

---

# Pre-Feasibility Study Dates Paste Manufacturing Unit.



**Small and Medium Enterprises Development Authority**

**Ministry of Industries & Production**

**Government of Pakistan**

**[www.smeda.org.pk](http://www.smeda.org.pk)**

**HEAD OFFICE**

4th Floor, Building No. 3, Aiwan-e-Iqbal Complex, Egerton Road,  
Lahore

Tel: (92 42) 111 111 456, Fax: (92 42) 36304926-7

[helpdesk@smeda.org.pk](mailto:helpdesk@smeda.org.pk)

<b>REGIONAL OFFICE PUNJAB</b>	<b>REGIONAL OFFICE SINDH</b>	<b>REGIONAL OFFICE KPK</b>	<b>REGIONAL OFFICE BALOCHISTAN</b>
3 <sup>rd</sup> Floor, Building No. 3, Aiwan-e-Iqbal Complex, Egerton Road Lahore, Tel: (042) 111-111-456 Fax: (042) 36304926-7 <a href="mailto:helpdesk.punjab@smeda.org.pk">helpdesk.punjab@smeda.org.pk</a>	5 <sup>TH</sup> Floor, Bahria Complex II, M.T. Khan Road, Karachi. Tel: (021) 111-111-456 Fax: (021) 5610572 <a href="mailto:helpdesk-khi@smeda.org.pk">helpdesk-khi@smeda.org.pk</a>	Ground Floor State Life Building The Mall, Peshawar. Tel: (091) 9213046-47 Fax: (091) 286908 <a href="mailto:helpdesk-pew@smeda.org.pk">helpdesk-pew@smeda.org.pk</a>	Bungalow No. 15-A Chaman Housing Scheme Airport Road, Quetta. Tel: (081) 831623, 831702 Fax: (081) 831922 <a href="mailto:helpdesk-qta@smeda.org.pk">helpdesk-qta@smeda.org.pk</a>

**March 2023**

---

## Table of Contents

<b>1</b>	<b>DISCLAIMER</b> .....	<b>2</b>
<b>2</b>	<b>EXECUTIVE SUMMARY</b> .....	<b>4</b>
<b>3</b>	<b>INTRODUCTION TO SMEDA</b> .....	<b>4</b>
<b>4</b>	<b>PURPOSE OF THE DOCUMENT</b> .....	<b>4</b>
<b>5</b>	<b>BRIEF DESCRIPTION OF PROJECT &amp; PRODUCT</b> .....	<b>5</b>
5.1	PRODUCTION PROCESS .....	6
<b>9</b>	<b>PROJECT COST SUMMARY</b> .....	<b>8</b>
9.1	PROJECT ECONOMICS .....	8
9.2	PROJECT FINANCING .....	8
9.3	PROJECT COST .....	9
9.4	SPACE REQUIREMENT .....	9
9.5	MACHINERY & EQUIPMENT REQUIREMENT .....	10
9.6	FURNITURE & FIXTURES REQUIREMENT .....	10
9.7	OFFICE EQUIPMENT REQUIREMENT.....	10
9.8	HUMAN RESOURCE REQUIREMENT .....	11
9.9	UTILITIES AND OTHER COSTS .....	11
9.10	REVENUE GENERATION.....	11
<b>10</b>	<b>CONTACT DETAILS</b> .....	<b>13</b>
10.1	MACHINERY SUPPLIERS .....	13
<b>11</b>	<b>USEFUL WEB LINKS</b> .....	<b>14</b>
<b>12</b>	<b>ANNEXURES</b> .....	<b>15</b>
12.1	INCOME STATEMENT.....	15
12.2	BALANCE SHEET .....	16
12.3	CASH FLOW STATEMENT .....	17
<b>13</b>	<b>KEY ASSUMPTIONS</b> .....	<b>18</b>
13.1	OPERATING COST ASSUMPTIONS .....	18
13.2	PRODUCTION COST ASSUMPTIONS .....	18
13.3	FINANCIAL ASSUMPTIONS .....	18
13.4	ECONOMY RELATED ASSUMPTIONS .....	18
13.5	CASH FLOW ASSUMPTIONS .....	18

## 1 DISCLAIMER

This information memorandum is to introduce the subject matter and provide a general idea and information on the said matter. Although, the material included in this document is based on data/information gathered from various reliable

sources; however, it is based upon certain assumptions, which may differ from case to case. The information has been provided on as is where is basis without any warranties or assertions as to the correctness or soundness thereof. Although, due care and diligence has been taken to compile this document, the contained information may vary due to any change in any of the concerned factors, and the actual results may differ substantially from the presented information. SMEDA, its employees or agents do not assume any liability for any financial or other loss resulting from this memorandum in consequence of undertaking this activity. The contained information does not preclude any further professional advice. 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.

