



MIAN TEXTILE INDUSTRIES LIMITED

H.O: 29-B/7 Model Town Lahore (Pakistan)
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E-mail : info@miantextile.com Website:www.miantextile.com



Dated: March 27, 2020

The General Manager,
Pakistan Stock Exchange Limited
Stock Exchange Building,
Karachi

Mr. Hafiz Maqsood Munshi,
Manager – RAD
Pakistan Stock Exchange Limited
Karachi

Chairman,
Securities and Exchange Commission of Pakistan
NIC Building, Blue Area,
63-Jinnah Avenue, Blue Area,
Islamabad.

SUBJECT: Disclosure under applicable provisions of the Securities Act, 2015, Takeover Regulations and Rule Book of Pakistan Stock Exchange Limited (PSX).

NON-COMPLIANCE OF CLAUSE 5.11.1(B) OF PSX REGULATIONS

Reference to your letter # PSX/N-1644 dated December 23, 2019 wherein it was informed that the matter of further regulatory actions including suspension of trading in shares of Mian Textile Industries Limited is under deliberation followed by reminder notices PSX/N-272 dated March 02, 2020, PSX/N-340 dated March 16, 2020 & PSX/N-402 dated March 24, 2020 wherein it was notified that the compliance deadline for rectification of defaults is Monday, March 30, 2020. In this regard, we have already requested to defer this matter upto July 31, 2020 till the finalization of the acquisition through letter dated March 21, 2020, in the interest of the shareholders/investors

Pakistan Stock Exchange Limited ("PSX") has placed Mian Textile Industries Limited (Company) on the Defaulters' Segment based on the regulation 5.11.1 (b) of the PSX Regulation which reads as "It has suspended commercial production/ business operations in its principle line of business for a continuous period of one year", further to read with 5.11.2 (c) "Exchange may in addition to taking action as above instruct such Company to take necessary measures to commence/ resume commercial production or business operations, as the case may be, within 90 days from the date of such placement and submit monthly progress report to the Exchange for dissemination to market participants".

In this regard, we would like to share a business revival plan (see attached file) received from the acquirer Mr. Ali Arif which is submitted for information of the Exchange. According to the business revival plan, the acquirer will start the operations from July 01, 2020, meanwhile he will be working with Next Capital Limited (Manager to the Offer) for completing the acquisition of the major shareholding under the stipulated time period as defined under Securities Act 2015.

In addition to the above, the revival of the company is dependent on the expeditious conclusion of the acquisition for which we hereby request PSX to act in the best interest of the shareholders and the Company and remove the Company from the Defaulters' Segment and not take any adverse action including suspension of trading as the Company has fulfilled all the requirements of the PSX regulations as mentioned above and suspension of trading will be harmful for the shareholders/investors and frustrate the process of substantial acquisition of shares under the Securities Act, 2017 which the Exchange is fully aware of.

We remain available if you have any further questions regarding this matter.

Sincerely


Chief Executive

Chief Executive Officer
Mian Textile Industries Limited
29-B, Model Town, Lahore
Pakistan

Date: March 26, 2020

BUSINESS REVIVAL PLAN

Enclosed find Business Revival plan for Mian Textile Industries Limited (MTIL). The start date of the operations will be July 01, 2020. I am in close coordination with Next Capital Limited to complete the acquisition of major shareholding as defined under Securities Act 2015.

Kindly request PSX to act in the best interest of the shareholders and the Company and remove the Company from the Defaulters' Segment immediately and not take any adverse action.

I would like to request you to please forward it to the Pakistan Stock Exchange Limited (PSX) & Securities & Exchange Commission of Pakistan (SECP)



Yours sincerely.

Ali Arif
President
Akro & Excelsior LLC



BUSINESS REVIVAL PLAN

**future projections for 5 years
2020 to 2024**

Mian Textile Industries Limited
New Acquirer & Management
Mr. Ali Arif & Team

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PREAMBLE

PURPOSE OF THIS REPORT

Purpose of this report is to present the Business Revival plan for Mian Textile Industries Limited.

A business revival plan serves as the blueprint for how the new management will operate business in the current scenario and keeping the existing economic conditions.

This plan is an effective means of defining new goals and the steps needed to reach them by the new management. It spells out the purpose, vision and means of operation. It also serves as company's resume, explaining objectives to investors, partners, employees and vendors.

The purpose is not only just reviving the existing business but having several lines of business in place to mitigate the risk and get the maximum benefit out of it.

This plan will show the future projections, assumptions relating to those projections, financial strength, current economic conditions of the country, different lines of business, strength and weakness of the business, fiscal & monetary policies & position, business risk factors, global industry analysis, investment climate in the country.

EXECUTIVE SUMMARY

TEXTILE - GARMENT (T-SHIRTS ETC.) - YEAR 2020

Men's T-Shirts is a sub category of textile garments industry which mainly comprises of the garments specifically to be worn in the informal environment. This business has great potential in the export as well as in the local Pakistani market. This particular business revival plan for garment sector provides information on key aspects of setting up in metropolitan city of Pakistan, especially Karachi. The proposed unit will cater for export market, mainly US and Europe.

In order to reduce initial capital investment, the unit is proposed to be established on a rented building. The unit will have an installed capacity of stitching / producing 1,500,000 pieces of T Shirts annually, on single shift basis for 313 operational days. The starting operational capacity is assumed at 64% (i.e. 80,000 pieces per month), while maximum capacity utilization is assumed at 95%. This production capacity is estimated to be economically viable and justifies the capital as well as operational costs of the project. However, continuous flow of export orders through aggressive marketing and establishing good working relations for repeat orders are extremely important for the success of the proposed venture.

Total project cost is estimated at Rs. 21.44 million with capital investment of Rs. 7.32 million and working capital Rs. 14.12 million. The project will provide employment opportunities to 26 people directly including Head of Operations etc.

EXECUTIVE SUMMARY

TEXTILE - GARMENT (T-SHIRTS ETC.)

100,000

Installed
Capacity
(shirts)

1.7 BILLION

Sales in 5 years
period

3.00

Payback Period
(Years)

**16,080,000 /
5,360,000**

Equity vs Loan

21,440,000

Total Investment
required

**720,000 /
240,000**

Export vs Local
orders

21%

Sales Growth over 4
years

19.03%

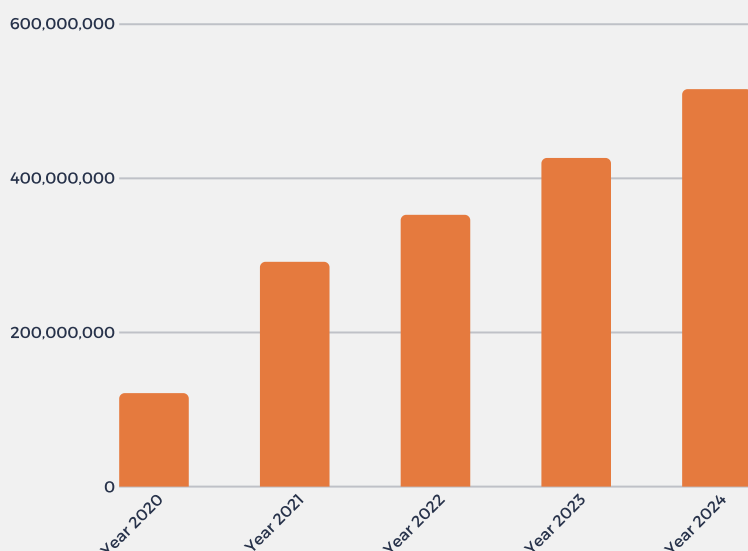
GP Growth over
4 years

21.68%

NP Growth over
4 years

Executive Summary

TEXTILE - GARMENT (T-SHIRTS ETC.)

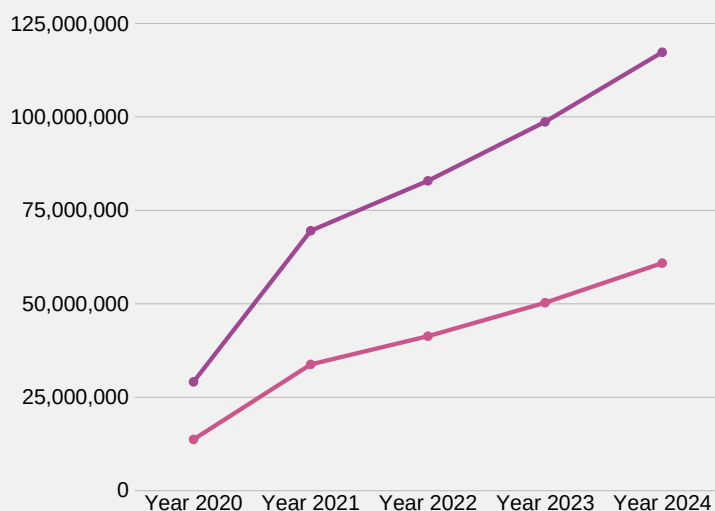


SALES GROWTH - 2020 TO 2024

Sales growth is projected for the year 2020 to 2024 at a very steady pace @ 21% on average basis. Sales includes both local supplies to the local markets & export supplies to the international market mainly including US & Europe region. Sales Price is also projected to grow at rate of 10% year over year. Sales is growing from Rs. 120 million (year 2020) to 514 million (year 2024).

GP & NP GROWTH - 2020 TO 2024

Gross Profit is growing at a very steady pace @ 19.03% on average basis from year 2021 to 2024. Gross Profit in terms of monetary value is growing from Rs. 29 million to Rs. 117 million. Net Profit is growing at a very steady pace @ 21.68% on average basis from year 2021 to 2024. Net Profit in terms of monetary value is growing from Rs. 13 million to Rs. 60 million.



21%

Sales Growth over 4 years
period from year 2021 to
2024

19.03%

Gross Profit Growth over
4 years period from year
2021 to 2024

21.68%

Net Profit Growth over
4 years period from year
2021 to 2024

EXECUTIVE SUMMARY

SURGICAL UNIT - 2021

Surgical face masks are worn by health care professionals during surgery or while tending to patients in order to avoid contact with bacteria shed in the form of liquid droplets and aerosols from the mouth and nose or infectious blood and body fluids. Surgical face masks are used as a protective barrier to prevent cross-contamination among patients and surgeons. They are made mostly from non-woven fabric and are available in the two-layer and three-layer form.

Surgical face masks are used in operation theatres and every area of health care that requires patient inspection. Rise in awareness regarding airborne infections has led to an increase in usage of surgical face masks in not only large health care facilities but also smaller ones across the world. The usage of surgical face masks has increased among the general public owing to the rise in outbreaks of airborne diseases in recent times. The inevitable use of surgical face masks and lower threat of their substitutes are expected to propel the global surgical face masks market during the forecast period.

In order to reduce initial capital investment, the unit is proposed to be established on a rented building. The unit will have an installed capacity of stitching / producing 90,000 packets annually, on single shift basis for 313 operational days. The starting operational capacity is assumed at 65% (i.e. 4,900 pieces per month), while maximum capacity utilization is assumed at 96%. This production capacity is estimated to be economically viable and justifies the capital as well as operational costs of the project. However, continuous flow of export orders through aggressive marketing and establishing good working relations for repeat orders are extremely important for the success of the proposed venture.

Total project cost is estimated at Rs. 13.65 million with capital investment of Rs. 11.24 million and working capital Rs. 2.41 million. The project will provide employment opportunities to 20 people directly including Head of Operations etc.

EXECUTIVE SUMMARY

SURGICAL UNIT - 2021

90,000

Installed
Capacity
(units)

159 MILLION

Sales in 4 year
period

2.50

Payback Period
(Years)

**13,652,400/
000**

Equity vs Loan

13,652,400

Total Investment
required

**42,000 /
16,800**

Export vs Local
orders

21%

Sales Growth over 3
years

22.84%

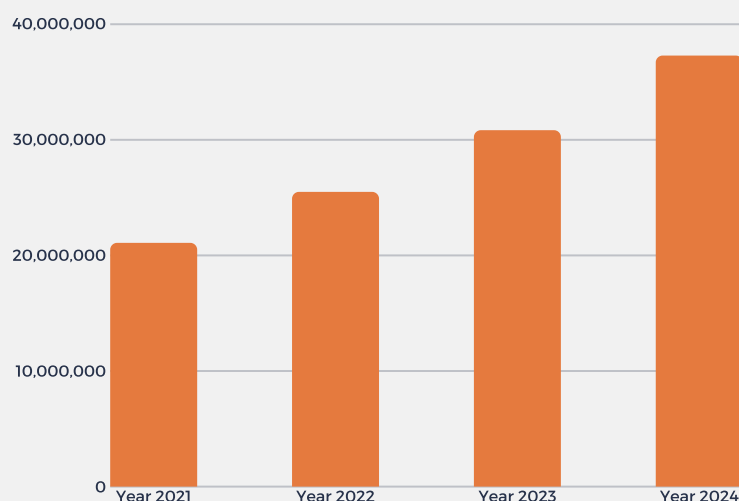
GP Growth over
3 years

33.16%

NP Growth over
3 years

Executive Summary

SURGICAL UNIT - 2021

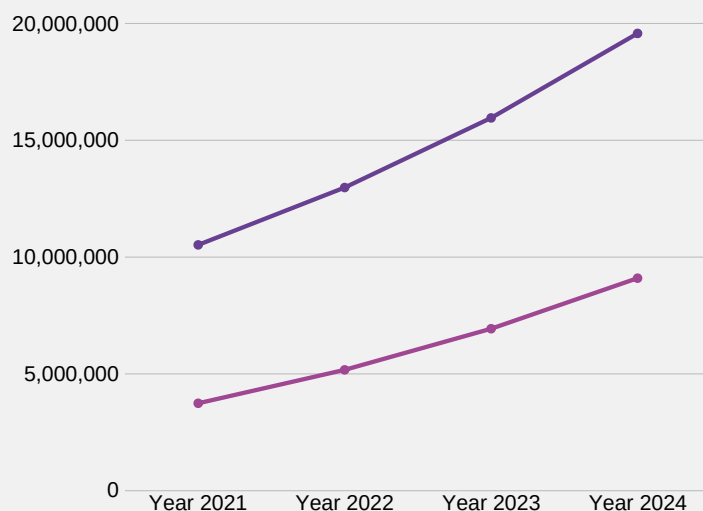


SALES GROWTH - 2022 TO 2024

Sales growth is projected for the year 2022 to 2024 at a very steady pace @ 21% on average basis. Sales includes both local supplies to the local markets & export supplies to the international market mainly including US & Europe region. Sales Price is also projected to grow at rate of 10% year over year. Sales is growing from Rs. 21 million (year 2021) to 45 million (year 2024).

GP & NP GROWTH - 2022 TO 2024

Gross Profit is growing at a very steady pace @ 22.84% on average basis from year 2022 to 2024. Gross Profit in terms of monetary value is growing from Rs. 10 million to Rs. 23 million. Net Profit is growing at a very steady pace @ 33.16% on average basis from year 2022 to 2024. Net Profit in terms of monetary value is growing from Rs. 3.7 million to Rs. 11 million.



21%

Sales Growth over 3 years
period fro year 2022 to
2024

22.84%

Gross Profit Growth over 3
years period fro year 2022
to 2024

33.16%

Net Profit Growth over
3 years period fro year
2022 to 2024

EXECUTIVE SUMMARY

DAIRY FARMING & PRODUCTION - 2022

This plan is purely based upon the business analysis of setting up a dairy farm where cows with proven pedigree and high genetic worth are kept primarily for milk production in an Environmentally Controlled Housing (ECH) system. The animals are fed Total Mixed Ration (TMR), which is a high energy and protein rich nutritionally balanced formulated feed. The cows are bred by proven pedigreed genetics through the Artificial Insemination method to attain maximum genetic potential ('Net Merit' in terms of profits).

Dairy production is an all-inclusive activity, related to dairy animal care, reproduction, feeding and management. It encompasses all aspects and activities related to raising dairy animals during various phases of life to get maximum productivity in terms of hygienic milk.

A dairy farm with 500 cows needs a total investment of approximately Rs. 99.28 million out of which, capital cost of the project is Rs. 87.96 million with working capital of Rs. 11.32 million. The project is assumed to be working on a 0:100 debt and equity ratio. The farm will provide employment opportunity to 9 individuals initially which will increase to 20 at year 5, with the increase in size of the farm.

The project is proposed to be located in peri-urban areas around metropolitan cities like Karachi, Sahiwal etc. The rural and peri-urban areas around the major cities with abundant water and availability of fodder make a better choice for farming; provided access to livestock markets and veterinary services is ensured. The milk may be sold at the farm gate or directly sold in the urban market.

EXECUTIVE SUMMARY

DAIRY FARMING & PRODUCTION - 2022

2.2 MILLION

Installed
Capacity
(litres)

562 MILLION

Sales in 3 years of
period

4.00

Payback Period
(Years)

**99,283,250/
000**

Equity vs Loan

99,283,250

Total Investment
required

**1.975 TO 2.538
MILLION**

Litres from Year
2022 to 2024

24.68%

Sales Growth over 2
years

36.99%

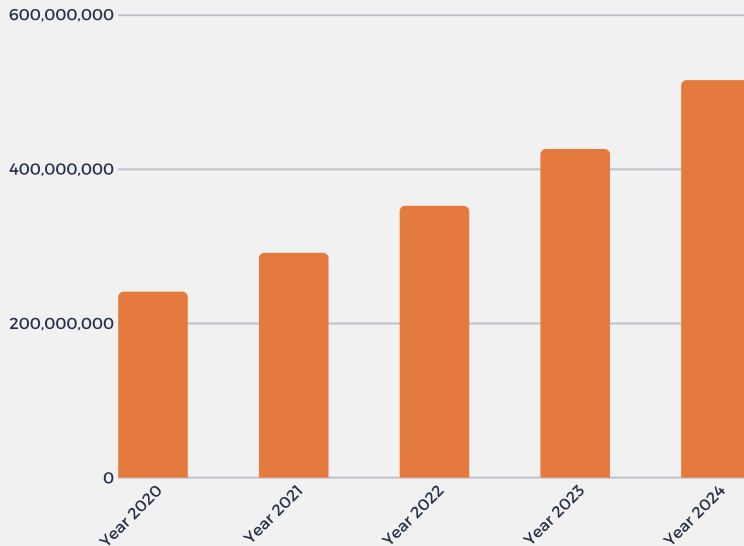
GP Growth over
2 years

31.95%

NP Growth over
2 years

Executive Summary

DAIRY FARMING & PRODUCTION - 2022

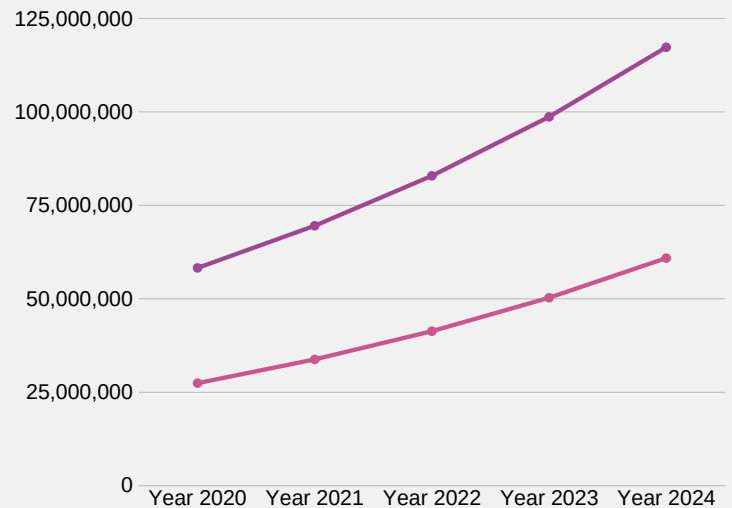


SALES GROWTH - 2023 TO 2024

Sales growth is projected for the year 2023 to 2024 at a very steady pace @ 24.68% on average basis.. Sales Price is also projected to grow at rate of 10% year over year. Sales is growing from Rs. 148 million (year 2023) to 253 million (year 2024). Total production of milk in terms of litres is growing from 1.975 million (year 2022) to 2.538 million (year 204).

