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TANZANIA INVESTMENT CENTRE

DIRECTORATE OF INVESTMENT FACILITATION



EASTERN ZONE

**REPORT ON PROJECT VERIFICATION VISIT TO M/S VITA FOAM (T) LIMITED
CONDUCTED ON 16TH MARCH 2022.**

MARCH 2022

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1. INTRODUCTION

1.1 Brief history of the Company

VITA Foam (T) Limited is a registered Company under Company Act, 2002 of the United Republic of Tanzania where it was granted Certificate of Incorporation Number 33591 on 5th March, 1998 by Business Registration and Licensing Agency (BRELA). The company has a project for the manufacturing of mattress and allied bedding products; this project is registered by Tanzania Investment Center (TIC) with Certificate of Incentives Number 004061 issued on 26th January 2018.

1.2 Project Geographical Location

The company project is located at Plot No. 26 & 28 Kibaha Industrial Area, Coastal Region.

2. COMPANY PROFILE

2.1 Company Particular Information

S/No.	Item	Description		
1	Company Name	VITA FOAM (T) LIMITED		
2	Shareholder's Information	NAME	Nationality	Shares (%)
		Suraj Mal Chandaliya	Tanzanian	64.81%
		Alka Suraj Chandalia	Tanzanian	3.49 %
		Prateek Chandaliya	Indian	31.67 %
		Nikita Chandaliya	Indian	0.03%
3	Company Communication Information	Phone	+255 784 800831	
		Physical Address	Plot No. 26 & 28 Kibaha Industrial Area	
		Postal Address	P.O Box 5686, Dar es Salaam	
4	Contact Person	Prateek Chandaliya		
5	Incorporation	33591		

S/No.	Item	Description
6	TIN	100-240-785
7	Project Objective	Manufacturing of mattresses and allied bedding products

2.2 Actual Project Performances

S/No.	Information	Description	Current Status
1.	Investment financing amount	Financing type	Amount (USD) Source Country
		Local Equity	1,000,000 Tanzania
		Local Loans	2,500,000 Tanzania
		Foreign Equity	
		Foreign Loans	
		Total Investment	3,500,000
2.	Capacity	Project capacity per year	225,000 mattresses
3.	Direct Employment	Foreign Men	7
		Foreign Women	0
		Local Men	123
		Local Women	20
4.	Indirect Employment	Estimated Total No.	200
		Type/areas of Indirect Employment	Materials supply, transport of materials and goods, goods selling agents, cafeteria services

3. PROJECT VERIFICATION VISIT (PVV)

3.1 PVV initiation

According to the granted COI, the company aimed at establishing a project for manufacturing of mattress and allied bedding products with project implementation plan starting from 26th January 2018 to 25th January, 2022, however the company submitted to TIC a letter dated 4th December, 2020 with Ref: VFL/TIC/01/12-20 notifying the

center that the company was unable to complete the project within specified implementation period to due to COVID-19 pandemic whereby shipments delays and, international travels restrictions imposed by countries globally were observed hence sourcing of construction materials were affected. In view of this, Vita Foam (T) Ltd requested for extension of COI for 1 year.

Owing to the application received, on 16th March, 2022, TIC decided to conduct PVV to verify the implementation status of project, establish documentary evidence for the delays and probably issue COI extension as requested finally.

3.2 PVV Conduction

On 16th March, 2022 team of three officers from TIC were appointed to conduct PVV at Vita Foam (T) Ltd located in Kibaha industrial area, Coastal Region. The team comprised the followings officers:

- (i) Privata Simon
- (ii) Paul Sonda
- (iii) Leonard Mapunda

The company was represented by Mr. Suraj Chandaria, Chief Executive Officer of Vita Foam (T) Ltd.

3.2.1 Project Visit Objective

The main purpose of the PVV was to establish grounds which could enable TIC management to make informed decision whether the company qualifies for 1 year's extension of COI's implementation period or not.

