



Pre-feasibility Study

PET STORE

October 2022

“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 users. 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

With the passing times, in Pakistan, people are getting more and more interested in keeping pets in their houses. It is rather different than the older traditions, where keeping animals for one's company was not much liked. The society is going through a cultural change where acceptability of pets in the local households is increasing with time. Nowadays, it has become easy for the pet-owners to properly manage and take care of their pets with the availability of ready supply of specialized pet foods and high-quality veterinary services. Furthermore, there are specialized pet accessory stores in all the large cities, from where all the essentials, required for pet-keeping, can be easily procured.

Pets increase the overall liveliness of homes; they act as interesting and friendly creatures for the kids, and provide a sense of companionship to human beings. People keep a large variety of pets including land animals, birds, and aquatic animals. However, cats, dogs, rabbits, parakeet parrots and other birds remain as the most common pets in the Pakistani households. Pet-keeping requires different sections for birds, and animals. Since cats and dogs are carnivores, they may hurt and kill birds. This necessitates keeping secure and separate cages for birds. Major requirements for keeping pets include ensuring provision of their specialized foods and providing them proper space according to their specific needs. Both these factors are very important to keep the pets healthy and happy.

This "Pre-feasibility Document" provides details for setting up a "Pet Retail Store" which sells animals and pet care resources to the general public. The demand of household pets is constantly increasing in Pakistan, which makes it a good investment opportunity. Such retail pet stores are helpful in providing pets according to the preferences of the people.

The unit is proposed to be ideally located in metropolitan cities like Karachi, Lahore, Islamabad, and other cities with sizeable shares of affluent population, such as Faisalabad, Rawalpindi, Peshawar, Quetta, Hyderabad, Multan, Gujranwala, Sialkot, Mardan, Sukkur, etc.

The proposed retail store will operate for 12 hours a day for 300 days in a year. As per the primary market research, for a store of the assumed size, the pet store has an average annual sale of 1,800 birds, 1,200 animals and 4,500 items of foods and accessories. The bird's sales include 540 parrots, 630 pigeons, 360 pheasants, 270 chickens. The animal's sales include 300 dogs, 360 puppies, 180 cats, 240 kittens, and 120 rabbits. Foods and accessories sales include 225 perches, 900 cages and cage accessories, 225 incubators and brooders, 225 breeding boxes, 900 accessories and other items and 2,025 food items.

The proposed pet store will operate at 50% capacity during the first year of operations, the proposed project is expected to achieve sales of 900 birds, 600 pets, and 2,250 foods and accessories items. The bird sales include 270 parrots, 315 pigeons, 180 pheasants and 135 chickens. Animals' sales include 150 dogs, 180 puppies, 90 cats,

120 kittens, 60 rabbits. Food and accessories sales include 113 perches, 450 cages and cage accessories, 113 incubators and brooders, 113 breeding boxes, 450 accessories and 1,013 food items.

The “Pet Store” will be set up in a rented area of 1,960 square feet. The project requires a total investment of PKR 35.90 million. This includes capital investment of PKR 5.07 million and working capital of PKR 30.83 million. This project is financed through 100% equity. The Net Present Value (NPV) of project is PKR 16.02 million with an Internal Rate of Return (IRR) of 40% and a Payback period of 2.32 years. Further, this project is expected to generate Gross Annual Revenues of PKR 51.97 million during 1st year, with Gross Profit (GP) ratio ranging from 22% to 23% and Net Profit (NP) ratio ranging from 8% to 12% during the projection period of ten years. The proposed project will achieve its estimated breakeven point at capacity of 20% (1,494 units) with breakeven revenue of PKR 27.23 million.

The proposed project may also be established using leveraged financing. With 50% debt financing, at a cost of KIBOR+3%, the proposed pet store provides Net Present Value (NPV) of PKR 21.17 million, Internal Rate of Return (IRR) of 40% and Payback period of 2.36 years. Further, this project is expected to generate Net Profit (NP) ratio ranging from 3% to 12% during the projection period of ten years. The proposed project will achieve its estimated breakeven point at capacity of 30% (2,279 units) with breakeven revenue of PKR 39. million.

The proposed project will provide employment opportunities to 12 people. High return on investment and steady growth of business is expected with the entrepreneur having some prior experience similar businesses. The legal business status of this project is proposed as “Sole Proprietorship”. Further, the proposed project may also be established as a “Partnership Concern”.

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 "Pet Store". 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

Over the years, pet animals have become a status symbol and a willingness to spend more money for pure-bred animals and their upkeep is increasing. Widespread pet keeping is a relatively recent phenomenon. Until the 19th century, most animals owned by households were working animals that lived alongside humans and were treated unsentimentally. As the time progressed, human behavior towards animals and birds changed positively, becoming more affectionate and emotional.

According to various studies, keeping pets may also lead to several health benefits. Keeping pets leads to increased opportunities for exercise and outdoor activities. Regular walking or playing with pets can be helpful in decreasing blood pressure and cholesterol levels. Moreover, pets can also help manage loneliness and depression by providing companionship. Furthermore, most children love animals and birds, hence the families often look for pets for their kids, as pets are interesting and friendly creatures for the kids. Having pets teaches assuming responsibility at a relatively young age and develops a child's social skills and feelings of empathy. There are several small pets that are easy to take care such as dogs, cats, rabbits, birds, fishes, turtles, ducks, etc. However, cats, dogs, rabbits and different types of birds remain as the most common pets in the Pakistani households.

The proposed retail pet store will be selling dogs, cats, rabbits, parrots, pigeons, pheasants and chickens, along with pet supplies and accessories. These sales will be done in compliance with the applicable regulations, upholding certain standards and providing the animals and birds with adequate arrangements and balanced pet feed according to their species and types. This proposed project will not sell birds chicks due to their high mortality ratio.

Different types of pets included in this study are explained in the following paragraphs:

Dogs

Dog represent one of the most popular pets in the world. Dog is a subspecies of gray wolf and has been referred to as “man’s best friend”. In the proposed project, different breeds of adult dogs and puppies will be available for sale. Different types of dogs, kept as pet animals are listed below:

Terrier Poodle Dog

Terrier poodle is a dog of mix breed that comes from breeding poodle and a breed from terrier group. These dogs can be around 15 inches tall and can weigh around 10 to 14 pounds. These dogs are popular due to their cute coats and faces. They are also intelligent, loving and easy to train. Figure 1 shows a Terrier Poodle dog.

Figure 1: Terrier Poodle Dog



German Shepherd Dog

German Shepherds are large dogs known for their noble, diligent, loyal, and highly intelligent characters. They are characterized by a brown and black coat and a streamlined, athletic build that makes them both strong and agile. Though they are excellent herding dogs, German Shepherds are also very well suited to work as service animals, such as guide dogs for the blind. They also perform well as working dogs, especially in police and military operations and make highly effective guard dogs. The height of German shepherd dog is approximately 20 to 22 inches. Average life span of German shepherd is about 7-10 years. Figure 2 shows a German Shepherd dog.

Figure 2: German Shepherd Dog



Labrador

Labradors are medium- to large-breed sporting dogs which weigh 55-80 pounds on average. Typically, their height is between 21-25 inches. They have a wide skull and nose, deep chest, strong tail, and a very muscular build. Labrador dogs love water and are great companions for families who like to spend a lot of time outdoors. Figure 3 shows a Labrador dog.

Figure 3: Labrador Dog



Saint Bernard

Saint Bernard's are large, with wide skulls that gives their heads a blocky shape. The skin on their forehead is fairly wrinkled. Their nose appears wide and open. Saint Bernard's need to be brushed frequently and bathed regularly to keep them neat and clean. The height of this breed is approximately 28 to 30 inches and weighs 60 to 80 kg. The average life span of saint Bernard dog is 8 to 10 years. Figure 4 shows a Saint Bernard dog.

Figure 4: Saint Bernard Dog



Rottweiler

Rottweiler is a robust breed of working dogs with great strength, with their height ranging from 22 to 27 inches and weight falling between 41 to 50 kg. The Rottweiler's historical role as a guardian and herder has developed the breed's instinct for wariness and protectiveness when encountering strangers. Rottweilers are known for their confidence and intelligence, but they require a steady training regimen to learn social skills. Figure 5 shows a Rottweiler dog.

Figure 5: Rottweiler Dog



Siberian Husky

The Siberian husky is a medium-sized dog. Height ranges from 20 to 23.5 inches and weight from 15 to 25 pounds. Siberian huskies have a very dense, plush coat with plenty of undercoat. A small ruff is found around the neck but no long fringes on the legs or tail. Color ranges from black to white and everything in-between. Most dogs do have white markings, particularly on the chest and legs. The average life span of this breed is 12-15 years. Figure 6 shows a Siberian husky dog.

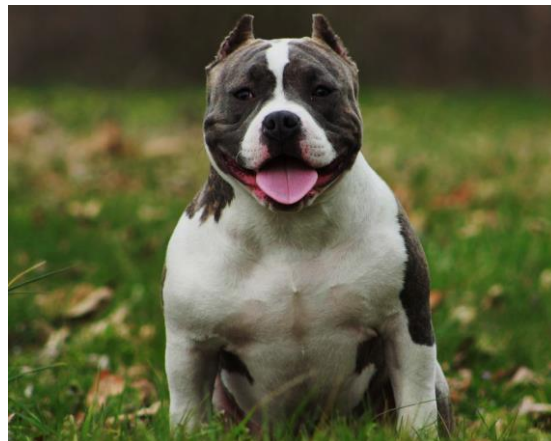
Figure 6: Siberian Husky Dog



Pitbull

Pit Bulls are rectangular, medium-sized dogs, and they have impressive heads, strong necks, broad chests and well-muscled hind quarters. Most Pits are very strong and hardy, and they are quite agile even though they are so muscular. The average adult pit bull weighs 15 to 28 kg. The average life span of this breed is about 12 years. Figure 7 shows a Pit Bull dog.

Figure 7: Pit Bull Dog



Cats

Cat is a domestic species of small carnivorous mammal. It is the only domesticated species in the family Felidae and is commonly referred to as the domestic cat or house cat to distinguish it from the wild members of the family. The proposed project will sell both adult cats and kitten. Different types of cats and kittens, commonly used as pets, are discussed below:

Persian White Punch Face

The Persian White Punch Face cat, also known as the Persian flat faced, is a long-haired breed of cat characterized by a round face, short muzzle and flat face. These cats were bred to have specific traits such as round head, short face, snub nose, chubby cheeks and a shorter body. Figure 8 shows Persian white punch face cat.

