

Kamyab Jawan

Youth Entrepreneurship Scheme

Pre-Feasibility Study

(Veterinary Clinic)



Small and Medium Enterprises Development Authority
Ministry of Industries & 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 subject. 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 exercised to compile this document, the contained information may vary due to any change in any of the concerned factors, and the actual results may differ substantially from the presented information. SMEDA, its employees or agents do not assume any liability for any financial or other loss resulting from this memorandum in consequence of undertaking this activity. The contained information does not preclude any further professional advice. The prospective user of this memorandum is encouraged to carry out additional diligence and gather any information which is necessary for making an informed decision, including taking professional advice from a qualified consultant / technical expert before taking any decision to act upon the information.

In case the document is intended to be used for loan application under any specified loan scheme, respective scheme parameters are to be incorporated accordingly. In doing so, financial results may vary from results shown in this document.

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

The logo for SMEDA (Small and Medium Enterprises Development Authority) is displayed in a light blue rectangular box. The letters 'S', 'M', 'E', 'D', and 'A' are arranged horizontally in a serif font, with each letter being white and set against a light blue background.

2. 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, operations, marketing, finance and business management.

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

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

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

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, institutional collaboration and networking initiatives.

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

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

4. INTRODUCTION TO SCHEME

Prime Minister's 'Kamyab Jawan – Youth Entrepreneurship Scheme', for young entrepreneurs between the age group of 21 - 45 years, is designed to provide subsidized financing through the National Bank of Pakistan, Bank of Punjab and Bank of Khyber under the guidance and supervision of the State Bank of Pakistan.

The loans will be disbursed to SME beneficiaries across Pakistan, covering; Punjab, Sindh, Khyber Pakhtunkhwa, Balochistan, Gilgit Baltistan and Azad Jammu & Kashmir. The Program aims to provide 25% of the loans to women entrepreneurs.

Loans provided through Kamyab Jawan Program are segregated in two tiers: Tier 1 loans fall in the range of Rs. 100,000 to Rs. 500,000, with Debt: Equity 90:10 and 6% markup to borrower, and, Tier 2 loans are from Rs. 500,000 to Rs. 5 Million, with Debt: Equity 80:20 and 8% markup to borrower. Both loans are for a period of up to 8 years with a grace period of 1 year.

Application forms are available both in branches and dedicated websites of National Bank of Pakistan, Bank of Punjab and Bank of Khyber.

5. EXECUTIVE SUMMARY

This particular Pre-feasibility is for setting up 'Veterinary Clinic'. Veterinary medicine is the branch of science that deals with the prevention, diagnosis and treatment of disease, disorder and injury in animals. Infectious diseases in animals pose a major threat to animal health and productivity, thereby leading to overall economic loss. The most common diseases are Foot and Mouth Disease (FMD), diarrhea, fever, respiratory infections like pneumonia etc. However, these diseases can be cured through an early diagnosis and proper treatment.

As compared to animal population, the ratio of veterinary clinics is far less in Pakistan. This creates an opportunity for setting up a veterinary clinic. The project will provide medical facilities such as health check, vaccination, and major & minor surgeries to livestock. The clinic shall be run by a licensed veterinary doctor.

The total project cost for veterinary clinic is estimated at Rs. 0.70 million, out of which capital cost is Rs. 0.41 million and working capital is Rs. 0.29 million. The project Net Present Value (NPV) of the project is Rs. 4.01 million, with Internal Rate of Return (IRR) of 56% and payback period of 2.81 years.

It is assumed that the clinic shall have the capacity to handle 3,620 cases per year, however, it would operate at 75% capacity to handle 2,715 cases in first year. The total staff requirement for the project will be 3 persons. The proposed location for project depends upon sizeable population of livestock such as, Sahiwal, Pakpattan, Okara, Faisalabad, Peshawar, D.I. Khan, Quetta, Lasbela, Karachi, Hyderabad, Sukkur etc.

