



Pre-feasibility Study

CELL PHONE REPAIR CENTER

December 2023

“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

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Document Control

Document No.	PREF-NO
Revision	No. 00
Prepared by	SMEDA-Balochistan
Revision Date	December, 2023
For information	helpdesk.balochistan@smeda.org.pk

2 EXECUTIVE SUMMARY

The proposed business venture involves the establishment of a cell phone repair center to meet the increasing demand for efficient and reliable mobile device repair services in the local market. The strategic choice of urban locations in key centers such as Quetta, Karachi, Peshawar, Islamabad, Lahore, and Rawalpindi within Pakistan is driven by factors like high population density, diverse customer demographics, proximity to educational institutions, and bustling commercial areas, providing a competitive edge.

The repair center will offer a comprehensive array of services, including expert repairs for screen replacements, battery upgrades, software issues, water damage restoration, camera replacements, and troubleshooting various components. Skilled technician will handle advanced repairs, such as motherboard fixes, unlocking devices, data recovery, and addressing network issues. The target market encompasses a wide range of individuals and groups, positioning the cell phone repair shop as a go-to destination for reliable and efficient mobile device repair services.

In terms of operational capacities, the repair center anticipates reaching a commendable 80% utilization rate, with an annual growth trajectory of 5% aiming towards a maximum utilization of 100%.

Total cost estimate is Rs. 2,268,480 with fixed investment of Rs. 1,748,480 and working capital of Rs. 520,000. Given the cost assumptions IRR and payback are 39% and 3.62 years respectively.

The critical success factors for the business include having skilled technicians capable of diagnosing and repairing diverse mobile devices, using high-quality replacement parts, building a reputation for reliability and customer satisfaction, offering competitive and transparent pricing, selecting convenient locations, providing a comprehensive range of services, ensuring efficient and timely repairs, staying updated on industry trends, adhering to local regulations, and establishing a strong online presence. Additionally, the business emphasizes ongoing training for technicians, building relationships with suppliers and local communities, collecting customer feedback for continuous improvement, and offering warranties on repairs with reliable after-sales support. The employment plan outlines the hiring of three individuals, including two skilled workers and one owner/manager, further contributing to the economic aspects of the venture.

3 INTRODUCTION TO SMEDA

The Small and Medium Enterprises Development Authority (SMEDA) was established in October 1998 with an objective to provide fresh impetus to the economy through development of Small and Medium Enterprises (SMEs).

With a mission "to assist in employment generation and value addition to the national income, through development of the SME sector, by helping increase the number, scale and competitiveness of SMEs", SMEDA has carried out 'sectoral research' to identify policy, access to finance, business development services, strategic initiatives and institutional collaboration and networking initiatives.

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

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

4 PURPOSE OF THE DOCUMENT

The objective of this proposed Pre-feasibility is primarily to facilitate potential entrepreneurs with the investment information and provide an overview about the cell phone repair business. 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 marketing, finance and business management. The document also provides sectoral information and international scenario, which have some bearing on the project itself.

The purpose of this document is to facilitate potential investors of the cell phone repair business by providing them a macro and micro view of the business with the hope that the information provided herein will aid the potential investors in crucial investment decisions.

This particular Pre-feasibility is regarding setting up "Cell Phone Repair Center". Our report is based on the information obtained by us from industry sources as well as our discussions with businessmen. For financial model, since the forecast / projections relate to the future periods, actual results are likely to differ because of the events and circumstances that don't occur as frequently as expected.

5 BRIEF DESCRIPTION OF PROJECT & PRODUCT

The proposed business of cell phone repair center aims to address the growing demand for efficient and reliable mobile device repair services in the local market. With an increasing reliance on smartphones and other mobile devices, this repair center aims to fill a critical gap by providing timely and cost-effective repair solutions.

In terms of location, this project aims to establish cell phone repair shop in key urban centers, including Quetta, Karachi, Peshawar, Islamabad, Lahore, and Rawalpindi within Pakistan. The deliberate selection of urban location for a cell phone repair shop holds strategic advantages, driven by factors such as high population density, diverse customer demographics, proximity to educational institutions, and the presence of bustling commercial areas. With higher foot traffic, a tech-savvy population, and the ability to stay current with market trends, an urban setting provides a competitive edge.

