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# Pre-Feasibility Study

## (Banquet Hall)



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**Ministry of Industries & Production**  
**Government of Pakistan**  
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# Table of Contents

<b>1</b>	<b>DISCLAIMER .....</b>	<b>1</b>
<b>2</b>	<b>EXECUTIVE SUMMARY .....</b>	<b>2</b>
<b>3</b>	<b>INTRODUCTION TO SMEDA .....</b>	<b>3</b>
<b>4</b>	<b>PURPOSE OF THE DOCUMENT .....</b>	<b>3</b>
<b>5</b>	<b>BRIEF DESCRIPTION OF PROJECT &amp; PRODUCT .....</b>	<b>4</b>
5.1	SERVICE SEQUENCE & PROCESS FLOW.....	4
5.2	INSTALLED AND OPERATIONAL CAPACITIES .....	6
<b>6</b>	<b>CRITICAL FACTORS.....</b>	<b>6</b>
<b>7</b>	<b>GEOGRAPHICAL POTENTIAL FOR INVESTMENT .....</b>	<b>6</b>
<b>8</b>	<b>POTENTIAL TARGET CUSTOMERS / MARKETS.....</b>	<b>7</b>
<b>9</b>	<b>PROJECT COST SUMMARY .....</b>	<b>7</b>
9.1	PROJECT ECONOMICS.....	7
9.2	PROJECT FINANCING .....	8
9.3	PROJECT COST.....	8
9.4	SPACE REQUIREMENT.....	9
9.5	MACHINERY REQUIREMENT.....	9
9.6	DESIGN & CONSULTANCY .....	10
9.7	OFFICE EQUIPMENT REQUIREMENT .....	11
9.8	HUMAN RESOURCE REQUIREMENT.....	11
9.9	UTILITIES AND OTHER COSTS .....	12
9.10	REVENUE GENERATION.....	12
<b>10</b>	<b>CONTACT DETAILS.....</b>	<b>13</b>
10.1	TECHNICAL EXPERTS / CONSULTANTS .....	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	SERVICE COST ASSUMPTIONS.....	18
13.3	REVENUE ASSUMPTIONS.....	18
13.4	FINANCIAL ASSUMPTIONS .....	18
<b>14</b>	<b>PICTURES.....</b>	<b>19</b>

## 1 DISCLAIMER

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### ***Document Control***

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## 2 EXECUTIVE SUMMARY

Marriage hall business has been a glooming business in recent years and has proven to be profitable in major cities due to increase in population and changing life style pattern. These days most of the traditional marriage halls are being converted into Banquets or Marquee due to the change in trend and clients preferences. The increase in the number of banquets is due to the convenience it provide to the hosts, protection against weather conditions and eye-catching ambiance with respect to the event theme. **Banquet Hall** is proposed to be established at a location that has convenient parking space, preferably in proximity to other marquee or banquet halls and has easy public access. Major cities like Karachi, Hyderabad, Sukkur, Larkana, Multan, Lahore, Gujranwala, Faisalabad, Sialkot, Gujrat, Rawalpindi, Peshawar, Hub and Quetta etc. are suitable to house the project.

This Project include one **Banquet Hall** to host 500 number of guests per event.

Capacity; Optimum capacity **360 events** and initial utilization will be **40 %** annually.

Total Cost Estimates is **Rs. 51.85 million** with fixed investment **Rs. 50.07 million** and working capital **Rs.1.78 million**

Given the cost assumptions IRR and payback are **36 %** and **3.21 years** respectively

The most critical considerations or factors for success of the project are:

- Most significant consideration(s)
  - Aesthetically designed Banquet Halls with the flexibility to customize with respect to event theme.
  - Easy access to facility and parking space.
  - Ensure excellence through trained staff with a passion to host quality events.
  - Quality of fixture and accessories.
- Equally important factor(s)
  - Strong relationship with local event & wedding planners.
  - Strong relationship with local businesses and corporate planners.

### 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 establishing Banquet Hall 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 it's 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 purpose of this Pre-Feasibility Study is to accumulate information regarding the business of Banquet Halls in Pakistan while showcasing the projected financial statements and analysis using capital budgeting tools for next 10 years. Following key parameters must be addressed as per pre-feasibility study under preparation.