6. BRIEF DESCRIPTION OF PROJECT & PRODUCT

This particular project is about establishing a veterinary clinic as large number of farm animals (such as cows, buffaloes, sheep, goats and camels) die due to infectious ailments annually, causing huge economic losses to the dairy and livestock farmers. The clinic would be established in rented premises. It will provide veterinary health care services such as health check, vaccination, treatment, minor & major surgeries and farm visits for livestock. The services will be extended not only to livestock and dairy farms through regular field visits for on-site diagnosis, treatment and medication, but also treat the animals brought to clinic premises.

The project shall have a fully equipped and well-trained staff to perform field operations. The project will employ 3 individuals including the owner/ veterinary doctor for providing standardized animal healthcare and support services.

7. CRITICAL FACTORS

- Background knowledge, experience and technical qualification of the entrepreneur.
- Appropriate project location with catchment area having sizeable livestock population.
- Hiring of qualified staff to meet client requirements.
- Retention of staff through incentives to ensure smooth and regular services.
- Coverage of maximum area of operation and capturing the market through field visits and quality of service.
- Competition with non-qualified vets through competitive fee structure and standardized services.

Returns on the scheme and its profitability are highly dependent on the availability and efficiency of qualified veterinary doctors and trained staff, provision of accurate and quality service on time and ability to handle emergency cases by accurate diagnosis and successful treatment. In case veterinary clinic project is not very efficient, it will not be able to cover the potential market. Hence, cost of operating the business will increase.

8. INSTALLED & OPERATIONAL CAPACITIES

There are no installed capacities since the proposed business is a service based venture. Based on 300 operational days per year, the clinic would have the capacity to manage 3,620 in first year, however, at 75% capacity utilization, 2,715

would be managed in year 1. The growth rate of capacity utilization is 5% per annum until 95% capacity is attained.

9. GEOGRAPHICAL POTENTIAL FOR INVESTMENT

The proposed location should be near an area where population of animals is significant. Thus location for the veterinary clinic is suggested to be at Sahiwal, Pakpattan, Okara, Sargodha, Sheikhupura, Faisalabad, Jhang, Sialkot, Peshawar, Charsadda, D. I. Khan, Sukkur, Hyderabad, Dadu, Lasbela, Qilla Saifullah and other similar cities/areas.

10. PROJECT COST SUMMARY

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

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

10.1. Project Economics

Following table shows Internal Rate of Return (IRR) and payback period;

Table 1: Project Economics

Description	Details
Internal Rate of Return (IRR)	56%
Payback Period (yrs)	2.81
Net Present Value (NPV)	Rs. 4,013,817

10.2. Project Financing

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

Table 2: Project Financing

Description	Details
Total Equity (20%)	Rs. 141,576
Bank Loan (80 %)	Rs. 566,305
Markup to the Borrower (percent/annum)	8%
Tenure of the Loan (Years)	8
Grace Period (Years)	1

10.3. Project Cost

Following requirements have been identified for operations of the proposed business.

Table 3: Capital Investment

Capital Investment	Amount (Rs.)
Machinery & equipment	190,000
Furniture & fixtures	73,000
Office vehicles	135,000
Office equipment	5,000
Pre-operating costs	9,121
Total Capital Cost	412,121
Raw material inventory	52,760
Upfront building rent	120,000
Cash	123,000
Total Working Capital	295,760
Total Project Cost	705,881

10.4. Space Requirement

Following table shows calculations for project space requirement;

Table 4: Space Requirement

Requirement	Space (Sq. ft)
Animal sheds/ Animal holding area	500
Veterinary doctor's office	100
Veterinary assistant's room	100
Wash rooms	64
Total Space Required	764

The veterinary clinic is assumed to be established at rented property. The monthly rent is estimated to be Rs. 30,000 per month, with pre-paid building rent assumed for 4 months.

