Pre-feasibility Study

GENSET REPAIRING WORKSHOP

February 2021

"The figures and financial projections are approximate due to fluctuations in exchange rates, energy costs, and fuel prices etc. Users are advised to focus on understanding essential elements such as production processes and capacities, space, machinery, human resources, and raw material etc. requirements. Project investment, operating costs, andrevenues can change daily. For accurate financial calculations, utilize financial calculators on SMEDA's website and consult financial experts to stay current with market conditions."

Small and Medium Enterprises Development Authority
Ministry of Industries and Production
Government of Pakistan

Table of Contents

1 DISCLAIMER

This information memorandum is to introduce the subject matter and provide a general idea and information on the said matter. Although, the material included in this document is based on data/information gathered from various reliable sources; however, it is based upon certain assumptions, which may differ from case to case. The information has been provided on as is where is basis without any warranties or assertions as to the correctness or soundness thereof. Although, due care and diligence has been taken to compile this document, the contained information may vary due to any change in any of the concerned factors, and the actual results may differ substantially from the presented information. SMEDA, its employees or agents do not assume any liability for any financial or other loss resulting from this memorandum in consequence of undertaking this activity. The contained information does not preclude any further professional advice. The prospective user of this memorandum is encouraged to carry out additional diligence and gather any information which is necessary for making an informed decision, including taking professional advice from a qualified consultant/technical expert before taking any decision to act upon the information.

For more information on services offered by SMEDA, please contact our website: ***www.smeda.org.pk***

Document Control

Document No.	PREF-NO: 136
Revision	No. 02
Prepared by	SMEDA-Sindh
Revision Date	February, 2021
For information	Provincial Chief (Sindh) mkumar@smeda.org.pk

2 EXECUTIVE SUMMARY

Genset repairing workshop is proposed to be located at big cities across the country. Ideally, Karachi, Hyderabad, Sukkur, Rawalpindi-Islamabad, Gujranwala, Faisalabad, Lahore and Peshawar could be some of the good cities with major population to start this business. The document discusses the detailed aspects of setting up genset repairing workshop for domestic generator ranges from 01 kVA to 10 kVA. Considering the county's energy crises and load shedding, generator repair services are considered to be a profitable business depending upon the location chosen to setup this business will determine how profitable the business can be. The repairing service includes service & tuning of generator, minor repairs, major repairs and complete engine overhaul.

Total investment of **Rs. 593,987** will be required for the project. **Rs. 230,000** will be the capital expenditure, which include buying of Technical equipment or tools and furniture for setting up workshop. Additionally, a working capital amount of **Rs. 363,987** is required. A total of **06 staff** members will constitute the workforce to handle the operations, excluding the CEO who will be the owner of the business.

With estimated 205 generators of different nature of repairs per month in first year using initial capacity utilization of 65%, revenue of **Rs.2,063,100** is earned in first year. The project has a payback period of **3.20 years**, **IRR** of **48%** and an **NPV** of **Rs. 940,285.**

The most critical considerations or factors for success of the project are:

- Most significant consideration(s)
    - Quick and quality repair & maintenance services.
    - Technical know-how and relevant experience of entrepreneur.
    - Availability of skilled labour having technical knowledge.
    - Suitable location for workshop with maximum exposure to customers
- Equally important factor(s)
    - Good customer service and emphasis on customer's feed back
    - Efficient marketing and promotional strategy

3 INTRODUCTION TO SMEDA

The Small and Medium Enterprises Development Authority (SMEDA) was established in October 1998 with an objective to provide fresh impetus to the economy through development of Small and Medium Enterprises (SMEs).

With a mission "to assist in employment generation and value addition to the national income, through development of the SME sector, by helping increase the number, scale and competitiveness of SMEs", SMEDA has carried out 'sectoral research' to identify policy, access to finance, business development services, strategic initiatives and institutional collaboration and networking initiatives.

Preparation and dissemination of prefeasibility studies in key areas of investment has been a successful hallmark of SME facilitation by SMEDA.

Concurrent to the prefeasibility studies, a broad spectrum of business development services is also offered to the SMEs by SMEDA. These services include identification of experts and consultants and delivery of need based capacity building programs of different types in addition to business guidance through help desk services.