- **Technology:** This proposed banquet will be built using Stainless Steel panel structure, Pana-flex and specially designed fabrics to be used as drapes with state of the art modern lighting and sound system.
- **Location:** The recommended area for the proposed Banquet Hall setup is densely populated locality in cities like Karachi, Lahore, Rawalpindi, Hyderabad, Faisalabad, Multan, Peshawar and Quetta etc. This business can also be undertaken in all small 2<sup>nd</sup> tier towns in addition to suburban towns of large cities
- **Service:** One modern and state of the art banquet hall will be constructed that will act as a standalone site for wedding, party and corporate events. This banquet hall will serve one event per day.
- **Target Market:** The facility would serve to the middle and upper middle class segment which can easily afford to spend at least Rs. 200,000 for an event.
- **Employment Generation:** The proposed project will provide direct employment to 21 people. Financial analysis shows the unit shall be profitable from the very first year of operation

### 5.1 Service Sequence & Process Flow

- Service sequence for the Event is an important consideration for smooth and error free operations, these process flow has to be adapted, prepared and if needed rehearsed in order to cater to the large number of guests.
- When the organizer or event host arrives at the premises, he or she must be welcomed by the manager who booked the event. This person will introduce the host to the banquet floor manager and together with the host function / event sheet will be checked to ensure compliance with pre requisites and order.

- The hall / marquee where the event will take place must clearly indicate the name of the host and the event along with the date.
- Each staff member particularly all casual staff on daily wages, must be informed about the selected service sequence during the briefing session before the event starts.
- During the banquet briefing, all the steps of the service sequence must be clarified to everyone. The layout of the hall, the assigned service area, bar and buffet counters must be organized before the program.
- All required utensils must be polished and cleaned to ensure a smooth set-up and service.

### **Important Considerations for Banquet Review order**

- The expected number of guests.
- Table setup arrangements and specifications including the sizes, types and colors of table cloths and table skirts.
- The menu for the function including beverages, number of courses and desserts.
- The type of event / function.
- Any special request made by host.
- Employee personal hygiene to be ensured.
- Correct, neat and impeccable uniforms.
- VIP guests present and special requests.
- A good briefing will avoid many service problems during the function.

## 5.2 Installed and Operational Capacities

Each banquet hall can cater to 360 events annually at optimized level, but as per the industry statistics this business hosts 150-180 events per year therefore we have assumed that projections would be based on 40% capacity utilization for each banquet hall. Overall on an average 144 events will be catered during a year for this banquet hall. Annual growth rate is assumed to be 5% and maximum capacity utilization for the events are assumed to be capped at 50%.

## 6 CRITICAL FACTORS

The main critical success factors that affect the decision to invest in the proposed business setup are:

- Ever increasing population in country and presence of significant populace of middle & upper class segment.
- Propensity of high spending in wedding extravaganzas and events.
- Preference of choosing Banquet Halls over Lawn / Dera Marquee in recent years for wedding and corporate events.
- Fewer options available to the target market to select among the aesthetically designed high class venue.

## 7 GEOGRAPHICAL POTENTIAL FOR INVESTMENT

The Pakistani economy is becoming increasingly service-oriented and over the past several decades this industry has shown a substantial growth mainly due to the increase in population, changing life style pattern and organizing events at specialized venues. There has been a mushroom growth of marriage halls, event management complexes in the past decade across all major cities and towns therefore there is a potential for proposed business to be established in cities like Karachi, Lahore, Rawalpindi, Hyderabad, Faisalabad, Multan, Peshawar and Quetta etc. This business can also be undertaken in all small 2nd tier towns in addition to suburban towns of large cities.



## 8 POTENTIAL TARGET CUSTOMERS / MARKETS

With improving law and order situation in the country banquets have hit the events mainstream again. The nation's love of good food, higher spending on weddings and a glamorous atmosphere has led to this indulgent communal feast dominating the events sector. There is a significant demographic segment in almost all the cities who can comfortably afford Rs. 200,000 and above for a good venue to host their events.

## 9 PROJECT COST SUMMARY

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

### 9.1 Project Economics

All the figures in this financial model have been calculated for estimated sales of Rs. 28.8 million in the year one. The capacity utilization during year one is worked out at 40 % with 05 % increase in subsequent years up to the maximum capacity utilization of 50 %.