In establishing a cell phone repair center, the core products and services will encompass a comprehensive array of solutions to address the diverse needs of mobile device users. The center will specialize in expert repairs, ranging from screen replacements and battery upgrades to resolving intricate software issues. The repair center will offer services for water damage restoration, camera replacements, and troubleshooting various components such as speakers, microphones, and buttons. Additionally, skilled technicians will provide advanced repairs, including motherboard fixes. Unlocking devices, data recovery, and addressing network and connectivity issues will remain integral components of the service offerings. By combining technical expertise with a commitment to quality, the repair center will ensure that customers receive reliable and efficient solutions, allowing them to seamlessly reconnect with their mobile devices. Mobile phone components/spare parts will be procured as needed and will be sold with profit margins mentioned in the revenue table.

The target market for a cell phone repair center comprises a wide range of individuals and groups, including everyday consumers, students, working professionals, businesses, travelers, tech enthusiasts, the elderly population, educational institutions, local businesses, and tourists. By addressing the diverse needs of this audience, the cell phone repair shop aims to become a go-to destination for reliable and efficient mobile device repair services, ensuring accessibility and convenience for all types of customers.

Moreover, in terms of employment generation, this pre-feasibility study outlines plans to employ a total of three individuals, comprising two skilled workers and one owner/manager.

5.1 Operational Capacities

The operational capacity of the cell phone repair center stands at a commendable 80%, reflecting a thriving engagement with its services. This utilization rate is set to increase by 5% annually reaching maximum utilization of 100%, demonstrating a steady and progressive growth trajectory.

6 CRITICAL FACTORS

Critical factors for a cell phone repair business include:

- Skilled technicians capable of diagnosing and repairing a wide range of mobile devices.
- Sourcing and using high-quality replacement parts to ensure the longevity of repairs.
- Building a reputation for reliability, transparency, and customer satisfaction.
- Offering competitive and transparent pricing for repair services.
- Selecting a convenient and accessible location to attract foot traffic.
- Providing a comprehensive range of repair services to meet various customer needs.
- Ensuring efficient and timely repairs to meet customer expectations.
- Staying updated on industry trends and adopting new repair techniques and technologies.
- Adhering to local regulations, licensing requirements, and ethical business practices.
- Building relationships with suppliers, businesses, and local communities to enhance the business network.
- Providing ongoing training for technicians to keep up with evolving technologies.
- Establishing a strong online presence through a website and social media to reach a broader audience.
- Collecting customer feedback and using it to make continuous improvements in services and operations.
- Offering warranties on repairs and providing reliable after-sales support.

7 GEOGRAPHICAL POTENTIAL FOR INVESTMENT

The geographical potential for investment in launching a cell phone repair business is significant and promising. With the growing reliance on mobile devices across diverse demographic segments, targeting urban and densely populated areas is strategic. Urban centers, including metropolitan areas and busy commercial districts, present a high concentration of potential customers who regularly use smartphones for both personal and professional purposes. These locations offer a steady flow of foot traffic, providing visibility and accessibility for the repair business. Additionally, proximity to educational institutions, business hubs, and residential neighborhoods enhances the reach and appeal of the services. Investing in areas with a tech-savvy population, where individuals actively adopt the latest mobile technologies, further amplifies the geographical potential for the cell phone repair business. In such environments, the demand for reliable and efficient repair services is likely to remain consistently high, positioning the business for sustained growth and success.

8 POTENTIAL TARGET CUSTOMERS / MARKETS

The potential target customers and markets for initiating a cell phone repair business are diverse and encompass a wide range of individuals and groups. Everyday consumers, comprising individuals from various age groups, are a primary target. Students represent another significant market, as they heavily rely on smartphones for academic and personal communication. Working professionals constitute a substantial customer base, given their reliance on mobile devices for work-related tasks and communication. Local businesses that provide mobile devices to employees also present an opportunity for business-to-business services. Travelers, both local and international, may require quick and efficient repair services while on the move. Tech enthusiasts, who often own multiple devices, are another potential market segment. Additionally, catering to the elderly population, educational institutions, and tourists can further broaden the customer base. By strategically targeting these diverse markets, a cell phone repair business can establish itself as a comprehensive and accessible solution for a wide spectrum of mobile device users.

9 PROJECT COST SUMMARY

9.1 Project Economics

All the figures in this financial model have been calculated for estimated revenue of Rs. 3.408 million. The following table shows Internal Rate of Return, Payback Period and Net Present Value of the proposed venture.

