
Pre-Feasibility Study

(Genset Repairing Workshop)



Small and Medium Enterprises Development Authority

Ministry of Industries & Production

Government of Pakistan

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

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

June 2016

Table of Contents

1	DISCLAIMER	1
2	EXECUTIVE SUMMARY	2
3	INTRODUCTION TO SMEDA	3
4	PURPOSE OF THE DOCUMENT	3
5	BRIEF DESCRIPTION OF PROJECT & PRODUCT	4
5.1	PRODUCTION PROCESS FLOW	5
5.2	INSTALLED AND OPERATIONAL CAPACITIES	6
6	CRITICAL FACTORS	6
7	GEOGRAPHICAL POTENTIAL FOR INVESTMENT	6
8	POTENTIAL TARGET CUSTOMERS / MARKETS	6
9	PROJECT COST SUMMARY	6
9.1	PROJECT ECONOMICS	7
9.2	PROJECT FINANCING	7
9.3	PROJECT COST	7
9.4	SPACE REQUIREMENT	8
9.5	MACHINERY & EQUIPMENT REQUIREMENT	8
9.6	FURNITURE & FIXTURES REQUIREMENT	9
9.7	HUMAN RESOURCE REQUIREMENT	10
9.8	UTILITIES AND OTHER COSTS	10
9.9	REVENUE GENERATION	10
10	CONTACT DETAILS	11
10.1	TOOLS & EQUIPMENT SUPPLIERS	11
10.2	TECHNICAL EXPERTS / CONSULTANTS	11
11	USEFUL WEB LINKS	12
12	ANNEXURES	13
12.1	INCOME STATEMENT	13
12.2	BALANCE SHEET	14
12.3	CASH FLOW STATEMENT	15
13	KEY ASSUMPTIONS	16
13.1	OPERATING COST ASSUMPTIONS	16
13.2	PRODUCTION COST ASSUMPTIONS	16
13.3	REVENUE ASSUMPTIONS	16
13.4	FINANCIAL ASSUMPTIONS	16
13.5	EXPENSE ASSUMPTIONS	16

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

Document Control

Document No.	PREF-NO: 136
Revision	No. 01
Prepared by	SMEDA-Sindh
Revision Date	June, 2016
For information	Provincial Chief (Sindh) mkumar@smeda.org.pk

2 EXECUTIVE SUMMARY

Genset repairing workshop is proposed to be located at big cities across the country. Ideally, Karachi, Hyderabad, Sukkur, Rawalpindi-Islamabad, Gujranwala, Faisalabad, Lahore and Peshawar could be some of the good cities with major population to start this business. The document discusses the detailed aspects of setting up genset repairing workshop for domestic generator ranges from 01 kVA to 10 kVA. Considering the county's energy crises and load shedding, generator repair services are considered to be a profitable business depending upon the location chosen to setup this business will determine how profitable the business can be. The repairing service includes service & tuning of generator, minor repairs, major repairs and complete engine overhaul.

Total investment of **Rs.554,212** will be required for the project. **Rs. 194,125** will be the capital expenditure, which include buying of Technical equipment or tools and furniture for setting up workshop. Additionally, a working capital amount of **Rs. 360,087** is required. A total of **07 staff** members will constitute the workforce to handle the operations, excluding the CEO who will be the owner of the business.

With estimated 200 generators of different nature of repairs per month in first year using initial capacity utilization of 65%, revenue of **Rs.2,193,360** is earned in first year. The project has a payback period of **3.35 years**, **IRR of 48%** and an **NPV of Rs. 9,168,040**.

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

- Most significant consideration(s)
 - Quick and quality repair & maintenance services.
 - Technical know-how and relevant experience of entrepreneur.
 - Availability of skilled labour having technical knowledge.
 - Suitable location for workshop with maximum exposure to customers
- Equally important factor(s)
 - Good customer service and emphasis on customer's feed back
 - Efficient marketing and promotional strategy

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 **Genset Repairing Workshop** 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

Since the demand for electricity in the country has been increasing due to industrial development and population growth but the supply is far less to meet the demand, resultantly it has turned into the electricity crisis. This demand and supply gap not only increases the prices for electricity but also increases the demand for alternate electricity resources, for industrial and domestic consumers.