For more information on services offered by SMEDA, please contact our website: [www.smeda.org.pk](http://www.smeda.org.pk)

### **Document Control**

Document No.	PREF-NO
Revision	No.1
Prepared by	SMEDA-Balochistan
Revision Date	March 2023
For information	Shakoor@smeda.org.pk

## 2 EXECUTIVE SUMMARY

Dates Paste Manufacturing unit is proposed to be located in adjoining areas and major towns of any of the major cities of Pakistan.

The project is aiming at to add value to the raw dates locally available as well as dates coming from various parts of the world especially, from Balochistan and Iran to produce Quality Products etc.

The Dates Paste Manufacturing unit has the capacity of Producing **168000 Kilo gram** annually and will be operational for 312 days a year and 8 hours a day in 1 shift. Initial utilization **70%** and will increase it by **5%** annually. The Maximum capacity utilization will be **95%**.

The total project investment is **Rs.2912,388/-** with an Internal Rate of Return (IRR) of **32%** and Net Present Value (NPV) of **1,851,484/-**. The total project investment would be paid back in **2.90** years.

## 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 the pre-feasibility study is primarily to facilitate potential entrepreneurs in project identification for investment. The project pre-feasibility

may form the basis of an important investment decision and in order to serve this objective, the document/study covers various aspects of project concept development, start-up, and production, marketing, finance and business management.

The purpose of this document is to facilitate potential investors in **Dates Paste Manufacturing unit** 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.

## **5 BRIEF DESCRIPTION OF PROJECT & PRODUCT**

The project aims to develop a production facility for manufacturing value added products made from locally available Dates. The value-added products will include Paste, Syrup, Dates Crash. Major market demand is for Paste & followed by Syrup products. Pakistan has wide varieties of Dates. Most of these Dates are presently sold in raw or minimally processed form, with very little added value. This project will have a demonstration effect & encourage other entrepreneurs to follow suit in seeking to obtain greater revenues from their dates resources by adding value within Pakistan prior to sales. Moreover, Dates acquired from the nearby Irani markets are also expected to be processing here. Thus, the facility has the potential to become economically viable for the production of value-added Dates Products products.

Pakistan contains Wide range of dates varieties which being supplied to the local markets in Pakistan & are exported to the international market without value addition & worth-while economic benefits. The Farm owners as well as local Dates dealers are unaware of the true worth of their product & most often, as they are compelled to sell their products on a very nominal price. They are discouraged to run their Farms on appropriate lines as such abandon their harvesting activity while running into ultimate losses.

Establishment of this facility will provide these mine owners an opportunity to sell their products at their doorsteps & will get educated on how the raw material is

value added & the economic benefits are taken. The facility will contribute allot towards generation of economic activities in the far-flung Dates cultivating areas of Balochistan. This activity will give a much-needed boost to the Sector at large. The project is aiming at to add value to the raw material locally available as well Dates coming from various parts of the world especially, Dates coming from Iran.

