



Pre-feasibility Study

EDUCATION/IMMIGRATION CONSULTANTS

May 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, 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 to be obtained by the user. 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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2. EXECUTIVE SUMMARY

Immigration is a process through which individuals become permanent residents or citizens of foreign countries. People usually immigrate from developing or third world countries to the developed countries for living a better-quality life and availing better opportunities of education and employment.

During the past three decades, with the advancement in technology, the immigration market has witnessed a significant growth in Pakistan; especially to developed countries like Australia, Canada, UK and USA. Currently, Pakistan has the sixth largest diaspora¹ in the world.

Going abroad involves fulfilling many legal, procedural technical and other requirements, which the common citizens are unable to understand and fulfill on their own. As a result, the immigration applications of such people usually get rejected. Therefore, they need proper guidance and consultancy to successfully achieve their objective. This situation gives rise to demand for “Education/Immigration Consultants” firms which can provide legal, procedural, technical and other related guidance to the people seeking immigration and/or foreign education.

Pakistan, with 64% of its population under the age of 30 years, has one of the largest youth populations in the world. Majority of the young people wishes to get education and employment opportunities in developed countries; so as to secure a bright future for them. Growing international demand for professionals in the foreign world creates an attractive opportunity to start a business of Education/Immigration Consultants firm.

This pre-feasibility document provides details for setting up an Education/ Immigration Consultants firm. The proposed firm has an annual capacity of handling 104 applications from the clients. Capacity utilization in the first year of business operations is assumed to be 40%, whereas, the maximum capacity utilization is assumed to be 85%; to be achieved in the ten years of operations.

The Education/Immigration Consultants firm is proposed to be ideally located in metropolitan cities like Karachi, Lahore, Islamabad, Faisalabad, Peshawar, Quetta, Sialkot, Multan, Hyderabad, etc. These cities are preferred due to presence of large potential customer base and easy availability of qualified professionals and trainers.

The proposed project requires a total investment of PKR 6.50 million. This includes capital investment of PKR 4.95 million and working capital of PKR. 1.6 million. This project is financed through 100% equity. The Net Present Value (NPV) of project is PKR 79.52 million with an Internal Rate of Return (IRR) of 95% and a Payback period of 1.71 years. Further, this project is expected to generate Gross Profit (GP) ratio ranging from of 69% to 88% and Net Profit (NP) ratio ranging from 11% to 48% during the projection period of ten years. The proposed project will achieve its estimated breakeven point at capacity of 30% (31 cases) with breakeven revenue of PKR 16.23 million.

¹ Diaspora means population of the same heritage that is scattered in different parts of the world.

The proposed project may also be established using leveraged financing. At 50% financing at a cost of KIBOR+3%, the proposed business provides Net Present Value (NPV) of PKR 99.04 million, Internal Rate of Return (IRR) of 94% and Payback period of 1.72 years. Further, this project is expected to generate Net Profit (NP) ratio ranging from 10% to 48% during the projection period of ten years. The proposed project will achieve its estimated breakeven point at capacity of 32 cases with breakeven revenue of PKR 16.86 million.

The proposed project will provide employment opportunities to 13 to 15 people. High return on investment and steady growth of business is expected with the professionals having some prior experience or education in the related field of immigration business. The legal business status of this project is proposed as Partnership Concern. Further it may also be established as Sole Proprietorship.

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.

National Business Development Program for SMEs (NBDP) is a project of SMEDA, funded through Public Sector Development Program of Government of Pakistan.

The NBDP envisages provision of handholding support / business development services to SMEs to promote business startup, improvement of efficiencies in existing SME value chains to make them globally competitive and provide conducive business environment through evidence-based policy-assistance to the Government of Pakistan. The Project is objectively designed to support SMEDA's capacity of providing an effective handholding to SMEs. The proposed program is aimed at facilitating around 314,000 SME beneficiaries over a period of five years.

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 provide information to the potential investors about "Education/Immigration Consultants" firm. The document provides a general understanding of the business to facilitate potential investors in crucial and effective 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 setup and its successful management.

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

5. BRIEF DESCRIPTION OF PROJECT & SERVICES

The proposed Education/Immigration consultancy firm aims to provide consultancy services to the individuals intending to go to foreign countries. These services may be provided to people wishing to go as a student by getting admission in some foreign education institution; or to the ones wishing to go as permanent resident or citizen of a foreign country by getting an immigrant status.

This document provides details for setting up small size “Education/Immigration Consultants” firm dealing in immigration and foreign education matters. The proposed firm is assumed to operate for 8 hours a day for 280 days a year, which is equal to 2,240 annual working hours.

Pakistan has the world’s 6th largest diaspora in the world. Every year large number of people from Pakistan immigrates to foreign countries. Youth is the main target market for this business which is the 64% of the total population in Pakistan and this percentage of youth will keep on increasing till the year 2050. All these factors contribute to the high demand for Education/Immigration consultancy services. Therefore, it creates an attractive business opportunity for the entrepreneurs to invest in this business. The potential of the business can be further increased if there is easy access to the qualified persons and trainers who will be hired by the firm for the provision of quality services.

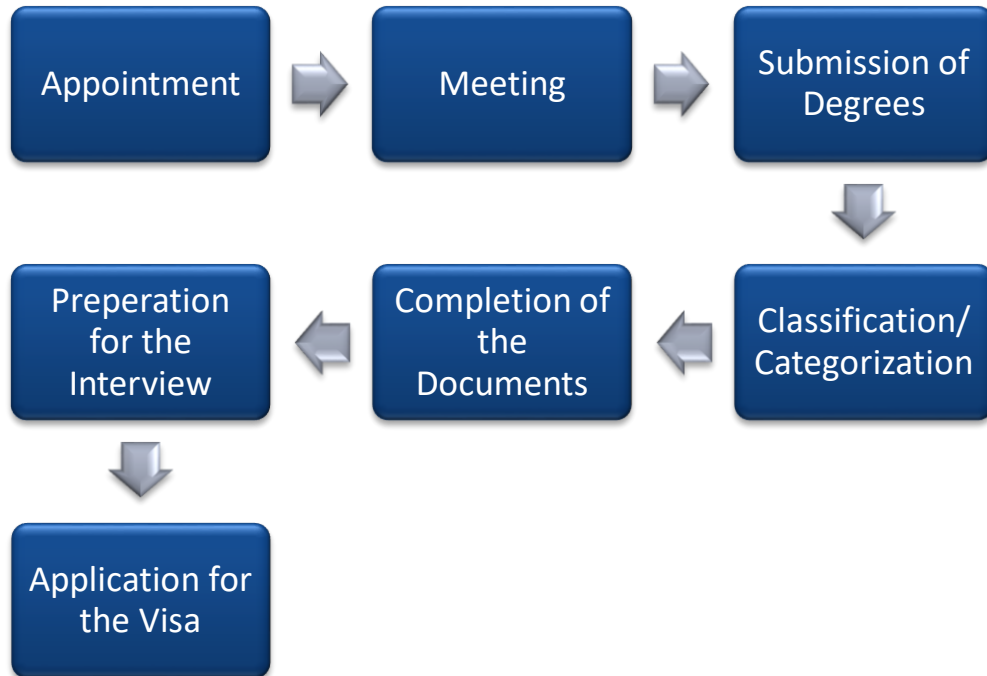
Going abroad requires fulfilling many legal, procedural, technical and other requirements, which the common citizens are unable to understand and fulfill on their own; due to which their immigration applications get rejected. Therefore, they need proper guidance and consultancy to achieve their objective. This creates a demand for “Education/Immigration Consultants” firms, which would provide consultancy services to the people seeking immigration and/or foreign education.

These services are rendered by thirteen persons; including two consultants and three overseas agents. Total space requirement to start this business is 900 square feet that would be rented.

5.1. Steps of Services

Services of Education/Immigration Consultants firm are provided in steps as shown Figure 1. Details of these steps are given below.

