

**TANZANIA INVESTMENT CENTRE**

**DIRECTORATE OF INVESTMENT FACILITATION**



**EASTERN ZONE**

**REPORT ON PROJECT VERIFICATION VISIT TO ~~RAE~~ DRAFCO GROUP LIMITED  
CONDUCTED ON 27<sup>TH</sup> SEPTEMBER, 2022**

**September, 2022**

## 1.0 PROJECT PROFILE

Company Information					
S/N	Item	Description			
1.	Company Name	DRAFCO GROUP LTD			
2.	Project Location	Plot No.2184 Block D, Kisemvule Industrial Area, Mkuranga District, Pwani Region;			
3.	Projects' Core Activities	Manufacturing of Hygiene products			
4.	Address & Mobile Number	P. O. Box 21498, Dar es salaam. +255 621 696977 Email: info@drafcogroup.com Email: drafcold@gmail.com			
5.	Contact Person	Michael Venance Ngonyani Administration officer Email: m.venance@drafcogroup.com			
6.	Employment	<b>Foreign</b>	<b>Direct</b>	<b>Indirect</b>	<b>Total</b>
			<b>Local</b>	<b>Local</b>	
		<b>Men</b>	<b>9</b>	29	
	<b>Women</b>	<b>0</b>	16		16
7.	Shareholder's Information	<b>Name</b>	<b>Nationality</b>	<b>% Ownership</b>	
		Mohammad Nazeen Koukash	Syrian	5	
		Mohanad Dadouch	Turkish	25	
		Cemal Ramadan	Turkish	70	

## 2.0 INTRODUCTION

### 2.1 History of the Company

DRAFCO GROUP LIMITED was registered a project at Tanzania Investment Centre (TIC) on 05<sup>th</sup> July 2018 to establish a project for manufacturing of hygiene products, which was issued with Certificate of Incentives (CoI) No.0223661 having implementation period of three years starting July 2018 ending April 2021. The company is manufacturing baby diapers, women pads, face masks and planning to manufacture Adult diapers and Tissues from next year. The company's main market is local (Tanzania), Turkey and Malawi. The product is known as CHEEKY.

### 2.2 Geographical location

The project is located on Plot No.2184 Block D in Kisamvule Industrial Area, Mkuranga District, Pwani Region. The Investor rented it from R.K. Chudasama Limited of P.O.Box 325 Dar Es Salaam. It is access off the Dar Es Salaam - Mtwara highway.

## 3.0 PROJECT VERIFICATION VISIT (PVV)

### 3.1 PVV initiation

The investor launched an application letter for amendment of Certificate of Incentives on 18<sup>th</sup> August 2022 with reference number DGL/TIC/01/2022, due to change of project location and change of shareholders, which called for project verification visit conducted by TIC officers on 27<sup>th</sup> September 2022. The team comprised the following:

1. Fidelis Obanga: PIO – TIC
2. Christopher Bomola: NIDA

The team was hosted by Hamza Alsayad – Logistics Manager, who represented Drafcoc Group Limited.

The said letter, also requested for change of nationality of the one, Mr. Mohanad Dadouch, from Syrian to Turkish, though on the current certificate of incentives as one of the shareholders, is known as Mr. Mohanadahmad Dadouch and on the Drafcoc Group Limited business plan and TIC Registration application, he is known as Mr.Mohanadahmad Rateb Dadouch, for the later two names, he was identified as a Syrian.

- vi. To clear the aforementioned confusion, after thorough inspection, from NIDA, Immigration and Works Department, it was revealed that, he is the same person.
- vii. Both Syrian and Turkish passports are using only two names Mr. Mohanadahmad Dadouch. The...

### 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 amendments 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 amendments 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 amendment can be done on certificate of incentives.

## 4.0 OBSERVATION AND FINDINGS

The team observed the following during PVV;

- i. Drafcu Group Limited factory has been transferred from Plot No.99 Mbagala Industrial Area, Temeke Municipality in Dar Es Salaam to Plot No.2184 Block D Kisemvule Industrial Area, Mkuranga District, in Pwani Region. The reason behind this transfer is a lack of adequate space.
- ii. Drafcu Group Limited imported big machines which require enough space for their installation and enough space for storage of the raw materials and products manufactured, Mbagala area was not adequate for their operations.
- iii. Investor has hired this new premises from R.K. Chudasama Limited of Dar Es Salaam. The factory is confined in a half of the built godown, and partitioned according to departments in the factory. (attached Lease Agreement and pictures).
- iv. Drafcu Group Limited has changed their shareholding profile, because one of the shareholders, namely Mr. Faisal Shaaban (Syrian – 25%) has transferred his shares to Mr. Cemal Ramadan (Turkish), and these changes were already registered by BRELA (Attached Register of companies Detailed Information).

