

M/S VITA FOAM (T) LTD

PROGRESS REPORT

ON

**MATTRESS MANUFACTURING PROJECT AT
PLOTS 26 & 28 KIBAHA INDUSTRIAL AREA,
KIBAHA, COAST REGION, TANZANIA**

DECEMBER 2020

INTRODUCTION

M/S VITA FOAM (T) LTD is a registered Company in Tanzania with Certificates of **Incentives no 004061** which was issued in January 2018.

The estimated investment cost in fixed asset is estimated to be US\$3.0 ml and the main aim of the project is to establish a project of manufacturing mattresses and allied products at plot no 26 & 28 Kibaha Industrial area Coast Region.

The project-financing plan consists of shareholders equity.

Equity	Proportion	Amount in us\$ ml
Equity	33.33%	1.0
Loan	66.67%	2.0
Total	100	1.0

1.0 PLANNED ACTIVITIES

The company planned the following:

- i) To construct a factory facility
- ii) To order machineries, steel structures and other ancillaries
- iii) To obtain all regulatory requirements pertaining to the establishment of the factory.
- iv) To install the plant and machinery
- v) To Purchase the trucks and vehicles
- vi) To purchase office equipment and workshop equipment's
- vii) To commission the plant by December 20th 2020

2.0 ACHIEVEMENTS MADE ON THE PROJECT IMPLEMENTATION TO DATE

The project to date has been able to carry the following:

- i) The project has been able to secure the building permit and also finalize the preparation of BOQ.
- ii) The project has started the development of land which is 70% completed for constructing the factory facility.
- iii) The project has been able to order machineries, steel structures and other ancillaries' which have now arrived in Tanzania mainland
- iv) The company has been able to finalize all regulatory requirements which are prerequisites for construction such as building permit, OSHA and progress of compliance with EIA (Environment Impact Assessment).

3.0 UPDATED INFORMATION ON THE COMPANY

Sl No	Information	Description	Current Project Status
1	Shareholder's Information	Current shareholder's names, nationality and percentage of ownership	1. Suraj Mal Chandaliya (Tanzanian – 64.81%) 2. AlkaSurajChandalia (Tanzanian – 3.49 %) 3. Prateek Chandaliya (Indian – 31.67 %) 4. Nikita Chandaliya (Indian – 0.03%)
2	Company	Email address	prateek@vitafoamtz.com

	Communication Information	Mobile Number	+255 784 800831
		Land Line Number	+255 22 2865955/57
		Physical Address	Plot 111B, Mwakalinga Road, Chang'ombe Industrial Area, P.O Box 5686, Dar es Salaam
3	Contact Person	Name	Prateek Chandaliya
		Position	Director
		Email and Phone	prateek@vitafoamtz.com , +255 784 800831
4	Incorporation	Certificate of Incorporation No	33591
5	TIN	TIN Certificate No	100-240-785
6	Project Objective	Project Core Activity	Manufacturing of mattresses and allied bedding products
7	Capacity	Project Capacity per Year	225,000 mattresses
8	Direct Employment	Foreign – Men	7
		Foreign – Women	0
		Local – Men	123
		Local – Women	20
9	Indirect Employment	Estimated Total No	200
		Type/Areas	

4.0 PROJECT FINANCIAL EXPENDITURE TODATE.

Information	Foreign (USD)	Local (USD)	Total (USD)
Land and Buildings	600,000/-	200,000/-	800,000/-
Plant and Machinery	800,000/-	0/-	800,000/-
Vehicles	0/-	0/-	0/-
Furniture	0/-	0/-	0/-
Office Equipment	0/-	0/-	0/-
Insurance Cover	0/-	0/-	0/-
Pre-operational expenses	0/-	50,000/-	50,000/-
Working sub-total capital	0/-	0/-	0/-
Total Investment	1,400,000	250,000	1,650,000

5.0 PROJECT FINANCING

The company has invested its 80% contribution of Equity and has successfully availed the finance from the financial institution. The Borrowed debt will go towards financing construction and payment of machineries and equipments.

Information	Amount (USD)	Source Country
Local Equity	1,000,000/-	Tanzania
Local Loans	2,000,000/-	Tanzania
Foreign Equity	None	N/A
Foreign Loans	None	N/A
Total Investment	3,000,000/-	Tanzania

6.0 PROBLEMS AND SOLUTION

The company has been able to carry about 50% of its planned project activities. However, the company has faced the following delays and hence the project will not be fully completed on time as planned.

- Delay in finalizing financing arrangement with lenders.
- Project was on hold due to recent COVID-19 pandemic.
- Delays in sourcing reliable supplies of pre-fabricated structures.

7.0 FUTURE PLANS

- Over a period of next one year, the company plans to equip itself with extra modern machines to put up a modern spring mattress line with memory foam and HR foam production lines.

8.0 RECOMMENDATIONS

As per the foregoing, the promoters expect the project to be fully operational by Dec 2021 and request for extension of the implementation of the project.







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