Figure 1: Process Flow of Firm



Appointment

Candidates seeking education and/or immigration of foreign countries get an appointment from the firm by making a telephonic call, registering online or personally visiting the firm's office. Online appointment can be booked anytime but telephonic call and personal visit can only be made during specified business hours.

Meeting

Candidates come to the office to meet the consultants for having discussions, at the specified date and time. They are given registration forms to fill the details. The required information includes their educational qualification, work experience (if any) and family details. They also inform about the country and type of visa (student or immigrant) they are interested in. If the candidates are interested in immigrant visa, they further have to provide the relevant information for that in the form.

Submission of Educational Degrees/Certificates

Candidates submit their educational degrees/certifications to the consultancy firm, which sends those to Higher Education Commission of Pakistan (HEC) for verification.

Classification/Categorization

Candidates are shortlisted for the next step by the firm only if their degrees/certifications are valid as per HEC; otherwise, the firm refuses to provide further service to them. Shortlisted candidates are then classified and categorized by the firm on the following basis:

- a) Countries
- b) Type of visa (student or immigration visa)
- c) Education/Qualification

Completion of the Documents/Visa Requirements/Legal Requirements

Firm then ensures that all documents, visa and legal requirements are completed as per the laws of Pakistan and the laws of the foreign country selected by the candidate.

Guidance for the Interview

The most important step in the process is preparing the candidate for the interview to be conducted by the embassy of the country where candidate has applied. Acceptance of visa application depends a lot on the interview. Qualified trainers in the consultancy firm guide the candidates for this interview.

Application for the Visa

After providing detailed guidance to the candidates for the interview (to be taken by relevant embassy), the firm applies for visas on behalf of the candidates.

Immigration Visa

Fee for both successful and unsuccessful applications are the same as both cases require equal number of hours and efforts to prepare applications and filing for further procedure. It is important to know that consultants check the eligibility criteria of a candidate before taking up a case, which helps in maintaining a higher success ratio. Applicants may also undergo an initial assessment by visiting the relevant government's website where the eligibility criteria/ points required for applying for immigration are mentioned. The applicants are charged USD 3,000 or equivalent for consultancy services by the firm before sending the application of visa to the relevant embassy.

Study Visa

In case of study visa, before applying for visa, it is important that the applicant must have secured admission in a foreign university/ educational institute. Before applying for visa, the consultant prepares the candidate's case and files for admission to the

relevant foreign university/institute. Preparing the students for admissions i.e. taking IELTS², SAT³ classes etc. is not in the scope of this study.

Upon confirmation of admission, the consultant now applies for study visa in the relevant embassy.

The firm charges USD 500 or equivalent from all the candidates before applying for their admissions; the services include both admission and visa application. In addition to the fee charged from students, the relevant university also pays commission amounting to USD 3,000 against each successful candidate who is admitted in the university.

5.2. Requirements for Immigration Visas of Different Countries

Australia

Australian immigration is the toughest as compared to the other developed countries. Australian Government offers only a permanent residency or PR visa to immigrants; with a validity of five years. The PR depends on the subclass of visas, which have different requirements depending upon the type of subclass.

Following are the general documents required for getting PR of Australia:

- Application form, which is different according to the subclass of visa for PR. The subclass the person applies for depends on his eligibility. The details are available on the Australian Government's official website.
- Report of Educational Credential Assessment, which the Australian Government recognizes
- Birth certificate verified by the authority of the country in which the person is born
- Character certificate of the person applying for PR; which can be obtained after giving the test of character to the Australian Government
- Proof of nomination (if any): Nomination is the process of identifying a position to be filled by an overseas skilled worker in a business. Depending on the visa type and stream and the desired occupation, one may need to be approved as a sponsor.
- Test results of IELTS or PTE⁴ examination for English proficiency. The minimum IELTS score for Australia migration and PR is 6 in all the four skill abilities of the English language.

² IELTS stands for The International English Language Testing System. It is an international standardized test of English language proficiency for non-native English language speakers. Passing this test is mandatory for immigration to English speaking countries.

³ Scholastic Assessment Test (SAT) is test conducted for college admissions in US by the College Board.

⁴ PTE stands for The Pearson Test of English Academic; it is a computer-based academic English language test aimed at non-native English speakers wanting to study abroad. It tests Reading, Writing, Listening and Speaking.

- A valid passport, which is valid for at least six months, otherwise the candidate has to renew his/her passport.
- 2 passport size photos, these photos should be taken within the last six months and must be colored.
- Spouse skill documents is required if a spouse is also applying for a PR visa.
- Police Clearance Certification (PCC): A police clearance is a certificate of an individual's criminal record check. It can be obtained by applying through either a local police station located in the residential state or territory, or through a government accredited provider. It needs to be provided if one is 17 years of age or above. Police certificates are valid for 12 months from the issue date.
- Business reference letters: A business reference letter is a written recommendation given by one entity on behalf of another entity which can either be an individual or an organization. It verifies the quality of goods and services or the dealings offered by the organization or individual to a potential client who plans to hire them.
- Proof of Funds: Bank statement of last six months is required. There is a minimum requirement for funds, which should be in the bank account of the person for the last six months, the amount varies with respect to the number of persons looking to immigrate and it keeps varying from time to time.

Canada

Following are the general requirements for the immigration to Canada:

- Valid Passports and Photographs: The passport must be valid for more than six months. The photographs must be identical and taken within the last six months.
- Language Test Results: To be eligible for Express Entry, one must prove his English or French language ability for which he needs to take an approved language test, get the minimum results required by the program which includes the results when you complete your Express Entry profile. The language test evaluates the abilities: of writing, reading, listening and speaking.
- Proof of Canadian education or an equivalent education which is accepted by Canada or an educational credential assessment report for immigration purposes.
- Provincial nomination: PNP Canada programs allow Canadian provinces to nominate individuals for immigration to their province based on criteria set by the provincial government. Successful applicants obtain a provincial nomination, which may then be used to apply to Immigration, Refugees and Citizenship Canada (IRCC) for permanent residence.
- Written job offers from an employer in Canada (if there is one), proof of work experience, certificate of qualification in a trade occupation issued by a Canadian province or territory.

- **Proof of Funds:** Bank statement of last six months is required. There is a minimum requirement for funds, which should be in the bank account of the person for the last six months, the amount varies with respect to the number of persons looking to immigrate and it keeps varying from time to time. The current amount required for the individual is 13-14 thousand Canadian Dollars. Further the rates could be confirmed online or the consultancy firm can guide about this in detail.
- **Proof of accommodation:** There will be need to present a document that shows where one will be accommodated while in the UK. Note that there is no need to fully pay a hotel/hostel in UK before getting the visa, just to get such a document.

United Kingdom (UK)

Following are the general requirements for immigration to UK:

- **UK visa application form:** According to the UK, the person applying for visa type one has to complete the form online at the website of the Visa4UK website, or the manual application form.
- **Two photographs:** These photos should be taken within the past six months and in color.
- **Valid Passport:** It must be valid for three more months beyond the date one plans to leave the UK after trip. It must also have at least one blank page for the visa.
- **Proof of having the financial means to cover the living costs while in the UK.** This may be bank statements for the last six months, or pay slips for the same period.
- **Proof of accommodation:** There will be need to present a document that shows where one will be accommodated while in the UK. Note that there is no need to fully pay a hotel/hostel in UK before getting the visa, just to get such a document.
- **Detailed travel itinerary:** A travel plan that gives all the information regarding how and what is one planning to do in the UK needs to be submitted. It should include the travel dates, places to be visited, meeting agenda, booked tour, festival agenda, etc.
- **Tuberculosis Test Results:** Nationals of several world countries will need to submit the requests of a Tuberculosis Test in order to be eligible for a UK Visa.
- **Biometric information:** If one is applying for a visa that lets one stay in UK for more than 6 months, he will need to submit his biometric information. This includes giving fingerprints and a digital photograph taken at the appropriate application center.
- **UK visa invitation letter. (If applicable):** If one will be staying over at a friend or a family member, he should submit a letter of invitation. His host must be a UK national or a legal resident.

