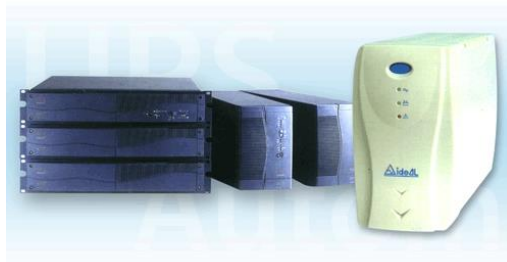


Pre-Feasibility Study

UPS & Stabilizer Assembling Unit



Small and Medium Enterprises Development Authority Government of Pakistan

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June , 2022

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1. PROJECT PROFILE

1.1. PURPOSE OF THE DOCUMENT

This document is developed to provide the insight of the said business with a view to potential investment opportunity in setting up Stabilizer and Uninterruptible Power Supply (UPS) assembling unit to cater to the power need of the households as well as the commercial offices. The pre-feasibility report addresses the various aspects of planning in order to set up assembling units by small and medium size entrepreneurs intending to diversify or start as a new venture. The document is designed to provide relevant details (including technical) to facilitate the entrepreneur in making the decision by providing various technological as well as business alternatives. The document also allows flexibility to change various project parameters to suit the needs of the entrepreneur.

1.2. PROJECT BRIEF

The goal for companies today is to attain and sustain business continuity. Devices like UPS & stabilizer provide the required backup and control power [voltage] fluctuation, respectively. The escalating demand of alternate power devices induce people to think of this successful business venture. Un-interrupted power supply (UPS) & Stabilizer production is a capital intensive business and requires huge investment depending upon the technology and methodology employed for the processing of these power machines. However, UPS & Stabilizer assembling unit generally requires comparatively less investment and can be considered by the Small and Medium scale investors. The proposed project envisages setting up of a UPS & Stabilizer assembling unit and their distribution to the target market.

UPS & Stabilizer assembling unit business means setting up a workshop where assembling takes place and an office area for carrying out general administrative and marketing work. The business facility will maintain inventory consisting of accessories like transformers, transfer switches, printed circuit board and housing used to assemble UPS & Stabilizer to meet the market requirement and orders effectively. The company will divide the store into two parts: one side will be used to store accessories and the other finished products respectively.

1.3. OPPORTUNITY RATIONALE

Globally, a power crisis is spreading which has compelled the consumers to fulfill their basic electricity need through some alternative sources of power. In Pakistan, public and private power generation units fail to meet the increasing electricity requirements of population. In last summer season, out of 24,100 Mega Watts load requirement, 22,600MW¹ was provided to the public in the country showing a shortfall of 1500MW. Even then there are frequent disruptions of electricity which vary with seasonal demand. Major slump is observed in summer season where sale of alternative power sources like generators and UPS increase substantially, while the existing producers / assemblers are constrained to maintain equilibrium in demand and supply. This clearly indicates the strong demand for UPS and stabilizer products.

(1. Source: Water & Power Development Authority-WAPDA, apart from revenue based load shedding)

The major two types of UPS generally used in the Pakistani market are, online and stand by, while ‘relay’ and ‘servo’ are the most reliable type amongst stabilizers brands which cater to the needs of the local market.

UPS is the abbreviation of Un-interrupted Power Supply and mainly consists of a transformer, printed circuit board, switches and casing/housing whereas stabilizer is a simple support machine used to regulate the voltage. There are many ways to commence a full production unit which needs comparatively much higher fixed investment. The best and the simple way is to purchase parts/accessories, assemble and distribute. This would likely decrease the chance of losses in case of exit and provide a save door to close down the business. In addition, it may help entrepreneur to manage the stock and fulfill the orders in a timely fashion. There are many brands available in the market including local and multinational companies named as Phillips, Digi-tech, Sys-tech and soft-tech in UPS. Universal, Stabimatic and National are the well-known brands in stabilizer.

Ideally, the most common and ultimate alternative power sources are solar systems & generators, available with different specification and usage criterion, usually used in industries where load is comparatively much higher than households due to light and heavy machines. UPS (stand-by) is very popular and affordable option for the middle and lower class communities who are unable to afford expensive generators and their fuels during the load shedding and power break down hours. UPS is not only gaining popularity in urban areas, but developed suburbs are also tuned towards this new alternative power source. In many households and offices in urban areas and other parts of the country the using of UPS and stabilizers is being increasingly gradually as an alternate source of electricity and due to the power break downs. The demand of UPS and stabilizers, in the country is consistent throughout the year and increases during summer in the urban areas of Pakistan.

The parameters to gauge UPS efficiency are back-up time, load capacity and sign waves, where as stabilizer performance is based on load capacity and the response time of regulations of voltage. Given the power crises, the demand of UPS is persistent throughout the year which justifies the entrance of a new entrant in this potential market. The acceptability of UPS is much higher than generators in domestic markets because of noise and cumbersome on/off procedure. Besides that, generators manufacturers are also limited in numbers and almost all are multinational ventures. These factors strengthen the UPS assembling & distribution units locally in order to cater the local market through indigenous products.

As far as UPS and Stabilizer market is concerned, the size vis-à-vis potential is undoubted showing an enormous increasing trend that aspire the attention of people to enter into this business.

1.4. MARKET ENTRY TIMING

There is no specific time for the entry in UPS & stabilizer assembling business. But the peak selling time starts from May and continues for another six months. A UPS assembling unit can commence its operations immediately as demand is constant across Pakistan.

1.5. PROPOSED BUSINESS LEGAL STATUS

The legal status of business tends to play an important role in any setup. The proposed UPS & Stabilizer assembling business is assumed to operate on a sole proprietorship basis. It may likely be registered as a private limited company depending upon the will of owner and situation of the business.

1.6. PROPOSED UPS/STABILIZER ASSEMBLING CAPACITY

The daily assembling capacity of the proposed UPS and stabilizer unit would be around 9 and 6 units respectively per day at initial stage. This production is being estimated on estimated staff strength.

1.7. PROJECT COST

Total project cost of the UPS & Stabilizer Assembling business would be approximately Rs. 4.02 million. Out of this, capital cost of the project is around Rs. 1.49 million and remaining will be the working capital.

1.8. PROJECT INVESTMENT

A total of Rs. 4.02 million will be required to setup and operate the proposed UPS & Stabilizer Assembling business.

1.9. RECOMMENDED PROJECT PARAMETERS

| Capacity | Human Resource | Technology for Parts | Location |
|---|----------------|----------------------|--|
| Assembling Capacity of UPS: 09 units per day Assembling Capacity of Stabilizer: 06 units per day | 12 | Local and Imported | Any Industrial estate, commercial areas of urban cities. |

Financial Summary

| Description | Details |
|-------------------------------|-------------|
| Project Cost | 4.02Million |
| Internal Rate of Return (IRR) | 47% |
| Net Present Value (Rs.) | 8,600,078 |

1.10. PROPOSED LOCATION

Location for setting up a UPS and Stabilizer assembling unit has imperial implications on variable costs, operational costs and procedures. The proposed assembling unit will be located at any industrial estate as basic infrastructure and facilities are available, which are necessary for a UPS and Stabilizer assembling unit.