Figure 8: Punch Face Cat**Doll Face Persian Cat**

Doll Face Persian cats are also known as Traditional or Old-Fashioned Persians. This variant is believed to be the original Persian cat. Today, these cats still look virtually the same as the oldest available images of Persian cats. Doll Face Persians have long flowing coats and come in a variety of colors. Figure 9 shows Doll Face Persian cat.

Figure 9: Doll Face Persian Cat**Calico Persian Cat**

The Calico Persian cat is a type of Persian breed. In the early days, only pure white, brown and black-furred cats were accepted into the breed. However, there was a need for more spotted and colored cats to create beautiful works of art when painting the face and dyeing the hair on show cats. Calico Persian cats are very loving, gentle creatures that enjoy being with their owners and love to be petted. Although they are pretty laid-back creatures, they get very excited when it is playtime. Figure 10 shows Calico Persian cat.

Figure 10: Calico Persian Cat**Grey and White Persian Cat**

The Grey Persian cat is one of the all-time favorite varieties within the family of Persians. Persian cats are known for their fluffy appearance, which is its most appealing characteristic. A coat of grey and white hair adds even more volume to the fluffiness making it all the cuter and cuddlier. Figure 11 shows Grey and White Persian cat.

Figure 11: Grey and White Persian Cat**Siamese Cat**

The Siamese cat is one of the first distinctly recognized breed of Asian cats. It became one of the most popular one of the most popular breeds in Europe and North America in the 19th century. Siamese cats are social, affectionate, clever animals who make loving and loyal pets, Because of their genetics, this breed always have piercing blue eyes (which can sometimes be a little cross-eyed) that adds to their striking, elegant appearance. Figure 12 shows Siamese cat.

Figure 12: Siamese Cat**White Short Hair Cat**

American White Short Hair cat is a medium sized cat. These cats have heavy muscles and heavy boning. American White Short Hair cats are very pleasant companions and attach themselves to all members of the family. Figure 13 shows White Short Hair cat.

Figure 13: White Short Hair Cat**Diamond Eye Cat**

Khao Manee, also known as Diamond Eye Cat, is a breed of cat that originates from Thailand. It is known for its white color and luxurious jewel shaped eyes. This cat breed may be born with black spots, but those spots will disappear, and a fully grown Khao Manee ends up being white as snow. These beautiful cats are muscular and agile and make great mouse hunters. Their playfulness is typically enjoyed by everyone in the household, and their independence makes it easy to leave them for the day without having to worry about misbehavior. Figure 14 shows diamond eye cat.

Figure 14: Diamond Eye Cat***Rabbits***

Rabbits are small, furry mammals with long ears, short fluffy tails, and strong, large hind legs. They have two pairs of sharp front teeth, one pair on top and one pair on the bottom. They also have two peg teeth behind the top front teeth. Rabbits are herbivores. Their diet primarily consists of grasses, weeds, leaves, flowering plants and vegetables. Rabbits must have access to plenty of fresh water. Average Life span of rabbit is 8-10 years. A female rabbit is called a doe while a male rabbit is called a buck.

The common breeds of rabbits available in Pakistan are Angora Rabbit, Lop-eared Rabbit, German Rabbit, Giant Rabbit, Lionhead Rabbit, Miniature Lop Rabbit, Holland Lop Rabbit, and New Zealand Rabbit.

Angora Rabbit

Angora rabbits are native to Angora province of Turkey. They are quite small in size and round in shape. This breed has an average weight of 2-5.5 kg and is mainly used for wool purpose. They produce high quality wool and they are best known for that. Average life span of angora rabbit is 8-10 years. Figure 15 shows an Angora rabbit.

Figure 15: Angora Rabbit**Lop Eared Rabbit**

Lop-eared rabbits are easily recognizable due to their large, floppy ears that droop down instead of standing up straight. This breed has an average weight of 1.5-4 kg. Average life span of lop-eared rabbit is 6-8 years. Figure 16 shows lop-eared rabbit.

Figure 16: Lop-Eared Rabbit**German Lop Rabbit**

The German Lop is a hearty rabbit, ideally weighing between 3-4 kilograms, once it is fully grown. It is muscular all around, especially in the rump area. It has thick large ears hanging straight down just behind its eyes. Figure 17 shows German Lop rabbit.

Figure 17: German Lop Rabbit**Lionhead Rabbit**

The lionhead rabbit is a breed with a distinctive fluffy wool mane,¹ similar to that of a male lion. Its body is compact and have erect ears, which are around 2 to 3 inches long. These rabbits are generally friendly, playful, and social, though some can be timid. Figure 18 shows Lionhead rabbit.

Figure 18: Lionhead Rabbit**Mini Lop Rabbit**

Mini Lop rabbit is a small breed. It is quite stocky and robust and have lop ears that hang over its face. Mini Lops comes in a wide range of colors. Figure 19 shows Mini Lop rabbit.

¹ A growth of long hair on the neck of a horse, lion, or other mammal

Figure 19: Mini Lop Rabbit**Holland Lop Rabbit**

Holland Lop is a very popular breed of rabbit. They are loved both for their iconic looks as well as their relatively small size. These rabbits only grow to about 2 kilograms in weight. Their ears are floppy and prominent, without being too long to manage. Figure 20 shows Holland Lop rabbit.

Figure 20: Holland Lop Rabbit**New Zealand Rabbit**

New Zealand rabbit is a very popular breed raised for both meat and fur production. The New Zealand rabbit, despite the name, is American in origin and originated in California from rabbits imported from New Zealand. The breed was very popular for meat production. Figure 21 shows New Zealand rabbit.

Figure 21: New Zealand Rabbit**Parrots**

Parrots represent a large group of birds with curved beaks and oftentimes colorful plumage. Parrots have been kept as cage birds since ancient times, and they have always been popular because they are colorful, amusing, intelligent, and often affectionate. Parrots are omnivores, which means that they can eat both meat and vegetation. Most parrots eat a diet that contains nuts, flowers, fruit, buds, seeds and insects. Seeds are their favorite food. They have strong jaws that allow them to snap open nutshells to get to the seed that's inside.

Budgie Bird

Budgie bird is one of the most popular pets in the world ranking just behind dogs and cats. This bird is small, inexpensive and a charming companion for most pet owners. Figure 22 shows budgie birds.

Figure 22: Budgie Bird

Love Bird

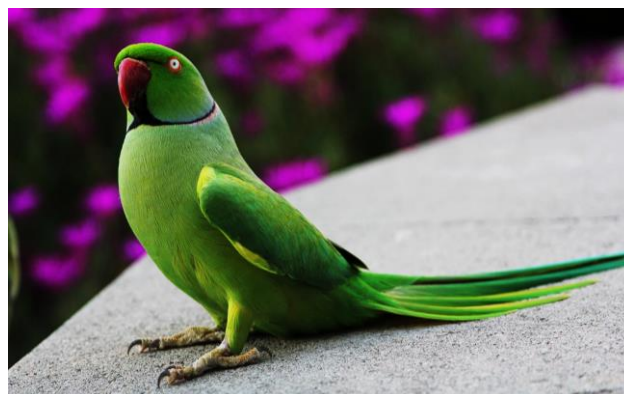
A Love Bird is one of the smaller parrot species, available as a companion pet, but this bird is curious and very active. As their name suggests, Lovebirds are known for the loving, attentive bond they tend to form with their mates. Love birds are shown in Figure 23.

Figure 23: Love Birds

**Indian Ring Neck Parakeet**

The Indian Ring Neck Parakeet is a very beautiful as well as a popular pet. It is a very social bird. The typical coloring of this species is bright lime green with blue tail feathers and yellow under the wings. These birds love to talk. Parakeets are very active birds. Indian Ring neck Parakeet Parrot is shown in Figure 24.

Figure 24: Indian Ring neck Parakeet

**Alexandrine Parakeet**

The Alexandrine parakeet, also called the Alexandrine parrot, is a bright, gentle, independent, medium-sized bird known to be hardy and relatively quiet compared to Indian ring neck. This bird is favorite among fanciers and is becoming more popular in the pet trade than in past years due to its growing popularity with bird breeders. These

Parakeets love to eat fruits, vegetables, and seeds. Life span of Alexandrine Parakeet is about to 25-30 years. Alexandrine Parakeet Parrot is shown in Figure 25.

Figure 25: Alexandrine Parakeet



Congo African Grey Parrot

The African Grey parrot is one of the most talented talking/ mimicking birds on the planet, giving it quite a reputation among bird enthusiasts. This parrot is one of the oldest Psittacine² species, kept by humans. The African grey is a medium-sized, dusty-looking gray bird, almost like a pigeon but further investigation reveals a bright red tail, orange eyes, and a stunning scalloped pattern to its plumage.³ The larger type of the African grey subspecies is referred to as the Congo African grey. This bird actually has a much wider natural range in Africa, including the southeastern Ivory Coast, Kenya, and Tanzania. Congo African Grey Parrot is shown in Figure 26.

Figure 26: Congo African Grey Parrot



Sun Conure

The Sun Conure is one of the more popular conures of its size due to its stunning plumage, its extraordinary disposition, and its exceptional quality as a companion bird. Sun Conures are lively, vocal, and expressive. This bird is best known for its beauty

² The order Psittaciformes contains parrots, macaws, cockatoos and lorries

³ A bird's feathers collectively.

and its big mouth. The Sun Conure is approximately 12 inches long and is most recognizable by its bright orange and yellow color with splashes of green color at the tip of feathers. The Sun Conure is native to South America, specifically Venezuela, Northern Brazil and Guyana. Sun Conure can live up to 30 years. Figure 27 shows a Sun Conure Parrot.