4 PURPOSE OF THE DOCUMENT

The objective of the pre-feasibility study is primarily to facilitate potential entrepreneurs in project identification for investment. The project pre-feasibility may form the basis of an important investment decision and in order to serve this objective, the document/study covers various aspects of project concept development, start-up, and production, marketing, finance and business management.

The purpose of this document is to facilitate potential investors in **Genset Repairing Workshop** by providing them with a general understanding of the business with the intention of supporting potential investors in crucial investment decisions.

The need to come up with pre-feasibility reports for undocumented or minimally documented sectors attains greater imminence as the research that precedes such reports reveal certain thumb rules; best practices developed by existing enterprises by trial and error, and certain industrial norms that become a guiding source regarding various aspects of business set-up and it's successful management.

Apart from carefully studying the whole document one must consider critical aspects provided later on, which form basis of any Investment Decision.

5 BRIEF DESCRIPTION OF PROJECT & PRODUCT

Since the demand for electricity in the country has been increasing due to industrial development and population growth but the supply is far less to meet the demand, resultantly it has turned into the electricity crisis. This demand and supply gap not only increases the prices for electricity but also increases the demand for alternate electricity resources, for industrial and domestic consumers.

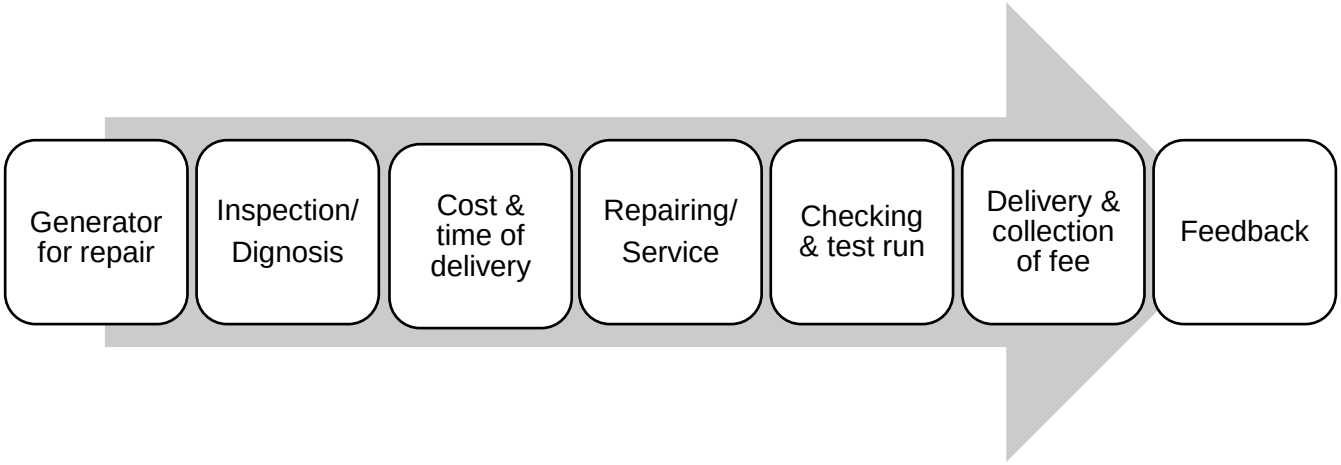
Most of the households uses the electricity generators to fulfill their electricity need compare to the other alternatives. Use of electricity generators also creates the demand for its repairing. There are number of shops for generator repairing already in the market to cater customer demand but still there is market gap to fulfill the demand. With the technical expertise and superior quality services will cater the market demand.

The Genset Repair Workshop business is a viable business provided that it is operated with a good business acumen that involves having a thorough knowledge and experience of the repair and service operations and also managing the jobs with the right type of skilled manpower. When these factors combine with good customer relationship management and effective business development skills, the business is expected to give considerable profits which are expected to grow over the years.