Pic.2 Machineries



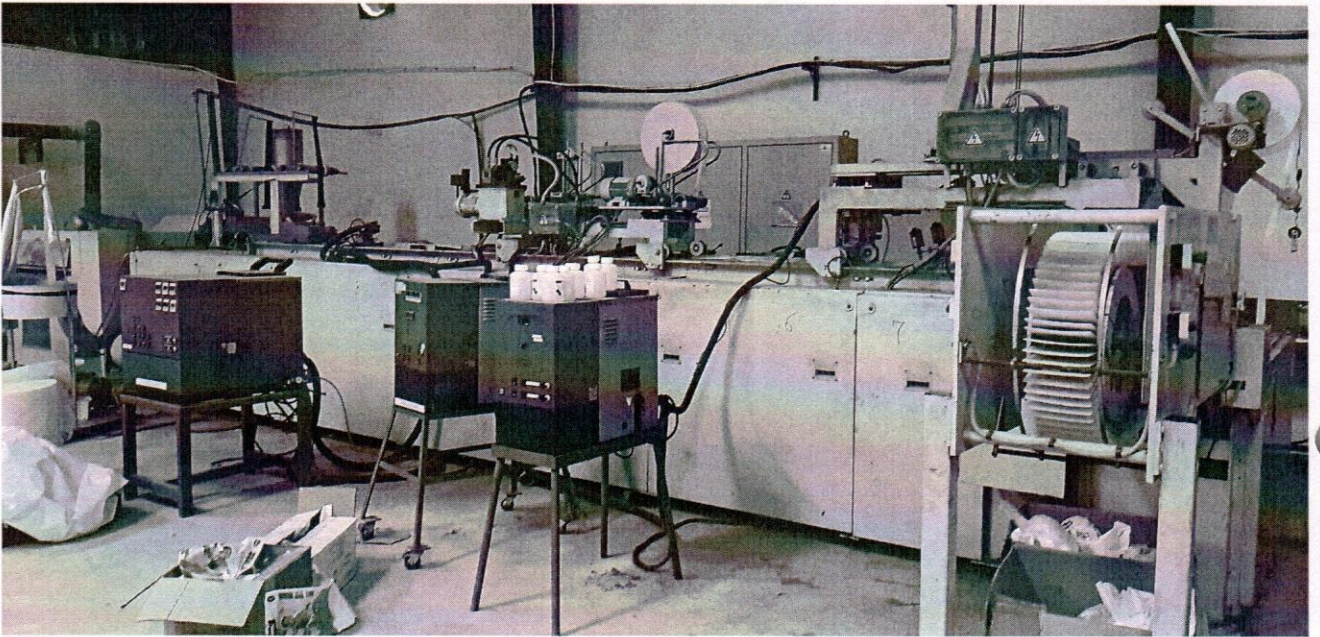
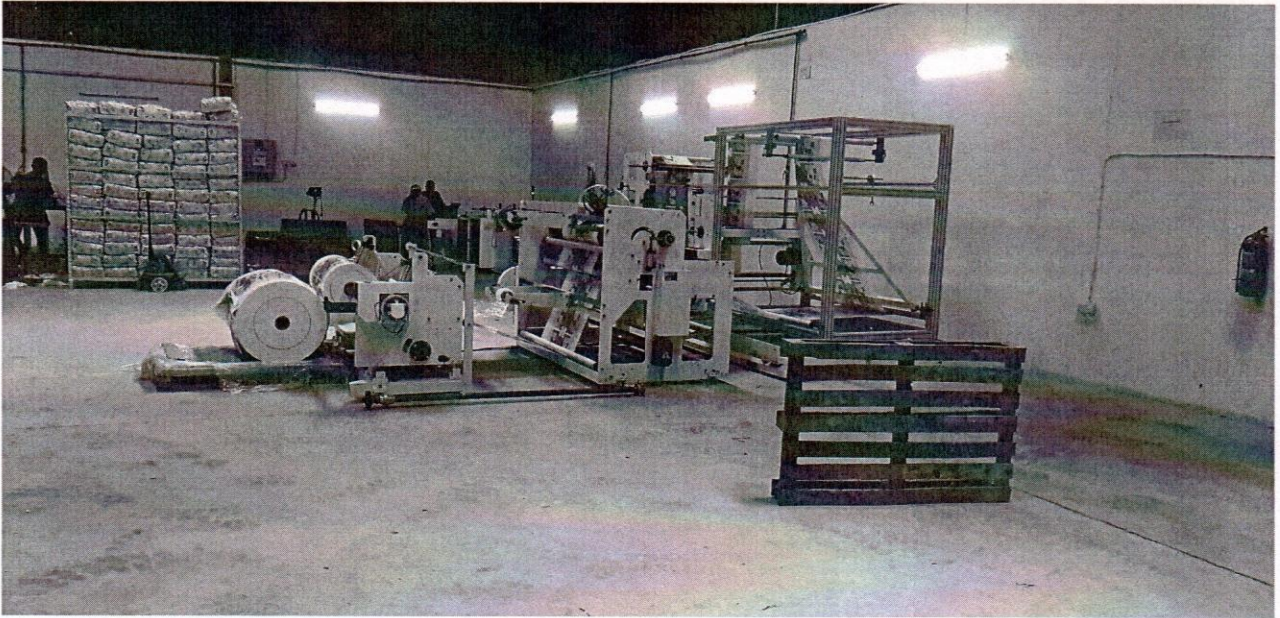
- v. The said letter, also requested for change of nationality of the one, Mr. Mohanad Dadouch, from Syrian to Turkish, though on the current certificate of incentives as one of the shareholders, is known as Mr. Mohanadahmad Dadouch and on the Drafcu Group Limited business plan and TIC Registration application, he is known as Mr.Mohanadahmad Rateb Dadouch, for the later two names, he was identified as a Syrian.
- vi. To clear the aforementioned confusion, after thorough inspection, from NIDA, Immigration and Works Department, it was revealed that, he is the same person.
- vii. Both Syrian and Turkish passports are using only two names, Mr. Mohanad Dadouch. The additional names/ name changes, appeared on Drafcu Group Limited June 2018 business plan and TIC Registration application and it was adopted on the TIC Certificate of Incentives as well.
- viii. Currently Mr. Cemal Ramadan is in Turkey waiting for working permit to be finalized after this report.
- ix. Copies of TIC Registration form, Drafcu Group Ltd Business plan, BRELA Informations, Mr.Dadouch Turkish passport and Lease Agreement were attached.