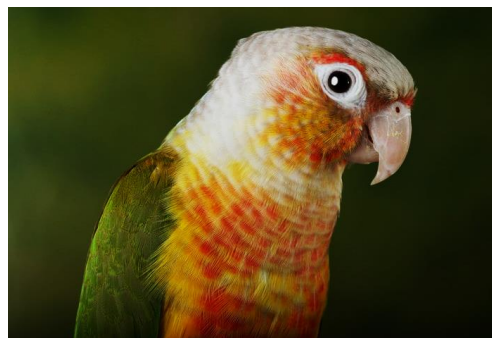
Figure 27: Sun Conure Parrot



Pineapple Conure

Pineapple Conure has a colorful appearance, making it an attractive bird in the market. There is no difference between male and female birds. They can mimic different sounds. Generally, they are not loud or irritating. Pineapple Conure are intelligent, playful and loving birds. They have smaller stature and strong immune system. The life span of Pineapple conure is 10-12 years. This bird is native to the South American wilderness, in the forests in Mato Grosso, Brazil, Paraguay, and Bolivia. Figure 28 shows a Pineapple Conure.

Figure 28: Pineapple Conure



Cockatiel Birds

Cockatiel is one of the most popular companion birds because they can be cuddly and bold. Cockatiels are also talented whistlers, and male Cockatiels in particular are known for their whistle serenades, which can be directed at their favored person. Cockatiels are native to the semi-arid regions of Australia. The life span of cockatiel is up to 20 years. Figure 29 shows Cockatiel birds.

Figure 29: Cockatiel Birds**Cockatoo**

A Cockatoo is a loving but demanding bird. Cockatoos stand out from other parrot species with their dramatic crest feathers and varying shades of white, pink, gray and black. Pet cockatoos are often referred to as “Velcro” birds because of their highly sociable nature and borderline obsessive need to be around the people in their lives. Cockatoos are often described as intelligent and emotional birds. Cockatoos can be extremely loud. The Cockatoo species have native ranges in Australia, Australasia, Indonesia, the Solomon Islands and New Guinea. Cockatoos have a life span of around 30 years. Figure 30 shows a Cockatoo.

Figure 30: Cockatoo**Macaw**

Macaws are known as the giants of the parrot world. The Macaw is the longest parrot, with a head to tail length of nearly 40 inches. Macaws have long tail feathers as well as big beaks. Macaws’ big size and vibrant colors make them hard to ignore. Macaws are native to the southern portion of North America (Mexico) plus Central America and

South America. Macaws are intelligent birds that also thrive on activities designed to challenge them, such as foraging activities which involves searching for food or time spent enjoying food. The life span of macaw is more than 30 years. Macaw parrots are shown in Figure 31.

Figure 31: Macaw Parrots



Pigeons

Pigeons are the descendants of wild rock doves. Pigeons were domesticated centuries ago, for food and their supreme navigation skills. Not so long ago, people were fascinated with these creatures. In the mid-1800s, people started to appreciate pigeons for their good looks. During this period, many new breeds emerged. Homing pigeons can find their way using smell, landmarks, Earth's magnetic field and infrasound (sound waves with a frequency too low for humans to hear). They can also follow each other and are able to learn routes from one another.

These birds naturally live in Southern Europe, Western Asia, and Northern Africa. In Europe, they are found in both the western and southern areas, and in Asia they are found in western and southern areas.

Tippler Pigeon

Tippler pigeon is very intelligent bird. It is very strong and active breed. These birds have excellent flying abilities. They can fly for long times and tolerate all climates. They can also be used for exhibition purpose. Origin place of Tippler is United Kingdom. Figure 32 shows a Tippler Pigeon.

Figure 32: Tippler Pigeon***Jacobin Pigeon***

The Jacobin pigeon is an Asiatic breed of domestic fancy pigeon. It is a small to medium sized bird with beautiful appearance. It has fluffy feathers. These birds are tall, slim with bare legs and long wings. Figure 33 shows a Jacobin Pigeon.

Figure 33: Jacobin Pigeon***Roller Pigeon***

Roller pigeon is a breed of domestic fancy pigeon from United Kingdom. These birds are long-winged, with 13-20 feathers in their tail. The breed is also pretty good for raising as pets. Flying is the primary purpose of raising of Roller pigeon. Figure 34 shows a Roller pigeon.

Figure 34: Roller Pigeon***Fantail Pigeon***

Fantail pigeon is very beautiful and popular breed which originates from India. It has a fan-shaped tail, composed of 30 to 40 feathers. The breed is raised for exhibition or ornamental purposes. There are many color varieties of Fantail pigeon, such as black, blue, dun, red, white, silver, yellow and various splashes. Figure 35 shows a Fantail Pigeon.

Figure 35: Fantail Pigeon***Pouter Pigeon***

Pouter Pigeon is a dignified and tall bird with long legs. It has an inflated globe lent. This breed is known as fancy breed mainly raised for exhibition purpose. These birds are friendly and very calm in nature. Figure 36 shows a Pouter Pigeon.

Figure 36: Pouter Pigeon**English Carrier Pigeon**

The English Carrier breed is known as domestic fancy pigeon which originated from United Kingdom. These birds have typically deep red eyes and a distinctive wattle.⁴ Their beak is long and thick, and it is of the type known as a box beak. The breed was developed in England from a combination of non-European breeds (including the Persian, Pouter and Baghdad carriers). The English Carrier pigeon is the largest of the flying pigeon breeds, and it was used for sending messages. Figure 37 shows english carrier pigeon.

Figure 37: English Carrier Pigeon**Old German Owl Pigeon**

Old German Owl Pigeon is fancy pigeon breed which originated from Germany. These birds have little however full shell peak over their head, shutting their head with rosettes. They have solid wings, lying near the back, covering the back, and extending up to the tail. Their legs are short. This breed has various colors of the body such as red, blue, brown, checks. Figure 38 shows an Old German Owl Pigeon.

⁴ A wattle is a fleshy caruncle hanging from various parts of the head or neck in several groups of birds and mammals

Figure 38: Old German Owl Pigeon***Racing Pigeon***

Racing pigeon is one of the newest and active breeds which originated from Belgium. It has a strong wing muscle with a slim and slender body. It has an average speed of 60 mile per hour and can fly for hours. Figure 39 shows a Racing pigeon.

Figure 39: Racing Pigeon***Frill Back Pigeon***

Frill Back pigeon is an exhibition and show breed which originates from Asia. It is a popular breed because of its unique appearance and is used for ornamental purpose. These birds can be raised as pets because of its calm temperament. Frill Back pigeon can be either plain headed or shell-crested. They have a thin wattle and a curl that covers the entire wing shield. The last row of curl spans the entire length of the wing. Figure 40 shows a frill back pigeon.

Figure 40: Frill Back Pigeon

Lahore Pigeon

Lahore pigeon is a breed of domestic fancy. It is popular because of its impressive size and gentle nature and is one of the most colorful pigeon breeds. It is usually smaller than a king pigeon and has a free stance almost with a horizontal body posture. The base color of these birds' body is white. A Lahore Pigeon is shown in Figure 41.

Figure 41: Lahore Pigeon

Pheasants

Pheasants are long-tailed birds of open woodlands and fields, where they feed in small flocks. Pheasants are the birds belonging to the family of Phasianidae.⁵ Pheasants are characterized by strong sexual dimorphism,⁶ males being highly decorated with bright colors and adornments such as wattles.⁷ Males are usually larger than females and have longer tails.

⁵ The Phasianidae are a family of heavy, ground-living birds, which includes pheasants, partridges, junglefowl, chickens, turkeys, quail, and peacocks.

⁶ Sexual dimorphism is the condition where the sexes of the same species exhibit different characteristics.

⁷ A wattle is a fleshy part hanging from various parts of the head or neck.

Pheasants are omnivores and eat mostly seeds, grains, roots, and berries, while in the summer they take advantage of insects, fresh green shoots, spiders, earthworms, and snails.

Although pheasants can be found all over the world, the native range for pheasant is restricted to Asia and Europe. Different types of pheasants, commonly used as pets, are discussed below:

Common (Ring-Necked) Pheasant

The most common bird in the pheasant family is Ring Necked Pheasant. There are many color forms of the male pheasant, ranging from nearly white to almost black. These are due to captive breeding and hybridization between subspecies. Body weight of common pheasant can range from 0.5 to 3 kg, with males averaging 1.2 kg and females averaging 0.9 kg. Adult male pheasant is 60-90 cm in length with a long brown-streaked black tail, it has bright golden or copper red feathers. The head is bottle green with a small crest and distinctive red wattle. Females are much less showy with a duller molted brown plumage.⁸ Figure 42 shows common (ring-necked) pheasant.

Figure 42: Common (Ring-Necked) Pheasant



Golden Pheasant

Golden pheasant is also known as Chinese pheasant or rainbow pheasant. The adult male is 90–105 cm (35–41 in) in length, its tail accounting for two-thirds of the total length. Male golden pheasants have a golden-yellow crest with a light tinge of red at the tip. The face, throat, chin, and the sides of neck are rusty tan. The wattles and orbital skin are yellow; the ruff or cape is light orange; the upper back is green and the rest of the back and rump is golden-yellow. The deep orange "cape" can be spread in display, appearing as an alternating black and orange fan that covers all of the face except its bright yellow eye with a pinpoint black pupil. Figure 43 shows a Golden Pheasant.

⁸ Plumage is a layer of feathers that cover a bird.

Figure 43: Golden Pheasant**Silver Pheasant**

The Silver pheasant is a species of pheasant found in forests, mainly in mountains of Southeast Asia. The male is black and white in color, while the female is mainly brown. Both sexes have a bare red face and red legs. The Silver pheasant is common in aviculture, and overall, also remains common in the wild, however, some of its subspecies are rare and threatened. Silver pheasants are active during the day and prefer to forage in the morning and in the evening. Silver pheasants weigh from 1-2 kg and is 55-125 cm in length. Figure 44 shows a Silver Pheasant.

Figure 44: Silver Pheasant**Lady Amherst's Pheasant**

The Lady Amherst's Pheasant is found in SW China and Myanmar. The adult male has dark bluish-green mantle, back, scapulars and breast with black scales. The upper tail-coverts are black-and-white, mixed with orange and red. The longer feathers show long, pointed orange tips. The female has rich rufous-brown plumage, heavily barred black overall. The underparts are usually paler than upperparts. Male Lady Amherst's pheasants are significantly longer than the females, largely due to their impressive tails. They measure 51-68 inches (130-173cm) long from bill to tail tip, of which 33-45 inches (83-115cm) are the tail. Females measure 26-27 inches (66-68cm) in length, of which about half is included in the tail. Figure 45 shows a Lady Amherst's pheasant.