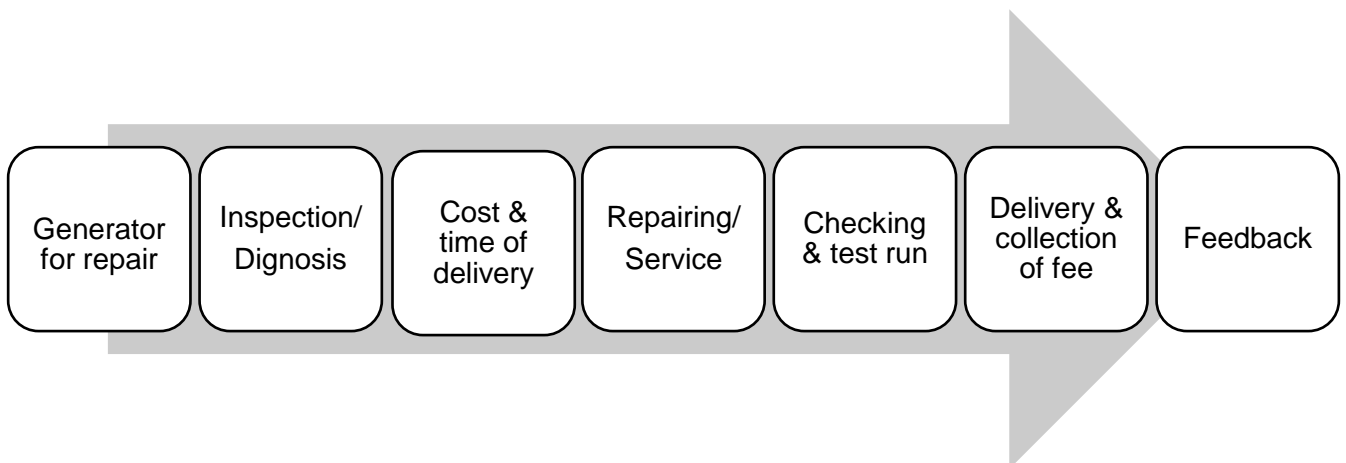
Most of the households uses the electricity generators to fulfill their electricity need compare to the other alternatives. Use of electricity generators also creates the demand for its repairing. There are number of shops for generator repairing already in the market to cater customer demand but still there is market gap to fulfill the demand. With the technical expertise and superior quality services will cater the market demand.

The Genset Repair Workshop business is a viable business provided that it is operated with a good business acumen that involves having a thorough knowledge and experience of the repair and service operations and also managing the jobs with the right type of skilled manpower. When these factors combine with good customer relationship management and effective business development skills, the business is expected to give considerable profits which are expected to grow over the years.

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

- **Technology:** Genset repairing workshop will required technical mechanics with technical tools and equipment necessary for the repairing services. The workshop will be opened in a rented shop.
- **Location:** The workshop would be located where generated spare part shops and other similar services workshops are located
- **Product:** A high quality repairing services will be provide to the customers that includes tuning , minor repairing, major repairing and whole engine
- **Target Market:** The target audience are household audience who uses generator at their home, shops and small offices.
- **Employment Generation:** The proposed project will provide direct employment to 08 people. Financial analysis shows the unit shall be profitable from the very first year of operation

5.1 Production Process Flow



Each step in the process flow is critical and should be dealt professionally to give the best overall service to the customer. Details relating to each step in the process are discussed below:

Generator for repair: Customer bring his/her generator at the workshop and state the initial problem he or she is facing. Here home service can also be provided for initial diagnostic and minor services.

Inspection/Diagnosis: Mechanic at the workshop check the genset and share the diagnostic result with the customer. A list of spare parts for repair or replacement is also shared with the customer.