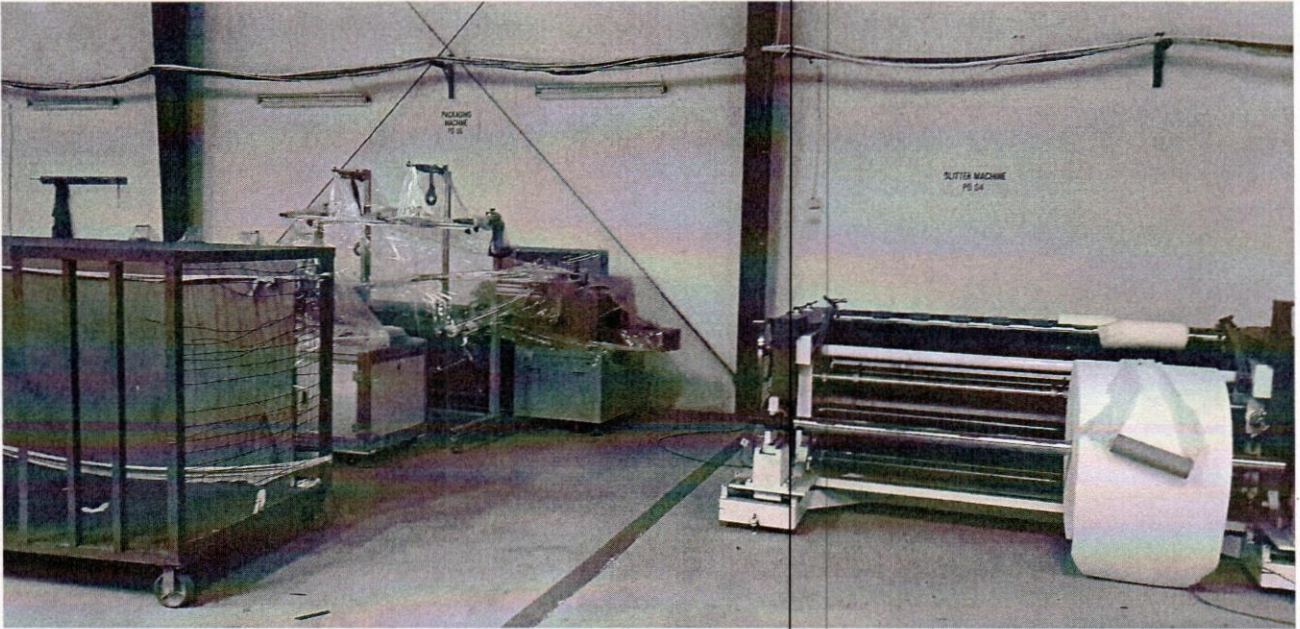
**The pictures below show the Drafcu Group Limited factory at Kisemvule**