Figure 45: Lady Amherst's Pheasant

Chickens

Chickens are the world's most common domestic animals. Chicken is a bird that has a comb and two wattles.⁹ The comb is the red appendage on the top of the head, and the wattles are the two appendages under the chin. These are sexual characteristics and are more prominent in the male. Domestic chickens have essentially lost the ability to fly. Heavy breeds used for meat production cannot do more than flap their wings and jump to a little higher level or move more rapidly along the ground. The lighter-bodied birds can fly short distances, and some can fly over relatively high fences.

White Silkie Chicken

Silkie chicken is also known as silky chicken. Silky chicken is one of the most popular ornamental chickens. Silky chicken has typically fluffy plumage which feels like a silk. They are a lightweight chicken breed with broad, stout looking body which is covered in fine fluffy feathers. Silkie chicken is very calm and friendly. Silkie hens are not good layers. Figure 46: shows a White Silkie Chicken.

Figure 46: White Silkie Chicken

Golden Buff Chicken

⁹ A wattle is a fleshy part hanging from various parts of the head or neck

Golden buff" is really a misnomer,¹⁰ as the hens are more reddish-brown rather than gold. Golden buff chicken is a good choice for people just starting out with poultry because they are friendly and calm in nature. Golden buff chicken usually lays approximately 5 or more eggs a week. The color of these large eggs is brown. Hens are famous for egg production, while roosters are good source of meat. Figure 47 shows a Golden Buff Chicken.

Figure 47: Golden Buff Chicken



Bantam Chicken

Bantam chickens are small version of full-size chicken breed. Their exact size varies depending on the breed. They tend to make good pets, as they require less feed and space as compared to other regular chickens. Bantams are very calm, friendly, and placid in nature. Figure 48 shows a Bantam Chicken.

Figure 48: Bantam Chicken



¹⁰ wrong or inaccurate name or designation

Sebright Chicken

Sebright is one of the most popular chicken breeds. Because of their size and relatively large wings, they have good flying ability. Sebright chicken is a friendly, social and an active bird but somewhat it is a skittish bird like most other small chicken breeds. Because of their beautiful plumage and sweet nature, they are very popular among poultry enthusiasts and are used for exhibition and ornamental purposes. It has a unique feature of being the hen-feathered. Sebright Chicken is shown in Figure 49.

Figure 49: Sebright Chicken



5.1. Installed and Operational Capacities

The proposed retail store will operate for 12 hours a day for 300 days in a year. As per the primary market research, for a store of the assumed size, the pet store has an average sale of 1,800 birds, 1,200 animals and 4,500 foods and accessories items per year. The proposed pet store will operate at 50% capacity during the first year of operations, the proposed project is expected to achieve sales of 900 birds, 600 animals, and 2,250 foods and accessories items. Sales is expected to increase at 5% per year to reach 95% in year 10. Table 1 shows sales assumptions for the proposed project.

The assumptions regarding the sales proportion of the pets and food and accessories in the proposed model is based on the results of primary market research.

As per the response received from the market research, the pet store with a size and structure of the proposed pet store, can achieve daily sales volumes as mentioned in Table 1 shows sales assumptions, Table 2 shows sales proportion of birds, Table 3 and Table 4 shows sales proportion of food and accessories items.

Table 1: Sale Assumptions

Items	Birds	Animals	Food and Accessories
Expected Sales per day	6	4	15
Annual Sales in year 1 (Unit)	1,800	1,200	4,500

Table 2: Sales Proportion of Birds

Particulars	Sales Proportion (%)	Sales @ 100% Capacity	Sales @ 60% Capacity
Parrots	30%	540	270
Pigeons	35%	630	315
Pheasants	20%	360	180
Chickens	15%	270	135
Total	100%	1,800	900

Table 3: Sales Proportion of Animals

Particulars	Sales Proportion (%)	Sales @ 100% Capacity	Sales @ 50% Capacity
Dogs	25%	300	150
Puppies	30%	360	180
Cats	15%	180	90
Kittens	20%	240	120
Rabbits	10%	120	60
Total	100%	1,200	600

Table 4: Sales Proportion of Food and Accessories

Particulars	Sales Proportion (%)	Sales @ 100% Capacity	Sales @ 50% Capacity
Perches	5%	225	113
Cages and cage accesories	20%	900	450
Incubators & Brooders	5%	225	113
Breeding Boxes	5%	225	113
Accessories and Other Items	20%	900	450
Feed	45%	2,025	1,013
Total	100%	4,500	2,250

6. CRITICAL FACTORS

The following factors should be considered while making investment decision:

- Knowledge of the industry
- Precautions to control and eliminate the risk of pet diseases
- Keeping organized history of pets
- Maintaining healthy and suitable environment for all pets
- Sound technical knowhow of the diet and care of pets
- Customer-driven approach to ensure high quality of services
- Reputable and trusted suppliers for supply of feed of pets
- Behavior of staff with clients

7. GEOGRAPHICAL POTENTIAL FOR INVESTMENT

A Pet Retail Store can be set up in any major city with sizeable population such as Karachi, Lahore, Rawalpindi, Islamabad, Peshawar, Quetta, Multan, Faisalabad, Hyderabad, Gujranwala, Hyderabad, Muzaffarabad, Gilgit, Sialkot, Mardan, Sukkur, etc. Furthermore, sub-urban areas of all major cities of Pakistan also have potential for this investment. There is an increasing trend to keep household pets in different classes of society as people love to keep pets for companionship and pleasure.

8. POTENTIAL TARGET CUSTOMERS

Over the years, pet animals have become a status symbol and the willingness to spend more money on household pets and their upkeep is increasing. Potential target market for the proposed business is the upper and upper-middle income classes of the society. Keeping pets like dogs, rabbits, cats, birds, etc. is an expensive activity, which makes it unaffordable for lower-middle income classes of the society. Moreover, pet-keeping requires proper spaces which are more easily available in larger houses of the upper and upper-middle income classes.

In Pakistan imports of pet foods (HS 2309.10) increased from \$3.9 million in 2019 to \$5.2 million in 2021. This increase in imports indicates increase in demand of household pets in Pakistan.¹¹

In Pakistan, the exports of birds live Psittaciformes (including parrots, parakeets, macaws, and cockatoos) increased from 157,596 birds in 2020 to 386,871 in 2021. This increase in export indicates increase in breeding of birds and Psittaciformes in Pakistan (HS 0106.32).¹¹

¹¹HS Code: 230910 <https://comtrade.un.org/data>

Globally, the pet care market has grown to \$261 billion in 2022; up from \$245 billion in 2021. An estimated compound annual growth rate (CAGR) of 6.1% is expected to bring this figure to \$350 billion by 2027.¹² Trend of global market size of pet industry is shown in Figure 50.

Figure 50: Worldwide Sales for Pet Market



Pet industry growth is recorded in Asia Pacific region as shown in Figure 51.

Figure 51: Pet Industry Growth by Region



Majority of the local pet market in Pakistan only caters to one niche, namely, birds or animals. Food or other pet accessories are usually sold on separate stores. The proposed business will be unique since it will provide pet food accessories in addition to selling both animal and birds pets.

9. PROJECT COST SUMMARY

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

¹² <https://commonthreadco.com/blogs/coachs-corner/pet-industry-trends-growth-ecommerce-marketing>

The projected Income Statement, Cost of Goods Sold, Cash Flow Statement and Balance Sheet are attached as Annexure.

9.1. Project Economics

All the figures in this financial model have been calculated after carefully taking into account the relevant assumptions and target market.

9.2. Project Cost

Total cost of the project has been calculated to be PKR 35.829 million. The project will be financed through 100% Equity. Table 5 provides the details of the costs calculated for the proposed production unit.

Table 5: Project Cost

Description	Amount (PKR)	Reference
Land	-	
Building / Infrastructure	611,735	9.2.2
Furniture & fixtures	475,000	9.2.4
Office vehicles	1,540,000	9.2.5
Office equipment	1,661,000	9.2.3
Pre-operating costs	335,235	9.2.6
Advance against Building Rent	450,000	9.2.7
Total Capital Cost	5,072,970	
Working capital		
Stock in trade Food	1,075,654	
Stock in trade Pets	28,600,217	
Upfront building rent	150,000	
Cash	1,000,000	
Total Working capital	30,825,871	
Total Project Cost (PKR)	35,898,840	

9.2.1 Land

The proposed Pet Store will be established on a rented land to avoid the high cost. Suitable locations for setting up a facility like this can be easily found on rent. Therefore, no land cost has been added to the project cost. Total space requirement for the proposed unit has been estimated as 1,960 sq. ft. The breakup of the space requirement is provided in Table 6.

Table 6: Breakup of Space Requirement

Break-up of Land Area	Number	% Break-up	Area (Sq. Ft.)
Owner's Office	1	8%	150
Birds Area	1	26%	500
Cats and Rabbits Area	1	11%	225
Dogs Area	1	26%	500
Food and Accesories Area	1	15%	300
Store Room	1	4%	80
Cash and customer counter	1	4%	85
Washrooms	2	6%	120
Total		100%	1,960

9.2.2 Renovation Cost

There will be construction cost of building since the unit will be started in a rented building. There will, however be a renovation cost, required to make the building usable for the business. The proposed project requires electricity load of around 12 KW for which an electricity connection under the General Supply Tariff-Commercial will be required. Building rent of PKR 150,000 per month has been included in the operating cost. Building renovation cost is shown in Table 7.

Table 7: Renovation Cost

Cost Item	Unit of Measurement	Total Liter / Area / Number	Cost/Unit/ Sq.feet	Total Cost (PKR)
Paint Cost	Liter	61	800	49,160
Labour Cost	Feet	6,145	15	92,175
Tiles-Floor	Sq.ft	1,960	180	352,800
Labour Cost-Tile fixation	Sq.ft	1,960	60	117,600
Total (PKR)				611,735

9.2.3 Equipment

Table 8 provides details of equipment required for the project.