GP & NP GROWTH - 2023 TO 2024

Gross Profit is growing at a very steady pace @ 36.99% on average basis from year 2022 to 2024. Gross Profit in terms of monetary value is growing from Rs. 16 million to Rs. 54 million. Net Profit is growing at a very steady pace @ 31.95% on average basis from year 2022 to 2024. Net Profit in terms of monetary value is growing from Rs. 5 million to Rs. 31 million.



24.68%

Sales Growth over 2 years period
fro year 20213to 2024

36.99%

Gross Profit Growth over 2
years period fro year 2023
to 2024

31.95%

Net Profit Growth over
3 years period fro year
2023 to 2024

ABOUT MIAN TEXTILE INDUSTRIES LIMITED

INTRODUCTION

Mian Textile Industries Limited, "the Company", was incorporated in Pakistan on December 01, 1986 as a Public Limited Company under the Companies Ordinance, 1984. Its shares are quoted on Karachi and Lahore Stock Exchanges. The registered office of the Company is situated at 29-B/7, Model Town, Lahore and its manufacturing facilities were located at 48.5 K.M. Multan Road, Bhai Pheru, Tehsil Chunian, District Kasur. The Company was principally engaged in the business of manufacturing, sale and export of textile products. The company has been classified as Large sized entity as per the Directives of ICAP and regulations of SCEP and Companies Act, 2017.

MISSION & VISION

To transform the Company into a modern and dynamic yarn & cloth manufacturing Company with highly professional and fully equipped to play meaningful role on sustainable basis in the economy of Pakistan.

To provide quality products to customers and explore new markets to promote / expand sale of the company through governance and foster a sound and dynamic team, so as to achieve optimum price of products of the Company for sustainable and equitable growth and prosperity of the company.

CURRENT OPERATIONS

It was resolved by share-holders in their extra-ordinary meeting held on 29th April, 2017 that operation of manufacturing unit is not viable and unit be closed down. The Chief Executive has been authorised to sell all the fixed assets comprising of Land, Building and other remaining spinning Plant and Machinery so as to pay out the outstanding loans of banks and directors and their family members. In 2017 the company has rental income for leasing out building from July 2016 to January 2017. Whereas in 2018 the industrial building remained vacant through out the year and there was no leasing income. In 2019, trading business was conducted where sales are amounting to Rs. 2.116 mil ion (2018: 18.957 million). After payment of outstanding liabilities of all the banks/financial institutions, the company during the year has also managed to pay major amount of loans from directors/their family members & associates through sale of assets held for sale as approved by the shareholders. The Company intended to do viable trading business mainly in textile products. But in view of present aggravated condition of economy, the trading business does not seem profitable.

ABOUT MIAN TEXTILE INDUSTRIES LIMITED

The company received various proposals for merger & amalgamation in past but they didn't went through successfully. Company's management was continuously looking to sell off the company assets and shareholding.

REGISTRAR

Hameed Majeed Asscoiates (Pvt) Ltd., H.M House 7-Bank Square, Lahore

AUDITOR

M/s. Sarwars Chartered Accountants

KEY PEOPLE

Mrs. Nargis Jehangir - Chairman

Mr.Mian Muhammad Jehangir - CEO

Mr. Muhammad Masud Mufti - Company Secretary

EQUITY PROFILE

Authorized Capital (shares) - 225,000,000

Issued & Paid up Capital (shares) - 221,052,000

Free Float (shares) - 4,421,040 (20%)

PERFORMANCE FOR LAST 3 YEARS - CURRENT

PROFIT & LOSS

2019 2018 2017

RUPEES IN '000'

Sales	-	-	-
Cost of Sales	-	-	-
Gross Profit/(loss)	-	-	-
Rental Income	-	-	17,179
Trading income	2,116	18,958	-
Operating profit/(loss)	(21,312)	(24,525)	(30,518)
Profit/(loss) before tax	93,828	43,521	40,687
Profit/(loss) after tax	93,802	43,488	42,858
Comprehensive income/(loss)	93,802	43,488	47,985

BALANCE SHEET

2019 2018 2017

RUPEES IN '000'

Paid up Capital	221,052	221,052	221,052
Fixed assets	3,267	304,334	328,213
Current assets	77,292	28,095	27,707
Current liabilities	44,005	352,219	419,000

THE WAY FORWARD

As the company shut down its principle line of business for almost last 3 years and started trading of vehicles for last 2 years. In this regard, the company was searching of new interested buyer to take over the major shareholding of the company and merge into this company. In past, several companies showed their interest but it didn't went successful.

Finally, Mr. Ali Arif showed his interest of acquiring major shareholding of the company and run the business with diversifying the business into different line of businesses. In addition to it, the sponsor will take actionable measures and improve the financial position of the company in near future.

WAY FORWARD AFTER ACQUISITION:

ACQUISITION OF THE COMPANY

The first phase of this plan is to acquire major shareholding of the company

RESTARTING OF THE PRINCIPLE LINE OF BUSINESS

The second phase after acquisition will be re-starting the principle line of business

ADDITION OF DIVERSIFIED LINE OF BUSINESSES

The third phase after acquisition will be addition of diversified line of businesses (i.e) Surgical items and Dairy Farming in year 2021 & 2022

NEW SPONSOR PROFILE

Mr. Ali Arif has rich experience of several years in the IT consultancy and project management abroad, specifically in North American region. He earned several certifications in Network Administration (CCENT, CCNA & CCNP) and has worked with leading IT & Telecommunication companies. In the year 2015, he decided to establish his own business and started the import of textile related goods.

During five years of his experience, he managed various medium and large size consignments from Asia Pacific region. He has vast experience in managing apparel manufacturing as well as production of clothing and accessories from fabricated materials. In the year 2018, he further diversified his business and initiated trading of pharma and surgical products to Middle East region.

He is now planning to start a new line of business in dairy sector and intends to set up a facility in Pakistan to manage his textile, pharma and surgical products and dairy businesses. He is the sole member of Akro & Excelsior LLC (Texas based entity) engaged in venture capital investments portfolio management.

Mr. Ali also actively participates in welfare programs related to provision of education to underprivileged students in deprived areas.

4 YEARS PLAN AT A GLANCE!

2020

To restart the principle line of business (i.e.) textile manufacturing by producing T-Shirts & related stuff. The proposed unit will also cater export market, mainly US and Europe.

2021

To start a new line of business (i.e.) Manufacturing of Surgical goods mainly surgical masks used by professionals & general public. The proposed unit will cater for export market, mainly Philippine and Europe as well as local supplies.

2022

To start a new line of business (i.e.) Dairy production. It is an all-inclusive activity, related to dairy animal care, reproduction, feeding and management. The proposed segment will cater local market needs.

2023

Year 2023, a year of stable operations for the company from both revenue standpoint and overall financial perspective. High Revenue with high growth rate making the net worth of the company improved.

NEW COMPANY'S OUTLOOK

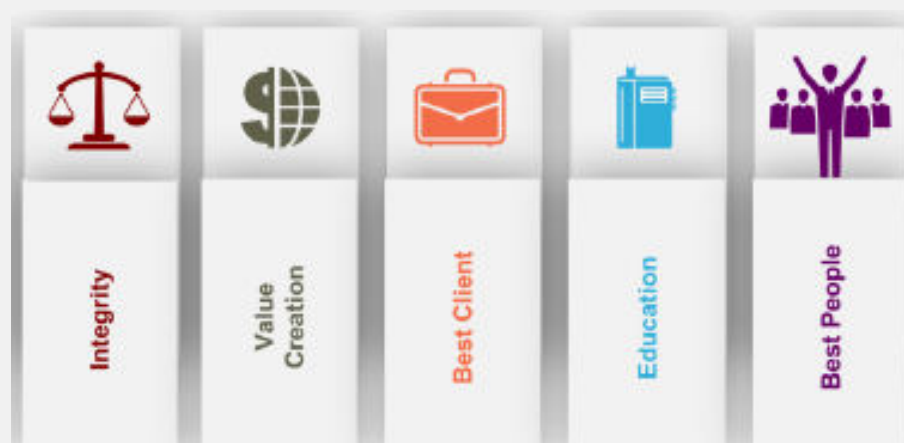
MISSION STATEMENT

To be a pioneer in the sector by investing in people and technology and by producing quality products at low cost with highest level of customer satisfaction and fulfilling social responsibilities.

VISION STATEMENT

To be a company at international standards which is the most reliable and manufactures the highest quality of products.

CORE VALUES



CORPORATE BEHAVIOR OF THE COMPANY

The company aims to be the best customer - centric company by encouraging a learning culture and adapting to the needs of the market. Our work is personified by;

- Innovative and Flexible options
- Continuous Improvement
- Developing People
- Ensuring Quality

ISO CERTIFIED QM SYSTEM 9001-2008

Company aims to be ISO -QMS 9001-2008 certified which will demonstrate commitment to consistency, continual improvement and customer satisfaction. ISO certification will enhance customer confidence and add value in the process performance.



GARMENT INDUSTRY

t-shirts manufacturing



TEXTILE INDUSTRY – BRIEF

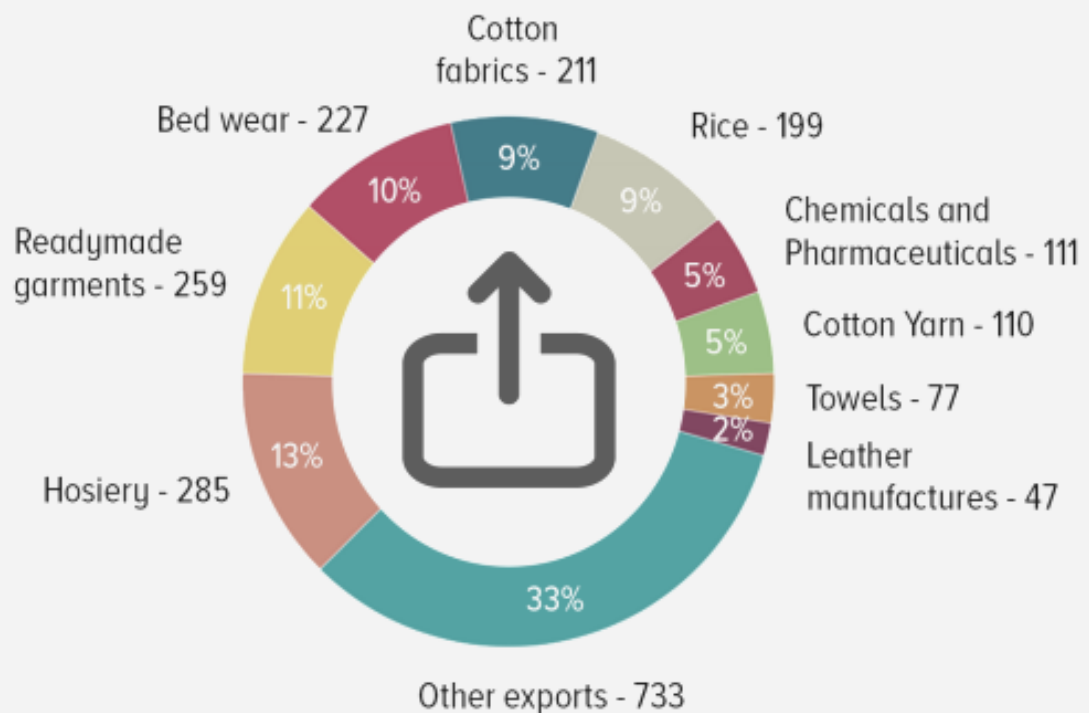
Here are some of the highlights for textile industry:

- Pakistan is the 8th largest exporter of textile products in Asia.
- It is 4th largest producer and 3rd largest consumer of cotton.
- It comprises of 46% of the total manufacturing sector and provides employment to 40% of the total labor force.
- 5% of the total textile companies are listed on the stock exchange. There are 423 textile industries working in the country.
- The industry consists of 11.3 million spindles, 3 million rotors, 350,000 power looms, 18,000 knitting machines and processing capacity of 5.2 billion square meters.
- It has about 700,000 industrial and domestic stitching machines. There are 21 filament yarn units having capacity of 100,000 tons.
- A complete textile value chain exists in the country, unlike many other countries that possess only the primary base or the finished base.
- Pakistan has supply base for almost all man-made and natural yarns and fabrics, including cotton, rayon and others. This abundance of raw material is a big advantage for Pakistan due to its beneficial impact on cost and operational lead time.
- The demand for textiles apparel in the world was around \$1.2 trillion at the end of FY18 and it is projected to increase at a CAGR of 2% during the next 4 years. Given the positive demand outlook, Pakistan has significant opportunity to earn foreign exchange through textile exports.
- Pakistan can produce goods at a cheaper cost as compared to western countries and hence is a good location for outsourcing production.
- Many international brands currently operate in Pakistan and work with the local textiles mills such as H&M, Levis, Target, Nike, Adidas, Puma etc.

PAKISTAN'S LARGEST EXPORT INDUSTRY

IN 2018-2019, PAKISTAN'S LARGEST EXPORT INDUSTRY WAS THE TEXTILE INDUSTRY, WITH HOSIERY AND READY MADE GARMENTS CONTRIBUTING 544 BILLION PKR/3.47 BILLION USD TO TOTAL TRADE.

Pakistan's Top 9 Export Items (2018-2019)
All values in PKR Billions



SOURCE: PAKISTAN ECONOMIC SURVEY 2018-19

INDUSTRY FACTS AND FIGURES

PAKISTAN TEXTILE INDUSTRY

According to the Pakistan Economic Survey 2018-19 analyzed by Gallup Pakistan, in 2018-2019, Pakistan's largest export industry was the textile industry, with hosiery and ready made garments contributing 544 billion PKR/3.47 billion USD to total trade.

Of a grand total of 2.2 trillion PKR earned from exports, 285 billion rupees were earned from hosiery (13% of total export earnings); 259 billion from ready made garments (11%); 227 billion from bed wear (10%); 211 billion from cotton fabrics (9%); 199 billion from rice (9%); 111 billion from chemicals and pharmaceuticals (5%); 110 billion from cotton yarn (5%); 77 billion from towels (3%); 47 billion from leather manufactures (2%) and 733 billion from other products (33%).

However, total exports (2,263 billion) in 2018-2019, when compared to total imports (5,371 billion) paint a bleak picture of Pakistan's economic standing. The 3,107 billion rupee difference between exports and imports highlights an urgent need for development of our trade sector.

Despite over 30 percent rupee devaluation, country's overall textile sector exports declined 1.42 percent to \$13.329 billion in the fiscal year ended June 30, 2019, as higher cost of doing business kept the sector under pressure.

Textile exports fell 15 percent in June 2019 to \$1.01 billion as against \$1.19 billion in the same month of the last year, data released by Pakistan Bureau of Statistics (PBS) suggest.

Exporters said uncertainty in exchange rate and budgetary measures negatively impacted the exports, as the cost of raw material surged while non-issuance of stuck-up refunds aggravated the liquidity crunch.

Knitwear grew 7.0 percent to \$2.89 billion during fiscal year 2018/2019 as compared with \$2.711 billion in the preceding fiscal year. Similarly, the export of readymade garments exhibited 3.0 percent growth to \$2.65 billion in the year as against \$2.577 billion in the preceding year.

INDUSTRY FACTS AND FIGURES

PAKISTAN TEXTILE INDUSTRY

The export of raw cotton and cotton yarn witnessed decline of 65 percent and 18 percent during the comparative fiscal years, respectively. However, export of bed wear remained flat at \$2.262 billion in fiscal year 2018/2019.

The State Bank of Pakistan (SBP) in its third quarterly report on Pakistan Economy said that the stagnation in overall textile exports stemmed from a slowdown in export growth (in value terms) of readymade garments and knitwear items, and Year on Year (YoY) declines in cotton fabric and yarn exports.

Except for yarn, export values of all these major products suffered from a drop in unit prices, as quantum exports grew appreciably. The drop in dollar-based unit prices was mainly owed to exchange rate adjustments, as exports rose significantly in Pak Rupee terms, the SBP said. In rupee term the textile exports registered 22 percent growth during 2018/2019 as compared with preceding fiscal year.

2 MONTHS FOR YEAR 2020 TEXTILE EXPORTS: WINNING ON VOLUMES

Textile exports during 2MFY20 increased 2.3 percent year on year against a growth of 3 percent in total exports during the period. The textile group accounted for 61 percent of total exports during the first two months of FY20 as opposed to 62 percent during the same period last year—not too major a difference. In fact, despite a loss in percentage shares, the balance of trade within the textile group actually improved by 10 percent. Growth in textile exports was largely driven by downstream retail items, which are typically higher on the value chain namely knitwear, bed wear and ready-made garments. They together constitute more than 50 percent weightage within the textile group and a 38 percent share in total exports (SPLY: 36 percent).

Volumetrically, readymade garments increased 35 percent while price per unit dropped 20 percent during the first two months of FY20 as compared to the corresponding period. Similarly, bed wear recorded a 16 percent drop in price per unit during the period under review. Quantity sold increased by 20 percent during the same period.