Cost and time of delivery: As per the initial diagnostic the customer is issued a cost estimate along with estimated time of delivery. Advance fee in respect to new parts to be replaced can be charged from the customer.

Repairing/Service: The Job is allocated to the respective mechanic and the repair/service process starts.

Testing: It is mandatory to thoroughly check and test run the generator after the job is done before handing it over to the customer.

Delivery and collection of service fee: Customer is informed to collect the repaired genset and upon satisfaction Invoice is issued and remaining service fee is collected.

Feedback: Getting feedback of the customers is very important for the long-term success of the business. It will help develop good relations with customers for future business and getting referrals as well. The feedback will also help improve the service further by positively acting upon client's concerns.

5.2 Installed and Operational Capacities

The operational capacity is limited to repairing up to 200 gensets for various type of repair and services in a month using 65% of initial capacity utilization with 03% capacity utilization growth rate annually.

6 CRITICAL FACTORS

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

- Quick and quality repair & maintenance services.
- Technical know-how and relevant experience of entrepreneur/investor.
- Availability of skilled labour having technical knowledge.
- Suitable location for workshop with maximum exposure to customers.

7 GEOGRAPHICAL POTENTIAL FOR INVESTMENT

Genset repairing workshop is proposed to be located at big cities across the country. Ideally, Karachi, Hyderabad, Dadu, Sukkur, Rawalpindi-Islamabad, Faisalabad, Lahore and Peshawar could be some of the good locations to start this business. Besides this big city this business can also be viable where the population of cities is huge and demand for generators repairing is high.

8 POTENTIAL TARGET CUSTOMERS / MARKETS

Pakistan has over 185 million of population with growing income and changing life style. The prevailing energy crisis has prompted mass population to use alternative sources to cater their electricity needs. Due to long hours of electricity breakdown mostly people decide on to purchase generators instead of UPS and inverters. Generator repair workshop can be set-up in any major city with significant population such as Karachi, Hyderabad, Lahore, Rawalpindi, Islamabad, Multan, Peshawar and Quetta. This business can also be done in all small second tier towns in addition to suburban towns of large cities.

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. 2.193 million in the year one. The capacity utilization during year one is worked out at 65% with 03% increase in subsequent years up to the maximum capacity utilization of 85%.

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)	48%
Payback Period (yrs.)	3.35
Net Present Value (Rs.)	916,804

9.2 Project Financing

Following table provides details of the equity required:

Table 9.2: Project Financing

Description	Details
Total Equity (100%)	Rs 554,212
Debt	Nil

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.
Capital Cost	
Plant and Machinery	31,075
Furniture & Fixture	35,050

Pre-operating Cost	128,000
Total Capital Cost	194,125
Working Capital	
Raw Material Inventory	20,085
Up-front Building Rent	240,002
Cash	100,000
Total Working Capital	360,087
Total Project Cost	554,212

9.4 Space Requirement

The space requirement for the proposed Genset repairing workshop is estimated to be 180 sq. ft. considering facilities including table space for owner and working area for repair and services. Details of space requirement and cost related to land & building is given below:

Table 9.4: Space Requirement

Description	Estimated Area (Sq.ft.)	Monthly rent (Rs.)
Table Space	36	20,000
Generator repairing area	144	
Total	180	20,000

9.5 Machinery & Equipment Requirement

The details of equipment and tools for the proposed project are stated below:

Table 9.5: Machinery & Equipment

Description	Quantity	Unit Cost (Rs.)	Total Cost (Rs.)
Ring Spanner Set	03	1,600	4,800
Open End Spanner Set	03	1,600	4,800
T-Spanner Set	03	1,800	5,400
Plier	03	300	900

Cutter Plier	03	300	900
Nose Plier	03	250	750
Goti (socket) Set	03	675	2,025
Screw driver Set (Standard Tip)	03	300	900
Screw driver Set (Round Tip)	03	300	900
Hammer Small	03	150	450
Hammer Large	03	250	750
Filler	03	250	750
Brush	05	150	750
Tagari	05	200	1,000
Tool Container	03	850	2,550
Ampere Meter	03	350	1,050
Avo Meter	03	350	1,050
L- Key	03	450	1,350
Total			31,075