10.5. Machinery and Equipment

Following table provides list of machinery and equipment required for veterinary clinic;

Table 5: Machinery & Equipment

Description	No.	Unit Cost (Rs.)	Total (Rs.)
Surgical kit	3	15,000	45,000
Dystocia kit	3	15,000	45,000
Refrigerator	1	50,000	50,000
Other lab equipment	Lump sum	50,000	50,000
Total			190,000

10.6. Furniture and Fixture

Following office furniture and equipments are required for proposed veterinary clinic;

Table 6: Furniture & Fixture

Description	No.	Unit Cost (Rs.)	Total (Rs.)
Vet. Doctors' room table	1	10,000	10,000
Vet. Doctors' room chair	1	8,000	8,000
Visitors' chairs	3	5,000	15,000
UPS	1	30,000	30,000
Electric Installations	Lump sum	10,000	10,000
Total			73,000

10.7. Office Equipments and Vehicle

Following office equipment is required;

Table 7: Office Equipment

Description	No.	Unit Cost (Rs.)	Total (Rs.)
Phone	1	5,000	5,000
Total			5,000

The office vehicles required for the project are as follows;

Table 8: Office Vehicle

Description	Number	Cost / Unit	Amount (Rs.)
Motor cycles	3	45,000	135,000
Total			135,000

The proposed project will be using three motor cycles to cover outdoor cases. It is estimated that running expense of each motorcycle is Rs. 120 per day for 300 working days. Hence, in year one, running expense is Rs. 108,000/- for three motor cycles.

The cost of maintenance for three motorcycles is estimated at Rs. 3,000 per month.

10.8. Raw Material Requirements

The purchase of veterinary medicine in first year is expected to be for Rs. 633,120/-. Raw material inventory is based on one-month veterinary medicine stock, i.e. Rs. 52,760/- in year 1.

10.9. Human Resource Requirement

The following table provides the details of human resource required for the project;

Table 9: Human Resource Requirement

Description	No. of Employees	Monthly Salary (Rs.)	Annual Salary (Rs.)
Veterinary doctor	1	40,000	480,000
Veterinary assistant	1	30,000	360,000
A.I technicians	1	30,000	360,000
Total	3		1,200,000

Salaries of all employees are estimated to increase at 10% annually and are a part of direct expenses covered in Cost of Goods sold.

S M E D A

10.10. Revenue Generation

Following table shows revenue generation from the proposed business at 75% capacity utilization i.e. 2,715 cases in year 1.;

Table 10: Revenue Generation

Description	Expected Cases (No. / Year)	Fee (Rs./case)	Revenue in Year 1 (Rs.)
Large Ruminants (cattle, buffaloes, camels etc.)			
Soft tissue surgery minor	82*	300	24,600
Soft tissue surgery major	41*	5,000	205,000
Out-door animals	525	500	262,500
Artificial insemination	300	500	150,000
Castration	75	200	15,000
Parturition cases	225	5,000	1,125,000
Small Ruminants (goats and sheep)			
Soft tissue surgery minor	120	200	24,000
Soft tissue surgery major	82*	300	24,600
Out-door fee per animal	750	100	75,000
Indoor patients - admission	131*	200	26,200
Castration	375	100	37,500
Income from farm visits	7*	1000	7,000
Sub-Total			1,976,400
Sale of veterinary medicine			791,400
Total Revenue			2,767,800

* Figures are rounded off to near decimal.

Capacity utilization for expected number of cases is 75% in year 1.

10.11. Other Costs

An essential cost to be borne by the clinic is the fuel cost incurred by staff during their outdoor visits to deliver the services which is Rs. 120 per motorcycle per day. Hence, for three motorcycles, the cost of running vehicles is Rs. 108,000 for 300 operational days. Vehicle maintenance is Rs. 3,000 per month for three motorcycles. Similarly, electricity expense is estimated to be about Rs. 10,000 per month. Water expense is Rs 1000 per month.

Communication during field visits is very necessary to keep the staff informed about the cases. Communication charges are estimated to be Rs. 3,000 per month. The office expenses related to stationery, entertainment and janitorial services are estimated at Rs. 10,000 per month. The expense for promotion of veterinary clinic is expected to be Rs. 3,000 per month.