1.11. KEY SUCCESS FACTORS & PRACTICAL TIPS

Following are the key success factors in power device assembling units:

- **Resource Allocation:** Allocation of resources would be proportionate to the mix of products. Seasonal demand would also be tapped in a timely manner.
- **Dealing with the vendors:** Suppliers and vendors play an important role in the successful operations of an assembling unit owing to the fact that the unit assembly relies on parts and accessories.
- **Relationship building with the distributors and owners of the outlets** to ensure that they accommodate your brand amongst others and persuade walk-in customers to purchase your products. Secondly, B2B selling must consider as an essential part of your sales mix for volume selling.

2. SECTOR & INDUSTRY OVERVIEW

Categorically, need of the appliances of power generation like UPS and generators arise as energy sector is facing a recessionary pressure that up-lift the alternate sources of power. The frequent power failures / break downs due to over-loaded ground lines and electricity fluctuation not only increases the corporate concerns but also affect households which increase the demand of these alternate power appliances in order to make work un-interrupted and lives easier. There are many other causes like un-availability of electricity, excess load requirement and mishandling of electricity that enhances demand for UPS and stabilizers.

In stabilizer assembling, a printed circuit board, volt meter with power cords and casing/housing are the key parts used to assemble a stabilizer. The tools and accessories are more or less same or identical that is used to assemble stabilizer and UPS. The technical skills needed to handle the complexities are by and large the same.

UPS is the source of energy compensation as and when required and it ranges **from 100 VA to 2000 VA**, normally used for both domestic (House Hold) and small industrial use. Now-a-days purposely built UPS for domestic use are more in demand especially in the Pakistani market. This means selling of UPS is assured as it has its own distinct advantage over other available sources and is likely to perform as a substitute of electricity.

2.1. NEED OF TODAY - EXISTING SCENARIO

Machines like generators using petrol/diesel and gas as a fuel were the only alternatives to fulfill the market requirements but generators of good and imported qualities are very expensive in the market and it's not easy to maintain generator and its fuel on regular basis. Owing to the increasing demand of temporary power supply devices to fulfill a vacuum on micro level, such as, households, induced companies to introduce other affordable devices to tap this segment.

UPS can be easily transported and installed from one place to other, does not require fixed under ground lines, meter and there is not any rent charged to it. It's an automatic charged device which generates normal electricity by taking support of an external battery.

There are two types of UPS available; stand-by and on-line types, which use faucet like:

1. Power failure.
2. Voltage sag.
3. Voltage spike.
4. Under-voltage.
5. Over-voltage.
6. Frequency variation.

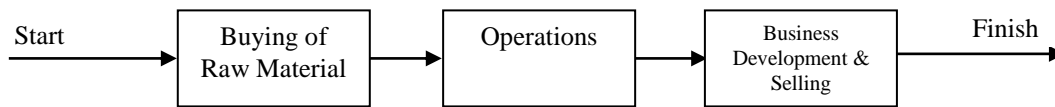
The standby generators are generally attached with the sensitive machines like work stations of offices or machines in the hospitals where power disruption cannot be avoidable. Likewise, the on-line UPS serves the market by providing an easy-to-use and cost-effective device especially for households as well as large companies. It also caters to the need of special power requirements of industries as well.

2.2. LICENSING

For locally handmade UPS manufacturing, at present there is no such authorized regulatory body working to control this new emerging market. The standard laws are imposed on the said assembling unit until government does not regulate this sector by making policies and procedures. Any private association has yet not been formed or reported. Therefore, you may become members of any existing and relevant association, like, the electrical and electronics manufacturers association, etc. Industrial association membership will also help you to have up-to-date information and carry out the business in an efficient and effective manner.

2.3. COMPANY DESCRIPTION

This is basically an assembling unit which will purchase parts and accessories from market vendors, assemble it and sell with their own brand name. Process flow can be divided into three steps,



2.4. DEPARTMENTALIZATION

Operations:

Operations department will further segregate into three sub departments, namely; Assembling, Wiring and Quality Assurance. Organizing the production process into smaller tasks increases the product quality and ensures timely delivery.

Department-1-Assembling: parts would be set collectively in housing/casing and forwarded to the second in-line department i.e. wiring.

Department-2-Wiring: will receive the accessories of UPS and Stabilizer and fix it accordingly. This department is responsible to integrate all the devices like PCB (Printed Circuit Board), transformer and switches in an assigned and given manner in order to build power devices.

Department-3-Quality Testing: Assuring that quality standard must be met; it is the last but the most important department in this integrated chain on which a power device manufacturer can capitalize on. Any negligence at any stage would deteriorate all efforts and affect your brand image.

Business Development and Product Selling:

Develop a marketing strategy to deal with the launch and realization of brand in the target market according to the problems which may be encountered. To ensure the maximum availability and coverage of products, these activities should be monitored by SBU head. The mix of prospective customers may be as follows:

- Whole sellers
- Retailers
- Commercial Offices

To sustain and increase the loyal base of the customers, various selling techniques such as, discounts, schemes and offers must be given to the trade/customers. The prevailing practices of the existing players are the flexibility of payment schedule and credit terms to induce the above mentioned customers for bulk buying.

2.5. PRODUCT MIX

Keen consideration should be given to the mix of products being assembled in a given period of time which is the key driver to remain competitive in the market. Product mix is designed according to the market conditions and target customer requirements. The proposed product mix as shown below is according to the existing players' practices and target market requirements.

- ✓ UPS – Ranges till 2000 VA
- ✓ Stabilizer – House Hold Users normal Ranges till 1000 watts

2.6. TARGET SEGMENT

As of today; alternate power devices market segment are divided into three main parts:

- House hold,
- Shops and offices

But the most profitable and advisable segment for small and medium size companies are households and small offices.

2.7. INFLUENCING FACTORS

The following factors are considered for production planning which are as under:

- Tap the seasonal demand, such as, the UPS demand is very high in summer season but rather low in winter. But in case of stabilizer the demand is persistent through out the year.
- Production should be started off in winter for the next peak selling period.
- Purchasing of raw material being done in off-season for next proposed production period where you have ample time to choose and avail fairly good discounts.

