

**FEASIBILITY STUDY FOR THE
IMPLEMENTATION PROGRAMME
OF
M/S AIRMED HEALTHCARE COMPANY LIMITED
IN
ESTABLISHING AND OPERATING A
PROJECT FOR PROVISION OF
PROFESSIONAL SERVICES IN HEALTH
CARE AND RELATED HEALTH
ACTIVITIES**

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MIS AIRMED HEALTHCARE COMPANY LIMITED

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M/S AIRMED HEALTHCARE COMPANY LIMITED
INVESTMENT PROPOSAL FOR THE ESTABLISHING AND OPERATING A
PROJECT FOR PROVISION OF PROFESSIONAL SERVICES IN HEALTH
CARE AND RELATED HEALTH ACTIVITIES

1. INVESTMENT PROPOSAL

This feasibility study has been prepared by M/S AIRMED HEALTHCARE COMPANY LIMITED for the company's implementation programme in establishing and operating a project for setting up facilities for provision of professional services in healthcare and related health activities in off-Mwaya Road/ Kinondoni - Dar es Salaam.

The business plan has been prepared to give an analysis of the all necessary resources required for the implementation programme and also assess its economic viability and commercial viability for presentation to the company's promoters (shareholders) in order to allocate funds and machinery as well as equipment to supplement the equity contribution.

2. COMPANY'S BACKGROUND

M/S AIRMED HEALTHCARE COMPANY LIMITED is a private owned company registered/ incorporated in Tanzania by Registrar of companies under company's ordinance CAP 212,

On 2nd day of October, 2020 with certificate of incorporation No. 144029216 The company was incorporated with prime objectives of carrying on business of providing professional health services in health care and related health activities. The company determines to provide hospital activities to deal with fertility, gynecology, mother and child care and to increase professional health services capacity. And later improve the quality of the professionalism.

The main purpose of the project proposal is to establish and operate facilities for provision of professional services in health care and related health activities to correspond with the growing demand. The quality of company's professional health activities will guarantee customer's satisfaction in this intended programme.

There is a very big market for the high quality professional health services which influenced the management of M/S AIRMED HEALTH CARE COMPANY LIMITED to invest in professional health care project. The proposed project will import medical equipment from India, China, Japan, Germany, etc and install new, modern and sophisticated equipment and use of new technology.

Hence, in its implementation the proposed project is estimated to cost **USD \$ 1,800,000**. The estimated capital investment cost will be new and modern medical equipment, utility vehicles and other expenses.

3. MARKET POTENTIAL

There is an extensive market potential for the company's proposed health project under this implementation programme as the market is growing day by day especially in professional services of **GYNAECOLOGY, FERTILITY AND MOTHER & CHILD CARE** in Tanzania. People used to travel to India and Europe to find the better treatment and professional health services which now will be available in Dar es Salaam at high quality and affordable prices. The intended project in its implementation programme will also manufacture different kinds of pharmaceuticals, medicinal chemical and botanical products.

Gynecologists are doctors who specialize in women's health, with a focus on the female reproductive system. They deal with a wide range of issues, including obstetrics, or pregnancy and childbirth, menstruation and fertility issues, sexually transmitted infections (STIs), hormone disorders, and others.

A recent survey undertaken by **M/S AIRMED HEALTHCARE COMPANY LIMITED** has realized that there is high demand for

high quality professional health care services which will be in the country at affordable price and there will be no need of going out of the country for gynecology, fertility and Mother & child care.

There are number of factors which will make the proposed project to dominate the market such as quality professional health services and goodwill. People used to travel to India for such professional healthcare services which will be now available in the Country at affordable prices. None can compete with the company's quality services.

Later the intended project expects to open such professional health services in Key areas in Dar es salaam and other Big Regions in Tanzania and to the neighboring countries in order to earn foreign currency especially in this implementation programme.

