



Pre-feasibility Study

FRUIT & VEGETABLE MOBILE SHOP

December 2020

“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, and revenues 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

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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.

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Document Control

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2 EXECUTIVE SUMMARY

Fruit & Vegetable Mobile shop is proposed to be located in or near those areas to improve access to fruits and vegetables for people living in areas with limited access of shops selling fruit and vegetables.

The project will sell all seasonal fresh fruits and vegetables which are mostly produced within Pakistan. The van buy fruit and vegetables from a wholesale market or local wholesalers and sell the fruit and vegetables on the street at recognized and pre advertised venues throughout the day (up to 10 venues for 30 mins/day). Supplying other areas helps increase turn over and reduce running cost.

It is important to aim for at least six days trading per week as wastage of the fruit and vegetables is inevitable if trading is limited to a smaller numbers of days

Capacity; Installed capacity **61,380 kg** fruits and vegetables yearly and initial utilization **46,035 kg, 75%**.

Total Cost Estimates is **Rs. 1,938,702** with fixed investment **Rs. 1,592,450** and working capital **Rs. 346,252**.

Given the cost assumptions IRR and payback are **33%** and **2.85 years** respectively

The most critical considerations or factors for success of the project are: availability of fresh fruits and vegetables, pricing strategy, identification of location/mapping areas, marketing strategy, promotional incentives and customer service.

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 **Fruit & Vegetable Mobile Shop** 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 its successful management.

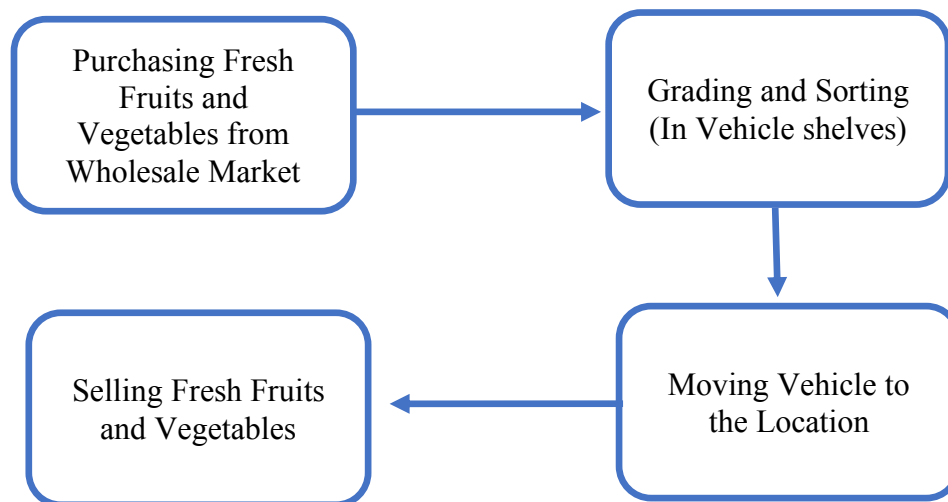
Apart from carefully studying the whole document one must consider critical aspects provided later on, which form basis of any Investment Decision.

5 BRIEF DESCRIPTION OF PROJECT & PRODUCT

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

- **Technology:** The proposed fruit & vegetable mobile shop will have a modified van to sell fresh fruits and vegetables in the community. The van includes water sprays, cold storage boxes, vegetable baskets, receipt printing weighing scale and energy backup.
- **Location:** The unit would be located in or near those communities to improve access to fruits and vegetables for people living in areas with limited access of shops selling fruit and vegetables.
- **Product:** The proposed project will sell all seasonal fresh fruits and vegetables which are mostly produced within Pakistan.
- **Target Market:** The target market will be those areas who have limited access especially in metropolis area; Quetta, Karachi, Peshawar, Lahore Islamabad or anywhere in Pakistan. .
- **Employment Generation:** The proposed project will provide direct employment to 3 people.

5.1 Production Process Flow



5.2 Installed And Operational Capacities

The fruit & vegetable mobile shop has the capacity of selling approximately 61,380 Kg of fruits and vegetables annually and will be operational for 330 days a year and 12 hours a day. The van buy fruit and vegetables from a wholesale market or local wholesalers and sell the fruit and vegetables on the street at recognized and pre advertised venues throughout the day (up to 10 venues for 30 mins/day). Supplying other areas helps increase turn over and reduce running cost.