Pic.1 Storage

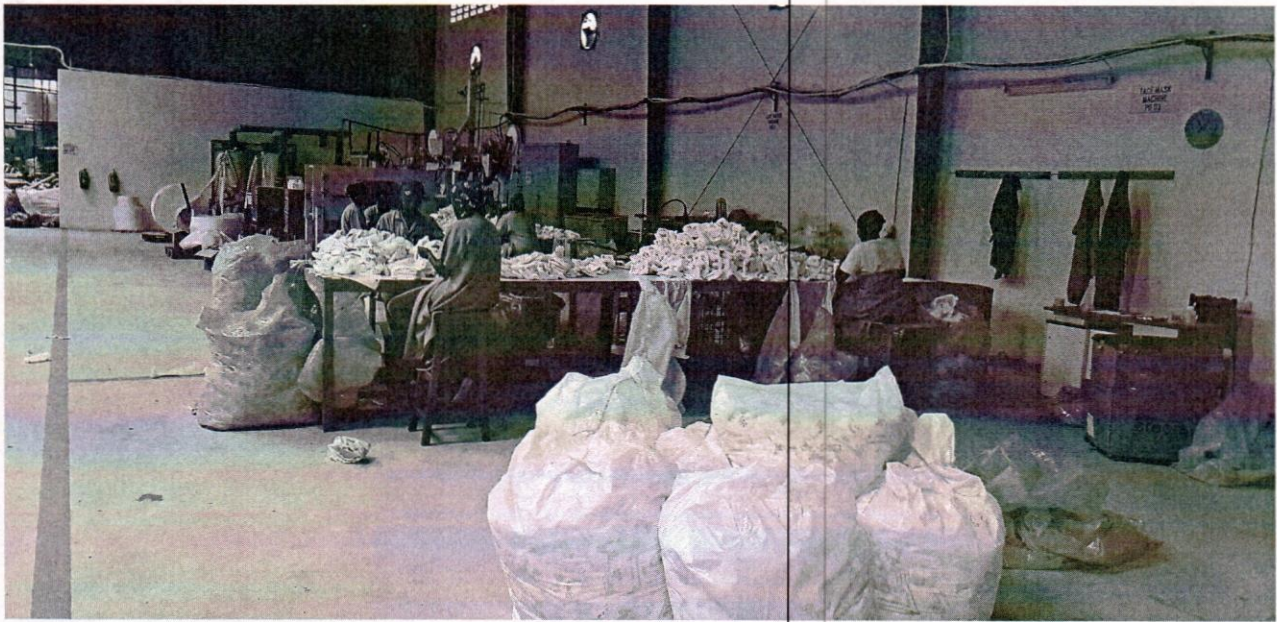


Pic.2 Machineries





Pic.3 Work on progress





#### 4.1 Major Challenges to their project

4.1.1 Fierce competition in the products market.

#### 5.0 RECOMMENDATIONS

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

- i. The Certificate of Incentives (CIO) number 0223661 should be amended as requested by the Investor, for the certificate to be genuine with current information, as required by law.
- ii. Changes should be made on Project location and shareholders names.
- iii. However, in order to clear all doubts concerning Mr. Dadouch names, he should be advised to submit a legal document to acknowledge that, he is a sole owner of those disputed names.