Table 1: Project Economics (100% Equity Based)

Description	Details
Internal Rate of Return (IRR)	39%
Payback Period (Yrs.)	3.62
Net Present Value (Rs.)	3,688,393

Calculation of break-even analysis is as follows:

Table 2: Breakeven (100% Equity Based)

BREAKEVEN ANALYSIS	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Break Even Point (Sales)	2,752,525	2,888,507	3,032,342	3,184,552	3,345,701	3,432,698	3,605,281	3,787,187	3,978,950	4,181,139
Break Even Point (Unit)	179	171	163	156	149	139	133	127	121	116
Margin of Safety	19.2%	27.5%	34.6%	40.9%	46.4%	50.0%	52.2%	54.4%	56.4%	58.4%

However, for the purposes of further explanation the Project Economics based on Debt:Equity (i.e. 50:50) Model has also been computed. On the basis of Debt:Equity model the Internal Rate of Return, Payback Period and Net Present Value of the proposed project are provide in the table below:

Table 3: Project Economics Based on Debt (50%) : Equity (50%)

Description	Details
Internal Rate of Return (IRR)	37%
Payback Period (Yrs.)	3.76
Net Present Value (Rs.)	3,418,175

The financial assumptions for Debt:Equity are as follows:

Table 4: Financial Assumptions for Debt:Equity Model

Description	Details
Debt	50%
Equity	50%
Interest Rate on Debt	28%
Debt Tenure	5 Years
Debt Payment / Year	1

The projected Income Statement, Cash Flow Statement and Balance Sheet enclosed as annexures are based on 100% Equity Based Business Model.

9.2 Project Cost

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

Table 5: Project Cost

Description	Amount Rs.
Capital Cost	
Shop Renovation	300,000
Equipment and Tools	404,700
Furniture and Fixtures	199,700
Office Equipment	430,000
Pre-operating Cost	380,000
Training Cost	34,080
Total Capital Cost	1,748,480
Working Capital	
Up-front Building Rent	420,000
Cash	100,000
Total Working Capital	520,000
Total Project Cost	2,268,480

9.3 Space Requirement

The space requirement for the proposed cell phone repair center is estimated as 200 sqft. The rent is estimated to be **35,000/month** and renovation cost is estimated to be **Rs. 300,000/-** of the shop, and the details are given below:

Table 6: Space Requirement

Description	Estimated Area (Sqft)	Rent/Month (Rs.)
Shop (10x20)	200	35,000
Total Covered Area	200 Sqft	-

9.4 Tools & Equipment Requirement

Details of tools of equipment required for the project are given below;

Table 7: Tools & Equipment

Description	Quantity	Unit Cost (Rs.)	Total Cost (Rs.)
Screwdriver set	2	1,200	2,400
Tweezers set	2	1,300	2,600
Heat Gun	2	5,500	11,000
Soldering Iron	2	1,600	3,200
Multi meter	2	2,500	5,000
Digital Power supply	2	9,500	19,000
ESD Mat	2	3,500	7,000
Battery Tester	2	16,500	33,000
Diagnostic software	1	110,000	110,000
Laptop (Core i7)	1	170,000	170,000
Digital Microscope/Magnifier	1	18,000	18,000
Repairing Kit	2	3500	7,000
Tool Organizer	2	4,500	9,000

Cleaning supplies (isopropyl alcohol, spray etc.)	2	3750	7,500
Total			404,700

9.5 Furniture & Fixtures Requirement

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

Table 8: Furniture & Fixture

Description	Quantity	Unit Cost (Rs.)	Total Cost (Rs.)
Rolling chair	3	17,500	52,500
Visitor Bench	1	15,000	15,000
Electric wiring & lighting	1	18,000	18,000
Fans	2	7,500	15,000
Storage Cabinets	1	15,000	15,000
Workstation	2	17,500	35,000
Clock	1	1,500	1,500
Trash bin	2	900	1,800
Desk lamp	2	2,300	4,600
Visitor Chair	4	4,500	18,000
Reception Desk	1	13,000	13,000
Glass counter top (Reception desk)	1	9,000	9,000
Floor Mat	1	1,300	1,300
Total Furniture & Fixtures			199,700

9.6 Office Equipment Requirement

Following office equipment will be required for Cell Phone Repair Center;