Initially the fruit & vegetable mobile shop will be operated at the rate of 75% of capital utilization and will be increased by 5% annually. The Maximum capacity utilization will be 95%.

6 CRITICAL FACTORS

The critical factors for this fruit & vegetable mobile shop business are following:

- Availability of Fresh Fruits and Vegetables
- Pricing Strategy
- Identification of location/Mapping areas
- Promotions/Marketing
- Incentives
- Customer service

7 GEOGRAPHICAL POTENTIAL FOR INVESTMENT

Agriculture constitutes the largest sector of Pakistan's economy. Majority of the population, directly or indirectly, dependent on this sector. It contributes about 24 percent of Gross Domestic Product (GDP) and accounts for half of employed labor force and is the largest source of foreign exchange earnings. It feeds whole rural and urban population. Realizing its importance, planners and policy makers are always keen to have reliable area and production statistics of agricultural crops well in time. Policy makers primarily need accurate and timely statistics for the important crops such as wheat, cotton, rice, sugarcane, maize etc. However, in recent years, due to persistent hikes in the prices of essential commodities like pulses, onions, potatoes, chilies and tomatoes these crops have also gained in economic importance.

Balochistan is full of natural resources and profiting the country, it is also called "The Fruit Basket of Pakistan". Balochistan is sharing 90 percent national production of grapes, cherry and almonds, almost 60 percent of peach, pomegranate, apricot and around 34 percent apple and 70 percent of dates. In Balochistan, 149,726 hectares areas are covered by the fruit crops and nearly

889490 tons of production is successfully being achieved every year. Over thousands tons of apples are exported from Balochistan annually and around 80 percent of the quality apples are produced in the province.

Fruit production is in high land of Balochistan which contains south-western regions are depended on ground water. The province is also well-known for its grape production of different varieties. Mostly the grapes are grown in Quetta, Pishin, Kalat, Zhob, Loralia and other districts. These districts are not only profiting the province but almost the entire country.

8 POTENTIAL TARGET CUSTOMERS / MARKETS

The target customers for fruit and vegetables are the people living in areas with limited access to shops selling fruit and vegetables. The need for this kind of project is usually identified by some mapping of areas for shops selling fruit and vegetables or by participatory appraisal techniques to identify that residents have difficulty in buying fruit and vegetables.

The van buy fruit and vegetables from a wholesale market or local wholesalers and sell the fruit and vegetables on the street at recognized and pre advertised venues throughout the day (up to 10 venues for 30 mins/day). Supplying other areas helps increase turn over and reduce running cost.

It is important to aim for at least six days trading per week as wastage of the fruit and vegetables is inevitable if trading is limited to a smaller numbers of days.

9 PROJECT COST SUMMARY

9.1 Project Economics

All the figures in this financial model have been calculated for estimated sales of Rs. 3.9 million in the year one. The capacity utilization during year one is worked out at 75% with 5% increase in subsequent years up to the maximum capacity utilization of 95%.

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

Table 1: Project Economics

Description	Details
Internal Rate of Return (IRR)	33%
Payback Period (yrs.)	2.85
Net Present Value (Rs.)	1,480,110

9.2 Project Financing

Following table provides details of the equity required and variables related to bank loan;

Table 2: Project Financing

Description	Details
Total Equity (50%)	Rs.969,351
Bank Loan (50%)	Rs.969,351
Markup to the Borrower (%age / annum)	16%
Tenure of the Loan (Years)	5

9.3 Project Cost

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

Table 3: Project Cost

Description	Amount Rs.
Capital Cost	
Machinery and Equipment	233,500
Furniture & Fixture	5,000
Vehicle	1,153,950
Equipment	135,000
Pre-operating Cost	65,000
Total Capital Cost	1,592,450
Working Capital	
Raw Material Inventory	76,880
Up-front insurance payment	69,373
Cash	200,000
Total Working Capital	346,252
Total Project Cost	1,938,702

9.4 Machinery & Equipment Requirement

Machinery and equipment for the proposed project are stated below.