We submit,

Fidelis Obanga PIO – EZ .....  


Christopher Bomola RO- NIDA .....  


## APPLICATION SUMMARY

Company Name: DRAFLO GROUP LIMITED

Certificate of Incorporation Number 136590871 Status NEW

Certificate of Incorporation Date: 17<sup>th</sup> MAY, 2018

Post Box: 10425

Town: DAR ES SALAAM

Sector: MANUFACTURING

Sub-Sector: HYGIENIC PRODUCTS AND RELATED PRODUCTS

### Investment Financing Plan in Million US\$/Tshs.

Foreign Equity	Local Equity	Foreign Loan	Local Loan
<u>517,500</u>	<u>NIL</u>	<u>NIL</u>	<u>NIL</u>

Project Objectives: TO ESTABLISH PROJECT FOR MANUFACTURING OF HYGIENIC PRODUCTS AND RELATED PRODUCTS

Capacity: 375,750 PIECES PER YEAR

Employment:	Foreign	Local	Total
	<u>03</u>	<u>37</u>	<u>40</u>
	<u>05</u>	<u>35</u>	

Implementation Period: JUNE 2018 TO MAY 2021

### Project Location:

Site/Plot/Block No.: PLOT NO. 99

Street: MBAGALA INDUSTRIAL AREA District: TEMEKE Region: DAR ES SALAAM  
(Attach sketch map showing project location)

Shareholders	Nationality	%
<u>MOHAMMAD NAZEEM KOUKASH</u>	<u>SYRIAN</u>	<u>05</u>
<u>FISAL ADNAN SHAABAN</u>	<u>SYRIAN</u>	<u>25</u>
<u>MOHAMMAD AHMED RAJEB DABOUCH</u>	<u>SYRIAN</u>	<u>70</u>
<u>NIL</u>		
<u>NIL</u>		

### 3.3 Company Ownership

DRAFCO GROUP LIMITED is a company incorporated in Tanzania with Certificate of Incorporation No. 136590871 dated 17<sup>th</sup> May 2018 issued by BRELA. The company is owned by three shareholders from Syria

Name of Shareholders	Nationality	% of share	Date of Birth
Mohammad Nazeeh Koukash  Kafar-Sousah-Near Cham City Centre-Damascus, SYRIA  n.koukash@drafcogroup.com	Syrian	05	9 <sup>th</sup> Oct 1971
Fisal Adnan Shaaban  Ashrafiat-Shnaya Shakra BLD, Damascus, SYRIA f.shaaban@drafcogroup.com	Syrian	25	27 <sup>th</sup> Oct 1957
Mohanadahmad Rateb Dadouch  Al-Mazraa- Almalek Aladel ST, Damascus, SYRIA  m.dadoush@drafcogroup.com	Syrian	70	1 <sup>st</sup> Aug 1974