- Paid UK visa fees: One should submit the receipt that confirms he has paid the visa fee as required.
- Certified translations of any document that is not in either English or Welsh.

United States of America (USA)

The following are the general requirements for the immigration of USA:

- Passport(s) valid for six months beyond the intended date of entry into the United States, unless longer validity is specifically requested by the U.S. Embassy/Consulate in one's country.
- Form DS-260⁵, Immigrant Visa and Alien Registration Application. Alien Registration Numbers are identification numbers for non-citizens. It is a way for the U.S. government to keep track of all the different immigration forms and petitions that a person might file over the years.
- Two 2x2 photographs, which should be of within the last six months.
- Civil Documents of the applicant: These civil documents must be issued by the official authority of the country from where the candidate is applying. The consular officer may ask for more information during the visa interview. One needs to bring his original civil documents (or certified copies) such as birth and marriage certificates, as well as legible photocopies of the original civil documents, and any required translations of his immigrant visa interview. Original documents and translations can then be returned after the verification.
- Financial Support: At immigrant visa interview, one must demonstrate to the consular officer that he is not likely to become a public charge in the United States. Public charge refers to an individual who is likely to become primarily dependent on the government for subsistence.
- Completed Medical Examination Forms: These are provided by the panel physician after one has completed his medical examination and vaccinations.

5.3. Installed and Operational Capacities

The proposed service providing unit shall, at maximum capacity of 100%, will provide services to 104 persons annually. It is assumed that during the projected period of 10 years, the firm shall continue to operate with 5% annual increase in capacity each year.

The firm would operate for 8 hours a day, working in one shift per day for 280 working days in a year.

Table 1 depicts the installed and operational capacities of the proposed unit.

⁵ The DS-260 is technically called an "immigrant visa application" (where "immigrant" means a permanent resident, not a tourist or other person who is only traveling to the United States on a temporary basis).

Table 1: Installed and Operational Capacity

| Description | Total Capacity/ No of Applications | Operational Capacity in first Year | Current Operational Capacity in first Year @50% |
|--|---|---|--|
| Maximum Successful Cases for Admission | 14 | 40% | 6 |
| Maximum Unsuccessful Cases for Admission | 52 | 40% | 21 |
| Maximum Successful Cases for Immigration | 34 | 40% | 14 |
| Maximum Unsuccessful Cases for Immigration | 4 | 50% | 2 |
| Total | 104 | | 43 |

Table 2: Admission and Placement Service Capacity

| Consultant 1 - Education, Admission and Placement | Maximum Successful Cases for Admission | Maximum Unsuccessful Cases for Admission |
|--|---|---|
| Number of Consultants | 1 | |
| Ratio of Applications | 1 | 4 |
| Unit of Measurement for Capacity | Hours | |
| Annual Working Hours | 2240 | |
| Hours per Application | 50 | 30 |
| Ratio for Hours Allocation | 50 | 120 |
| Maximum Hours available | 659 | 1581 |
| Maximum Cases Per Year | 14 | 52 |

Table 3: Immigration Service Capacity

| Consultant 2 – Immigratio n | Number of Consultant s | Unit of Measure ment for Capacity | Ratio | Annual Workin g Hours | Hours per Applicati on | Maximum Applicati ons Per Year |
|--|------------------------------|--|-------|--------------------------------|---------------------------------|---|
| Maximum Successful Cases for Immigration | 1 | Hours | 90% | 2,016 | 60 | 34 |
| Maximum Unsuccessf ul Cases for Immigration | | | 10% | 224 | 60 | 4 |
| Total | | | | 2,240 | | 38 |

6. CRITICAL FACTORS

Before making the decision to invest in Education/Immigration Consultants firm, following critical factors shall be considered.

- Complete knowledge of the laws and regulations related to the people's immigration to the proposed countries
- Detailed knowledge of the degrees/qualifications offered by the institutes/universities of the proposed countries
- Employment of qualified and trained staff
- Excellent communication skills of the employees
- Strong ties with the embassies and consulates
- Contacts in educational institutions in different countries
- Strict compliance with local laws, regulations requirements of Pakistan related to immigration
- Detailed and accurate guidance to the clients and;
- Regular follow up and timely query solving of the client

7. GEOGRAPHICAL POTENTIAL FOR INVESTMENT

The metropolitan cities of Lahore, Karachi, Islamabad, Quetta, Peshawar, Sialkot, Multan, Hyderabad, Faisalabad, etc. have huge potential for investment in this business because these are the most populated cities of Pakistan. Almost all the elite and upper-class lives in these cities and they are the ones most interested in going abroad for education or immigration.

Another important reason for establishing this business in the metropolitan cities is the proximity to embassies and consulates of different countries. It gives the firm an access easy to information sources and also helps it establishing strong ties with them. Strong relationships help the firm to effectively respond to the clients' queries and problems.

People from smaller cities also come to the big cities to get such education/immigration consultancy Easy availability of qualified professionals and trained staff in large cities further enhances the potential for investment in these cities.

8. POTENTIAL TARGET MARKETS

The main potential target market for this business is the educated youth. It mainly includes the students at under graduate and post-graduate levels. Youth belonging to elite and upper class are interested in making their careers overseas because they can afford academic and residential expenses abroad. Other significant target market includes newly married couples who wish to immigrate for better life style and educational opportunities for their children.

Mostly, the people are interested in the immigration of the countries like Australia, Canada, UK and USA because these are considered as the most developed countries of the world. The education systems of these countries are among the best in the world as they have some of the leading and esteemed universities. Students graduating from them can easily get jobs and high-end posts anywhere in the world.

For working purposes, people eye Middle Eastern countries like Saudi Arabia, Qatar, Bahrain, Kuwait and UAE. Mid-Eastern region invites people from South Asia for attractive jobs and pays handsome salaries to the professionals.

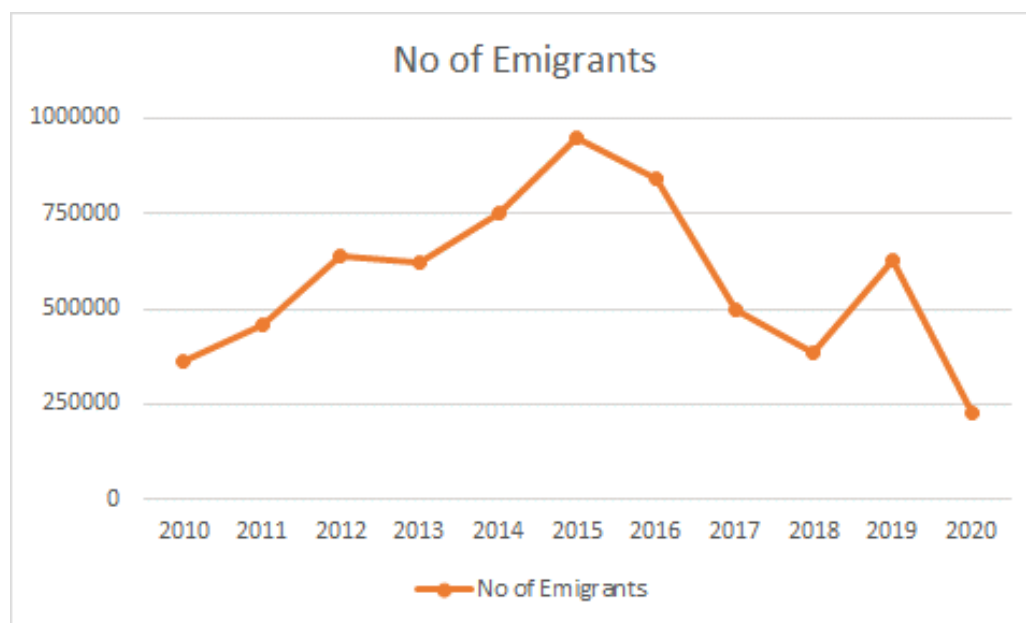
Due to CPEC, many Chinese are immigrating to Pakistan and vice versa. This trend has increased over the last five years. Students are keen to explore the education opportunities in China. Most of the students go to China for getting medical and engineering education since it is economical and the degrees are recognized all over the world. Due to friendly ties between the two countries, the Pakistani students do not face any difficulty in living or getting education in China. Not only students, but the businessmen also prefer China for doing business since it is one of the leading economies of the world with most business opportunities than any other country.