11. CONTACTS OF SUPPLIERS AND EXPERTS

Table 11: List of Suppliers and Experts

Pakistan Veterinary Medical Council (PVMC), Government of Pakistan House# 850, St.No. 26, G-9/1, Islamabad Ph: 051-9262108	ICI Pakistan Ltd. 63-Mozang Road, Lahore Ph: 042-36302685
A&K Pharmaceuticals 94-A, Punjab Small Industrial Estate, Sargodha Road, Faisalabad Ph: 041-8869076	Bio- Labs Plot # 145, Kahuta Industrial Triangle. Kahuta Road. Islamabad Ph: 051 4491742-3
Attabak Pharmaceuticals Plot 5-C, Sector I-10/3, Service Road, Industrial Area, Islamabad Ph: 051-4434125	Ghazi Brothers Ghazi House, D-35, K.D.A Scheme No. 1, Miran Muhammad Shah Road, Karachi, Ph: 021-111250365
Pfizer Laboratories Ltd. 12-Dockyard Road, West Wharf, Karachi Ph: 021-2310051, 2310053	Naseem Traders International 12, Satellite Plaza, 6th Road, Rawalpindi, Ph: 051-4421339
Prix Pharmaceutical 26-Abbot Road, Lahore Ph: 042-36312582, 36316499	Orient Animal Health Suite No. M-16, Falak Niaz Tower, Opp. Jinnah Airport, Shahrah-e-Faisal, Karachi, Ph: 021-34494555
Saadat International 117 - Habitat Apartment, Shadman II, Jail Road, Lahore Ph: 042-37550143-5, 37522528 - 30	Selmore Pharmaceuticals (Pvt.) Ltd. 36 Km, Multan Road, Lahore Ph: 042-35380381
UM Enterprises 786 - Sharjah Centre, 3rd Floor, 62 Shadman Market, Lahore Ph: 042-37566937-8	Star Laboratories (Pvt) Ltd. 23, K.M. Multan Road, Lahore Ph: 042-7511331
Delta Chemical & Machinery Corporation 28/2 Taj Arcade, 73-Jail Road, Lahore Tel. 042-7568704	Symans Pharmaceuticals (Pvt.) Ltd. 1st Floor Symans Tower 25-Lower Mall, Lahore Tel: 042-37248226