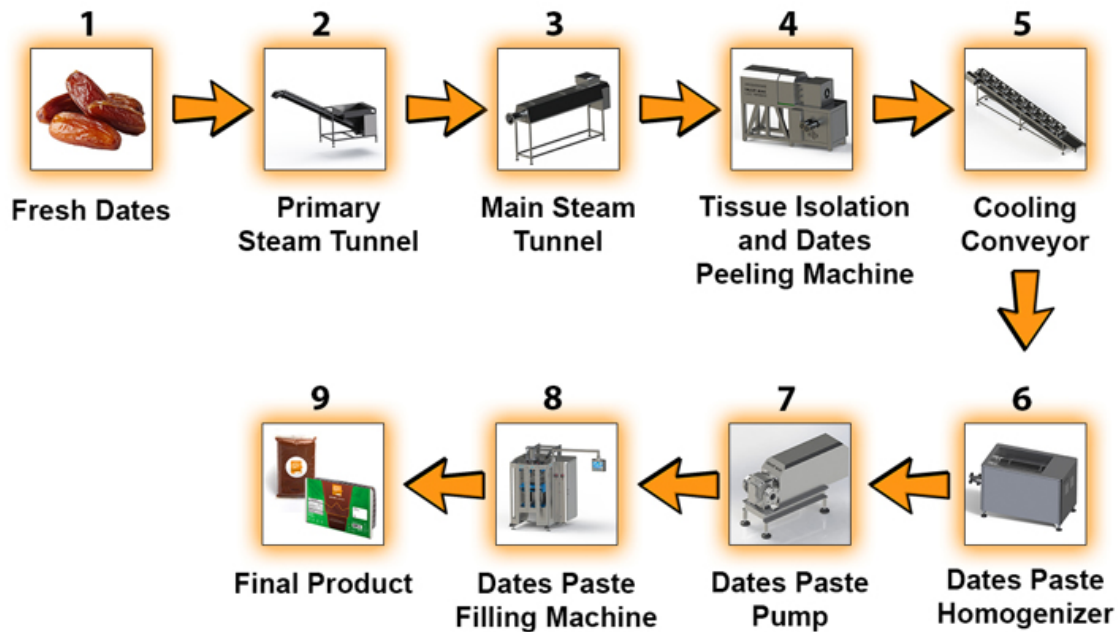
Following key parameters must be addressed as per pre-feasibility study under preparation

- **Technology:** This proposed unit with local processing machines including Washing Machines, Pitting Machine, Grinding Machine, pasteurizing Machine, Filling Machine.
- **Location:** The unit will be located at or near cities clusters including Peshawar, Rawalpindi, Turbat, Quetta, Karchi, or in areas where the raw material and skilled labour will be accessible
- **Product:** Keeping in view the market demand and characteristics “only properly establish and well protected systems” is recommended to be the final product of the proposed prefeasibility.
- **Target Market:** In addition to local markets in Karachi, Lahore and Islamabad an enormous export market for the Pakistani Dates exists in Europe, USA, Middle East, Hong Kong, Taiwan, etc.
- **Employment Generation:** The proposed project will provide direct employment to 8 people. Financial analysis shows the unit shall be profitable from the very first year of operation

## 5.1 PRODUCTION PROCESS

The Production process is stated below..

### Figure 1: Production Process



## 6. CRITICAL FACTORS

Before making the decision to invest in manufacturing unit for perfume, one should carefully analyze the associated risk factors. The important considerations in this regard include:

- Appointment of skilled staff
- Use of good quality raw materials
- Factory location must take into account the availability of electric power and water supply, proximity to supply sources and markets, and optimum visibility and ease of access by customers.
- Sufficient inventory of cutting blades and proper maintenance of machinery.
- Machinery should be calibrated and good quality
- Good cutting & faceting skills are required to produce quality stones.
- Use of modern technology and machines for maintaining quality and boosting appearances
- Maintenance of manufacturing machinery
- Continuous inspection of production process

## 7. GEOGRAPHICAL POTENTIAL FOR INVESTMENT

The proposed manufacturing unit has potential to provide good entrepreneurship opportunity if the business is established in large to medium cities of Pakistan like Karachi, Lahore, Islamabad, Peshawar, Quetta, Turbat, Faisalabad, etc. The proposed locations are suitable where the raw material is accessible and Skilled Labour is available.

## 8. POTENTIAL TARGET CUSTOMERS / MARKETS

The market of the proposed unit is primarily segmented between FMCG market. The house hold usage of Dates Paste is Increasing day by day in general. Furthermore, there is huge potential to target the international market for processed Dates Paste include, UAE, Thailand, Japan, UK, USA, Europe et.

## 9 PROJECT COST SUMMARY

### 9.1 Project Economics

All the figures in this financial model have been calculated for estimated sales of **Rs. 7,043,750/-** in the year one. The capacity utilization during year one is worked out at **70%** with **5%** increase in subsequent years up to the maximum capacity utilization of **95%**.

