



PROGRESS REPORT FOR NSK HOSPITALS LIMITED

NSK HOSPITALS LIMITED is a limited company with its headquarters in Arusha

NSK Hospitals Limited, is a healthcare service provision company based in Arusha and currently operating a state-of-the-art medical diagnostic center and polyclinic. We got our initial company registration on the 28/02/2013 under company number 97554 and our initial Tic Certificate No. 130283 issued on 04/09/2013.

We started offering services to patients towards the 3rd quarter of 2016 where we were the pioneers of several service offerings in our Arusha region; MRI, Dialysis, and Mammography services being some of them.

We have seen very good progress since we began and are currently in our 2nd phase expansion phase of converting our center to become a Regional Referral Hospital.

Our Current Service Offerings:

- Radiology (MRI, CT, X-ray, Ultrasound, Mammography), Laboratory (Wide range of lab tests), OPD Clinics (Specialists of multiple areas and GP's available at all times), Dialysis (Hemo-dialysis services) Pharmacy, Physiotherapy and Endoscopy.

We are proud to say that by providing certain services which are otherwise scarcely available, together with ensuring high levels of standard, we have been able to make a good name and reputation for ourselves, whereby our catchment area goes beyond only Arusha region, where we also attract patients from nearby regions such as Manyara, Kilimanjaro and more.

Current shareholders of the Company are as follows:

- Mr. Navin Aggarwal – 25% - Tanzanian Citizen
- Mr. Sunil Aggarwal – 25% - Tanzanian Citizen
- Mr. Kamaljeet Aggarwal – 25% - Tanzanian Citizen
- Mr. Mahesh Aggarwal – 25% - British Citizen

We are now moving on to the next phase of our project, whereby we are about to change from a diagnostic center and polyclinic to a Hospital. Following will be the new set of services which we shall be offering:

- Emergency Department, Intensive Care Unit (ICU), Neonatal ICU, Paediatric ICU, Operating Theatres, Maternity, Private + Semi Private + General Wards.

www.nskhospitals.com

NSK Hospitals Ltd, 27 Unga Ltd Area, P.O.Box 3114, Arusha, Tanzania



PLANNED ACTIVITIES FOR THE PERIOD

Our plan is to convert the current Diagnostic Center and Polyclinic to a fully-fledged Hospital at Regional Level. With this we will be able to perform general surgeries, specialized surgeries, maternity care, intensive care and also emergency care. We have installed a state-of-the-art modular operating theatre with laminar flow (one of its kind in our region and nearby regions).

Global COVID-19 pandemic has drastically affected all of our operations and plans but hopefully, now that the situation is normalizing, we expect to also grow into other towns and regions.

CHALLENGES AND SOLUTIONS

Challenges:

1. We currently don't have huge space and therefore our bed capacity will be smaller. This gives us challenge to register as a higher-level facility such as Zonal Level Hospital, despite having Zonal level / tertiary level services.
2. Since we try to target a larger patient base whilst ensuring profits and sustainability, we onboard and serve beneficiaries of the National Health Insurance Fund (NHIF). While becoming a hospital, pricing of the NHIF is purely subject to the registration level of the facility, whereby Zonal level gets the highest pricing and levels below that get lower pricing. This will limit our ability to conduct certain specialized procedures for these beneficiaries due to the lower price points.
3. Corona Virus as well played a significant role in our operations rendering several months of decreased patient for general OPD such as chronic and basic diseases due to the fear of covid. Yet, we did not reduce our workforce.

Solutions:

1. For the time being we will aim for the Regional level and thereafter, 6 months post of operations, we will again request the ministry for special case approval of Zonal level.
2. NHIF have started having new schemes, such as corporate packages, which means we will be able to provide specialized services to the corporate sector of NHIF, while we will continue seeking their guidance on how to serve the non-corporate sector.



RECOMMENDATIONS / COMMENTS

- We earnestly recommend that the government reevaluate on special cases their hospital accreditation system so that certain specialized or centers of excellence can get higher accreditation despite of having smaller bed capacity.

NEW / ADDITIONAL FINANCING TO PROJECT IN ORDER TO FINANCE FOR THE EXPANSION INTO HOSPITAL

The current newly expansion project was partly financed by Equity and partly by new Bank Term Loan – additional from the initial project financing:

	AMOUNT (TZS)
Equity	375,000,000 (20%)
Loans	1,500,000,000 (80%)
TOTAL ADDITIONAL INVESTMENT	1,875,000,000