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

**Table 9.1: Project Economics**

Description	Details
Internal Rate of Return (IRR)	36%
Payback Period (yrs.)	3.21
Net Present Value (Rs.)	24,499,215

## 9.2 Project Financing

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

**Table 9.2: Project Financing**

Description	Details
Total Equity (100%)	Rs.51,854,082

## 9.3 Project Cost

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

**Table 9.3: Project Cost**

Description	Amount Rs.
<b>Capital Cost</b>	
Land	18,333,332
Building / Infrastructure	13,762,500
Furniture, Fixtures & Interior Design	10,645,000
Gensets	5,000,000
Office Equipment	92,000
Pre-Operating Costs	2,139,000
Training Costs	100,000
<b>Total Capital Cost</b>	<b>50,071,832</b>
<b>Working Capital</b>	
Up-front Insurance Payment	782,250
Cash	1,000,000
<b>Total Working Capital</b>	<b>1,782,250</b>
<b>Total Project Cost</b>	<b>51,854,082</b>

## 9.4 Space Requirement

The space requirement for the proposed Banquet Hall is estimated to be 10,000 sq. ft. considering various facilities including management office, banquet hall, pantry, etc. Details of space requirement and cost related to land & building is given below:

**Table 9.4: Space Requirement**

Description	Estimated Area (Sq.ft.)	Unit Cost (Rs.)	Total Cost (Rs.)
Management Office	250	1,800	450,000
Banquet Hall (Structure)	8,750	1,350	11,812,500
Kitchen / Pantry	1,000	1,500	1,500,000
<b>Total</b>	<b>10,000</b>		<b>13,762,500</b>

## 9.5 Machinery Requirement

Number of generators and their operational capacity for the proposed project are stated below:

**Table 9.5: Machinery & Equipment**

Description	Quantity	Unit Cost (Rs.)	Total Cost (Rs.)
Genset (250 kVA)	01	4,000,000	4,000,000
Genset (60 kVA)	01	1,000,000	1,000,000
<b>Total</b>			<b>5,000,000</b>

## 9.6 Design & Consultancy

Details of Furniture, fixture and decoration item required for the project are given below:

**Table 9.6: Furniture, Fixtures & Design**

Description	Quantity	Unit Cost (Rs.)	Total Cost (Rs.)
Pipe & Drapes	Lump sum	2,000,000	2,000,000
Sofa Set (06 seaters) & Tables	10	50,000	500,000
Table and Chairs (10 chairs)	60	25,000	1,500,000
Stage, screen and Sofa	01	125,000	125,000
Sound System & Lights	Lump sum	1,000,000	1,000,000
Air Conditioners (04 Tons)	20	160,000	3,200,000
Carpeting (sq. ft.)	8,500	80	680,000
Surveillance system	01	150,000	150,000
Buffet Table & Covers	12	20,000	240,000
Cutlery & Crockery	Lump sum	250,000	250,000
Chandeliers & Other decoration items	Lump sum	1,000,000	1,000,000
<b>Total</b>			<b>10,645,000</b>

## 9.7 Office Equipment Requirement

Following office equipment will be required for banquet hall.

**Table 9.7: Office Equipment**

Description	Quantity	Unit Cost (Rs.)	Total Cost (Rs.)
Laptop	01	50,000	50,000
Printer	01	20,000	20,000
Telephone Set	01	2,000	2,000
Fax Machine	01	20,000	20,000
<b>Total</b>			<b>92,000</b>

## 9.8 Human Resource Requirement

In order to run operations of Banquet Halls smoothly, details of human resources required along with number of employees and monthly salary are recommended as under:

**Table 9.8: Human Resource Requirement**

Description	No. of Employees	Monthly Salary per person (Rs.)	Total Annual Salary (Rs.)
CEO / Owner	01	75,000	900,000
Banquet & Accounts Manager	01	30,000	360,000
Pantry In-charge	01	20,000	240,000
Floor In-charge / Supervisor	01	20,000	240,000
Electrician	01	13,000	156,000
Servers / Helpers	12	13,000	1,872,000
Helpers	0	0	000
Valet Service (Optional and Can be Outsourced)			

Polisher (Crockery / Cutlery)	01	13,000	156,000
DJ / Sound System	01	13,000	156,000
Guards	02	15,000	360,000
<b>Total</b>	<b>21</b>		<b>4,440,000</b>

It should be noted that most of the banquet hall owners hire helper / servers on daily wages to curtail the expenses but for this prefeasibility we have assumed that servers are hired as permanent employees.