12. ANNEXURE

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: Total	2,767,800	3,250,016	3,792,768	4,420,622	5,133,772	5,647,148	6,211,866	6,833,053	7,516,360	8,267,998
<i>Cost of sales</i>										
COGS: Medicine	633,120	742,861	868,219	1,011,219	1,174,138	1,291,552	1,420,707	1,562,778	1,719,055	1,890,961
Cost of goods sold 2	-	-	-	-	-	-	-	-	-	-
Direct labor	1,200,000	1,316,834	1,445,042	1,585,734	1,740,123	1,909,544	2,095,460	2,299,477	2,523,357	2,769,035
Office vehicles running expense	108,000	118,800	130,680	143,748	158,123	173,935	191,329	210,461	231,508	254,658
Vehicle maintenance	36,000	39,600	43,560	47,916	52,708	57,978	63,776	70,154	77,169	84,886
Operating costs (direct electricity)	120,000	132,000	145,200	159,720	175,692	193,261	212,587	233,846	257,231	282,954
Operating costs (direct water)	12,000	13,200	14,520	15,972	17,569	19,326	21,259	23,385	25,723	28,295
Operating costs 5 (direct gas)	-	-	-	-	-	-	-	-	-	-
Total cost of sales	2,109,120	2,363,294	2,647,221	2,964,309	3,318,353	3,645,596	4,005,118	4,400,100	4,834,043	5,310,789
Gross Profit	658,680	886,722	1,145,547	1,456,312	1,815,420	2,001,552	2,206,748	2,432,952	2,682,317	2,957,209
<i>General administration & selling expenses</i>										
Building rental expense	360,000	396,000	435,600	479,160	527,076	579,784	637,762	701,538	771,692	848,861
Communications expense	36,000	39,600	43,560	47,916	52,708	57,978	63,776	70,154	77,169	84,886
Office expenses	120,000	132,000	145,200	159,720	175,692	193,261	212,587	233,846	257,231	282,954
Promotional expense	36,000	39,505	43,351	47,572	52,204	57,286	62,864	68,984	75,701	83,071
Depreciation expense	41,450	41,450	41,450	39,850	39,800	39,800	39,800	39,800	39,800	39,800
Amortization of pre-operating costs	1,824	1,824	1,824	1,824	1,824	-	-	-	-	-
Subtotal	595,274	650,379	710,985	776,042	849,303	928,109	1,016,789	1,114,322	1,221,593	1,339,572
Operating Income	63,406	236,342	434,562	680,270	966,116	1,073,442	1,189,959	1,318,630	1,460,725	1,617,637
Gain / (loss) on sale of machinery & equipment	-	-	-	-	-	-	-	-	-	-
Gain / (loss) on sale of office equipment	-	-	-	-	-	-	-	-	-	-
Gain / (loss) on sale of office vehicles	-	-	-	-	-	-	-	-	-	-
Earnings Before Interest & Taxes	63,406	236,342	434,562	680,270	966,116	1,073,442	1,189,959	1,318,630	1,460,725	1,617,637
Interest expense on long term debt (Project Loan)	47,003	43,032	37,812	32,159	26,037	19,407	12,227	4,451	-	-
Subtotal	47,003	43,032	37,812	32,159	26,037	19,407	12,227	4,451	-	-
Earnings Before Tax	16,403	193,311	396,749	648,111	940,079	1,054,035	1,177,732	1,314,179	1,460,725	1,617,637
Tax	-	-	-	14,811	44,008	55,403	67,773	87,127	109,109	132,645
NET PROFIT/(LOSS) AFTER TAX	16,403	193,311	396,749	633,300	896,071	998,631	1,109,959	1,227,053	1,351,616	1,484,991
Balance brought forward		16,403	209,714	606,463	1,239,763	2,135,834	3,134,466	4,244,424	5,471,477	6,823,093
Total profit available for appropriation	16,403	209,714	606,463	1,239,763	2,135,834	3,134,466	4,244,424	5,471,477	6,823,093	8,308,085
Dividend	-	-	-	-	-	-	-	-	-	-
Balance carried forward	16,403	209,714	606,463	1,239,763	2,135,834	3,134,466	4,244,424	5,471,477	6,823,093	8,308,085