9.6 Furniture & Fixtures Requirement

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

Table 9.6: Furniture & Fixture

Description	Quantity	Unit Cost (Rs.)	Total Cost (Rs.)
Wooden Table	02	10,000	20,000
Bench	01	1,500	1,500
Wooden Stool	04	1,200	4,800
Ceiling Fan	02	3,500	7,000

Saver Bulb	05	350	1,750
Total			35,050

9.7 Human Resource Requirement

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

Table 9.7: Human Resource Requirement

Description	No. of Employees	Monthly Salary per person (Rs)	Monthly Salary (Rs)
Owner/Manager	01	20,000	20,000
Head Mechanic	01	18,000	18,000
Assistant Mechanic	03	16,000	48,000
Helper	03	14,000	42,000
Total	08		128,000

9.8 Utilities and other costs

An essential cost to be borne by the project is the cost of electricity and gas. The electricity expenses are estimated to be around Rs.3,312 per month. Furthermore, Travel expenses are being essential for Generator repairing services at home or office and estimated as 07% of administrative expenses.

9.9 Revenue Generation

Based on the capacity utilization of 65% revenue during the first year of operations is estimated as under:

Table 9.9: Revenue Generation – Year 1

Description	Service charges / unit (Rs.)	Units Repaired in year*	Revenue (Rs.)
-------------	------------------------------	-------------------------	---------------

Tuning & Service	800	1,014	811,200
Minor Repair	500	1,014	507,000
Major Repairs	1,800	304	547,200
Engine overhaul	4,200	78	327,600
Total		2,411	2,193,360

* Estimated units to be repaired during the year

10 CONTACT DETAILS

In order to facilitate potential investors, contact details of private sector service Providers relevant to the proposed project are mentioned below.

10.1 Tools & equipment suppliers

Machinery Supplier - 1

Name of Supplier /Organization	Adamji Waliji & Sons
Address	380, Nana bhai Center, Saddar, Hyderabad
Phone	0222-787084

10.2 Technical Experts / Consultants

Technical Experts / Consultants - 1

Name of Expert /Organization	Muhammad Aslam
Address	Haji Shah Chowk Bohri Bazar Saddar, Karachi
Phone	0333-2643788 – 03003048852

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 (PVTTC)	www.pvtc.gop.pk
Technical Education and Vocational Training Authority (TEVTA)	www.tevta.org
Pakistan Readymade Garment Technical Training Institute	www.prgmea.org/prgtti/
Livestock & Dairy Development Department, Government of Punjab.	www.livestockpunjab.gov.pk
Punjab Industrial Estates (PIE)	www.pie.com.pk
Faisalabad Industrial Estate Development and Management Company (FIEDMC)	www.fiedmc.com.pk