3.2.2 Project Visit Specific Objectives

Specifically, the PVV visit aimed to:-

- i. Interview and gather information from the applicant regarding the COI extension application
- ii. Take copies of relevant document /photos as evidence for the application
- iii. Physically visit the project site and verify its status of completion

3.3 Findings

The team managed to visit the premises of the project as scheduled and established the following facts:-

- i. On average, the project's current implementation is **90%**
- ii. Main raw materials imported from Europe, China, and Korea are used for implementation of the project.
- iii. Nevertheless, they are requesting an extension of the Certificate of Incentives to import additional trucks and vehicles.

Generally, they have the following notable achievements;

- i. 450,000 Liters' of underground water tank for firefighting has been constructed; water has been collected and filled in the tank from rainfall.
- ii. CCTV for the entire building which costed them around 400,000 USD has been installed
- iii. 14000 SQ areas out of 50,000 SQ available have been used

3.4 Challenges

They faced the following challenges during their project implementation.

- i. **COVID-19 Pandemic:** Travel restrictions and lockdowns imposed globally caused price fluctuation which resulted into significant adverse impacts on the business cycles. E.g. The price of shipment containers from China rose 3-folds and some industries stopped production of relevant raw materials and machinery for the project.
- ii. **Land soil texture.** Soil chemistry (Clay pottery) cemented by poor road infrastructure toward the land they acquired for the project anchored challenges during the construction stages. For example, during rainy season, road became

impassable hence they could not continue with construction until the rain stops, in addition constructed walls fell from time to time due to rainfall forces.

3.5 Future Plans

It was established that, they have the following plans;

- i. To have modern machines which will allow them to produce spring mattresses with memory foam/ giant foam
- ii. To import two vehicles' this remained from the 5 vehicles approved by TRA for exemption.
- iii. To construct an office building.

4. RECOMMENDATIONS

In view of the findings observed during the project visit, the team recommends the project continue to completion so as to enable TAN FOAM (T) LTD accomplish the remaining 10% of its project plan and the project is yet to exploit the list of vehicles from TRA approved list.

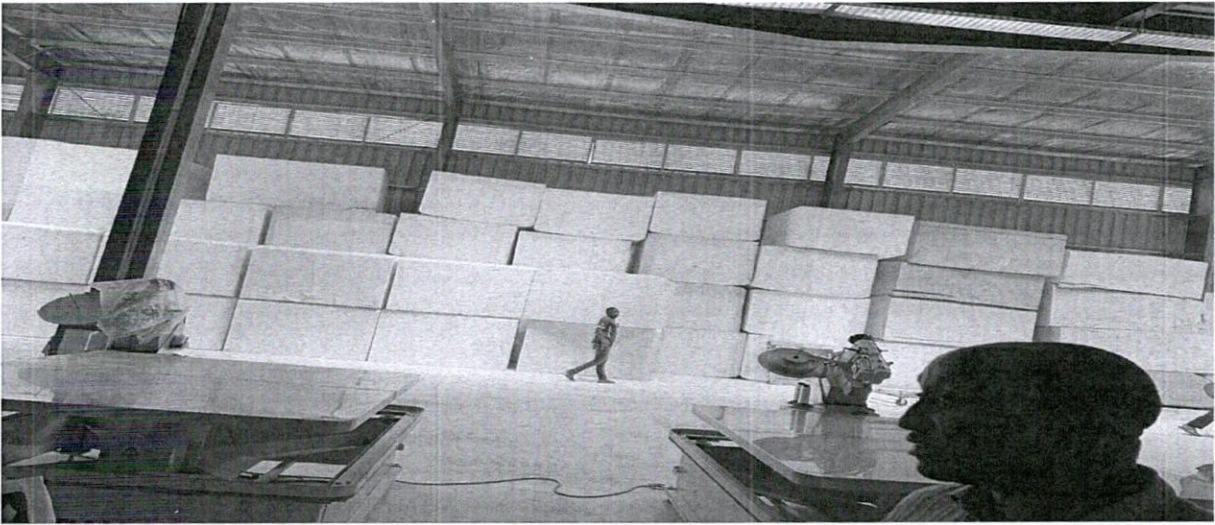
5. CONCLUSION

Based on the assessment of the evidences, interview of the company representative and considering the findings including recommendations described above. The reasons provided for not completing the project timely can be considered logical. Therefore the team is of the opinion that **Tan Foam (T) Ltd located at Plot No. 26 & 28 Kibaha Industrial Area, Coastal Region** be considered for a **one year** COI extension.

