



MAX STEEL LIMITED BUSINESS PLAN

INTRODUCTION

Max Steel Limited was founded in year 2015 as a small retailer of steel products. Today, we are a premier steel stockiest by importing steel items from various part of the world. Our business was created to help businesses and projects with stable supply of high quality steel products and value added steel products.

Max Steel Limited is equipped with strong sourcing capability from an extensive network of suppliers from countries such as China, Japan, Korea, Turkey, Russia, Ukraine, and other Eastern European countries, we carry more than 3,000 types of steel products, of various dimensions and for a wide range of industries and applications. We also offer customized steel solutions for diversified industries including energy, transportation, marine, electronics and other sectors.

The principles of our business have remained steadfast through the year's maximum quality at market leading prices while following all safety and government guidelines.

Investment Objectives, Sectors and Products.

The 7000m² factory area of **Max Steel Limited** will offer the latest advanced technology in laser cutting, high-definition plasma cutting, dry plasma cutting, oxyfuel profile cutting, with saw cutting, rolling and bending capabilities. We are also importing machine providing drilling, milling and machining services to customer specifications.

Our major clients for our new investment project will be all the mining industries, Standard Gauge Railway, Cement industries, Hydro power project and The EACOP pipeline project. Our main objective is to handling steel fabrications for a variety of industries and a variety of sizes.

Many mining components are made using abrasion-resistant and high-strength steel, protecting them from the extreme conditions to which they are regularly exposed. These products include chutes, mills, sorters, and hydro cyclones, wear parts, Wear Buckets, dumper truck body, Grizzly Bars and Liner plates, transfer chute, skip liners and stone crusher. MAX STEEL LIMITED aims to supply products that meet the unique needs of mining operations and maintain compliance with all safety requirements

In the Energy industry, our investment in Plasma cutting, bending machine, Press brake machine will allow us to cut, form and weld a range of stainless steel types, various stainless alloys, Inconel, and Monel, each of which offers ideal characteristics for use in critical applications within the energy sector. Max steel limited will be specifically looking forwards to fabricate corrosive resistance storage tanks and other equipment's as per the client needs.

In the cement industry, the abrasive applications include excavating, crushing, screening and grinding the stone. Max steel limited intends to fabricate Jaw crushers, cone crusher, chutes, elevator buckets, hammer crushers, Silos and crusher screens.

In the railway industry, Max steel limited already serves with wear parts, wear plates and steel structures. .Max steel limited serves the market with wear parts such as stone crusher screen using our existing CNC plasma machine. From the



point of steel structure, we have fabricated base plates and foundation plates for the railway projects. We have been receiving enquiries to fabricate and form metal parts for their machines.

In addition to the above, MAX STEEL LIMITED is also venturing into PEB Pre-Engineered Steel Building. The Pre-Engineered Steel Building offers great advantages to the customer as a more feasible, practical and efficient alternative to conventional buildings. The system has earned acceptance across the world and is gaining rapid ground in Tanzania and Zambia as well. MAX STEEL limited has invested in H beam welding machines for manufacturing Beams which are used in construction locally.

The Pre-engineered building structure which we shall be able to supply includes factory sheds, warehouse, workshops, fuel stations, bulk storage buildings. In the past we have been supplying I beam of S 355 steel grade by importing from China in the local market. Those beams were used in manufacturing for warehouses. The investment in H beam welding machine will allow MAX STEEL limited to manufacture beams of various sizes and designs as per the client needs. This will allow us to serve standard size beams available in international market and also allow us to provide different size beam as per client needs.

An experienced team of highly skilled craftsmen equipped equipment can handle any complex or challenging carbon steel, stainless steel or aluminum fabrication.

Investment cost and sources of finance.

Our investments to achieve our intended objective as per above can be fulfilled by making investments in Machine / equipment , investment in Human Resource and Investments in Land and Building. The investment for the above project will cost up to USD 2,000,000 to the maximum. The sources of finance are broken down into two categories namely internal finance which is from the equity investment, daily business revenue and External finance through bank loans and overdraft.

The bank loan amounting to USD 550,000 has been secured last year for the acquisition of Land and building purchased at USD 1,000,000. The balance of USD 450,000 has been paid by MAX STEEL LIMITED during the financial Year 2022.

The overdraft facility of USD 200,000 has been secured for financial year 2021/2022 for working capital requirements.