12 ANNEXURES

12.1 Income Statement

Statement Summaries										
Income Statement										
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Revenue	2,193,360	2,524,051	2,898,947	3,323,582	3,804,153	4,347,604	4,961,703	5,589,388	6,148,327	6,763,160
Cost of goods sold	1,537,020	1,694,496	1,867,722	2,058,247	2,267,774	2,498,169	2,751,479	3,023,598	3,308,602	3,620,604
Gross Profit	656,340	829,555	1,031,225	1,265,334	1,536,379	1,849,435	2,210,224	2,565,790	2,839,725	3,142,556
<i>General administration & selling expenses</i>										
Administration expense	240,000	263,367	289,008	317,147	348,025	381,909	419,092	459,895	504,671	553,807
Rental expense	240,002	264,002	290,402	319,443	351,387	386,525	425,178	467,696	514,465	565,912
Utilities expense	39,744	43,718	48,090	52,899	58,189	64,008	70,409	77,450	85,195	93,714
Travelling & Comm. expense (phone, fax, etc.)	31,200	34,238	37,571	41,229	45,243	49,648	54,482	59,786	65,607	71,995
Office expenses (stationary, etc.)	12,000	13,168	14,450	15,857	17,401	19,095	20,955	22,995	25,234	27,690
Depreciation expense	6,613	6,613	6,613	6,613	6,613	10,579	10,579	10,579	10,579	10,579
Amortization expense	25,600	25,600	25,600	25,600	25,600	-	-	-	-	-
Miscellaneous expense	21,934	25,241	28,989	33,236	38,042	43,476	49,617	55,894	61,483	67,632
Subtotal	617,092	675,946	740,725	812,023	890,499	955,241	1,050,311	1,154,295	1,267,234	1,391,329
Operating Income	39,248	153,609	290,501	453,311	645,880	894,194	1,159,912	1,411,496	1,572,491	1,751,227
Gain / (loss) on sale of assets	-	-	-	-	12,430	-	-	-	-	-
Earnings Before Interest & Taxes	39,248	153,609	290,501	453,311	658,310	894,194	1,159,912	1,411,496	1,572,491	1,751,227
Earnings Before Tax	39,248	153,609	290,501	453,311	658,310	894,194	1,159,912	1,411,496	1,572,491	1,751,227
Tax	7,850	30,722	58,100	90,662	131,662	178,839	231,982	282,299	314,498	350,245
NET PROFIT/(LOSS) AFTER TAX	31,398	122,887	232,401	362,649	526,648	715,356	927,930	1,129,196	1,257,993	1,400,982
Balance brought forward		31,398	30,857	52,652	83,060	121,942	167,459	219,078	269,655	305,530
Total profit available for appropriation	31,398	154,286	263,258	415,300	609,708	837,297	1,095,389	1,348,274	1,527,648	1,706,511
Dividend	-	123,428	210,606	332,240	487,766	669,838	876,312	1,078,619	1,222,118	1,365,209
Balance carried forward	31,398	30,857	52,652	83,060	121,942	167,459	219,078	269,655	305,530	341,302

12.2 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
Statement Summaries											
Balance Sheet											
SMEDA											
Assets											
<i>Current assets</i>											
Cash & Bank	320,002	343,992	366,592	407,046	454,192	467,961	507,245	546,555	583,952	605,507	767,924
Accounts receivable	-	42,064	45,235	52,001	59,668	68,348	78,168	89,267	101,175	112,553	123,809
Raw material inventory	20,085	23,828	28,213	33,345	39,346	46,357	54,540	63,339	71,826	81,451	-
Pre-paid building rent	20,000	22,000	24,200	26,620	29,282	32,210	35,432	38,975	42,872	47,159	-
Total Current Assets	360,087	431,885	464,240	519,012	582,488	614,877	675,384	738,135	799,825	846,670	891,733
<i>Fixed assets</i>											
Machinery & equipment	31,075	27,968	24,860	21,753	18,645	55,198	48,124	41,051	33,977	26,904	19,830
Furniture & fixtures	35,050	31,545	28,040	24,535	21,030	17,525	14,020	10,515	7,010	3,505	-
Total Fixed Assets	66,125	59,513	52,900	46,288	39,675	72,723	62,144	51,566	40,987	30,409	19,830
<i>Intangible assets</i>											
Pre-operation costs	128,000	102,400	76,800	51,200	25,600	-	-	-	-	-	-
Legal, licensing, & training costs	-	-	-	-	-	-	-	-	-	-	-
Total Intangible Assets	128,000	102,400	76,800	51,200	25,600	-	-	-	-	-	-
TOTAL ASSETS	554,212	593,797	593,940	616,500	647,763	687,600	737,528	789,701	840,813	877,079	911,563
Liabilities & Shareholders' Equity											
<i>Current liabilities</i>											
Accounts payable	-	5,079	5,764	6,529	7,384	8,339	9,405	10,581	11,737	12,750	12,083
Total Current Liabilities	-	5,079	5,764	6,529	7,384	8,339	9,405	10,581	11,737	12,750	12,083
<i>Other liabilities</i>											
Deferred tax	-	3,108	3,108	3,108	3,108	3,108	6,452	5,831	5,209	4,588	3,966
Total Long Term Liabilities	-	3,108	3,108	3,108	3,108	3,108	6,452	5,831	5,209	4,588	3,966
<i>Shareholders' equity</i>											
Paid-up capital	554,212	554,212	554,212	554,212	554,212	554,212	554,212	554,212	554,212	554,212	554,212
Retained earnings	-	31,398	30,857	52,652	83,060	121,942	167,459	219,078	269,655	305,530	341,302
Total Equity	554,212	585,610	585,069	606,863	637,272	676,154	721,671	773,290	823,867	859,741	895,514
TOTAL CAPITAL AND LIABILITY	554,212	593,797	593,940	616,500	647,763	687,600	737,528	789,701	840,813	877,079	911,563