Table 9: Office Equipment

Description	Quantity	Unit Cost (Rs.)	Total Cost (Rs.)
Personal Computer – PC (Core i7)	1	90,000	90,000
Security Cameras	1	75,000	75,000
Air Conditioner (1 Tons Split AC)	1	140,000	140,000
UPS	1	110,000	110,000
Internet Modem and Installation	1	15,000	15,000
Total			430,000

9.7 Human Resource Requirement

In order to run operations of Cell Phone Repair Center smoothly, details of human resources required along with number of employees and monthly salary are recommended as under;

Table 10: Human Resource Requirement

Description	No. of Employees	Monthly Salary per person (Rs.)
Owner/Manager	1	70,000
Skilled Workers	2	60,000
Total	3	

9.8 Utilities and other costs

An essential cost to be borne by the project is the cost of electricity. The electricity expenses are estimated to be around Rs. 15,000 per month. Furthermore, promotional expense being essential for marketing of repair center is estimated as 1% of administrative / Cost of Sales expenses.

9.9 Revenue Generation

In the first year, the business will operate at 80% capital utilization, and it will increase by 5% each year until reaching a maximum of 100% capital utilization. The revenue estimates mentioned below are calculated at 100% capital utilization

to avoid any misinterpretation. Mobile phone components/spare parts will be procured as needed and will be sold with profit margins mentioned in the below table;

Table 11: Revenue Generation – Year 1

Description	Units Repaired/ Month	Services Charges/ Unit	Profit Margin on Sale of Parts/Unit	Revenue/ Month (Rs.)
Screen Replacement	20	1,000	1,500	50,000
Battery replacement	45	500	500	45,000
Charging port repair	30	500	200	21,000
Water Damage repair	5	3,000	-	15,000
Camera Replacement	5	1,000	1,000	10,000
Speaker or Microphone repair	15	700	300	15,000
Touch ID/Button repair	5	1,500	700	11,000
Power Button Repair	5	1,500	700	11,000
Software troubleshooting	100	1,000	-	100,000
Device Unlocking	10	3,000	-	30,000
Motherboard repair	5	2,500	500	15,000
Back cover replacement	10	1,000	400	14,000
Mobile Accessories Installation	15	500	-	7,500
Vibrator motor	2	1,000	700	3,400
Proximity sensor repair	2	1,000	600	3,200

Sim card slot replacement and other repair	3	1,000	300	3,900
Total	277			355,000
Grand Total Revenue Y1 at 100% Utilization				4,260,000
Grand Total Revenue Y1 at 80% Utilization				3,408,000

10 CONTACT DETAILS

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

10.1 Suppliers

Name of Supplier	Address	Phone	E-mail	Website
Daraz	Online Store	021-111-132729	customer.pk@care.daraz.com	https://www.daraz.pk/
Digilog Electronics	13Th the Regal street Back side of KFC near Abubakar masjid Regal chowk Mall Road Lahore Pakistan.	+9242-37325296 0312-400-2221	info@digilog.pk	https://digilog.pk/
Tawakkal Online Bazaar	Suit # LB-103 & LB-101, Star City Mall, Abdullah Haroon Road, Saddar Karachi.	+92336 2066510	info@tawakkalonlinebazaar.pk	www.tawakkalonlinebazaar.pk

11 USEFUL WEB LINKS

Small & Medium Enterprises Development Authority (SMEDA)	www.smeda.org.pk
Government of Pakistan	www.pakistan.gov.pk
Ministry of Industries & Production	www.moip.gov.pk
Ministry of Education, Training & Standards in Higher Education	http://moptt.gov.pk
Government of Punjab	www.punjab.gov.pk
Government of Sindh	www.sindh.gov.pk
Government of Khyber Pakhtunkhwa	www.khyberpakhtunkhwa.gov.pk
Government of Balochistan	www.balochistan.gov.pk
Government of Gilgit Baltistan	www.gilgitbaltistan.gov.pk
Government of Azad Jamu Kashmir	www.ajk.gov.pk
Trade Development Authority of Pakistan (TDAP)	www.tdap.gov.pk
Security Commission of Pakistan (SECP)	www.secp.gov.pk
Federation of Pakistan Chambers of Commerce and Industry (FPCCI)	www.fpcci.com.pk
State Bank of Pakistan (SBP)	www.sbp.org.pk
Punjab Small Industries Corporation	www.psic.gop.pk
Sindh Small Industries Corporation	www.ssic.gos.pk
Pakistan Horticulture Development and Export Company (PHDEC)	www.phdec.org.pk
Punjab Vocational Training Council (PVTC)	www.pvtc.gop.pk
Technical Education and Vocational Training Authority (TEVTA)	www.tevta.org
Punjab Industrial Estates (PIE)	www.pie.com.pk
Faisalabad Industrial Estate Development and Management Company (FIEDMC)	www.fiedmc.com.pk
Furniture Pakistan	www.furniturepakistan.org.pk

