

**TANZANIA INVESTMENT CENTRE**

**DIRECTORATE OF INVESTMENT FACILITATION**



**EASTERN ZONE**

**REPORT ON PROJECT VERIFICATION VISIT TO FIVE STAR INVESTMENTS  
LIMITED CONDUCTED ON 11<sup>ST</sup> AUGUST, 2022**

**August, 2022**

## 1.0 PROJECT PROFILE

Company Information					
S/N	Item	Description			
1.	Company Name	FIVE STAR INVESTMENT LTD			
2.	Project Location	Plot No.65, Tundwi Somanga, Mbande, Temeke Municipality, Dar es Salaam Region;			
3.	Projects' Core Activities	To Construct Ware house and show rooms.			
4.	Address & Mobile Number	P. O. Box 4504, Dar es salaam. +255 769 225 522 Email: management@fivestartz.com Email: md@me-one.co.tz			
5.	Contact Person	Akil M. Somji Director Email: Akil@fivestartz.com			
6.	Employment		<b>Direct</b>	<b>Indirect</b>	
			<b>Local</b>	<b>Local</b>	
				<b>Total</b>	
	<b>Men</b>		30	30	
	<b>Women</b>	-			
7.	Shareholder's Information	<b>Name</b>	<b>Nationality</b>		<b>%</b>
					<b>Ownership</b>
		Murtaza Gulamhusen Somji	Tanzanian		33.3
		Mohamed Gulamhussein Somji	Tanzanian		33.3
		Mohsin Gulamhussein Somji	Tanzanian		33.3

## **2.0 INTRODUCTION**

### **2.1 History of the Company**

FIVE STAR INVESTMENT LIMITED was registered a project at Tanzania Investment Centre (TIC) on 27<sup>th</sup> May 2014 to establish a project for construction of warehouse and show rooms, which was issued with Certificate of Incentives (CoI) No.061349 having implementation period of three years starting May 2014 ending April 2017. The Investor never applied for an extension and never use the incentives approved to them. All the partial developments made were done without any exemptions. Five Star Investment claimed to made payments of over TZS 500 Million in Corporate taxes and around TZS 870 Million in VAT together with other governmental taxes.

### **2.2 Geographical location**

The project is located on Plot No.65 in Mbande, Chamazi, Temeke Municipality, Dar es Salaam Region. It is access off the Mbagala - Chamazi – Pugu road.

## **3.0 PROJECT VERIFICATION VISIT (PVV)**

### **3.1 PVV initiation**

The implementation period for the Certificate of Incentives granted to the Investor ended by April 2017. The investor launched an application letter for re-issue of Certificate of Incentives on 13<sup>th</sup> July 2022 with reference number FSI/CX/17/2022, which called for project verification visit conducted by TIC officer on 11<sup>th</sup> August 2022. The team comprised the following:

1. Fidelis Obanga: PIO - TIC

The team was hosted by Akil Somji – Director, who represented Five-star Investment Limited.

### **3.1.1 Objective of the visit**

The main objective of the project verification visit (PVV) was to verify the project development status which would justify the reasons for re-issue of the certificate of incentives.

### **3.1.2 Specific Objectives**

Specifically, the team aimed to: -

- i. Interview and gather information from the applicant regarding reasons for re-issue of Certificate of Incentive.
- ii. Take copies of relevant document /photos as evidence for implementation progress.
- iii. Physically visit the project site and verify project progress

Findings of the team will assist TIC management to make informed decision whether the company qualifies for re-issue of certificate of incentives.

## **4.0 OBSERVATION AND FINDINGS**

The team observed the following during PVV;