The following table shows internal rate of return, payback period and net present value of the proposed venture.

**Table 1: Project Economics**

Description	Details
Internal Rate of Return (IRR)	32%
Payback Period (yrs.)	2.9
Net Present Value (Rs.)	1,851,484

### 9.2 Project Financing

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

**Table 2: Project Financing**

Description	Details
-------------	---------



Total Equity (50%)	1,456,194
Bank Loan (50%)	1,456,194
Markup to the Borrower (%age / annum)	20%
Tenure of the Loan (Years)	8

### 9.3 Project Cost

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

**Table 3: Project Cost**

Description	Amount Rs.
<b>Capital Cost</b>	
Plant and Machinery	1700,000
Furniture & Fixture	160,000
Office Equipment	55,000
Pre-operating cost	443,000
<b>Total Capital Cost</b>	<b>2,358,000</b>
<b>Working Capital</b>	
Equipment spare part inventory	2
Raw Material Inventory	94,386
Up-front Building Rent	360,000
Cash	100,000
<b>Total Working Capital</b>	<b>554,000</b>
<b>Total Project Cost</b>	<b>2,912,388</b>

### 9.4 Space Requirement

The space requirement for the proposed **Gemstones Cutting and Faceting** project are on rental basis and monthly rent is given in the following table;

**Table 4: Space Requirement**

Description	Estimated Area (Sq.ft)	Unit Cost (Rs.)	Total Cost (Rs.)
Management and Production	500	60	30,000

Factory area	500	70	35000
<b>Total</b>			<b>65,000</b>

### 9.5 Machinery & Equipment Requirement

Plant, machinery and equipment for the proposed project are stated below;

**Table 5: Machinery & Equipment**

Description	Quantity	Unit Cost (Rs.)	Total Cost (Rs.)
Washing Machine	1	350,000	350,000
Pitting Machine	1	250,000	250,000
Grinding Machine	1	500,000	500,000
Posturizing Machine	1	300,000	300,000
Filling Machine	1	300,000	300,000
<b>Total</b>			<b>1700,000</b>

### 9.6 Furniture & Fixtures Requirement

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

**Table 6: Furniture & Fixture**

Description	Quantity	Unit Cost (Rs.)	Total Cost (Rs.)
Furniture Lump sum	1	100,000	100,000
Air Conditioners (1.5 ton)	1	60,000	60,000
<b>Total</b>			<b>160,000</b>

### 9.7 Office Equipment Requirement

Following office equipment will be required for **Gemstones Cutting and Faceting** project;

**Table 7: Office Equipment**

Description	Quantity	Unit Cost (Rs.)	Total Cost (Rs.)
Desktop Computers	1	30,000	55,000
Printer	1	22,000	22,000

Telephone Sets	1	3,000	8,000
<b>Total</b>			<b>55,000</b>

### 9.8 Human Resource Requirement

Human Resource required for Smoothly running the unit is stated below.

**Table 8: Human Resource Requirement**

Description	No. of Employees	Monthly Salary per person (Rs.)
CEO	1	50,000
Manager	1	25,000
Planning In-Charge	1	25000
Labor	2	18000
Accountant	1	18000
Plant Operator	2	18000
<b>Total</b>	<b>8</b>	

### 9.9 Utilities and other costs

An essential cost to be borne by the project is the cost of utilities cash in hand for running expenses are Rs. 100,000 per month which includes the utilities. Furthermore, promotional expense being essential for the marketing of Project unit is estimated as 1% of Revenue that for year 1.

### 9.10 Revenue Generation

Based on the capacity utilization of **70%**, sales revenue during the first year of operations is estimated as under;

**Table 9: Revenue Generation – Year 1**

Description	Kgs Produced (No.)	Finished Goods Inventory (No.)	Kgs available for Sale (No.)	Sale Price / unit (Rs.)	Sales Revenue (Rs.)
All Purpose	4695	4695	4695	1500	7,043,750
<b>Total</b>					<b>7,043,750</b>