12 ANNEXURES

12.1 Income Statement

Statement Summaries										SMEDA
Income Statement										
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Rs. in actuals Year 10
Revenue	3,408,000	3,983,100	4,639,140	5,386,557	6,237,066	6,860,773	7,546,850	8,301,535	9,131,688	10,044,857
Cost of goods sold	-	-	-	-	-	-	-	-	-	-
Gross Profit	3,408,000	3,983,100	4,639,140	5,386,557	6,237,066	6,860,773	7,546,850	8,301,535	9,131,688	10,044,857
<i>General administration & selling expenses</i>										
Administration expense	2,348,400	2,465,820	2,589,111	2,718,567	2,854,495	2,997,220	3,147,081	3,304,435	3,469,656	3,643,139
Rental expense	420,000	462,000	508,200	559,020	614,922	676,414	744,056	818,461	900,307	990,338
Utilities expense	19,000	20,150	21,300	22,450	23,600	24,750	25,900	27,050	28,200	29,350
Travelling & Comm. expense (phone, fax, etc.)	68,400	71,820	75,411	79,182	83,141	87,298	91,663	96,246	101,058	106,111
Office vehicles running expense	-	-	-	-	-	-	-	-	-	-
Office expenses (stationary, etc.)	45,600	47,880	50,274	52,788	55,427	58,198	61,108	64,164	67,372	70,741
Promotional expense	34,080	39,831	46,391	53,866	62,371	68,608	75,468	83,015	91,317	100,449
Insurance expense	-	-	-	-	-	-	-	-	-	-
Professional fees (legal, audit, etc.)	34,080	39,831	46,391	53,866	62,371	68,608	75,468	83,015	91,317	100,449
Depreciation expense	118,440	118,440	118,440	118,440	118,440	118,440	118,440	118,440	118,440	118,440
Amortization expense	79,408	79,408	79,408	79,408	79,408	3,408	3,408	3,408	3,408	3,408
Property tax expense	-	-	-	-	-	-	-	-	-	-
Miscellaneous expense	34,080	39,831	46,391	53,866	62,371	68,608	75,468	83,015	91,317	100,449
Subtotal	3,201,488	3,385,011	3,581,318	3,791,451	4,016,545	4,171,551	4,418,061	4,681,249	4,962,392	5,262,872
Operating Income	206,512	598,089	1,057,822	1,595,106	2,220,521	2,689,222	3,128,789	3,620,286	4,169,296	4,781,985
Other income	52,176	72,351	107,288	146,651	190,880	232,134	267,347	301,830	336,927	378,381
Gain / (loss) on sale of assets	-	-	-	-	-	-	-	-	-	-
Earnings Before Interest & Taxes	258,688	670,440	1,165,110	1,741,757	2,411,401	2,921,355	3,396,136	3,922,116	4,506,223	5,160,366
Interest expense	-	-	-	-	-	-	-	-	-	-
Earnings Before Tax	258,688	670,440	1,165,110	1,741,757	2,411,401	2,921,355	3,396,136	3,922,116	4,506,223	5,160,366
Tax	106,062	274,880	477,695	714,120	988,675	1,197,756	1,392,416	1,608,067	1,847,551	2,115,750
NET PROFIT/(LOSS) AFTER TAX	152,626	395,560	687,415	1,027,637	1,422,727	1,723,600	2,003,720	2,314,048	2,658,672	3,044,616
Balance brought forward		76,313	235,936	461,676	744,656	1,083,691	1,403,646	1,703,683	2,008,866	2,333,769
Total profit available for appropriation	152,626	471,872	923,351	1,489,312	2,167,383	2,807,291	3,407,366	4,017,731	4,667,537	5,378,385
Dividend	76,313	235,936	461,676	744,656	1,083,691	1,403,646	1,703,683	2,008,866	2,333,769	2,689,192
Balance carried forward	76,313	235,936	461,676	744,656	1,083,691	1,403,646	1,703,683	2,008,866	2,333,769	2,689,192