Following key parameters must be addressed as per pre-feasibility study under preparation

- **Technology:** Genset repairing workshop will required technical mechanics with technical tools and equipment necessary for the repairing services. The workshop will be opened in a rented shop.
- **Location:**The workshop would be located where generated spare part shops and other similar services workshops are located
- **Product:** A high quality repairing services will be provide to the customers that includes tuning , minor repairing, major repairing and whole engine
- **Target Market:** The target audience are household audience who uses generator at their home, shops and small offices.
- **Employment Generation:** The proposed project will provide direct employment to 06 persons excluding owner. Financial analysis shows the unit shall be profitable from the very first year of operation

5.1 Production Process Flow



Each step in the process flow is critical and should be dealt professionally to give the best overall service to the customer. Details relating to each step in the process are discussed below:

Generator for repair: Customer bring his/her generator at the workshop and state the initial problem he or she is facing. Here home service can also be provided for initial diagnostic and minor services.

Inspection/Diagnosis: Mechanic at the workshop check the genset and share the diagnostic result with the customer. A list of spare parts for repair or replacement is also shared with the customer.

Cost and time of delivery: As per the initial diagnostic the customer is issued a cost estimate along with estimated time of delivery. Advance fee in respect to new parts to be replaced can be charged from the customer.

Repairing/Service: The Job is allocated to the respective mechanic and the repair/service process starts.

Testing: It is mandatory to thoroughly check and test run the generator after the job is done before handing it over to the customer.

Delivery and collection of service fee: Customer is informed to collect the repaired genset and upon satisfaction Invoice is issued and remaining service fee is collected.

Feedback: Getting feedback of the customers is very important for the long-term success of the business. It will help develop good relations with customers for future business and getting referrals as well. The feedback will also help improve the service further by positively acting upon client's concerns.

.

5.2 Installed and Operational Capacities

The operational capacity is limited to repairing up to 205 gensets for various type of repair and services in a month using 65% of initial capacity utilization with 03% capacity utilization growth rate annually.

6 CRITICAL FACTORS

The main critical success factors that affect the decision to invest in the proposed business setup are:

- Quick and quality repair & maintenance services.
- Technical know-how and relevant experience of entrepreneur/investor.
- Availability of skilled labour having technical knowledge.
- Suitable location for workshop with maximum exposure to customers.

7 GEOGRAPHICAL POTENTIAL FOR INVESTMENT

Genset repairing workshop is proposed to be located at big cities across the country. Ideally, Karachi, Hyderabd, Dadu, Sukkur, Rawalpindi-Islamabad, Faisalabad, Lahore and Peshawar could be some of the good locations to start this business. Besides this big city this business can also be viable where the population of cities is huge and demand for generators repairing is high.

8 POTENTIAL TARGET CUSTOMERS / MARKETS

Pakistan has over 185 million of population with growing income and changing life style. The prevailing energy crisis has prompted mass population to use alternative sources to cater their electricity needs. Due to long hours of electricity breakdown mostly people decide on to purchase generators instead of UPS and inverters. Generator repair workshop can be set-up in any major city with significant population such as Karachi, Hyderabad, Lahore, Rawalpindi, Islamabad, Multan, Peshawar and Quetta. This business can also be done in all small second tier towns in addition to suburban towns of large cities.

9 PROJECT COST SUMMARY

A detailed financial model has been developed to analyze the commercial viability of this project. Various costs and revenue related assumptions along with results of the analysis are outlined in this section.

9.1 Project Economics

All the figures in this financial model have been calculated for estimated sales of Rs. 2.06 million in the year one. The capacity utilization during year one is worked out at 65% with 03% increase in subsequent years up to the maximum capacity utilization of 85%.

The following table shows internal rate of return, payback period and net present value of the proposed venture:

Table 9.1: Project Economics

Description	Details
Internal Rate of Return (IRR)	48%
Payback Period (yrs.)	3.20
Net Present Value (Rs.)	940,285

9.2 Project Financing

Following table provides details of the equity required:

Table 9.2: Project Financing

Description	Details
Total Equity (100%)	Rs 593,987
Debt	Nil

9.3 Project Cost

Following fixed and working capital requirements have been identified for operations of the proposed business:

Table 9.3: Project Cost

Description	Amount Rs.
Capital Cost	
Plant and Machinery	65,000
Furniture & Fixture	51,500

Pre-operating Cost	113,500
Total Capital Cost	**230,000**
Working Capital	
Raw Material Inventory	23,985
Up-front Building Rent	240,002
Cash	100,000
Total Working Capital	**363,987**
Total Project Cost	**593,987**