4. THE COMPANY'S OBJECTIVES

M/S AIRMED HEALTH CARE COMPANY LIMITED is a project for carrying on business of provision of professional health services and related health activities. The mission of project is basically aimed at service & quality improvement and marketing the high quality professional services for local and foreign market in order to achieve the following objectives: -

- To foster the growth of professional health care services industry in Tanzania.
- To reduce dependence on external sources for Professional Health care services.
- To promote local professional Health care and related health activities.
- To promote growth and expansion of private sector.
- The intended project will save people's lives besides money instead of travelling abroad for treatment. They will be able to get the health care services here in Dar es Salaam.
- The company will create more employment (more job opportunities from unskilled to professionals/technicians etc.)
- Skill development (human resources development) through on job training and use of modern medical equipment and application of new technology.
- Income generation, alleviation of poverty and improve their social welfare and health improvement
- The company contributes to the government revenue through taxes- corporate tax, SDL, PAYE, WITHHOLDING Taxes and other levies.
- Etc

5. PLAN/PROSPECTS

- High quality & production performance of professional health services.

- To increase professional health centers to other key areas in Dar es Salaam and other Regions and also to neighboring countries and hence resulting foreign earnings in addition to the prevailing local market.
- To purchase/import new medical equipment and medical plant & machinery for producing pharmaceuticals, medicinal chemical and botanical products with introduction of new technology.
- To increase the volume of professional health care services capacity.

6. SHAREHOLDERS (PROMOTERS)

The following sponsors are promoting the proposed project **M/S AIRMED HEALTHCARE COMPANY LIMITED**. These are Directors and shareholders of **M/S AIRMED HEALTHCARE COMPANY LIMITED** with their shareholders position.

No.	Name of shareholders	No. of shares	Nationality	(%) shareholders structure.
1.	Ashutosh Mukund Jog			15%
2.	Raval Ratheen Kartikey			17%
3.	Tamish Ashutosh Jog			10%
4.	Dhruv Ashutosh Jog			10%
5.	Udit Ashitbhai Gandhi			16%
6.	Madhav Gopal Hiran			17%
7	Veena Ashutosh Jog			15%

	TOTAL	100		100%
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The share capital company is Tshs. 10,000,000/= divided into 10,000 shares of Tshs. 1,000/= each, and the company shall have the power to increase its capital and to divide the shares in its capital for the time being into several classes of stock or shares and to attach there to respectively such preferential, deferred or special rights, privileges, or conditions as may be determined by or in accordance with the Articles of Association of the Company.

7. LOCATION

The company's business premises are located at plot **No. 1484 off Mwaya road – Mikocheni/ kinondoni/ DSM**. The Postal Address: P.O Box 8702 Dar es salaam/ Tanzania,

8. IMPLEMENTATION SCHEDULE

8.1 JANUARY – 2021

- Preparing feasibility study for the implementation programme in setting up facilities for Provision of Professional Health care services and related health services.

- Fully commencement of professional health services and allied activities for the intended programme.

9. CAPITAL INVESTMENT COST

Land/Building	USD \$	50,000
Plant/Machinery	USD \$	1,000,000
Vehicles	USD \$	150,000
Furniture and Fittings	USD \$	-
Pre-expenses	USD \$	200,000
OTHER EXPENSES	USD \$	200,000
Working Capital	USD \$	200,000
TOTAL CAPITAL	USD \$	<u>1,800,000</u>

10. FINANCIAL PLAN (SOURCE OF FUNDS)

M/S AIRMED HEALTHCARE COMPANY LIMITED is a project for provision of professional health services and allied health activities. The proposed project has firmed up finances for the intended programme by its own local funds (equity):-

Own local fund (equity)	USD \$	<u>1,800,000</u>
TOTAL	USD \$	<u>1,800,000</u>

11. SUBMISSION

M / S AIRMED HEALTHCARE COMPANY LIMITED wishes to submit its investment plan and application to the Tanzania Investment Centre (TIC) its proposal for registration and award of Certificate of Incentives in the proposed programme of investing in professional health care services project . This will enable the project to qualify for Duty remissions/ exemption on Capital/ deeme Capital Goods.

12. LIST OF MACHINERY & EQUIPMENT

- Medical equipment , CT SCAN, MRI and ultra sound
- Hospital facilities
- Trolleys
- Generator
- Laboratory equipment

13. PLANT LAYOUT

- HOSPITAL BUILDING:- PROFESSIONAL / SPECIALIST OFFICES / LABARATORY
- AREAS FOR GYNAECOLOGY, FERTILITY, MOTHER & CHILD CARE

14. ECONOMIC GROWTH

The positive investment policy of the fifth phase Government in Tanzania – industrialization has resulted economic growth and have attracted more investments in the country which led an increase in professional Health care service projects.