## 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 Machinery Suppliers

Name of Supplier	Address	Phone	Fax	E-mail	Website
Jujube processing line	No.5899 Tingwei Rd.Jinshan Industrial District,Shanghai,China	0086-021-37901188		EMail: <a href="mailto:Info@Triowin.Com">Info@Triowin.Com</a>	<a href="http://en.triowin.com/">http://en.triowin.com/</a>
Shenzhen Oln Electronic Technology Co., Ltd.	Floor 8, Xixixiang Chamber Of Commerce Building, Jinhai Road, Xixiang Street, Shenzhen, Guangdong, China			<a href="http://tasanol.en.alibaba.com">tasanol.en.alibaba.com</a>	<a href="http://www.tasanoltools.com">http://www.tasanoltools.com</a>

## 11 USEFUL WEB LINKS

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

## 12 ANNEXURES

### 12.1 Income Statement

Statement Summaries										SMEDA
Income Statement										Rs. in actuals
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Revenue	7,043,750	8,245,781	9,236,883	10,306,480	11,459,945	12,702,990	13,367,454	14,035,827	14,737,618	15,474,499
Cost of goods sold	3,534,496	4,212,275	4,809,644	5,475,866	6,218,160	7,044,461	7,645,020	8,278,878	8,965,612	9,709,662
Gross Profit	3,509,254	4,033,506	4,427,239	4,830,614	5,241,785	5,658,529	5,722,434	5,756,949	5,772,006	5,764,837
<i>General administration &amp; selling expenses</i>										
Administration expense	1,548,000	1,698,715	1,864,105	2,045,597	2,244,759	2,463,312	2,703,143	2,966,325	3,255,131	3,572,055
Travelling & Comm. expense (phone, fax, etc.)	154,800	169,872	186,410	204,560	224,476	246,331	270,314	296,633	325,513	357,205
Office expenses (stationary, etc.)	77,400	84,936	93,205	102,280	112,238	123,166	135,157	148,316	162,757	178,603
Professional fees (legal, audit, etc.)	17,609	20,614	23,092	25,766	28,650	31,757	33,419	35,090	36,844	38,686
Depreciation expense	191,500	191,500	191,500	191,500	191,500	191,500	191,500	191,500	191,500	191,500
Amortization expense	88,600	88,600	88,600	88,600	88,600	-	-	-	-	-
Subtotal	2,790,097	3,062,526	3,344,357	3,652,786	3,990,296	4,270,999	4,639,668	5,041,193	5,480,317	5,960,635
Operating Income	719,157	970,980	1,082,882	1,177,827	1,251,489	1,387,530	1,082,766	715,756	291,689	(195,799)
Other income	-	-	-	-	-	-	-	-	-	-
Gain / (loss) on sale of assets	-	-	-	-	-	-	-	-	-	-
Earnings Before Interest & Taxes	719,157	970,980	1,082,882	1,177,827	1,251,489	1,387,530	1,082,766	715,756	291,689	(195,799)
Interest expense	319,476	281,854	258,558	230,151	195,511	153,273	101,767	38,962	-	-
Earnings Before Tax	399,681	689,126	824,324	947,677	1,055,978	1,234,257	980,999	676,794	291,689	(195,799)
Tax	79,936	137,825	164,865	189,535	211,196	246,851	196,200	135,359	58,338	-
<b>NET PROFIT/(LOSS) AFTER TAX</b>	319,745	551,301	659,459	758,141	844,782	987,406	784,799	541,435	233,351	(195,799)
Balance brought forward		319,745	871,046	1,530,505	2,288,646	3,133,429	4,120,835	4,905,633	5,447,068	5,680,420
Total profit available for appropriation	319,745	871,046	1,530,505	2,288,646	3,133,429	4,120,835	4,905,633	5,447,068	5,680,420	5,484,621
Owner's Withdrawals	-	-	-	-	-	-	-	-	-	-
Balance carried forward	319,745	871,046	1,530,505	2,288,646	3,133,429	4,120,835	4,905,633	5,447,068	5,680,420	5,484,621