9.4 Space Requirement

The space requirement for the proposed Genset repairing workshop is estimated to be 180 sq. ft. considering facilities including table space for owner and working area for repair and services. Details of space requirement and cost related to land & building is given below:

Table 9.4: Space Requirement

Description	Estimated Area (Sq.ft.)	Monthly rent (Rs.)
Table Space	36	20,000
Generator repairing area	144	
Total	**180**	**20,000**

9.5 Machinery & Equipment Requirement

The details of equipment and tools for the proposed project are stated below:

Table 9.5: Machinery & Equipment

Description	Quantity	Total Cost (Rs.)
Ring Spanner Set	03	
Open End Spanner Set	03	
T-Spanner Set	03	
Plier	03	

Cutter Plier	03	
Nose Plier	03	
Goti (socket) Set	03	
Screw driver Set (Standard Tip)	03	
Screw driver Set (Round Tip)	03	
Hammer Small	03	
Hammer Large	03	
Filler	03	
Brush	05	
Tagari	05	
Tool Container	03	
Ampere Meter	03	
Avo Meter	03	
L- Key	03	
Total		**65,000**

9.6 Furniture & Fixtures Requirement

Details of the furniture and fixture required for the project are given below:

Table 9.6: Furniture & Fixture

Description	Quantity	Unit Cost (Rs.)	Total Cost (Rs.)
Wooden Table	02	15,000	30,000
Bench	01	2,500	2,500
Wooden Stool	04	2,000	8,000
Ceiling Fan	02	5,000	10,000

Saver Bulb	05	200	1,000
Total			**51,500**

9.7 Human Resource Requirement

In order to run operations of Genset repairing workshop smoothly, details of human resources required along with number of employees and monthly salary are recommended as under:

Table 9.7: Human Resource Requirement

Description	No. of Employees	Monthly Salary per person (Rs)	Monthly Salary (Rs)
Head Mechanic	01	25,000	25,000
Assistant Mechanic	03	18,000	54,000
Helper	03	17,500	52,500
Total	**06**		**131,500**

9.8 Utilities and other costs

An essential cost to be borne by the project is the cost of electricity and gas. The electricity expenses are estimated to be around Rs.3,312 per month. Furthermore, Travel expenses are being essential for Generator repairing services at home or office and estimated as 07% of administrative expenses.

9.9 Revenue Generation

Based on the capacity utilization of 65% revenue during the first year of operations is estimated as under:

Table 9.9: Revenue Generation – Monthly

Description	Service charges / unit (Rs.)	Units Repaired in a month*	Revenue (Rs.)
Tuning & Service	500	78	39,000

Minor Repair	500	78	39,000
Major Repairs	3,500	39	136,500
Engine overhaul	5,000	10	50,000
Total		**205**	**264,500**

* Estimated units to be repaired during a month

10 CONTACT DETAILS

In order to facilitate potential investors, contact details of private sector service Providers relevant to the proposed project are mentioned below.

10.1 Tools & equipment suppliers

Machinery Supplier - 1

Name of Supplier /Organization	Adamji Waliji & Sons
Address	380, Nana Bhai Center, Saddar, Hyderabad
Phone	0222-787084

10.2 Technical Experts / Consultants

Technical Experts / Consultants - 1

Name of Expert /Organization	Muhammad Aslam
Address	Haji Shah Chowk Bohri Bazar Saddar, Karachi
Phone	0333-2643788 – 03003048852