Table 4: Machinery & Equipment

Description	Quantity	Unit Cost (Rs.)	Total Cost (Rs.)
Vehicle body modification	1	100,000	100,000
Water sprayers	5	1,000	5,000
Cold Storage box	1	50,000	50,000
Vegetable Baskets	10	500	5,000
Receipt Printing Weighing Scale	1	25,000	25,000
UPS, Battery with Solar Panel	1	48,500	48,500
Total			233,500

9.5 Furniture & Fixtures Requirement

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

Table 5: Furniture & Fixture

Description	Quantity	Unit Cost (Rs.)	Total Cost (Rs.)
Chairs	2	1,000	2,000
Electric wiring and lights	1	3,000	3,000
Total			5,000

9.6 Office Equipment Requirement

Following office equipment will be required for Fruit & Vegetable Mobile Shop

Table 6: Office Equipment

Description	Quantity	Unit Cost (Rs.)	Total Cost (Rs.)
Laptop	1	85,000	85,000
Mobile Phone	1	45,000	45,000
Internet Device	1	5,000	5,000
Total			135,000

9.7 Human Resource Requirement

In order to run operations of Fruit & Vegetable Mobile Shop smoothly, details of human resources required along with number of employees and monthly salary are recommended as under;

Table 7: Human Resource Requirement

Description	No. of Employees	Monthly Salary per person (Rs.)
Driver and Cashier	1	25,000
Helpers	2	20,000
Total	3	

9.8 Utilities and other costs

An essential cost to be borne by the project is the cost of fuel. The communication expenses are estimated to be around Rs. 4,550 per month, whereas, vehicle expenses are estimated to be Rs. 288,488/year. Furthermore, promotional expense being essential for marketing of Fruit & Vegetable Mobile Shop is estimated as 1% of administrative / cost of sales expenses.

9.9 Revenue Generation

The prices can fluctuate depending on seasons and they need to increase the price of fruit and vegetables by a further 33% at least to achieve sustainability. Based on the capacity utilization of 75% for all products, sales revenue during the first year of operations is estimated as under;

Table 8: Revenue Generation – Year 1

Description	No. of kg Produced (Y1 at 75% Capital Utilization)	Sale Price / Kg (Rs.)	Sales Revenue (Rs.)
Peas	1,238	100	123,750
Egg plant	1,238	40	49,500
Tomato	3,713	50	185,625
Cabbage	495	100	49,500
Cucumber	2,475	60	148,500
Onion	4,950	50	247,500

Garlic	248	400	99,000
Ginger	248	400	99,000
Potato	2,475	30	74,250
Carrot	743	80	59,400
Green beans	495	150	74,250
Turnip	495	80	39,600
Peppers	495	300	148,500
Cauliflower	743	80	59,400
Lettuce	2,475	10	24,750
Spinach	1,485	40	59,400
Radish	248	50	12,375
Okra / lady finger	1,238	120	148,500
Ridge gourd	1,238	80	99,000
Lemon	495	200	99,000
Watermelon	7,425	50	371,250
Cherry	743	400	297,000
Apple	1,238	150	185,625
Orange	1,238	100	123,750
Mango	1,238	120	148,500
Grapes	1,238	150	185,625
Banana	1,238	100	123,750
Peach	743	100	74,250
Apricot	743	120	89,100
Papaya	495	250	123,750
Grapefruit	495	150	74,250
Pomegranate	1,238	150	185,625
Pears	743	100	74,250
Total	46,035		3,957,525

10 CONTACT DETAILS

In order to facilitate potential investors, contact details of private sector Service Providers relevant to the proposed project be given.

10.1 Machinery Suppliers

Name of Supplier	Address	Phone	Fax	E-mail	Website
FAW Motors	Main National Highway, Zulfiqarabad Karachi, Pakistan.	(92-21) 111 - 092 - 111	(92-21) 34100922	info@alhajfaw.com, customersupport@alhajfaw.com	https://alhajfaw.com
Haji Abbas Body Makers	Plot No. A-38, Sector N A-12 Adbullah Palari Goth, Near Sohrab Goth Bridge, Khadda Market Main Super Highway Karachi Karachi, Pakistan	0300 8269297		sales@habfabrication.com	http://www.habfabrication.com/
CHANGAN MOTORS	2nd Floor, 54 Dar-ul-Aman Cooperative Housing Society Main Shahr-e-Faisal, Karachi	(021) 111 627 837		customer.care@changan.com.pk	https://changan.com.pk/