### 9.9 Utilities and other costs

An essential cost to be borne by the project is the fuel cost for diesel genset. The electricity expenses are estimated to be around Rs. 0.41 Mn. per year, whereas, diesel for genset expenses are estimated to be Rs. 8.64 Mn. per year. Furthermore, promotional expense being essential for marketing of Banquet Halls is estimated as 01% of Revenue.

### 9.10 Revenue Generation

Based on the capacity utilization of 40%, sales revenue during the first year of operations is estimated as under:

**Table 9.10: Revenue Generation – Year 1**

Description	Sales Revenue (Rs.)
Revenue	28,800,000
<b>Total</b>	<b>28,800,000</b>

## 10 CONTACT DETAILS

### 10.1 Technical Experts / Consultants

#### Interior Designer / Consultant - 1

<b>Name of Expert /Organization</b>	Mr. Jaffar Abbas
<b>Address</b>	5 Star Chowrangi, North Nazimabad, Karachi
<b>Phone</b>	03456435142, 021-36679449

#### Electrification Expert / Consultant - 2

<b>Name of Expert /Organization</b>	Mr. Ayub Khan
<b>Address</b>	Total Material Supplier, Near Bata Mini Price Shop, Pakistan Chowk
<b>Phone</b>	92300-2225772
<b>E-mail</b>	pakistanmts@gmail.com

#### Marketing Experts / Consultant - 3

<b>Name of Expert /Organization</b>	Forza Voila
<b>Address</b>	16-C 1 <sup>st</sup> Shahbaz Commercial Lane, Phase VI DHA Khi.
<b>Phone</b>	92331-2113308
<b>E-mail</b>	forzavoila@gmail.com
<b>Website</b>	www.forzavoila.com