11 USEFUL WEB LINKS

Small & Medium Enterprises Development Authority (SMEDA)	www.smeda.org.pk
Government of Pakistan	www.pakistan.gov.pk
Ministry of Industries & Production	www.moip.gov.pk
Ministry of Education, Training & Standards in Higher Education	http://moptt.gov.pk
Government of Punjab	www.punjab.gov.pk
Government of Sindh	www.sindh.gov.pk
Government of Khyber Pakhtunkhwa	www.khyberpakhtunkhwa.gov.pk
Government of Balochistan	www.balochistan.gov.pk
Government of Gilgit Baltistan	www.gilgitbaltistan.gov.pk
Government of Azad Jamu Kashmir	www.ajk.gov.pk
Trade Development Authority of Pakistan (TDAP)	www.tdap.gov.pk
Security Commission of Pakistan (SECP)	www.secp.gov.pk
Federation of Pakistan Chambers of Commerce and Industry (FPCCI)	www.fpcci.com.pk
State Bank of Pakistan (SBP)	www.sbp.org.pk
Punjab Small Industries Corporation	www.psic.gop.pk
Sindh Small Industries Corporation	www.ssic.gos.pk
Pakistan Horticulture Development and Export Company (PHDEC)	www.**phdec**.org.pk
Punjab Vocational Training Council (PVTC)	www.**pvtc**.gop.pk
Technical Education and Vocational Training Authority (TEVTA)	www.**tevta**.org
Pakistan Readymade Garment Technical Training Institute	www.prgmea.org/**prgtti**/
Livestock & Dairy Development Department, Government of Punjab.	www.**livestock**punjab.gov.pk
Punjab Industrial Estates (PIE)	www.pie.com.pk
Faisalabad Industrial Estate Development and Management Company (FIEDMC)	www.fiedmc.com.pk

12 ANNEXURES

12.1 Income Statement

Calculations SMEDA

Income Statement

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Revenue	2,063,100	2,374,152	2,726,783	3,126,200	3,578,231	4,089,407	4,667,036	5,257,444	5,783,188	6,361,507
Cost of sales										
Cost of goods sold 1	287,820	325,192	366,702	412,772	463,867	520,495	583,214	645,049	696,653	752,385
Operation costs (direct labor)	1,362,000	1,494,606	1,640,123	1,799,808	1,975,040	2,167,332	2,378,347	2,609,906	2,864,010	3,142,854
Total cost of sales	1,649,820	1,819,799	2,006,825	2,212,580	2,438,907	2,687,827	2,961,561	3,254,955	3,560,663	3,895,240
Gross Profit	413,280	554,353	719,958	913,619	1,139,324	1,401,580	1,705,474	2,002,488	2,222,525	2,466,267
	20%	23%	26%	29%	32%	34%	37%	38%	38%	39%
General administration & selling expenses										
Building rental expense	240,002	264,002	290,402	319,443	351,387	386,525	425,178	467,696	514,465	565,912
Electricity expense	39,744	43,718	48,090	52,899	58,189	64,008	70,409	77,450	85,195	93,714
Water expense										
Depreciation expense	11,650	11,650	11,650	11,650	11,650	19,946	19,946	19,946	19,946	19,946
Amortization of pre-operating costs	22,700	22,700	22,700	22,700	22,700	-	-	-	-	-
Bad debt expense	20,631	23,742	27,268	31,262	35,782	40,894	46,670	52,574	57,832	63,615
Subtotal	334,727	365,812	400,110	437,954	479,708	511,374	562,203	617,666	677,438	743,187
Operating Income	78,553	188,541	319,848	475,665	659,616	890,206	1,143,271	1,384,823	1,545,087	1,723,080
Gain / (loss) on sale of machinery & equipment	-	-	-	-	26,000	-	-	-	-	
Earnings Before Interest & Taxes	78,553	188,541	319,848	475,665	685,616	890,206	1,143,271	1,384,823	1,545,087	1,723,080
Subtotal	-	-	-	-	-	-	-	-	-	-
Earnings Before Tax	78,553	188,541	319,848	475,665	685,616	890,206	1,143,271	1,384,823	1,545,087	1,723,080
Tax	15,711	37,708	63,970	95,133	137,123	178,041	228,654	276,965	309,017	344,616
NET PROFIT/(LOSS) AFTER TAX	**62,842**	**150,833**	**255,878**	**380,532**	**548,493**	**712,165**	**914,617**	**1,107,858**	**1,236,069**	**1,378,464**
	3%	6%	9%	12%	15%	17%	20%	21%	21%	22%
Balance brought forward		12,568	32,680	57,712	87,649	636,142	1,348,307	2,262,924	3,370,782	4,606,851
Total profit available for appropriation	62,842	163,402	288,558	438,244	636,142	1,348,307	2,262,924	3,370,782	4,606,851	5,985,315
Dividend	50,274	130,721	230,847	350,595	-	-	-	-	-	-
Balance carried forward	12,568	32,680	57,712	87,649	636,142	1,348,307	2,262,924	3,370,782	4,606,851	5,985,315