TEXTILE SECTOR POLICY

TEXTILE POLICY (2014-2019)

The salient features of this policy are:

- Tax incentives provided to support exporting industries.
- Subsidized credit scheme helped the textile sector to maintain the increasing momentum of import of textile related machinery.
- Vocational training for capacity building and skills enhancement.
- The Ministry of Textile Industry has been making efforts to create an enabling environment for the textiles value chain
- Developing clusters to promote cost efficiencies especially in the SME sector
- Improve overall technological configuration of the sector, remove critical imbalances in the value chain and achieve compliance with international standards
- Draw-back for local taxes and levies would be given to exporters of textiles products on free of board values of their enhanced exports on an incremental basis if increased beyond 10% over previous year's exports at the following rates:
 - ▶ Garments 4%
 - ▶ Made ups 2
 - ▶ Processed fabric 1%
- Mark-up rates for 'Export Refinance Scheme' of State Bank of Pakistan has been reduced from 9.4% to 7.5%
- A new vocation training programme will be launched through the Public Sector Development Programme (PSDP) to train sufficient men and women over five years period. The Ministry of Textile Industry set up the Pak Korea Garment Technology Institute in Karachi with the contribution by Korea International Cooperation Agency (KOICA) of \$1.28 million, with the remaining funds coming from PSDP.
- Drawback of local taxes and levies has been provided to manufacturing-cum exporting units on exports of products under specific tariff codes including 1% for eligible product lines of processed fabrics; eligible products of made-ups category at 2%; & eligible products of garments category at 4%. As part of the 'Technology Up-gradation Fund Support Scheme', the federal government may reimburse 50% of markup subject to a maximum of 5% per annum (whichever is less) and also extend up to 20% investment support to SMEs and 5% to non-SMEs for the import of new plant and machinery up-to Rs. 10 million, through loans or their own sources.
- Priority to the textiles sector for availability of energy to fully utilize the 'Generalized System of Preferences Plus Status' (GSP+) granted by the European Union allowing Pakistani products a duty free access to the European market.

TEXTILE SECTOR POLICY

TEXTILE POLICY (2020-2025) PAKISTAN TO INCREASE TEXTILE EXPORTS TO \$25.3 BN BY 2025

- It will increase the country's textile exports target by 2025 to \$25.3 billion and \$50 billion by 2030. It was \$13.33 billion in 2018.
- The Textile Policy also spells out its the objectives which include restoring profitability of cotton farmers by increasing cotton yield, improving quality of cotton and decreasing cost of production for the farmers; strengthening man made fiber/filament sector to make this chain internationally competitive and export oriented; regionally competitive energy pricing fixed for five years; prompt Sales Tax Refund System; abolition of Zero Rating has created serious liquidity crisis for exporting sectors as the current refund system is soaking up market liquidity and is not working; long Term Financing Facility for the entire textile value chain; revival of impaired textile capacity and introduction of bankruptcy law.
- It also says that the global textile trade that stands at \$837 billion had an average growth rate of 0.1% over the last decade. When it comes to the global market for textile sector exports, it is dominated by China, which accounts for over 32pc of textile sector exports, valued at \$266 billion. Presently, Pakistan's share is 1.6pc in the world textile trade, which will be increased to 3 percent by 2025.
- The world textile export that stands at \$837 billion will reach \$843.35. The textile export growth comparison of Pakistan and regional peer countries shows that our regional competitors have surpassed Pakistan manifold. Pakistan was once a leading player in textile trade but over the last decade, our textile sector growth has remained dismal owing to several policy limitations and lack of enabling environment necessary for industries to flourish. Two decades back, Pakistan's textile exports were ahead of its regional peers like Bangladesh, Vietnam and Cambodia.
- In 2003, when Pakistan's textile exports were \$8.3 billion, Vietnam's textile exports were \$3.87 billion, Bangladesh's were at \$5.5 billion. Now Vietnam is \$36.68 billion and Bangladesh is at \$40.96 billion. The textile policy draft argues saying that the essence is that if these countries were able to achieve record growths in this short time period, the goal of reaching \$50 billion of textile exports in next 10 years for Pakistan is attainable, subject to strict implementation of Long-term Textile Policy. Mentioning about the roadmap to export growth, it mentions that the ultimate goal of export-led growth is poverty reduction and enhanced welfare of Pakistan's citizens.

OPPORTUNITIES FOR GARMENT INDUSTRY

READY MADE GARMENTS INDUSTRY HAS EMERGED AS ONE OF THE IMPORTANT SMALL SCALE INDUSTRIES IN PAKISTAN. THESE READY MADE GARMENTS AND PRODUCTS HAVE LARGE DEMAND BOTH AT HOME AND ABROAD

facts & figures

- Exports of readymade garments increased 43% in value from US \$1.62 billion in 2011-12 to US \$2.32 billion in 2016-17.
- The production of garments involves many processes and the first important process is cutting the fabric into appropriate patterns. Import of sewing machines and parts increased from Rs.2.67 billion in 2014-15 to Rs.374 billion in 2016-17, thus showing an increase of 28%.

sector potential

- The readymade garment segment is the highest value added a link in the entire textile value chain. The global trade in the sector accounts for 53% of the total value of global textiles trade and is consistently growing since the last two decades.
- According to an estimate by Pakistan Hosiery Manufacturers Association, current production of knitwear & sportswear is at the level of 1.1 billion pieces.
- Exports of knitted goods and sportswear in 2016-17 were worth a total of \$2.36 billion, an increase of 16% from 2012-13's \$2.04 billion

CHALLENGES & PROBLEMS IN TEXTILE INDUSTRY

Energy crisis & load shedding

Industry has virtually held hostage by the energy crisis. The country faces an energy emergency. Gas load shedding has become a routine in major industrial cities of the country. The country is losing at least 2 percent of the GDP growth annually due to the power shortages.

Interest rate

The government is maintaining one of the world's highest benchmark interest rates, in an economy hurt by terrorism and falling foreign investment. The high interest rate has been one of the major reasons behind the fall in the country's industrial output.

Poor governance

The quality of governance is essential for the development of human resources for industrial growth. The good governance ensures the transparency, efficiency and rationality in the utilization of public funds and national resources, encourages growth of the private sector, promotes effective delivery of public services and helps establish the rule of law.

MANUFACTURING OF GARMENTS - T SHIRTS

DESCRIPTION

T Shirts stitching is a sub sector of textile garments, which is one of the leading export oriented sector in Pakistan. Easy and sustained access to raw material coupled with availability of skilled labor puts T Shirts stitching an attractive export oriented opportunity for local entrepreneurs. The proposed unit will mainly target export markets, as profit margin is much higher compared to the local market. The unit will operate on order manufacturing basis, particularly for exports, traders and international buyers.

SIGNIFICANT FACTORS

- Develop strong linkages with raw material suppliers for sourcing quality material on time at economical prices.
- Time management is very important in export base business. Delay in delivery can cost as high as losing a customer.
- Formation of organizational system especially for operations department in order to maintain international quality standards.
- Efficient management of stock to keep inventory cost at the minimum.
- Knowledge about the latest market trends is critical.

PRODUCTION PROCESS FLOW

The process of stitching starts with the receipt of specification / sample from the customer and / or design developed by the designing department. These specifications include quality and specifications of fabric, accessories to be used, design details, stitching styles, packing instructions and all other necessary information. Based on the specifications received, a sample is prepared and sent to customer for approval. Once the sample is approved, based on the specifications, pattern master first prepares the pattern on chart paper, which will then be used for cutting fabric of confirmed order. By using the patterns prepared, cutters cut the fabric. Stitching is the next process after cutting. The fabric is stitched by stitchers using stitching machines. During the stitching process, accessories are added labels etc. After the completion of stitching process, quality inspection is carried out. In this process a thorough inspection is made pertaining to the quality, stitching, accessories, lining, etc. to ensure it is according to the specifications. Moreover, extra threads and fibres are also trimmed. Afterwards, each T shirt is labelled, tagged and packed in a carton for their onward dispatch.

MANUFACTURING OF GARMENTS - T SHIRTS

INSTALLED AND OPERATIONAL CAPACITIES

Proposed unit is based on 35 lock stitching machines (Single Needle) and will have installed capacity of stitching 4,807 pieces per day on 8 hours shift basis (i.e. 1,500,000 pieces per annum) with 25% and 75% mix of export and local style. Initial operational capacity will be 64% (i.e. 960,000 pieces) with an annual growth of 10%. Maximum capacity utilization of the project is assumed at the same rate of 95%. Installed and operational capacities of the proposed unit are provided below.

	PRODUCT MIX	INSTALLED CAPACITY	OPERATIONAL CAPACITY 64%	MAXIMUM OPERATIONAL CAPACITY
Local	75%	1,125,000	720,000	1,068,750
Export	25%	375,000	240,000	356,250
Total	100%	1,500,000	960,000	1,425,000

GEOGRAPHICAL IMPORTANCE

Karachi, Lahore, Sialkot and Faisalabad are the main hubs of textile industry in Pakistan. Availability of skilled labor is vital while selecting a location; all the above cities have adequate availability of skilled labor, raw material and other necessary infrastructure. Therefore, proposed stitching unit should ideally be established in the suburbs / peripheral areas of these cities.

MANUFACTURING OF GARMENTS - T SHIRTS

PROJECT COST SUMMARY

A detailed business model has been developed to analyze the commercial viability of T shirts stitching unit. Various cost and revenue related assumptions along with results of the analysis are outlined in this section. The projected Statement of Profit & Loss , Cash Flow Statement and Statement of Financial Position are also attached as annexure.

A. PROJECT OUTLOOK

Sales in 5 years	1,701,419,954
Payback Period (Years)	3.00
Net Profit in 5 years	200,021,769

All the figures in this financial model have been calculated for estimated sales of Rs. 120.00 million in the year one. The capacity utilization during year one is worked out at 64% with 10% increase in subsequent years up to the maximum capacity utilization of 95%. The ABOVE table shows sales in 5 years of period, payback period and net profit in period of 5 years.

B. PROJECT FINANCING

Total Equity (75%)	16,080,000
Bank Loan (25%)	5,360,000
Markup to the Borrower (%age / annum)	15%
Tenure of the Loan (Years)	5

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

C. OFFICE EQUIPMENT REQUIREMENT

Several office equipment are required (i.e.) computers, printers, UPS, scanner, security cameras, telephone sets etc. Total estimated cost @ Rs. 180,000

D. OFFICE VEHICLE REQUIREMENT

A bike and a Suzuki Bolan will be purchased for travelling and other business operations. The cost of both the vehicles is estimated at Rs. 665,000.

MANUFACTURING OF GARMENTS - T SHIRTS

E. PROJECT COST

Capital Cost

Machinery & equipment (Ref G below)	4,815,000
Furniture & fixtures (Ref H below)	1,210,000
Office vehicles (Ref D above)	665,000
Office equipment (Ref C above)	180,000
Pre-operating costs	450,000
Total Capital Costs	7,320,000

Working Capital

Equipment spare part inventory	300,000
Raw material inventory	11,070,000
Upfront building rent	900,000
Upfront insurance payment	350,000
Cash	1,500,000
Total Working Capital	14,120,000

Total Investment	21,440,000
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F. RENT AND SPACE

Management Building	200.00
Fabric and Accessories inventory Room	700.00
Cutting Room	150.00
Stitching Room	1,050.00
Inspection Room	200.00
Packing Room	200.00
Finishing Hall	400.00
Finished Garments Store	300.00
Kitchen	400.00
Total Area Requirement	(Sq.ft.) 3,600.00

It is proposed to use a rental building in order to avoid high capital cost and risk. The proposed monthly rent for the building is taken at Rs. 300,000/- month. A total amount of Rs. 500,000 estimated as renovation cost.

MANUFACTURING OF GARMENTS - T SHIRTS

G. MACHINERY & EQUIPMENT REQUIREMENT

	QUANTITY	UNIT COST	TOTAL COST
Cutting Machine Jack CZM-8"	1	40,000	40,000
5 Thread Safety Overlock Machine Jack	3	45,000	135,000
Single Needle Lock Stitch Machine Jack	35	75,000	2,625,000
Button Holling Machine Jack JK781D	1	150,000	150,000
Button Stitching Machine Juki 1377	1	70,000	70,000
Belt Loop Making Machine Cansai	1	130,000	130,000
Waist Band Making Machine Cansai	2	120,000	240,000
Feed Off Arm Amchine With Puller Jack	2	145,000	290,000
Bartaking Machine Computerized	1	250,000	250,000
2 Needle Lock Stitch Machine	2	125,000	250,000
GAS Steam Boiler (04 Spots of Steam iron)	1	165,000	165,000
Steam Irons (Large Size)	4	5,000	20,000
Factory fixture	1	150,000	150,000
Machine Installation & Electric wiring cost			300,000
Total Machinery & Equipment			4,815,000

H. FURNITURE & FIXTURES REQUIREMENT

	QUANTITY	UNIT COST	TOTAL COST
Table & Chair for CEO	1	50,000	50,000
Visitor Chairs	10	5,000	50,000
Chair & Table for Staff	2	30,000	60,000
File Racks	2	20,000	40,000
Small Cabinets	3	15,000	45,000
Cutting Table	1	25,000	25,000
Finishing Table	2	7,500	15,000
Trolleys for Stitching Department	8	10,000	80,000
Wooden Bench for Workers	50	2,500	125,000
Lighting & Fans			50,000
Air conditioners (1.5 ton)	2	60,000	120,000
Renovation Cost	2	500,000	500,000
Miscellaneous	1	50,000	50,000
Total Furniture & Fixtures			1,210,000

MANUFACTURING OF GARMENTS - T SHIRTS

I. RAW MATERIAL REQUIREMENTS

Basic raw material of stitching is fabric. Along with fabric, a lot of accessories are also used in production. Major raw material required for stitching is as follows;

- Fabric
- Stitching Thread
- Label
- Tags

J. HUMAN RESOURCE REQUIREMENT

In order to run operations smoothly, details of human resources required along with number of employees and monthly salaries are recommended as under. As per industry practice labor force for stitching will be hired on daily wages. This work force normally work on per piece rate. On average Rs.800 and Rs.350 will be charged by stitcher to stitch export and local style respectively.

K. 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. 2.52 million per annum. Furthermore promotional expense, being essential for marketing of T Shirts Stitching Unit, is estimated as Rs. 0.5 million in year 1.

L. REVENUE GENERATION

Based on the capacity utilization of 64%, sales revenue during the first year of operations is estimated in below table:

	OPERATIONAL CAPACITY 64%	SALE PRICE / PIECE	SALES REVENUE
Customized	360,000	200	72,000,000
Ready Made	120,000	400	48,000,000
Total	480,000		120,000,000

MANUFACTURING OF GARMENTS - T SHIRTS

FINANCIAL MODELING

Following are the documents prepared for Financial Modeling of Textile Segment that is to be operative from Year 2020:

- Statement of Profit & Loss – 5 years (2020 – 2024) – **Annexure B.1**
- Statement of Financial Position – 5 years (2020 – 2024) – **Annexure B.2**
- Cashflow Statement – 5 years (2020 – 2024) – **Annexure B.3**
- Graphical Analysis – **Annexure B.4**
- Key Assumptions – **See Below**

KEY ASSUMPTIONS

1. OPERATING COST ASSUMPTIONS

Administration Benefit Expenses	3% of Administration Cost
Office Expenses (Stationery, Entertainment etc)	1% of Administration expenses
Communication Expenses	1% of Administration expenses
Professional Fee	0.50% of Revenues
Depreciation Method	Straight Line depreciation
Depreciation Rate	10% on Machinery 20% on Office Equipment 10% on Furniture & Fixture
Inflation Growth Rate	13%
Electricity Price Growth Rate	15%
Salaries Growth Rate	10%

2. REVENUE ASSUMPTIONS

Growth in Sales Price	10%
Days Operational / Year	313
Maximum Operational Capacity (Per Year)	1,500,000
Production Capacity in First Year	64%
Percentage Increase in Production Capacity	10%
Maximum Production Capacity	95%

MANUFACTURING OF GARMENTS - T SHIRTS

3. PRODUCTION COST ASSUMPTIONS

	COST PER PIECE LOCAL	COST PER PIECE EXPORT
Raw Material		
Fabric	110.00	165.00
Thread stitching	5.00	7.50
Labels	3.00	4.50
Packing material	5.00	7.50
Total	123.00	184.50
Stitching	30.00	45.00
Overheads & pressing	5.00	7.50
Total Cost	158.00	237.00

4. FINANCIAL ASSUMPTIONS

Debt	75%
Equity	25%
Interest Rate on Debt	15%
Debt Tenure	5 Years
Debt Payment / Year	1



SURGICAL GOODS

surgical masks and medical supplies



SURGICAL GOODS IN PAKISTAN

Surgical industry of Pakistan dates, back to 19th century when some British doctors got their surgical instruments repaired from the skilled workers of Sialkot and thus it laid foundation to the Sialkot Surgical Industry. The world trade in medical and surgical industry is huge which goes up to 30 billion dollar. Although Pakistan fetches a very small share in the world trade, still the local industry possesses specialized skills and workers expertise which carry a century old experience in producing these sophisticated items. Pakistani products are sold in highly developed market of Germany, France, USA, Belgium etc which are also bracketed as high income markets. This is a sector where Pakistan enjoys specialized skills. Products are exporting into high income markets of USA, Germany & France. Total world market is estimated at 30 billion USD. During 2010-2011 Pakistan exported Surgical & Medical instruments worth USD 260.60 million. This shows an increase of 13.7% over 2009-2010 export figures of 229.20 million. The world trade in medical and surgical industry is huge which goes up to 30 Billion dollars. Although Pakistan fetches a very small share in the world trade, still the local industry possesses specialized skills and workers expertise which carry a century old experience in producing these sophisticated items.

Pakistani products are sold in highly developed market of Germany, France, USA, Belgium etc. which are also bracketed as high income markets. The average export price of Sialkot made surgical items is between dollar 1.5 to 5 (for disposable products) which is higher than the Chinese export price of USD 0.35 per item. Pakistan has no competitor in Ophthalmic handheld instruments. The city of Sialkot is very well known particularly in Europe for its Surgical industry. There are around 2300 companies engaged in this industry which produce on average 150 million pieces per year with an estimated value of around Rs. 22 billion. Almost 95% production is export oriented. Pakistan basically produces basic disposable instruments. The shift of emphasis in the global leading manufacturers is on high value added products. Practically Sialkot has no competitor on basic component and most of the production from Germany has shifted to Pakistan. The result is that Pakistan produces semi-finished goods which are repackaged in Germany, Europe & USA and then sold internationally at higher prices. The very low quantity is consumed locally due to low demand by public health entities and private sector hospitals. Infact, this Sialkot based industry has limited contacts with the local end users, they normally operate through bulk buyers/traders.