12.2 Balance Sheet

Statement Summaries											SMEDA
Balance Sheet											Rs. in actuals
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Assets											
<i>Current assets</i>											
Cash & Bank	485,000	558,515	888,502	1,257,259	1,675,753	2,141,844	2,500,832	2,846,098	3,190,506	3,548,031	4,019,595
Accounts receivable	-	280,110	303,744	354,339	412,015	477,683	538,267	592,094	651,303	716,434	788,077
Finished goods inventory	-	-	-	-	-	-	-	-	-	-	-
Equipment spare part inventory	-	-	-	-	-	-	-	-	-	-	-
Raw material inventory	-	-	-	-	-	-	-	-	-	-	-
Pre-paid annual land lease	-	-	-	-	-	-	-	-	-	-	-
Pre-paid building rent	35,000	38,500	42,350	46,585	51,244	56,368	62,005	68,205	75,026	82,528	-
Pre-paid lease interest	-	-	-	-	-	-	-	-	-	-	-
Pre-paid insurance	-	-	-	-	-	-	-	-	-	-	-
Total Current Assets	520,000	877,124	1,234,596	1,658,183	2,139,012	2,675,895	3,101,104	3,506,397	3,916,835	4,346,993	4,807,672
<i>Fixed assets</i>											
Land	-	-	-	-	-	-	-	-	-	-	-
Building/Infrastructure	300,000	285,000	270,000	255,000	240,000	225,000	210,000	195,000	180,000	165,000	150,000
Machinery & equipment	404,700	364,230	323,760	283,290	242,820	202,350	161,880	121,410	80,940	40,470	-
Furniture & fixtures	199,700	179,730	159,760	139,790	119,820	99,850	79,880	59,910	39,940	19,970	-
Office vehicles	-	-	-	-	-	-	-	-	-	-	-
Office equipment	430,000	387,000	344,000	301,000	258,000	215,000	172,000	129,000	86,000	43,000	-
Total Fixed Assets	1,334,400	1,215,960	1,097,520	979,080	860,640	742,200	623,760	505,320	386,880	268,440	150,000
<i>Intangible assets</i>											
Pre-operation costs	380,000	304,000	228,000	152,000	76,000	-	-	-	-	-	-
Legal, licensing, & training costs	34,080	30,672	27,264	23,856	20,448	17,040	13,632	10,224	6,816	3,408	0
Total Intangible Assets	414,080	334,672	255,264	175,856	96,448	17,040	13,632	10,224	6,816	3,408	0
TOTAL ASSETS	2,268,480	2,427,756	2,587,380	2,813,119	3,096,100	3,435,135	3,738,496	4,021,941	4,310,531	4,618,841	4,957,672
Liabilities & Shareholders' Equity											
<i>Current liabilities</i>											
Accounts payable	-	-	-	-	-	-	-	-	-	-	-
Export re-finance facility	-	-	-	-	-	-	-	-	-	-	-
Short term debt	-	-	-	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-	-	-	-
Total Current Liabilities	-	-	-	-	-	-	-	-	-	-	-
<i>Other liabilities</i>											
Lease payable	-	-	-	-	-	-	-	-	-	-	-
Deferred tax	-	82,964	82,964	82,964	82,964	82,964	66,371	49,778	33,185	16,593	(0)
Long term debt	-	-	-	-	-	-	-	-	-	-	-
Total Long Term Liabilities	-	82,964	82,964	82,964	82,964	82,964	66,371	49,778	33,185	16,593	(0)
<i>Shareholders' equity</i>											
Paid-up capital	2,268,480	2,268,480	2,268,480	2,268,480	2,268,480	2,268,480	2,268,480	2,268,480	2,268,480	2,268,480	2,268,480
Retained earnings	-	76,313	235,936	461,676	744,656	1,083,691	1,403,646	1,703,683	2,008,866	2,333,769	2,689,192
Total Equity	2,268,480	2,344,793	2,504,416	2,730,156	3,013,136	3,352,171	3,672,126	3,972,163	4,277,346	4,602,249	4,957,672
TOTAL CAPITAL AND LIABILITY	2,268,480	2,427,756	2,587,380	2,813,119	3,096,100	3,435,135	3,738,496	4,021,941	4,310,531	4,618,841	4,957,672
<i>Note: Total assets value will differ from project cost due to first installment of leases paid at the start of year 0</i>											
									(0)	0	(0)

