



Medical Supplies

Business Plan-2020

Msagara Investment Company Limited

**Bagamoyo
Tanzania, East Africa**

*Prepared by
Dr.Amir Binzoo
P.o.Box 15711
Dar es Salaam
Tanzana
Cellphone:+255 754 385 595
Email:info@msagara.com
www.msagara.co.tz*

Business Plan

ACRONYMS

| | | |
|---------|---|--|
| TIB | : | Tanzania Investment Bank |
| MICL | : | Msagara Investment Company Limited |
| URT | : | United Republic of Tanzania |
| EA | : | East Africa |
| MSD | : | Medical Stores Departments |
| IFRS | : | International Financial Reporting Standard |
| CFL | : | Cash Flow |
| DCF | : | Discounted Cash Flow |
| DF | : | Discount Factor |
| NPV | : | Net Present Value |
| SADC | : | Southern African Development Community |
| CEO | : | Chief Executive Officer |
| SHIRECU | : | Shinyanga Region Cooperative Union |
| NCU | : | Nyanza Cooperative Union |

TABLE OF CONTENTS

| | |
|--|-----------|
| 1.0 EXECUTIVE SUMMARY | 5 |
| 1.1 Company | 5 |
| 1.2 Legal Business Description | 5 |
| 1.3 Our Mission Statement | 5 |
| 1.4 Our Vision Statement | 5 |
| 1.5 The Product & Services | 5 |
| 1.6 Our Customers | 6 |
| 1.7 Market Analysis | 7 |
| 1.8 Market Strategies | 7 |
| 1.9 Management | 7 |
| 1.10 Financial Plan & Source of Funds | 7 |
| 1.11 Proposed Collateral | 8 |
| 1.12 Jumbo Roll Material | 9 |
| 2.0 PRODUCTS & SERVICES | 10 |
| 2.1 Description | 10 |
| 2.2 Features & Benefits | 11 |
| 2.3 Competition | 11 |
| 2.4 Distribution, Advertising and Promotion | 11 |
| 2.5 Development | 11 |
| 2.6 Description of Technology & Product Production Process | 11 |
| 3.0 MARKET ANALYSIS | 13 |
| 3.1 Marketing Objectives | 13 |
| 3.2 Market Size | 13 |
| 3.3 Marketing Strategies | 14 |
| 3.4 Sales Strategy | 14 |
| 3.5 Competitive Advantages | 14 |
| 3.6 Market Potential & Product Range | 15 |
| 5.0 STRATEGY & IMPLEMENTATION | 27 |
| 4.1 Attitude | 27 |
| 4.2 Supply Chain Strategies | 27 |
| 4.3 Strategic Alliances | 27 |
| 4.4 Operations | 28 |
| 4.5 Target | 33 |
| 4.6 Machinery Cost & Supplier | 33 |
| 5.0 MANAGEMENT & ORGANIZATION STRUCTURE | 36 |
| 5.1 Organization Structure | 36 |
| 5.2 Leadership | 36 |
| 5.3 Management & Personnel | 37 |

Business Plan

| | |
|--|-----------|
| 5.4 Board Members & Advisors | 40 |
| 5.5 Administrative organization. | 41 |
| 6.0 FINANCIAL PLAN | 42 |
| 6.1 Funding Requirements and Uses | 42 |
| 6.2 Financial Evaluation | 49 |
| 6.3 Projection Cash Flow | 50 |
| 6.4 Business Ratios | 50 |
| 6.5 Break Even Point | 50 |
| 6.6 Refining the Plan | 52 |
| 6.7 Source of Funds for Loan Repayment | 52 |
| 6.8 Repayment Plan | 52 |
| 6.9 Economic Benefits | 55 |
| 7.0 PROJECT IMPLEMENTATION PLAN | |
| 7.1 Project Implementation Timeline | 56 |
| 7.2 Gantt Chart for the Project | 56 |
| 7.3 Description of the Gantt Chart | 56 |
| 8.0 INDUSTRIAL SECTOR ANALYSIS | 57 |

Executive Summary

1.1 Company.

Msagara Investment Company Limited, MICL is a medical product company focused on the field of quality medical, surgical and hospital products. Msagara Investment Company Limited (MICL) is registered under certificate of registration number 88605 under company act 2002 January 13th, 2012. It is certified by TRA, TFDA, TBS, NEMC and legally allowed to manufacture all kinds of Gauze. It's located in Dar es Salaam, owned and controlled by Tanzanian citizen.

1.2 Legal Business Description.

Msagara Investment Company Limited, MICL was founded January 13th, 2012 and commences its business September 19th, 2013. Current main business is manufacturing absorbent cotton gauze, cotton gauze bandage, dental gauze sponge, laparotomy sponge, sterilized gauze swabs, paraffin gauze and elastic bandage. The company employs over 20 workers in different departments within the factory. Share holders of the MICL include Dr. Ameir Ally Said Binzou and Faraj Ally Said Binzou.

I, Dr. Ameir Ally Said Binzou a senior professional surgeon doctor of medicine and also experiences business entrepreneur including owner and director of JMP Hospital, located at Magomeni Kagera, Dar es Salaam.

Mr Faraj Ally Said Binzou is a Tanzanian business man at executive level. He has been in business for about ten years undertaking activities commercial and industrial business including several Petro stations located in Dar es Salaam and upcountry. MICL is located at Mwananyalama Kwa Kopa, Kinondoni, Dar es Salaam, email; info@msagara.com, website: www.msagara.co.tz.

1.3 Our Mission Statement.

To become the leading manufacturers of medical disposable products in the market of Medical Supplies products in URT, EA and Southern Africa at large by producing high quality products at a reasonable price, making it affordable for both Government and private hospital. As our prime factor not only targeting market but also creating job opportunities.

1.4 Our Vision Statement

Leading industrialization of Tanzania and neighbour country, implementing strategic industrial development project partnership with user.

1.5 The Product & Services.

The main objective of MICL is to manufacture and sell high quality gauze, bandage and associated products in accordance with technical specifications, for

Business Plan

the requirements of national and international standards and regulations that fully satisfy the customers' needs and expectations.

Our plan is to continue producing superior quality of medical disposable products for different medical procedures and uses. MICL has been manufacturing medical disposable products including Absorbent cotton gauze, laparotomy sponge, gauze bandage, sterilized gauze swabs, paraffin gauze and elastic bandage for about five years and its factory is located in Mwananyamala Kwa Kopa. Due to huge demanding of hospital and medical products within URT and in EA, In MICL, we intend to expand our operation by introducing new manufacturing machinery from China, which has a capacity of producing 70 tonnes per month of JUMBO ROLL or 13,200 JUMBO ROLL per year. Currently we are importing from China about 1,200 rolls per year as a raw material for manufacturing our products.

Hence, we believe that managing to acquire that machine will dramatically increase our production to meet required market, and as well as will be in a good position to introduce a new product in market like P.O.P

MICL is planning to maximize its production after higher demand in the market, therefore MICL managed to acquire land in Bagamoyo District, Kiromo ward at Kitopeni area, of which a new factory will be installed, because current factory is located in a small area. It should be understood that the main reason of this business plan is to secure Bank Loan just acquire a JUMBO ROLL MAKING MACHINERY from China. Currently we are importing Jumbo Roll material from China of which about 1,200 rolls per year are used. The cost of import range between TZS 621,000.00 to TZS 703,600.00 per Jumbo Roll.

A material used in making Jumbo Roll is a cotton yarn, of which is much available in our country because of the availability of the cotton in our country. Therefore, if we managing to install the Jumbo roll making machinery, we expect to produce around 50 rolls per day, by the price of TZS 621,000.00 per roll we will be saving about TZS.8.1 billion per year on importation. However, we will be in a capacity of produce hospital cotton as well.

1.6 Our Customers.

We have several customers in the country, including some sole proprietor, as well individual pharmacy, although our target is to supply our products not only in URT but also within the East Africa countries and some SADC member countries at large.

Gratefully we have signed contractual agreement with MSD amounted to TZS 390 million per year to supply Gauze bandage. Although there is room to supply other products to MSD for the next coming years.

1.7 Market Analysis.

Based on our research within URT and EA kind of that industry has not yet established, we are the first one to operating and to produce these medical disposable products.

Our target will be customers within URT and EA for both government and private health service providers. As per MSD database and other reliable information from private wholesaler and retailer of medical consumables products, these products are highly stock moving items.

1.8 Market Strategies.

We expect some competition from importer of similar products from China and India, but we have a competitive advantage because of our speed to market within URT and EA, as well as unique products, established brand name, and low cost producer status.

The greatest risks we may have in this business can be market risk or pricing risk, but we can overcome these risks because of experiences we have accumulated and goodwill based on our current customers.

The opportunities before us are significant; we have the opportunity to dominate a position in the marketplace, become a major force in the industry as long we will manage to manufacturer all products in a large quantity.

In a view of the growth in the health care facilities network, increase in the demand for various medicines and non-medicine items and upcoming industrial development in URT, it has been realized that some of the requirements for hospital supplies could be manufactured in the country. This approach would provide higher level of efficiency and sustainability to health care sector as well as help in the industrial development of the country.

1.9 Management.

Our factory currently consists of Chief Executive Officer Dr.Ameir Ally Banzou, General Manager Mr Bahatisha Mashaka. Additional key leaders will include of Finance and Administration Manager, Technical and Production Manager, Marketing and Sales. However we do have several extremely qualified candidates interested in joining with us in this new venture.

1.10 Financial Plan & Source of Funds.

The currently, we have invested about TZS 866,000,000.00 for this business including land and building, plant and machinery installation, just a small factory for manufacturing medical gauze. Therefore, we are seeking for Bank Loan for factory expansion just to meet our growing market demand. The table below is the analysis of current investment costs.

Business Plan

Table No.1

| No. | Category Item | Market Value(TZS) |
|-----|--------------------|-----------------------|
| 1. | Land & Building | 248,000,000.00 |
| 2. | Plant & Machinery | 618,000,000.00 |
| | Grand Total | 866,000,000.00 |

Therefore the purpose of this business plan is to raise TZS 6,745,600,540 through Bank Loan with TIB for the developing and manufacturing of new medical factory at Bagamoyo industrial area. As MICL, we have already acquired land for factory building and other facilities like water, electricity are available for machinery installations, technologies and manpower. The size of the land at Bagamoyo is 1000 square meters, however the title deed is in the process, but the master plan of the area is available.

At Bagamoyo, Kiromo ward industrial area;

- Land acquired costs TZS 120 million
- Ongoing construction costs TZS 250 million
- Other infrastructure available including;
 - i) Water
 - ii) Electricity
 - iii) Road

However, despite the availability of electricity in Bagamoyo Kitopeni area, the standby generator of 200KW and transformer of 400KVA will available also to speed up production.

1.11 Proposed Collateral

The proposed collateral to secure the loan among others will include land and building at Bagamoyo, imported machines, current factory which includes land, building machines, and other family assets like land and buildings. For an analysis as per table below.

Table No.2

| No. | Category item | Market Value(TZS) |
|-----|--|-------------------------|
| 1 | Machines to be imported | 5,600,072,200.00 |
| 2 | Land & Building at Bagamoyo | 1,495,000,000.00 |
| 3 | Current factory(Land, Building & Machinery) | 866,000,000.00 |
| 4 | Residential Houses Located at Mwanayamala and Bagamoyo | 470,928,475.00 |
| | Total Value | 8,432,000,675.00 |

1.12 Jumbo Roll Material

Material used in production of our products is cotton yarn, since the Cotton production in Tanzania has increased due to increased investment in the crop and strengthened regulation of agricultural inputs. Therefore, installation of Open End Spinning Production Line Machine, it will help us to process cotton to cotton yarn. We have establish the contact to the regions were cotton is growing like Simiyu, Shinyanga, Mwanza, Singida and other regions. The cotton can be acquired through farmers' cooperative society like SHIRECU, NCU or Licensed Authorized Agent. The price of the cotton per kilogram sometimes varies as per World economy, but the current selling price is Tshs 2,760 per kilogram.

Products & Services

2.1 Description.

MICL is currently setup unit for the manufacturing of hospital supplies including absorbent cotton, laparotomy sponge, gauze bandages, elastic bandage, paraffin gauze, sterilized gauze swabs and P.O.P in the future, mainly to cater to the government and private demand of hospital supplies. These products are made up of cotton and other raw materials.

The technologies for the production of these products are relatively simple technologies.

The production of absorbent cotton, laparotomy sponge, gauze bandages, elastic bandage, paraffin gauze, in the proposed unit has been envision from cotton and gray fabric as the starting raw material and the factory has to carry out the bleaching, washing, cutting of the fabric and packaging operations. This operation is relatively simple and is normally easily adapted by the workers with some initial training. To begin with the services of experience persons in this line of production need to be availed by the factory. In all products the persons having sufficient on the floor experience in a similar production factory need to be employed, so as to produce the quality products meeting the requirement of standards

In the first phase the factory normally start with the grey fabric as the basic raw material and carry out bleaching, washing, cutting and packaging and sterilization operation. In the latter phase, the unit may install the fabric weaving looms and start with the cotton yarn as their raw material. We then inspect and test our products for quality assurance.