Table 8: Tools and Equipment Cost

Cost Item	No.	Unit Cost (PKR)	Total Cost (PKR)
Air Conditioners	5	105,000	525,000
Air Cooler	6	15,000	90,000
Cash Register	1	30,000	30,000
UPS-Inverter (3KW)	1	70,000	70,000
UPS Battery	2	45,000	90,000
Laptop / Computer	1	100,000	100,000
Desktop	1	80,000	80,000
Inventory and Sale Mangement software	1	350,000	350,000
Printer	2	40,000	80,000
LED / LCD 32"	1	40,000	40,000
Water Dispenser	1	25,000	25,000
Ceiling Fan	12	8,000	96,000
Wi-Fi Router and Connection	1	5,000	5,000
CCTV System	1	58,000	58,000
Water Pump ¹³	1	18,000	18,000
Pressure Spray Pump for Birds Shower	2	2,000	4,000
Folding Cages	50	14,000	700,000
Large Cages	40	22,000	880,000
Total (PKR)			1,661,000

9.2.4 Furniture & Fixtures

Table 9 provides details of the furniture and fixture requirement of the project.

¹³ water pump is used to provide fresh water for pets, showering birds and cleaning proposes i.e cleaning of the litter tray .

Table 9: Furniture & Fixtures

Cost Item	No.	Unit Cost (PKR)	Total Cost (PKR)
Executive Tables	1	60,000	60,000
Executive Chairs	1	30,000	30,000
Office Tables	3	20,000	60,000
Office Chairs	8	15,000	120,000
Wall Racks (20 Feet Length * 1.5 Feet Width)	4	20,000	80,000
Cash counter (6 Feet Length x 3 Feet Width x 4 feet Height)	1	90,000	90,000
Outer Sign Board	1	35,000	35,000
Total (PKR)			475,000

9.2.5 Office Vehicles

Details of office vehicles required for the project are provided in Table 10. There will be one motorcycle for each technician.

Table 10: Office Vehicles

Cost Item	Units	Unit Cost (PKR)	Total Cost (PKR)
Carry Van	1	1,400,000	1,400,000
Motorcycle	1	120,000	120,000
Registration Fee-Motorcycle		6,000	6,000
Registration Fee-Carry Van		14,000	14,000
Total (PKR)			1,540,000

9.2.6 Pre-Operating Cost

Details of pre-operating cost for the project are provided in Table 11.

Table 11: Pre-Operating Cost

Cost Item	Number of Months	Total Cost (PKR)
Administration exp.	1	235,000
Utilities exp.	1	40,235
License Cost		60,000
Total		335,235

9.2.7 Security against Building

Details of security against building for the project are provided in Table 12.

Table 12: Security against Building

Cost Item	Months	Unit Cost / Month (PKR)	Total Cost (PKR)
Security against Building	3	150,000	450,000
Total			450,000

9.3. Financial Feasibility Analysis

The financial feasibility analysis given in Table 13 provides the information regarding projected IRR, NPV and payback period of the study based on 100% equity.

Table 13: Financial Feasibility Analysis

Description	Project
IRR	40%
NPV (PKR)	16,021,303
Payback Period (years)	2.32
Projection Years	10
Discount Rate used for NPV	25%

9.4. Financial Feasibility Debt Financing

Table 14 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 14: Financial Feasibility Debt Financing

Description	Project
IRR	40%
NPV (PKR)	21,171,197
Payback Period (years)	2.36
Projection Years	10
Discount Rate used for NPV	22%

9.5. Breakeven Analysis

Breakeven analysis is provided in Table 15.

Table 15: Breakeven Analysis

Particulars	Amount First Year (PKR)	Ratio
Sales (PKR) – A	51,973,943	100%
Variable Cost (PKR) – B	41,336,139	80%
Contribution (PKR) (A-B) = C	10,637,804	20%
Fixed Cost (PKR) – D	5,573,268	11%
Break Even Revenue (PKR) (D/CM) =E	27,229,749	
Breakeven No. of Units Sold	1,494	
Breakeven Capacity	20%	

9.6. Revenue Generation

Based on the 50% capacity utilization of the unit, sales revenues during the first year of operations is estimated in Table 16.

Revenue Details-Pets

Table 16: Revenue Generation – Parrots

Cost Item	Sales @ 100% Capacity (Unit)	Sales @ 50% Capacity (Unit)	Sale Price/Unit (PKR)	Amount (PKR)
A	B	C=B@50%	D	E=D*C
Budgies	65	32	1,000	32,000
Love Birds	65	32	1,500	48,000
Cocktail Birds	43	22	2,500	55,000
Pineapple conure	22	11	15,000	165,000
SunConure	54	27	30,000	810,000
Indian Ringneck Parakeet	70	35	6,000	210,000
Alexandrine Parakeet	86	43	20,000	860,000
Congo African Grey	54	27	120,000	3,240,000
Cockatoo	54	27	200,000	5,400,000
Macaw	27	14	300,000	4,200,000

Total	540	270		15,020,000
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Table 17: Revenue Generation -Pigeons

Cost Item	Sales @ 100% Capacity (Unit)	Sales @ 50% Capacity (Unit)	Sale Price/Unit (PKR)	Amount (PKR)
Trippler Pigeon	126	63	1,200	75,600
Jacobin Pigeon	63	31	25,000	775,000
Roller Pigeon	63	31	2,800	86,800
Fantail Pigeon	31	15	15,000	225,000
Pouter Pigeon	31	15	9,000	135,000
Old German Owl Pigeon	63	32	5,000	160,000
Racing Pigeon	95	48	10,000	480,000
Frill Back Pigeon	63	32	16,000	512,000
Lahore Pigeon	95	48	1,600	76,800
Total	630	315		2,526,200

Table 18: Revenue Generation- Pheasants

Cost Item	Sales @ 100% Capacity (Unit)	Sales @ 50% Capacity (Unit) 1	Sale Price/Unit (PKR)	Amount (PKR)
Common (Ring-Necked) Pheasant	144	72	7,000	504,000
Golden Pheasant	72	36	15,000	540,000
Silver Pheasant	72	36	9,500	342,000
Lady Amherst's Pheasant	72	36	25,000	900,000
Total	360	180		2,286,000

Table 19: Revenue Generation - Chickens

Cost Item	Sales @ 100% Capacity (Unit)	Sales @ 50% Capacity (Unit) 1	Sale Price/Unit (PKR)	Amount (PKR)
Golden Buff	81	41	7,000	287,000
White Silky	94	47	8,000	376,000
Silver Sebright	41	20	6,000	120,000
Bentum	54	27	2,500	67,500
Total	270	135		850,500

Table 20: Revenue Generation- Dogs

Cost Item	Sales @ 100% Capacity (Unit)	Sales @ 50% Capacity (Unit) 1	Sale Price/Unit (PKR)	Amount (PKR)
Terrier Poodle	30	15	30,000	450,000
German Shepherd	90	45	80,000	3,600,000
Labrador	60	30	35,000	1,050,000
Saint Bernard	30	15	125,000	1,875,000
Rottweiler	30	15	50,000	750,000
Siberian Husky	30	15	120,000	1,800,000
Pitbull	30	15	70,000	1,050,000
Total	300	150		10,575,000

Table 21: Revenue Generation- Puppies

Cost Item	Sales @ 100% Capacity (Unit)	Sales @ 50% Capacity (Unit)	Sale Price/Unit (PKR)	Amount (PKR)
Terrier Poodle	36	18	20,000	360,000
German Shepherd	36	18	50,000	900,000
Labrador	36	18	20,000	360,000
Saint Bernard	36	18	70,000	1,260,000
Rottweiler	36	18	30,000	540,000
Siberian Husky	72	36	75,000	2,700,000

Pitbull	108	54	35,000	1,890,000
Total	360	180		8,010,000

Table 22: Revenue Generation-Cats

Cost Item	Sales @ 100% Capacity (Unit)	Sales @ 50% Capacity (Unit)	Sale Price/Unit (PKR)	Amount (PKR)
Persian White Punch Face	18	9	10,000	90,000
Doll Face Persian	18	9	8,000	72,000
Calico Persian	18	9	8,000	72,000
Gray and white Persian	18	9	12,000	108,000
Siamese Cat	36	18	5,000	90,000
White Short Hair	54	27	7,000	189,000
Diamond Eye Cat	18	9	35,000	315,000
Total	180	90		936,000

Table 23: Revenue Generation- Kittens

Cost Item	Sales @ 100% Capacity (Unit)	Sales @ 50% Capacity (Unit)	Sale Price/Unit (PKR)	Amount (PKR)
Persian White Punch Face	48	24	8,000	192,000
Doll Face Persian	48	24	5,000	120,000
Calico Persian	24	12	5,000	60,000
Gray and white Persian	24	12	10,000	120,000
Siamese Cat	24	12	3,000	36,000
White Short Hair	48	24	5,000	120,000
Diamond Eye Cat	24	12	28,000	336,000
Total	240	120		984,000

Table 24: Revenue Generation – Rabbits

Cost Item	Sales @ 100% Capacity (Unit)	Sales @ 50% Capacity (Unit)	Sale Price/Unit (PKR)	Amount (PKR)
Angora Rabbit	24	12	10,500	126,000
Lop Eared	18	9	11,500	103,500
German Lop	16	8	12,000	96,000
Lionhead Rabbit	14	7	12,000	84,000
English Lop	6	3	18,000	54,000
Mini Lop	18	9	15,500	139,500
Holand Lop	14	7	15,000	105,000
New Zealand Lop	10	5	10,000	50,000
Total	120	60		758,000

Revenue Details-Food and Accessories**Table 25: Revenue Generation – Perches**

Cost Item	Sales @ 100% Capacity (Unit)	Sales @ 50% Capacity (Unit)	Sale Price/Unit (PKR)	Amount (PKR)
Birds Plastic Perch (Pack of 3)	23	11	90	990
Wing Nut Perches	45	23	140	3,220
Rotating Wing Nut Perches	45	23	350	8,050
Natural Wood Bird Perch	45	23	100	2,300
Wooden Huts	68	33	450	14,850
Total				29,410

Table 26: Revenue Generation - Cages and Cage Accessories

Cost Item	Sales @ 100% Capacity (Unit)	Sales @ 50% Capacity (Unit)	Sale Price/Unit (PKR)	Amount (PKR)
Show Cage	81	40	7,000	280,000