2.8. TOOLS REQUIRED- DEPARTMENT WISE

Keeping in mind, that work should not be stopped, every department must have their own tools according to the man power and work load. Keep few extra sets/pieces of tools as a buffer stock just to avoid interruption. The list of tools needed is shown in the table below:

| TOOLS & EQUIPMENT | | | | |
|---|--------------------------|------------------------------|-------------------|-------------------------------|
| S.No. | Tools Details | Required No. of Units | Unit Price | Total cost (In Rupees) |
| For Assembling Department | | | | |
| 1 | Screw Drivers | 6 | 2,200 | 13,200 |
| 2 | Nut Drivers | 6 | 1,000 | 6,000 |
| 3 | Nose Pliers | 6 | 700 | 4,200 |
| 4 | Side Cutter | 6 | 800 | 4,800 |
| | Total | | | 28,200 |
| For Wiring Department | | | | |
| 1 | Soldering iron-Automatic | 5 | 2,200 | 11,000 |
| 2 | Hot Air Gun | 5 | 2,000 | 10,000 |
| 3 | D-Soldering Sucker | 5 | 1,200 | 6,000 |
| 4 | Soldering Wire | 20 | 700 | 14,000 |
| 5 | Soldering Flux | 6 | 350 | 2,100 |
| 6 | Squeezer | 6 | 350 | 2,100 |
| 7 | Nose Pliers | 6 | 700 | 4,200 |
| 8 | Cutter | 6 | 750 | 4,500 |
| 9 | Wire Stripper | 10 | 2,000 | 20,000 |
| | Total | | | 73,900 |
| For Quality Assurance Department-Testing | | | | |
| 1 | Multi Meter | 2 | 6,500 | 13,000 |
| 2 | Clamp Meter | 2 | 7,000 | 14,000 |
| 3 | Cutter | 4 | 850 | 3,400 |
| 4 | Nose Pliers | 4 | 750 | 3,000 |
| 5 | Screw Drivers | 4 | 1,800 | 7,200 |
| 6 | Oscilloscope | 1 | 57,000 | 57,000 |
| 7 | Alligator Clips | 12 | 2,000 | 24,000 |
| 8 | Dummy Load | 2 | 16,000 | 32,000 |
| | Total | | | 153,600 |
| Fire Fighting Equipments | | | | |
| 1 | Fire Fighting Equipment | 2 | 26,000 | 52,000 |
| | Total | | | 52,000 |
| Total Tools & Equipment Cost | | | | 307,700 |

2.9.

2.10. CONCENTRATED MARKETS – FOR TOOLS PURCHASING

Local markets where you may locate vendors having required tools (branded and un-branded both) are:

- Denso hall market
- Runchore line market
- Cooperative market

There are many vendors across Pakistan providing the tools as an agent of some foreign company mostly European, or in an independent capacity. Economical Hub like China and Dubai are also renowned markets in selling electronics and electrical tools.

2.11. VENDORS

- 1) Electronics Traders
Cooperative market, Saddar, Karachi
Cell. 0343-2921570
- 2) Patel Electronics
Khorri Garden, Motan Das Market, Karachi
Ph. 021-35638841
021-35682705
- 3) Al-Hamad Electronics
Shop No. 193, cooperative market,
Saddar, Karachi.
Cell. 0333-2454283

2.12. PARTS AND ACCESSORIES – PRODUCT WISE

Mentioned below is the product wise components break-up required to assemble UPS and Stabilizer. By and large, required set of accessories use to assemble UPS and stabilizer are the same in type, but UPS needs more components due to its complex nature. External batteries would be used to charge the device for continuous Uninterrupted Power Supply.

| COST DETAILS | | | |
|---------------------|---|----------------------|--------------------|
| For UPS | | | |
| S.No. | Parts Details | Specification | Price/Piece |
| 1 | Casing/Housing | Local | 1,250 |
| 2 | Transformer | Local/Imported | 2,700 |
| 3 | Printed Circuit Board with components (Power M.O.S.F.E.T. inventor & Charger) | Local/Imported | 1,250 |
| 4 | Transformer Switches | Local/Imported | 50 |
| 5 | Light Emission Diot (L.E.D;) | Local | 90 |
| 6 | Battery Leads | Local | 220 |
| 7 | Battery Terminals | Local | 80 |
| 8 | Screws | Local | 50 |
| 9 | Power Card | Local | 100 |
| 10 | Fuse Holder with Fuse | Local | 60 |
| 11 | Power Socket | Local | 60 |
| 12 | Meter –Ampere | Local | 60 |
| 13 | Meter-Volt | Local | 40 |
| 14 | Cable Ties | Local | 270 |
| 15 | Heat Shrink Sleeves | Local | 170 |
| Total | | | 6,450 |

| For Stabilizers | | | |
|------------------------|------------------------------------|-----------------------|--------------------|
| S.No. | Parts Details | Specifications | Price/Piece |
| 1 | Servo Motor | | 170 |
| 2 | Servo Transformer | | 1,200 |
| 3 | Casing & Screws | | 350 |
| 4 | Power Cord | | 70 |
| 5 | On' Off Switches (Circuit Breaker) | | 100 |
| 6 | Fuse with holder | | 70 |
| 7 | Power socket | | 70 |
| 8 | Volt Meter | | 70 |
| 9 | PCB with components | | 230 |
| Total | | | 2,330 |

| For External Use | | | |
|-------------------------|----------------------|----------------------|--------------------|
| S.No. | Parts Details | Specification | Price/Piece |
| 1 | Battery- 145 Ampere | EXIDE/AGS | 11,500 |
| 2 | Battery-195 Ampere | EXIDE/AGS | 15,500 |
| 3 | Battery-200 Ampere | EXIDE/AGS | 16,500 |
| 4 | Battery Casing | Unbranded | 700 |
| 5 | Screw for Casing | Unbranded | 70 |

2.13. APPROVED SUPPLIERS – FOR ACCESSORIES PURCHASING

A list of approved suppliers should be developed in order to meet the raw material requirements on time as per the set parameters. Addition and subtraction of suppliers in

the approved list would be done accordingly. It may take some time and efforts for a shorter period but this is recommended to entail benefits in the long run. In Pakistan the local markets where all the necessary parts can be easily found are:

- Cooperative market (Karachi)
- Denso Hall (Karachi)
- Arambagh (Karachi)
- Shah Almi (Lahore)
- Chotki Ghatti Electronics market (Hyder Abad)

The agents and companies operating under franchise agreement of an international venture may also be taken into consideration. Furthermore; an agreement for the supply of accessories with the local companies having their own production facility may also be considered.

2.14. HIRING SUPPLIERS

Screening of supplier's credibility and performance is mandatory on few recommended points like:

- Price offered
- Quality
- Delivery Time
- Response time in case of change of any accessories
- Credit Terms

2.15. LIST OF SUPPLIERS

During research; information regarding cost of accessories was taken from local market vendors. The addresses of vendors which may provide all or some of the parts required are as under:

| Name of Supplier | Sultan Electronics | | |
|------------------|---|--------|-----------------|
| Address | Shop # 79-A, Cooperative Market Saddar, Karachi, Pakistan. | | |
| Phone | +92-21-35686851 +92-21-35686278 | Mobile | +92-324-2304413 |

| Name of Supplier | M.Z. Electronics |
|------------------|---|
| Address | Shop No.167, Cooperative market, Abdullah Haroon Road |

| | | | |
|--------------|------------------------------------|------------|-----------------|
| | Saddar, Karachi, Pakistan. | | |
| Phone | +92-21-35686786 +92-21-35689315 | Fax | +92-21-35689315 |

| | | | |
|-------------------------|---|---------------|------------------|
| Name of Supplier | Ashrafi Electronics | | |
| Address | 185-A, Abdullah Haroon Road, Saddar, Karachi. | | |
| Phone | +92-21-35688479 | Mobile | +92-321- 2898940 |
| E-mail | syednaveedhasan@gmail.com | | |

3. HUMAN RESOURCE REQUIREMENT

A team of approximately 12 staff members would need to be hired for establishing and running UPS and Stabilizer assembling and distribution business (at the time of 100% Capacity Utilization). The following table presents details about the staff to be hired and their estimated payroll requirements.