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.livestockpunjab.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

Statement Summaries Income Statement										SMEDA
										Rs. in actuals
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Revenue	3,957,525	4,432,428	4,944,927	5,497,596	6,093,169	6,397,827	6,717,719	7,053,604	7,406,285	7,776,599
Cost of goods sold	1,847,903	2,069,695	2,309,058	2,567,195	2,845,387	2,987,746	3,137,235	3,294,211	3,459,050	3,632,147
Gross Profit	2,109,623	2,362,733	2,635,869	2,930,401	3,247,782	3,410,081	3,580,484	3,759,394	3,947,235	4,144,452
<i>General administration & selling expenses</i>										
Administration expense	787,800	864,501	948,670	1,041,034	1,142,391	1,253,616	1,375,669	1,509,607	1,656,584	1,817,871
Rental expense	-	-	-	-	-	-	-	-	-	-
Utilities expense	36,000	39,600	43,560	47,916	52,708	57,978	63,776	70,154	77,169	84,886
Travelling & Comm. expense (phone, fax, etc.)	66,300	72,755	79,839	87,612	96,142	105,502	115,774	127,046	139,415	152,989
Office vehicles running expense	288,488	317,336	349,070	383,977	422,375	464,612	511,073	562,181	618,399	680,238
Office expenses (stationary, etc.)	-	-	-	-	-	-	-	-	-	-
Promotional expense	39,575	44,324	49,449	54,976	60,932	63,978	67,177	70,536	74,063	77,766
Insurance expense	69,373	56,666	43,959	31,252	18,545	98,760	79,008	59,256	39,504	19,752
Professional fees (legal, audit, etc.)	19,788	22,162	24,725	27,488	30,466	31,989	33,589	35,268	37,031	38,883
Depreciation expense	268,140	268,140	268,140	268,140	268,140	409,040	409,040	409,040	409,040	409,040
Amortization expense	13,000	13,000	13,000	13,000	13,000	-	-	-	-	-
Property tax expense	-	-	-	-	-	-	-	-	-	-
Miscellaneous expense	39,575	44,324	49,449	54,976	60,932	63,978	67,177	70,536	74,063	77,766
Subtotal	1,628,038	1,742,809	1,869,861	2,010,370	2,165,629	2,549,453	2,722,283	2,913,623	3,125,268	3,359,192
Operating Income	481,584	619,924	766,009	920,030	1,082,153	860,628	858,200	845,771	821,967	785,260
Other income	26,609	46,055	70,551	92,698	97,937	137,427	229,361	325,949	426,682	541,875
Gain / (loss) on sale of assets	-	-	-	-	461,580	-	-	-	-	-
Earnings Before Interest & Taxes	508,193	665,979	836,560	1,012,728	1,641,670	998,055	1,087,561	1,171,720	1,248,648	1,327,135
Interest expense	142,764	108,871	87,383	62,456	33,541	66,128	56,512	45,358	32,419	17,410
Earnings Before Tax	365,429	557,108	749,177	950,272	1,608,129	931,927	1,031,049	1,126,362	1,216,229	1,309,724
Tax	149,826	228,414	307,163	389,611	659,333	382,090	422,730	461,808	498,654	536,987
NET PROFIT/(LOSS) AFTER TAX	215,603	328,693	442,015	560,660	948,796	549,837	608,319	664,554	717,575	772,737
Balance brought forward		107,802	218,248	330,131	445,396	1,394,191	1,944,029	2,552,348	3,216,901	3,934,476
Total profit available for appropriation	215,603	436,495	660,262	890,791	1,394,191	1,944,029	2,552,348	3,216,901	3,934,476	4,707,214
Dividend	107,802	218,248	330,131	445,396	-	-	-	-	-	-
Balance carried forward	107,802	218,248	330,131	445,396	1,394,191	1,944,029	2,552,348	3,216,901	3,934,476	4,707,214