12.2. Balance Sheet

Statement Summaries											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
	Rs. in actuals										
Assets											
<i>Current assets</i>											
Cash & Bank	213,000	254,341	405,290	748,961	1,329,900	2,197,247	3,163,338	4,237,818	5,431,189	6,860,796	8,960,537
Raw material inventory	52,760	68,096	87,545	112,161	143,255	173,338	209,739	253,784	307,079	371,566	-
Pre-paid building rent	30,000	33,000	36,300	39,930	43,923	48,315	53,147	58,462	64,308	70,738	-
Total Current Assets	295,760	355,437	529,135	901,052	1,517,078	2,418,900	3,426,224	4,550,064	5,802,575	7,303,100	8,960,537
<i>Fixed assets</i>											
Machinery & equipment	190,000	171,000	152,000	133,000	114,000	95,000	76,000	57,000	38,000	19,000	-
Furniture & fixtures	73,000	65,700	58,400	51,100	43,800	36,500	29,200	21,900	14,600	7,300	-
Office vehicles	135,000	121,500	108,000	94,500	81,000	67,500	54,000	40,500	27,000	13,500	-
Office equipment	5,000	3,350	1,700	50	-	-	-	-	-	-	-
Total Fixed Assets	403,000	361,550	320,100	278,650	238,800	199,000	159,200	119,400	79,600	39,800	-
<i>Intangible assets</i>											
Pre-operation costs	9,121	7,297	5,472	3,648	1,824	-	-	-	-	-	-
Total Intangible Assets	9,121	7,297	5,472	3,648	1,824	-	-	-	-	-	-
TOTAL ASSETS	707,881	724,284	854,707	1,183,350	1,757,702	2,617,900	3,585,424	4,669,464	5,882,175	7,342,900	8,960,537
Liabilities & Shareholders' Equity											
<i>Current liabilities</i>											
Accounts payable	-	-	-	-	-	-	-	-	-	-	-
Total Current Liabilities	-	-	-	-	-	-	-	-	-	-	-
<i>Other liabilities</i>											
Deferred tax	-	-	-	-	14,811	58,819	114,222	181,995	269,122	378,231	510,876
Long term debt	566,305	566,305	503,418	435,311	361,552	281,671	195,160	101,468	-	-	-
Total Long Term Liabilities	566,305	566,305	503,418	435,311	376,363	340,490	309,382	283,463	269,122	378,231	510,876
<i>Shareholders' equity</i>											
Paid-up capital	141,576	141,576	141,576	141,576	141,576	141,576	141,576	141,576	141,576	141,576	141,576
Retained earnings	-	16,403	209,714	606,463	1,239,763	2,135,834	3,134,466	4,244,424	5,471,477	6,823,093	8,308,085
Total Equity	141,576	157,979	351,290	748,039	1,381,339	2,277,410	3,276,042	4,386,001	5,613,053	6,964,669	8,449,661
TOTAL CAPITAL AND LIABILITY	707,881	724,284	854,707	1,183,350	1,757,702	2,617,900	3,585,424	4,669,464	5,882,175	7,342,900	8,960,537
<i>Note: Total assets value will differ from project cost due to first installment of leases paid at the start of year 0</i>											

12.3. Statement of Cash Flow

Statement Summaries											SMEDA
Cash Flow Statement											
	Rs. in actuals										
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<i>Operating activities</i>											
Net profit	-	16,403	193,311	396,749	633,300	896,071	998,631	1,109,959	1,227,053	1,351,616	1,484,991
Add: depreciation expense	-	41,450	41,450	41,450	39,850	39,800	39,800	39,800	39,800	39,800	39,800
amortization expense	-	1,824	1,824	1,824	1,824	1,824	-	-	-	-	-
Deferred income tax	-	-	-	-	14,811	44,008	55,403	67,773	87,127	109,109	132,645
Raw material inventory	(52,760)	(15,336)	(19,450)	(24,616)	(31,094)	(30,083)	(36,401)	(44,045)	(53,295)	(64,487)	371,566
Pre-paid building rent	(30,000)	(3,000)	(3,300)	(3,630)	(3,993)	(4,392)	(4,832)	(5,315)	(5,846)	(6,431)	70,738
Cash provided by operations	(82,760)	41,341	213,835	411,778	654,699	947,227	1,052,602	1,168,172	1,294,839	1,429,607	2,099,741
<i>Financing activities</i>											
Change in long term debt	566,305	-	(62,887)	(68,106)	(73,759)	(79,881)	(86,511)	(93,692)	(101,468)	-	-
Issuance of shares	141,576	-	-	-	-	-	-	-	-	-	-
Cash provided by / (used for) financ	707,881	-	(62,887)	(68,106)	(73,759)	(79,881)	(86,511)	(93,692)	(101,468)	-	-
<i>Investing activities</i>											
Capital expenditure	(412,121)	-	-	-	-	-	-	-	-	-	-
Cash (used for) / provided by invest	(412,121)	-	-	-	-	-	-	-	-	-	-
NET CASH	213,000	41,341	150,948	343,671	580,939	867,346	966,091	1,074,480	1,193,371	1,429,607	2,099,741
Cash balance brought forward		213,000	254,341	405,290	748,961	1,329,900	2,197,247	3,163,338	4,237,818	5,431,189	6,860,796
Cash available for appropriation	213,000	254,341	405,290	748,961	1,329,900	2,197,247	3,163,338	4,237,818	5,431,189	6,860,796	8,960,537
Cash carried forward	213,000	254,341	405,290	748,961	1,329,900	2,197,247	3,163,338	4,237,818	5,431,189	6,860,796	8,960,537