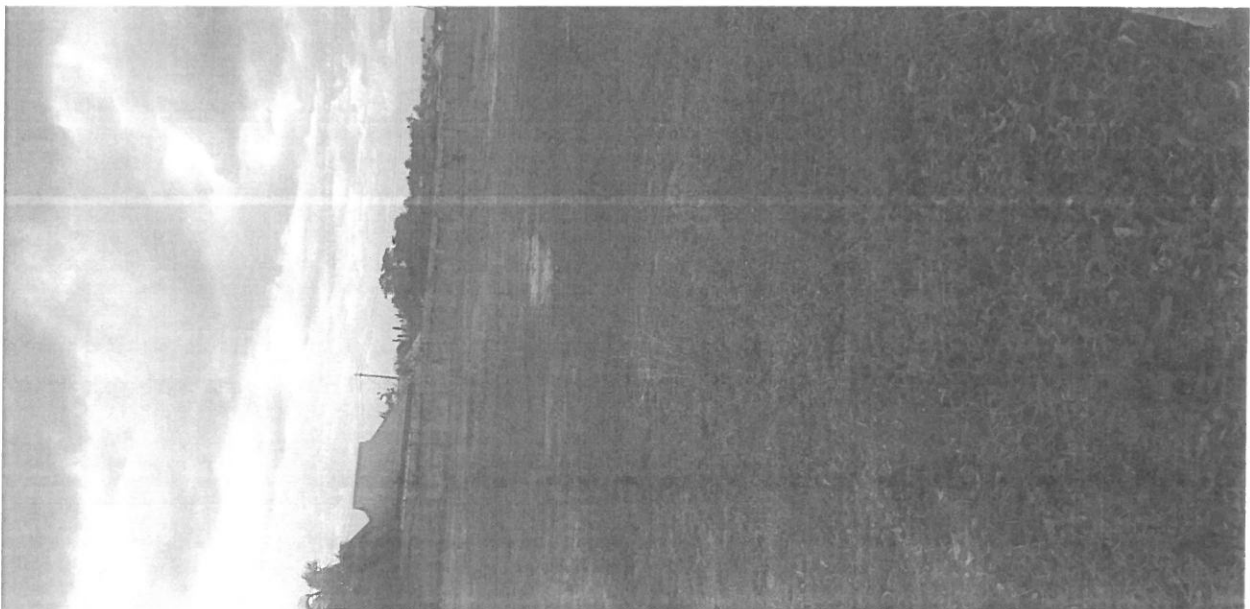
- i. Five Star certificate of incentives has expired on April 2017 and they never applied for any extension since then.
- ii. Five Star Investment have two properties under TIC, namely Plot No.65 Block B, Tundwi Songani, Mbagala, Temeke – Dar Es Salaam and Plot No.3 Block 20 Nyerere Road, Temeke – Dar Es Salaam.
- iii. Plot No.3 Block 20 Nyerere Road is the office Head Quarters and Plot No.65 Tundwi Songani (Mbande, Mbagala) is where the Ware house and show room will be constructed.
- iv. Plot No.65 Tundwi Songani, Mbande which has total area of 10,000 Sqm, is already developed, whereby area of 2000 Sqm has been built a ware house which is now rented to Fragrance World, the factory for manufacturing perfumes. (pic.1 attached), new project will occupy area of 1500 Sqm (pic.2).
- v. Five Star Investment Ltd, claimed to partially implement the project without any exemptions approved to them, instead during the implementation period, they

spent more than TZS 500 Million in corporate taxes and around TZS 870 Million in VAT together with other Governmental taxes.

**The pictures below show the development made on the site**



Pic.1 Warehouse rented to Fragrance World Factory



Pic.2 Land remained for new project

#### **4.1 Major Challenges hindered timely enjoyment of fiscal incentives**

4.1.1 Difficult in obtaining working capital, the situation forced them to wait a little longer.

4.1.2 Covid-19 also affected proper implementation the business.

#### **5.0 RECOMMENDATIONS**

In view of the findings observed during the project visit, the team recommends the followings: -

- i. Five Star Investment Limited, according to Investment Act No 26 of 1997, Sec 20(1), time has elapsed for them to enjoy their approved incentives.
- ii. Five Star Investment has been approved incentives which they never use, instead, they have been doing business and adhere with all taxes' obligations, this means, Certificate of incentives given, was/ is good as new one. Thus, I may recommend for this investor to be considered for re-issue/ extension of their certificate of incentives.

#### **6.0 CONCLUSION**

Based on the facility visited, discussion with company representative, the reference documents presented and considering the findings of the visit including recommendations, the project can be logically considered for re-issue of certificate of incentives.

I submit,



Fidelis Obanga      PIO - EZ