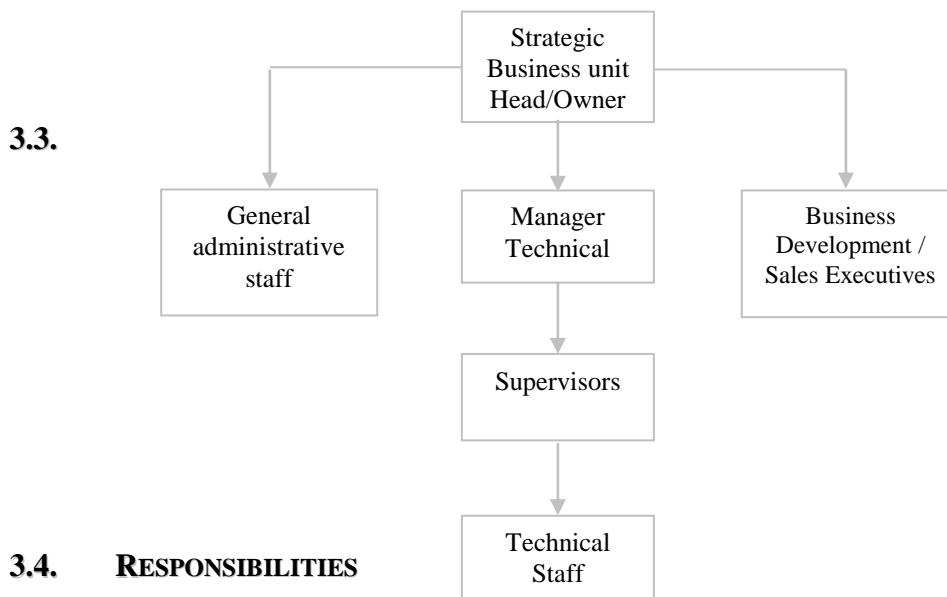
| Title/Designation | No. of persons | Individual salary | Per Month | Per Quarter | Per Annum |
|---|----------------|-------------------|-----------|-------------|-----------|
| Strategic Business Unit Manager/Owner | | | | | |
| Technical Staff | | | | | |
| Manager Technical (Engineers) | 1 | 50,000 | 50,000 | 150,000 | 600,000 |
| Supervisor | 1 | 30,000 | 30,000 | 90,000 | 360,000 |
| Technical Staff | 5 | 30,000 | 150,000 | 450,000 | 1,800,000 |
| Total Technical Staff | 7 | 110,000 | 230,000 | 690,000 | 2,760,000 |
| General Administrative/Marketing Staff | | | | | |
| Business Development Executives | 1 | 30,000 | 30,000 | 90,000 | 360,000 |
| Sales Executives | 0 | - | | | |
| Accountant | 1 | 30,000 | 30,000 | 90,000 | 360,000 |
| Store In charge | 1 | 30,000 | 30,000 | 90,000 | 360,000 |
| Loader | 1 | 25,000 | 25,000 | 75,000 | 300,000 |
| Outdoor Clerk | 0 | - | - | - | - |
| Data Entry Operator | 0 | - | - | - | - |
| Peon | 1 | 25,000 | 25,000 | 75,000 | 300,000 |
| Driver | 0 | | | | |
| Guard | 0 | | | | |
| Total General Administration/Marketing staff | 5 | 140,000 | 140,000 | 420,000 | 1,680,000 |
| Grand total of all staff | 12 | 250,000 | 370,000 | 1,110,000 | 4,440,000 |

3.1. EXPERIENCE

One of the Manager Technical will be responsible for the assembling and wiring of UPS and Stabilizer, where-by the second will ensure the quality by testing the products'

efficiency and compliance with the safety standards. As the business development/sales side of UPS and Stabilizer will be mostly marketing, it would need experienced staff for B2B (business to business) selling of the product, maintaining relationships with clients. It is proposed that staff with a minimum of 2 to 3 years of relevant experience should be hired. It is also recommended that the operations staff be provided with proper / regular training for handling of assembling of products. The business development/ sales staff should be trained and reporting directly to the strategic business unit head / owner.

3.2. PROPOSED HIERARCHY



Owner- Overall management would be the main responsibility of the owner. The job responsibilities will include close coordination with the departmental heads and the marketing team among other job duties. Formulation and implementation of strategies with a view to keep the internal and external factors is the prime task of the strategic business unit head. Evaluation of the strategies and the performance of the staff would lead the business towards success.

Manager Technical- Assembling and wiring departments will be overseen by one manager and other will be responsible to manage testing / checking / evaluating of the products in the quality assurance department.

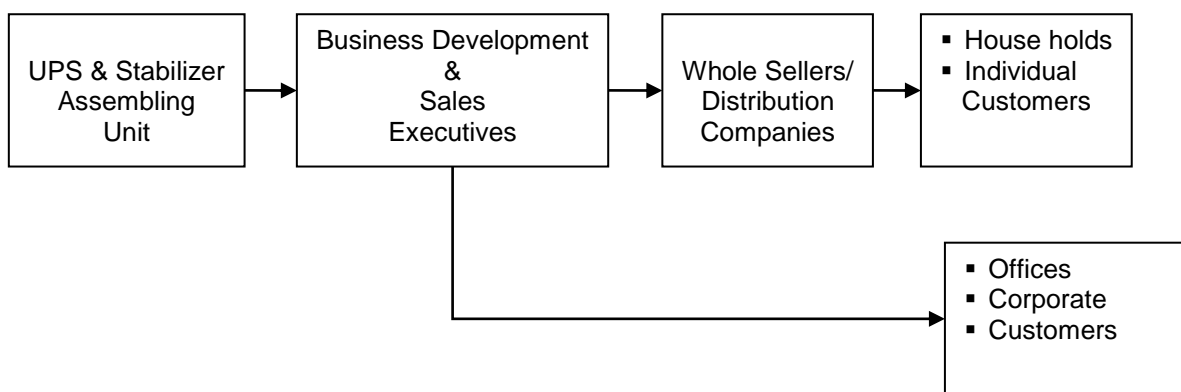
Supervisor- A technically sound professional must be hired to supervise the technical team. Every department has its own supervisor who will be responsible to hire and manage their team and deliver the desired results.