SURGICAL GOODS IN PAKISTAN

Out of 2300 major companies 30 units are large integrated units. These bigger companies are technically advanced with lot of mechanization in their production processes. They have also diversified products into medical mechanized devices. Second category is of medium type of firms which are around 150 in numbers and they handle exports of above 100 million. The small units are 2000 in numbers and they handle export of up to 80 million. The details of surgical instrument which are being exported is as under:

- Instruments and appliances used in medical or veterinary sciences
- Instruments and appliances, used in dental sciences
- Needles, catheters, cannulas
- Syringes, with or without needles
- Oxygen therapy, artificial respiration/ therapeutic respiration
- Dentists, barbers or similar chairs and parts thereof
- Medical, surgical, dental or veterinary furniture and parts
- Dental drill engines, whether or not combined on a single base equipment
- Ophthalmic drill engines, and appliances

Pakistani surgical industry comprises of about 2500 large, medium and small sized manufacturing units. Depending upon the size of the unit, there are in-house facilities and distinct process in medium and small sized units respectively. The surgical instruments industry provides employment to about 50,000 skilled and semi-skilled workers.

The production of the industry can be broadly classified into two categories, i.e. disposable instruments and the reusable instruments (OR instruments). The largest market for Pakistani disposable instruments is USA.

The surgical industry has a flexible manufacturing processes resulting in production of wide range of products. Production can be made in accordance with British, German, American or any international standards/ specification.

The advanced countries of Europe and America are the leading buyers of Pakistan's surgical instruments. Surgical industry is the sector where quality is major issue of concern. Recently its importance has increased manifold given the increasing global competition and new regulations being enforced by the developed countries. These regulations require the exporters of the developing countries to introduce systems focusing on the improvement of management, labor, technology, and all the other fields which in any way affect the firm. The surgical instrument standards must be in conformance with WTO standards. Over 300 Companies have ISO-9002 Certification and about 250 have Certification of Good Manufacturing Practices.

SURGICAL GOODS IN PAKISTAN

STATISTICS

- Germany offers domestic market of 6.9 billion US remains the top exporter with 1.8 billion Japan 725 million Switzerland 701 million Netherland 375 million and UK 360 million. Pakistan exported goods worth US\$ 34 million and ranked 27th on the list of importers to Germany.
- UK has the market 3.37 billion with USA the top exporter with 796 million, Netherlands 538 million Germany 536 million Belgium 343 million and France 225 million Pakistan exported worth US\$ 24 million and ranked 17th
- France market was 3.9 billion the major supplier were USA with 921 million Germany 555 million Belgium 383 million Mexico 269 million Switzerland 226 million Pakistan ranked 32 with export of US\$ 11 million.
- Brazil had domestic market of 1.1 billion. The top importers were USA 468 million Germany 145 million China 100 million Japan 83 million Netherland 43 million and Pakistan ranked 19th with export of 8 million.
- Uzbekistan: Pakistan exported worth 0.11 million however Uzbek market was 3.4 million and our competitors were South Korea = 1.5 million, UK = 1 million, China = 0.34 and Russia = 0.11. Uzbek market due to close location with Pakistan presents much potentials for Pakistani exporters to promote the product.
- USA market is quite strong with 8 billion. However there is demand in Asian countries of Russia, Lebanon and Singapore whereas 19 million markets exists in Tunisia.
- Pakistan can consider promoting its exports in Russia which has the market of 377 million, Lebanon = 37 million and Tunisia =19 million.
- Pakistan exported worth US\$ 1.2 million. Its markets were USA, Germany, UK, Hungary & Singapore. Amongst this category, Pakistan can focus on Hungary in East Europe which has market of 162 million.
- Pakistan exports were very nominal of US\$ 0.05 million, major portion went to Germany.
- Pakistan exported worth 1 million; the major five importing countries were Germany 330 million and Poland 180 million.
- Pakistan exported worth 2 million and Brazil was major recipient with 0.824 million. The other important importing countries were Iran, Italy and China. The analysis of the eight product groups of Surgical indicates that Pakistani major markets are either USA or European countries however Asian and African countries particularly Uzbekistan, Tunisia, Lebanon, Russia, Iran and China have vast potentials further to this East European countries like Hungary and Poland are also potentials markets. Therefore diversification of markets is advisable for surgical exporters.

SURGICAL GOODS IN PAKISTAN

SWOT ANALYSIS



STRENGTHS:

- Geographical Concentration
- Availability of Inputs & Economies of Scale
- Skilled Labor Force & Wide Spread Know How
- Concentration on Core Competencies
- Wide Product Range



WEAKNESS:

- Minimal Involvement of Brand Names
- Branding
- Marketing and Distribution Management
- Technical Personnel and New Product Development



OPPORTUNITIES

- Diversification
- Manufacturing Flexibility
- Unexplored Markets
- Information technology
- Joint Ventures



THREATS

- Upcoming Competition
- Quality Systems
- Latest Developments
- Security Measures

SURGICAL GOODS IN PAKISTAN

INSTALLED AND OPERATIONAL CAPACITIES

Proposed unit is based on fully automatic face pure electric no cylinder mask making welding machine and will have installed capacity of manufacturing 4,900 boxes per moth with 28% and 72% mix of export and local style. Initial operational capacity will be 65% (i.e. 58,800 boxes) with an annual growth of 10%. Maximum capacity utilization of the project is assumed at the same rate of 95%. Installed and operational capacities of the proposed unit are provided below.

	INSTALLED CAPACITY	OPERATIONAL CAPACITY 65%	MAXIMUM OPERATIONAL CAPACITY
Surgical Mask – Local	64,000	42,000	61,000
Surgical Mask – Export	26,000	16,800	25,000
Total	90,000	58,800	86,000

GEOGRAPHICAL IMPORTANCE

Karachi, Lahore, Sialkot and Faisalabad are the main hubs of surgical goods industry in Pakistan. Availability of skilled labor is vital while selecting a location; all the above cities have adequate availability of skilled labor, raw material and other necessary infrastructure. Therefore, proposed stitching unit should ideally be established in the suburbs / peripheral areas of these cities.

SURGICAL GOODS IN PAKISTAN

PROJECT COST SUMMARY

A detailed business model has been developed to analyze the commercial viability of surgical goods unit. Various cost and revenue related assumptions along with results of the analysis are outlined in this section. The projected Statement of Profit & Loss , Cash Flow Statement and Statement of Financial Position are also attached as annexure.

A. PROJECT OUTLOOK

Sales in 4 years	159,374,246
Payback Period (Years)	3.00
Net Profit in 4 years	36,699,841

All the figures in this financial model have been calculated for estimated sales of Rs. 21.00 million in the year one. The capacity utilization during year one is worked out at 65% with 10% increase in subsequent years up to the maximum capacity utilization of 95%. The ABOVE table shows sales in 4 years of period, payback period and net profit in period of 4 years.

B. PROJECT FINANCING

Total Equity (100%)	13,652,400
Bank Loan (0%)	-
Markup to the Borrower (%age / annum)	-
Tenure of the Loan (Years)	-

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

C. OFFICE EQUIPMENT REQUIREMENT

Several office equipment are required (i.e.) computers, printers, UPS, scanner, security cameras, telephone sets etc. Total estimated cost @ Rs. 239,000

D. OFFICE VEHICLE REQUIREMENT

A bike and a Suzuki Bolan will be purchased for travelling and other business operations. The cost of both the vehicles is estimated at Rs. 665,000.

SURGICAL GOODS IN PAKISTAN

E. PROJECT COST

Capital Cost

Machinery & equipment (Ref G below)	9,000,000
Furniture & fixtures (Ref H below)	1,088,000
Office vehicles (Ref D above)	665,000
Office equipment (Ref C above)	239,000
Pre-operating costs	250,000
Total Capital Costs	11,242,000

Working Capital

Equipment spare part inventory	500,000
Raw material inventory	435,400
Upfront building rent	300,000
Upfront insurance payment	175,000
Cash	1,000,000
Total Working Capital	2,410,400

Total Investment	13,652,400
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F. RENT AND SPACE

Management Building	200.00
Fabric and Accessories inventory Room	700.00
Cutting Room	150.00
Stitching Room	1,050.00
Inspection Room	200.00
Packing Room	200.00
Finishing Hall	400.00
Finished Garments Store	300.00
Kitchen	400.00
Total Area Requirement	(Sq.ft.) 3,600.00

It is proposed to use a rental building in order to avoid high capital cost and risk. The proposed monthly rent for the building is taken at Rs. 100,000/- month. A total amount of Rs. 1,200,000 estimated as renovation cost.

SURGICAL GOODS IN PAKISTAN

G. MACHINERY & EQUIPMENT REQUIREMENT

Fully automatic flat mask production line adopts advanced design. It only needs to place the production raw materials on the feeding rack. After the modulation is completed, the machine can automatically produce. Only one person needs to operate the packaging, which fully realizes the entire automated production. Sonic welding method, beautiful style, health and environmental protection. The output is 100-120 minutes, the length of the nose bridge strip is adjustable, and the product size error is $\pm 1\text{mm}$. According to demand, some molds can be replaced to achieve a variety of mask sheets. This machine can produce a variety of non-woven masks, smooth cloth Masks, gauze masks, activated carbon masks, double nose line masks, etc. Supports 1-5 layers of non-woven mask sheet production.

- Model: ZX-1950-2
- SIZE: L3345*W630*H1830mm
- Voltage: AC 220V, 50-60HZ
- Capacity: 100~120 pcs/minute
- Power: 2.7KW

Cost of the machine is estimated to be Rs. 4.5 million and there will be 2 machines to produce the output.

H. FURNITURE & FIXTURES REQUIREMENT

	QUANTITY	UNIT COST	TOTAL COST
Table & Chair for Head of Operations	1	50,000	50,000
Visitor Chairs	10	5,000	50,000
Chair & Table for Staff	2	30,000	60,000
File Racks	2	20,000	40,000
Small Cabinets	3	25,000	75,000
Cutting Table	1	35,000	35,000
Finishing Table	2	8,500	17,000
Trolleys for Stitching Department	8	12,000	96,000
Lighting & Fans			75,000
Air conditioners (1.5 ton)	2	60,000	120,000
Renovation Cost	1	420,000	420,000
Miscellaneous	1	50,000	50,000
Total Furniture & Fixtures			1,088,000

SURGICAL GOODS IN PAKISTAN

I. RAW MATERIAL REQUIREMENTS

Basic raw material of stitching is fabric. Along with fabric, a lot of accessories are also used in production. Major raw material required for stitching is as follows;

- Airmash Fabric – 25 gsm
- Airmash Fabric – 10 gsm
- Airmash Fabric – 25 gsm
- Aluminium wire
- Earloop

J. HUMAN RESOURCE REQUIREMENT

In order to run operations smoothly, details of human resources required along with number of employees and monthly salaries are recommended as under. As per industry practice labor force for stitching will be hired on daily wages. This work force normally work on per piece rate. On average Rs.800 and Rs.350 will be charged by stitcher to stitch export and local style respectively.

K. 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. 0.44 million per annum. Furthermore promotional expense, being essential for marketing is estimated as Rs. 0.25 million in year 1.

L. REVENUE GENERATION

Based on the capacity utilization of 65%, sales revenue during the first year of operations is estimated in below table:

	OPERATIONAL CAPACITY 65%	SALE PRICE / PIECE	SALES REVENUE
Customized	42,000	250	10,500,000
Ready Made	16,800	625	10,500,000
Total	58,800		21,000,000

SURGICAL GOODS IN PAKISTAN

FINANCIAL MODELING

Following are the documents prepared for Financial Modeling of Surgical Goods that is to be operative from Year 2021:

- Statement of Profit & Loss – 4 years (2021 – 2024) – **Annexure C.1**
- Statement of Financial Position – 4 years (2021 – 2024) – **Annexure C.2**
- Cashflow Statement – 4 years (2021 – 2024) – **Annexure C.3**
- Graphical Analysis – **Annexure C.4**
- Key Assumptions – **See Below**

KEY ASSUMPTIONS

1. OPERATING COST ASSUMPTIONS

Administration Benefit Expenses	4% of Administration Cost
Office Expenses (Stationery, Entertainment etc)	1% of Administration expenses
Communication Expenses	1% of Administration expenses
Professional Fee	0.75% of Revenues
Depreciation Method	Straight Line depreciation
Depreciation Rate	10% on Machinery 20% on Office Equipment 10% on Furniture & Fixture
Inflation Growth Rate	13%
Electricity Price Growth Rate	15%
Salaries Growth Rate	10%

2. REVENUE ASSUMPTIONS

Growth in Sales Price	10%
Days Operational / Year	313
Maximum Operational Capacity (Per Year)	90,000
Production Capacity in First Year	65%
Percentage Increase in Production Capacity	10%
Maximum Production Capacity	95%

SURGICAL GOODS IN PAKISTAN

3. PRODUCTION COST ASSUMPTIONS

	COST PER PIECE LOCAL	COST PER PIECE EXPORT
Raw Material		
Airmash Fabric – 25 gsm	20.00	30.00
Airmash Fabric – 10 gsm	10.00	15.00
Airmash Fabric – 25 gsm	20.00	30.00
Aluminium wire	2.75	4.13
Earloop	25.00	37.50
Total	77.75	116.63
Stitching	25.00	37.50
Overheads & pressing	5.00	7.50
Total Cost	107.75	161.63

4. FINANCIAL ASSUMPTIONS

Debt	0%
Equity	100%
Interest Rate on Debt	–
Debt Tenure	–
Debt Payment / Year	1



DAIRY FARMING

farming and milk production



DAIRY FARMING & PRODUCTION

Over the years, livestock subsector has surpassed the crop subsector as the biggest contributor to value added in agriculture. Presently it contributes 60.5 percent to the overall agricultural and 11.2 percent to the GDP during 2018-19. Gross value addition of livestock has increased from Rs. 1,384 billion (2017-18) to Rs.1,440 billion (2018-19), showing an increase of 4.0 percent over the same period last year. The importance of livestock sector can be realized from the fact that it is not only a source of foreign exchange earnings by contributing around 3.1% to the total exports, but also a source of 35-40% of income for over 8 million rural families and providing them food security by supplementing high value protein of animal origin. Despite the fact that livestock subsector could not attract large amount of investment due to its inherent subsistence and structural characteristics, this sector has shown a healthy growth of 4.0 % in 2018-19 over the previous year of 2017-18. The livestock population for the last three years is given in below table

Table 2.20: Estimated Livestock Population			(Million Nos.)
Species	2016-17¹	2017-18¹	2018-19¹
Cattle	44.4	46.1	47.8
Buffalo	37.7	38.8	40.0
Sheep	30.1	30.5	30.9
Goat	72.2	74.1	76.1
Camels	1.1	1.1	1.1
Horses	0.4	0.4	0.4
Asses	5.2	5.3	5.4
Mules	0.2	0.2	0.2

¹: Estimated figure based on inter census growth rate of Livestock Census 1996 & 2006
Source: Ministry of National Food Security & Research

The major products of livestock are milk & meat for last three years is given in table

Table: 2.21 Estimated Milk and Meat Production			(000 Tonnes)
Species	2016-17¹	2017-18¹	2018-19¹
Milk (Gross Production)	56,080	57,890	59,759
Cow	20,143	20,903	21,691
Buffalo	34,122	35,136	36,180
Sheep ²	39	40	40
Goat	891	915	940
Camel ²	885	896	908
Milk (Human Consumption)³	45,227	46,682	48,185
Cow	16,115	16,722	17,353
Buffalo	27,298	28,109	28,944
Sheep	39	40	40
Goat	891	915	940
Camel	885	896	908
Meat⁴	4,061	4,262	4,478
Beef	2,085	2,155	2,227
Mutton	701	717	732
Poultry meat	1,276	1,391	1,518

1: The figures for milk and meat production for the indicated years are calculated by applying milk production parameters to the projected population of respective years based on the inter census growth rate of Livestock Census 1996 & 2006.

2: The figures for the milk production for the indicated years are calculated after adding the production of milk from camel and sheep to the figures reported in the Livestock Census 2006.

3: Milk for human consumption is derived by subtracting 20% (15% wastage in transportation and 5% in calving) of the gross milk production of cows and buffalo.

4: The figures for meat production are of red meat and do not include the edible offal's.

Source: Ministry of National Food Security & Research

DAIRY FARMING & PRODUCTION

The estimated production of other livestock products for the last three years is given in below table

Table: 2.22 Estimated Livestock Products Production				
Species	Units	2016-17¹	2017-18¹	2018-19¹
Eggs	Million Nos.	17,083	18,037	19,052
Hides	000 Nos.	16,421	16,974	17,547
Cattle	000 Nos.	8,416	8,734	9,063
Buffalo	000 Nos.	7,897	8,131	8,373
Camels	000 Nos.	108	109	111
Skins	000 Nos.	55,526	56,805	58,116
Sheep Skin	000 Nos.	11,397	11,532	11,669
Goat Skin	000 Nos.	27,807	28,560	29,334
Fancy Skin	000 Nos.	16,322	16,712	17,113
Lamb skin	000 Nos.	3,385	3,425	3,466
Kid skin	000 Nos.	12,937	13,287	13,647

Trade of Livestock and Livestock Products

The development of the livestock sector and its vertical integration to produce value added products is important to enhance trade opportunities for Pakistan in the global market place. The value addition in livestock and poultry sectors are now on the path of achieving further heights and many value adding livestock and poultry businesses have been established in the country that are actively taking part in trade of livestock and livestock products.

To enhance the trade activities of livestock and livestock products, the government has given following incentives;

- Sales Tax on import of seven types of poultry machinery is reduced to 7 percent. These include poultry incubators, brooders, grain storage silos for poultry and poultry sheds
- Custom duty on import of on grandparent and parent stock of chicken is reduced to 7 percent
- Regulatory duty on import of grandparent and parent stock of chicken has been withdrawn
- Custom duty on import of hatching eggs is reduced to 3 percent
- Custom duty on import of raw skins & hides has been withdrawn
- Custom duty on import of ostriches has been withdrawn
- Custom duty of 3 percent on import of bulls meant for breeding purposes is withdrawn
- Custom duty on the import of feeds meant for livestock sector is reduced from 10 percent to 5 percent and is also exempted from sales tax
- Custom duty on import of fans used in dairy sheds is reduced to 3 percent if imported by members of the Corporate Dairy Association and also exempted from sales tax
- Custom duty on import of growth promoters premix, vitamin premix, vitamin B12 (Feed grade) and vitamin H2 (Feed grade) is reduced to 5 percent for registered manufacturers of poultry feed
- Custom duty on cattle feed premix is reduced to 5 percent
- Custom duty on calf milk replacer has been reduced to 10 percent

DAIRY FARMING & PRODUCTION

Government Policy Measures

Livestock Wing under Ministry of National Food Security & Research, with its redefined role under 18th Constitutional Amendment, continued to regulate the sector and took several measures in this regard, including: allowing import of high yielding dairy cattle breeds of Holstein Friesian and jersey, genetic material of these breeds, (semen and embryos) for the genetic improvement of indigenous low producing dairy animals, allowing import of high quality feed stuff/micro ingredients for improving the nutritional quality of animal & poultry feed and allowing import of dairy, meat and poultry processing machinery/equipment at concessional tariff/duty in order to encourage value

added industry in the country. Livestock Wing also provided necessary facilitation for export of meat and meat products. A total of 48.8 thousand tons of meat and meat products were exported during FY 2017-18 that fetched US\$ 198.8 million, from the registered export oriented slaughter houses in the private sector. The export of other livestock by-products such as animal casings, bones, horns & hooves, gelatin etc. was also facilitated. The efforts continued for market access with the relevant concerned authorities in China, South Africa, Jordan and Indonesia using diplomatic channels for export of various meat and meat products.