12.2 Balance Sheet

Statement Summaries											SMEDA
Balance Sheet											Rs. in actuals
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Assets											
<i>Current assets</i>											
Cash & Bank	200,000	332,181	588,926	822,104	1,031,852	926,883	1,821,664	2,765,552	3,753,428	4,780,205	6,057,286
Accounts receivable	-	32,528	34,479	38,537	42,914	47,633	51,333	53,900	56,594	59,424	62,395
Finished goods inventory	-	-	-	-	-	-	-	-	-	-	-
Equipment spare part inventory	-	-	-	-	-	-	-	-	-	-	-
Raw material inventory	76,880	88,688	101,911	116,700	133,223	144,081	155,824	168,523	182,258	197,112	-
Pre-paid annual land lease	-	-	-	-	-	-	-	-	-	-	-
Pre-paid building rent	-	-	-	-	-	-	-	-	-	-	-
Pre-paid lease interest	-	-	-	-	-	-	-	-	-	-	-
Pre-paid insurance	69,373	56,666	43,959	31,252	18,545	98,760	79,008	59,256	39,504	19,752	-
Total Current Assets	346,252	510,062	769,275	1,008,593	1,226,534	1,217,358	2,107,828	3,047,231	4,031,784	5,056,493	6,119,682
<i>Fixed assets</i>											
Land	-	-	-	-	-	-	-	-	-	-	-
Building/Infrastructure	-	-	-	-	-	-	-	-	-	-	-
Machinery & equipment	233,500	210,150	186,800	163,450	140,100	116,750	93,400	70,050	46,700	23,350	-
Furniture & fixtures	5,000	4,500	4,000	3,500	3,000	2,500	2,000	1,500	1,000	500	-
Office vehicles	1,153,950	923,160	692,370	461,580	230,790	1,858,448	1,486,758	1,115,069	743,379	371,690	-
Office equipment	135,000	121,500	108,000	94,500	81,000	67,500	54,000	40,500	27,000	13,500	-
Total Fixed Assets	1,527,450	1,259,310	991,170	723,030	454,890	2,045,198	1,636,158	1,227,119	818,079	409,040	-
<i>Intangible assets</i>											
Pre-operation costs	65,000	52,000	39,000	26,000	13,000	-	-	-	-	-	-
Legal, licensing, & training costs	-	-	-	-	-	-	-	-	-	-	-
Total Intangible Assets	65,000	52,000	39,000	26,000	13,000	-	-	-	-	-	-
TOTAL ASSETS	1,938,702	1,821,372	1,799,445	1,757,623	1,694,424	3,262,556	3,743,986	4,274,349	4,849,863	5,465,533	6,119,682
Liabilities & Shareholders' Equity											
<i>Current liabilities</i>											
Accounts payable	-	15,906	17,835	19,922	22,177	24,550	25,814	27,145	28,545	30,020	29,819
Export re-finance facility	-	-	-	-	-	-	-	-	-	-	-
Short term debt	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-	-	-	-
Total Current Liabilities	-	15,906	17,835	19,922	22,177	24,550	25,814	27,145	28,545	30,020	29,819
<i>Other liabilities</i>											
Lease payable	-	-	-	-	-	-	-	-	-	-	-
Deferred tax	-	47,868	47,868	47,868	47,868	47,868	38,294	28,721	19,147	9,574	(0)
Long term debt	969,351	680,446	546,143	390,352	209,633	413,298	353,201	283,488	202,620	108,815	-
Total Long Term Liabilities	969,351	728,314	594,011	438,219	257,501	461,165	391,495	312,208	221,767	118,388	(0)
<i>Shareholders' equity</i>											
Paid-up capital	969,351	969,351	969,351	969,351	969,351	1,382,649	1,382,649	1,382,649	1,382,649	1,382,649	1,382,649
Retained earnings	-	107,802	218,248	330,131	445,396	1,394,191	1,944,029	2,552,348	3,216,901	3,934,476	4,707,214
Total Equity	969,351	1,077,153	1,187,599	1,299,482	1,414,747	2,776,841	3,326,678	3,934,997	4,599,550	5,317,125	6,089,863
TOTAL CAPITAL AND LIABILITY	1,938,702	1,821,372	1,799,445	1,757,623	1,694,424	3,262,556	3,743,986	4,274,349	4,849,863	5,465,533	6,119,682
<i>Note: Total assets value will differ from project cost due to first installment of leases paid at the start of year 0</i>											