## 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

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Revenue	28,800,000	34,344,000	40,449,600	42,876,576	45,449,171	48,176,121	51,066,688	54,130,689	57,378,531	60,821,243
<i>Cost of sales</i>										
Cost of goods sold 1	4,320,000	5,103,000	5,953,500	6,251,175	6,563,734	6,891,920	7,236,516	7,598,342	7,978,259	8,377,172
Operation costs (direct labor)	3,540,000	3,884,659	4,262,875	4,677,915	5,133,363	5,633,155	6,181,607	6,783,457	7,443,904	8,168,653
Operating costs (direct electricity)	451,200	496,320	545,952	600,547	660,602	726,662	799,328	879,261	967,187	1,063,906
Operating costs (direct gas)	115,200	142,560	174,240	191,664	210,830	231,913	255,105	280,615	308,677	339,544
Operating costs (genset)	8,640,000	9,504,000	10,454,400	11,499,840	12,649,824	13,914,806	15,306,287	16,836,916	18,520,607	20,372,668
Total cost of sales	8,426,400	9,626,539	10,936,567	11,721,301	12,568,529	13,483,651	14,472,556	15,541,675	16,698,027	17,949,275
Gross Profit	20,373,600	24,717,461	29,513,033	31,155,275	32,880,641	34,692,470	36,594,132	38,589,014	40,680,504	42,871,967
	71%	72%	73%	73%	72%	72%	72%	71%	71%	70%
<i>General administration &amp; selling expenses</i>										
Administration expense	900,000	987,625	1,083,782	1,189,300	1,305,092	1,432,158	1,571,595	1,724,608	1,892,518	2,076,776
Administration benefits expense	90,000	98,763	108,378	118,930	130,509	143,216	157,159	172,461	189,252	207,678
Land lease rental expense	-	-	-	-	-	-	-	-	-	-
Travelling expense	135,000	148,144	162,567	178,395	195,764	214,824	235,739	258,691	283,878	311,516
Communications expense (phone, fax, mail, internet, etc.)	108,000	118,515	130,054	142,716	156,611	171,859	188,591	206,953	227,102	249,213
Office vehicles running expense	-	-	-	-	-	-	-	-	-	-
Office expenses (stationary, entertainment, janitorial services, etc)	72,000	79,010	86,703	95,144	104,407	114,573	125,728	137,969	151,401	166,142
Promotional expense	288,000	343,440	404,496	428,766	454,492	481,761	510,667	541,307	573,785	608,212
Insurance expense	782,250	508,463	234,675	905,552	588,609	271,666	1,048,290	681,388	314,487	1,213,526
Professional fees (legal, audit, consultants, etc.)	144,000	171,720	202,248	214,383	227,246	240,881	255,333	270,653	286,893	304,106
Depreciation expense	8,237,450	8,237,450	7,455,200	9,100,565	9,100,565	8,955,478	10,860,194	10,860,194	9,811,904	12,016,850
Amortization of pre-operating costs	427,800	427,800	427,800	427,800	427,800	-	-	-	-	-
Amortization of legal, licensing, and training costs	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Bad debt expense	288,000	343,440	404,496	428,766	454,492	481,761	510,667	541,307	573,785	608,212
Miscellaneous expense 1	1,000,000	1,100,000	1,210,000	1,331,000	1,464,100	1,610,510	1,771,561	1,948,717	2,143,589	2,357,948
Subtotal	12,482,500	12,574,369	11,920,399	14,571,317	14,619,687	14,128,686	17,245,524	17,354,247	16,458,594	20,130,181
Operating Income	7,891,100	12,143,091	17,592,634	16,583,958	18,260,954	20,563,784	19,348,607	21,234,766	24,221,910	22,741,786
Other income (interest on cash)	812,944	2,181,801	3,311,979	4,225,716	5,159,538	6,468,626	9,067,060	12,708,796	15,900,975	18,528,775
Other income 2	-	-	-	-	-	-	-	-	-	-
Gain / (loss) on sale of machinery & equipment	-	-	6,258,000	-	-	11,155,667	-	-	14,478,579	-
Gain / (loss) on sale of office equipment	-	-	-	-	-	-	-	-	-	-
Gain / (loss) on sale of office vehicles	-	-	-	-	-	-	-	-	-	-
Earnings Before Interest & Taxes	8,704,044	14,324,893	27,162,613	20,809,673	23,420,492	38,188,077	28,415,668	33,943,562	54,601,464	41,270,561
Earnings Before Tax	8,704,044	14,324,893	27,162,613	20,809,673	23,420,492	38,188,077	28,415,668	33,943,562	54,601,464	41,270,561
Tax	1,740,809	2,864,979	5,432,523	4,161,935	4,684,098	7,637,615	5,683,134	6,788,712	10,920,293	8,254,112
<b>NET PROFIT/(LOSS) AFTER TAX</b>	<b>6,963,235</b>	<b>11,459,914</b>	<b>21,730,090</b>	<b>16,647,739</b>	<b>18,736,393</b>	<b>30,550,462</b>	<b>22,732,534</b>	<b>27,154,850</b>	<b>43,681,171</b>	<b>33,016,449</b>
	24%	33%	54%	39%	41%	63%	45%	50%	76%	54%
Balance brought forward	-	4,177,941	9,382,713	31,112,803	28,656,325	47,392,718	77,943,180	100,675,714	127,830,564	171,511,735
Total profit available for appropriation	6,963,235	15,637,855	31,112,803	47,760,542	47,392,718	77,943,180	100,675,714	127,830,564	171,511,735	204,528,184
Dividend	2,785,294	6,255,142	-	19,104,217	-	-	-	-	-	-
Balance carried forward	4,177,941	9,382,713	31,112,803	28,656,325	47,392,718	77,943,180	100,675,714	127,830,564	171,511,735	204,528,184