Livestock Wing allowed the import of 824.9 thousand doses of superior quality semen and 8,811 high yielding exotic dairy cattle of Holstein-Friesian & Jersey breeds during 2018-19 (July-March). The policy objective of these permissions is the genetic improvement of indigenous dairy animals in terms of per unit productivity. The imported dairy cows added approximately 61 million tons of milk per annum in the commercial milk chain/system.

In order to promote corporate dairy sector, import of calf milk replacer & cattle feed premixes have been allowed at concessional tariffs. During 2018-19 (July-March), 364.6 metric tons of calf milk replacer & 297.4 metric tons of cattle feed premix has been imported for feeding to our dairy herd.

During 2018-19 (July-March), the Animal Quarantine Department (AQD) provided quarantine services and issued 27,011 Health Certificates for the export of live animals, mutton, beef, eggs and other livestock products having value of US\$ 268.887 million. The AQD generated non-tax revenue of Rs. 85.787 million during same year as certificate/laboratory examination fee of animal and animal products exported during the year. The National Veterinary Laboratory (NVL), Islamabad is a national institution reference laboratory to facilitate international trade meeting the WTO's requirements while safeguarding the public health. The NVL conducted surveillance and diagnostics on highly contagious diseases of animals. It also carried out activities on National and Regional Projects regarding prevention and control of Transboundary Animal Diseases in Pakistan. During 2018-19 (July-March), about 11,402 samples were analyzed for disease diagnosis surveillance, veterinary vaccines and residue testing to guide the animal health certification as well as to promote international trade livestock and livestock products.

DAIRY FARMING & PRODUCTION

Government Policy Measures

Livestock Wing also collaborated with international (Office International des Epizooties OIE, Food and Agriculture Organization FAO) and regional organizations (South Asian Association for Regional Cooperation SAARC, Economic Cooperation Organization ECO, Animal Production & Health Commission for Asia APHCA, European Union EU) for Human Resource Development (HRD) and capacity building of national and provincial livestock institutions for diagnosis and control of animal diseases. Inter Provincial Coordination is being done by the Livestock Wing to implement the National Program to Control Foot & Mouth Disease (FMD) and Peste des Petitis Ruminants (PPR) disease in Pakistan. Pakistan has been following progressive FMD Control Pathway, Pakistan has been placed Stage 02 of the total six (06) Stage Pathways. A National FMD Control Program at a cost of Rs.763.9 million for the period of six years has been approved by the competent forums to sustain and continue project activities related to FMD during subsequent years.

Future Plans

The future plans will continue to focus on:

- Inter-provincial coordination for development of livestock sector
- Coordination with private sector to promote value addition livestock industry and diversification of livestock products
- Control of Trans-boundary Animal Diseases (FMD, PPR, Zoonotic diseases) of trade and economic importance through provincial participation
- Bringing more investments in livestock sectors
- Exploring new markets for export of meat and dairy products with focus on Global Halal Food Trade Market
- Under the “Prime Minister’s Initiatives on Livestock Sector”, it has been decided to initiate following Programs in all four provinces, ICT, AJK and Gilgit-Baltistan to alleviate poverty and augment the livelihood of poor in the country:
 - Save the buffalo calf Program
 - Calf fattening Program

Employment in the dairy sector

Dairying in Pakistan is labour-intensive and engages a large number of agents along the value chain, including 6.8 million farmers, and thousands of milk collectors, transporters, processors, distributors and retailers. The input and services industry also provides employment to a large number of workers, including in the feed and veterinary supply chain. However, it is difficult to quantify employment figures for the dairy sector based on the available data. The two official sources of information, the Household Integrated Economic Survey (Government of Pakistan, 2006) and the Labour Force Survey, consolidate numbers for agriculture, forestry and fishery together. Considering the wide breadth of the value chain, a detailed study is required to quantify the various on- and off-farm livelihoods.

DAIRY FARMING & PRODUCTION

Opportunities for improving dairy livelihoods

Pakistan has the highest level of urbanization in South Asia; by 2030, 50 percent of its population is expected to live in cities (UNFPA, 2007). This rapid urbanization, coupled with population increase, is expected to lead to higher demand for dairy and related goods and services. Increasing demand is encouraging intensive farming, and leading to a rise in the demand for prepared feed and veterinary services. These businesses can be sources of employment.

According to an industry estimate, there are only 5000 veterinarians in Pakistan, serving the entire livestock population, including 53.9 million dairy animals. This shows that the veterinary sector is under-resourced, and presents livelihood opportunities for newly trained professionals, including extension workers, para-veterinarians and veterinarians.

With development of the corporate processing sector, there are increasing opportunities for graduates specializing in dairy technology and livestock production. This situation has already been capitalized on by the University of Veterinary and Animal Sciences (UVAS), in Lahore, where the country's first dairy technology centre was established in 2007.

CHALLENGES IN DAIRY PRODUCTION

Breed/Genetics

- Low productivity
- Limited number of dairy animals with higher genetic make up
- Limited availability of proven bulls with higher genetic make up
- Low AI coverage (10-15%)
- In vitro-fertilization technique not well established

Nutrition

- Animals are underfed – deficient in energy by 25% and protein by 38%
- Non-availability of fodder round the year.
- Two scarcity periods: May-June and October-November
- Hay and Silage making not popular
- Land for fodder decreasing
- Limited availability of seed for high yielding fodder varieties
- Low quality fodder and methods for improving their quality not popular
- Concentrate feeds are expensive
- Feeding cost high

Health

- Vaccination coverage against contagious disease not 100%
- Vaccine Quality very low: Occurrence of disease despite vaccination
- Limited veterinary coverage and expensive medicine and Veterinarian fee
- Awareness about sub-clinical mastitis non-existent

DAIRY FARMING & PRODUCTION

CHALLENGES IN DAIRY PRODUCTION

Reproduction

- High age at first calving due to underfeeding and/or mineral deficiency and silent heat in buffaloes
- Age at first calving in:
 - Buffaloes: 48 months (should be 36)
 - Cows: 44 months (should be 30)
- High Calving Interval due to:
 - Less conception rate by AI than by natural mating
 - Reproductive problems: anoestrous, repeat breeding
 - Silent Heat in buffaloes

Housing and Management

- Improper Housing for extreme weathers (High summer temperature, Chilling winters)
- Lack of awareness about the importance of clean water round the clock
- High calf mortality due to negligence in calf management during early days

Marketing

- Low price of milk to the farmers: Higher cost of production than sale price of milk
- High feeding cost of calves during weaning period (Rs. 7000-8000 for cow calf and Rs. 10000- 12000 for a buffalo calf but their sale price is not more than Rs. 4000-5000 on meat rates)
- High price of lactating dairy animals

DESCRIPTION

The proposed dairy farm will be established on owned land with purpose built shed constructed on Environmentally Controlled Housing (ECH) system. The farm will begin operations with 500 cows to achieve milk production of 1,975,680 litres in first year of the project. The initial capacity utilization of milk production for sales revenue is 80% increasing up to a maximum of 95%. Female calves will be raised on milk replacer for first six months of age. Upon weaning at 7th month of age, calves will be offered 50% of Total Mixed Ration (TMR) for the rest of their productive life. Breeding of animals will be planned through 'Artificial Insemination' method. Female calves will be given special attention and raised as 'Heifers'. The milk will be primarily sold to bulk buyers at the rate of Rs. 75 with 10% annual growth rate in selling price. The subject business can be set-up at any appropriate location that ensures easy availability of feed, water and other related services. The development of urban or peri-urban commercial dairy farms is a relatively new concept in dairy production.

DAIRY FARMING & PRODUCTION

Metropolitan cities like Lahore, Karachi, Multan, Rawalpindi and Faisalabad etc. are major markets of milk as dairy farms established around these cities fulfil their daily milk demand. There is a year-round market of milk, however, the demand increases in summer (April to November).

SIGNIFICANT FACTORS

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

- Background knowledge and related experience of the entrepreneur in dairy farm operations.
- Application of good husbandry practices such as timely feeding, watering and vaccination to ensure animal's health and disease-free environment.
- Awareness about supply and demand of milk in the market as demand of milk is relatively higher in summer as compared to winter season.
- Efficient marketing of the project and bulk supply to wholesalers.

Commercial dairy farmers depend on land, labor and animals as the major resources. Modern dairy farming practices emphasize increased use of capital and management. Successful dairy farming harnesses all available resources for productive and profitable unit. Low yield animals are uneconomical to keep; hence they should be culled as early and efficiently as possible. Overall genetic improvement of all dairy animals is necessary for improved milk production.

PROCESS FLOW

Selection of dairy cattle breed such as Holstein Friesian with proven pedigree and high genetic worth from elite/ superior and renowned sires. Holstein cows are recognized by their distinctive color markings and outstanding milk production, having large body stature with typical color patterns of black & white or red & white. Holstein heifers can be bred at around 15 months of age as they gain 65% of their adult body weight (approx. 550 kgs live body weight). Gestation period of the animal is nine months with normal productive life of 4-5 years.

DAIRY FARMING & PRODUCTION

PROCESS FLOW

The pedigree and genetic worth of cows must be considered on top priority, i.e. proper pedigree paper and documentation containing all identifications and registrations of dairy cows by Holstein Association from USA or EU. Pedigree is a document showing an animal's lineage, a record of their ancestry; a typical Holstein pedigree shows three generations – the animal itself, its sire and dam, along with their sires and dams. May also list genetic and performance records for each animal, when applicable. The pedigree is very important as it can be useful to farmers and breeders in providing information about the cow's ancestors and thereby helping to predict how well that animal may perform later in life e.g. how much milk might be produced or how they will look in their body stature and conformation etc., based on the performance of their ancestors. Aside from providing owners and breeders with detailed information about their animals, Official Holstein Pedigrees also serve as a verified source of ancestry, performance and genetic information when selling animals, giving the buyer trusted documentation ensuring that information presented on the animal is accurate.

Selection of animals with excellent body condition and udder health: average daily milk production of 35 litres or above for cows in first lactation, essentially with no disease history.

Housing: Good housing leads to good management practices and ultimately optimum production. Generally, housing should be;

The housing should facilitate;

The Environmental Controlled Housing (ECH) Dairy Farm is a new and remarkable revolution in Pakistan's dairy sector by creating a self-sufficient temperature in dairy house. Following are some of the features of this system which are quite different from traditional dairy housing;

Feeding: The lactating Holstein cows are fed 1 kg of Dry Matter (DM) feed per 1.75 litres of milk produced. The ration allows nutritionally balanced feed in 24 hours. It includes dry matter with 60% concentrate and 40% roughages containing 16% Crude Protein (CP) and energy to increase animal productivity. It is better to use Total Mixed Ration (TMR) wagon for feeding the cows.

Watering: Supply of clean drinking water in clean troughs i.e. 50 to 80 litres of water consumption per adult animal per day, round the clock, maintains milk production capacity of the animal. Breeding: Efficient and timely Artificial Insemination (AI) of good genetic worth is a key to success in good breeding programs of herd.

DAIRY FARMING & PRODUCTION

PROCESS FLOW

Calving: Pregnant animals should be given special attention in third trimester of pregnancy and should be separated in pregnancy pens. Veterinary assistance should be sought out in case of emergency. Calf care and heifer management is very important in maintaining dairy farm production. The proposed farmer will raise female calves as future breeding heifers which will replace culled dairy animals. The first generation (F1) will be capable of breeding at age of 14 months; hence producing milk at about 23-24 months of age.

Lactation Period: lactation period is the period during which animals yield milk after calving. The animals producing milk are called 'Wet Animals'. Generally standard lactation period is taken as 305+ 5 days. This pre-feasibility study has taken 50-65% of the total number of animals as wet cows. The calving interval (interval between two calving) in Holstein cows is 12-14 months. The average daily milk yield of a cow is 12 litres.

Udder health: Hygienic and clean milking three times a day (morning/ afternoon/ evening) lowers chances of mastitis as udder health and hygiene is most important in dairy animals.

Proper storage of milk should be done preferably at temperature of 40c.

Disease management: Vaccination & medicine is required to prevent any disease outbreak in the dairy herd. Each animal will be vaccinated before entering the farm. Procurement of vaccines from reliable sources should be sought.

Record keeping: The animals should be ear-tagged with information of animal such as breed, age, date of birth/ purchase, number of lactations, vaccination etc. The records for daily milk yields, weight, Artificial Inseminations (AI), calving, vaccination and medication etc. are also important.

Culling: Good productive animals should be selected and uneconomical animals should be culled. Low yielding culled animals may be sold in the regular livestock market. On an average, cows are productive for 7 to 8 years. The culling rate of 15% per annum in the total herd is desirable for a successful dairy farm.

Regular technical assistance from dairy and livestock professionals, experts and technical consultants is advised.

Returns on the proposed business and its profitability are highly dependent on the efficiency of above mentioned factors. In case a dairy farm is not able to attain its target milk production or implement effective husbandry practices, it will not be able to cover the potential market and recover payments; hence, cost of operating the business will increase.

DAIRY FARMING & PRODUCTION

INSTALLED AND OPERATIONAL CAPACITIES

In the proposed study, initially, 500 cows are recommended to obtain optimum milk production in first year of project. It is assumed that on average, 60-65 % of total animals present at farm would be in lactation on farm. The female calves born at farm will be added to the milking herd through heifer management; hence total number of animals to be 990, among which, 490 animals will be in lactation in 10th year of project. The male calves will be sold in open market. Average milk production of cows during one lactation period is estimated to be 164,640 litres. The dairy farm will have the capacity to generate revenues at 80% capacity utilization of total milk produced at farm i.e. 1,975,680 litres in its first year of operation.

The annual mortality rate is assumed to be 7% for newborn calves, 3% for heifers and 2% for adult cows. The project will operate at 100% of its installed capacity from the first year of operations.

GEOGRAPHICAL IMPORTANCE

Commercial dairy farming is a viable business proposition for peri-urban areas of Pakistan. There is higher demand for milk in peri urban areas around the major cities such as Karachi, Hyderabad, Sukkar Lahore, Faisalabad, Sheikhpura, Bahawalpur, Multan, Jhang, Sahiwal, Pakpattan, Okara, Jehlum, Peshawar, Charsadda, D.I. Khan, Quetta, etc. across the country; hence, the said project offers good investment opportunities for potential investment in all provinces of country. The peri-urban areas around major cities with abundant water and availability of fodder make a better choice for farming; provided there is ready access to livestock related marketing and veterinary services.

DAIRY FARMING & PRODUCTION

PROJECT COST SUMMARY

A detailed business model has been developed to analyze the commercial viability of Dairy Farming & Production. Various cost and revenue related assumptions along with results of the analysis are outlined in this section. The projected Statement of Financial Position, Statement of Profit & Loss , Cash Flow Statement are also attached as annexure.

A. PROJECT OUTLOOK

Sales in 3 years	562,499,415
Payback Period (Years)	4.00
Net profit in 5 years	48,444,882

The financial model for this pre-feasibility study indicates estimated revenue of Rs. 148.17 million in first year of the project. The capacity utilization during year one is 100%, which will remain the same throughout the life of the project. The above table shows sales in 3 years, payback period and net profit in 5 years of the proposed venture.

B. PROJECT FINANCING

Total Equity (100%)	99,283,250
Bank Loan (0%)	-
Markup to the Borrower (%age / annum)	-
Tenure of the Loan (Years)	-

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

DAIRY FARMING & PRODUCTION

C. PROJECT COST

Capital Cost

Land	5,000,000
Building and infrastructure	9,495,000
Machinery and Equipment	2,141,750
Cows	70,000,000
Furniture & Fixture	358,000
Office Equipment	43,000
Office Vehicles	123,000
Pre-operating Cost	800,000
Total Capital Cost	87,960,750

Working Capital

Raw Material Inventory	10,072,500
Upfront Insurance Payment	250,000
Cash	1,000,000
Total Working Capital	11,322,500

Total Project Cost	99,283,250
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D. MACHINERY & EQUIPMENT REQUIREMENT

	QUANTITY	UNIT COST	TOTAL COST
Calf Feeder (New born calves)	12	1,500	18,000
Calf Cages	17	15,000	255,000
Cooling System	1	450,000	450,000
Water Turbine	1	150,000	150,000
Milking Line	6	45,000	270,000
Generator (50 KVA)	1	300,000	300,000
Milk Chiller (5,000 litres)	1	450,000	450,000
Milk Testing Machines	1	25,000	25,000
Velocity Meter	1	1,750	1,750
Surgery Kit	1	12,000	12,000
AI Equipment	1	55,000	55,000
Dystocia Kit	1	22,000	22,000
Energy Savers-Farm	20	400	8,000
Miscellaneous	1	125,000	125,000
			2,141,750

DAIRY FARMING & PRODUCTION

E. RENT & SPACE

Space requirement for the proposed dairy farm is calculated considering requirements for management office, sheds for cows, calves and dry animals, milk chiller rooms, storage, open paddocks etc. Details of space requirement and cost related to land & building are given below. Total investment in building and infrastructure is approximately Rs. 9.49 million in year 1. Shed space has been increased with the increase in number of animals in the herd; hence an expansion is suggested in year 4. The housing of labor & management staff and room for chiller utensils and milk storage would be constructed on the first floor. Land is to be purchased as per maximum space requirements of the farm for 10 years. Total land requirement is approximately 0.76 acres at an average price of Rs. 5 million per acre.

	AREA	UNIT COST	TOTAL COST
Shed for Wet Cows	4,000	1,000	4,000,000
Open Paddock for Wet Cows	8,000	10	80,000
Shed for Dry Cows	4,000	500	2,000,000
Open Paddock for Dry Cows	8,000	10	80,000
Shed for Calves	2,000	500	1,000,000
Open Paddock for Calves	4,000	10	40,000
Stores (fodder, concentrate & machines)	350	700	245,000
Room (chillers, utensils & milk storage)	150	1,000	150,000
Silage Bunker (sq.ft.)	2,000	500	1,000,000
Residence (Manager)	200	1,500	300,000
Admin / Accounts Room	200	1,000	200,000
Washroom (Executives)	25	2,000	50,000
Rooms (Workers)	300	1,000	300,000
Washrooms (Workers)	50	1,000	50,000
	33,275		9,495,000

F. OFFICE EQUIPMENT REQUIREMENT

Several office equipment are required (i.e.) computers, printers, UPS, scanner, security cameras, telephone sets etc. Total estimated cost @ Rs. 43,000

G. OFFICE VEHICLE REQUIREMENT

2 Motor Cycles are required @ Rs. 120,000. It is assumed that Rs. 5,000 per month will be required to cover travelling expenses in order to carry out essential operations of the farm, translating to an expense of Rs.60,000 per annum.