12.3 Cash Flow Statement

Statement Summaries											SMEDA
Cash Flow Statement											
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Rs. in actuals Year 10
<i>Operating activities</i>											
Net profit	-	215,603	328,693	442,015	560,660	948,796	549,837	608,319	664,554	717,575	772,737
Add: depreciation expense	-	268,140	268,140	268,140	268,140	268,140	409,040	409,040	409,040	409,040	409,040
amortization expense	-	13,000	13,000	13,000	13,000	13,000	-	-	-	-	-
Deferred income tax	-	47,868	-	-	-	-	(9,573)	(9,574)	(9,574)	(9,574)	(9,574)
Accounts receivable	-	(32,528)	(1,952)	(4,058)	(4,377)	(4,719)	(3,700)	(2,567)	(2,695)	(2,830)	(2,971)
Finished good inventory	-	-	-	-	-	-	-	-	-	-	-
Equipment inventory	-	-	-	-	-	-	-	-	-	-	-
Raw material inventory	(76,880)	(11,809)	(13,223)	(14,789)	(16,523)	(10,858)	(11,743)	(12,700)	(13,735)	(14,854)	197,112
Pre-paid building rent	-	-	-	-	-	-	-	-	-	-	-
Pre-paid lease interest	-	-	-	-	-	-	-	-	-	-	-
Advance insurance premium	(69,373)	12,707	12,707	12,707	12,707	(80,215)	19,752	19,752	19,752	19,752	19,752
Accounts payable	-	15,906	1,930	2,087	2,255	2,373	1,264	1,331	1,401	1,474	(200)
Other liabilities	-	-	-	-	-	-	-	-	-	-	-
Cash provided by operations	(146,252)	528,887	609,296	719,101	835,862	1,136,517	954,877	1,013,601	1,068,743	1,120,584	1,385,896
<i>Financing activities</i>											
Change in long term debt	969,351	(288,905)	(134,303)	(155,792)	(180,718)	203,665	(60,097)	(69,713)	(80,867)	(93,806)	(108,815)
Change in short term debt	-	-	-	-	-	-	-	-	-	-	-
Change in export re-finance facility	-	-	-	-	-	-	-	-	-	-	-
Add: land lease expense	-	-	-	-	-	-	-	-	-	-	-
Land lease payment	-	-	-	-	-	-	-	-	-	-	-
Change in lease financing	-	-	-	-	-	-	-	-	-	-	-
Issuance of shares	969,351	-	-	-	-	413,298	-	-	-	-	-
Purchase of (treasury) shares	-	-	-	-	-	-	-	-	-	-	-
Cash provided by / (used for) financ	1,938,702	(288,905)	(134,303)	(155,792)	(180,718)	616,963	(60,097)	(69,713)	(80,867)	(93,806)	(108,815)
<i>Investing activities</i>											
Capital expenditure	(1,592,450)	-	-	-	-	(1,858,448)	-	-	-	-	-
Acquisitions	-	-	-	-	-	-	-	-	-	-	-
Cash (used for) / provided by invest	(1,592,450)	-	-	-	-	(1,858,448)	-	-	-	-	-
NET CASH	200,000	239,982	474,992	563,310	655,144	(104,969)	894,780	943,888	987,876	1,026,778	1,277,081
Cash balance brought forward		200,000	332,181	588,926	822,104	1,031,852	926,883	1,821,664	2,765,552	3,753,428	4,780,205
Cash available for appropriation	200,000	439,982	807,173	1,152,235	1,477,248	926,883	1,821,664	2,765,552	3,753,428	4,780,205	6,057,286
Dividend	-	107,802	218,248	330,131	445,396	-	-	-	-	-	-
Cash carried forward	200,000	332,181	588,926	822,104	1,031,852	926,883	1,821,664	2,765,552	3,753,428	4,780,205	6,057,286

13 KEY ASSUMPTIONS

13.1 Operating Cost Assumptions

Description	Details
Operational Day	330
Operational Hours	12
Shift/Day	1

13.2 Production Cost Assumptions

Description	Details
Capacity utilization	75%
Capital utilization growth rate	5%
Maximum capital utilization	95%

13.3 Revenue Assumptions

Description	Details
Revenue	Rs. 3,957,525
Cost of goods sold	Rs. 1,847,903
Sold in Y1 (kg)	46,035 kg

13.4 Financial Assumptions

Description	Details
Interest rate	16%
Debt: Equity ratio	50:50
Debt Tenure	5 Years

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