12.2 Balance Sheet

Calculations **SMEDA**

Balance Sheet

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Assets											
Current assets											
Cash & Bank	320,002	333,450	378,310	423,692	471,960	953,520	1,671,671	2,581,847	3,684,498	4,913,940	6,444,092
Accounts receivable		39,566	42,549	48,913	56,124	64,289	73,525	83,966	95,166	105,869	116,456
Raw material inventory	23,985	28,454	33,691	39,820	46,986	55,358	65,130	75,637	85,773	97,266	-
Pre-paid building rent	20,000	22,000	24,200	26,620	29,282	32,210	35,432	38,975	42,872	47,159	-
Total Current Assets	363,987	423,471	478,750	539,045	604,353	1,105,378	1,845,758	2,780,425	3,908,309	5,164,235	6,560,548
Fixed assets											
Machinery & equipment	65,000	58,500	52,000	45,500	39,000	115,458	100,662	85,867	71,071	56,275	41,479
Furniture & fixtures	51,500	46,350	41,200	36,050	30,900	25,750	20,600	15,450	10,300	5,150	-
Total Fixed Assets	116,500	104,850	93,200	81,550	69,900	141,208	121,262	101,317	81,371	61,425	41,479
Intangible assets											
Pre-operation costs	113,500	90,800	68,100	45,400	22,700	-	-	-	-	-	-
Legal, licensing, & training costs	-	-	-	-	-	-	-	-	-	-	-
Total Intangible Assets	113,500	90,800	68,100	45,400	22,700	-	-	-	-	-	-
TOTAL ASSETS	**593,987**	**619,121**	**640,050**	**665,995**	**696,953**	**1,246,586**	**1,967,021**	**2,881,742**	**3,989,680**	**5,225,660**	**6,602,027**
Liabilities & Shareholders' Equity											
Current liabilities											
Accounts payable		6,066	6,883	7,796	8,817	9,958	11,231	12,636	14,016	15,226	14,429
Other liabilities											
Total Current Liabilities	-	6,066	6,883	7,796	8,817	9,958	11,231	12,636	14,016	15,226	14,429
Other liabilities											
Deferred tax		6,500	6,500	6,500	6,500	6,500	13,496	12,196	10,896	9,596	8,296
Total Long Term Liabilities	-	6,500	6,500	6,500	6,500	6,500	13,496	12,196	10,896	9,596	8,296
Shareholders' equity											
Paid-up capital	593,987	593,987	593,987	593,987	593,987	593,987	593,987	593,987	593,987	593,987	593,987
Retained earnings		12,568	32,680	57,712	87,649	636,142	1,348,307	2,262,924	3,370,782	4,606,851	5,985,315
Total Equity	593,987	606,555	626,667	651,699	681,636	1,230,129	1,942,294	2,856,911	3,964,769	5,200,838	6,579,302
TOTAL CAPITAL AND LIABILITIES	**593,987**	**619,121**	**640,050**	**665,995**	**696,953**	**1,246,586**	**1,967,021**	**2,881,742**	**3,989,680**	**5,225,660**	**6,602,027**
	-	-	-	-	-	-	-	-	-	-	-