15. COMPETITION/MARKET

The Company being professional Health care service and allied health activities project. People used to travel abroad for professional health care services. No one cannot ~~not~~ compete with our project due to profession, quality and goodwill. The Company will import new medical equipment and recruit best professionals & specialist; the project will deal with gynecology, fertility and mother & child care etc The level of demand is so big compared to the providers of such services.

However, the company expects to dominate the local and export market because of the high quality, best professional, specialists and goodwill of health care activities. Also the prices of the services will be affordable.

The other factors which the company is proud of in dominating the markets are promptness and ready service to patients all the time.

16. PROMOTION/ ADVERTISEMENT

Promotion/ advertisement, is one of the marketing strategies and aids to trade. The company will advertise its products in the newspapers, street banners and later on in the televisions. With the motto: "the quality sells our products".

17. BUSINESS STRATEGY

Management of the company has developed and implemented some strategies in order to increase productivity, meet the growing demand and dominate the entire market. These business strategies are technology/ product quality, Advertisement/ promotion, employing qualified and experienced personnel, on job training, business discipline etc

18. ENVIRONMENTAL ISSUE

All the project's operations will be carried out in environmental friendly matter; the wastes will be disposed in the best manner. It will have good sewerage and drainage system.

19. PROJECT MANAGEMENT

The overall management of the **M/S AIRMED HEALTHCARE COMPANY LIMITED** is vested in the Board of directors. Mr Ashutosh Mukund Jog who is the Managing Director of the company; He is well versed in health care services and allied activities. The other Directors are: Raval Ratheen Kartikey,

Tamish Ashutosh Jog, Dhruv Ashutosh Jog, Udit Ashbhai Gandhi, Mandav Gopal Hirani and Veena Ashutosh Jog.

20. MANPOWER AND TRANSFER OF TECHNOLOGY

This project being Provision of Professional Health care Services and allied activities, in its implementation programme will usher in the country New technology (Transfer of knowledge/technology). The advantages to the country are quite significant, and will get the advantage of value addition due to such incoming technology.

Further the country can reduce its dependence on professional health services from India whereby Tanzanians had to travel abroad to get such services and spend a lot of money for the health care.

The programme will cause more people to be employed about 15 local people and 5 foreigners. The programme will raise their income, improve their social welfare and pay taxes; it is poverty alleviation programme to them.

Gynecologists are doctors who specialize in women's health, with a focus on the female reproductive system. They deal with a wide range of issues, including obstetrics, or pregnancy and

childbirth, menstruation and fertility issues, sexually transmitted infections (STIs), hormone disorders, and others.

Local employees will get on job training and in long run will improve the technical competence in manufacturing of high quality ball pen.

21. CONCLUSION AND RECOMMENDATION

The financial evaluation of the proposed project done so far indicates that this programme will be profitable both economically and financially viable venture.

The management being experienced businessmen possess ample managerial capabilities in various business disciplines. Based on the above factors, it is recommended that the company should be granted the certificate of incentives for the proposed programme so as to enjoy tax exemption on capital/deemed capital goods and increase its health care services capacity.

22. FINANCIAL AND ECONOMIC ANALYSIS

Projected Profit and Loss Account

The company envisages generating a profit of USD \$ 100,000 this operating year. The profit amount is expected to steadily rise to USD \$ 110,000 in year two,

USD \$ 120,000 in year three and USD \$ 130,000 in year four.

Projected cash flows

The projected cash flows for the next five years indicate that the company will have enough funds to service / repay the loan and interest payments. Hence the financial obligations will be met in a timely fashion.

23. SENSITIVITY ANALYSIS

To assess further the viability of the implementation project, sensitivity analysis has been worked out on the basis of several unfavorable conditions that might negatively affect the operations of M/S AIRMED HEALTHCARE COMPANY LIMITED

23.1 Effect of cost increase on profitability (on the basis of year II Health care income in USD \$)

Income	Costs	Increase	Profit before depreciation
380,000	270,000	%	110,000
380,000	283,500	5%	96,500
380,000	297,000	10%	83,000

23.2 Effect of health care income decrease/ drop on profitability (on the basis of year II costs in USD\$)

Income	Income Decrease	Cost	Profit before depreciation
380,000	%	270,000	110,000
361,000	5%	270,000	91,000
342,000	10%	270,000	72,000

The viability/ profitability of the company operations appears more sensitive to sale income/revenue than increase in the operating costs. This implies that the company should strive to maintain the existing market and undertake an aggressive marketing strategy to hire more clients and expand its market or clients base.