6. PROJECT PHOTOS

The following snapshots were taken during the visit as evidences for the project implementation





PREPARED BY

- | S/NO. | NAME |
|--------------|---------------------|
| 1. | MS. PRIVATA SIMON |
| 2. | MR. LEONARD MAPUNDA |
| 3. | MR. PAUL SONDA |

SIGNATURE


Date 18/03/2022



TANZANIA REVENUE AUTHORITY

Ref. No. CA 519/659/01 / 6277

17th November, 2020

Chief Executive Officer,
M/s Vita Foam Tanzania Limited,
P. O. BOX 5686,
Dar es salaam.

Dear Sir,

**RE: IMPORT DUTY EXEMPTION ON DEEMED CAPITAL GOODS VIDE
CERTIFICATE OF INCENTIVES NO. 004061 OF 26.01.2018 AND TIN
NO. 100-240-785**

Reference is made to your letter with dated 01st October 2020 with reference no. VFL/TIC/01/10-20 as supported by a letter from Tanzania Investment Centre ref. TIC/MAN/OF001/004061/5 of 13th October, 2020 on the above captioned subject.

We hereby approve **four pages** list of items herewith attached as deemed capital goods for establishment and operate a project for manufacturing mattresses and allied bedding products with the Certificate of Incentives mentioned above.

The approved deemed capital goods will be exempted from Import Duty up to the tune of 75% of Import Duty Payable.

"Together we build our nation"

Again Kajigili

FOR: COMMISSIONER FOR CUSTOMS AND EXCISE

R.B/-

Copy : Manager- Tax Exemption,
: Manager - Customs Service Centre,
: Executive Director,
: Tanzania Investment Centre,
Dar es Salaam.
: Resident Officer (TRA) TIC



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: Resident Officer (TRA) TIC



VITA FOAM

For the REST of your life

ISO 9001:2015 certified

Manufacturers of all kinds of mattresses and distributor of medical supplies and textile goods.

LIST OF DEEMED CAPITAL GOODS

Machinery							
SI No	Description	UOM	QTY	TIN No	Exemption Reference	Exemption Date	HS Code
1	Complete Foam Plant <i>Machine</i>	Set	1	100-240-785	004061	Jan 2018-Dec 2020	8477.20.00 ✓
2	rousal cutting Machine	Set	2	100-240-785	004061	Jan 2018-Dec 2020	8479.90.00 ✓
3	In Line Block cutter	Set	1	100-240-785	004061	Jan 2018-Dec 2020	8464.10.00 ✓
4	Day Tanks	Set	5	100-240-785	004061	Jan 2018-Dec 2020	8402.90.00 ✓
5	Horizontal cutting machine	nos.	2	100-240-785	004061	Jan 2018-Dec 2020	8461.50.00 ✓
6	Verticle Cutting Machine	nos	2	100-240-785	004061	Jan 2018-Dec 2020	8444.00.00 ✓
7	Compressors	nos	3	100-240-785	004061	Jan 2018-Dec 2020	8414.40.00 ✓
8	ISO Bulk Liquid Storage Tanks <i>(Koodit)</i>	nos	12	100-240-785	004061	Jan 2018-Dec 2020	7309.00.00 ✓
9	Generator 200KVA	each	1	100-240-785	004061	Jan 2018-Dec 2020	8502.12.00 ✓
10	herator 60 KVA	each	1	100-240-785	004061	Jan 2018-Dec 2020	8502.11.00 ✓
11	Fork Lift	each	3	100-240-785	004061	Jan 2018-Dec 2020	8427.90.00 ✓
12	Foam Block Grabbers	each	2	100-240-785	004061	Jan 2018-Dec 2020	3921.13.10 ✓
13	Quilting Machines	each	1	100-240-785	004061	Jan 2018-Dec 2020	8447.90.00 ✓
14	Sewing Machines	nos.	20	100-240-785	004061	Jan 2018-Dec 2020	8452.29.00 ✓
15	Border making Machines	nos.	1	100-240-785	004061	Jan 2018-Dec 2020	8479.90.00 ✓
16	Flanging machine	nos.	2	100-240-785	004061	Jan 2018-Dec 2020	8483.30.00 ✓