12.4. Useful Project Management Tips

Technology

- **List of Machinery & Equipments** (As per Section 10.5)
- **List of Furniture and Fixture** (As per section 10.6)
- **List of Office Equipments and vehicle** (As per section 10.7)
- **Required spare parts & consumables:** Suppliers credit agreements and availability as per schedule of maintenance should be ensured before start of operations
- **Energy Requirement:** Should not be overestimated or installed in excess and alternate source of energy for critical operations be arranged in advance
- **Machinery Suppliers:** Should be asked for training and after sales services under the contract
- **Quality Assurance Equipment & Standards:** Quality standards need to be defined and a mechanism to check them should be developed for improving quality

Marketing

- **Product Development & Packaging:** Experts' help may be sought for product / service and design & development
- **Advertisement & Promotion:** Business promotion and dissemination through banners and launch events is highly recommended. Product brochures should be developed from good quality service providers.
- **Sales & Distribution Network:** Experts' advice and distribution agreements should be sought for developing the sales and distribution network.
- **Price / Bulk Discounts, Cost Plus Introductory Discounts:** Pricing decisions should never compromise quality of the products. Price during introductory phase may be kept lower and used as promotional tool. Product cost estimates should be carefully documented before price setting. Government controlled prices need to be displayed, as required.

Human Resources

- **List of Human Resource Required** (As per section 10.9)
- **Adequacy & Competencies:** Skilled and experienced staff should be considered as assets of the business and investments should be made in developing and motivating them through various means and incentives.

- **Performance Based Remuneration:** Efforts to manage human resource cost should be focused through performance measurement and performance based compensation.
- **Training & Skill Development:** Encouraging training and skill development of self & employees through experts and exposure to best practices helps in continuous improvement in the business. Least cost options for Training and Skill Development (T&SD) should be developed and linked with compensation benefits and awards.

12.5. Useful Links

- Prime Minister's Office, www.pmo.gov.pk
- Government of Pakistan, www.pakistan.gov.pk
- National Youth Development Program. www.kamyabjawan.gov.pk
- Ministry of Industries & Production, www.moip.gov.pk
- Ministry of Education, Training & Standards in Higher Education, www.moptt.gov.pk
- Government of Punjab, www.punjab.gov.pk
- Government of Sindh, www.sindh.gov.pk
- Government of Khyber Pakhtunkhwa, www.khyberpakhtunkhwa.gov.pk
- Government of Balochistan, www.balochistan.gov.pk
- Government of Gilgit Baltistan, www.gilgitbaltistan.gov.pk
- Government of Azad Jammu & Kashmir, www.ajk.gov.pk
- Trade Development Authority of Pakistan (TDAP), www.tdap.gov.pk
- Security Commission of Pakistan (SECP), www.secp.gov.pk
- Federation of Pakistan Chambers of Commerce and Industry (FPCCI) www.fpcci.com.pk
- Punjab Board of Investment & Trade (PBIT), 23-Aikman Road, GOR-I, Lahore Tel. 042-99205201, www.pbit.gov.pk
- Sindh Board of Investment (SBI), 1st Floor, Tower B, Finance & Trade Center, Shakra-e-Faisal, Karachi, Tel. 021-99207512-4, www.sbi.gos.pk
- State Bank of Pakistan (SBP), www.sbp.org.pk
- National Bank of Pakistan (NBP), www.nbp.com.pk
- First Women Bank Limited (FWBL), www.fwbl.com.pk
- Pakistan Veterinary Medical Council (PVMC), Islamabad, www.pvmcregistration.net
- National Vocational and Technical Training Commission (NAVTTTC) Head Quarter, Islamabad, www.navttc.org
- Pakistan Agricultural Research Council (PARC), Islamabad Tel. 051-9203966, www.parc.gov.pk
- National Agricultural Research Centre (NARC), Islamabad, Tel. 051-9255061, www.parc.gov.pk
- National Veterinary Laboratory, NARC, Park Road, Islamabad Tel. 051-9255108