JOB CREATION.

An experienced team of highly skilled craftsmen equipped equipment can handle any complex or challenging carbon steel, stainless steel or aluminum fabrication. The experience team will consist of foreign staffs and Local Tanzanians.

2 Mechanical engineers and 1 procurement specialist with enough experience has been hired from India. We shall also intend to hire 5 local technicians form VETA with qualification in metal fabrication and forming. In addition, we will also be hiring 10 labors and 1 Logistic manager which will be required for the new project.

The above recruitments will add to our existing team of 7 employees. Our total job creation and job security for the year 2022 will add up total of 24 Employment. This will comprise of 4 foreign staffs and 20 Local Staffs.

Investment Funds expenditure bread down.



As per the above, to achieve our intended objectives and outputs the below Capital expenditure which has been directed and the expected expenditure in the next four months. The total investment is USD 1.802 million of which USD 1.252 Million will be finance by Max Steel Limited by the way of equity and retained profits while USD 0.550 Million will be financed in terms of Bank loan which has been secured.

Investment in Machines and equipment	CIF Value USD	Source of finance	MAX STEEL LIMITED FINANCE	BANK LOAN	Status / Comments
Fork lift 10 Tons	\$ 23,000.00	Internal	\$ 23,000.00		Fully paid and cleared form Customs
Investment in Land and building (7201 Sqm)	\$ 1,000,000.00	Partial Bank loan/internal finance	\$ 450,000.00	\$ 550,000.00	USD 450,000 paid by the company and Bank loan outstanding of USD 550,000
Renovation of Existing building	\$ 250,000.00	Internal	\$ 250,000.00		To be financed by fully by the company. BOQ and evaluation of quotes from construction company in progress.
Investment in Machines - UPPER ROLLER UNIVERSAL 3-ROLL PLATE ROLLING MACHINE SW11SNC-25x3000	\$ 41,900.00	Internal	\$ 41,900.00		Machines for Fabrication of metals- 30% Advance paid to supplier
Investment in Machines- CNC HYDRAULIC PRESS BRAKE MODEL WEK-500T/3200, WITH ESA S630 CONTROLLER, CONTROLS X, Y1, Y2, V, 4 AXIS, WITH COOLING SYSTEM	\$ 68,500.00	Internal	\$ 68,500.00		Machines for Fabrication of metals- 30% Advance paid to supplier
Investment in Machines- HYDRAULIC GUILLOTINE SHEAR QC11K-25X3200 WITH E21 CONTROLLER	\$ 44,200.00	Internal	\$ 44,200.00		Machines for Fabrication of metals- 30% Advance paid to supplier
Investment in Machines- CNC Plasma Machine	\$ 25,000.00	Internal	\$ 25,000.00		Machines for Fabrication of metals- 30% Advance paid to supplier
Investment in Machines- H Beam Welding Machines	\$ 150,000.00	Internal	\$ 150,000.00		Machines for Fabrication of metals- 30% Advance paid to supplier
Investment in Raw Materials- Steel Plates	\$ 200,000.00	Internal	\$ 200,000.00		Machines for Fabrication of metals- 25% Advance paid to supplier



TOTAL	\$	\$	\$
	1,802,600.00	1,252,600.00	550,000.00

Sources of Supply and Inputs.

The supply and inputs required for our new project is categorized into fixed assets and services. Majority of the fixed assets will be procured from the international market. We shall also be purchasing fixed assets from local market. The raw materials will be purchased both from local and international market. On the other hand, the services such as financial services, security services, Logistic services and legal services required for our project will be procured from local established service provider.

The below table is a summary for our sources of supply and inputs.