2.2 Features & Benefits.

Quality and model of our products will be the key to distinguishing and drawing attention to our company. Once we have a particular industry or customer's attention, we will sell them on our fast turnaround, exceptional quality, unparalleled customer service and competitive pricing.

Obviously, speed, quality, service and price are qualities most of our competitors will list in their mission statement. However, MICL will from the beginning invest in top quality, highly sophisticated machinery as well as implement innovative operations policies. These steps will ensure our ability to deliver beyond normal industry standard and surpass our customers' expectations saving them time.

2.3 Competition.

Our competitors are companies that provide similar services as MICL's products. There are far too many competitors to list specifically those imported products from China and India.

However, the vast majority of our competitors are imported similar products, but they will not have competitive price as MICL because all of our products will be made within raw materials available in URT and will invest current technological machineries and implementation modern operational system.

2.4 Distribution, Advertising and Promotion.

MICL is registered in MSD, Initially the products will be distributed through existing wholesale channels and other direct to MSD. We will maintain a low distribution costs.

The promoters have allocated 4% of turnover as marketing budget. The product will primarily be promoted through news paper, sign boards, television & radio advertisements, website and other available magazine and will establish direct mail contact with Production Managers and Health and Safety Officers of target businesses. The promoters have to engage the services of a professional marketing and sales consultant.

2.5 Development.

As our company grows, we plan to expand our facility and create another manufacturing plant in future. However, we will focus on market demand within URT and East African on which category of plan to be expanded, although our plan still will be on hospital supplies and other hospital equipments. In addition, we will stay a top technology trends and upgrade equipment and processes as needed and as can be afforded. We will also continue to research and pursue shares of existing markets such as investing in pampers, syringes, sutures etc.

2.6 Description of Technology & Product Production Process

Technology of those machines is not complicated even the materials used to process the products, its a simple material and easy available in our country is just a cotton brought from farmers, processed by machines, to produce 3 tonnes monthly.

The Production process of our products normally is done in a simple process is not complicated like a rocket science, is just Jumbo Roll material is required. Below is the some description of the production of our products in brief.

(i) Absorbent Cotton Gauze

First step, How to produce absorbent cotton gauze, material required is just a Jumbo roll gauze size of 1.2meters to 3000meter

Business Plan

Second step, Then introduce to the cutting rewinding machinery, but the cutting will be based on different size of the products intends to produce. Therefore the will be ply 8, 12 & 16 size.

Third step, through the folding machinery, the production of absorbent cotton gauze will go on. The final step. Is packing products in each packing contains 100 pieces of swaps.

(ii)Laparatomy sponge

First step is the same as above in absorbent cotton gauze.

Second step, is to cut Jumbo roll on three sizes; large, medium and small size.

Third step, is setting machinery in two categories, that is large setting is 30 centimetres and for medium and small, machinery setting 24 centimetres.

Fourth Step, the laparatomy sponge will pass through the sewing machinery and then ply 14 manual. The final step, is the packing laparatomy sponge.

(iii)Gauze bandage

First step is the same as absorbent cotton gauze.

The second step is applied to the rewinding and cutting machinery for very 4 meters of jumbo roll.

Third step is to cover the bandage gauze.

The final step is selecting, cutting machinery at different size either by 7.5 centimetres by 4centimetre or 15 centimetres by 4centimetre, and pack the bandage gauze in one dozen in each box.

(iv)Elastic bandage

It's just an elastic yarn, but the process is the same as the bandage gauze.

(v)Paraffin gauze

It's just cotton gauze swabs we pass them through a liquid known as paraffin solution, but the process is the same as gauze swaps.

(vi)Sterilized gauze swabs

It's just cotton gauze swabs, after packing we insert for the temperature sterilized by using Ethylene Oxide (ETO) gas.

Market Analysis

Msagara Investment Company Limited intends to maintain an extensive marketing campaign that will ensure maximum visibility for the business in its targeted market. Below is an overview of the marketing strategies and objectives of the business.

3.1 Marketing Objectives

- Establish relationships with hospitals, inpatient/outpatient facilities, assisted living facilities, health services and physician offices.
- Implement a local campaign with the Company's targeted market via the use of flyers, local newspaper advertisements, and word of mouth advertising among consumers.
- Develop an online presence by developing a website and placing the Company's name and contact information with online directories

3.2 Market Size

A wide range of products both medicines and non drug items are required as consumables in hospitals and basic health units. In URT majority of these items are procured by Medical Stores Department and then supplied to hospitals and sometimes other items are procured directly by hospitals. The list of consumable items required by hospitals particularly medicines is quite exhaustive and the demand level keeps on changing depending on the requirements and health programmes conducted both in private and government. However, certain items are consistently required in large quantities and constitute major portion of hospitals supplies in terms of consumables. Some of these items being include the following:-

- Absorbent Cotton Gauze
- Laparotomy sponge
- Gauze bandage
- Elastic bandage
- Paraffin gauze
- Sterilized gauze swabs
- P.O.P (in our future plan)

Gauze and bandages in various sizes and surgical cotton rolls are mainly procured MSD, for distribution to various Government hospitals & basic health provider all over URT. Some quantity of bandages and surgical cotton is also imported by private trade channels and marketed through private medical stores in various area of Tanzania. Presently, the entire requirement, both for hospitals and medical stores is being met through imports as there is no indigenous production of these items in Tanzania. Besides medical applications, absorbent cotton finds many other applications and this product has a good potential for sales. With the emerging scenario of health care sector in Tanzania, the demand for these items is likely to grow at a fast pace.

3.3 Marketing Strategies

In our marketing policy, it is quite relevant to mention that in the current circumstances, the government's health providers happens to be the major buyer of these products and In MICL, we will work in close co-ordination with the concerned authorities with a view to ensure that their products meet the quality standards prescribed by the government and products have competitive in prices. As the local requirement is meeting with required demands, MICL will strongly explore the possibilities of export of their product to neighbouring markets. This would enable them to achieve the economics of production and be competitive in the market. In the existing scenario of market, the following marketing strategies need to be adopted by the MICL including, marketing to hospitals as some of the hospitals are directly procuring these products, The MICL needs to get its new products approved as per relevant standard and specifications of the Ministry of Health, Government of Tanzania, Sales to medical stores through medical / sales representatives, export to adjoining markets in East Africa Countries and other countries

However, MICL intends on using a number of marketing strategies that will allow its products to easily target the business plan within the target market. These strategies include traditional print advertisements and ads placed on search engines on the Internet. MICL will also use an internet based strategy. This is very important as many people seeking specialized products, now the Internet to conduct their preliminary searches. The Company will also develop its own online website showcasing the operations, inventories, contact information, and preliminary pricing information .The Company will maintain a sizable amount of print and traditional advertising methods among local and regional medical publications so that hospital and practice administrators can become aware of the MICL products.

3.4 Sales Strategy.

MICL will build a sales team focused on securing new business in the short and long term. The sales team will be motivated by commissions and performance-based bonuses.

Under the direction of executive management, we will employ an outside sales staff as well as an inside sales staff, which will be cross-trained to handle general customer service calls. The outside sales staff will focus primarily on trade show attendance, comprehensive follow up, relationship building, closing deals, and securing referrals.

3.5 Competitive Advantages.

By relying on our technology and an activity-based costing system, rather than a time-based system, we will be able to maintain competitive prices and sustain high profitability.

Business Plan

In our competitive unique market, particularly in URT, qualities are very important. Our target customer is not making selections based on price. The high-tech, innovative aspect, the easy to implant aspect, the reduced time of procedure, the anatomical shape, the physiological process and the clinical results are more important than pricing.

However, all of our products the entire manufacturing process has to be adopted starting from raw ginned cotton. The competitive advantage factors of the indigenous production over the imported products could be summarized as under: -

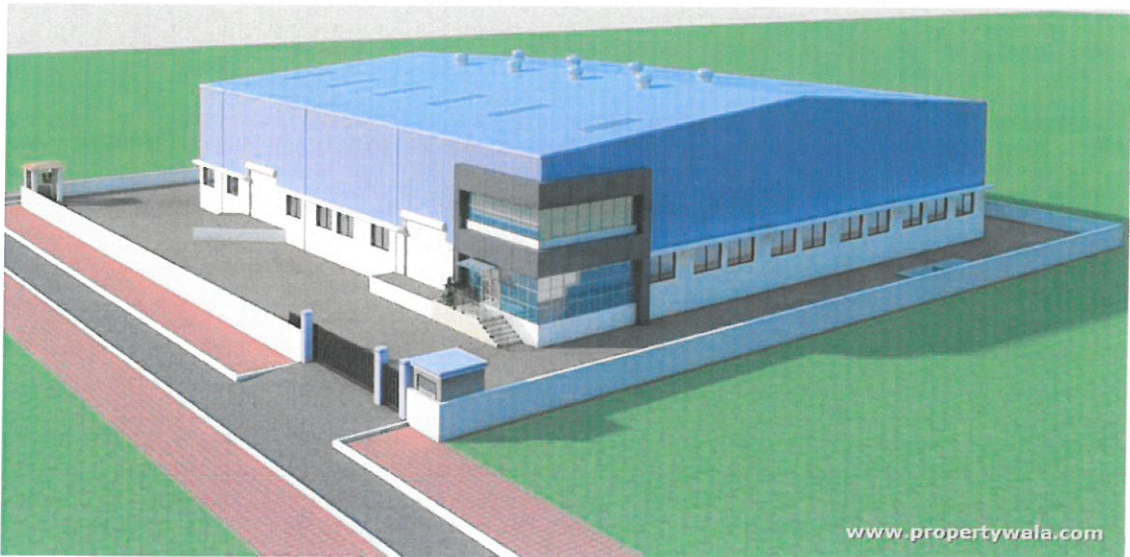
- Better inventory control management leading to lower cost of production, the production can be planned as per demand.
- The concerned agency from the stakeholder could also minimize their inventory cost as the products could be procured at a short notice from the factory as per demand.
- Against the bulk order from the MSD and other private medical supplier to individual hospitals based on their demand could also be explored resulting in saving in the transport and the inventory and storage costs.
- Direct purchase of raw materials and raw ginned cotton and grey material at most competitive rates leading to lower input cost.
- Lower cost inputs in terms of power, transport and labour.
- Value addition leading to saving of foreign exchange.

Keeping in view these competitive advantage factors, it is predicted that the factory would be able to capture a substantial market both in government supplies as well as in the open market sales.

3.6 Market Potential & Product Range.

The demand of Hospital supplies is directly related with the increase in population and expansion of public health services in the country. The demand of our products like absorbent cotton gauze and laparotomy sponge increases with the increase in population and number of hospitals, dispensaries, nursing homes, health care centers etc. Progressive increase in health amenities offered by Government and coming up of new hospitals and health care centres in private sector even at small towns are contributing to the growth of absorbent cotton industry. Government hospitals and private hospitals are the largest consumer for cotton wool.

With the development of medical facilities and growing awareness towards personal hygiene, the absorbent cotton, gauze bandage, laparotomy sponge industry registered steady growth rate in past and is picking up pace with the spread of education and upward economic growth of towns and villages.



Construction Period Eight Month

3.6.1 Absorbent Cotton Gauze

Absorbent Cotton is also known as Surgical Cotton or Cotton Wool and mainly used for medical purposes in hospitals, nursing homes, dispensaries and at home (for first aid) etc. because of its property of high fluid absorbency, it is better known among masses as Absorbent Cotton. The raw cotton is processed by series of steps which render the cotton hydrophilic in character and free from external impurities needed to be fit for use in surgical dressings and personal hygiene. Apart from medical purposes absorbent cotton is also used for making conventional type of sanitary napkins or pads. Fairly good quality of absorbent cotton is also used for removing make-up and dirt at beauty parlours.



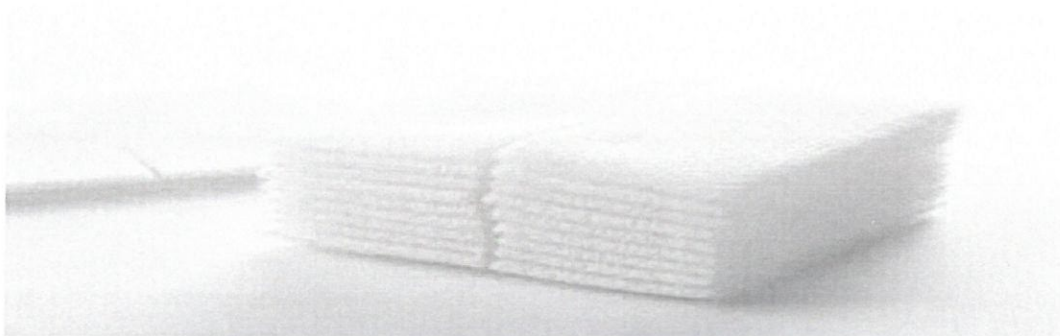


Absorbent Cotton Gauze

3.6.2 Laparotomy sponge

A laparotomy sponge is a special sponge used inside of the body (internally) during invasive surgical procedures. The sponge may be used to soak up blood or other liquids, to hold an organ or other part of the body in place, or at the discretion of the surgeon.