## 12.2 Balance Sheet

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>Assets</b>											
<i>Current assets</i>											
Cash & Bank	1,000,000	15,258,878	28,377,144	37,862,431	46,651,880	56,538,872	72,833,645	108,507,560	145,668,353	172,351,149	198,224,345
Accounts receivable		78,904	86,499	102,457	114,145	120,994	128,254	135,949	144,106	152,752	161,917
Pre-paid insurance	782,250	508,463	234,675	905,552	588,609	271,666	1,048,290	681,388	314,487	1,213,526	-
<b>Total Current Assets</b>	<b>1,782,250</b>	<b>15,846,244</b>	<b>28,698,317</b>	<b>38,870,440</b>	<b>47,354,634</b>	<b>56,931,532</b>	<b>74,010,189</b>	<b>109,324,897</b>	<b>146,126,946</b>	<b>173,717,428</b>	<b>198,386,262</b>
<i>Fixed assets</i>											
Land	18,333,332	18,333,332	18,333,332	18,333,332	18,333,332	18,333,332	18,333,332	18,333,332	18,333,332	18,333,332	18,333,332
Building/Infrastructure	13,762,500	11,010,000	8,257,500	5,505,000	2,752,500	17,564,825	14,051,860	10,538,895	7,025,930	3,512,965	22,417,662
Machinery & equipment	15,645,000	10,169,250	4,693,500	18,111,043	11,772,178	5,433,313	20,965,796	13,627,768	6,289,739	24,270,530	15,775,844
Office equipment	92,000	82,800	73,600	64,400	55,200	46,000	36,800	27,600	18,400	9,200	-
<b>Total Fixed Assets</b>	<b>47,832,832</b>	<b>39,595,382</b>	<b>31,357,932</b>	<b>42,013,775</b>	<b>32,913,210</b>	<b>41,377,469</b>	<b>53,387,788</b>	<b>42,527,594</b>	<b>31,667,400</b>	<b>46,126,026</b>	<b>56,526,838</b>
<i>Intangible assets</i>											
Pre-operation costs	2,139,000	1,711,200	1,283,400	855,600	427,800	-	-	-	-	-	-
Legal, licensing, & training costs	100,000	90,000	80,000	70,000	60,000	50,000	40,000	30,000	20,000	10,000	-
<b>Total Intangible Assets</b>	<b>2,239,000</b>	<b>1,801,200</b>	<b>1,363,400</b>	<b>925,600</b>	<b>487,800</b>	<b>50,000</b>	<b>40,000</b>	<b>30,000</b>	<b>20,000</b>	<b>10,000</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>51,854,082</b>	<b>57,242,826</b>	<b>61,419,649</b>	<b>81,809,814</b>	<b>80,755,643</b>	<b>98,359,002</b>	<b>127,437,977</b>	<b>151,882,491</b>	<b>177,814,346</b>	<b>219,853,454</b>	<b>254,913,100</b>
<b>Liabilities &amp; Shareholders' Equity</b>											
<i>Current liabilities</i>											
Accounts payable		59,178	69,904	81,555	85,633	89,914	94,410	99,130	104,087	109,291	114,756
Other liabilities											
<b>Total Current Liabilities</b>	<b>-</b>	<b>59,178</b>	<b>69,904</b>	<b>81,555</b>	<b>85,633</b>	<b>89,914</b>	<b>94,410</b>	<b>99,130</b>	<b>104,087</b>	<b>109,291</b>	<b>114,756</b>
<i>Other liabilities</i>											
Deferred tax		1,151,625	112,950	(1,238,625)	159,604	(977,712)	(2,453,695)	(746,435)	(1,974,386)	(3,621,654)	(1,583,921)
<b>Total Long Term Liabilities</b>	<b>-</b>	<b>1,151,625</b>	<b>112,950</b>	<b>(1,238,625)</b>	<b>159,604</b>	<b>(977,712)</b>	<b>(2,453,695)</b>	<b>(746,435)</b>	<b>(1,974,386)</b>	<b>(3,621,654)</b>	<b>(1,583,921)</b>
<i>Shareholders' equity</i>											
Paid-up capital	51,854,082	51,854,082	51,854,082	51,854,082	51,854,082	51,854,082	51,854,082	51,854,082	51,854,082	51,854,082	51,854,082
Retained earnings		4,177,941	9,382,713	31,112,803	28,656,325	47,392,718	77,943,180	100,675,714	127,830,564	171,511,735	204,528,184
<b>Total Equity</b>	<b>51,854,082</b>	<b>56,032,023</b>	<b>61,236,795</b>	<b>82,966,885</b>	<b>80,510,407</b>	<b>99,246,800</b>	<b>129,797,262</b>	<b>152,529,796</b>	<b>179,684,645</b>	<b>223,365,817</b>	<b>256,382,265</b>
<b>TOTAL CAPITAL AND LIABILITIES</b>	<b>51,854,082</b>	<b>57,242,826</b>	<b>61,419,649</b>	<b>81,809,814</b>	<b>80,755,643</b>	<b>98,359,002</b>	<b>127,437,977</b>	<b>151,882,491</b>	<b>177,814,346</b>	<b>219,853,454</b>	<b>254,913,100</b>