The trend of immigration was on the rise till 2019 but after the breakout of COVID-19 pandemic, this trend showed a decrease during the year 2020. The pandemic has negatively affected the business of Immigration. The travel laws and regulations have been tightened up everywhere and countries are formulating new immigration laws. For example, the COVID-19 vaccine certificates have become mandatory for getting the visas of almost any country. More restrictions have been placed on travel, immigration and study abroad and some countries are suffering complete travel bans for a particular period of time. Due to additional restrictions and regular changes in the visa requirements, there is a high degree of confusion among the people. Hence, the

need for Education/Immigration Consultancy firms has increased during this period. People need guidance more than ever before to acquire immigration visa, or to get admission in foreign universities.

According to Bureau of Emigration & Overseas Employment, there have been total 6,348,121 number of emigrants during the period from 2010 to 2020.

Figure 2: Graph Showing Emigrants over the Last Decade



The numbers of Overseas Pakistanis living, working and studying in different regions of the world are shown in Table 4 and in different countries are shown in Table 5 according to the yearbook of Ministry of Overseas Pakistanis and Human Resource Development.

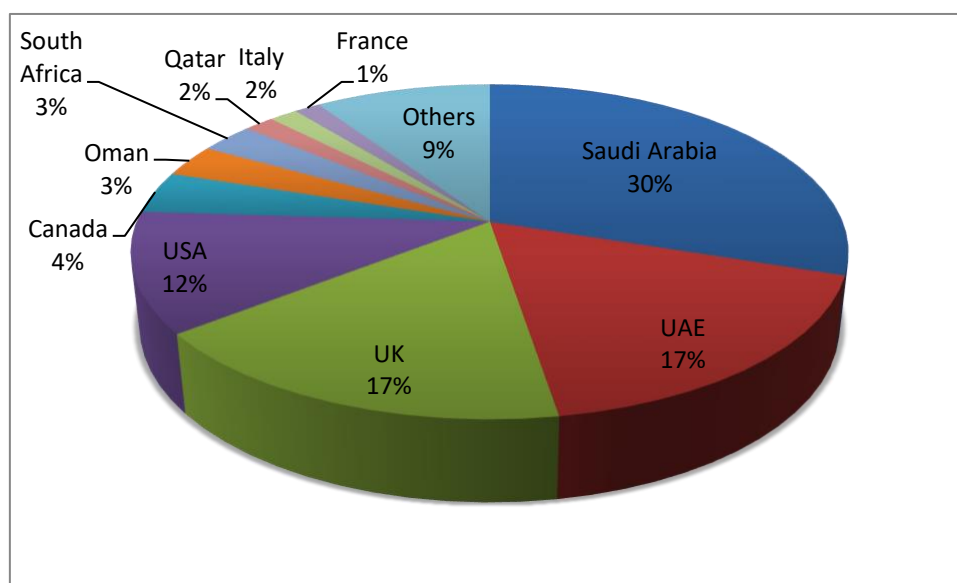
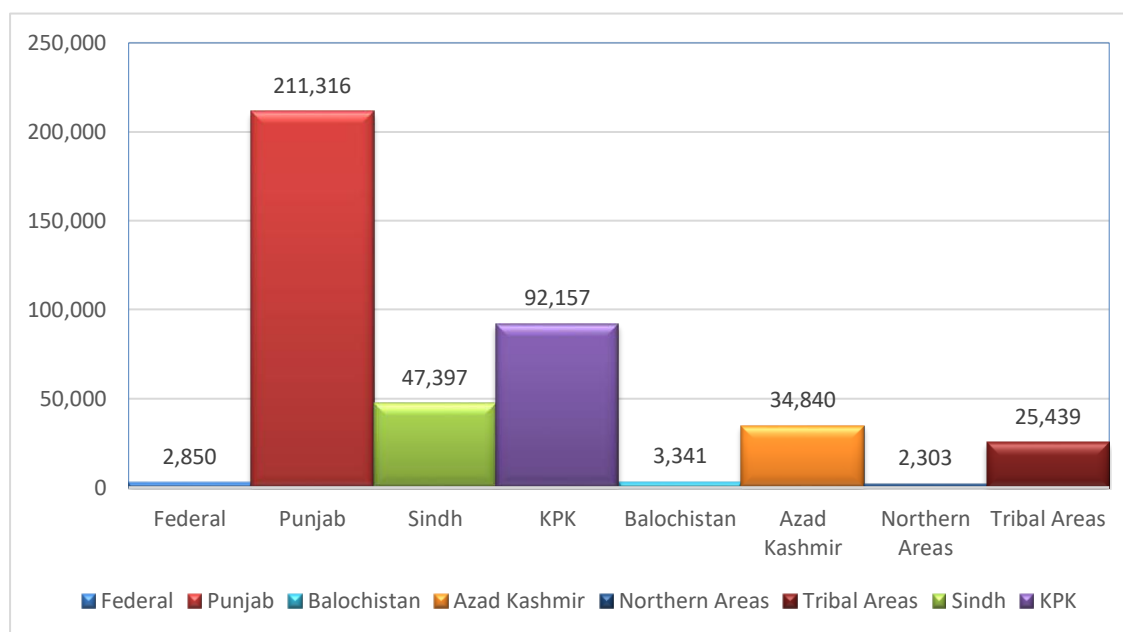
Table 4: No of Overseas Pakistanis in different Regions

| Name of Country | No. Of Overseas Pakistanis | Percentage Share |
|----------------------------|----------------------------|------------------|
| Africa | 285,271 | 3.22% |
| Americas (North and South) | 1,353,255 | 15.3% |
| Asia and Far East | 208,259 | 2.35% |
| Australia and New Zealand | 106,000 | 1.20% |
| Europe | 2,123,413 | 24.00% |
| Middle East | 4,761,913 | 53.00% |
| Others | 2,621 | 0.02% |
| Total | 8,840,732 | 100% |

Table 5: No of Overseas Pakistanis in Foreign Countries

| Name of Country | No. of Overseas Pakistanis |
|-----------------|----------------------------|
| Saudi Arabia | 2,600,000 |
| UAE | 1,500,000 |
| UK | 1,470,000 |
| USA | 1,000,000 |
| Canada | 350,000 |
| Oman | 271,143 |
| South Africa | 250,000 |
| Qatar | 140,000 |
| Italy | 130,593 |
| France | 120,000 |
| Bahrain | 117,000 |
| Kuwait | 107,575 |
| Germany | 103,220 |
| Australia | 100,000 |
| Spain | 100,000 |
| Malaysia | 75,235 |
| Norway | 50,000 |
| Iran | 40,000 |
| Denmark | 30,000 |
| Greece | 24,900 |
| Netherlands | 22,137 |
| Belgium | 15,000 |
| China | 15,000 |
| Japan | 14,312 |

The data shows that about 30% of total overseas Pakistanis are in Saudi Arabia, followed by UAE and UK. Figure 3 shows top 10 countries where Pakistani diaspora is living.

Figure 3: Pakistanis Working in Major Countries**Figure 4: No of Workers Registered for Overseas Employment (Province Wise)**

The graph in Figure 4 shows the number of Pakistanis from each province/region registered according to the Bureau of Emigration & Overseas Employment for employment overseas. Punjab has the largest number of employees working in foreign countries, which is over 200,000 it is followed by KPK with over 90,000 workers. It is followed by Sindh and Azad Kashmir with over 90,000 and 34,000 workers respectively.