A laparotomy sponge is an absorbent pad used in surgical procedures on the abdomen. They have a number of applications and are a common inclusion in surgical kits laid out to prepare an operating room for a surgery. MICL produce several sizes in packages that may or may not come sterilized, allowing operating room technicians to select the most appropriate options for a given surgical case. Laparotomy sponges also enjoy some notoriety, as they are infamous for being accidentally left behind at the end of procedures.



Laparotomy sponge

Typical designs include absorbent cotton, usually washed to make sure it can soak up fluids. A common use for a laparotomy sponge is as a tool to absorb fluids around the surgical field. This can make it easier for the surgeon to see. In combination with suction, the sponges can keep the field as dry as possible, allowing the team to clearly visualize the area of interest so they can perform the procedure. Laparotomy sponges can also be used when it's necessary to apply pressure, as they help distribute the pressure and stop bleeding. To help counteract this problem, most of today's laparotomy sponges are x-ray

detectable, so that they can be seen on an x-ray and removed right away if they are accidentally retained inside of the body. Surgeons are also required to make sure that they have all surgical items in place and accounted for at all times.



3.6.3 Gauze bandage.

A gauze bandage is a thin, woven fabric material that is placed over a wound to keep it clean while allowing air to penetrate and promote healing. It can be used to secure a dressing in place, or it can be used directly on a wound. These bandages are the most common type and they will be available in many sizes. They are good for hard to reach areas that may be difficult to dress.

A bandage is a piece of material used either to support a medical device such as a dressing or splint, or on its own to provide support to or to restrict the movement of a part of the body. When used with a dressing, the dressing is applied directly on a wound, and a bandage used to hold the dressing in place. Other bandages are used without dressings, such as elastic bandages that are used to reduce swelling or provide support to a sprained ankle. Tight bandages can be used to slow blood flow to an extremity, such as when a leg or arm is bleeding heavily.

Bandages will be available in a wide range of types, from generic cloth strips to specialized shaped bandages designed for a specific limb or part of the body. Bandages can often be improvised as the situation demands, using clothing, blankets or other material.

The MICL bandages will be very versatile and can cover a wound on just about any part of the body. High quality on burns, head injuries, and large lacerations that need more than a simple adhesive bandage. Can be used even at home, can be used to cover scrapes on the knees or elbows, or cuts on fingers and hands. In

Business Plan

the hospital, medical professionals will be in the position to use them to cover surgical sites.



Above are gauze bandage roll and stretch gauze bandage

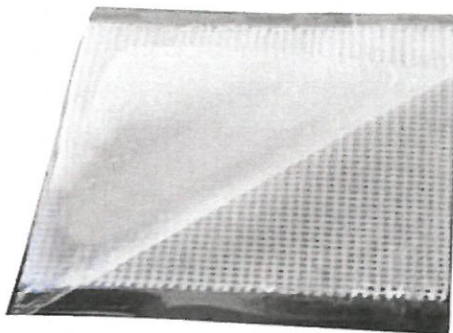
3.6.4 Elastic bandage

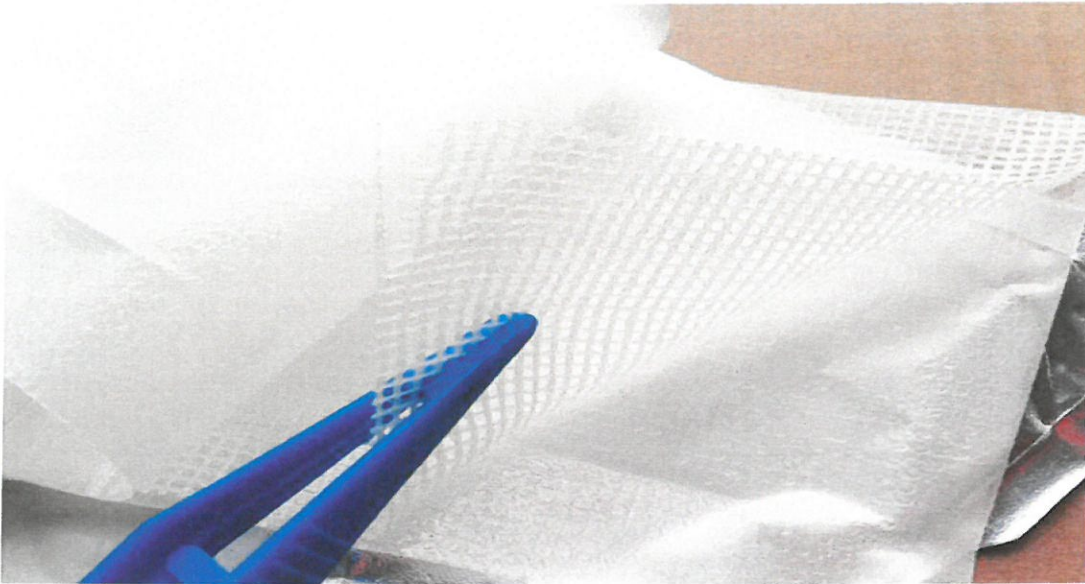
An elastic bandage is a stretchable bandage used to create localized pressure. Elastic bandages are commonly used to treat muscle sprains and strains by reducing the flow of blood to a particular area by the application of even stable pressure which can restrict swelling at the place of injury. Elastic bandages are also used to treat bone fractures. Padding is applied to the fractured limb, then a splint is applied. The elastic bandage is then applied to hold the splint in place and to protect it. This is a common technique for fractures which may swell, which would cause a cast to function improperly. These types of splints are usually removed after swelling has decreased and then a fiberglass or plaster cast can be applied. Elastic bandages do a good job of compressing a new injury or inflammation and help keep swelling down. However, there's a limit to how long you should compress an injury. At some point, blood flow to the injured area needs to increase to encourage healing.



3.6.5 Paraffin gauze.

Paraffin Gauze has low adhesion, is non-absorbent and non-shedding which makes it a very effective dressing to use in a variety of injury scenarios. Paraffin gauze is applied directly over the contact layer and calm and protect the wound. Paraffin Gauze Dressings protect from bacteria and other antibodies and enhance the healing process. Paraffin gauze is used as an additional layer when dressing wounds and should be used in conjunction with an appropriate secondary dressing. The dressings are made from one hundred percent of cotton, impregnated with yellow soft paraffin. The paraffin coating prevents these dressings from adhering to wounds.





Paraffin gauze dressing

3.6.6 Sterilized gauze swabs.

A gauze swab is a common tool used in the medical field and is found in most first aid kits. It is a white, sterile piece of material that is primarily made of cotton and is commonly used along with an antibacterial cream or ointment to clean and cover open cuts or wounds. Gauze is generally distributed in prepackaged singles that frequently contain two sterilized gauze swabs.

Before administering any common first aid kit accessory such as gauze swabs to an injured person, one should assess the severity of the injury. Any moderate to severe injuries should be treated by a medical doctor. When applying gauze to a minor wound, one should inspect the gauze package before use to ensure that the package is intact. One should not administer any gauze that has not been stored in a sterilized intact package, because there is a risk of infection

When one is administering gauze, it is essential that the swabs remain uncontaminated while the package is being opened and the swabs are being applied to the wound. Before opening a package of gauze swabs, one should first wash his or her hands thoroughly with soap and water. When opening a package of gauze swabs, one should firmly grasp the corner of the package and tear the corner of the package, ensuring that the corner of the gauze swab is also grasped and simply pull the corner of the package away from the rest while grasping the corner of the gauze between the corner edges of the package. After the gauze has been removed from the package without it being directly touched, it can be then used to clean a small wound or cut. If touching the gauze swab cannot be avoided, only the corner of the swab should be touched, to ensure that the sections making direct contact with the open wound remain germ-free.

Business Plan

Any gauze swabs that are required for the long-term care of an injury should be changed frequently. If a gauze swab appears to be wet or dirty, it is best for it to be replaced with a new sterilized swab. After a swab has been used or contaminated, it should be disposed of in a sanitary fashion.



3.6.7 Plaster of Paris (P.O.P).

A white powder that sets to a hard solid when mixed with water, used for making sculptures and casts, as an additive for lime plasters, and for making casts for setting broken limbs. The hard plaster produced when the powder is mixed with water a fully hydrated form of calcium sulphate.

Plaster Of Paris (P.O.P), quick setting gypsum plaster consisting of a fine white powder of calcium sulfate hemihydrates, which hardens when moistened and allowed to dry. Known since ancient times, plaster of Paris is so called because of its preparation from the abundant gypsum found near Paris.

Plaster of Paris does not generally shrink or crack when dry, making it an excellent medium for casting moulds. It is commonly used to precast and hold parts of ornamental plasterwork placed on ceilings and cornices. It is also used in medicine to make plaster casts to immobilize broken bones while they heal,

Business Plan

though some orthopaedic casts are made of fibreglass or thermoplastics. Some sculptors work directly in plaster of Paris, as the speed at which the plaster sets gives the work a sense of immediacy and enables the sculptor to achieve the original idea quickly.



P.O.P

Packing: The product cloth shall be folded and packed with such materials and in a manner so as to protect its absorbency and allow normal handling and transport without teasing and exposing the content.

The product so folded or rolled shall be covered completely in blue or white nylon paper wrapping and securely glued or gummed. Such individually wrapped dressing in requisite number shall be wrapped in one layer of paper securely glued or gummed to form a packet. In case of cotton gauze, the pieces may be individually wrapped or rolled in a single layer of slimy paper and securely sealed at both ends with gum tape to form a packet.

Marking: Each pack shall have a label marked with following information:

- Name of material
- Manufacturers name or trade mark
- Month & year of manufacture
- Width in cent meter and length in meters
- The word non-sterilized or sterilized.

Strengths, Weakness, Opportunities and Threat Analysis

Strengths

- Potential for global customer base

Business Plan

- Manufacturing & production expertise
- Understanding of emerging technologies
- Understanding of target markets
- Competitive product pricing
- Exceptional quality and customer service
- Implementation of cost saving processes

Weaknesses

- Company history
- Small initial customer base
- New staff
- Lack of leverage with new relationships

Opportunities

- New products & processes
- Bringing new technology into the industry
- Developing a new reputation
- Hiring new talent
- New innovations and applications of our technology

Threats

- Technologies developed by competitors
- Challenges in building a talented staff
- Retaining key staff members
- Market demand fluctuations

3.7 Our Prospective Customers

Since we commencing our production year 2012, several customers have shown an interest in buying our products. We have many numbers of health providers who has been our best customers to our products and they have the financial resources to buy it. The table below are some of them, although we have a very long list of individual or small customers, like pharmacy, dispensaries etc., however the list below are some of our clients in the year 2018.

Table No.3.0

| Name of Customer | Product | Quantity |
|-------------------|-----------------------------|----------|
| Aga Khan Hospital | Laparatomy Sponge large | 5600pack |
| | Laparatomy Sponge Medium | 1600pack |
| | Absorbent Cotton Gauze16ply | 720pack |
| | | |
| Regency Hospital | Laparatomy Sponge13ply | 1000pack |
| | Absorbent Cotton Gauze16ply | 5000pack |
| Sanitas Hospital | Absorbent Cotton Gauze16ply | 100pack |
| | Absorbent Cotton Gauze12ply | 160pack |

Business Plan

| | | |
|-----------------------|---|----------|
| | Laparatomy Sponge large | 600pack |
| | | |
| Kairuki Hospital | Absorbent Cotton Gauze16ply | 500pack |
| | Absorbent Cotton Gauze12ply | 1000pack |
| | Laparatomy Sponge Medium | 800pack |
| | Laparatomy Sponge Extra larger | 4700pack |
| | Laparatomy Sponge Extra larger-X-ray detector | 2100pack |
| | | |
| Burhan Hospital | Absorbent Cotton Gauze16ply | 240pack |
| | Laparatomy Sponge Small | 500pack |
| | Absorbent Cotton Gauze16ply | 400pack |
| | Absorbent Cotton Gauze 8ply | 100pack |
| | | |
| Emilio Mzena Hospital | Absorbent Cotton Gauze16ply | 1500pack |
| | Absorbent Cotton Gauze12ply | 200pack |
| | Laparatomy Sponge large | 1000pack |
| | | |
| Sali International | Absorbent Cotton Gauze16ply | 200pack |
| | Laparatomy Sponge large | 600pack |
| | | |
| Turkey Hospital | Absorbent Cotton Gauze16ply | 660pack |
| | Absorbent Cotton Gauze12ply | 300pack |
| | | |
| KCMC Moshi Hospital | Laparatomy Sponge large | 3600pack |
| | | |
| Robination Hospital | Laparatomy Sponge Size Min Small | 2000pack |
| | Laparatomy Sponge Min Small | 500pack |
| | | |
| Dr Hammer | Absorbent Cotton Gauze16ply | 200pack |
| | Absorbent Cotton Gauze12ply | 50pack |
| | | |
| J.P.M Hospital | Absorbent Cotton Gauze16ply | 140pack |
| | Absorbent Cotton Gauze12ply | 20pack |
| | Absorbent Cotton Gauze 8ply | 440pack |
| | | |
| Bariki Pharmacy | Absorbent Cotton Gauze12ply | 250pack |
| | | |

Business Plan

| | | |
|-----------------------------|-----------------------------------|---------|
| London Hospital | Absorbent Cotton Gauze 8ply | 120pack |
| | | |
| SNV Hospital | Absorbent Cotton Gauze 8ply | 60pack |
| | Laparatomy Sponge Min Small | 300pack |
| | | |
| Cardinal Rugambwa Hosp | Absorbent Cotton Gauze16ply | 300pack |
| | Laparatomy Sponge large short | 200pack |
| | | |
| Dr Mwambo Hospital | Absorbent Cotton Gauze16ply | 120pack |
| | Laparatomy Sponge large-long16ply | 300pack |
| | | |
| Muhimbili National Hospital | Laparatomy Sponge large | 100pack |
| | Absorbent Cotton Gauze16ply | 180pack |

Strategy & Implementation

4.1 Attitude.

MICL's business philosophy is to make the needs of our customers our main priority. It is our mission to provide our customers with fast turnaround, exceptional quality, unparalleled customer service and competitive pricing. With the introduction of our patented effective design program and the unveiling of our modern design and manufacturing facility, we will position MICL as a superbly innovative company and a future industry leader.