VITA ralia[®]
Magodoro ya UHAKIKA - 23 Density

VITASupreme[®]
Top of the range foam mattress - 28 Density

VITA ralia+[®]
An orthopaedic (medical) mattress

VITA spring Everflex[®]
A Luxurious pocket Spring mattress

VITA spring Duraflex[®]
A Luxurious bonnell Spring mattress

VITA Bedset[®]
An elegant complete bedset



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17	Long Arm quilt repair machine	nos	1	100-240-785	004061	Jan 2018-Dec 2020	8447.20.00	✓
18	Mattress Sealing Machines	nos.	3	100-240-785	004061	Jan 2018-Dec 2020	8479.89.00	✓
19	Label Stitching Machine	nos	2	100-240-785	004061	Jan 2018-Dec 2020	8422.30.00	✓
20	Pockets spring coil making machine	no.	1	100-240-785	004061	Jan 2018-Dec 2020	8479.81.00	✓
21	Spring Coil assembler machine	no.	1	100-240-785	004061	Jan 2018-Dec 2020	8504.90.00	✓
22	Pillow making machine	no.	1	100-240-785	004061	Jan 2018-Dec 2020	8444.00.00	✓
23	Foam Shredder Machine	no.	2	100-240-785	004061	Jan 2018-Dec 2020	8441.80.00	✓
24	Upholstered Tape-edged machine	nos	15	100-240-785	004061	Jan 2018-Dec 2020	8452.29.00	✓
25	Single needle quilting machine	no.	1	100-240-785	004061	Jan 2018-Dec 2020	8447.90.00	✓
26	Foam profile cutting machine	no.	1	100-240-785	004061	Jan 2018-Dec 2020	8461.90.00	✓
27	Transformer (Capacity 100-200 C)	no.	1	100-240-785	004061	Jan 2018-Dec 2020	8504.21.00	✓
28	Batch Foam Plant for Round and HR Foam	Set	1	100-240-785	004061	Jan 2018-Dec 2020	3921.90.00	✓
29	High Back Cutting Machine CNC Type	no.	1	100-240-785	004061	Jan 2018-Dec 2020	8463.90.00	✓
30	Peeling Machine for Long Block	no.	1	100-240-785	004061	Jan 2018-Dec 2020	8438.60.00	✓
31	Peeling Machine for Round Block	no.	1	100-240-785	004061	Jan 2018-Dec 2020	8438.60.00	✓