9. PROJECT COST SUMMARY

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

The projected Income Statement, Cash Flow Statement and Balance Sheet are attached as Annexure.

9.1. Project Economics

9.1.1. Financial Feasibility Analysis

The financial feasibility analysis given Table 6 provides the information regarding projected IRR, NPV and payback period of the study, based on 100% equity

Table 6: Financial Feasibility Analysis

| Description | Project |
|----------------------------|------------|
| IRR | 95% |
| NPV (PKR) | 79,515,228 |
| Payback Period (years) | 1.71 |
| Projection Years | 10 |
| Discount rate used for NPV | 15% |

9.1.2. Financial Feasibility Debt Financing

The financial feasibility analysis given is shown in table. Table 7 provides the information regarding projected IRR, NPV and payback period of the study based on combination of equity (50%) and debt (50%) financing for the proposed project

Table 7: Financial Feasibility Analysis Debt

| Description | Project |
|----------------------------|------------|
| IRR | 94% |
| NPV (PKR) | 99,035,840 |
| Payback Period (years) | 1.72 |
| Projection Years | 10 |
| Discount rate used for NPV | 12% |

9.2. Project Cost

Total cost of the project has been calculated to be PKR. 6.5 million. The project will be financed through 100% Equity. Table 8 provides the detail of cost calculated for the proposed manufacturing unit.

Table 8: Project Cost

| Description | Amount (PKR) |
|------------------------------|------------------|
| Land | - |
| Building / Infrastructure | 229,000 |
| Furniture & fixtures | 1,224,000 |
| Office vehicles | 81,500 |
| Office equipment | 1,507,000 |
| Books and Related Resources | 100,000 |
| Pre-operating costs | 1,555,890 |
| Building Security | 255,000 |
| Total Capital Costs | 4,952,390 |
| Working Capital | |
| Consumables inventory | 52,000 |
| Cash | 1,500,000 |
| Total Working Capital | 1,552,000 |
| Total Project Cost | 6,504,390 |

Details of the listed items of the project cost are discussed in the following paragraphs:

9.2.1. Land

The Education/Immigration Consultants firm will be started in a rented building with an area of 900 sq. ft. This has been proposed to avoid the high land cost in a metropolitan city. Therefore, no land cost has been added to the project cost. Breakup of the space requirement is provided in Table 9.

Table 9: Breakup of Space Requirement

| Description | % Break-Up | Number | Area Sq. Ft. |
|-----------------------------|-------------|-----------|--------------|
| Consultants' Office | 18% | 2 | 160 |
| Assistants' Work Station | 11% | 1 | 100 |
| Conference Room | 19% | 1 | 168 |
| Reception/ Waiting Area | 13% | 1 | 120 |
| Non Core Staff Work Station | 16% | 1 | 144 |
| Washrooms | 12% | 3 | 108 |
| Corridor | 11% | 1 | 100 |
| Total | 100% | 10 | 900 |

9.2.2. Building

There will be no cost of building since the business will be set up in a rented premise of 900 sq. ft. However, building renovation cost is included in the capital investment. Table 10 provides details of building renovation cost.

Table 10: Building Renovation Cost

| Cost Item | Unit of Measurement | Total Liter / Area / Number | Cost/Unit/ Sq.feet | Total Cost (PKR) |
|--------------|---------------------|-----------------------------|--------------------|------------------|
| Paint Cost | Ltr | 90 | 500 | 45,000 |
| Labour Cost | Feet | 9,000 | 8 | 72,000 |
| Wall Racks | Units | 6 | 15,000 | 90,000 |
| Curtains | Units | 4 | 3,000 | 12,000 |
| Blinds | Units | 2 | 5,000 | 10,000 |
| Total | | | | 229,000 |

9.2.3. Furniture & Fixtures Requirement

Table 11 provides details of the furniture and fixture requirement of the project.

Table 11: Furniture and Fixtures Requirement

| Cost Item | No. | Unit Cost (PKR) | Total Cost (PKR) |
|--|-----|-----------------|------------------|
| Executive Chairs | 2 | 20,000 | 40,000 |
| Executive Desk | 2 | 30,000 | 60,000 |
| Staff Chairs | 6 | 10,000 | 60,000 |
| Staff Tables | 6 | 25,000 | 150,000 |
| Drawer Pedestal | 8 | 13,000 | 104,000 |
| Side Rack | 8 | 50,000 | 400,000 |
| Visitors Chairs (in different offices) | 16 | 10,000 | 160,000 |
| Sofa Set | 3 | 35,000 | 105,000 |
| Conference Room Furniture | 1 | 80,000 | 80,000 |
| Visitor Table | 1 | 15,000 | 15,000 |
| Decorations | | | 50,000 |
| Total | | | 1,224,000 |

9.2.4. Office Vehicle Requirement

Detail of office vehicle required for the project is provided in Table 12.

Table 12: Office Vehicle Requirement

| Cost Item | No. | Unit Cost (PKR) | Total Cost (PKR) |
|----------------------|-----|-----------------|------------------|
| Motorcycle | 1 | 80,000 | 80,800 |
| Registration Charges | | 1500 | 1,500 |
| Total | | | 81,500 |

9.2.5. Office Equipment Requirement

Detail of office equipment required for the project is provided in Table 13.

Table 13: Office Equipment Requirement

| Cost Item | No. | Unit Cost (PKR) | Total Cost (PKR) |
|--------------------------|-----|-----------------|------------------|
| Laptops | 8 | 80,000 | 640,000 |
| Printers | 3 | 40,000 | 120,000 |
| LCDs | 3 | 40,000 | 120,000 |
| Projector | 1 | 150,000 | 150,000 |
| Air Conditioners | 4 | 90,000 | 360,000 |
| Ceiling Fans | 10 | 4,500 | 45,000 |
| Security System (4 Cams) | 5 | 2,000 | 10,000 |
| DVR | 1 | 12,000 | 12,000 |
| Water Dispensers | 2 | 20,000 | 40,000 |
| Wi-Fi / Internet Routers | 2 | 5,000 | 10,000 |
| Total | | | 1,507,000 |

9.2.6. Books and Library

Detail of books and library requirement for the project is provided in Table 14.

Table 14: Books and Library

| Cost Item | No. | Unit Cost (PKR) | Total Cost (PKR) |
|---------------------------|-----|-----------------|------------------|
| Books and Other Resources | 50 | 2,000 | 100,000 |
| Total | | | 100,000 |

9.2.7. Pre-Operating Cost

Details of pre-operating cost for the project are provided in Table 15.

Table 15: Pre-Operating Cost

| Particulars | No. of Months | Monthly (PKR) | Total Cost (PKR) |
|--------------------------|---------------|---------------|------------------|
| Consultants | 2 | 400,000 | 800,000 |
| Assistants | 1 | 160,000 | 160,000 |
| Admin & Accounts Officer | 1 | 60,000 | 60,000 |
| Overseas Agents | 1 | 300,000 | 300,000 |
| Marketing Officer | 1 | 60,000 | 60,000 |
| Receptionist | 1 | 40,000 | 40,000 |
| Security | 1 | 20,000 | 20,000 |
| Janitorial Staff | 1 | 20,000 | 20,000 |
| Office Boy | 1 | 20,000 | 20,000 |
| Utilities exp. | 1 | | 75,890 |
| Total | | | 1,555,890 |

9.2.8. Security against Building Rent

Details of pre-operating cost for the project are provided in Table 16.

Table 16: Security against Building Rent

| Cost Item | No of Months | Unit Cost (PKR) | Total Cost (PKR) |
|--------------|--------------|-----------------|------------------|
| Security | 3 | 85,000 | 255,000 |
| Total | | | 255,000 |

9.2.9. Breakeven Analysis

Breakeven analysis is provided in Table 17.