TANZANIA



## Register of Companies Detailed information

**Information date and time:** 06/08/2022 11:10:26

**Last update date and time:** 29/07/2022 13:24:00

**Registration date and time:** 17/05/2018 16:26:16

1. **Status:** Registered
2. **Incorporation number:** 136590871
3. **Company:** DRAFCO GROUP LIMITED
4. **Company type:** Private company Limited by shares
5. **Registered office:** Region Pwani, District Mkuranga, Ward Mkuranga, Postal code 61501, Street Kisemvule, Road Kilwa road, Plot number 2184, Block number D, House number NIL
6. **Contacts:** Email: n.koukash@drafcoogroup.com, Mob no/Tel no: 255621696977, P.O.Box 21498
7. **Business activity:**
  - 1399 - Manufacture of other textiles n.e.c.
  - 1391 - Manufacture of knitted and crocheted fabrics
  - 1410 - Manufacture of wearing apparel, except fur apparel
  - 3290 - Other manufacturing n.e.c.
  - 1430 - Manufacture of knitted and crocheted apparel
  - 2011 - Manufacture of basic chemicals
  - 5520 - Camping grounds, recreational vehicle parks and trailer parks
  - 5621 - Event catering
  - 5629 - Other food service activities
  - 5630 - Beverage serving activities
  - 6810 - Real estate activities with own or leased property
  - 6820 - Real estate activities on a fee or contract basis
  - 7020 - Management consultancy activities
  - 6419 - Other monetary intermediation
  - 6619 - Other activities auxiliary to financial service activities
8. **Directors / Directors in the country of origin:** MOHAMMAD NAZEEH KOUKASH, Syrian  
MOHANAD DADOUCH, Turk  
CEMAL RAMADAN, Turk
9. **Company secretary / Company secretary in the country of origin:** MOHAMMAD NAZEEH KOUKASH, Syrian
10. **Authorised share capital:** 8500000000 TZS
11. **Class of shares:** Class Ordinary: 85000000 shares, 100 TZS/share, 8500000000 TZS
12. **Shareholders:** MOHAMMAD NAZEEH KOUKASH Class Ordinary 4,250,000 shares taken  
MOHANAD DADOUCH Class Ordinary 59,500,000 shares taken  
CEMAL RAMADAN Class Ordinary 21,250,000 shares taken



**LEASE AGREEMENT**

Between

**R. K. CHUDASAMA LTD**

And

**DRAFCO GROUP LIMITED**

Drawn by:  
Legal Secretariat,  
R. K. Chudasama Ltd.  
P.o.Box 325,  
Dar es Salaam.

## LEASE AGREEMENT

This Lease agreement is made on 11<sup>th</sup> day of February, 2020.

### BETWEEN

**R.K.CHUDASAMA LIMITED**, a Limited Liability Company duly registered and existing in Tanzania and whose address for the purposes hereof is P.O. Box 325, Dar es Salaam, (hereinafter referred to as "**the Lessor**", which expression shall, unless the context requires otherwise, include its legal representatives, agents, assigns and successors in title) of the one part;

### AND

**DRAFCO GROUP LIMITED**, a Company Limited by Shares duly registered and existing in Tanzania and whose address for the purposes hereof is P.O. Box 21498 Dar-es-salaam, Tanzania, (hereinafter referred to as "**the Lessee**", which expression shall, unless the context requires otherwise, include its legal representatives, agents, assigns and successors in title) of the other part;

### WHEREAS

1. The **Lessor** is the lawful registered owner of the premises comprised of a building known as all those buildings and structures designed and occupation separately as a warehouse on the land Plot Number 2184 at Kisemvule industrial area at Mkuranga District-Pwani, covering the warehouse with total area 4,500 sqm with FIVE (5) residential apartments (hereinafter referred to as "**the demised premises**")
2. The Lessor has agreed to lease the demised premises to the Lessee and the Lessee has agreed to rent the said demised premises from the Lessor to hold and use the same for commercial purposes (manufacturing of baby & adult diapers, sanitary towels, tissue, wet wipes and maternity pads)

NOW THIS WITNESSETH as follows:

#### 1. Commencement and Duration of The Lease

The Lease shall be deemed to have commenced on or from 01<sup>st</sup> Day of April 2020 and shall be in force for a period of **FOUR (4)** years, that is up to 31<sup>st</sup> Day of March 2024, on the terms and conditions contained herein (hereinafter referred to as "**the term**").

#### 2. Renewal of the Lease

At any such time not later than **TWO** years before this lease expires, the Lessee may serve a notice to the Lessor in either oral or written form signifying his intention to renew the term of the lease at the time of expiry of this lease, if he so wishes, under terms to be mutually agreed by both parties and in a lease term not fixed to a certain maximum periods as it may be decided by the lessee and deliver information to the lessor of such desired periods in advance.

#### 3. Rent

In consideration of the grant of the Lease to use the demised premises as aforesaid, the Lessee shall pay to the Lessor a monthly rent of United States Dollars Ten Thousand only (USD 10,000.00) and the Value Added Tax (VAT) thereon (hereinafter referred to as ("**the rent**") to be furnished in the manner and style as hereunder;

The reserved rent shall be subject to review after **TWO years**, any increase is captioned at a maximum of 7.5% existing rental amount.