To achieve this position, we will implement our company's plan to create a state of the art pattern manufacturing facility and invest in the most accurate precision machinery available. We will implement good working environment and set the standards of operational systems and quality control.

4.2 Supply Chain Strategies.

For encompass the end to end flow of information, products, and money. Therefore, managed strongly affects an organization's competitiveness in such areas as product cost, working capital requirements, speed to market, and service perception, among others. In this context, the proper alignment of the supply chain with business strategy is essential to ensure a high level of business performance.

In order to address this shortcoming, we have conducted an analysis of the most widely recognized theories and case studies about supply chain strategy. In our analysis we have identified a set of common patterns that reveal key drivers of supply chain strategy and make sure these can be aligned in a coherent strategy. Those common patterns are summarized in a strategy formulation model called the Supply Chain Roadmap which provides:

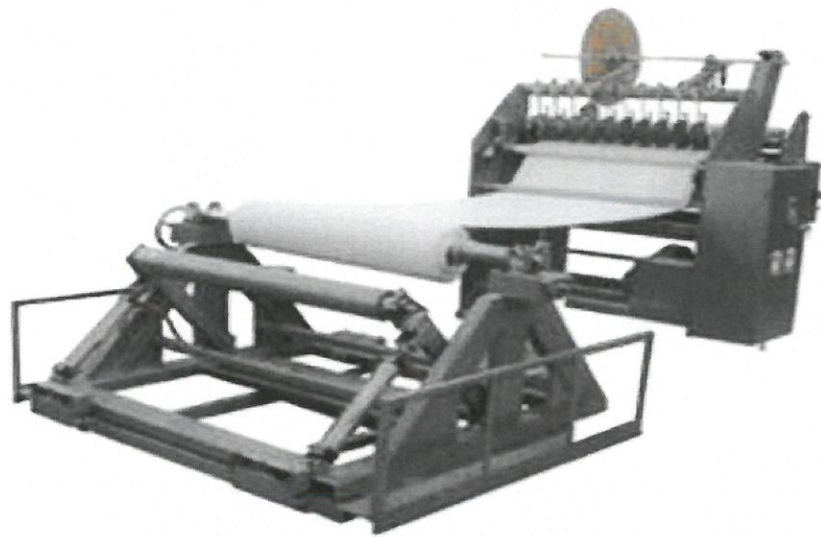
- A compilation of the most relevant key drivers of a supply chain strategy;
- An understanding of the interrelation of these key drivers with an industry's competitive framework and a business's competitive positioning; and
- The characteristic profile of six generic supply chain types: efficient, fast, continuous flow, custom configured, and flexible.

4.3 Strategic Alliances.

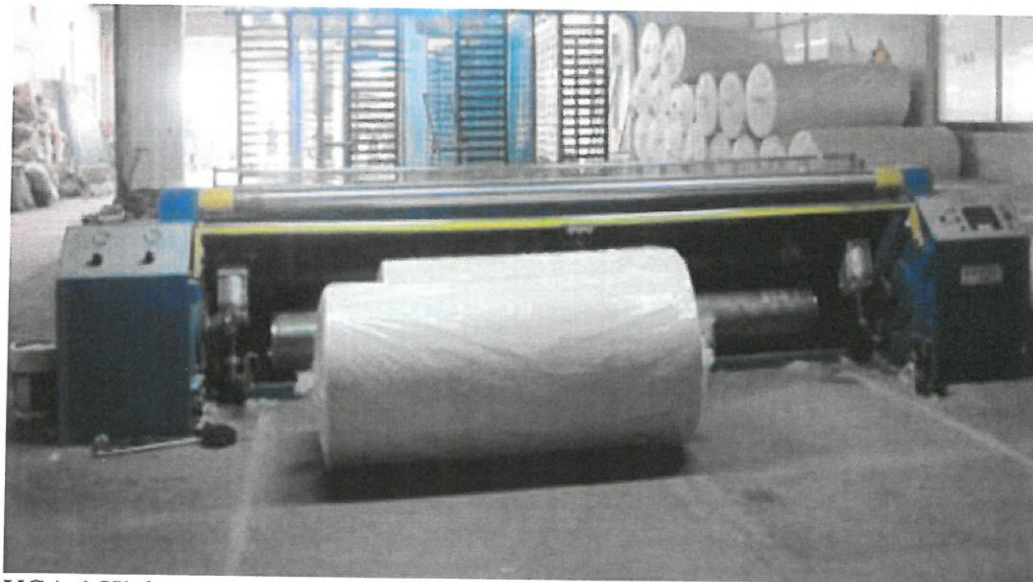
We plan to develop strategic alliances with local and regional medical suppliers and any other interesting agents to receive our products and we will introduce two type of mode of operation with our strategic alliances. Mode will base on payment and transport services. One such alliance has been developed with MICL the agents can have access to our products with credit facility for 30 days.

4.4 Operations.

Our facility's space will be divided in proportion to our needs and will include product development and engineering labs, quality control and testing area, inventory storage and administrative offices. Each area will be staffed with trained employees and wherever possible factory-floor technicians will be cross-trained. Our administrative offices will include space for executive, marketing and sales, accounting, information technology, security, maintenance, and human resource departments. To become a fully operational manufacturing facility, we will require the following machinery and equipments.



Plaster of Paris bandage slitting and rolling machine POP bandage machine.



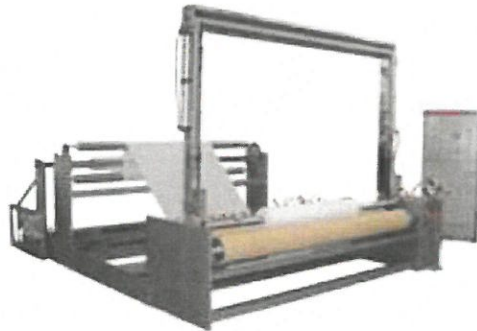
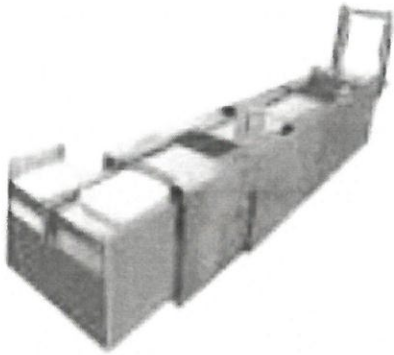
YGA-1 High speed warping machine



Production



Gauze Roll Production



Laparotomy sponge making machine & Laparotomy sponge fold machine



Gauze Roll Packing



Packing on progress

By utilizing the latest precision machinery and superior operational and quality control processes. MICL will control costs while ensuring quality. MICL will also follow TFDA & TBS requirements and comply with Medical Directive standards to further ensure quality control.

Operationally, our strengths lie in our knowledge and expertise within the manufacturing industry. We know what fixed assets we require and what regulations we must adhere to. However, while we cannot know for certain the quality of our managerial team at this point, we expect to hire and implement a top notch team. As previously mentioned we have several promising prospects and will, of course, strive to recruit top talent.



Technical and packaging team

Business Plan



JLH425S medical gauze air jet loom



Our Tailor

4.5 Target

The following is a list of business goals and landmarks we wish to accomplish within the coming period

- Secure necessary funds.
- Locate and lease suitable manufacturing facility.
- Purchase machinery, equipment and supplies.
- Hire skilled employees to complete our team.
- Establishing & signing agreement with MSD
- Set up Agency and medical suppliers for business.
- Successfully penetrate targeted markets.
- Secure contracts to achieve projected sales goals.
- Become a profitable company.
- Establish a solid reputation as an industry leader.

Our first major landmarks will be securing funds and setting up our business. This is our primary focus right now. In three years, we hope to have established our company in the community and within our industry.

4.6 Machinery Cost & Supplier

The table below shows the breakdown of costs of machinery, country of origin, supplier name and type of machinery. However, the pro forma invoices are disclosed in this business plan.

Table No.4.0

| Supplier Name | Machinery Description | Country of Origin | Price(TZS) |
|--|--|--------------------------|-------------------|
| Qingdao Lebon Industry Co.Ltd | Open End Spinning Production Line Machine | China | 709,973,200.00 |
| Ruian Yongtai Machinery Manufacture Co.Ltd | Model YMJ Nonwoven Cap Making Machinery & Fully Auto Outside Mask Making Machinery | China | 86,250,000.00 |
| Shenzhen Creative Idea Development Trading Co., Ltd. | Medical & Surgical Absorbent Cotton Roll Production Line & ADDITIONAL PARTS | China | 1,222,197,000.00 |
| QINGDAO JINLIHUA TEXTILE MACHINERY CO.LTD, | Medical gauze production line(weaving-bleaching) | China | 2,686,262,000.00 |
| HEFEI KERRIAN MACHINERY CO.LTD | Blister packing machine,Paraffin gauze making and packing | China | 319,700,000.00 |

Business Plan

| | | | |
|-------------------|--|-------------------------|--|
| | machine, Automatic coreless bandage rolling and cutting machine, ETO sterilization machine | | |
| Total(TZS) | | 5,024,382,200.00 | |

Note, estimated exchange rate used Tsh2,300/USD

As per above schedule, machines will be purchased from different suppliers due to different lines of production. For instance, cotton processing lines are different from creep bandage machinery. So is not easy to get all from one manufacture due to different techniques in the process.

However, it's not the first time we procure machines from that supplier, it's easy to repair by our local technicians and its spare are so cheap, high quality machines and all suppliers provides one year warrant certificates.

Table No.5

| Supplier Name | Production Capacity |
|---|-----------------------|
| Qingdao Lebon Industry Co.Ltd | 800kg/hr |
| Ruian Yongtai Machinery Manufacture Co.Ltd | 80 to 130 pc/hr |
| Shenzhen Creative Idea Development Trading Co. Ltd. | 1,000kg/day |
| QINGDAO JINLIHUA TEXTILE MACHINERY CO.LTD, | 2,400kg/day |
| HEFEI KERRIAN MACHINERY CO.LTD | |
| 1) Blister packing machine | 1 Roll/Min |
| 2) Paraffin gauze making and packing machine | 3,600,000 packs/Month |
| 3) Warping machine | 1,000 Meters/Min |
| 4) Crepe bandage weaving machine | 2,000 Meters/12 hrs |
| 5) Automatic coreless bandage rolling and cutting Machine | 1 Roll/Min |

Business Plan

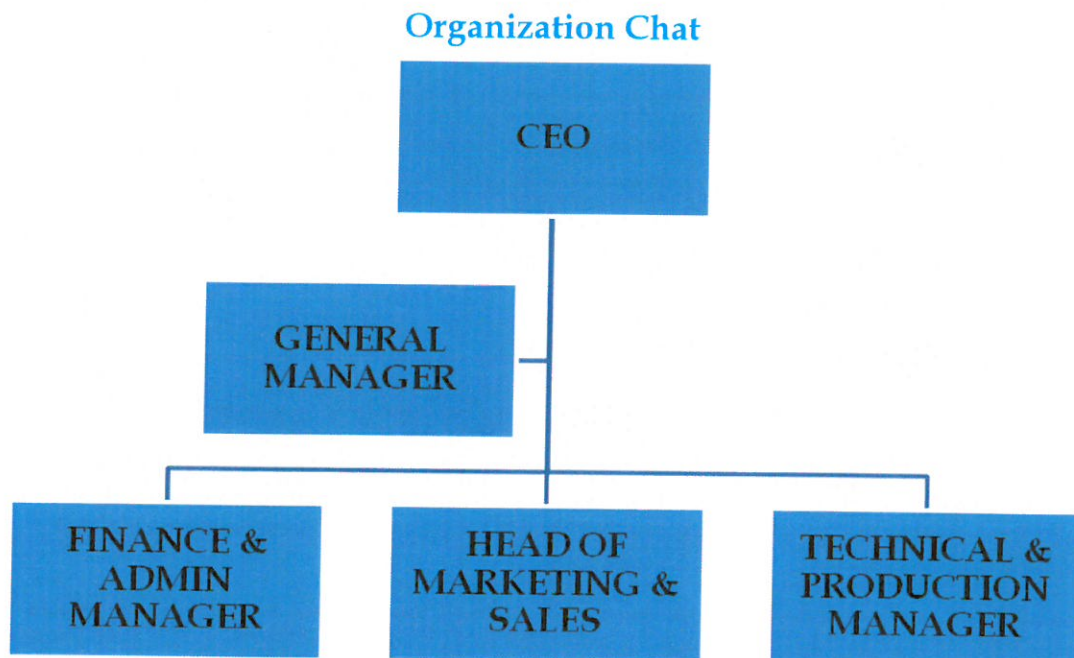
| | |
|---------------------------------------|-----------------|
| 6) 3side seal bandage packing machine | 25-30 Pouch/Min |
| 7) ETO sterilization machine | 10m3-80m3 |

All Machines above, normal lifetime, an aging Machine average of 26 useful life (years).