Table 17: Breakeven Analysis

| Description | Amount First Year (PKR) | Ratios |
|---------------------|-------------------------|--------|
| Sales (PKR) | 22,551,650 | 100% |
| Variable Cost (PKR) | 9,307,075 | 41% |
| Contribution (PKR) | 13,244,575 | 59% |
| Fixed Cost (PKR) | 9,530,046 | 42% |
| Contribution Margin | 59% | |

| | |
|--------------------------------|------------|
| Breakeven Revenue | 16,226,890 |
| Breakeven Point (No. of cases) | 31 |
| Breakeven Capacity | 30% |

9.2.10. Revenue Generation

Based on the 40% capacity utilization of the unit, sales revenue during the first year of operations is estimated in Table 18 based on the service charges given in Table 19.

Table 18: Revenue Generation

| Cases | Clients | Capacity Utilization @ 50% | Charges (USD/client) | Charges/Client (PKR) | Total Revenue (PKR) |
|------------------------------------|---------|----------------------------|----------------------|----------------------|---------------------|
| Successful Cases for Admission | 14 | 6 | 3,000 | 516,450 | 3,098,700 |
| Unsuccessful Cases for Admission | 52 | 21 | 3,000 | 516,450 | 10,845,450 |
| Successful Cases for Immigration | 34 | 14 | 3,500 | 602,525 | 8,435,350 |
| Unsuccessful Cases for Immigration | 4 | 2 | 500 | 86,075 | 172,150 |
| Total | | | | | 22,551,650 |

Table 19: Service Charges

| Description | Charges per client (USD) | Conversion Rate (USD to PKR) | Charges per client (PKR) |
|------------------------------------|--------------------------|------------------------------|--------------------------|
| Successful Cases for Immigration | 3,000 | 172.15 | 516,450 |
| Unsuccessful Cases for Immigration | 3,000 | 172.15 | 516,450 |
| Successful Cases for Admission | 3,500 | 172.15 | 602,525 |
| Unsuccessful Cases for Admission | 500 | 172.15 | 86,075 |

Service Charges for successful and unsuccessful immigration applicants are the same, as both cases require same number of hours and effort for preparing documents and applying for visa. Further, the ratio of unsuccessful cases is minimum as consultants take up cases before doing initial assessment based on available eligibility criteria applicable for the relevant country.

9.2.11. Variable Cost Estimates

Variable costs of the project have been provided in detail in Table 20. Staff salaries and other variable cost estimate details have been provided in Table 21 and Table 22 respectively.

Table 20: Variable Cost Estimate

| Description of Costs | Amount (PKR) |
|--|------------------|
| Electricity Charges | 286,675 |
| Staff Salaries | 6,720,000 |
| Travelling expense | 374,400 |
| Communications expense (phone, mail, internet, etc.) | 624,000 |
| Office vehicles running expense | 54,000 |
| Office expenses (stationery, entertainment, janitorial services, etc.) | 1,248,000 |
| Total | 9,307,075 |

Table 21: Variable Cost Assumptions – Staff Salaries

| Post | No of Personnel | Monthly Salary (PKR) | Annual Salary (PKR) |
|--------------|-----------------|----------------------|---------------------|
| Consultants | 2 | 200,000 | 4,800,000 |
| Assistants | 2 | 80,000 | 1,920,000 |
| Total | | | 6,720,000 |

Table 22: Variable Cost Assumptions

| Description | Details |
|--|-------------------------------|
| Travelling expense | 6% of administration expense |
| Communications expense (phone, fax, mail, internet, etc.) | 10% of administration expense |
| Office vehicles running expense | 1% of administration expense |
| Office expenses (stationery, entertainment, janitorial services, etc.) | 20% of administration expense |

9.2.12. Fixed Cost Estimate

Details of fixed cost for the project are provided in Table 23. The details of staff salaries and other fixed cost assumptions are provided in Table 24 and Table 25 respectively.

Table 23: Fixed Cost Estimate

| Description | Amount (PKR) |
|---|------------------|
| Staff Salaries | 6,240,000 |
| Administration benefits expense | 648,000 |
| Building rental expense | 1,020,000 |
| Promotional expense | 676,550 |
| Professional fees (legal, audit, consultants, etc.) | 112,758 |
| Depreciation expense | 459,670 |
| Amortization of pre-operating costs | 311,178 |
| Bad debt expense | 61,785 |
| Total | 9,530,046 |

Table 24: Staff Salaries

| Post | No of personnel | Monthly Salary/ Employee (PKR) | Total Monthly Salary (PKR) | Annual Salary (PKR) |
|---------------------------|-----------------|--------------------------------|----------------------------|---------------------|
| Admin. & Accounts Officer | 1 | 60,000 | 60,000 | 720,000 |
| Overseas Agents | 3 | 100,000 | 300,000 | 3,600,000 |
| Marketing Officer | 1 | 60,000 | 60,000 | 720,000 |
| Receptionist | 1 | 40,000 | 40,000 | 480,000 |
| Security Guard | 1 | 20,000 | 20,000 | 240,000 |
| Janitorial Staff | 1 | 20,000 | 20,000 | 240,000 |
| Office Boy | 1 | 20,000 | 20,000 | 240,000 |
| Total | | | | 6,240,000 |

Table 25: Fixed Cost Assumptions

| Description | Details |
|---|------------------------------|
| Administration benefits expense | 5% of administration expense |
| Promotional expense | 3% of revenue |
| Professional fees (legal, audit, consultants, etc.) | 0.5% of revenue |
| Bad debt expense | 10% of receivable |
| Depreciation expense | |
| Building | 10% of cost |
| Machinery, Vehicle & Office Equipment | 15% of cost |

9.2.13. Human Resource Requirement

For the 1st year of operations, the Education/Immigration Consultants firm shall require the workforce at a salary cost as projected in Table 26.

Table 26: Human Resource Requirement

| Post | No. Of Employees | Monthly Salary (PKR) | Annual Salary (PKR) |
|--------------------------|------------------|----------------------|---------------------|
| Consultants | 2 | 200,000 | 4,800,000 |
| Assistants | 2 | 80,000 | 1,920,000 |
| Admin & Accounts Officer | 1 | 60,000 | 720,000 |
| Overseas Agents | 3 | 60,000 | 3,600,000 |
| Sale and Marketing | 1 | 100,000 | 720,000 |
| Receptionist | 1 | 60,000 | 480,000 |
| Security Guard | 1 | 40,000 | 240,000 |
| Janitorial Staff | 1 | 20,000 | 240,000 |
| Office Boy | 1 | 20,000 | 240,000 |
| Total | 13 | | 12,960,000 |

Overseas agents provide information regarding foreign governments, visa policies, eligibility criteria and changes, if any, thereof. Further, they also help the consultants regarding admission schedules and policies of institutes and guide about how, where and when to apply for admissions of students in respective countries of their stay. They also act as liaisons between universities and consultants. Most importantly, the overseas agents help students and immigrants in getting accommodation and fulfill another requirement on when they reach there.

10. CONTACT DETAILS

Details of service providers of Education/Immigration Consultants are provided in Table 27.