## 12.3 Cash Flow Statement

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<i>Operating activities</i>											
Net profit		6,963,235	11,459,914	21,730,090	16,647,739	18,736,393	30,550,462	22,732,534	27,154,850	43,681,171	33,016,449
Add: depreciation expense		8,237,450	8,237,450	7,455,200	9,100,565	9,100,565	8,955,478	10,860,194	10,860,194	9,811,904	12,016,850
amortization of pre-operating costs		427,800	427,800	427,800	427,800	427,800	-	-	-	-	-
amortization of training costs		10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Deferred income tax		1,151,625	(1,038,675)	(1,351,575)	1,398,229	(1,137,317)	(1,475,982)	1,707,260	(1,227,952)	(1,647,268)	2,037,733
Accounts receivable		(78,904)	(7,595)	(15,958)	(11,688)	(6,849)	(7,260)	(7,695)	(8,157)	(8,646)	(9,165)
Advance insurance premium	(782,250)	273,788	273,788	(670,877)	316,943	316,943	(776,624)	366,901	366,901	(899,040)	1,213,526
Accounts payable		59,178	10,726	11,651	4,078	4,282	4,496	4,720	4,957	5,204	5,465
Cash provided by operations	(782,250)	17,044,172	19,373,408	27,596,330	27,893,665	27,451,818	37,260,569	35,673,914	37,160,793	50,953,326	48,290,858
<i>Financing activities</i>											
Issuance of shares	51,854,082	-	-	-	-	-	-	-	-	-	-
Cash provided by / (used for) financing activities	51,854,082	-	-	-	-	-	-	-	-	-	-
<i>Investing activities</i>											
Capital expenditure	(50,071,832)	-	-	(18,111,043)	-	(17,564,825)	(20,965,796)	-	-	(24,270,530)	(22,417,662)
Cash (used for) / provided by investing activities	(50,071,832)	-	-	(18,111,043)	-	(17,564,825)	(20,965,796)	-	-	(24,270,530)	(22,417,662)
<b>NET CASH</b>	<b>1,000,000</b>	<b>17,044,172</b>	<b>19,373,408</b>	<b>9,485,287</b>	<b>27,893,665</b>	<b>9,886,993</b>	<b>16,294,773</b>	<b>35,673,914</b>	<b>37,160,793</b>	<b>26,682,796</b>	<b>25,873,196</b>
Cash balance brought forward		1,000,000	15,258,878	28,377,144	37,862,431	46,651,880	56,538,872	72,833,645	108,507,560	145,668,353	172,351,149
Cash available for appropriation	1,000,000	18,044,172	34,632,286	37,862,431	65,756,096	56,538,872	72,833,645	108,507,560	145,668,353	172,351,149	198,224,345
Dividend		2,785,294	6,255,142	-	19,104,217	-	-	-	-	-	-
Cash balance	1,000,000	15,258,878	28,377,144	37,862,431	46,651,880	56,538,872	72,833,645	108,507,560	145,668,353	172,351,149	198,224,345
Cash carried forward	1,000,000	15,258,878	28,377,144	37,862,431	46,651,880	56,538,872	72,833,645	108,507,560	145,668,353	172,351,149	198,224,345

## 13 KEY ASSUMPTIONS

### 13.1 Operating Cost Assumptions

Description	Details
Diesel for Genset / Hr/ Ltrs	75
Genset Running Hours	4.0 Hrs
kW reqd.	250

### 13.2 Service Cost Assumptions

Description	Details
Average Minimum Cost / Event	Rs. 30,000
Direct Labor Cost / Anum	Rs. 3,540,000

### 13.3 Revenue Assumptions

Description	Details
Fixed Minimum Hall Rental / Banquet	Rs. 50,000
Average No. of Guests / Banquet	500
Average Revenue charges / head	Rs. 300

### 13.4 Financial Assumptions

Description	Details
Equity Debt Ratio	100:0



## 14 PICTURES