Management & Organization Structure

5.1 Organization Structure.

MICL understands the importance of a royal and excited team to increase turnover and to raise productivity. Our company's management philosophy will encourage responsibility and mutual respect. While we will present a strong decisive management team, we will also foster an atmosphere of genuine employee appreciation and open communication.



5.2 Leadership.

MICL managed and run by our General Manager Mr. Bahatisha Mashaka including Chief Executive Officer Dr. Ameir Ally Binzou, as well as our Board of Directors. Our staff management and supervisors will oversee daily operations. However, as a small manufacturing facility starting out, the CEO, General Manager will be responsible for the majority of purchasing, hiring, training, quality control, and additional day to day duties.

Additional key leaders will include finance and Administration manager, marketing and sales manager, technical and production manager. While information technology this position remain unfilled at this time, we do have several extremely qualified candidates interested in joining with us in this new venture.



MICL Staff.

As we proceed on our hospital suppliers manufacturing business, we will implement a plan strengthen our management and production staff first and fill in with mid level management and administrative staff as our budget and needs change.

5.2.1 MICL Management Team

Table No.6

| No. | Employee Name | Position |
|-----|----------------------|-------------------------------|
| 1 | Dr.Ameir Ally Binzou | Chief Executive Officer |
| 2 | Mr.Bahatisha Mashaka | General Manager |
| 3. | Mr.Linus L Kasiani | Finance & Admin Manager |
| 4. | Mr.Abdul Fakh | Marketing & Sales Manager |
| 5. | Mr.Abdalah Mnyehe | Technical & Production Manger |

5.3 Management and Personnel

5.3.1 Management

The company's management team is well capable of building and growing this business. Key persons are as follow;

5.3.2 Management team

The MICL management team will have direct knowledge of the hospitality industry and will possess the necessary professional administration skills. Our team will include a CEO, General Manager, Technical & Production

Business Plan

Manager, Marketing & Sales Manager and Finance And Administration Manager. The team will tailor to the needs of the corporate client and will provide complementary personal services where needed. The MICL will offer all of its management team competitive salaries.

Dr.Ameir Ally Said Binzou CEO

He is a Tanzanian, has been in freight business for the last 10 years altogether and because of his vast experience in the business he is desired to invest more in the country as advancement has been in the medical industry for about 10 years, as a doctor of medicine and founder of MICL. He is an effective professional in the medical industry with a background of providing leadership and management. He has a solid history of success in delivering high quality projects; analyzing the situation and presenting cost saving strategies. He possesses effective communication skills and grasps new concepts quickly. Current is the one of the owner and managing director of JPM Hospital, located at Magomeni Kagera, Kinondoni.



**Dr.Ameir Ally Said Binzou
CEO**

Mr Bahatisha Mashaka

General Manager

He is IT graduate, with the experiences of marketing, business administration and factory production and management. He has been working with us for more than a year now. His duties and responsibilities include allocating budget resources, formulating policies, coordinating business operations, monitoring and motivating staff, managing operational costs, ensuring good customer service, improving administration processes, engaging with vendors, hiring and training employees. Also he is responsible for overseeing daily business activities, improving overall business functions, training heads of departments, managing budgets, developing strategic plans, creating policies, and communicating business goals.

Mr Linus Leonce

Finance and Administration Manager

He is a Tanzanian, he is Certified Public Accountant (CPA) and holder of a Masters of Science in Finance and Investment (MSCF&I), having experience of about sixteen years in Accounting and finance. He has worked with different organizations from private sector, NGO and in Government Institute.

Mr. Abdallah. Mnyehe

Technical & Production Manager

He is VETA certificate holder with vast experience in medical factory; he has been working with us for about eight years. His main responsibility within the factory including planning and organizing production schedules, assessing project and resource requirements, ensuring that health and safety regulations are met and determining quality control standards overseeing production processes. Report progress, including any changes made to plans and production.

Mr. Abdul Fakihi.

Marketing & Sales Manager

He is a Tanzania holder of Bachelor degree in Business Administration and Diploma in Business Administration. He has been working with MICL for about four years in that position. He is young, energetic, hardworking, visionary, and motivated person who believes can do something for the benefit of both organization and himself. He has both marketing and sales skills.

5.3.3 Personnel Plan

MICL will be accountable to its employees, all men and women who will continue to perform with the organization at all times. At MICL, everyone will be considered as an individual and the organization will regard their pleasure and identify their benefit. Employees will be motivated to have a sense of security and pleasure in their tasks. Additionally, employees will be free to make recommendations and to raise any problems. The organization will manage

equivalent opportunity for a career, development, and progression for all employees, without segregation.

5.3.4 Personnel Projection

Table No.7

| No | Job Title | No. of Persons | Monthly Salary(TZS) | Annual(TZ) |
|----|---------------------------------|----------------|----------------------|-----------------------|
| 1 | General Manager | 1 | 1,750,000.00 | 21,000,000.00 |
| 2 | Technical & Production Manager | 1 | 1,650,000.00 | 19,800,000.00 |
| 3 | Finance and Administration head | 1 | 1,600,000.00 | 19,200,000.00 |
| 4 | Marketing & Sales Manager | 1 | 1,520,000.00 | 18,240,000.00 |
| 5 | Sales Officer | 2 | 750,000.00 | 18,000,000.00 |
| 6 | Store keeper | 2 | 350,000.00 | 8,400,000.00 |
| 7 | Procurement officer | 2 | 550,000.00 | 13,200,000.00 |
| 8 | Accountant/Cashier | 3 | 750,000.00 | 27,000,000.00 |
| 9 | Secretary/Office assistance | 3 | 450,000.00 | 16,200,000.00 |
| 10 | Drivers | 3 | 300,000.00 | 10,800,000.00 |
| 11 | Skilled labor(production) | 10 | 360,000.00 | 51,840,000.00 |
| 12 | Unskilled labor | 12 | 170,000.00 | 20,400,000.00 |
| 13 | Guard | 4 | 250,000.00 | 12,000,000.00 |
| | Total | 57 | 10,450,000.00 | 256,080,000.00 |

5.4 Board Members & Advisors

Our Board of Directors is not yet fully formed. CEO Dr.Amir Ally Binzoo will serve as Chairman. The board will consist of company owners (shareholders), officers and directors.

Duties of the Board of Directors may include:

- Establishing broad company policies and objectives.
- Selecting, appointing, and reviewing the performance of executive staff.
- Insuring the availability of adequate financial resources and approving annual budgets.
- Accounting to the stakeholders for the organization's performance.

We will actively seek individuals to sit on our Board of Directors who will have the ability to add to and advise our organization such as lawyers, accountants, and professionals in the automotive or medical fields.

Board Member Team
Table No.8

| No. | Name of Board Member | Position |
|-----|----------------------|-----------------|
| 1 | Dr Ameir Ally Binzou | Chairman |
| 2 | Mr.Faraj Ally Binzoo | Deputy Chairman |
| 3 | Mr.Bahatisha Mashaka | Secretary |
| 4. | Mr.Thabit Karwani | Member |

5.5 Administrative Organization.

The administration is done by the General Manager with the management team. They will also produce the annual profit and loss account and balance sheet as well as file our tax return. The day to day bookkeeping is done by computer (Accounting package). All work will be overseen by the CEO/ Board of Directors

5.5.1 Contingency.

In the event anything might occur that prevents the General Manager to conduct his / her business the following persons will ensure the continuation of the company, CEO/ Board of Directors.

5.5.2 Information.

MICL will have systems in place to provide the appropriate information needed by staff and board to make sound financial decisions and to fulfil IFRS require.

5.5.3 Accounting principles.

The projections have been prepared using generally accepted accounting principles that MICL expects to use when preparing its financial statements. The company's Head of Accounts will prepare management letters containing recommendations for improvements in the financial operations of the organization. This will be reviewed by the Board of Directors. The report will be made available upon written request.

5.5.4 Insurance.

MICL will have suitable insurance coverage which will be periodically reviewed to ensure that the appropriate levels and types of coverage are in place.

- fire insurance
- building insurance
- liability insurance
- burglary & dishonesty insurance

Financial Plan

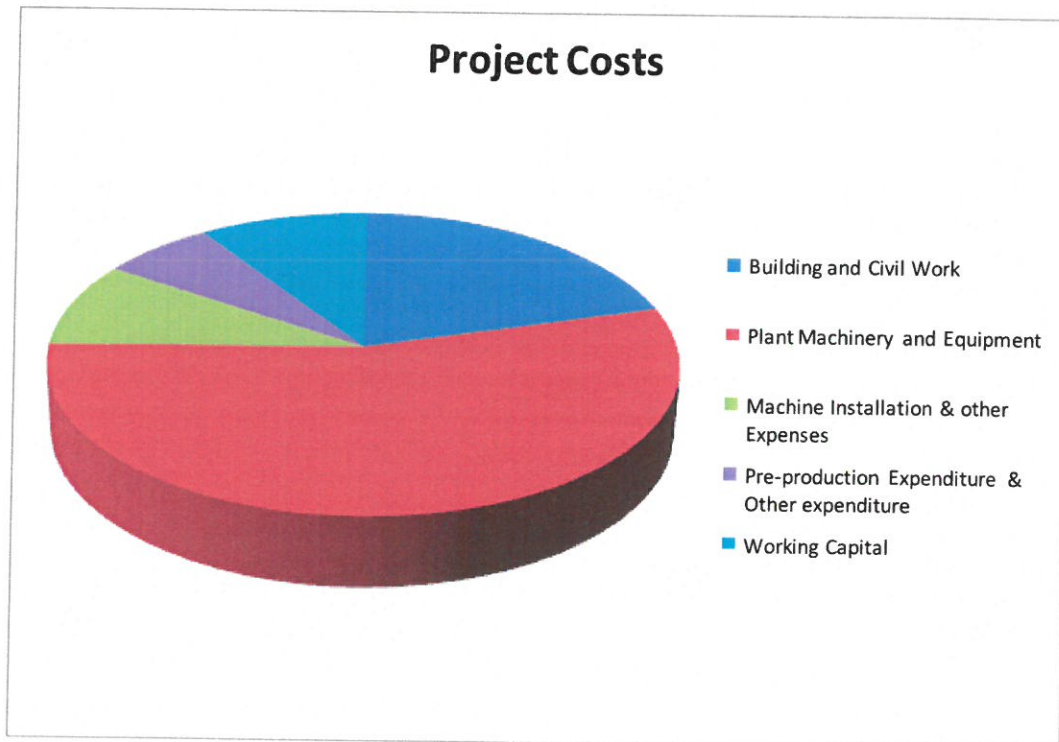
6.1 Funding Requirements and Uses.

The MICL Management is seeking to raising TZS 6,342,617,540 for the purpose of extension its factory located Mwananyamala Kwa Kopa, by building new factory with modern machine from China at Bagamoyo just to meet a growing demand for its services. We as MICL have reason to believe that an increase of hospital supplies demanding will assist our management in its effort to widen its market offering and increase services.

Table No.9

| Break up of Total Project Cost | TZS |
|--|----------------------|
| Building and Civil Work | 1,495,000,000 |
| Plant Machinery and Equipment | 5,024,382,200 |
| Machine Installation & other Expenses | 1,552,500,000 |
| Pre-production Expenditure & Other expenditure | 402,500,000 |
| Working Capital | 586,500,000 |
| Total Investment cost (TZS) | 9,060,882,200 |

Figure 1.0



6.1.1 Source of finance

Table No.10

| Description | TZS | Percentage |
|---------------------|----------------------|-------------|
| MICL Contribution | 2,718,264,660 | 30% |
| TIB Loan | 6,342,617,540 | 70% |
| Total Amount | 9,060,882,200 | 100% |

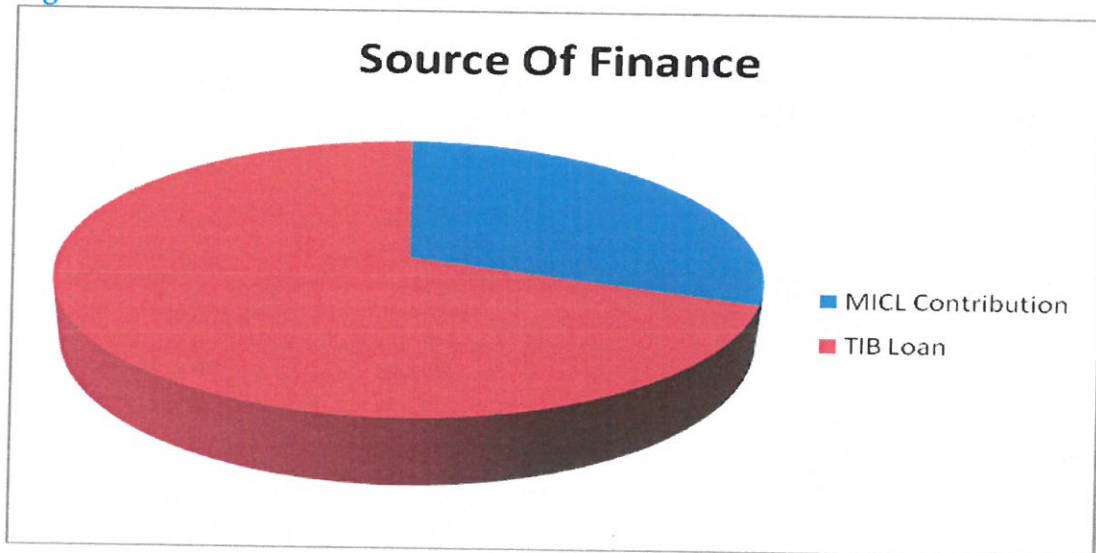
6.1.2 Breakdown of Bank Loan Amount

Table No.11

| Description | TZS |
|-------------------------------|-------------------------|
| Building and Civil Work | 1,145,528,340.00 |
| Plant Machinery and Equipment | 5,024,382,200.00 |
| Total | 6,169,910,540.00 |

The budget for building and civil work is TZS 1,495,000,000 while the bank loan is TZS 1,145,528,340 therefore the deficit amount of TZS 349,471,660 will be contributed by MICL.

