

M/S VITA FOAM (T) LTD

PROGRESS REPORT

ON

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

FEBRUARY 2022

INTRODUCTION

M/S VITA FOAM (T) LTD is a registered Company in Tanzania with certificate 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 land development and buildings and structures have fully been constructed.
- ii) The production plant and core machinery has been installed, tested and commissioned
- iii) Ancillary machines for process workflow have been installed and tested.
- iv) The company has been able to finalize other major regulatory requirements which are prerequisites for starting operations.

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. Alka Suraj Chandalia (Tanzanian – 3.49 %) 3. Prateek Chandaliya (Indian – 31.67 %) 4. Nikita Chandaliya (Indian – 0.03%)
2	Company Communication Information	Email address	prateek@vitafoamtz.com
		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)
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Land and Buildings	600,000/-	1400000	2000000
Plant and Machinery	1200000	0/-120000	1320000-
Vehicles	0/-	60000	600000/-
Furniture	0/-	20000/-	20000/0-
Office Equipment	0/-	10,000	10000/-
Insurance Cover	0/-	0/-	0/-
Pre-operational expenses	0/-	50,000/-	50,000/-
Working sub-total capital	0/-	0/-	0/-

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	1000000	Tanzania
Local Loans	2500,000,-	Tanzania
Foreign Equity	None	N/A
Foreign Loans	None	N/A
Total Investment	3500000	

6.0 PROBLEMS AND SOLUTION

The company has been able to carry about 90% of its planned project activities. However, the company has faced some new challenges thus requiring more time for the project to be fully operational:

- Some ancillary machines are yet to be added to the core manufacturing line which are critical to the company's product mix. These machines were earlier not envisaged, however due to advancements and technological changes in the industry over the last 2 years, these have now become a necessity for achieving operational efficiency and economies of scale.

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 2022 and request for extension of the implementation of the project to Dec 2022.