensure in future that all foreign loans are registered within 14 days after signing the loan agreement.

Please quote the above DRN in all your correspondences with the Bank relating to this loan. Yours

faithfully,  
**BANK OF TANZANIA**

  
Moses L. Mwirarubi  
Sep 14 2021 3:24 PM  
DocuSign

  
Jeremiah Henry MUNUO  
Sep 14 2021 3:48 PM  
DocuSign

Fiscal and Debt Management Department,  
**DIRECTORATE OF ECONOMIC RESEARCH AND POLICY**

CC: Miracle Experiences Tanzania Ltd, Plot  
45, Engira Road, Corridor Area,  
P.O Box 2706, **ARUSHA**.

ANNEX 2: PROJECT SITE PICTURES