Round Pot For Water & Softfood	45	23	100	2,537
Ceramic Soft Food Pot	45	23	200	4,600
Parma Feeding Pot	45	23	200	5,074
Seed Pot With Grid	45	23	100	2,300
Parrot Dummy Eggs	45	23	200	5,046
Feed Dispenser	45	22	2,000	44,000
Bird Feeder And Drinker	45	22	1,800	43,560
Water Drinker	72	36	60	2,160
Feed Trough 8 Holes	9	4	500	2,192
Folding Cage 8 Portion 18X18X18	108	54	13,500	798,984
Stand For Pet Birds	108	54	6,000	355,104
Cage with Stair (L 56" * W30" * H 25.5")	72	36	24,000	946,944
Cage with Stair (L 63" * W36" * H 30")	45	22	30,000	732,600
Cats and Dogs Stainless Steel bowls	18	9	600	5,994
Cats and Dogs Ceramic Bowl	18	9	850	8,384
Pet Carrier Small	18	9	4,000	39,456
Pet Carrier Medium	18	9	6,100	60,555
Pet Carrier Large	18	9	9,000	89,343
Total				3,428,833

Table 27: Revenue Generation - Incubators & Brooders

sCost Item	Sales @ 100% Capacity (Unit)	Sales @ 50% Capacity (Unit)	Sale Price/Unit	Amount (PKR)
Mini Incubator	135	68	19,000	1,292,000
Egg Incubator 20 eggs	90	45	45,000	2,025,000
Total	225	113		3,317,000

Table 28: Revenue Generation - Breeding Boxes

Cost Item	Sales @ 100% Capacity (Unit)	Sales @ 50% Capacity (Unit)	Sale Price/Unit (PKR)	Amount (PKR)
Small Breeding Box	113	57	700	39,900
Medium Breeding Box	67	34	1,800	61,200
Large Breeding Box	45	22	2,300	50,600
Total	225	113		151,700

Table 29: Revenue Generation – Accessories and Other Items

Cost Item	Sales @ 100% Capacity (Unit)	Sales @ 50% Capacity (Unit)	Sale Price/Unit (PKR)	Amount (PKR)
Crop Needles For Birds Feeding	90	45	450	20,250
Feeding Syringe	90	45	650	29,250
Stainless Steel Feeding Spoon	90	45	1,350	60,750
Litter Pack 5 L	90	45	650	29,250
Litter Pack 10 L	90	45	1,330	59,850
Cat and Dog Leash	90	45	300	13,500
Dog Harness Leash and Collar	90	45	600	27,000
Bed for Cats and Dogs Small	90	45	1,500	67,500
Bed for Cats and Dogs Medium	90	45	2,500	112,500
Bed for Cats and Dogs Large	63	31	4,000	124,000
Chew Toys	9	5	350	1,750
Litter Box	18	9	2,000	18,000
Total				563,600

Table 30: Revenue Generation - Feed

Cost Item	Sales @ 100% Capacity (Unit)	Sales @ 50% Capacity (Unit)	Sale Price/Unit (PKR)	Amount (PKR)
Egg and Biscuit Mix 1Kg	303	152	1,300	197,600
Herb Slaw	162	81	1,400	113,400

Pigeon Grit Extra 5 Kg	405	203	2,300	466,900
Moringa Leaf Powder	162	81	1,000	81,000
Life Line Grit	81	41	450	18,450
Hand Rearing Food	20	10	2,400	24,000
Lifetime Sticks For Parrots 3.63Kg	101	50	4,500	225,000
Niger Seed	81	41	800	32,800
Handfeeding Formula Type 1	303	151	3,500	528,500
Handfeeding Formula Type 2	162	81	7,000	567,000
Cat Dry Food 1 Kg	20	10	900	9,000
Cat Dry Food 5 Kg	41	20	3,800	76,000
Dog Dry Food 1 Kg	41	20	1,300	26,000
Dog Dry Food 10 Kg	61	30	5,000	150,000
Cat Wet Food	41	21	450	9,450
Dog Wet Food	41	21	600	12,600
Total				2,537,700

9.7. Variable Cost Estimate

Variable costs of the project have been provided in detail in Table 31.

Table 31: Variable Cost Estimate

Variable Cost	Cost (PKR)
Birds	12,918,100
Animals	16,584,100
Food and Accesories	6,453,925
Direct Electricity	448,776
Direct Labor	2,760,000
Pets Feed Cost	838,914
Vaccination Cost	129,181
Mortality Cost	387,543
Vehicle Fuel Expense	160,600
License Cost	60,000

Consumeables	85,000
Communications expense (phone, fax, mail, internet, etc.)	306,000
Office expenses (stationery, entertainment etc.)	204,000
Total Variable Cost (PKR)	41,336,139

Cost of Pets

Table 32: Cost of Parrots

Cost Item	Unit Sold in Year 1	Cost/Unit (PKR)	Amount (PKR)
Budgies	32	600	19,200
Love Birds	32	900	28,800
Cocktail Birds	22	1,500	33,000
Pineapple conure	11	10,000	110,000
SunConure	27	20,000	540,000
Indian Ringneck Parakeet	35	3,000	105,000
Alexandrine Parakeet	43	12,000	516,000
Congo African Grey	27	70,000	1,890,000
Cockatoo	27	120,000	3,240,000
Macaw	14	150,000	2,100,000
Total			8,582,000

Table 33: Cost of Pigeons

Cost Item	Unit Sold in Year 1	Cost/Unit (PKR)	Amount (PKR)
Trippler Pigeon	63	700	44,100
Jacobiin Pigeon	31	20,000	620,000
Roller Pigeon	31	2,000	62,000
Fantail Pigeon	15	11,000	165,000
Pouter Pigeon	15	7,000	105,000
Old German Owl Pigeon	32	3,500	112,000
Racing Pigeon	48	8,000	384,000

Frill Back Pigeon	32	12,000	384,000
Lahore Pigeon	48	1,000	48,000
Total			1,924,100

Table 34: Cost of Pheasants

Cost Item	Unit Sold in Year 1	Cost/Unit (PKR)	Amount (PKR)
Common (Ring-Necked) Pheasant	72	5,500	396,000
Golden Pheasant	36	13,000	468,000
Silver Pheasant	36	7,500	270,000
Lady Amherst's Pheasant	36	22,000	792,000
Total			1,926,000

Table 35: Cost of Chickens

Cost Item	Unit Sold in Year 1	Cost/Unit (PKR)	Amount (PKR)
Golden Buff	41	4,000	164,000
White Silky	47	5,000	235,000
Silver Sebright	20	3,000	60,000
Bentum	27	1,000	27,000
Total			486,000

Table 36: Cost of Dogs

Cost Item	Unit Sold in Year 1	Cost/Unit (PKR)	Amount (PKR)
Terrier Poodle	15	20,000	300,000
German Shepherd	45	68,000	3,060,000
Labrador	30	30,000	900,000
Saint Bernard	15	100,000	1,500,000
Rottweiler	15	30,000	450,000
Siberian Husky	15	100,000	1,500,000

Pitbull	15	60,000	900,000
Total			8,610,000

Table 37: Cost of Puppies

Cost Item	Unit Sold in year 1	Cost/Unit (PKR)	Amount (PKR)
Terrier Poodle	18	15,000	270,000
German Shepherd	18	40,000	720,000
Labrador	18	15,000	270,000
Saint Bernard	18	55,000	990,000
Rottweiler	18	20,000	360,000
Siberian Husky	36	60,000	2,160,000
Pitbull	54	25,000	1,350,000
Total			6,120,000

Table 38: Cost of Cats

Cost Item	Unit Sold in Year 1	Cost/Unit (PKR)	Amount (PKR)
Persian White Punch Face	9	6,000	54,000
Doll Face Persian	9	5,500	49,500
Calico Persian	9	5,500	49,500
Gray and white Persian	9	9,000	81,000
Siamese Cat	18	3,500	63,000
White Short Hair	27	5,000	135,000
Diamond Eye Cat	9	28,000	252,000
Total			684,000

Table 39: Cost of Kittens

Cost Item	Unit Sold in Year 1	Cost/Unit (PKR)	Amount (PKR)
Persian White Punch Face	24	4,500	108,000
Doll Face Persian	24	3,000	72,000

Calico Persian	12	3,000	36,000
Gray and white Persian	12	6,500	78,000
Siamese Cat	12	1,800	21,600
White Short Hair	24	2,500	60,000
Diamond Eye Cat	12	24,000	288,000
Total			663,600

Table 40: Cost of Rabbits

Cost Item	Unit Sold in Year 1	Cost/Unit (PKR)	Amount (PKR)
Angora Rabbit	12	6,500	78,000
Lop Eared	9	7,000	63,000
German Lop	8	8,000	64,000
Lionhead Rabbit	7	9,000	63,000
English Lop	3	13,000	39,000
Mini Lop	9	10,000	90,000
Holand Lop	7	11,000	77,000
New Zealand Lop	5	6,500	32,500
Total			506,500

Cost of Food and Accessories**Table 41: Cost of Perches**

Cost Item	Unit Sold in Year 1	Cost/Unit (PKR)	Amount (PKR)
Birds Plastic Perch (Pack of 3)	11	40	440
Wing Nut Perches	23	70	1,610
Rotating Wing Nut Perches	23	200	4,600
Natural Wood Bird Perch	23	50	1,150
Wooden Huts	33	250	8,250
Total			16,050

Table 42: Cost of Cages and Cage Accessories

Cost Item	Unit Sold in Year 1	Cost/Unit (PKR)	Amount (PKR)
Show Cage	40	4,000	160,000
Round Pot For Water & Softfood	23	50	1,150
Ceramic Soft Food Pot	23	100	2,300
Parma Feeding Pot	23	100	2,300
Seed Pot With Grid	23	60	1,380
Parrot Dummy Eggs	23	100	2,300
Feed Dispenser	22	1,200	26,400
Bird Feeder And Drinker	22	1,000	22,000
Water Drinker	36	30	1,080
Feed Trough 8 Holes	4	250	1,000
Folding Cage 8 Portion 18X18X18	54	8,500	459,000
Stand For Pet Birds	54	4,000	216,000
Cage with Stair (L 56" * W30" * H 25.5")	36	16,000	576,000
Cage with Stair (L 63" * W36" * H 30")	22	20,000	440,000
Cats and Dogs Stainless Steel bowls	9	400	3,600
Cats and Dogs Ceramic Bowl	9	600	5,400
Pet Carrier Small	9	3,000	27,000
Pet Carrier Medium	9	4,300	38,700
Pet Carrier Large	9	7,000	63,000
Total			2,048,610