Business Development Executives- They will represent the product and the company amongst commercial offices and corporate clients. They must make efforts and endeavor for enhancing business development and retaining existing customers.

Sales Executives- Distributors and the companies hired to distribute the products will be monitored by these executives. In addition, they will try to find out the opportunity areas and guide the efforts of distributors for the betterment of company and products.

4. UPS & STABILIZER – SELLING & DISTRIBUTION PROCESS

The assembling and selling (both primary and secondary selling) make the process complete of the UPS and Stabilizer unit which has been illustrated in the following diagram:



UPS and Stabilizer assembling company would outsource the distribution function to an established distribution company which is also responsible for installing the devices to customer premises with the help of technical team at assembling unit. (preferably which has some experience in market the same devices). In doing so, efforts must be made to ensure that people have the requisite expertise to sell the products and try to ensure maximum coverage and availability. These sales activities will be the responsibility of the sales executives, working under the supervision of the owner. The owner will also carry out the business development function in which s/he would try to focus on commercial offices with the help of the business development executives for new product realization and lift-up of the existing products and their sales.

Price plays an important role in the success of any product and in the price conscious market like Pakistan; it becomes the key driver of volume sales and company growth. It is being observed that poorly controlled price would not only affect the product and the company image but sometimes it is the main reason for divesting from the business venture. The owner must ensure that market retail price (MRP) should be competitive.

With the passage of time, the owner may enter into the new markets to expand the business by using the same distributors or may look for new distributors having strong network in the target region.

4.1. MARKET CONDITIONS

UPS and Stabilizer market is generally driven by the price and the credit given by the manufacturers. This may sell products but may have multiplier affects in the long run which results in the following:

- Bad Debts Increases
- Weak Liquidity conditions
- Close down of unit (worst case scenario).

Utmost priority is to sell on cash but market condition cannot allow an entrant to impose their terms and conditions on buyers. With the passage of time, quality trial would make customers loyal and they may accept your terms.

4.2. DIFFERENTIATION – VALUE ADDITION

- To possess a competitive edge and to stand out from the crowd, it is recommended that an in-time after sales service should be formulated and implemented religiously.
- Guaranty and warranty should be widely communicated and be flexible to extend which will facilitate the customers and increase the image of the brand and product.
- Offer periodic cash discounts on bulk buying to distributors, commercial offices and corporate clients. Non cash benefits like delivery of diaries, calendars, key chains and sending cards on special occasion must be offered in order to attract the customers and also for building good relationships with the trade partners.

5. LAND AND BUILDING REQUIREMENT

5.1. SITE DEVELOPMENT

UPS and Stabilizer assembling is sophisticated and require fairly good arrangements and system. This is because tools and accessories need to be stored and used in this assembling unit are very sensitive and during site development, proper concealed electrical wiring with extra arrangement like electric points and switch boards for technical department must kept in mind.

5.2. LAND REQUIREMENT FOR UNIT

The proposed structure is ground plus 1, in which purposely built 1st floor which will be used by operations (technical staff), where-by ground area will be utilized for store and general administrative and marketing staff with the office of SBU head / owner.

To meet the requirement, a minimum of 2200 sq/ft (approximately) area would be required for the proposed setup.

5.3. LAND ALLOCATION AND CONSTRUCTION COST

The UPS and Stabilizer assembling unit site can be divided into three areas:

1. Operational Area (assembling/wiring/testing)
2. Administration block/Office area
3. Storage Area
4. Waiting/guard room

Operational area comprises of assembling/wiring/testing departments and it is estimated that it will occupy 1000 square feet area, while storage facility will acquire 600 square feet with 200 square feet allocated for waiting and guard room. Administration block/ office Area will consist of about 400 square feet area which will be used for accounts, administration and marketing purposes. It is estimated that around Rs.0.4 million would be required for the site development and construction. Following table provides detailed breakup:

| Factory/Office Renovation Cost | | | | | |
|--|--------------------------------------|-----------------------|--------------------|--------------------------------------|-------------------------|
| S.No. | Details | Area% | Size/Area (Sq.Ft.) | Civil Works/Construction Cost/Sq.Ft. | Total Construction Cost |
| 1 | Assembly Area | 45% | 12,000 | 400 | 480,000 |
| 2 | Storage Facility | 30% | 600 | 0 | 0 |
| 3 | General Administrative Area | 20% | 400 | 0 | 0 |
| 4 | Guard & waiting Room | 5% | 200 | 0 | 0 |
| | Total Land/ Construction Cost | | 24,000 | | 480,000 |
| Rent of area (240 Sq.Yds= 9680 Yards Plot | | Approx. 40,000 | | | |

As the assembling setup to be installed on the site would be of permanent nature and would be immovable for a longer period, it has been assumed that the plot will be on rent for the proposed business purpose. Estimated Rent approximately Rs. 40,000 thousand initially and it will grow by 10% on yearly basis.

5.4. BUILDING LAYOUT

Substantial portion of the ground area is allocated for the storage of raw material and finished goods inventory, a room accommodating owner with general, administrative and marketing staff will build in the rest of the spare space. First Floor of the building will be dedicatedly used for operational activities which would include assembling, wiring and testing.

FINANCIAL ANALYSIS & KEY ASSUMPTIONS

The project cost estimates for the proposed “UPS & Stabilizer Assembling business” have been formulated on the basis of discussions with industry stakeholders and experts. The projections cover the cost of land, workshop, machinery and equipment including office equipment, fixtures, etc. Specific assumptions relating to individual cost components are given as under.

5.5. LAND & BUILDING

Land for setting up the proposed assembling unit would be on rent which initial rent approximately around Rs. 40,000 thousand {for a 2200 square feet plot in any commercial/industrial area near any urban areas of the country}.

For the site development and renovation of office approximately Rs. 480,000 will be required, which has been assumed to be depreciating at 10% per annum using diminishing balance method.

5.6. OVERALL OFFICE RENOVATION

To renovate the workshop / office premises in Year 5 and Year 10, a cost would incur for which an amount equivalent to 5% of the total construction cost is estimated.

5.7. OFFICE FURNITURE

A lump sum provision of around Rs. 434,500 for the purchase of furniture is assumed. This would include tables, desks, chairs, air conditioners and office decoration articles, etc. The breakup of these expenses is given below:

| Furniture | | | | |
|-------------------------|---|------------------|---------|----------------|
| S.No. | Items | Quantity in Nos, | Cost | Total Cost |
| Office Furniture | | | | |
| 1 | Tables for Management Staff | 4 | 20,000 | 80,000 |
| 2 | Chairs for Management Staff | 4 | 8,000 | 32,000 |
| 3 | Chairs for Technical Staff | 5 | 4,500 | 22,500 |
| 4 | Chairs for General Staff | 6 | 2,500 | 15,000 |
| 5 | Curtains for Interior Decoration | 1 | 100,000 | 100,000 |
| 6 | Chairs/Sofa for waiting Room | 1 | 25,000 | 25,000 |
| 7 | Carpets | 1 | 20,000 | 20,000 |
| Total | | | | 294,500 |
| Electrical Works | | | | |
| 8 | Electrical Fittings & Lights | 1 | 35,000 | 35,000 |
| 9 | Electric Wiring for Technical Department | 3 | 15,000 | 45,000 |
| Total | | | | 80,000 |
| Wooden Work | | | | |
| 10 | Fixed wooden wall board for Technical Staff | 2 | 30,000 | 60,000 |
| Total | | | | 60,000 |
| Grand Total | | | | 434,500 |

5.8. DEPRECIATION TREATMENT

The treatment of depreciation would be on diminishing balance method at the rate of 10% per annum on the following. The method is also expected to provide accurate tax treatment.