DAIRY FARMING & PRODUCTION

H. FURNITURE & FIXTURES REQUIREMENT

Several furniture & fixtures are required mainly including tables, chairs, fans, energy savers, ACs costing @ Rs. 258,000 tentatively. Cost of Furniture will be Rs. 100,000 besides these fixtures.

I. HUMAN RESOURCE REQUIREMENT

It is recommended that the farm supervisor be categorized as 'NVQF Certificate Level-3 OR Level-4' having comprehensive practical and theoretical knowledge within dairy farming with the responsibility for supervision of various critical activities at farm related to improvement of farm productivity. He should also provide inputs to review and develop targets for sub-ordinate farm workers. Total Cost of HR will be Rs. 5,227,200.

J. UTILITIES AND OTHER COSTS

An essential cost to be borne by the project is the cost of electricity. Direct electricity expenses of the dairy farm are estimated to be approximately Rs. 30,000 per month i.e. Rs. 360,000 annually. It is further assumed that within the cooling system, the cone exhaust fans with water motor will operate for 12 hours per day. The milk chiller and energy savers will operate for 12 hours per day (average) throughout the year. The water turbine will operate for 2 hours daily (average). The milking line will operate for 7 hours daily (average) to carry out three milking sessions daily for a herd of 490 cows. The indirect or regular electricity expense for management building and staff residence is assumed to be approximately Rs. 5,000 per month or Rs. 60,000 in year one of the project. Machinery maintenance expense is assumed to be Rs. 10,000 per month or Rs. 120,000 in year one. Monthly expenses related to office vehicle running, Office expenses (entertainment, janitorial, stationery etc.) and communication are Rs. 20,000, 10,000 and 5,000 respectively. Similarly, monthly expenses related to business promotion is Rs. 15,000. Professional fees related to any legal, audit or technical consultation is assumed to be Rs. 0.05% of total revenue per month. Insurance of equipment, machinery and office vehicle is assumed to be Rs. 250,000.

DAIRY FARMING & PRODUCTION

K. RAW MATERIAL REQUIREMENT

Following tables show raw material requirement to run the proposed dairy farm in first year of production;

	RATE PER DAY	MONTHLY COST PER COW
Total Mixed Ration (TMR) – Male	500	15,000
Total Mixed Ration (TMR) – Female	550	16,500
Total Mixed Ration (TMR) – Calves	250	7,500

	RS./ ANIMAL	TOTAL COST IN YEAR 1 (RS.)
Vaccination and Medication	1,500	5,940,000
Artificial Insemination (AI)	1,200	4,752,000
TOTAL	2,700	10,692,000

Total Cost of Vaccination, Medication and AI in Year 1

* Prices are rounded off to near decimal point for 365 days of feeding. The number of animals are calculated after mortality count which is 7% in new born, 3 % in female calves older than one year and 2% in adult cows.

L. REVENUE GENERATION

Based on capacity utilization of 80% for revenues from milk production from 500 cows, sales revenue during the first year of operations are shown in the following table. However, capacity has been increased at 10% for a maximum utilization of 95%.

	ANNUAL PRODUCTION	PRICE (RS./UNIT)	SALES REVENUE
No of Litres	164,640		
No of Cows	490		
TOTAL - LITRES	1,975,680	75	148,176,000

DAIRY FARMING & PRODUCTION

KEY ASSUMPTIONS

1. OPERATING COST ASSUMPTIONS

Machinery Maintenance	10,000
Direct Electricity	30,000
Office vehicle running expenses	20,000
Office Expenses (entertainment, janitorial etc.)	10,000
Communication Expenses	5,000
Promotional Expenses	15,000
All is Rs./ Month	

2. PRODUCTION COST ASSUMPTIONS

	UNIT	DETAIL
Annual installed capacity	No. of cows	500
Capacity utilization	%	100
Milk production starting capacity utilization	%	80
Maximum production capacity utilization	%	95
Total milk production	Litres/per day/cow	12
Number of female calves in year 1	No.	490
Average number of days in Lactation	No. of days	360
Purchase price of pregnant cow	Rs. per cow	140,000
Cost of vaccination and medication	Rs./animal/year	1,000
Mortality in new born calves	% of total animals/ year	7
Mortality in adult cows	% of total animals/ year	2
Mortality in heifers (females calves older 1 year)	% of total animals/ year	3
Shed space per cow	Sq. Ft. per animal	8
Open paddock space per cow	Sq. Ft. per animal	16

DAIRY FARMING & PRODUCTION

KEY ASSUMPTIONS

3. REVENUE ASSUMPTIONS

Total Milk Production	No. of Liters/ year	1,975,680
Sale Price of Milk	Rs./ Litre	75
Sale Price Growth Rate	% per annum	10
Capacity Utilization	%	80
Maximum Capacity	%	95

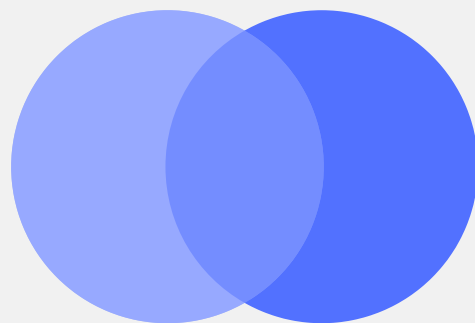
4. FINANCIAL ASSUMPTIONS

Debt	0%
Equity	100%
Interest Rate on Debt	-
Debt Tenure	-
Debt Payment / Year	-

FINANCIAL MODELING

Following are the documents prepared for Financial Modeling of Dairy Farming that is to be operative from Year 2022:

- Statement of Profit & Loss – 3 years (2022 – 2024) – **Annexure D.1**
- Statement of Financial Position – 3 years (2022 – 2024) – **Annexure D.2**
- Cashflow Statement – 3 years (2022 – 2024) – **Annexure D.3**
- Graphical Analysis – **Annexure D.4**
- Key Assumptions – **See Above**



FINANCIAL MODELING **CONSOLIDATED**

Mian Textile Industries Limited

STATEMENT OF PROFIT OR LOSS

FOR YEAR 2020 TO 2024

ANNEXURE A.1

CONSOLIDATED

	2020	2021	2022	2023	2024
Revenue	120,000,000	311,400,000	524,970,000	639,899,766	805,366,876
Cost of sales:					
Raw material	66,420,000	167,422,440	204,422,799	249,600,238	304,761,890
Stiching cost	16,200,000	41,240,400	50,354,528	61,482,879	75,070,595
Overhead cost	2,700,000	6,929,400	8,460,797	10,330,634	12,613,704
Direct labor	2,100,000	6,906,000	7,803,780	8,818,271	9,964,647
Machinery maintenance	900,000	2,191,500	2,476,395	2,798,326	3,162,109
Stores & spares	150,000	800,000	800,000	800,000	800,000
Direct electricity	2,400,000	5,844,000	6,603,720	7,462,204	8,432,290
Total Mixed Ration (TMR)	-	-	120,870,000	149,185,877	184,939,538
Vaccination and Medication	-	-	10,692,000	10,252,151	14,416,849
	<u>90,870,000</u>	<u>231,333,740</u>	<u>412,484,020</u>	<u>500,730,580</u>	<u>614,161,622</u>
Gross profit	29,130,000	80,066,260	112,485,980	139,169,186	191,205,254
General administration & selling expenses:					
Administration expense	2,100,000	5,061,000	5,867,106	6,646,370	7,532,846
Administration benefits expense	84,000	202,440	228,757	258,496	292,100
Building rental expense	1,800,000	5,268,000	5,952,840	6,726,709	7,601,181
Electricity expense	120,000	292,200	690,186	769,110	857,215
Water expense	62,500	236,250	266,963	301,668	340,884
Gas expense	75,000	344,500	389,285	439,892	497,078
Travelling expense	210,000	506,100	571,893	646,239	730,250
Communications expense	57,500	201,500	281,650	309,815	340,797
Office vehicles running expense	125,000	507,500	813,475	912,027	1,022,670
Office expenses	37,500	162,500	298,750	328,625	361,488
Indirect salaries	1,710,000	5,322,000	11,081,400	11,451,783	13,994,784
Promotional expense	500,000	1,120,000	1,154,400	1,045,728	955,323
Insurance expense	175,000	542,500	819,625	873,106	930,512
Professional fees expense	600,000	1,504,500	1,894,533	2,294,728	2,780,486
Depreciation expense	335,750	1,551,100	2,739,450	2,739,450	2,739,450
Amortization of pre-operating costs	45,000	140,000	300,000	300,000	300,000
Bad debt expense	1,200,000	2,956,500	3,577,365	4,328,612	5,237,620
Miscellaneous expense	-	-	370,000	407,000	447,700
	<u>9,237,250</u>	<u>25,918,590</u>	<u>37,297,678</u>	<u>40,779,357</u>	<u>46,962,383</u>
Profit / (Loss) before interest & taxes	19,892,750	54,147,670	75,188,302	98,389,829	144,242,871
Interest	402,000	908,520	1,026,628	1,160,089	1,310,901
Tax	<u>5,768,898</u>	<u>15,702,824</u>	<u>21,804,608</u>	<u>28,533,050</u>	<u>41,830,433</u>
	<u>6,170,898</u>	<u>16,611,344</u>	<u>22,831,235</u>	<u>29,693,140</u>	<u>43,141,333</u>
Net Profit / (Loss) after interest & taxes	13,721,853	37,536,326	52,357,067	68,696,690	101,101,538

STATEMENT OF FINANCIAL POSITION

FOR YEAR 2020 TO 2024

ANNEXURE A.2

CONSOLIDATED

	2020	2021	2022	2023	2024
<u>Current Assets</u>					
Cash & Bank	4,325,009	53,978,288	107,231,096	174,824,156	281,500,538
Accounts receivable	20,000,000	25,950,000	43,747,500	53,324,981	65,167,374
Finished goods inventory	1,402,521	1,602,286	2,203,515	2,486,323	2,818,191
Equipment spare part inventory	800,000	800,000	800,000	800,000	800,000
Raw material inventory	13,951,870	27,107,733	30,872,520	37,828,981	44,182,163
Pre-paid building rent	1,317,000	1,488,210	1,681,677	1,900,295	2,147,334
Pre-paid insurance	542,500	819,625	873,106	930,512	992,162
TOTAL CURRENT ASSETS	<u>42,338,900</u>	<u>111,746,143</u>	<u>187,409,414</u>	<u>272,095,247</u>	<u>397,607,762</u>
<u>Fixed Assets</u>					
Land	-	5,000,000	5,000,000	5,000,000	5,000,000
Building and infrastructure	-	9,495,000	8,695,500	7,896,000	7,096,500
Machinery & Equipment	13,579,250	14,549,500	13,049,650	11,549,800	10,049,950
Cows	-	70,000,000	99,000,000	116,973,650	102,344,823
Furniture & Fixtures	2,242,500	2,410,700	2,187,600	1,964,500	1,741,400
Office Vehicles	1,301,000	1,228,000	1,172,400	1,036,800	901,200
Office Equipments	403,500	452,700	291,300	209,900	128,500
TOTAL FIXED ASSETS	<u>17,526,250</u>	<u>103,135,900</u>	<u>129,396,450</u>	<u>144,630,650</u>	<u>127,262,373</u>
<u>Intangible Assets</u>					
Pre-operating costs	655,000	1,315,000	1,015,000	715,000	415,000
TOTAL ASSETS	<u>60,520,150</u>	<u>216,197,043</u>	<u>317,820,864</u>	<u>417,440,897</u>	<u>525,285,135</u>
<u>Current Liabilities</u>					
Accounts Payable	5,535,000	13,951,870	27,998,733	34,086,522	42,009,856
Interest Payable	402,000	908,520	1,026,628	1,160,089	1,310,901
TOTAL CURRENT LIABILITIES	<u>5,937,000</u>	<u>14,860,390</u>	<u>29,025,361</u>	<u>35,246,611</u>	<u>43,320,757</u>
<u>Other liabilities</u>					
Provision for tax	5,768,898	15,702,824	21,804,608	28,533,050	41,830,433
Long term debt	5,360,000	5,360,000	5,360,000	5,360,000	5,360,000
TOTAL OTHER LIABILITIES	<u>11,128,898</u>	<u>21,062,824</u>	<u>27,164,608</u>	<u>33,893,050</u>	<u>47,190,433</u>
<u>Shareholder Equity</u>					
Paid up Capital	29,732,400	129,015,650	129,015,650	129,015,650	129,015,650
Net Gain on Value of Cows	-	-	29,000,000	46,973,650	32,344,823
Retained Earnings	13,721,853	51,258,178	103,615,245	172,311,935	273,413,472
TOTAL EQUITY	<u>43,454,253</u>	<u>180,273,828</u>	<u>261,630,895</u>	<u>348,301,235</u>	<u>434,773,945</u>
TOTAL CAPITAL AND LIABILITIES	<u>60,520,150</u>	<u>216,197,043</u>	<u>317,820,864</u>	<u>417,440,897</u>	<u>525,285,135</u>

CASHFLOW STATEMENT

FOR YEAR 2020 TO 2024

ANNEXURE A.3

CONSOLIDATED

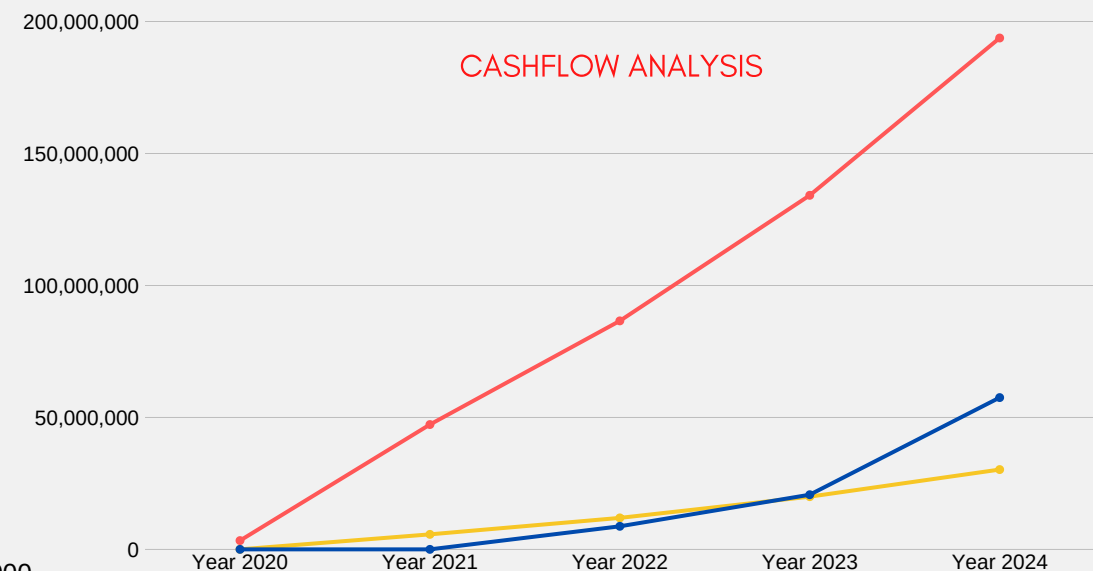
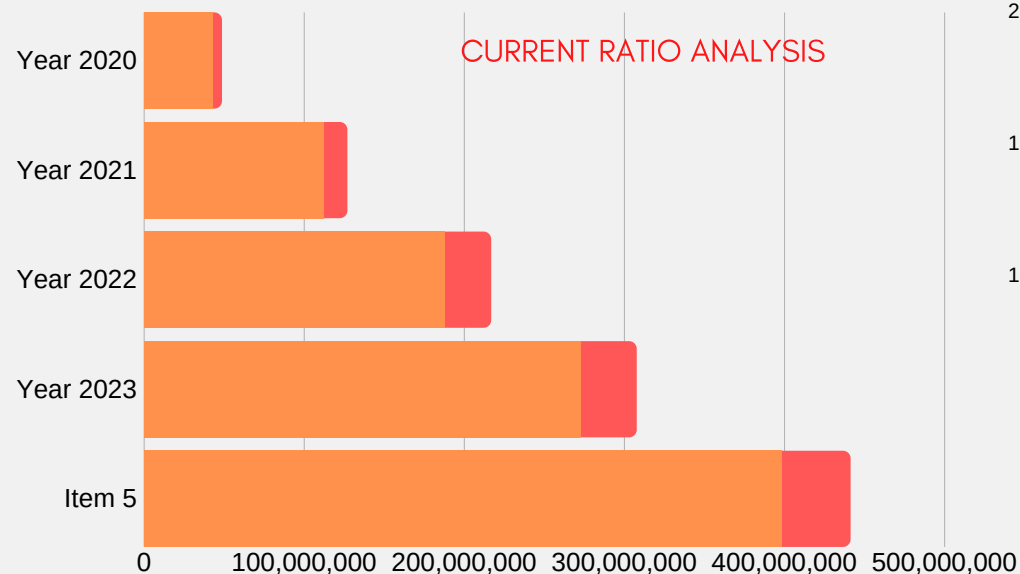
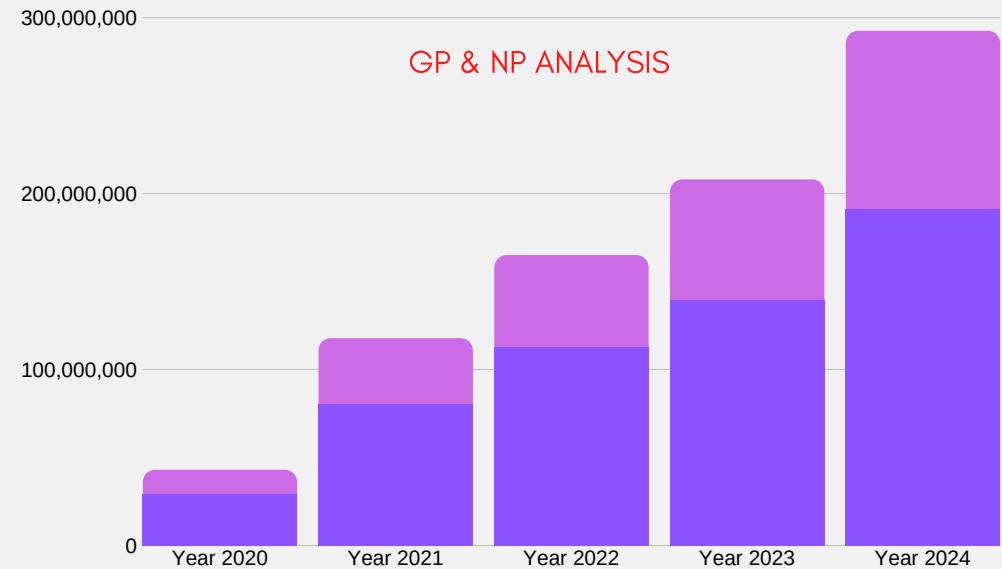
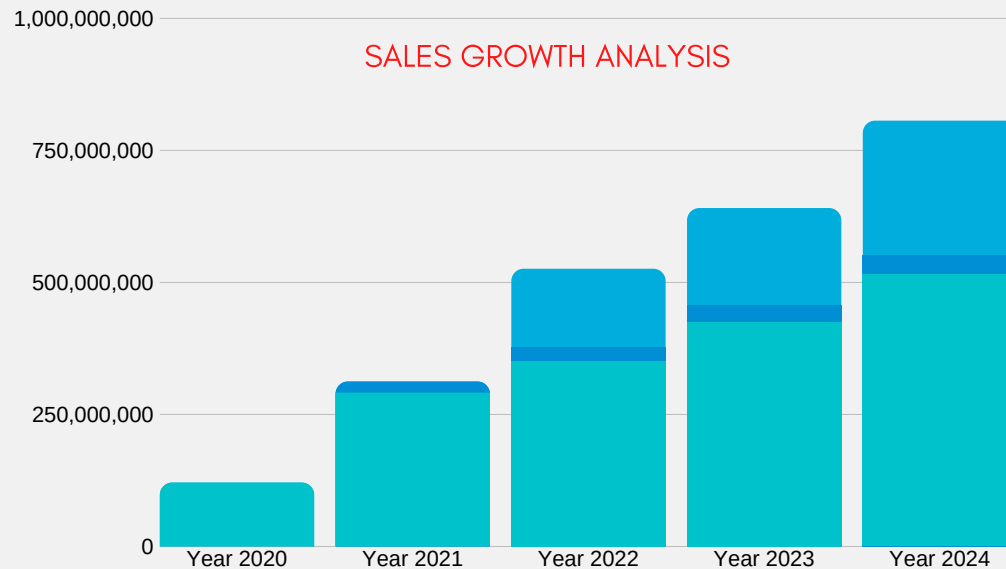
	2020	2021	2022	2023	2024
<u>Cash flow from operating activities</u>					
Profit / (Loss) before taxation	19,490,750	53,239,150	74,161,675	97,229,740	142,931,970
Adjustment for:					
Add: depreciation expense	335,750	1,551,100	2,739,450	2,739,450	2,739,450
Add: amortization of pre-operating costs	45,000	140,000	300,000	300,000	300,000
Add: Interest expense	402,000	908,520	1,026,628	1,160,089	1,310,901
Add: bad debt expense	-	-	-	-	-
Operating cash flows before changes in working capital	<u>20,273,500</u>	<u>55,838,770</u>	<u>78,227,752</u>	<u>101,429,279</u>	<u>147,282,321</u>
<u>Changes in working capital:</u>					
Accounts receivable	(20,000,000)	(5,950,000)	(17,797,500)	(9,577,481)	(11,842,393)
Finished goods inventory	(1,402,521)	(199,765)	(601,229)	(282,808)	(331,869)
Equipment inventory	(500,000)	-	-	-	-
Raw material inventory	(2,881,870)	(13,155,863)	(3,764,787)	(6,956,461)	(6,353,182)
Pre-paid building rent	(417,000)	(171,210)	(193,467)	(218,618)	(247,038)
Advance insurance premium	(192,500)	(277,125)	(53,481)	(57,405)	(61,651)
Accounts payable	5,535,000	8,416,870	14,046,863	6,087,789	7,923,334
	<u>(19,858,891)</u>	<u>(11,337,094)</u>	<u>(8,363,600)</u>	<u>(11,004,984)</u>	<u>(10,912,799)</u>
Cash generated from operations	414,609	44,501,676	69,864,152	90,424,295	136,369,522
Income tax paid	-	(5,768,898)	(15,702,824)	(21,804,608)	(28,533,050)
Net cash flow from / (used in) operating activities	<u>414,609</u>	<u>38,732,779</u>	<u>54,161,328</u>	<u>68,619,688</u>	<u>107,836,471</u>
<u>Cash flow from financing activities</u>					
Project Loan – principal repayment	-	-	-	-	-
Equity Injection	13,652,400	99,283,250	-	-	-
Interest Paid	-	(402,000)	(908,520)	(1,026,628)	(1,160,089)
Net cash used in investing activities	<u>13,652,400</u>	<u>98,881,250</u>	<u>(908,520)</u>	<u>(1,026,628)</u>	<u>(1,160,089)</u>
<u>Cash flow from investing activities</u>					
Capital expenditure	(10,992,000)	(87,160,750)	-	-	-
	<u>(250,000)</u>	<u>(800,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash flow from/ (used in) investing activities	<u>(11,242,000)</u>	<u>(87,960,750)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net increase / (decrease) in cash and cash equivalents	2,825,009	49,653,279	53,252,808	67,593,060	106,676,382
Cash and cash equivalents at the beginning of the year	1,500,000	4,325,009	53,978,288	107,231,096	174,824,156
Cash and cash equivalents at the end of the year	<u>4,325,009</u>	<u>53,978,288</u>	<u>107,231,096</u>	<u>174,824,156</u>	<u>281,500,538</u>