- Balochistan Agricultural Research Centre (BARC), Quetta, Tel: 081-9213286-7, www.parc.gov.pk
- Southern-zone Agricultural Research Centre (SARC), Karachi, Tel: 021-99261661, 99261561, www.parc.gov.pk
- Arid Zone Research Institute (AZRI), Bahawalpur, Tel: 0622-876833, www.parc.gov.pk
- University of Agriculture, Faisalabad, www.uaf.edu.pk
- Lasbela University of Agriculture, Water & Marine Sciences, Lasbela, www.luawms.edu.pk
- Sindh Agriculture University, Tondojam, www.sau.edu.pk
- Gomal College of Veterinary Sciences, Dera Ismail Khan, www.gu.edu.pk
- KPK Agricultural University, Peshawar, www.aup.edu.pk
- Pir Mehr Ali Shah Arid Agricultural University, Rawalpindi, www.uaar.edu.pk
- University College of Veterinary & Animal Sciences, Islamia University Bahawalpur (IUB), www.iub.edu.pk
- University of Veterinary & Animal Sciences (UVAS), Out Fall Road, Lahore, www.uvas.edu.pk
- Bahauddin Zakariya University (BZU), Multan, www.bzu.edu.pk
- Nestle Sarsabz Training Institute, Renala Khurd, Okara c/o Nestle Lahore, Tel: 0423-111-637-853
- Animal Husbandry In-Service Training Institute (AHITI), Peshawar, Tel. 091-2960109, 9210309
- Veterinary Research Institute (VRI), Ghazi Road, Lahore Cantt., Tel. 042-99220140
- AI - Haiwan Sires Training Institute, Jogi Chowk, Sahiwal, Tel. 040-4227196, 4221486, 061-6775708, Cell. 0321-8695054, 0300-9695054
- Altaf & Co Livestock Training Institute, Altaf & Co Plaza, 16/1, Out Fall Road, Lahore, Tel: 042-35763411-4, www.altafandco.com
- Solve Agri Dairy Institute, F-6/2, Main Link Road, Model Town, Lahore, www.solveagripak.com
- Agribusiness Support Fund (ASF), Lahore, www.asf.org.pk
- Directorate of Animal Health, L&DD, Punjab, Tel: 042-99201115
- Directorate of Animal Disease Reporting and Surveillance, L&DD, Punjab, Tel: 042-99201116
- Foot and Mouth Disease (FMD) Research Centre, L&DD, Lahore, Tel: 042-99201115
- Directorate of Livestock Farms, L&DD, Lahore, Tel: 042-99201126-7
- Directorate of Livestock Training Centre (LSTC), Bahadurnagar, Okara, Tel: 044-2661393
- Livestock & Fisheries Department, Government of Sindh, www.sindh.gov.pk
- Agriculture & Livestock Department, Government of KPK, www.khyberpakhtunkhwa.gov.pk

- Livestock & Dairy Development, Government of Balochistan, www.balochistan.gov.pk
- Directorate of Animal Health and Production Extension, L&DD, Quetta, Tel 081-9202564
- Para Veterinary Training Institute, L&DD, Quetta, Tel: 081-9202564

13. KEY ASSUMPTIONS

Table 12: Project Assumptions

Projected life of project (Years)	10
Capacity of Project @100% (No. of Cases per year)	3,620
Capacity Utilization @75% (No of Cases per year)	2,715
Capacity utilization growth rate (% per year)	5
Maximum Capacity Utilization (% per annum)	95
Profit margin on sale of veterinary medicine (%)	20
Sale Price Growth rate (% per year)	10
Medicines inventory kept (months)	1
No of working days per year	300

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