Description of supply and inputs	Supplier	Supplier origin
Fork lift 10 Tons	SHANG HAI KAI YING TRADING CO., LIMITED	China
Renovation of Existing building		
Investment in Machines -UPPER ROLLER UNIVERSAL 3-ROLL PLATE ROLLING MACHINE SW11SNC-25×3000	WUXI SHENCHONG FORGING MACHINE CO., LTD.	China
Investment in Machines- CNC HYDRAULIC PRESS BRAKE MODEL WEK-500T/3200, WITH ESA S630 CONTROLLER, CONTROLS X, Y1, Y2, V, 4 AXIS, WITH COOLING SYSTEM	WUXI SHENCHONG FORGING MACHINE CO., LTD.	China
Investment in Machines- HYDRAULIC GUILLOTINE SHEAR QC11K-25X3200 WITH E21 CONTROLLER	WUXI SHENCHONG FORGING MACHINE CO., LTD.	China
Investment in Machines- CNC Plasma Machine	SHANDONG KASRY INTELLIGENT EQUIPMENT CO.,LTD	China
Investment in Machines- H Beam Welding Machines	PRIMO AUTOMATIC WELDING MACHINE	India
Investment in Raw Materials- Steel Plates	ZHONGPU (HANDAN) IRON AND STEEL CO LTD	China
Purchase of Steel Raw materials for fabrication	MM Integrated steel mills limited	Tanzania



Investment in Drilling and cutting tools	Kara Traders/ Asar Limited	Tanzania
Transportation service	KN SOLANKI Transport limited	Tanzania
Insurance service	Milmar insurance service limited	Tanzania
Financial service	CRDB Bank plc & IM Bank Tanzania Limited	Tanzania
Security service	GI Security Tanzania Limited	Tanzania
Legal service	FB attorneys	Tanzania

Implementation schedule.

The promoters of Max steel limited had a vision of entering into Market of metal fabrication and forming. This vision was established in year 2015 when the company started its operations in trading steel and building materials. We believed in growing the company with the Lean management approach. We were in a position to plan for implementing our vision in Year 2021 when were financially capable for implementing project with a Value of USD 2,000,000.

MAX STEEL limited had acquired land and building in year 2021 with value of USD 1,000,000. The acquisition was financed by obtaining bank loan of USD 550,000 and internal finance of USD 450,000. The company has also incurred capital expenditure for the purchase of Machine and equipment's and raw materials in month of January 2022. The below is a summary for implementation schedule and timeline by when it will be completed.

Investment in Machines and equipment	CIF Value USD	Implementation date	Completion date
Fork lift 10 Tons	\$ 23,000.00	Dec-21	Dec-21
Investment in Land and building (7201 Sqm)	\$ 1,000,000.00	Dec-21	Dec-21
Renovation of Existing building	\$ 250,000.00	Mar-22	May-22
Investment in Machines -UPPER ROLLER UNIVERSAL 3-ROLL PLATE ROLLING MACHINE SW11SNC-25×3000	\$ 41,900.00	Jan-22	Apr-22



MAX STEEL

Investment in Machines- CNC HYDRAULIC PRESS BRAKE MODEL WEK-500T/3200, WITH ESA S630 CONTROLLER, CONTROLS X, Y1, Y2, V, 4 AXIS, WITH COOLING SYSTEM	\$ 68,500.00	Jan-22	Apr-22
Investment in Machines- HYDRAULIC GUILLOTINE SHEAR QC11K-25X3200 WITH E21 CONTROLLER	\$ 44,200.00	Jan-22	Apr-22
Investment in Machines- CNC Plasma Machine	\$ 25,000.00	Mar-22	May-22
Investment in Machines- H Beam Welding Machies	\$ 150,000.00	Mar-22	May-22
Investment in Raw Materials- Steel Plates	\$ 200,000.00	Jan-22	May-22

Financial Projections.

MAX STEEL LIMITED FUTURE PROJECTION					
	2022	2023	2024	2025	2026
Revenues	\$5,000,000	\$5,500,000	\$5,775,000	\$6,063,750	\$6,366,938
Employment expense	\$186,000	\$204,600	\$214,830	\$225,572	\$236,850
<i>Investment in raw material</i>	\$4,000,000	\$4,400,000	\$4,620,000	\$4,851,000	\$5,093,550
<i>Administration expense</i>	\$300,000	\$330,000	\$346,500	\$363,825	\$382,016
<i>Financial expense</i>	\$100,000	\$110,000	\$115,500	\$121,275	\$127,339
Profit	\$414,000	\$455,400	\$478,170	\$502,079	\$527,182
Capital Investment	\$2,000,000	\$0	\$0	\$0	\$0
Cash Flow (Annual)	(\$1,586,000)	\$455,400	\$478,170	\$502,079	\$527,182
Cash Flow (Cumulative)	(\$1,586,000)	(\$1,130,600)	(\$652,430)	(\$150,352)	\$376,831

Cash Flow