## 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										
<b>Assets</b>											
<i>Current assets</i>											
Cash & Bank	430,000	973,569	1,765,166	2,523,465	3,347,434	4,213,167	5,060,818	5,642,975	5,916,056	6,218,111	6,815,283
Accounts receivable	-	192,979	209,446	239,489	267,717	298,170	330,999	357,129	375,387	394,157	413,865
Finished goods inventory	-	153,674	176,000	200,925	228,722	259,691	294,164	318,543	344,953	373,567	404,569
Raw material inventory	94,386	123,879	155,579	194,625	242,623	301,520	355,729	418,764	492,969	580,323	-
<b>Total Current Assets</b>	<b>554,388</b>	<b>1,477,104</b>	<b>2,342,494</b>	<b>3,198,437</b>	<b>4,130,423</b>	<b>5,120,869</b>	<b>6,094,863</b>	<b>6,795,879</b>	<b>7,193,682</b>	<b>7,636,906</b>	<b>7,633,716</b>
<i>Fixed assets</i>											
Land	-	-	-	-	-	-	-	-	-	-	-
Building/Infrastructure	-	-	-	-	-	-	-	-	-	-	-
Machinery & equipment	1,700,000	1,530,000	1,360,000	1,190,000	1,020,000	850,000	680,000	510,000	340,000	170,000	-
Furniture & fixtures	160,000	144,000	128,000	112,000	96,000	80,000	64,000	48,000	32,000	16,000	-
Office equipment	55,000	49,500	44,000	38,500	33,000	27,500	22,000	16,500	11,000	5,500	-
<b>Total Fixed Assets</b>	<b>1,915,000</b>	<b>1,723,500</b>	<b>1,532,000</b>	<b>1,340,500</b>	<b>1,149,000</b>	<b>957,500</b>	<b>766,000</b>	<b>574,500</b>	<b>383,000</b>	<b>191,500</b>	<b>-</b>
<i>Intangible assets</i>											
Pre-operation costs	443,000	354,400	265,800	177,200	88,600	-	-	-	-	-	-
<b>Total Intangible Assets</b>	<b>443,000</b>	<b>354,400</b>	<b>265,800</b>	<b>177,200</b>	<b>88,600</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>2,912,388</b>	<b>3,555,004</b>	<b>4,140,294</b>	<b>4,716,137</b>	<b>5,368,023</b>	<b>6,078,369</b>	<b>6,860,863</b>	<b>7,370,379</b>	<b>7,576,682</b>	<b>7,828,406</b>	<b>7,633,716</b>
<b>Liabilities &amp; Shareholders' Equity</b>											
<i>Current liabilities</i>											
Accounts payable	-	242,935	293,045	338,910	390,542	448,633	512,487	557,475	605,419	657,792	658,901
<b>Total Current Liabilities</b>	<b>-</b>	<b>242,935</b>	<b>293,045</b>	<b>338,910</b>	<b>390,542</b>	<b>448,633</b>	<b>512,487</b>	<b>557,475</b>	<b>605,419</b>	<b>657,792</b>	<b>658,901</b>
<i>Other liabilities</i>											
Deferred tax	-	79,936	170,000	170,000	170,000	170,000	136,000	102,000	68,000	34,000	34,000
Long term debt	1,456,194	1,456,194	1,350,009	1,220,528	1,062,641	870,114	635,348	349,077	-	-	-
<b>Total Long Term Liabilities</b>	<b>1,456,194</b>	<b>1,536,130</b>	<b>1,520,009</b>	<b>1,390,528</b>	<b>1,232,641</b>	<b>1,040,114</b>	<b>771,348</b>	<b>451,077</b>	<b>68,000</b>	<b>34,000</b>	<b>34,000</b>
<i>Shareholders' equity</i>											
Paid-up capital	1,456,194	1,456,194	1,456,194	1,456,194	1,456,194	1,456,194	1,456,194	1,456,194	1,456,194	1,456,194	1,456,194
Retained earnings	-	319,745	871,046	1,530,505	2,288,646	3,133,429	4,120,835	4,905,633	5,447,068	5,680,420	5,484,621
<b>Total Equity</b>	<b>1,456,194</b>	<b>1,775,939</b>	<b>2,327,240</b>	<b>2,986,699</b>	<b>3,744,841</b>	<b>4,589,623</b>	<b>5,577,029</b>	<b>6,361,828</b>	<b>6,903,263</b>	<b>7,136,614</b>	<b>6,940,815</b>
<b>TOTAL CAPITAL AND LIABILITIES</b>	<b>2,912,388</b>	<b>3,555,004</b>	<b>4,140,294</b>	<b>4,716,137</b>	<b>5,368,023</b>	<b>6,078,369</b>	<b>6,860,863</b>	<b>7,370,379</b>	<b>7,576,682</b>	<b>7,828,406</b>	<b>7,633,716</b>
<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 Cash Flow Statement