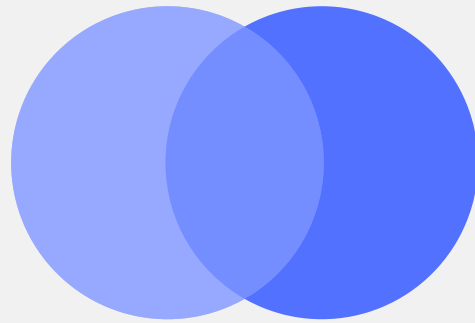
GRAPHICAL ANALYSIS

FOR YEAR 2020 TO 2024

ANNEXURE A.4

CONSOLIDATED





FINANCIAL MODELING
GARMENTS - T SHIRTS

Mian Textile Industries Limited

STATEMENT OF PROFIT OR LOSS

FOR YEAR 2020 TO 2024

ANNEXURE B.1

GARMENT - T SHIRTS

	2020 July 20 to Dec 20	2021	2022	2023	2024
Revenue	120,000,000	290,400,000	351,384,000	425,174,640	514,461,314
<u>Cost of sales:</u>					
Raw material	66,420,000	162,197,640	198,043,318	241,810,892	295,251,099
Stiching cost	16,200,000	39,560,400	48,303,248	58,978,266	72,012,463
Overhead cost	2,700,000	6,593,400	8,050,541	9,829,711	12,002,077
Direct labor	2,100,000	4,746,000	5,362,980	6,060,167	6,847,989
Machinery maintenance	900,000	2,034,000	2,298,420	2,597,215	2,934,852
Stores & spares	150,000	300,000	300,000	300,000	300,000
Direct electricity	<u>2,400,000</u>	<u>5,424,000</u>	<u>6,129,120</u>	<u>6,925,906</u>	<u>7,826,273</u>
	<u>90,870,000</u>	<u>220,855,440</u>	<u>268,487,628</u>	<u>326,502,157</u>	<u>397,174,754</u>
Gross profit	29,130,000	69,544,560	82,896,372	98,672,483	117,286,560
<u>General administration & selling expenses:</u>					
Administration expense	2,100,000	4,746,000	5,362,980	6,060,167	6,847,989
Administration benefits expense	84,000	189,840	214,519	242,407	273,920
Building rental expense	1,800,000	4,068,000	4,596,840	5,194,429	5,869,705
Electricity expense	120,000	271,200	306,456	346,295	391,314
Water expense	62,500	141,250	159,613	180,362	203,809
Gas expense	75,000	169,500	191,535	216,435	244,571
Travelling expense	210,000	474,600	536,298	606,017	684,799
Communications expense	57,500	126,500	139,150	153,065	168,372
Office vehicles running expense	125,000	282,500	319,225	360,724	407,618
Office expenses	37,500	82,500	90,750	99,825	109,808
Indirect salaries	1,710,000	3,762,000	4,138,200	4,552,020	5,007,222
Promotional expense	500,000	870,000	756,900	658,503	572,898
Insurance expense	175,000	367,500	385,875	405,169	425,427
Professional fees expense	600,000	1,452,000	1,756,920	2,125,873	2,572,307
Depreciation expense	335,750	671,500	671,500	671,500	671,500
Amortization of pre-operating costs	45,000	90,000	90,000	90,000	90,000
Bad debt expense	<u>1,200,000</u>	<u>2,904,000</u>	<u>3,513,840</u>	<u>4,251,746</u>	<u>5,144,613</u>
	<u>9,237,250</u>	<u>20,668,890</u>	<u>23,230,601</u>	<u>26,214,538</u>	<u>29,685,870</u>
Profit / (Loss) before interest & taxes	19,892,750	48,875,670	59,665,771	72,457,946	87,600,690
Interest	402,000	908,520	1,026,628	1,160,089	1,310,901
Tax	<u>5,768,898</u>	<u>14,173,944</u>	<u>17,303,074</u>	<u>21,012,804</u>	<u>25,404,200</u>
	<u>6,170,898</u>	<u>15,082,464</u>	<u>18,329,701</u>	<u>22,172,893</u>	<u>26,715,101</u>
Net Profit / (Loss) after interest & taxes	13,721,853	33,793,206	41,336,070	50,285,052	60,885,589

STATEMENT OF FINANCIAL POSITION

ANNEXURE B.2

GARMENT - T SHIRTS

FOR YEAR 2020 TO 2024

	Year 0	2020	2021	2022	2023	2024
Current Assets						
Cash & Bank	1,500,000	3,325,009	47,294,775	86,574,456	134,150,145	193,754,970
Accounts receivable	-	20,000,000	24,200,000	29,282,000	35,431,220	42,871,776
Finished goods inventory	-	1,402,521	1,542,773	1,697,050	1,866,755	2,053,430
Equipment spare part inventory	300,000	300,000	300,000	300,000	300,000	300,000
Raw material inventory	11,070,000	13,516,470	16,503,610	20,150,908	24,604,258	27,802,812
Pre-paid building rent	900,000	1,017,000	1,149,210	1,298,607	1,467,426	1,658,192
Pre-paid insurance	350,000	367,500	385,875	405,169	425,427	446,699
TOTAL CURRENT ASSETS	14,120,000	39,928,500	91,376,243	139,708,189	198,245,231	268,887,878
Fixed Assets						
Machinery & Equipment	4,815,000	4,579,250	4,107,750	3,636,250	3,164,750	2,693,250
Furniture & Fixtures	1,210,000	1,154,500	1,043,500	932,500	821,500	710,500
Office Vehicles	665,000	636,000	578,000	520,000	462,000	404,000
Office Equipments	180,000	164,500	133,500	102,500	71,500	40,500
TOTAL FIXED ASSETS	6,870,000	6,534,250	5,862,750	5,191,250	4,519,750	3,848,250
Intangible Assets						
Pre-operating costs	450,000	405,000	315,000	225,000	135,000	45,000
TOTAL ASSETS	21,440,000	46,867,750	97,553,993	145,124,439	202,899,981	272,781,128
Current Liabilities						
Accounts Payable	-	5,535,000	13,516,470	16,503,610	20,150,908	24,604,258
Interest Payable	-	402,000	908,520	1,026,628	1,160,089	1,310,901
TOTAL CURRENT LIABILITIES	-	5,937,000	14,424,990	17,530,237	21,310,997	25,915,159
Other liabilities						
Provision for tax	-	5,768,898	14,173,944	17,303,074	21,012,804	25,404,200
Long term debt	5,360,000	5,360,000	5,360,000	5,360,000	5,360,000	5,360,000
TOTAL OTHER LIABILITIES	5,360,000	11,128,898	19,533,944	22,663,074	26,372,804	30,764,200
Shareholder Equity						
Paid up Capital	16,080,000	16,080,000	16,080,000	16,080,000	16,080,000	16,080,000
Retained Earnings	-	13,721,853	47,515,058	88,851,128	139,136,180	200,021,769
TOTAL EQUITY	16,080,000	29,801,853	63,595,058	104,931,128	155,216,180	216,101,769
TOTAL CAPITAL AND LIABILITIES	21,440,000	46,867,750	97,553,993	145,124,439	202,899,981	272,781,128

CASHFLOW STATEMENT

FOR YEAR 2020 TO 2024

ANNEXURE B.3

GARMENT - T SHIRTS

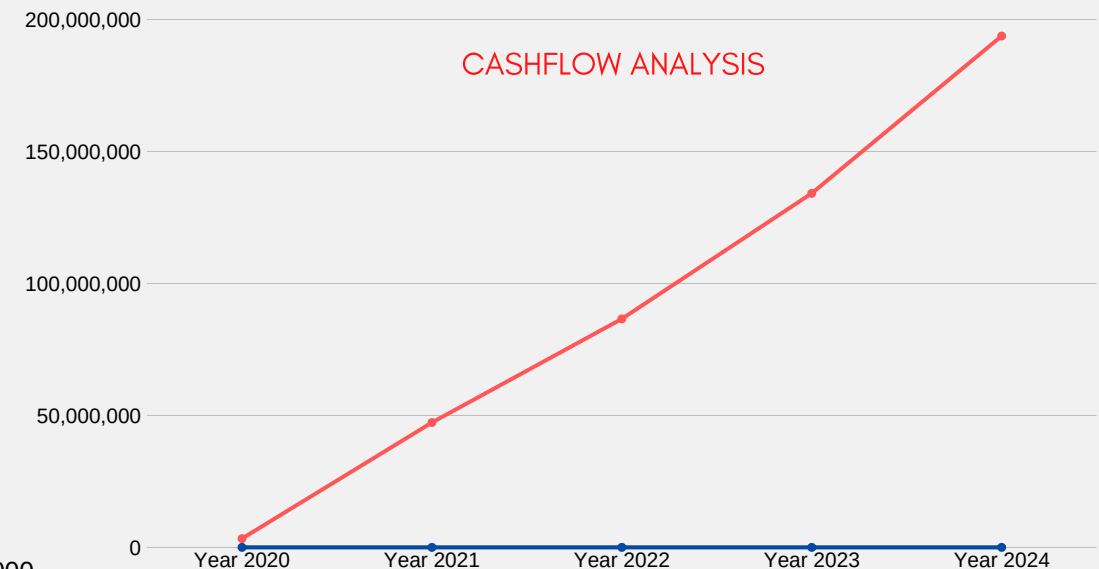
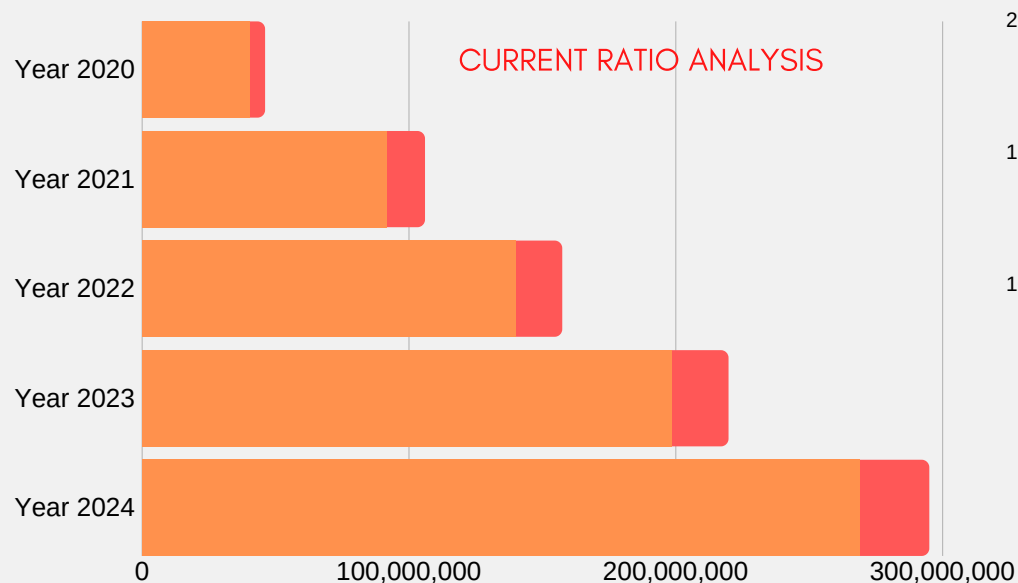
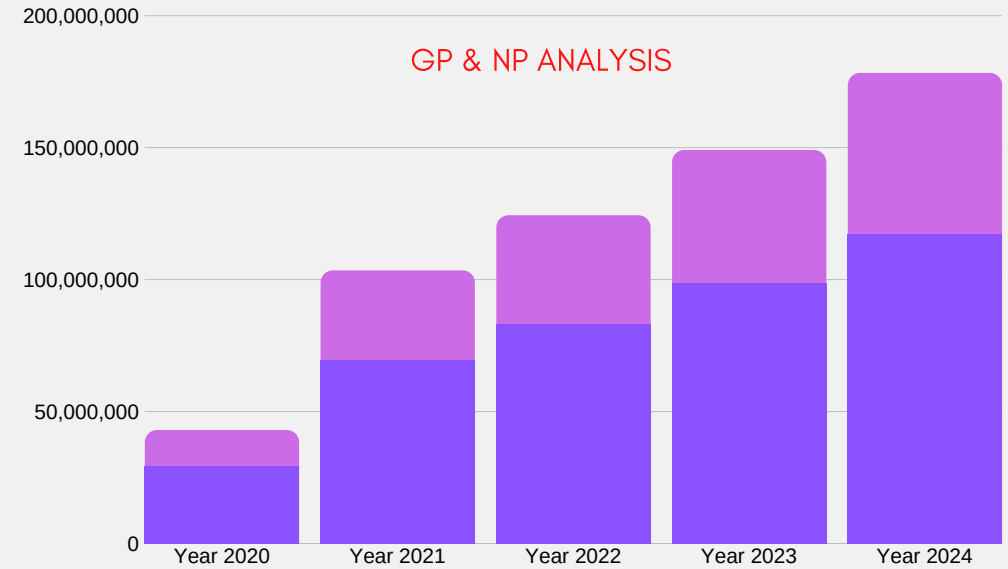
	2020	2021	2022	2023	2024
<u>Cash flow from operating activities</u>					
Profit / (Loss) before taxation	19,490,750	47,967,150	58,639,143	71,297,856	86,289,789
Adjustment for:					
Add: depreciation expense	335,750	671,500	671,500	671,500	671,500
Add: amortization of pre-operating costs	45,000	90,000	90,000	90,000	90,000
Add: Interest expense	402,000	908,520	1,026,628	1,160,089	1,310,901
Add: bad debt expense	-	-	-	-	-
Operating cash flows before changes in working capital	<u>20,273,500</u>	<u>49,637,170</u>	<u>60,427,271</u>	<u>73,219,446</u>	<u>88,362,190</u>
Changes in working capital:					
Accounts receivable	(20,000,000)	(4,200,000)	(5,082,000)	(6,149,220)	(7,440,556)
Finished goods inventory	(1,402,521)	(140,252)	(154,277)	(169,705)	(186,675)
Equipment inventory	-	-	-	-	-
Raw material inventory	(2,446,470)	(2,987,140)	(3,647,298)	(4,453,351)	(3,198,554)
Pre-paid building rent	(117,000)	(132,210)	(149,397)	(168,819)	(190,765)
Advance insurance premium	(17,500)	(18,375)	(19,294)	(20,258)	(21,271)
Accounts payable	5,535,000	7,981,470	2,987,140	3,647,298	4,453,351
	<u>(18,448,491)</u>	<u>503,493</u>	<u>(6,065,126)</u>	<u>(7,314,055)</u>	<u>(6,584,471)</u>
Cash generated from operations	1,825,009	50,140,663	54,362,145	65,905,390	81,777,718
Income tax paid	-	(5,768,898)	(14,173,944)	(17,303,074)	(21,012,804)
Net cash flow from / (used in) operating activities	<u>1,825,009</u>	<u>44,371,766</u>	<u>40,188,201</u>	<u>48,602,317</u>	<u>60,764,914</u>
<u>Cash flow from financing activities</u>					
Project Loan – principal repayment	-	-	-	-	-
Issuance of shares	-	-	-	-	-
Interest Paid	-	(402,000)	(908,520)	(1,026,628)	(1,160,089)
Net cash used in investing activities	<u>-</u>	<u>(402,000)</u>	<u>(908,520)</u>	<u>(1,026,628)</u>	<u>(1,160,089)</u>
<u>Cash flow from investing activities</u>					
Capital expenditure	-	-	-	-	-
Net cash flow from/ (used in) investing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net increase / (decrease) in cash and cash equivalents	1,825,009	43,969,766	39,279,681	47,575,689	59,604,825
Cash and cash equivalents at the beginning of the year	1,500,000	3,325,009	47,294,775	86,574,456	134,150,145
Cash and cash equivalents at the end of the year	<u>3,325,009</u>	<u>47,294,775</u>	<u>86,574,456</u>	<u>134,150,145</u>	<u>193,754,970</u>