1. Accessories & tools
2. Building Construction & Renovation.
3. Vehicles
4. Furniture and Fixtures etc.

5.9. UTILITIES

UPS & Stabilizer Assembling business will be operated using electricity for dummy load and workshop day-to-day operations. This would draw considerable amount of electricity. The cost of the utilities including electricity, diesel/fuel, telephone and water is estimated to be around Rs. 678,000 per annum. Periodic estimation of utilities expenses mention below based on month, quarter and year wise which is also recommended period to account for the said expenses:

| Utility | Total Monthly Cost | Total Quarterly Cost (Rs.) | Total Annual Cost (Rs.) | Annual %age Increase |
|------------------------------------|--------------------|----------------------------|-------------------------|----------------------|
| 1. Electricity(Office & workshop) | 45,000 | 135,000 | 540,000 | 5% |
| 2. Fuel for Vehicles | 0 | 0 | 0 | 5% |
| 3. Water (Office & Workshop) | 5,000 | 15,000 | 60,000 | 5% |
| 4. Telephone (Office and Workshop) | 6,000 | 18,000 | 72,000 | 5% |
| Total | 56,000 | 168,000 | 678,000 | |

5.10. WORKING CAPITAL REQUIREMENTS

It is estimated that an additional amount of Rs. 2.11 million (approximately) will be required as cash in hand to meet the working capital requirements. These provisions have been estimated based on the following assumptions for the proposed business.

| Working Capital | | |
|------------------------|---|------------------|
| 1. | Utilities- Three Months (Office & Factory) | 288,000 |
| 2. | Electricity/Month | 45,000 |
| 3. | Fuel for vehicles | - |
| 4. | Water/month | 5,000 |
| 5. | Telephone bill/Month | 6,000 |
| 6. | Factory Rent | 40,000 |
| | Salaries-Three Months (Total Staff) | 1,110,000 |
| | Raw Material Inventory-As a safety stock for five days | 1,080,450 |
| | Misc.Expenses- Three Months (@ Rs. 20,000/Month) | 60,000 |
| | Total Working Capital | 2,538,450 |

5.11. LOGISTICS

A loading vehicle would be required for providing services for the transportation of raw material and finished goods delivery from different locations. For this purpose, initially rented transport has been proposed for this business. In addition; motor bikes (any brand in 70 cc) will be provided to staff responsible for business development with a view to mobilize them efficiently. It is estimated that the bike cost will be Rs. 70,500/- which sums to Rs.141, 000/- for 2 bikes.

5.12. SELLING & DISTRIBUTION EXPENSES

Although marketing, promotion and distribution activities are limited in the UPS and Stabilizer assembling business, for the purpose of this pre-feasibility it has been assumed that the proposed unit would hire and work with the external-distributors and may also directly supply to the commercial offices. The business may also need to give incentives to the marketing staff for the business development purpose. Besides that, advertising material would also need to be printed on periodical basis announcing discounts, incentives and facilities to the customers. These arrangements would raise a considerable cost to the business for which an amount equivalent to 5% of the annual sales has been assumed.

5.13. MISCELLANEOUS EXPENSES

Miscellaneous expenses of running the business are assumed to be Rs. 20,000 per month. These expenses include various items like office stationery, daily consumables, etc. and are assumed to increase at a nominal rate of 10% per annum.

5.14. RAW MATERIAL INVENTORY

The proposed setup is assumed to maintain a minimum quantity of accessories to act as safety stock against any shortage from supplier and to meet regular market demand. For this purpose the storage facility will maintain at least five days raw material inventory at every point in time after being operative for three months time. The level of safety stock may increase or decrease as this is also subject to the demand shift.

5.15. REVENUE PROJECTIONS

UPS and Stabilizer business is carried out on credit cum cash basis. Therefore, 50% credit provisioning has been assumed on total sales which will be received within the time span of one month. It has been assumed that the proposed business will initially sell 9 UPS and 6 Stabilizer per day which will grow by 10% annually. Besides that, a 10% increase in sales price has also been assumed on an annual basis.

5.16. ACCOUNTS RECEIVABLES

Considering the industry norm, credit and the credit time is the key driver for better sales particularly the UPS, Stabilizer and other alternate power devices businesses. It has been assumed that credit period will be of one month, where-by 50% cash will be paid on delivery. In case of bulk buying, SBU head may increase the credit percentage of total or credit period.

5.17. FINANCIAL CHARGES

It is assumed that no long-term financing will be obtained from banks or from other financial Institutions. Leasing facility would be required in future for extending the project, so at present it is not calculated in the financial model.

5.18. TAXATION

The business is assumed to be run as a sole proprietorship; therefore, tax rates applicable on the income of a non salaried individual taxpayer are used for income tax calculation of the business. Taxes applicable on SMEs are subjected to change with respect to relevant factors.

5.19. COST OF CAPITAL

The cost of capital is explained in the following table:

| PROJECT RETURNS AND OTHER FINANCIAL | | |
|-------------------------------------|------------------------|------------------|
| 1 | IRR | 47% |
| 2 | NPV | 8,600,078 |
| 3 | Payback Period (Years) | 3 Years 6 Months |
| 4 | Equity Ratio | 100% |

The weighted average cost of capital is based on 100% equity.

5.20. OWNER'S WITHDRAWAL

It is assumed that the owner will draw funds from the business once the desired profitability is reached from the start of operations. The amount would depend on business sustainability and availability of funds for future growth.