12.3 Cash Flow Statement

Statement Summaries											(0)	0	(0)
Cash Flow Statement											SMEDA		
											Rs. in actuals		
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10		
Operating activities													
Net profit	-	152,626	395,560	687,415	1,027,637	1,422,727	1,723,600	2,003,720	2,314,048	2,658,672	3,044,616		
Add: depreciation expense	-	118,440	118,440	118,440	118,440	118,440	118,440	118,440	118,440	118,440	118,440		
amortization expense	-	79,408	79,408	79,408	79,408	79,408	3,408	3,408	3,408	3,408	3,408		
Deferred income tax	-	82,964	-	-	-	-	(16,593)	(16,593)	(16,593)	(16,593)	(16,593)		
Accounts receivable	-	(280,110)	(23,634)	(50,595)	(57,676)	(65,668)	(60,584)	(53,827)	(59,209)	(65,130)	(71,643)		
Finished good inventory	-	-	-	-	-	-	-	-	-	-	-		
Equipment inventory	-	-	-	-	-	-	-	-	-	-	-		
Raw material inventory	-	-	-	-	-	-	-	-	-	-	-		
Pre-paid building rent	(35,000)	(3,500)	(3,850)	(4,235)	(4,659)	(5,124)	(5,637)	(6,200)	(6,821)	(7,503)	82,528		
Pre-paid lease interest	-	-	-	-	-	-	-	-	-	-	-		
Advance insurance premium	-	-	-	-	-	-	-	-	-	-	-		
Accounts payable	-	-	-	-	-	-	-	-	-	-	-		
Other liabilities	-	-	-	-	-	-	-	-	-	-	-		
Cash provided by operations	(35,000)	149,828	565,923	830,433	1,163,150	1,549,782	1,762,634	2,048,948	2,353,274	2,691,294	3,160,756		
Financing activities													
Change in long term debt	-	-	-	-	-	-	-	-	-	-	-		
Change in short term debt	-	-	-	-	-	-	-	-	-	-	-		
Change in export re-finance facility	-	-	-	-	-	-	-	-	-	-	-		
Add: land lease expense	-	-	-	-	-	-	-	-	-	-	-		
Land lease payment	-	-	-	-	-	-	-	-	-	-	-		
Change in lease financing	-	-	-	-	-	-	-	-	-	-	-		
Issuance of shares	2,268,480	-	-	-	-	-	-	-	-	-	-		
Purchase of (treasury) shares	-	-	-	-	-	-	-	-	-	-	-		
Cash provided by / (used for) financ	2,268,480	-	-	-	-	-	-	-	-	-	-		
Investing activities													
Capital expenditure	(1,748,480)	-	-	-	-	-	-	-	-	-	-		
Acquisitions	-	-	-	-	-	-	-	-	-	-	-		
Cash (used for) / provided by invest	(1,748,480)	-	-	-	-	-	-	-	-	-	-		
NET CASH	485,000	149,828	565,923	830,433	1,163,150	1,549,782	1,762,634	2,048,948	2,353,274	2,691,294	3,160,756		
Cash balance brought forward		485,000	558,515	888,502	1,257,259	1,675,753	2,141,844	2,500,832	2,846,098	3,190,506	3,548,031		
Cash available for appropriation	485,000	634,828	1,124,438	1,718,935	2,420,409	3,225,535	3,904,478	4,549,781	5,199,371	5,881,800	6,708,787		
Dividend	-	76,313	235,936	461,676	744,656	1,083,691	1,403,646	1,703,683	2,008,866	2,333,769	2,689,192		
Cash carried forward	485,000	558,515	888,502	1,257,259	1,675,753	2,141,844	2,500,832	2,846,098	3,190,506	3,548,031	4,019,595		

13 KEY ASSUMPTIONS

13.1 Operating Cost Assumptions

Description	Details
Total no. of days operational in first year	330
Total no. of months in one year	12
Shift/Day	1
Shift Hour/Day	12 Hours

13.2 Production Cost Assumptions

Description	Details
Capacity utilization	80%
Capacity growth rate	5%
Maximum capacity utilization	100%

13.3 Revenue Assumptions

Description	Details
Revenue Y1	3,408,000
Sales price growth rate	10%

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