Figure 2



6.1.2 Projected Profit and Loss.

The projected profit & loss account as shown below reveals a profitable trend from the beginning with a profit TZS 506,337,500 in the financial year 2020, projected TZS 1,069,638,025 in the financial year 2021, increasing in year 2022 TZS 1,143,889,449 keep on ascending profit year 2023 projected to be TZS 1,189,178,574 and projected year 2024 TZS 1,263,196,109 as presented all five years financial statements.

Business Plan

Projected Profit and Loss

| Pro Forma Profit and Loss | 2020 (TZS) | 2021(TZS) | 2022(TZS) | 2023(TZS) | 2024(TZS) |
|---------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Sales | 1,663,259,500 | 2,497,773,625 | 2,587,798,249 | 2,661,375,174 | 2,753,907,509 |
| Direct Cost of sales | 337,800,000 | 579,886,600 | 583,223,800 | 592,428,600 | 601,271,400 |
| Gross Profit | 1,325,459,500 | 1,917,887,025 | 2,004,574,449 | 2,068,946,574 | 2,152,636,109 |
| Operating expenses | | | | | |
| Printing & Stationeries | 23,982,000 | 26,380,000 | 26,380,000 | 26,644,000 | 26,644,000 |
| Transport expenses | 23,800,000 | 23,800,000 | 28,180,000 | 28,662,000 | 28,662,000 |
| Motor Vehicle Running Expenses | 16,713,000 | 16,847,000 | 16,984,000 | 17,124,000 | 17,267,000 |
| Repair & Maintenance | 22,203,000 | 22,247,000 | 22,292,000 | 22,338,000 | 22,384,000 |
| Insurance Expenses | 134,500,000 | 134,500,000 | 134,500,000 | 134,500,000 | 134,500,000 |
| Fuel & Lubricants | 17,444,000 | 17,895,000 | 18,253,000 | 21,816,000 | 22,034,000 |
| Communication Expenses | 3,700,000 | 3,750,000 | 4,555,000 | 4,700,000 | 4,700,000 |
| Fumigation Expenses | 1,924,000 | 1,962,000 | 2,001,000 | 2,041,000 | 2,082,000 |
| Staff Medical Expenses | 24,300,000 | 24,300,000 | 24,300,000 | 24,543,000 | 24,543,000 |
| Security Expenses | 27,000,000 | 2,7570,000 | 27,570,000 | 33,960,000 | 34,356,000 |
| Office Cleaning | 4,200,000 | 4,200,000 | 4,200,000 | 4,200,000 | 4,200,000 |
| Payroll Expenses | 247,192,000 | 269,392,000 | 272,006,000 | 275,646,000 | 275,646,000 |
| Utility Expenses | 36,000,000 | 36,000,000 | 36,000,000 | 36,360,000 | 36,724,000 |
| Licenses & related Expenses | 1,246,000 | 1,271,000 | 1,297,000 | 1,323,000 | 1,349,000 |
| Audit fees | 5,500,000 | 5,500,000 | 5,500,000 | 5,500,000 | 5,500,000 |
| Bank Charges | 2,078,000 | 2,120,000 | 2,162,000 | 2,206,000 | 2,250,000 |
| Miscellaneous Expenses | 62,000,000 | 62,000,000 | 62,620,000 | 68,882,000 | 75,770,000 |
| Depreciation | 165,210,000 | 168,515,000 | 171,885,000 | 169,323,000 | 170,829,000 |
| Total Operating expenses | 819,122,000 | 848,249,000 | 860,685,000 | 879,768,000 | 889,440,000 |
| Net Profit before Tax | 506,337,500 | 1,069,638,025 | 1,143,889,449 | 1,189,178,574 | 1,263,196,109 |
| Corporate Tax | 151,901,250 | 320,891,408 | 343,166,835 | 356,753,572 | 378,958,832 |
| Net Profit After Tax | 354,436,250 | 748,746,618 | 800,722,614 | 832,425,002 | 884,237,276 |

6.1.3 Sales Projection

| Year | 2020 (TZS) | 2021(TZS) | 2022(TZS) | 2023(TZS) | 2024(TZS) |
|------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Absorbent Cotton Gauze | 275,842,500 | 474,858,375 | 481,650,195 | 489,021,313 | 496,994,773 |
| Laparatomy sponge | 297,228,000 | 476,610,200 | 508,751,056 | 517,508,781 | 533,034,045 |
| Gauze bandage | 280,720,000 | 435,116,000 | 448,169,480 | 466,096,259 | 494,062,035 |
| Elastic bandage | 228,900,000 | 343,350,000 | 353,650,500 | 364,260,015 | 375,187,815 |
| Paraffin gauze | 295,944,000 | 355,132,800 | 362,235,456 | 369,480,165 | 376,869,768 |
| Sterilized gauze swabs | 284,625,000 | 412,706,250 | 433,341,563 | 455,008,641 | 477,759,073 |
| Total Sales | 1,663,259,500 | 2,497,773,625 | 2,587,798,249 | 2,661,375,174 | 2,753,907,509 |

6.1.4 Assumption on Production

(i) Absorbent Cotton Gauze

As per current production on an Absorbent Cotton Gauze is 17,500 packets per year. The production is in a three categories (7,500 for 16ply, 5,500 for 12ply and 4,500 for 8 ply).

We expect by year 2020 production will grow by 15% for 16ply,14% for 12ply and 14%for 8ply.

By year 2021 is where new factory will be in a full operation, we expect production growth will be 75% for 16ply,70% for 12ply and 65% for 8ply

In year 2022 up to year 2024 there be slightly increase of production by small margin of percentage. Therefore year 2022 production will grow by 1.5% for 16ply,1.4% for 12ply and 1.2% for 8ply.

As well in year 2023 production will grow by 1.6% for 16ply,1.5% for 12ply and 1.3% for 8ply.

In year 2024 production will grow by 1.7% for 16ply, 1.6% for 12ply and 1.4% for 8ply (packet per year;15,830 for 16ply, 11,146 for 12ply and 8,799 for 8 ply). Therefore, total production will be 35,775 packets per year.

However, the price per packets we remaining the same unless otherwise,16ply price per packet is tshs18,500,12ply is tshs12,000 and 8ply is tshs8,000.

(ii) Laparatomy Sponge

The production of laparatomy sponge now is 77,400 pieces per year,that means(36,400 large pcs,21,00medium pcs and 20,00 small pcs), by 2020 we expect production will grow by 15%,of larges pcs,10% of medium pcs as well as for small pcs.Our assumption on year 2021, due to the introduction of new plant our expectation,we assume production will raise to 138,974 pieces per year(65% for large pcs,55% for medium pcs and 55% form small pcs) while we assume that on

Business Plan

the next year 2022 there will be production growth by 8% for large pcs,6% for medium pcs and 4% for small pcs.For the year 23,still we expect production growth of 1.5% for large pcs,2%for medium pcs and small pcs as well. Final in year 2024 production growth we anticipate to be 3% in all pieces.But,we assume the prices will not change for the whole period,tshs3,800 for large pcs,tshs3,600 for medium pcs and tshs 2,500 for small pcs.

(iii)Gauze bandage

Our expectation on production of gauze bandage is much positive, although current production is 60,500 dozen per year, but in the year 2020 we expect growth of about 16% because the product is much demanded in the market, however, is the one of the products which we have contractual agreements with MSD, and still we assume by the year 2021 production will grow by 55% dozen per year and then will keep growing by 3% year 2022,4% year 2023 and 6% year 2024 meanwhile price still will be TZS 4,000 per dozen

(iv)Elastic bandage

The current production of Elastic bandage is 54,500 pieces per year, therefore we anticipate the production will rise by 20% in year 2020 as a results of implementing of a new plant in year 2021,we assume production will grow by 50% per year. Although we have a little pessimistic on this product on the next three year it might drop to 3%,but in year 2025 we anticipate the product will pick up again. However the price still will remain TZS 3,500 per piece.

v)Paraffin gauze

The paraffin gauze is much demanded by many individual clients, current production is about 209,100 pieces per year. We assume that on year 2020 production will rise by 18%, after installation of new machine we estimate that in year 2021 the production will grow by 20% per year, and then in year 2022 up to 2024 we anticipate production will grow by 2% in each year, while the price will remain tshs1,200 per pieces.

(vi)Sterilized gauze swabs

The current production of Sterilized gauze swabs is 16,500 packets per year, our expectation is from the year 2020 the production will grow by 15% and the year 2021 after implementation of new machinery we anticipate production growth of 45% packet per year. Then, production will keep growing by 5% in the year 2022 up to year 2024.Meawhile the price will remain of TZS 15,000 per packet.

6.1.6 Other Assumption

The SWOT Analysis

A SWOT analysis, which stands for Strengths, Weaknesses, Opportunities, and Threats and is a popular strategic framework for business planners, is a great tool for questioning assumptions. The first two items refer to qualities that are internal to the business. The second two items are external factors. We are considering the following in questioning in our assumptions while in writing this business plan:

Strengths

- What does this company do well?
- What are our assets?
- What expert or specialized knowledge does the company have?
- What advantages do we have over competitors?
- What makes us unique?

Weaknesses

- What resources do we lack?
- Where can we improve?
- What parts of the business are not profitable?
- What costs us the most time and money?

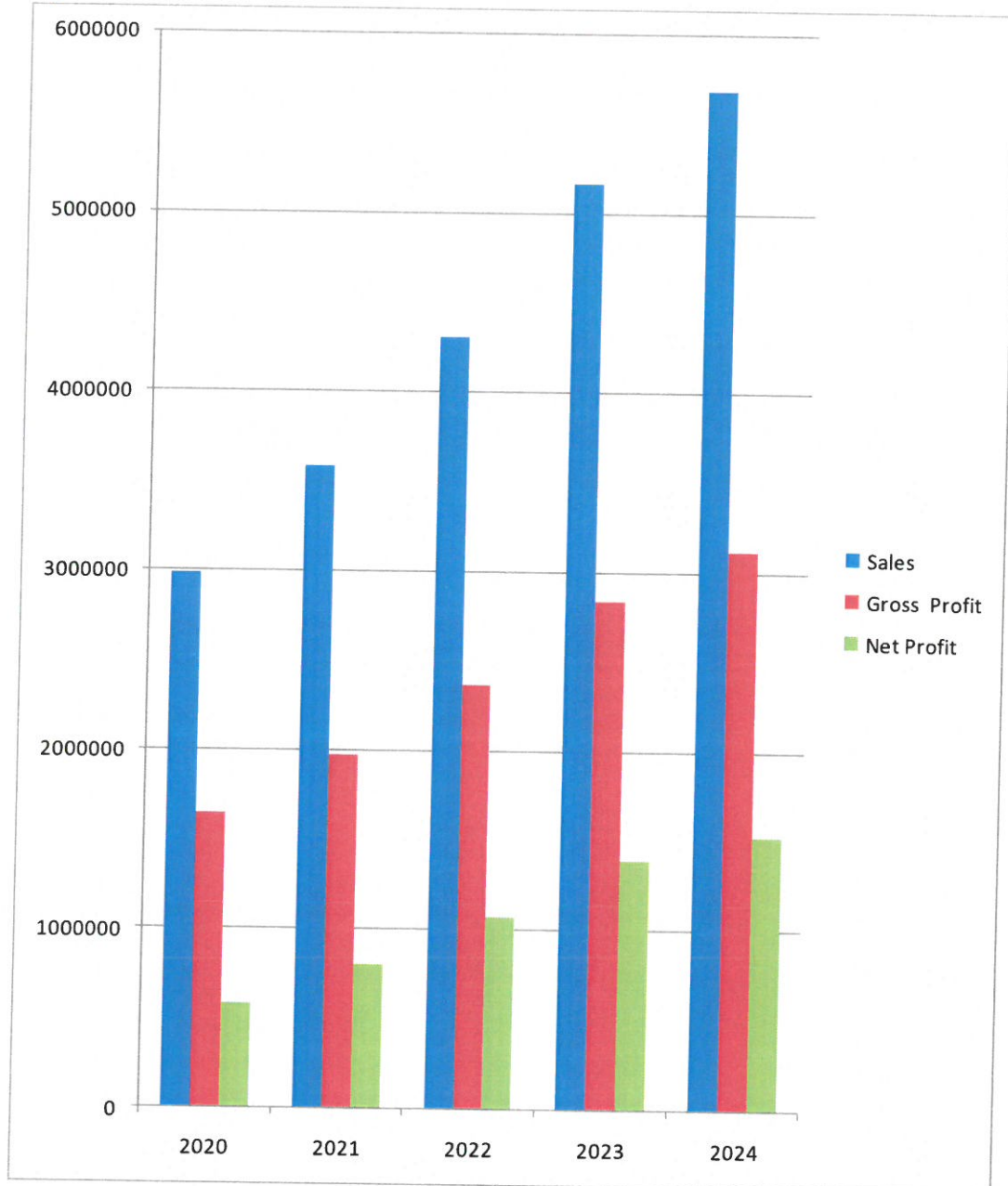
Opportunities

- What has the competition missed?
- What are the emerging needs of the customer?
- How can we use technology to cut costs and enhance reach?
- Are there new market segments to exploit?