Statement Summaries											SMEDA
Cash Flow Statement											
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	Rs. in actuals										
<i>Operating activities</i>											
Net profit	-	319,745	551,301	659,459	758,141	844,782	987,406	784,799	541,435	233,351	(195,799)
Add: depreciation expense	-	191,500	191,500	191,500	191,500	191,500	191,500	191,500	191,500	191,500	191,500
amortization expense	-	88,600	88,600	88,600	88,600	88,600	-	-	-	-	-
Deferred income tax	-	79,936	90,064	-	-	-	(34,000)	(34,000)	(34,000)	(34,000)	-
Accounts receivable	-	(192,979)	(16,466)	(30,043)	(28,229)	(30,453)	(32,829)	(26,130)	(18,258)	(18,769)	(19,708)
Finished good inventory	-	(153,674)	(22,327)	(24,925)	(27,797)	(30,969)	(34,473)	(24,378)	(26,411)	(28,614)	(31,002)
Equipment inventory	(2)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	9
Raw material inventory	(94,386)	(29,493)	(31,700)	(39,045)	(47,998)	(58,897)	(54,209)	(63,035)	(74,205)	(87,354)	580,323
Accounts payable	-	242,935	50,110	45,865	51,632	58,091	63,854	44,988	47,944	52,372	1,109
Other liabilities	-	-	-	-	-	-	-	-	-	-	-
Cash provided by operations	(124,388)	543,569	897,781	887,780	981,856	1,058,261	1,082,416	868,428	622,158	302,054	597,172
<i>Financing activities</i>											
Change in long term debt	1,456,194	-	(106,185)	(129,481)	(157,888)	(192,527)	(234,766)	(286,271)	(349,077)	-	-
Issuance of shares	1,456,194	-	-	-	-	-	-	-	-	-	-
Cash provided by / (used for) financing act	2,912,388	-	(106,185)	(129,481)	(157,888)	(192,527)	(234,766)	(286,271)	(349,077)	-	-
<i>Investing activities</i>											
Capital expenditure	(2,358,000)	-	-	-	-	-	-	-	-	-	-
Cash (used for) / provided by investing acti	(2,358,000)	-	-	-	-	-	-	-	-	-	-
<b>NET CASH</b>	<b>430,000</b>	<b>543,569</b>	<b>791,597</b>	<b>758,300</b>	<b>823,969</b>	<b>865,734</b>	<b>847,650</b>	<b>582,157</b>	<b>273,082</b>	<b>302,054</b>	<b>597,172</b>
Cash balance brought forward		430,000	973,569	1,765,166	2,523,465	3,347,434	4,213,167	5,060,818	5,642,975	5,916,056	6,218,111
Cash available for appropriation	430,000	973,569	1,765,166	2,523,465	3,347,434	4,213,167	5,060,818	5,642,975	5,916,056	6,218,111	6,815,283
Cash carried forward	430,000	973,569	1,765,166	2,523,465	3,347,434	4,213,167	5,060,818	5,642,975	5,916,056	6,218,111	6,815,283

## 13 KEY ASSUMPTIONS

### 13.1 Operating Cost Assumptions

Description	Details
Operational Days/ year	324
Hours operational/ days	8
Shift Length (Hours)	8

### 13.2 Production Cost Assumptions

Description	Details
Initial Capital utilization	70%
Annual Capital Utilization Growth	5%
Maximum Capital Utilization	95%

### 13.3 Financial Assumptions

Description	Details
Interest Rate	20%
Debt: Equity Ratio	50:50
Debt Tenure	8 Years

### 13.4 Economy Related Assumptions

Description	Details
Electricity price growth rate	10%
Wage growth rate	10%
Sales growth rate	5%

### 13.5 Cash Flow Assumptions

Description	Details
Accounts Receivable cycle (in days)	10
Accounts payable cycle (in days)	30