Table 27: Contact Details of Service Providers

| Name of the Service Provider | Contact no | Email Address | Website |
|--|--------------------|--|---|
| Highbrow International - Lahore | 0304-1111553 | info@highbrow.com.pk | www.highbrow.com.pk |
| ISAS Consultants - Karachi | +92-34987124 | info@isas.com.pk | www.isas.com.pk |
| The Royal Consultants, Lahore | 03249499994 | theroyalconsultants@outlook.com | https://www.theroyalconsultants.com |
| Seven Seas Consultants - Peshawar | 0330-5090089 | info@sevenseasconsultants.com | www.sevenseasconsultants.com |
| The Icon Education Consultants – Quetta | +92-21-111-925-925 | theiconqta@gmail.com | https://theiconconsultants.com |
| SILK Consultants – Lahore | +92-3344618787 | info@silkconsultants.com | www.silkconsultants.com |
| Euro Immigration Consultants – Islamabad | 051-2814151 | Islamabad@euroconsultants.ca | https://euroimmigrationconsultant.pk |
| Mirpur Visa Consultant – AJK | 03204468599 | info@mirpurvisaconsultant.com | www.mirpurvisaconsultant.com |

11. USEFUL LINKS

Table 28: Useful Links

| Name of Organization | Link |
|--|---|
| Small and Medium Enterprises Development Authority (SMEDA) | www.smeda.org.pk |
| National Business Development Program (NBDP) | www.nbdp.org.pk |
| Government of Pakistan | www.pakistan.gov.pk |
| Ministry of Industries and Production | www.moip.gov.pk |
| Government of Punjab | www.punjab.gov.pk |
| Government of Sindh | www.sindh.gov.pk |
| Government of Balochistan | www.balochistan.gov.pk |
| Government of Khyber Pakhtunkhwa | www.kp.gov.pk |
| Government of Gilgit Baltistan | www.gilgitbaltistan.gov.p k |
| Government of Azad Jammu & Kashmir | www.ajk.gov.pk |
| Bureau of Emigration & Overseas Employment | www.beoe.gov.pk |
| Overseas Pakistanis Foundation | www.opf.org.pk |
| Directorate General Of Immigration & Passports | www.dgip.gov.pk |
| Higher Education Commission, Pakistan | www.hec.gov.pk |
| Ministry of Federal Education and Professional Training | www.mofept.gov.pk |
| Security and Exchange Commission of Pakistan | www.secp.gov.pk |
| State Bank of Pakistan | www.sbp.gov.pk |

12. ANNEXURES

12.1. Income Statement

| Income Statement | | | | | | | | | | Rs. in actuals |
|--|------------------|------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
| Revenue | 22,551,650 | 26,896,027 | 33,481,247 | 41,121,155 | 47,691,350 | 57,850,072 | 68,523,877 | 81,888,568 | 95,351,411 | 111,683,638 |
| Cost of goods sold | 7,006,675 | 7,522,463 | 8,076,281 | 8,670,940 | 9,309,456 | 9,995,072 | 10,731,268 | 11,521,784 | 12,370,634 | 13,282,134 |
| Gross Profit | 15,544,975 | 19,373,565 | 25,404,966 | 32,450,216 | 38,381,894 | 47,855,000 | 57,792,608 | 70,366,785 | 82,980,777 | 98,401,504 |
| <i>General administration & selling expenses</i> | | | | | | | | | | |
| Administration expense | 6,888,000 | 7,390,824 | 7,930,354 | 8,509,270 | 9,130,447 | 9,796,969 | 10,512,148 | 11,279,535 | 12,102,941 | 12,986,456 |
| Rental expense | 1,020,000 | 1,122,000 | 1,234,200 | 1,357,620 | 1,493,382 | 1,642,720 | 1,806,992 | 1,987,691 | 2,186,461 | 2,405,107 |
| Travelling & Comm. expense (phone, fax, etc.) | 998,400 | 1,071,283 | 1,149,487 | 1,233,399 | 1,323,438 | 1,420,049 | 1,523,712 | 1,634,943 | 1,754,294 | 1,882,357 |
| Office vehicles running expense | 54,000 | 57,942 | 62,172 | 66,710 | 71,580 | 76,806 | 82,412 | 88,428 | 94,884 | 101,810 |
| Office expenses (stationery, etc.) | 1,248,000 | 1,339,104 | 1,436,859 | 1,541,749 | 1,654,297 | 1,775,061 | 1,904,640 | 2,043,679 | 2,192,867 | 2,352,947 |
| Promotional expense | 676,550 | 806,881 | 1,004,437 | 1,233,635 | 1,430,741 | 1,735,502 | 2,055,716 | 2,456,657 | 2,860,542 | 3,350,509 |
| Professional fees (legal, audit, etc.) | 112,758 | 134,480 | 167,406 | 205,606 | 238,457 | 289,250 | 342,619 | 409,443 | 476,757 | 558,418 |
| Depreciation expense | 459,775 | 459,775 | 459,775 | 459,775 | 459,775 | 459,775 | 314,150 | 460,922 | 460,922 | 460,922 |
| Amortization expense | 311,178 | 311,178 | 311,178 | 311,178 | 311,178 | - | - | - | - | - |
| Miscellaneous expense | 61,785 | 67,737 | 82,709 | 102,195 | 121,661 | 144,577 | 173,115 | 206,044 | 242,794 | 283,610 |
| Subtotal | 11,830,446 | 12,761,204 | 13,838,577 | 15,021,137 | 16,234,955 | 17,340,709 | 18,715,505 | 20,567,343 | 22,372,462 | 24,382,136 |
| Operating Income | 3,714,529 | 6,612,361 | 11,566,389 | 17,429,078 | 22,146,939 | 30,514,291 | 39,077,103 | 49,799,442 | 60,608,314 | 74,019,368 |
| Other income | 108,980 | 202,959 | 344,517 | 526,788 | 728,302 | 953,856 | 1,147,023 | 1,381,618 | 1,729,838 | 2,137,608 |
| Earnings Before Interest & Taxes | 3,823,509 | 6,815,320 | 11,910,906 | 17,955,867 | 22,875,241 | 31,468,147 | 40,621,251 | 51,181,060 | 62,338,153 | 76,156,976 |
| Interest expense | - | - | - | - | - | - | - | - | - | - |
| Earnings Before Tax | 3,823,509 | 6,815,320 | 11,910,906 | 17,955,867 | 22,875,241 | 31,468,147 | 40,621,251 | 51,181,060 | 62,338,153 | 76,156,976 |
| Tax | 1,242,152 | 2,109,778 | 3,587,498 | 5,340,536 | 6,767,155 | 9,259,097 | 11,871,266 | 14,976,175 | 18,211,732 | 22,219,191 |
| NET PROFIT/(LOSS) AFTER TAX | 2,581,356 | 4,705,542 | 8,323,409 | 12,615,330 | 16,108,086 | 22,209,050 | 28,749,985 | 36,204,885 | 44,126,421 | 53,937,786 |