Threats

- What are our competitors doing well?
- How do larger forces in the economy affecting our business?
- What is happening in the industry?

Highlights
Figure No.3



6.1.4 Balance Sheets-Projected.

Summaries the projected balance sheet for the year for the year 2020, year 2021, year 2022, year 2023 and year 2024 showing that the assets are positive through the period and net worth of the projected is seen to grow steadily from TZS 1,086,750,000 year 2020 to TZS 1,421,800,000 year 2021, TZS 1,454,824,000 year 2022 to TZS 1,489,372,000 year 2023 and finally TZS 1,538,309,000 year 2024

Business Plan

Balance Sheets-Projected.

| Pro-forma Balance Sheet | 2020 (TZS) | 2021(TZS) | 2022(TZS) | 2023(TZS) | 2024(TZS) |
|----------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| NON CURRENT ASSETS | 1,086,750,000 | 1,421,800,000 | 1,454,824,000 | 1,489,372,000 | 1,538,309,000 |
| Less: Depreciation | 165,210,000 | 168,515,000 | 171,885,000 | 169,323,000 | 170,829,000 |
| Net Non Current Asset | 921,540,000 | 1,253,285,000 | 1,282,939,000 | 1,320,049,000 | 1,367,480,000 |
| CURRENT ASSET | | | | | |
| Inventories | 125,000,000 | 137,500,000 | 130,250,000 | 233,275,000 | 236,602,000 |
| Trade Debtors | 886,000,000 | 988,000,000 | 896,000,000 | 884,000,000 | 868,200,000 |
| Sundry & Prepayments | 112,500,000 | 183,750,000 | 115,125,000 | 286,637,000 | 235,301,000 |
| Cash and Cash Equivalents | 125,281,000 | 126,950,000 | 129,645,000 | 282,609,000 | 390,870,000 |
| Sub total | 998,781,000 | 1,103,200,000 | 1,231,020,000 | 1,697,521,000 | 1,830,973,000 |
| Total Asset | 1,920,321,000 | 2,356,485,000 | 2,513,959,000 | 3,017,570,000 | 3,198,453,000 |
| Less: Current Liabilities | | | | | |
| Trade Creditors & Accruals | 413,983,500 | 286,846,975 | 370,069,551 | 828,391,426 | 935,256,891 |
| Taxation | 151,901,250 | 320,891,407 | 343,166,835 | 356,753,572 | 378,958,833 |
| Total Liabilities | 565,884,750 | 607,738,383 | 713,236,386 | 1,185,144,998 | 1,314,215,724 |
| Net worth | 1,354,436,250 | 1,748,746,618 | 1,800,722,614 | 1,832,425,002 | 1,884,237,276 |
| Financed By | | | | | |
| Issued Capital | 1,000,000,000 | 1,000,000,000 | 1,000,000,000 | 1,000,000,000 | 1,000,000,000 |
| Profit for the Year | 354,436,250 | 748,746,618 | 800,722,614 | 832,425,002 | 884,237,276 |
| Total Asset | 1,354,436,250 | 1,748,746,618 | 1,800,722,614 | 1,832,425,002 | 1,884,237,276 |

6.2 Financial Evaluation.

Profitability

According to the projected income statement, the project will start generating profit in the first year of operation. Important ratios such as profit to total sales, net profit to equity (Return on equity) and net profit plus interest on total investment (return on total investment) show an increasing trend during the life-time of the project.

Business Plan

The income statement and the other indicators of profitability show that the project is viable

6.3 Projection Cash Flow.

Our expected of money that will come into the business during six years together with expenses which will go out, is shown in the Appendix I and II, including one year (2020) of grace period

6.4 Business Ratios.

The business ratios for the years of this plan are shown below. They point out MICL liquidity, debt, performance and some other important aspects. We expect to generate acceptable ratios for our profitability and return

Table No.11

| Ratio Analysis | Year 2020 | Year 2021 | Year 2022 | Year 2023 | Year 2024 |
|----------------------------|------------------|------------------|------------------|------------------|------------------|
| Net Worth | 46% | 54% | 61% | 63% | 65% |
| Gross Margin | 0.55 | 0.55 | 0.55 | 0.55 | 0.55 |
| Current Ratio | 0.99 | 1.41 | 1.81 | 1.84 | 1.27 |
| Total Debt to Total Assets | 28% | 25% | 24% | 30% | 30% |
| Return on Investment | 33% | 40% | 46% | 47% | 42% |
| Net Profit Margin | 20% | 23% | 25% | 27% | 27% |
| Debt to Equity ratios | 38% | 34% | 32% | 44% | 115% |

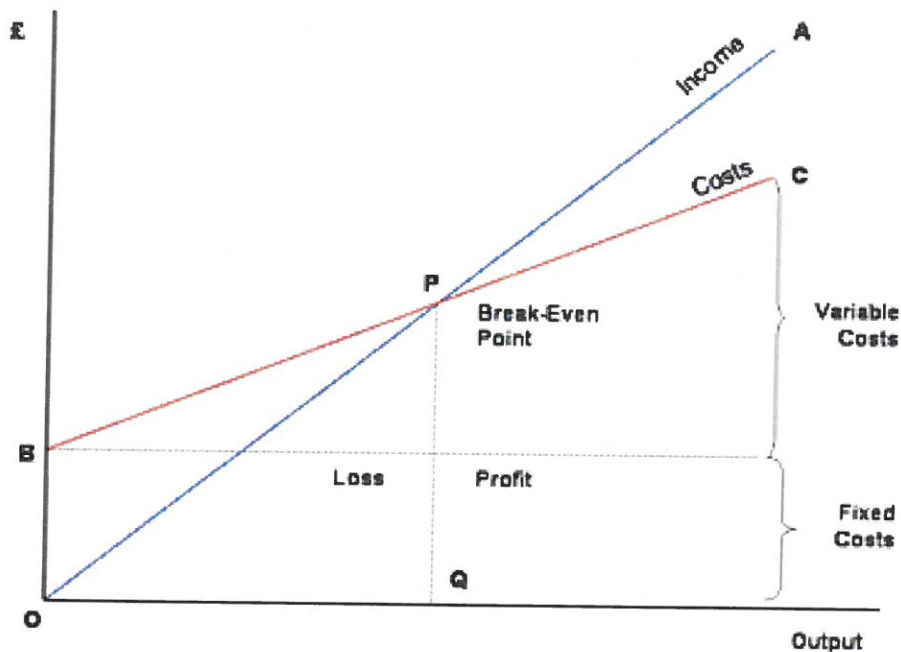
6.5 Break-Even Analysis

6.5.1 Break-even Point

The break-even point is the point where the business's sales have generated enough income to cover all of its fixed costs and expenses. At that point, all of the business's incoming revenue is profit as long as the expenses and costs are not increased and the sales amounts are not reduced.

MICL will attain break point at which cost or expenses and revenue are equal there is no net loss or gain after one year of operation at fixed cost of TZS 590,182,000 while variable cost is TZS 698,818,000. Meanwhile the sales of 76% and yield revenue of TZS 1,289,000,000. The following table and chart summarize our break-even analysis

Break - Even Point Chart



X=Output-Revenue
Y=Input Costs/Expenses

6.5.2 Fixed Costs.

Fixed costs are those business costs that are not directly related to the level of production or out. In other words, even if the business has a zero output or high output, the level of fixed costs will remain broadly the same. In the long term fixed costs can alter perhaps as a result of investment in production capacity or through the growth in overheads required to support larger, more complex business. Example fixed costs are depreciation, research & development, marketing costs, administration costs etc.

6.5.3 Variable Costs.

Those costs which vary directly with the level of output. They represent payment output related inputs such as raw materials, direct labour, fuel and revenue related costs such as commission.

6.5.4 Pay Back Period

The investment cost and income statement projection are used to project the payback period. The project's initial investment will be fully recovered within 5 years.

6.6 Refining the Plan.

Fund requested for joint venture is TZS 6,342,617,540 will be used as to support our working capital in the initial building of factory especial on importation of machine and installation. The fund will be used only on this project under your close supervision.

Management believes that, the business plan and pro forma's presented here illustrate that this services carries a reasonable level of risk to MICL.

A careful analysis of the project shows that the if the joint venture will be success full implemented will facilitates construction of new factory and give a positive returns on completion of these long term loan.

A careful analysis of the project shows that the fund will facilitates the following.

- Construction of extension of factory at Kiromo industrial area Bagamoyo including building and other civil work, importation of machines, purchase of fixed asset including other movable equipments, training and pre production expenses.
- Substantial the project will be completed in time, and other risk will be avoided however the project indicate positive return.
- The fund will enable the project to move very quickly, successfully implementation of the project indicate greater liquidity and flexibility.
- The project will contribute effectively to the development of the country once this requested fund had been acquired, we shall have good and modern factory also will strengthen social and economic development and excellent well designed services to the national public and historic area of Bagamoyo at large.

6.7 Source of Funds for Loan Repayment.

Source of funds to repay the loan will bear from our products like Absorbent Cotton Gauze, Laparatomy sponge, Gauze bandage, Elastic bandage, Paraffin gauze, Sterilized gauze swabs, which will be produced in a huge number after installation of new modern machines. We anticipate revenue will increase up to US 2,683,356.00 in the first year of production.

6.8 Repayment Plan.

If manage to secure the loan, grateful will be granted one year grace period of which will include completion of the building at Bagamoyo, importation and installation of new machinery. The plan is to repay the loan in five years as per below schedule of payment. Loan request is TZS 6,342,617,540 exclude interest of 16% per annum. On the loan and interest of 16% repayment, assumption is

Business Plan

that the Tanzania economy will remain stable during the period and the interest will remain unchanged or will be determined based on the current inflation.

6.8.1 Repayment Schedule.

Table No.12

| Year | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | Total(TZS) |
|-------------------------------------|----------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Loan Amount(TZS) | 6,342,617,540. | | | | | | |
| Principal amount | | 1,268,523,508 | 1,268,523,508 | 1,268,523,508 | 1,268,523,508 | 1,268,523,508 | 6,342,617,540 |
| Interest 16% | | 1,014,818,806.40 | 811,855,045.12 | 608,891,283.84 | 405,927,522.56 | 202,963,761.28 | 3,044,456,419.2 |
| Payment amount per year(TZS) | | 2,283,342,314.40 | 2,080,378,553.12 | 1,877,414,791.84 | 1,674,451,030.56 | 1,471,487,269.28 | 9,387,073,959.20 |

6.8.2 Net Present Value

It's known that NPV is the difference between the present value of cash inflows and the present value of cash outflows over a period of time. NPV is used in investment and capital budgeting planning to evaluate the profitability of a projected investment. A Table below shows the calculation of NPV for the five year cash flow.

Table No.13

| | Year | Year End CFL | DF(16%) | NPV(TZS) |
|----------------------|------|------------------|---------|-----------------------|
| Investment Cost(TZS) | 2020 | - | - | (6,342,617,540) |
| | 2021 | 270,322,105.6 | 1.16 | 233,036,297.93 |
| | 2022 | 1,102,723,272.48 | 1.35 | 816,832,053.69 |
| | 2023 | 2,067,836,360.64 | 1.57 | 1,317,093,223.34 |
| | 2024 | 3,421,095,062.08 | 1.82 | 1,879,722,561.58 |
| | 2025 | 4,992,659,718.57 | 2.11 | 2,366,189,440.08 |
| NPV(TZS) | | | | 270,256,036.62 |

Since the calculated NPV is greater than zero, then MICL can proceed with the investment.

6.8.3 Internal Rate of Return

Below is the table shows the computation of IRR,by discounting rate makes the NPV of a project zero. In other words, it is the expected compound annual rate of return that will be earned on a project or investment.