Vita ralia
Magodoro ya UHAKIKA - 21 Density

Vitasupreme
Top of the range foam mattress-28 Density

Vita ralia+
An orthopedic (medical) mattress

VITA spring Everflex
A Luxurious pocket Spring mattress

VITA spring Duraflex
A Luxurious bonnell Spring mattress

VITA Bedset
An elegant complete bedset

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32	Boring Machine	no.	1	100-240-785	004061	Jan 2018-Dec 2020	8477.90.00	✓
33	Main Electrical Panel with Power Factor	no.	1	100-240-785	004061	Jan 2018-Dec 2020	8504.90.00	✓
34	Manual hydraulic press 3MT	no.	1	100-240-785	004061	Jan 2018-Dec 2020	8462.91.00	✓
35	Acoustic Cutting Machine (Egg shell)	no.	1	100-240-785	004061	Jan 2018-Dec 2020	8461.40.00	✓
36	Foam cell opener machine (HR and Memory Foam)	no.	1	100-240-785	004061	Jan 2018-Dec 2020	8451.80.00	✓
37	Block lifting Crane	no.	1	100-240-785	004061	Jan 2018-Dec 2020	8426.19.00	✓
38	Block transport Trolleys	no.	1	100-240-785	004061	Jan 2018-Dec 2020	8716.90.90	✓
39	Sheet Rolling Machine for quilting	no.	1	100-240-785	004061	Jan 2018-Dec 2020	3920.43.10	✓
40	Welding Machine	no.	1	100-240-785	004061	Jan 2018-Dec 2020	8515.39.00	✓
41	Foam fatigue testing machine	no.	1	100-240-785	004061	Jan 2018-Dec 2020	9024.10.00	✓
42	Foam hardness testing machine	no.	1	100-240-785	004061	Jan 2018-Dec 2020	9024.10.00	✓
43	Foam compression tester	no.	1	100-240-785	004061	Jan 2018-Dec 2020	9024.10.00	✓
44	Foam tensile strength and elongation testing machine	no.	1	100-240-785	004061	Jan 2018-Dec 2020	9024.10.00	✓
45	Foam air permeability tester	no.	1	100-240-785	004061	Jan 2018-Dec 2020	9024.10.00	✓
46	Foam rebound testing machine	no.	1	100-240-785	004061	Jan 2018-Dec 2020	9024.10.00	✓
47	Frame Wire Bending Machine	no.	1	100-240-785	004061	Jan 2018-Dec 2020	8465.94.00	✓

VITA/raha[®]
Magodoro ya UHARJKA - 23 Density

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Top of the range foam mattress - 28 Density

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48	Frame Wire Cutting Machine	no.	1	100-240-785	004061	Jan 2018-Dec 2020	8441.10.00
49	Gluing Station Pumps	no.	3	100-240-785	004061	Jan 2018-Dec 2020	8413.81.00
50	Foam rebonding machine Plant and Mold	Set	1	100-240-785	004061	Jan 2018-Dec 2020	8480.79.00
51	Wrapping Machine	no.	3	100-240-785	004061	Jan 2018-Dec 2020	8422.40.00
52	Weighing Scales	no.	5	100-240-785	004061	Jan 2018-Dec 2020	8423.89.00

Building

Sl. No	Description	UOM	Qty	TIN No	Exemption Reference	Exemption Period	HS Code
1	Steel Structures (Building 1)	MT	17.2	100-240-785	004061	Jan 2018-Dec 2020	7308.90.90
			29,400				
2	Steel Structure (Building 2)	MT	135	100-240-785	004061	Jan 2018-Dec 2020	7308.90.90
			190,000				
3	Steel Structure (Building 3)	MT	36.8	100-240-785	004061	Jan 2018-Dec 2020	7308.90.90
			52,000				
4	Steel Structure (Building 4)	MT	18	100-240-785	004061	Jan 2018-Dec 2020	7308.90.90
			31,000				

Vehicles

Sl. No	Description	UOM	Qty	TIN	Exemption Certificate	Exemption Date	HS Code
1	Semi-Trailer Truck	Nos	2	100-240-785	004061	Jan 2018-Dec 2020	8716.39.10
2	3 Ton-Delivery Trucks	Nos	10	100-240-785	004061	Jan 2018-Dec 2020	8704.21.10
3	4 Wheel Drive Pick up Truck - Single Cabin	Nos	1	100-240-785	004061	Jan 2018-Dec 2020	8704.21.10

Office Equipments

Sl. No	Description	UOM	Qty	TIN	Exemption Certificate	Exemption Date	HS Code
1	Computers	Nos	20	100-240-785	004061	Jan 2018-Dec 2020	8471.30.00

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Magodera ya UHAKIKA - 23 Density

Vita Supreme
Top of the range foam mattress - 28 Density

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An orthopedic (medical) mattress

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A luxurious pocket Spring mattress

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