- (i) The rent shall be payable six months in advance by the lessee to the lessor without any default
- (ii) The Lessee shall deduct withholding tax at the prevailing rate payable to the Tanzania Revenue Authority ("TRA") and produce to the **Lessor a certified copy of receipt of payment of the same to the TRA.**
- (iii) The Lessee shall be responsible for payment of **STAMP DUTY** on this lease agreement and its counterpart.
- (iv) To pay during the said term the reserved rent punctually and in full without any deductions whatsoever, save for the withholding tax payable to the TRA as stated under Clause (ii) above
- (v) That pursuant to sub paragraph (i) above the **Lessee** shall pay to the **Lessor** the rent hereby agreed by way of direct electronic funds transfer to the Lessor's designated Bank account.

**4. Vacant possession of the demised premises**

The Lessor undertakes to handover the demised premises to the Lessee immediately upon execution of this lease and upon full payment of the rent.

**5. The Lessee hereby Covenants with the Lessor;**

- (i) To pay all fees and other charges for the use of electricity, water, security charges and telephone in respect of the demised premises during the said term, excluding property tax hereinafter becoming payable in respect of the demised property.
- (ii) At all times to keep the interior of the demised premises and appurtenances thereof including doors, windows and other fixtures, fittings, electrical wires and fittings, water drains and other pipes and sanitary water apparatus herein, painting and decorations thereof in good repair and fair condition.
- (iii) To permit the Lessor and its agents and other persons authorized in writing by the Lessor to enter into the demised premises at all reasonable times during day time with prior consent, such consent not to be unreasonably withheld, for the purposes of viewing the demised premises and undertaking any repairs necessary under the covenants hereinbefore or hereinafter contained.
- (iv) To be responsible for and to indemnify the Lessor against all damages occasioned to the premises or any part of the adjacent premises or to any person caused by any act, omission, default or negligence of the Lessee, his servants, agents or visitors.
- (v) Not to assign, sublet or part with the possession of the demised premises hereby demised without the written consent and permission of the Lessor.
- (vi) To comply with the City Council, Municipal Council and health, fire and safety regulations relating to the demised premises.
- (vii) Not to use the demised premises in a way which would create nuisance or any damage to the neighbors or the general public.
- (viii) On the expiration of the lease term to deliver up the demised premises to the Lessor with all keys, locks and fasteners in good repair and condition, reasonable wear and tear accepted.



**6. The Lessor Covenants with the Lessee as Follows:**

- (i) To keep the exterior and main structure of the demised premises in good repair and on receipt of notice from the Lessee remedy the faults expediently.
- (ii) To pay all the site rates, land rents and other impositions during the said term.
- (iii) The Lessee paying the rent hereby agrees upon observing and performing the covenants and stipulations herein, on the part of the Lessee contained shall peacefully hold and enjoy the demised premises during the term created without interruption by the Lessor.

**7. Lessees' default to pay Rent**

- (i) If the Lessee defaults in payment of the rent, or any additional rent, or defaults in the performance of any of the other covenants or conditions hereof, Lessor may give a Lessee notice of such default (hereinafter referred to as a "Default Notice") and if the Lessee does not cure any such default within thirty (30) days, after the giving of such notice or if such other defaults is of such nature that it cannot be completely cured within such period, if the Lessee does not commence such curing within thirty(30) days and thereafter proceed with reasonable diligence and in good faith to cure such default, then the Lessor may terminate this lease after the expire of ninety(90) from the date the Default Notice was issued to the Lessee.
- (ii) On the expire of the said ninety (90) days the terms of this lease shall terminate and Lessee shall then quit and surrender the premises to the Lessor and Lessor may at any time thereafter resume possession of the premises by any lawful means an remove Lessee or other occupants and their effects.
- (iii) The Lessee hereby gives irrevocable power and authority without any recourse to the Lessor to enter the demised paid premises with or without permission of the Lessee on the expire of the termination of the notice period referred to above and / or the lease period and remove all the possession of the lease with a view to secure vacant possession of the Demised Premises. The Lessor shall act as the agent for the Lessee and shall not be liable for any loss or damage suffered by the Lessee howsoever caused as a result of the lessor exercising the power and authority given herein.

**8. Termination of the Lease**

The tenancy hereby created shall be determinable at the option of either party by giving the other party one month notice either verbally or in writing.