Table No.14

| | Year | Year End CFL | DF | MICL PROJECT (TZS) |
|----------------------|------|------------------|------------------|--------------------|
| Investment Cost(TZS) | 2020 | - | - | (6,342,617,540) |
| | 2021 | 270,322,105.6 | 1.174256234821 | 230,207,085.63 |
| | 2022 | 1,102,723,272.48 | 1.37887770501599 | 799,725,217.45 |
| | 2023 | 2,067,836,360.64 | 1.6191557421707 | 1,277,107,758.56 |
| | 2024 | 3,421,095,062.08 | 1.90130372539017 | 1,799,341,691.91 |
| | 2025 | 4,992,659,718.57 | 2.2326177538278 | 2,236,235,786.45 |
| NPV | | | | 0.00 |
| IRR Approx | | | | 17.43% |

Since IRR 17.43% is greater than opportunity cost/or cost of capital 16%, then the project/investment is viable, it should be accepted

6.8.4 Discounted Cash Flow

Below is the table shows the computation of DCF, as an important method of evaluating and comparing investment projects.

Table No.15

| Year | Year End CFL(\$) | DF | DCF(\$) |
|------|------------------|------|-------------------------|
| 2021 | 270,322,105.6 | 0.86 | 232,477,010.82 |
| 2022 | 1,102,723,272.48 | 0.74 | 816,015,221.64 |
| 2023 | 2,067,836,360.64 | 0.64 | 1,323,415,270.81 |
| 2024 | 3,421,095,062.08 | 0.55 | 1,881,602,284.14 |
| 2025 | 4,992,659,718.57 | 0.47 | 2,346,550,067.72 |
| | | | 6,600,059,855.13 |

As per above computation, the loan amount (TZS 6,342,617,540.00) is less than the sum of discounted cash flows (TZS 6,600,059,855.13),then it is profitable from the point of view to invest in this project.

6.8.5 Payback Period

Below is the payback table shows, length of time on which it takes to recover the cost of an investment. It's the length of time an investment reaches a break even point.

Table No.16

| Year | Invested Amount(TZS) | Year End CFL(\$) | Balance(TZS) |
|-------------|-----------------------------|-------------------------|---------------------|
| 2020 | 6,342,617,540.00 | | |
| 2021 | | 270,322,105.60 | 270,322,105.60 |
| 2022 | | 1,102,723,272.48 | 1,373,045,378.08 |
| 2023 | | 2,067,836,360.64 | 3,440,881,738.72 |
| 2024 | | 3,421,095,062.08 | 6,861,976,800.80 |
| 2025 | | 4,992,659,718.57 | 11,854,636,519.37 |

As per table above shows that, it's within the mid of the year 2025, is the time where will earn back the amount invested.

6.9 Economic Benefits.

The project can create employment about 150 workers in a different designation. In addition to supply of the domestic needs, the project will generate TZS 146 million in terms of tax revenue in a first year of income. The establishment of such factory will have a foreign exchange saving effect to the country by exporting the products.

Project Implementation Plan

7.1 Project Implementation Timeline.

Below Gantt chart, it explains our implantation tine lime of our project. From the gantt chat you may note that construction of the building and importation of machines will be done at the same time, while we are importing, construction is going on. However, on the test of the machinery and training of the new employees, it will be done in parallel. We believe that Project Implementation plans will take about 360 days before full production, of which to complete full circle we will need about 30 or 60 days of full production of products.

7.2 Gantt chart for the Project

| | Number of Monthly | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | |
|---|--------------------------------------|---|---|---|---|---|---|---|---|---|----|----|----|----|--|
| 1 | Construction of Building | | | | | | | | | | | | | | |
| 2 | Importation of Machines | | | | | | | | | | | | | | |
| 3 | Installation of Machines | | | | | | | | | | | | | | |
| 4 | Testing of the Machines | | | | | | | | | | | | | | |
| 5 | New Staff Training | | | | | | | | | | | | | | |
| 6 | Pilot Study & Preliminary Production | | | | | | | | | | | | | | |
| 7 | Full Production | | | | | | | | | | | | | | |

7.3 Description of Gantt Chat

1. Construction of Building-Eight months
2. Importation of Machines-Three months
3. Installation of Machines-One Month
4. Testing of the Machines-Two months
5. New Staff Training-Two months
6. Pilot Study & Preliminary Production-
7. Full Production-after twelve months

Industrial Sector Analysis

It's a market assessment tool used by businesses and analysts to understand the competitive dynamics of the industry. In our Business Plan, just to get a sense of what is happening in this industry, therefore below analysis were observed.

(i). Strength of industry competition

The number of participants in this industry and their respective market shares are a direct representation of the competitiveness of the industry. However, currently there is no type of this industry in the Tanzania. Lack of differentiation in products in the market likely to add to the neutralize intensity of competition.

(ii). Threat of potential entrants

This indicates the ease with which new firms can enter the market of a particular industry. Although it's not difficult for the new firm to enter into the market, but our company will enjoys little competitive advantage reaps the benefits for a longer period.

(iii). Bargaining power of suppliers

This refers to the bargaining power of suppliers. If the industry relies on a small number of suppliers, they enjoy a considerable amount of bargaining power. This can affect small businesses because it directly influences the quality and the price of the final product. Suppliers of Cotton available both in small and in large number in Tanzania as per Tanzania Cotton Board.

(iv). Bargaining power of consumers/buyers

The complete opposite happens when the bargaining power lies with the customers. If consumers/buyers enjoy market power, they are in a position to negotiate lower prices, better quality, or additional services and discounts. This is the case in an industry with more competitors but with a single buyer constituting a large share of the industry's sales.

(v). Threat of substitute goods/services

The industry is always competing with another industry in producing a similar substitute product, but currently there no industries in Tanzania producing the same or similar products like MICL. Hence potential competitors from other industries are vulnerable.

(vi). Product Demand

According to MSD current demand of Cotton Roll in Tanzania is 430,000 cotton rolls and this is only for the Government Health providers, while MICL can produce 120,000 cotton rolls per year.. Still market is so huge and demand is high within the country.

ANNEX I
PROJECTION CASHFLOW
MSAGARA INVESTMENT COMPANY LIMITED
ONE YEAR GRACE PERIOD

| CASH RECEIPTS | YEAR | | | | | | | | | | | |
|---|---------------------------|---------------------------|---------------------------|---------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|------------------------|-----------------------|
| | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP | OCT | NOV | DEC |
| Opening Balance | 200,000,000.00 | (1,492,357,766.68) | (1,369,607,198.36) | (1,234,656,149.71) | (1,120,714,256.39) | (966,748,608.07) | (817,798,039.75) | (660,147,471.43) | (538,320,578.11) | (378,309,509.79) | (206,823,941.47) | (29,889,883.48) |
| Sales | 120,550,000.00 | 130,550,000.00 | 130,550,000.00 | 130,550,000.00 | 141,250,000.00 | 146,750,000.00 | 148,450,000.00 | 142,780,000.00 | 142,780,000.00 | 148,880,000.00 | 152,750,000.00 | 152,750,000.00 |
| Debtors | 58,850,000.00 | 58,850,000.00 | 70,850,480.33 | 76,835,000.00 | 78,865,080.00 | 68,850,000.00 | 78,850,000.00 | 82,850,000.00 | 83,880,500.00 | 92,685,000.00 | 94,733,489.67 | 88,750,500.00 |
| Loan Proceeds | 6,412,617,540.00 | | | | | | | | | | | |
| Total | 6,063,167,540.00 | (1,302,957,766.68) | (1,108,006,718.03) | (1,017,071,149.71) | (900,099,176.39) | (751,148,608.07) | (591,498,039.75) | (434,677,471.43) | (311,660,078.11) | (140,174,509.79) | 36,759,548.20 | 211,610,566.52 |
| CASH/PAY OUT | | | | | | | | | | | | |
| Printing & Stationeries | 1,998,500.00 | 1,998,500.00 | 1,998,500.00 | 1,998,500.00 | 1,998,500.00 | 1,998,500.00 | 1,998,500.00 | 1,998,500.00 | 1,998,500.00 | 1,998,500.00 | 1,998,500.00 | 1,998,500.00 |
| Transport expenses | 3,650,000.00 | 3,650,000.00 | 3,650,000.00 | 3,650,000.00 | 3,650,000.00 | 3,650,000.00 | 3,650,000.00 | 3,650,000.00 | 3,650,000.00 | 3,650,000.00 | 3,650,000.00 | 3,650,000.00 |
| Security expenses | 4,750,000.00 | 4,750,000.00 | 4,750,000.00 | 4,750,000.00 | 4,750,000.00 | 4,750,000.00 | 4,750,000.00 | 4,750,000.00 | 4,750,000.00 | 4,750,000.00 | 4,750,000.00 | 4,750,000.00 |
| Contingency costs | 8,500,000.00 | 8,500,000.00 | 8,500,000.00 | 8,500,000.00 | 8,500,000.00 | 8,500,000.00 | 8,500,000.00 | 8,500,000.00 | 8,500,000.00 | 8,500,000.00 | 8,500,000.00 | 8,500,000.00 |
| Purchase furniture & Installation | 6,576,882,500.00 | | | | | | | | | | | |
| Communication Expenses | 1,800,000.00 | 1,800,000.00 | 1,800,000.00 | 1,800,000.00 | 1,800,000.00 | 1,800,000.00 | 1,800,000.00 | 1,800,000.00 | 1,800,000.00 | 1,800,000.00 | 1,800,000.00 | 1,800,000.00 |
| Miscellaneous Expenses | 1,800,000.00 | 1,800,000.00 | 1,800,000.00 | 1,800,000.00 | 1,800,000.00 | 1,800,000.00 | 1,800,000.00 | 1,800,000.00 | 1,800,000.00 | 1,800,000.00 | 1,800,000.00 | 1,800,000.00 |
| Principal Loan Repayment | 5,166,666.67 | 5,166,666.67 | 5,166,666.67 | 5,166,666.67 | 5,166,666.67 | 5,166,666.67 | 5,166,666.67 | 5,166,666.67 | 5,166,666.67 | 5,166,666.67 | 5,166,666.67 | 5,166,666.67 |
| Loan Interest Payment | | | | | | | | | | | | |
| Staff Medical | 2,025,000.00 | 2,025,000.00 | 2,025,000.00 | 2,025,000.00 | 2,025,000.00 | 2,025,000.00 | 2,025,000.00 | 2,025,000.00 | 2,025,000.00 | 2,025,000.00 | 2,025,000.00 | 2,025,000.00 |
| Salaries & other Benefits | 22,449,371.67 | 22,449,371.67 | 22,449,371.67 | 22,449,371.67 | 22,449,371.67 | 22,449,371.67 | 22,449,371.67 | 22,449,371.67 | 22,449,371.67 | 22,449,371.67 | 22,449,371.67 | 22,449,371.67 |
| Building construction | 1,475,000,000.00 | | | | | | | | | | | |
| Utilities expenses | 3,000,000.00 | 3,000,000.00 | 3,000,000.00 | 3,000,000.00 | 3,000,000.00 | 3,000,000.00 | 3,000,000.00 | 3,000,000.00 | 3,000,000.00 | 3,000,000.00 | 3,000,000.00 | 3,000,000.00 |
| Office expenses | 930,000.00 | 930,000.00 | 930,000.00 | 930,000.00 | 930,000.00 | 930,000.00 | 930,000.00 | 930,000.00 | 930,000.00 | 930,000.00 | 930,000.00 | 930,000.00 |
| Insurance | 8,713,226.67 | 8,713,226.67 | 8,713,226.67 | 8,713,226.67 | 8,713,226.67 | 8,713,226.67 | 8,713,226.67 | 8,713,226.67 | 8,713,226.67 | 8,713,226.67 | 8,713,226.67 | 8,713,226.67 |
| Taxes & licenses | 34,493,675.00 | | | | | | | | | | | |
| Audit Fees | 2,500,000.00 | | | | | | | | | | | |
| Other Expenses | 3,666,666.67 | 3,666,666.67 | 3,666,666.67 | 3,666,666.67 | 3,666,666.67 | 3,666,666.67 | 3,666,666.67 | 3,666,666.67 | 3,666,666.67 | 3,666,666.67 | 3,666,666.67 | 3,666,666.67 |
| TOTAL CASH PAID OUT | 8,185,575,306.68 | 66,649,431.68 | 66,649,431.68 | 66,649,431.68 | 66,649,431.68 | 66,649,431.68 | 66,649,431.68 | 66,649,431.68 | 66,649,431.68 | 66,649,431.68 | 66,649,431.68 | 66,649,431.68 |
| NET CASH (DEFICIT) | (1,492,357,766.68) | (1,369,607,198.36) | (1,234,656,149.71) | (1,120,714,256.39) | (966,748,608.07) | (817,798,039.75) | (660,147,471.43) | (538,320,578.11) | (378,309,509.79) | (206,823,941.47) | (29,889,883.48) | 107,967,459.84 |
| DESCRIPTION-YEAR: GRACE PERIOD YEAR 2020 | | | | | | | | | | | | |
| LOAN AMOUNT | | | | 725 | | | | | | | | |
| PAYMENT PERIOD | | | | | | | | | | | | |
| GRACE PERIOD | | | | | | | | | | | | |
| YEARLY INTEREST PERCENT | | | | | | | | | | | | |