5.21. ANNEXURES

5.22. SUMMARY OF KEY ASSUMPTIONS

5.23. COST AND REVENUE SHEET

5.24. PROJECTED INCOME STATEMENT

5.25. PROJECTED BALANCE SHEET

5.26. PROJECTED CASH FLOW STATEMENT

5.27. COST AND REVENUE SHEET

Summary & Ke Assumptions.



| Summary of Key Assumptions | | |
|--|--|--------------------|
| (in Pak. Rs.) | | |
| Sr. No. | PARTICULARS | TOTAL COST/DETAILS |
| Fixed Capital | | |
| | Tools & Equipment | 307,700 |
| | Tools for Assembling Department | 28,200 |
| | Tools for Wiring Department | 73,900 |
| | Tools For Quality Assurance Department – Testing | 153,600 |
| | Fire Fighting Equipment | 52,000 |
| | Construction & Renovation | 480,000 |
| | Factory / Office Furniture | 434,500 |
| | Vehicles | 213,000 |
| | Preliminary Expenses - License fee, Registration of Brand & Others | 50,000 |
| | Total Fixed Capital | 1,485,200 |
| Working Capital | | |
| | Utilities - Three Months (Office & Factory) | 288,000 |
| | 1. Electricity/month | 45,000 |
| | 2. Diesel for Vehicles | - |
| | 3. Water/month | 5,000 |
| | 4. Telephone/month | 6,000 |
| | 5. Factory Rent | 40,000 |
| | Salaries - Three Months (Total Staff) | 1,110,000 |
| | Raw Material Inventory - As a Safety Stock for five days | 1,080,450 |
| | Misc. Expenses - Three months (@ 20,000 /month) | 60,000 |
| | Total Working Capital | 2,538,450 |
| | TOTAL PROJECT COST | 4,023,650 |
| | Loan Finance | - |
| | Equity Financing | 4,023,650 |
| | Debt:Equity Ratio (0:100) | 0.00% |
| PROJECT RETURNS AND OTHER FINANCIAL | | |
| 1 | IRR | 47% |
| 2 | NPV | 8,600,078 |
| 4 | Equity Ratio | 100% |

Income Statement.

| UPS AND STABILIZER ASSEMBLING UNIT | | | | | | | | | | |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| Projected Income Statement (Rs.) | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
| Revenue | 31,356,000 | 36,216,180 | 41,829,688 | 48,313,290 | 55,801,849 | 64,451,136 | 74,441,062 | 85,979,427 | 99,306,238 | 114,698,705 |
| Beginning Inventory | - | 819,750 | 946,811 | 1,093,567 | 1,263,070 | 1,458,846 | 1,684,967 | 1,946,137 | 2,247,788 | 2,596,195 |
| Ending Inventory | 819,750 | 946,811 | 1,093,567 | 1,263,070 | 1,458,846 | 1,684,967 | 1,946,137 | 2,247,788 | 2,596,195 | 2,998,605 |
| Gross Revenue | 30,536,250 | 36,089,119 | 41,682,932 | 48,143,787 | 55,606,074 | 64,225,015 | 74,179,892 | 85,677,776 | 98,957,831 | 114,296,295 |
| Sales on Credit | 12,214,500 | 14,435,648 | 16,673,173 | 19,257,515 | 22,242,429 | 25,690,006 | 29,671,957 | 34,271,110 | 39,583,132 | 45,718,518 |
| Sales on Cash | 18,321,750 | 21,653,471 | 25,009,759 | 28,886,272 | 33,363,644 | 38,535,009 | 44,507,935 | 51,406,665 | 59,374,698 | 68,577,777 |
| Bad Debt Expenses | 244,290 | 288,713 | 333,463 | 385,150 | 444,849 | 513,800 | 593,439 | 685,422 | 791,663 | 914,370 |
| Net (Adjusted Sales) | 30,291,960 | 35,800,406 | 41,349,469 | 47,758,636 | 55,161,225 | 63,711,215 | 73,586,453 | 84,992,353 | 98,166,168 | 113,381,924 |
| Cost of Sales | 25,905,360 | 29,698,331 | 34,060,504 | 39,078,412 | 44,851,838 | 51,495,856 | 59,143,184 | 67,946,897 | 78,083,566 | 89,756,873 |
| Raw Material Cost | 22,473,360 | 25,956,731 | 29,980,024 | 34,626,928 | 39,994,102 | 46,193,187 | 53,353,131 | 61,622,867 | 71,174,411 | 82,206,445 |
| Labor (Production Staff) | 2,760,000 | 3,036,000 | 3,339,600 | 3,673,560 | 4,040,916 | 4,445,008 | 4,889,508 | 5,378,459 | 5,916,305 | 6,507,936 |
| Other Utilities | 672,000 | 705,600 | 740,880 | 777,924 | 816,820 | 857,661 | 900,544 | 945,571 | 992,850 | 1,042,493 |
| Gross Profit | 4,386,600 | 6,102,075 | 7,288,965 | 8,680,225 | 10,309,387 | 12,215,359 | 14,443,269 | 17,045,456 | 20,082,602 | 23,625,051 |
| Gross Profit Margin | 14% | 17% | 18% | 18% | 19% | 19% | 20% | 20% | 20% | 21% |
| General Administrative & Selling Expenses | | | | | | | | | | |
| Rent Expenses | 480,000 | 528,000 | 580,800 | 638,880 | 702,768 | 773,045 | 850,349 | 935,384 | 1,028,923 | 1,131,815 |
| Salaries | 1,680,000 | 1,848,000 | 2,032,800 | 2,236,080 | 2,459,688 | 2,705,657 | 2,976,222 | 3,273,845 | 3,601,229 | 3,961,352 |
| Factory/Office Miscellaneous Expenses | 240,000 | 264,000 | 290,400 | 319,440 | 351,384 | 386,522 | 425,175 | 467,692 | 514,461 | 565,907 |
| Amortization of Preliminary Expenses | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | - | - | - | - | - |
| Depreciation Expense | 143,520 | 129,168 | 116,251 | 104,626 | 94,163 | 87,147 | 78,432 | 70,589 | 63,530 | 57,177 |
| Maintenance Expense | 9,231 | 9,231 | 9,231 | 9,231 | 9,231 | 9,231 | 9,231 | 9,231 | 9,231 | 9,231 |
| Selling & Distribution | 1,514,598 | 1,790,020 | 2,067,473 | 2,387,932 | 2,758,061 | 3,185,561 | 3,679,323 | 4,249,618 | 4,908,308 | 5,669,096 |
| Subtotal | 4,077,349 | 4,578,419 | 5,106,956 | 5,706,189 | 6,385,296 | 7,147,163 | 8,018,732 | 9,006,359 | 10,125,683 | 11,394,579 |
| Operating Income | 309,251 | 1,523,656 | 2,182,009 | 2,974,036 | 3,924,091 | 5,068,196 | 6,424,537 | 8,039,097 | 9,956,919 | 12,230,472 |
| Financial Charges (15% Per Annum) | - | - | - | - | - | - | - | - | - | - |
| Earnings Before Taxes | 309,251 | 1,523,656 | 2,182,009 | 2,974,036 | 3,924,091 | 5,068,196 | 6,424,537 | 8,039,097 | 9,956,919 | 12,230,472 |
| Tax | 61,850 | 304,731 | 436,402 | 594,807 | 784,818 | 1,013,639 | 1,284,907 | 1,607,819 | 1,991,384 | 2,446,094 |
| Net Profit | 247,401 | 1,218,925 | 1,745,607 | 2,379,229 | 3,139,273 | 4,054,557 | 5,139,629 | 6,431,278 | 7,965,535 | 9,784,378 |
| Monthly Profit After Tax | 20,617 | 101,577 | 145,467 | 198,269 | 261,606 | 337,880 | 428,302 | 535,940 | 663,795 | 815,365 |