12.3 Cash Flow Statement

Calculations SMEDA

Cash Flow Statement

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Operating activities											
Net profit		62,842	150,833	255,878	380,532	548,493	712,165	914,617	1,107,858	1,236,069	1,378,464
Add: depreciation expense		11,650	11,650	11,650	11,650	11,650	19,946	19,946	19,946	19,946	19,946
amortization of pre-operating costs		22,700	22,700	22,700	22,700	22,700	-	-	-	-	-
amortization of training costs		-	-	-	-	-	-	-	-	-	-
Deferred income tax		6,500	-	-	-	-	6,996	(1,300)	(1,300)	(1,300)	(1,300)
Accounts receivable		(39,566)	(2,983)	(6,364)	(7,211)	(8,165)	(9,236)	(10,441)	(11,200)	(10,703)	(10,587)
Finished goods inventory		-	-	-	-	-	-	-	-	-	-
Equipment inventory	-	-	-	-	-	-	-	-	-	-	-
Raw material inventory	(23,985)	(4,469)	(5,236)	(6,129)	(7,166)	(8,372)	(9,772)	(10,507)	(10,135)	(11,494)	97,266
Pre-paid building rent	(20,000)	(2,000)	(2,200)	(2,420)	(2,662)	(2,928)	(3,221)	(3,543)	(3,897)	(4,287)	47,159
Pre-paid machinery & equipment lease interest	-	-	-	-	-	-	-	-	-	-	-
Pre-paid office equipment lease interest	-	-	-	-	-	-	-	-	-	-	-
Pre-paid office vehicles lease interest	-	-	-	-	-	-	-	-	-	-	-
Advance insurance premium	-	-	-	-	-	-	-	-	-	-	-
Accounts payable		6,066	817	914	1,021	1,140	1,273	1,404	1,380	1,210	(797)
Other liabilities		-	-	-	-	-	-	-	-	-	-
Cash provided by operations	(43,985)	63,722	175,581	276,229	398,863	564,519	718,151	910,176	1,102,651	1,229,442	1,530,152
Financing activities											
Issuance of shares	593,987	-	-	-	-	-	-	-	-	-	-
Purchase of (treasury) shares											
Cash provided by / (used for) financing activities	593,987	-	-	-	-	-	-	-	-	-	-
Investing activities											
Capital expenditure	(230,000)	-	-	-	-	(82,958)	-	-	-	-	-
Acquisitions											
Cash (used for) / provided by investing activities	(230,000)	-	-	-	-	(82,958)	-	-	-	-	-
NET CASH	320,002	63,722	175,581	276,229	398,863	481,560	718,151	910,176	1,102,651	1,229,442	1,530,152
Cash balance brought forward		320,002	333,450	378,310	423,692	471,960	953,520	1,671,671	2,581,847	3,684,498	4,913,940
Cash available for appropriation	320,002	383,724	509,031	654,539	822,555	953,520	1,671,671	2,581,847	3,684,498	4,913,940	6,444,092
Dividend		50,274	130,721	230,847	350,595	-	-	-	-	-	-
Cash balance	320,002	333,450	378,310	423,692	471,960	953,520	1,671,671	2,581,847	3,684,498	4,913,940	6,444,092
Cash carried forward	320,002	333,450	378,310	423,692	471,960	953,520	1,671,671	2,581,847	3,684,498	4,913,940	6,444,092

13 KEY ASSUMPTIONS

13.1 Operating Cost Assumptions

No. of Working Days in One Year	312
No. of Working Hours in One Day	08

13.2 Production Cost Assumptions

Starting Service Capacity Utilization	65%
Maximum Service Capacity Utilization	85%
Service Capacity Utilization Growth Rate / Yr.	03%

13.3 Revenue Assumptions

Average Service Fee Charged for various services	Rs.1290
Sale Price Growth Rate	10%

13.4 Financial Assumptions

Debt	0%
Equity	100%

13.5 Expense Assumptions

Description	Cost / Rate
Cost of Goods Sold Growth Rate	08%

Small and Medium Enterprises Development Authority

HEAD OFFICE

4th Floor, Building No. 3, Aiwan-e-Iqbal Complex, Egerton Road, Lahore
Tel: (92 42) 111 111 456, Fax: (92 42) 36304926-7

www.smeda.org.pk, **helpdesk@smeda.org.pk**

REGIONAL OFFICE PUNJAB	REGIONAL OFFICE SINDH	REGIONAL OFFICE KPK	REGIONAL OFFICE BALOCHISTAN
3rd Floor, Building No. 3, Aiwan-e-Iqbal Complex, Egerton Road Lahore, Tel: (042) 111-111-456 Fax: (042) 36304926-7 helpdesk.punjab@smeda.org.pk	5TH Floor, Bahria Complex II, M.T. Khan Road, Karachi. Tel: (021) 111-111-456 Fax: (021) 5610572 helpdesk-khi@smeda.org.pk	Ground Floor State Life Building The Mall, Peshawar. Tel: (091) 9213046-47 Fax: (091) 286908 helpdesk-pew@smeda.org.pk	Bungalow No. 15-A Chaman Housing Scheme Airport Road, Quetta. Tel: (081) 831623, 831702 Fax: (081) 831922 helpdesk-qta@smeda.org.pk