**9. Insurance.**

The Lessor agrees with the Lessee that:

**9.1. The Lessor shall keep property insured with reputable insurers to cover:**

- (a) Full rebuilding, site clearance, professional fees, value added tax and two (2) years loss of rent.
- (b) Against fire, lighting, explosion, earthquake, landslip, subsidence, heave, riot civil commotion, aircraft, aerial devices, storm, flood, water, impact by vehicles, damage by malicious persons and vandals and any other risks reasonably required by the Lessor.

So far as cover is available at the normal insurance rates for the locality and subject to reasonable access and exclusions.



- 9.2. The Lessee shall maintain its own insurance for the Lessee's business and its belonging/goods carried on at the premises.
- 9.3. The Lessor shall take all necessary steps to make good as soon as possible any damage to the property caused by the insured risks, except to the extent that the insurance money is not paid because of the Act or default of the Lessee.
- 9.4. The Lessor shall not be responsible for any damage for which the Lessee is compensated under the insurance policy.

**10. Service of Notices**

That any demand for payment or notice requiring to be made upon or given to the Lessee shall be sufficiently made or given if sent by the Lessor or its agents through the post by registered letter addressed to the Lessee at the demised premises, and that notice requiring to be given to the Lessor shall be sufficiently given if sent by the Lessee through the post by registered mail addressed to the Lessor at its address cited at the beginning of this lease AND that any demand or notice sent by post in either case shall be assumed to have been delivered in the usual course of post.

**11. Amendments to the Lease**

Any amendments to this lease shall be done by an addendum to this lease and shall be signed by both parts.

**12. Governing Law and Dispute Resolution**

This lease agreement shall be governed by the laws of the United Republic of Tanzania as amended from time to time

In the event of any dispute or claim arising from or in connection with this Lease Agreement which is not settled mutually by the parties thereto, such disputes or claim may be referred by either party to the court or tribunal in Dar es Salaam for adjudication or settlement.

Withholding tax

Dollar

$$10,000 \times 6 = 60,000 \times 10\% = 6,000$$

as at 17/02/20 BOT rate 2278

$$6,000 \times 2278 = 13,668,000$$

S/Duty

$$10,000 \times 12 = 120,000 \times 1\% = 1,200$$

as at 17/02/20 BOT rate 2278

$$1,200 \times 2278$$

total

$$= 2,733,600$$

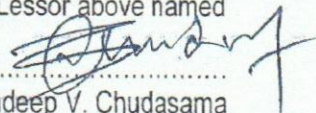
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$$16,401,600$$

IN WITNESS WHEREOF the Lessor and Lessee have hereto signed this deed on the day, month, year and the manner as hereinafter appearing.


Sealed with the common seal of the said  
**R. K. Chudasama Ltd** and delivered in Dar es Salaam  
 In the presence of us this 11<sup>th</sup> day of February 2020  
 Within the Lessor above named



Signature:   
 Name: Sundeeep V. Chudasama  
 Address: P. O. Box 325, DSM  
 Qualification: Managing Director

Signature:   
 Name: Vivek V. Chamunda  
 Address: P. O. Box 325, DSM  
 Qualification: Financial Controller

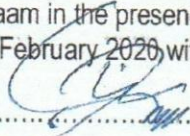
**BEFORE ME:**

Signature:   
 Name: George Mwaigwa  
 Address: 72872 DSM  
 Qualification: Advocate




Sealed with the common seal of the said  
**DRAFCO GROUP LTD** and delivered in  
 Dar es Salaam in the presence of us in the  
 11<sup>th</sup> day of February 2020 within the Lessor above named



Signature:   
 Name: MOHAMMAD NAZEEM KOUKASH  
 Address: P. O Box 21498, DSM  
 Qualification: MANAGING DIRECTOR

**BEFORE ME:**

Signature:   
 Name: George Mwaigwa  
 Address: 72872 DSM  
 Qualification: Advocate



Withholding tax  
 Dollar  
 $8475 \times 6 = 50850 \times 10\% = 5085$   
 as at 1/02/20 BoI rate 2278  
 $= 5085 \times 2278 = 11,583,630$

S/duty  
 $8475 \times 12 = 101700 \times 1\% = 1017$   
 as at 17/02/20 BoI rate 2278  
 $= 1017 \times 2278 = 2316726$

total 13,900,356