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
<i>Operating activities</i>											
Net profit	-	31,398	122,887	232,401	362,649	526,648	715,356	927,930	1,129,196	1,257,993	1,400,982
Add: depreciation expense	-	6,613	6,613	6,613	6,613	6,613	10,579	10,579	10,579	10,579	10,579
amortization expense	-	25,600	25,600	25,600	25,600	25,600	-	-	-	-	-
Deferred income tax	-	3,108	-	-	-	-	3,345	(622)	(622)	(622)	(622)
Accounts receivable	-	(42,064)	(3,171)	(6,766)	(7,667)	(8,680)	(9,819)	(11,100)	(11,908)	(11,379)	(11,255)
Raw material inventory	(20,085)	(3,743)	(4,385)	(5,132)	(6,001)	(7,011)	(8,183)	(8,799)	(8,487)	(9,625)	81,451
Pre-paid building rent	(20,000)	(2,000)	(2,200)	(2,420)	(2,662)	(2,928)	(3,221)	(3,543)	(3,897)	(4,287)	47,159
Accounts payable	-	5,079	684	765	855	955	1,066	1,176	1,156	1,013	(667)
Cash provided by operations	(40,085)	23,991	146,028	251,060	379,386	541,196	709,121	915,621	1,116,017	1,243,673	1,527,627
<i>Financing activities</i>											
Issuance of shares	554,212	-	-	-	-	-	-	-	-	-	-
Purchase of (treasury) shares	-	-	-	-	-	-	-	-	-	-	-
Cash provided by / (used for) financ	554,212	-	-	-	-	-	-	-	-	-	-
<i>Investing activities</i>											
Capital expenditure	(194,125)	-	-	-	-	(39,660)	-	-	-	-	-
Cash (used for) / provided by invest	(194,125)	-	-	-	-	(39,660)	-	-	-	-	-
NET CASH	320,002	23,991	146,028	251,060	379,386	501,536	709,121	915,621	1,116,017	1,243,673	1,527,627
Cash balance brought forward		320,002	343,992	366,592	407,046	454,192	467,961	507,245	546,555	583,952	605,507
Cash available for appropriation	320,002	343,992	490,020	617,652	786,432	955,728	1,177,083	1,422,866	1,662,572	1,827,625	2,133,134
Dividend	-	-	123,428	210,606	332,240	487,766	669,838	876,312	1,078,619	1,222,118	1,365,209
Cash carried forward	320,002	343,992	366,592	407,046	454,192	467,961	507,245	546,555	583,952	605,507	767,924

13 KEY ASSUMPTIONS

13.1 Operating Cost Assumptions

No. of Working Days in One Year	312
No. of Working Hours in One Day	08

13.2 Production Cost Assumptions

Starting Service Capacity Utilization	65%
Maximum Service Capacity Utilization	85%
Service Capacity Utilization Growth Rate / Yr.	03%

13.3 Revenue Assumptions

Average Service Fee Charged for various services	Rs.910
Sale Price Growth Rate	10%

13.4 Financial Assumptions

Debt	0%
Equity	100%

13.5 Expense Assumptions

Description	Cost / Rate
Cost of Goods Sold Growth Rate	08%