12.2. Balance Sheet

| Balance Sheet | | | | | | | | | | | |
|------------------------------------|-----------|-----------|-----------|------------|------------|------------|------------|------------|------------|------------|---------------------------|
| | 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 |
| Assets | | | | | | | | | | | |
| Current assets | | | | | | | | | | | |
| Cash & Bank | 1,500,000 | 2,859,197 | 5,259,157 | 8,521,521 | 12,550,016 | 16,582,048 | 21,572,208 | 24,308,718 | 30,956,016 | 38,237,518 | 47,266,815 |
| Accounts receivable | - | 617,853 | 677,365 | 827,086 | 1,021,951 | 1,216,610 | 1,445,773 | 1,731,150 | 2,060,444 | 2,427,945 | 2,836,097 |
| Consumables - inventory | 52,000 | 62,045 | 74,031 | 88,332 | 105,395 | 125,755 | 150,048 | 179,034 | 213,619 | 254,885 | - |
| Pre-paid building rent | - | 93,500 | 102,850 | 113,135 | 124,449 | 136,893 | 150,583 | 165,641 | 182,205 | 200,426 | - |
| Total Current Assets | 1,552,000 | 3,632,596 | 6,113,403 | 9,550,074 | 13,801,811 | 18,061,306 | 23,318,612 | 26,384,543 | 33,412,284 | 41,120,773 | 50,102,912 |
| Fixed assets | | | | | | | | | | | |
| Land | - | - | - | - | - | - | - | - | - | - | - |
| Building/Infrastructure | 229,000 | 206,100 | 183,200 | 160,300 | 137,400 | 114,500 | 91,600 | 68,700 | 45,800 | 22,900 | - |
| Furniture & fixtures | 1,224,000 | 1,040,400 | 856,800 | 673,200 | 489,600 | 306,000 | 122,400 | - | - | - | - |
| Office vehicles | 81,500 | 69,275 | 57,050 | 44,825 | 32,600 | 20,375 | 8,150 | 166,032 | 141,127 | 116,222 | 91,317 |
| Office equipment | 1,507,000 | 1,280,950 | 1,054,900 | 828,850 | 602,800 | 376,750 | 150,700 | 2,582,733 | 2,195,323 | 1,807,913 | 1,420,503 |
| Advance against building rent | 255,000 | 255,000 | 255,000 | 255,000 | 255,000 | 255,000 | 255,000 | 255,000 | 255,000 | 255,000 | 255,000 |
| Total Fixed Assets | 3,396,500 | 2,936,725 | 2,476,950 | 2,017,175 | 1,557,400 | 1,097,625 | 637,850 | 3,243,847 | 2,782,925 | 2,322,003 | 1,861,081 |
| Intangible assets | | | | | | | | | | | |
| Pre-operation costs | 1,555,890 | 1,244,712 | 933,534 | 622,356 | 311,178 | - | - | - | - | - | - |
| Total Intangible Assets | 1,555,890 | 1,244,712 | 933,534 | 622,356 | 311,178 | - | - | - | - | - | - |
| TOTAL ASSETS | 6,504,390 | 7,814,033 | 9,523,887 | 12,189,605 | 15,670,389 | 19,158,931 | 23,956,462 | 29,628,390 | 36,195,209 | 43,442,777 | 51,963,993 |
| Liabilities & Shareholders' Equity | | | | | | | | | | | |
| Current liabilities | | | | | | | | | | | |
| Accounts payable | - | 18,965 | 21,387 | 24,456 | 27,954 | 31,476 | 36,014 | 40,979 | 46,867 | 53,200 | 48,117 |
| Total Current Liabilities | - | 18,965 | 21,387 | 24,456 | 27,954 | 31,476 | 36,014 | 40,979 | 46,867 | 53,200 | 48,117 |
| Other liabilities | | | | | | | | | | | |
| Long term debt | - | - | - | - | - | - | - | - | - | - | - |
| Total Long Term Liabilities | - | - | - | - | - | - | - | - | - | - | - |
| Shareholders' equity | | | | | | | | | | | |
| Paid-up capital | 6,504,390 | 6,504,390 | 6,504,390 | 6,504,390 | 6,504,390 | 6,504,390 | 6,504,390 | 6,504,390 | 6,504,390 | 6,504,390 | 6,504,390 |
| Retained earnings | - | 1,290,678 | 2,998,110 | 5,660,760 | 9,138,045 | 12,623,066 | 17,416,058 | 23,083,021 | 29,643,953 | 36,885,187 | 45,411,486 |
| Total Equity | 6,504,390 | 7,795,068 | 9,502,500 | 12,165,149 | 15,642,435 | 19,127,455 | 23,920,447 | 29,587,411 | 36,148,343 | 43,389,577 | 51,915,876 |
| TOTAL CAPITAL AND LIABILITY | 6,504,390 | 7,814,033 | 9,523,887 | 12,189,605 | 15,670,389 | 19,158,931 | 23,956,462 | 29,628,390 | 36,195,209 | 43,442,777 | 51,963,993 |

12.3. Cash Flow Statement

| Cash Flow Statement | | | | | | | | | | | |
|--------------------------------------|-------------|-----------|-----------|-----------|------------|------------|------------|-------------|------------|----------------|------------|
| | | | | | | | | | | 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 |
| Operating activities | | | | | | | | | | | |
| Net profit | - | 2,581,356 | 4,705,542 | 8,323,409 | 12,615,330 | 16,108,086 | 22,209,050 | 28,749,985 | 36,204,885 | 44,126,421 | 53,937,786 |
| Add: depreciation expense | - | 459,775 | 459,775 | 459,775 | 459,775 | 459,775 | 459,775 | 314,150 | 460,922 | 460,922 | 460,922 |
| amortization expense | - | 311,178 | 311,178 | 311,178 | 311,178 | 311,178 | - | - | - | - | - |
| Accounts receivable | - | (617,853) | (59,512) | (149,721) | (194,865) | (194,659) | (229,163) | (285,377) | (329,294) | (367,500) | (408,152) |
| Finished good inventory | - | - | - | - | - | - | - | - | - | - | - |
| Equipment inventory | - | - | - | - | - | - | - | - | - | - | - |
| Raw material inventory | (52,000) | (10,045) | (11,986) | (14,301) | (17,064) | (20,360) | (24,293) | (28,986) | (34,585) | (41,266) | 254,885 |
| Pre-paid building rent | - | (93,500) | (9,350) | (10,285) | (11,314) | (12,445) | (13,689) | (15,058) | (16,564) | (18,221) | 200,426 |
| Accounts payable | - | 18,965 | 2,422 | 3,069 | 3,498 | 3,522 | 4,538 | 4,965 | 5,887 | 6,333 | (5,083) |
| Other liabilities | - | - | - | - | - | - | - | - | - | - | - |
| Cash provided by operations | (52,000) | 2,649,876 | 5,398,070 | 8,923,124 | 13,166,540 | 16,655,098 | 22,406,218 | 28,739,679 | 36,291,251 | 44,166,689 | 54,440,784 |
| Financing activities | | | | | | | | | | | |
| Issuance of shares | 6,504,390 | - | - | - | - | - | - | - | - | - | - |
| Cash provided by / (used for) financ | 6,504,390 | - | - | - | - | - | - | - | - | - | - |
| Investing activities | | | | | | | | | | | |
| Capital expenditure | (4,952,390) | - | - | - | - | - | - | (2,920,147) | - | - | - |
| Cash (used for) / provided by invest | (4,952,390) | - | - | - | - | - | - | (2,920,147) | - | - | - |
| NET CASH | 1,500,000 | 2,649,876 | 5,398,070 | 8,923,124 | 13,166,540 | 16,655,098 | 22,406,218 | 25,819,532 | 36,291,251 | 44,166,689 | 54,440,784 |

13. KEY ASSUMPTIONS

13.1. Operating Cost Assumptions

Table 29: Operating Cost Assumptions

| Description | Details |
|------------------------------------|---------|
| Building rent growth rate | 10% |
| Furniture and fixture depreciation | 15% |
| Vehicle depreciation | 15% |
| Office equipment depreciation | 15% |
| Inflation rate | 11.3% |
| Wage growth rate | 7.3% |
| Electricity price growth rate | 8.8% |
| Office equipment price growth rate | 8.0% |
| Office vehicle price growth rate | 10.7% |

13.2. Revenue Assumptions

Table 30: Revenue Assumptions

| Description | Details |
|------------------------------|---------|
| Price growth rate | 11.2% |
| Initial capacity utilization | 40% |
| Capacity growth rate | 5% |
| Maximum capacity utilization | 85 |

13.3. Debt Related Assumptions

Table 31: Debt Related Assumptions

| Description | Details |
|--------------------------|---------|
| Project Life (Years) | 10 |
| Debt: Equity | 50:50 |
| Discount Rate | 12% |
| Debt Tenure | 5 years |
| Grace Period | 1 Year |
| Interest Rate (KIBOR+3%) | 11.3% |

13.4. Financial Assumptions**Table 32: Financial Assumptions**

| Description | Details |
|----------------------------|---------|
| Project life (Years) | 10 |
| Debt: Equity | 0:100 |
| Discount Rate used for NPV | 15% |

13.5. Cash Flow Assumptions**Table 33: Cash Flow Assumptions**

| Description | Details |
|-------------------------------------|---------|
| Accounts Receivable Cycle (in Days) | 10 |
| Accounts Payable Cycle (in Days) | 15 |

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