Table 43: Cost of Incubators & Brooders

Cost Item	Unit Sold in Year 1	Cost/Unit (PKR)	Amount (PKR)
Mini Incubator	68	11,000	748,000
Egg Incubator 20 eggs	45	30,000	1,350,000
Total			2,098,000

Table 44: Cost of Breeding Boxes

Cost Item	Unit Sold in Year 1	Cost/Unit (PKR)	Amount (PKR)
Small Breeding Box	57	400	22,800
Medium Breeding Box	34	900	30,600
Large Breeding Box	22	1,200	26,400
Total			79,800

Table 45: Cost of Accessories and Other Items

Cost Item	Unit Sold in Year 1	Cost/Unit (PKR)	Amount (PKR)
Crop Needles For Birds Feeding	45	300	13,500
Feeding Syringe	45	400	18,000
Stainless Steel Feeding Spoon	45	750	33,750
Litter Pack 5 L	45	450	20,250
Litter Pack 10 L	45	930	41,850
Cat and Dog Leash	45	150	6,750
Dog Harness Leash and Collar	45	480	21,600
Bed for Cats and Dogs Small	45	1,050	47,250
Bed for Cats and Dogs Medium	45	1,625	73,125
Bed for Cats and Dogs Large	31	2,600	80,600
Chew Toys	5	260	1,300
Litter Box	9	1,400	12,600
Total			370,575

Table 46: Cost of Feed

Cost Item	Unit Sold in Year 1	Cost/Unit (PKR)	Amount (PKR)
Egg and Biscuit Mix 1Kg	152	900	136,800
Herb Slaw	81	1,000	81,000
Pigeon Grit Extra 5 Kg	203	1,500	304,500

Moringa Leaf Powder	81	800	64,800
Life Line Grit	41	200	8,200
Hand Rearing Food	10	1,600	16,000
Lifetime Sticks For Parrots 3.63Kg	50	2,800	140,000
Niger Seed	41	500	20,500
Handfeeding Formula Type 1	151	2,800	422,800
Handfeeding Formula Type 2	81	5,500	445,500
Cat Dry Food 1 Kg	10	675	6,750
Cat Dry Food 5 Kg	20	2,660	53,200
Dog Dry Food 1 Kg	20	910	18,200
Dog Dry Food 10 Kg	30	3,500	105,000
Cat Wet Food	21	360	7,560
Dog Wet Food	21	480	10,080
Total			1,840,890

Table 47: Pet Feed Cost

Cost Item	Rate	Amount (PKR)
Pets Feed Cost	2% of Revenue from Pets	838,914
Total		838,914

Table 48: Vaccination Cost

Cost Item	Unit Sold in Year 1	Amount (PKR)
Vaccination Cost	1% of Total Pet Cost	129,181
Total		129,181

Table 49: Mortality Cost

Cost Item	Unit Sold in Year 1	Amount (PKR)
Mortality Cost	3% of Total Pet Cost	387,543
Total		387,543

Table 50: Direct Labor

Personnel	Number of Personnel	Salary Per Month Per-Person (PKR)	Annual Salaries (PKR)
Sales Person(s)-Pets	2	40,000	960,000
Sales Person(s)-Food and Accessories	1	40,000	480,000
Procurement Officer	1	40,000	600,000
Care taker Staff	2	30,000	720,000
Total			2,760,000

Table 51: Consumables

Cost Item	No.	Unit Cost (PKR)	Total Cost (PKR)
Water Pipe (100 ft)	1	5,000	5,000
Gloves pack	20	1,500	30,000
Water and Feed bowls	100	500	50,000
Total			85,000

9.8. Fixed Cost Estimate

Table 52 provides details of fixed cost for the project.

Table 52: Fixed Cost Estimate

Fixed Cost	Cost (PKR)
Management Staff	2,040,000
Administration benefits expense	240,000
Building rental expense	1,800,000
Indirect Electricity	34,039
Promotional expense	779,609
Depreciation expense	612,574
Amortization of pre-operating costs	67,047
Total Cost (PKR)	5,573,268

Table 53: Management Staff

Personnel	Number of Personnel	Salary Per Month Per-Person (PKR)	Annual Salaries (PKR)
Cashier	1	40,000	480,000
Office Boy	1	25,000	300,000
Security Guard	2	25,000	600,000
Sweeper	1	25,000	300,000
Driver	1	30,000	360,000
Total	5		2,040,000

9.9. Human Resource Requirement

The proposed project shall require the workforce as provided in Table 54.

Table 54: Human Resource Requirement

Designation	No of Persons	Average Monthly Salary (PKR)	Total Salary (PKR)
Sales Person(s)-Pets	2	40,000	960,000
Sales Person(s)-Food and Accessories	1	40,000	480,000
Cashier	1	40,000	480,000
Procurement Officer	1	50,000	600,000
Office Boy	1	25,000	300,000
Care taker Staff	2	30,000	720,000
Security Guard	2	25,000	600,000
Sweeper	1	25,000	300,000
Driver	1	30,000	360,000
Total			4,800,000

10. CONTACT DETAILS

Details of some Pet Stores are provided in Table 55.

Table 55: Contact Details

Supplier Name	Item	Contact / Email	Address
A-One Pets Store	Cats and Pigeon	0331 4493767	bank square market, Block C Model Town, Lahore
Ali Bhai Birds & Cage	Pigeons and accessories	0317 6457506	Jail Rd &, Tollinton Market Rd, Shadman 1 Shadman, Lahore
Fancy Birds & Eggs	Pigeons accessories	0333 4253175	F9M8+QH6, Street No. 1, Qadri Colony, Lahore Cantt,
Ali Bhai Birds & Cage	Pigeons & Cages	0317 6457506	Tollinton Market, Jail Rd, near Camp Jail, Shadman 1 Shadman, Lahore
Birds Paradise & Aqua Sphere	Birds store	0336 2399231	SHOP # 26, CROWN GARDEN, Main University Rd, Block 4 Gulistan-e-Johar, Karachi,
Taj Birds	Birds and Accessories Store	0310 1124195	W353+884, Sharifabad Laloo Khait Block 10 Liaquatabad Town, Karachi
PetsPark.pk	The pet Store	0323 5272323	Shara-e, Global Center, Share-e-Gulistan Rd, Quetta
Quetta canary breeder	Birds Store	0334 2422245	Stat colony industrial area, Sirki Rd, Quetta
Aziz Birds Zone Peshawar	Birds Accessories Store	0322 9007610	Gurh Mandi Rd, Shahi Bagh, Peshawar
The Pets Mall	Pet shop & Accessories Store	0347 9700299	XFWV+X42, University Town, Peshawar
Birds Arena	Birds store	0321 5070330	City Arcade, I-8 Markaz, I-8, Islamabad

11. USEFUL LINKS

Table 56: Useful Links

Name of the Organization	Email/Website
Small and Medium Enterprises Development Authority (SMEDA)	www.smeda.org.pk
National Business Development Program	www.nbdp.org.pk
Government of Pakistan	www.pakistan.gov.pk
Federal Ministry of Industries & Production	www.moip.gov.pk/
State Bank of Pakistan	www.sbp.org.pk
Trade Development Authority of Pakistan	www.tdap.gov.pk
Punjab Small Industries Corporation (PSIC)	www.psic.org.pk
Sindh Small Industries Corporation (SSIC)	www.ssic.gos.pk
Small Industries Development Board KPK	www.small_industries_de.kp.gov.p k
Federal Board of Revenue	www.fbr.gov.pk
Government of Punjab	www.punjab.gov.pk
Government of Sindh	www.sindh.gov.pk
Government of Khyber Pakhtunkhwa	www.kp.gov.pk
Government of Balochistan	www.balochistan.gov.pk
Government of Azad Jammu and Kashmir	www.ajk.gov.pk
Government of Gilgit Baltistan	www.gilgitbaltistan.gov.pk
Punjab Board of Investment and Trade	www.pbit.gop.pk/
Pets and Animal Care Organization	https://veterinaryhub.com/
Pakistan Animal welfare Society	http://pawspakistan.org/