M/S AIRMED HEALTH CARE COMPANY LIMITED
 PROJECTED INCOME STATEMENT (Fig. USD \$ '000')

Income	Years			
	I	II	III	IV
Health care	350.0	380.0	410.0	430.0
Total Income	350.0	380.0	410.0	430.0
Utilities	40.0	50.0	65.0	70.0
Salaries and wages	30.0	30.0	35.0	40.0
Transportation/ fuel	10.0	15.0	15.0	20.0
Administrative expenses	20.0	25.0	25.0	30.0
Other Expenses	150.0	150.0	150.0	150.0
Total expenditure	250.0	270.0	290.0	300.0
Net Profit (pre tax and depreciation)	100.0	110.0	120.0	130.0

M/S AIRMED HEALTH COMPANY LIMITED
PROJECTED CASHFLOW STATEMENT

(Fig. USD \$ '000')

Year	I	II	III	IV	V	Total
Cash inflow						
Income from operation	100.0	110.0	120.0	130.0	140.0	600.0
	100.0	110.0	120.0	130.0	140.0	600.0
Cash outflow						
Wear and tear	10.0	12.0	14.0	16.0	18.0	70.0
Taxes	10.0	11.0	12.0	13.0	14.0	60.0
	20.0	23.0	26.0	29.0	32.0	130.0
Surplus cash generated	80.0	87.0	94.0	101.0	108.0	470.0

Appendix I

M/S AIRMED HEALTHCARE COMPANY LIMITED

PROJECTED INCOME STATEMENT

(Fig. USD \$ '000')

Income	Years				
	I	II	III	IV	V
Hospital/healthcare Income	350.0	380.0	410.0	430.0	465.0
Total Income	350.0	380.0	410.0	430.0	465.0
Utilities	40.0	50.0	65.0	65.0	70.0
Salaries and wages	30.0	30.0	35.0	40.0	45.0
Transportation/fuel	10.0	15.0	15.0	15.0	25.0
Administrative Expenses	20.0	25.0	25.0	30.0	35.0
Other Expenses	150.0	150.0	150.0	150.0	150.0
Total Expenditure	250.0	270.0	290.0	300.0	325.0
Net Profit (pre tax and depreciation)	100.0	110.0	120.0	130.0	140.0

Appendix II

M/S AIRMED HEALTHCARE COMPANY LIMITED

PROJECTED CASHFLOW STATEMENT

(Fig. USD \$ '000')

Year	I	II	III	IV	V	Total
Cash inflow						
Income from operation	100.0	110.0	120.0	130.0	140.0	600.0
	100.0	110.0	120.0	130.0	140.0	600.0
Cash outflow						
Wear & tear	10.0	12.0	14.0	16.0	18.0	70.0
Taxes	10.0	11.0	12.0	13.0	14.0	60.0
	20.0	23.0	26.0	29.0	32.0	130.0
Surplus cash generated	80.0	87.0	94.0	101.0	108.0	470.0

Appendix III

M/S AIRMED HEALTHCARE COMPANY LIMITED

PROJECTED BALANCE SHEET

(Fig. in USD \$ '000')

No.	ITEM	YEAR 1	YEAR II	YEAR III	YEAR IV	YEAR V
	Source of funds					
1.	Shareholders funds	100.0	150.0	200.0	250.0	300.0
3.	Associated Cos/ Directors	100.0	100.0	100.0	100.0	100.0
4.	Current Liabilities	200.0	250.0	300.0	350.0	400.0
		400.0	500.0	600.0	700.0	800.0
	Application of funds					
1.	Fixed Assets	300.0	300.0	300.0	300.0	300.0
2.	Current Assets	100.0	200.0	300.0	400.0	500.0
		400.0	500.0	600.0	700.0	800.0