Cash Flow Sheet.

| UPS AND STABILIZER ASSEMBLING UNIT | | | | | | | | | | | |
|---|--------------------|--------------------|------------------|------------------|------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Projected Statement of Cash Flows (Rs.) | Year 0 | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
| Cash Flow From Operating Activities | | | | | | | | | | | |
| Net Profit | 0 | 247,401 | 1,218,925 | 1,745,607 | 2,379,229 | 3,139,273 | 4,054,557 | 5,139,629 | 6,431,278 | 7,965,535 | 9,784,378 |
| Add: Depreciation Expense | 0 | 143,520 | 129,168 | 116,251 | 104,626 | 94,163 | 87,147 | 78,432 | 70,589 | 63,530 | 57,177 |
| Amortization Expense | 0 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | - | - | - | - | - |
| (Increase) / decrease in Receivables | 0 | (1,017,875) | (185,096) | (186,460) | (215,362) | (248,743) | (287,298) | (331,829) | (383,263) | (442,669) | (511,282) |
| (Increase) / decrease in Raw Material Inventory | 0 | (1,080,450) | (54,023) | (56,724) | (59,560) | (62,538) | (65,665) | (68,948) | (72,395) | (76,015) | (79,816) |
| (Increase) / decrease in Finished Goods Inventory | 0 | (819,750) | (127,061) | (146,756) | (169,503) | (195,776) | (226,121) | (261,170) | (301,651) | (348,407) | (402,410) |
| Net Cash Flow From Operations | 0 | (2,517,154) | 991,913 | 1,481,919 | 2,049,430 | 2,736,380 | 3,562,620 | 4,556,115 | 5,744,558 | 7,161,975 | 8,848,047 |
| Cash Flow From Financing Activities | | | | | | | | | | | |
| Receipt of Long Term Debt | 0 | | | | | | | | | | |
| Repayment of Long Term Debt | | 0 | 0 | 0 | 0 | 0 | - | - | - | - | - |
| Owner's Equity | 4,023,650 | | | | | | | | | | |
| Net Cash Flow From Financing Activities | 4,023,650 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Cash Flow From Investing Activities | | | | | | | | | | | |
| Capital Expenditure | (520,700) | | | | | (24,000) | | | | | (24,000) |
| Factory/Office Furniture | (434,500) | | | | | | | | | | |
| Preliminary Operating Expenses | (50,000) | | | | | | | | | | |
| Purchase of Land | (480,000) | | | | | | | | | | |
| Net Cash Flow From Investing Activities | (1,485,200) | 0 | 0 | 0 | 0 | (24,000) | 0 | 0 | 0 | 0 | (24,000) |
| NET CASH FLOW | 2,538,450 | (2,517,154) | 991,913 | 1,481,919 | 2,049,430 | 2,712,380 | 3,562,620 | 4,556,115 | 5,744,558 | 7,161,975 | 8,824,047 |
| Cash at the Beginning of the Period | 0 | 2,538,450 | 21,296 | 1,013,209 | 2,495,128 | 4,544,558 | 7,256,938 | 10,819,558 | 15,375,672 | 21,120,230 | 28,282,205 |
| Cash at the End of the Period | 2,538,450 | 21,296 | 1,013,209 | 2,495,128 | 4,544,558 | 7,256,938 | 10,819,558 | 15,375,672 | 21,120,230 | 28,282,205 | 37,106,252 |

Balance Sheet.

| UPS AND STABILIZER ASSEMBLING UNIT | | | | | | | | | | | |
|---|------------------|------------------|------------------|------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Projected Balance Sheet (Rs.) | Year 0 | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
| Assets | | | | | | | | | | | |
| Current Assets | | | | | | | | | | | |
| Cash & Bank Balance | 2,538,450 | 21,296 | 1,013,209 | 2,495,128 | 4,544,558 | 7,256,938 | 10,819,558 | 15,375,672 | 21,120,230 | 28,282,205 | 37,106,252 |
| Raw Material Inventory | 0 | 1,080,450 | 1,134,473 | 1,191,196 | 1,250,756 | 1,313,294 | 1,378,958 | 1,447,906 | 1,520,302 | 1,596,317 | 1,676,133 |
| Finished Goods Inventory | 0 | 819,750 | 946,811 | 1,093,567 | 1,263,070 | 1,458,846 | 1,684,967 | 1,946,137 | 2,247,788 | 2,596,195 | 2,998,605 |
| Accounts Receivable | 0 | 1,017,875 | 1,202,971 | 1,389,431 | 1,604,793 | 1,853,536 | 2,140,834 | 2,472,663 | 2,855,926 | 3,298,594 | 3,809,876 |
| Total Current Assets | 2,538,450 | 2,939,371 | 4,297,463 | 6,169,322 | 8,663,176 | 11,882,613 | 16,024,317 | 21,242,378 | 27,744,245 | 35,773,311 | 45,590,866 |
| Fixed Assets | | | | | | | | | | | |
| Plant Machinery & Facility | 307,700 | 276,930 | 249,237 | 224,313 | 201,882 | 181,694 | 163,524 | 147,172 | 132,455 | 119,209 | 107,288 |
| Factory Construction | 480,000 | 432,000 | 388,800 | 349,920 | 314,928 | 307,435 | 276,692 | 249,023 | 224,120 | 201,708 | 205,537 |
| Land | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Furniture & Fixtures | 434,500 | 391,050 | 351,945 | 316,751 | 285,075 | 256,568 | 230,911 | 207,820 | 187,038 | 168,334 | 151,501 |
| Vehicle | 213,000 | 191,700 | 172,530 | 155,277 | 139,749 | 125,774 | 113,197 | 101,877 | 91,690 | 82,521 | 74,269 |
| Total Fixed Assets | 1,435,200 | 1,291,680 | 1,162,512 | 1,046,261 | 941,635 | 871,471 | 784,324 | 705,892 | 635,303 | 571,772 | 538,595 |
| Intangible Assets | | | | | | | | | | | |
| Preliminary Expenses | 50,000 | 40,000 | 30,000 | 20,000 | 10,000 | - | - | - | - | - | - |
| Total Assets | 4,023,650 | 4,271,051 | 5,489,975 | 7,235,583 | 9,614,811 | 12,754,084 | 16,808,641 | 21,948,270 | 28,379,548 | 36,345,083 | 46,129,461 |
| Owner's Equity | 4,023,650 | 4,271,051 | 5,489,975 | 7,235,583 | 9,614,811 | 12,754,084 | 16,808,641 | 21,948,270 | 28,379,548 | 36,345,083 | 46,129,461 |
| Long Term Liability | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Equity & Liabilities | 4,023,650 | 4,271,051 | 5,489,975 | 7,235,583 | 9,614,811 | 12,754,084 | 16,808,641 | 21,948,270 | 28,379,548 | 36,345,083 | 46,129,461 |