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										
Birds	20,682,700	25,129,649	29,762,879	35,993,508	42,694,565	50,481,692	59,299,190	69,485,522	81,197,438	94,275,771
Animals	21,263,000	26,014,807	30,932,284	37,120,183	43,726,961	52,174,363	60,777,965	71,766,305	83,040,345	97,307,220
Food and Accessories	10,028,243	12,093,497	14,331,624	16,972,996	19,949,259	23,378,848	27,176,139	31,651,749	36,683,832	42,417,984
Total Revenue	51,973,943	63,237,952	75,026,787	90,086,687	106,370,785	126,034,903	147,253,294	172,903,577	200,921,614	234,000,975
Cost of sales										
Birds	12,918,100	15,716,978	18,631,394	22,497,821	26,694,427	31,581,669	37,075,972	43,461,398	50,824,748	58,937,460
Animals	16,584,100	20,309,980	24,146,282	28,991,236	34,141,739	40,745,242	47,475,295	56,052,281	64,861,248	75,998,634
Food and Accessories	6,453,925	7,840,525	9,354,813	11,147,303	13,187,075	15,541,061	18,154,616	21,241,188	24,749,540	28,738,113
Total Cost	35,956,125	43,867,483	52,132,489	62,636,360	74,023,240	87,867,971	102,705,883	120,754,868	140,435,537	163,674,206
Direct Electricity	448,776	484,229	522,483	563,760	608,297	656,352	708,204	764,152	824,520	889,657
Direct Labor	2,760,000	3,027,720	3,321,409	3,643,585	3,997,013	4,384,724	4,810,042	5,276,616	5,746,806	6,213,346
Pets Feed Cost	838,914	1,128,247	1,476,846	1,962,254	2,558,315	3,351,908	4,324,575	5,611,160	7,196,265	9,259,053
Vaccination Cost	129,181	173,358	226,671	301,903	395,114	515,600	667,645	863,241	1,113,472	1,424,200
Mortality Cost	387,543	471,509	558,942	674,935	800,833	947,450	1,112,279	1,303,842	1,524,742	1,768,124
Total Cost of Sales	40,520,539	49,152,547	58,238,840	69,782,797	82,382,812	97,724,005	114,328,628	134,573,879	158,141,342	184,745,585
Gross Profit	11,453,404	14,085,406	16,787,948	20,303,890	23,987,973	28,310,898	32,924,666	38,329,698	42,780,272	49,255,389
General administration & selling expenses										
Management Staff	2,040,000	2,237,880	2,454,954	2,693,085	2,954,314	3,240,883	3,555,248	3,900,107	5,159,268	5,659,718
Administration benefits expense	240,000	263,280	288,818	316,834	347,566	381,280	418,265	458,836	610,304	669,503
Vehicle Fuel Expense	160,600	177,142	195,387	215,512	237,710	262,194	289,200	318,988	351,844	388,083
Building rental expense	1,800,000	1,980,000	2,178,000	2,395,800	2,635,380	2,898,918	3,188,810	3,507,691	3,858,460	4,244,306
License Cost	60,000	66,180	72,997	80,515	88,808	97,955	108,045	119,174	131,448	144,988
Consumables	85,000	93,755	103,412	114,063	125,812	138,770	153,064	168,829	186,219	205,399
Indirect Electricity	34,039	36,728	39,629	42,760	46,138	49,783	53,716	57,960	62,538	67,479
Communications expense (phone, fax, mail, internet, etc.)	306,000	335,682	368,243	403,963	443,147	486,132	533,287	585,016	773,890	848,958
Office expenses (stationery, entertainment etc.)	204,000	223,788	245,495	269,308	295,431	324,088	355,525	390,011	515,927	565,972
Promotional expense	779,609	948,569	1,125,402	1,351,300	1,595,562	1,890,524	2,208,799	2,593,554	3,013,824	3,510,015
Depreciation expense	612,574	612,574	612,574	612,574	612,574	612,574	428,774	1,149,415	1,149,415	1,149,415
Amortization of pre-operating costs	67,047	67,047	67,047	67,047	67,047	-	-	-	-	-
Subtotal	6,388,868	7,042,624	7,751,958	8,562,761	9,449,489	10,383,102	11,292,732	13,249,580	15,813,137	17,453,834
Operating Income	5,064,536	7,042,781	9,035,989	11,741,129	14,538,483	17,927,797	21,631,934	25,080,118	26,967,135	31,801,555
Gain / (loss) on sale of office equipment	-	-	-	-	-	-	415,250	-	-	-
Gain / (loss) on sale of office vehicles	-	-	-	-	-	-	385,000	-	-	-
Earnings Before Interest & Taxes	5,064,536	7,042,781	9,035,989	11,741,129	14,538,483	17,927,797	22,432,184	25,080,118	26,967,135	31,801,555
Subtotal	-	-	-	-	-	-	-	-	-	-
Earnings Before Tax	5,064,536	7,042,781	9,035,989	11,741,129	14,538,483	17,927,797	22,432,184	25,080,118	26,967,135	31,801,555
Tax	684,521	1,129,626	1,603,997	2,280,282	3,043,083	3,975,144	5,213,850	5,942,033	6,460,962	7,835,466
NET PROFIT/(LOSS) AFTER TAX	4,380,015	5,913,155	7,431,992	9,460,847	11,495,400	13,952,653	17,218,333	19,138,086	20,506,173	23,966,088

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											
<i>Current assets</i>											
Cash & Bank	1,000,000	27,204,351	28,568,294	29,395,763	30,304,912	30,914,127	31,611,012	39,374,958	56,847,609	75,137,127	82,232,440
Inventory Foods	1,075,654	1,306,754.19	1,559,135.54	1,857,883.84	2,197,845.75	2,590,176.78	3,025,769.36	3,540,198.08	4,124,923.40	4,789,685.43	-
Inventory Birds and Animals	28,600,217	6,004,493.02	7,129,612.62	8,581,509.56	10,139,360.97	12,054,485.09	14,091,877.86	16,585,613.19	19,280,999.39	22,489,348.90	-
Pre-paid building rent	150,000	165,000	181,500	199,650	219,615	241,577	265,734	292,308	321,538	353,692	-
Total Current Assets	30,825,871	34,680,598	37,438,542	40,034,806	42,861,734	45,800,365	48,994,394	59,793,077	80,575,070	102,769,854	82,232,440
<i>Fixed assets</i>											
Land	-	-	-	-	-	-	-	-	-	-	-
Building/Infrastructure	611,735	550,562	489,388	428,215	367,041	305,868	244,694	183,521	122,347	61,174	-
Furniture & fixtures	475,000	403,750	332,500	261,250	190,000	118,750	47,500	902,334	766,984	631,634	496,284
Office vehicles	1,540,000	1,309,000	1,078,000	847,000	616,000	385,000	154,000	3,197,287	2,717,694	2,238,101	1,758,508
Office equipment	1,661,000	1,411,850	1,162,700	913,550	664,400	415,250	166,100	3,155,321	2,682,023	2,208,725	1,735,426
Advance Against Building Rent	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000
Total Fixed Assets	4,737,735	4,125,162	3,512,588	2,900,015	2,287,441	1,674,868	1,062,294	7,888,462	6,739,047	5,589,633	4,440,218
<i>Intangible assets</i>											
Pre-operation costs	335,235	268,188	201,141	134,094	67,047	-	-	-	-	-	-
Legal, licensing, & training costs	-	-	-	-	-	-	-	-	-	-	-
Total Intangible Assets	335,235	268,188	201,141	134,094	67,047	-	-	-	-	-	-
TOTAL ASSETS	35,898,840	39,073,947	41,152,271	43,068,914	45,216,222	47,475,233	50,056,688	67,681,539	87,314,117	108,359,487	86,672,658
Liabilities & Shareholders' Equity											
Total Current Liabilities	-	985,099	1,201,849	1,428,287	1,716,065	2,028,034	2,407,342	2,813,860	3,308,353	3,847,549	4,484,225
<i>Other liabilities</i>											
<i>Shareholders' equity</i>											
Paid-up capital	35,898,840	35,898,840	35,898,840	35,898,840	35,898,840	35,898,840	35,898,840	35,898,840	35,898,840	35,898,840	35,898,840
Retained earnings	-	2,190,008	4,051,581	5,741,787	7,601,317	9,548,359	11,750,506	28,968,839	48,106,924	68,613,097	46,289,593
Total Equity	35,898,840	38,088,848	39,950,422	41,640,627	43,500,157	45,447,199	47,649,346	64,867,679	84,005,765	104,511,938	82,188,433
TOTAL CAPITAL AND LIABILITIES	35,898,840	39,073,947	41,152,271	43,068,914	45,216,222	47,475,233	50,056,688	67,681,539	87,314,117	108,359,487	86,672,658

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
<i>Operating activities</i>											
Net profit		4,380,015	5,913,155	7,431,992	9,460,847	11,495,400	13,952,653	17,218,333	19,138,086	20,506,173	23,966,088
Add: depreciation expense		612,574	612,574	612,574	612,574	612,574	612,574	428,774	1,149,415	1,149,415	1,149,415
amortization of pre-operating costs		67,047	67,047	67,047	67,047	67,047	-	-	-	-	-
Inventory Birds and Animals	(28,600,217)	22,595,724	(1,125,120)	(1,451,897)	(1,557,851)	(1,915,124)	(2,037,393)	(2,493,735)	(2,695,386)	(3,208,350)	22,489,349
Inventory Food and Accessories	(1,075,654)	(231,100)	(252,381)	(298,748)	(339,962)	(392,331)	(435,593)	(514,429)	(584,725)	(664,762)	4,789,685
Pre-paid building rent	(150,000)	(15,000)	(16,500)	(18,150)	(19,965)	(21,962)	(24,158)	(26,573)	(29,231)	(32,154)	353,692
Accounts payable		985,099	216,750	226,439	287,777	311,969	379,308	406,518	494,493	539,196	636,676
Other liabilities		-	-	-	-	-	-	-	-	-	-
Cash provided by operations	(29,825,871)	28,394,358	5,415,524	6,569,255	8,510,466	10,157,573	12,447,391	15,018,887	17,472,651	18,289,519	53,384,906
<i>Financing activities</i>											
Issuance of shares	35,898,840	-	-	-	-	-	-	-	-	-	-
Purchase of (treasury) shares											
Cash provided by / (used for) financing activities	35,898,840	-	-	-	-	-	-	-	-	-	-
<i>Investing activities</i>											
Capital expenditure	(5,072,970)	-	-	-	-	-	-	(7,254,942)	-	-	-
Cash (used for) / provided by investing activities	(5,072,970)	-	-	-	-	-	-	(7,254,942)	-	-	-
NET CASH	1,000,000	28,394,358	5,415,524	6,569,255	8,510,466	10,157,573	12,447,391	7,763,946	17,472,651	18,289,519	53,384,906

13. KEY ASSUMPTIONS

13.1. Operating Cost Assumptions

Table 57: Operating Cost Assumptions

Description	Details
Building rent growth rate	10%
Furniture and fixture depreciation	15%
Vehicle depreciation	15%
Office equipment depreciation	15%
Inflation rate	10.3%
Wage growth rate	9.7%
Electricity price growth rate	7.9%
Office equipment price growth rate	9.6%
Office vehicle price growth rate	11%

13.2. Revenue Assumptions

Table 58: Revenue Assumptions

Description	Details
Sale price growth rate	10.3%
Initial capacity utilization	50%
Capacity growth rate	5%
Maximum capacity utilization	95%

13.3. Financial Assumptions

Table 59: Financial Assumptions

Description	Details
Project life (Years)	10
Debt: Equity	0:100
Discount Rate used for NPV	25%

13.4. Debt related Assumptions

Table 60: Debt Related Assumptions

Description	Details
Project life (Years)	10

Debt: Equity	50:50
Discount Rate used for NPV	22%
Debt Tenure	5 years
Grace Period	1 Year
Interest Rate (KIBOR+3%)	19%

13.5. Cash Flow Assumptions

Table 61: Cash Flow Assumptions

Description	Days
Accounts Receivable Cycle	0
Accounts Payable Cycle	10

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