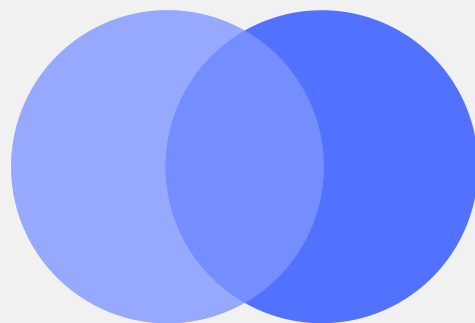
GRAPHICAL ANALYSIS

FOR YEAR 2020 TO 2024

ANNEXURE B.4

GARMENTS - T SHIRTS





FINANCIAL MODELING **SURGICAL UNIT**

Mian Textile Industries Limited

STATEMENT OF PROFIT OR LOSS

FOR YEAR 2021 TO 2024

ANNEXURE C.1

SURGICAL UNIT

	2021	2022	2023	2024
Revenue	21,000,000	25,410,000	30,746,100	37,202,781
Cost of sales:				
Raw material	5,224,800	6,379,481	7,789,346	9,510,792
Stiching cost	1,680,000	2,051,280	2,504,613	3,058,132
Overhead cost	336,000	410,256	500,923	611,626
Direct labor	2,160,000	2,440,800	2,758,104	3,116,658
Machinery maintenance	157,500	177,975	201,112	227,256
Stores & spares	500,000	500,000	500,000	500,000
Direct electricity	<u>420,000</u>	<u>474,600</u>	<u>536,298</u>	<u>606,017</u>
	<u>10,478,300</u>	<u>12,434,392</u>	<u>14,790,395</u>	<u>17,630,481</u>
Gross profit	10,521,700	12,975,608	15,955,705	19,572,300
General administration & selling expenses:				
Administration expense	315,000	355,950	402,224	454,513
Administration benefits expense	12,600	14,238	16,089	18,181
Building rental expense	1,200,000	1,356,000	1,532,280	1,731,476
Electricity expense	21,000	23,730	26,815	30,301
Water expense	95,000	107,350	121,306	137,075
Gas expense	175,000	197,750	223,458	252,507
Travelling expense	31,500	35,595	40,222	45,451
Communications expense	75,000	82,500	90,750	99,825
Office vehicles running expense	225,000	254,250	287,303	324,652
Office expenses	80,000	88,000	96,800	106,480
Indirect salaries	1,560,000	1,716,000	1,887,600	2,076,360
Promotional expense	250,000	217,500	189,225	164,626
Insurance expense	175,000	183,750	192,938	202,584
Professional fees expense	52,500	63,525	76,865	93,007
Depreciation expense	879,600	879,600	879,600	879,600
Amortization of pre-operating costs	50,000	50,000	50,000	50,000
Bad debt expense	<u>52,500</u>	<u>63,525</u>	<u>76,865</u>	<u>93,007</u>
	<u>5,249,700</u>	<u>5,689,263</u>	<u>6,190,338</u>	<u>6,759,645</u>
Profit / (Loss) before interest & taxes	5,272,000	7,286,345	9,765,367	12,812,656
Interest	-	-	-	-
Tax	<u>1,528,880</u>	<u>2,113,040</u>	<u>2,831,956</u>	<u>3,715,670</u>
	<u>1,528,880</u>	<u>2,113,040</u>	<u>2,831,956</u>	<u>3,715,670</u>
Net Profit / (Loss) after interest & taxes	3,743,120	5,173,305	6,933,410	9,096,985

STATEMENT OF FINANCIAL POSITION

ANNEXURE C.2

SURGICAL UNIT

FOR YEAR 2020 TO 2024

	Year 0	2021	2022	2023	2024
Current Assets					
Cash & Bank	1,000,000	5,683,513	11,922,604	2,562,175	30,234,834
Accounts receivable	-	1,750,000	2,117,500	2,562,175	3,100,232
Finished goods inventory	-	59,513	65,465	72,011	79,212
Equipment spare part inventory	500,000	500,000	500,000	500,000	500,000
Raw material inventory	435,400	531,623	649,112	792,566	967,723
Pre-paid building rent	300,000	339,000	383,070	432,869	489,142
Pre-paid insurance	175,000	183,750	192,938	202,584	212,714
TOTAL CURRENT ASSETS	<u>2,410,400</u>	<u>9,047,400</u>	<u>15,830,689</u>	<u>24,530,104</u>	<u>35,583,857</u>
Fixed Assets					
Machinery & Equipment	9,000,000	8,300,000	7,600,000	6,900,000	6,200,000
Furniture & Fixtures	1,088,000	1,009,200	930,400	851,600	772,800
Office Vehicles	665,000	607,000	549,000	491,000	433,000
Office Equipments	239,000	196,200	153,400	110,600	67,800
TOTAL FIXED ASSETS	<u>10,992,000</u>	<u>10,112,400</u>	<u>9,232,800</u>	<u>8,353,200</u>	<u>7,473,600</u>
Intangible Assets					
Pre-operating costs	250,000	200,000	150,000	100,000	50,000
TOTAL ASSETS	<u>13,652,400</u>	<u>19,359,800</u>	<u>25,213,489</u>	<u>32,983,304</u>	<u>43,107,457</u>
Current Liabilities					
Accounts Payable	-	435,400	531,623	649,112	792,566
Interest Payable	-	-	-	-	-
TOTAL CURRENT LIABILITIES	<u>-</u>	<u>435,400</u>	<u>531,623</u>	<u>649,112</u>	<u>792,566</u>
Other liabilities					
Provision for tax	-	1,528,880	2,113,040	2,831,956	3,715,670
Long term debt	-	-	-	-	-
TOTAL OTHER LIABILITIES	<u>-</u>	<u>1,528,880</u>	<u>2,113,040</u>	<u>2,831,956</u>	<u>3,715,670</u>
Shareholder Equity					
Paid up Capital	13,652,400	13,652,400	13,652,400	13,652,400	13,652,400
Retained Earnings	-	3,743,120	8,916,425	15,849,835	24,946,821
TOTAL EQUITY	<u>13,652,400</u>	<u>17,395,520</u>	<u>22,568,825</u>	<u>29,502,235</u>	<u>38,599,221</u>
TOTAL CAPITAL AND LIABILITIES	<u>13,652,400</u>	<u>19,359,800</u>	<u>25,213,489</u>	<u>32,983,304</u>	<u>43,107,457</u>

CASHFLOW STATEMENT

FOR YEAR 2020 TO 2024

ANNEXURE C.3

SURGICAL UNIT

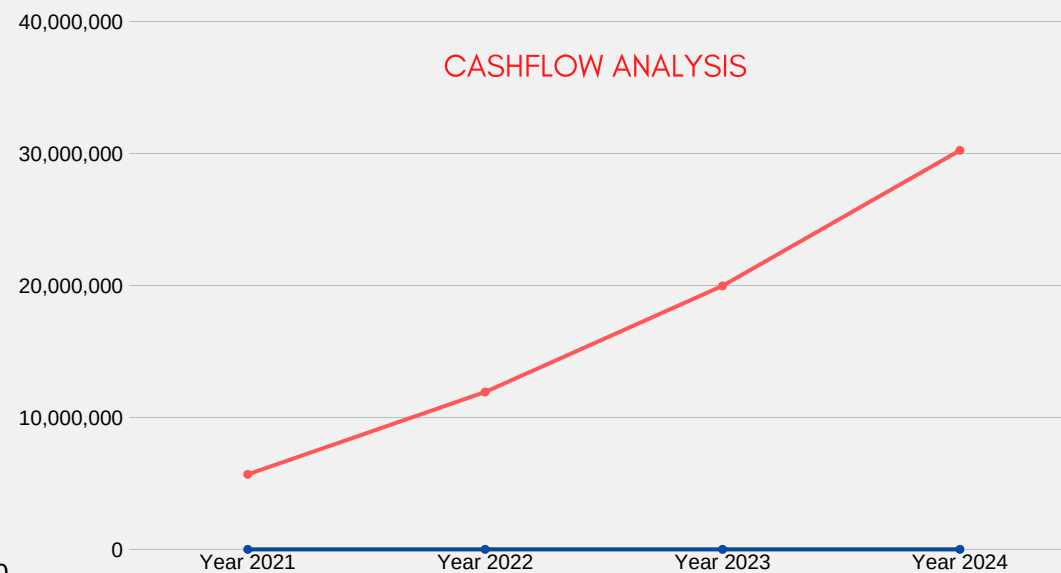
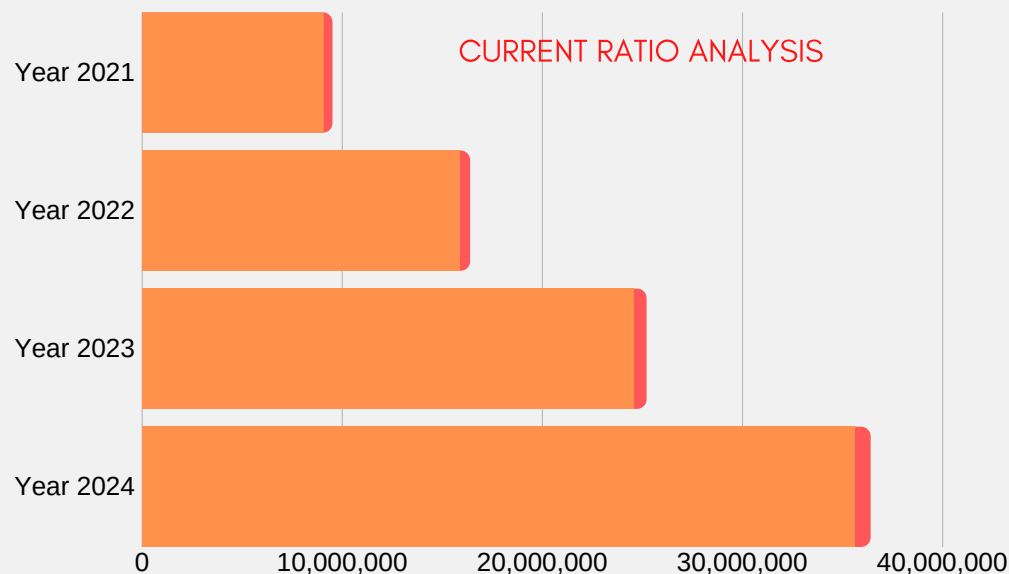
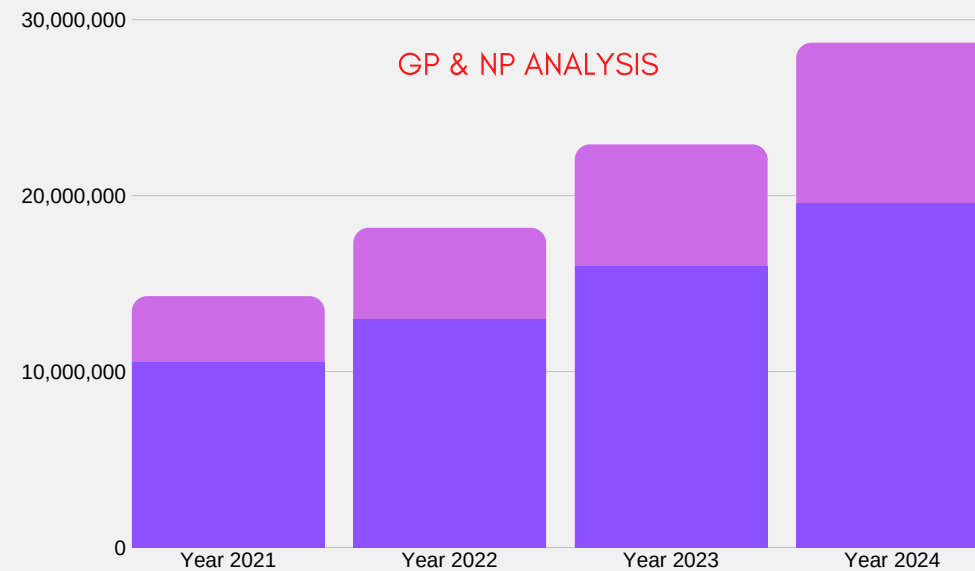
	2021	2022	2023	2024
<u>Cash flow from operating activities</u>				
Profit / (Loss) before taxation	5,272,000	7,286,345	9,765,367	12,812,656
Adjustment for:				
Add: depreciation expense	879,600	879,600	879,600	879,600
Add: amortization of pre-operating costs	50,000	50,000	50,000	50,000
Add: Interest expense	-	-	-	-
Add: bad debt expense	-	-	-	-
Operating cash flows before changes in working capital	<u>6,201,600</u>	<u>8,215,945</u>	<u>10,694,967</u>	<u>13,742,256</u>
<u>Changes in working capital:</u>				
Accounts receivable	(1,750,000)	(367,500)	(444,675)	(538,057)
Finished goods inventory	(59,513)	(5,951)	(6,546)	(7,201)
Equipment inventory	-	-	-	-
Raw material inventory	(96,223)	(117,489)	(143,454)	(175,157)
Pre-paid building rent	(39,000)	(44,070)	(49,799)	(56,273)
Advance insurance premium	(8,750)	(9,188)	(9,647)	(10,129)
Accounts payable	435,400	96,223	117,489	143,454
	<u>(1,518,087)</u>	<u>(447,974)</u>	<u>(536,632)</u>	<u>(643,363)</u>
Cash generated from operations	4,683,513	7,767,971	10,158,334	13,098,892
Income tax paid	-	(1,528,880)	(2,113,040)	(2,831,956)
Net cash flow from / (used in) operating activities	<u>4,683,513</u>	<u>6,239,091</u>	<u>8,045,294</u>	<u>10,266,936</u>
<u>Cash flow from financing activities</u>				
Project Loan – principal repayment	-	-	-	-
Issuance of shares	-	-	-	-
Interest Paid	-	-	-	-
Net cash used in investing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Cash flow from investing activities</u>				
Capital expenditure	-	-	-	-
Net cash flow from/ (used in) investing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net increase / (decrease) in cash and cash equivalents	4,683,513	6,239,091	8,045,294	10,266,936
Cash and cash equivalents at the beginning of the year	1,000,000	5,683,513	11,922,604	19,967,898
Cash and cash equivalents at the end of the year	<u>5,683,513</u>	<u>11,922,604</u>	<u>19,967,898</u>	<u>30,234,834</u>

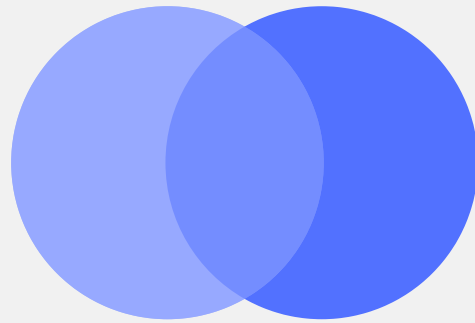
GRAPHICAL ANALYSIS

FOR YEAR 2020 TO 2024

ANNEXURE C.4

SURGICAL UNIT





FINANCIAL MODELING **DAIRY FARMING**

Mian Textile Industries Limited

STATEMENT OF PROFIT OR LOSS

FOR YEAR 2021 TO 2024

ANNEXURE D.1

DAIRY FARMING

	2022	2023	2024
Revenue:			
Sale of Milk	148,176,000	183,979,026	230,344,389
Sale of Cows	-	-	<u>23,358,392</u>
	<u>148,176,000</u>	<u>183,979,026</u>	<u>253,702,781</u>
Cost of Goods Sold:			
Total Mixed Ration (TMR)	120,870,000	149,185,877	184,939,538
Vaccination and Medication	<u>10,692,000</u>	<u>10,252,151</u>	<u>14,416,849</u>
	<u>131,562,000</u>	<u>159,438,028</u>	<u>199,356,387</u>
Gross Profit	16,614,000	24,540,998	54,346,394
General administration & selling expenses:			
Administration expense	148,176	183,979	230,344
Machinery Maintenance	120,000	132,000	145,200
Direct Electricity	360,000	396,000	435,600
Office vehicle running expenses	240,000	264,000	290,400
Indirect Salaries	5,227,200	5,012,163	6,911,202
Office Expenses	120,000	132,000	145,200
Communication Expenses	60,000	66,000	72,600
Promotional Expenses	180,000	198,000	217,800
Insurance expense	250,000	275,000	302,500
Professional fees	74,088	91,990	115,172
Depreciation expense	1,188,350	1,188,350	1,188,350
Amortization expense	160,000	160,000	160,000
Miscellaneous expense	<u>250,000</u>	<u>275,000</u>	<u>302,500</u>
	<u>8,377,814</u>	<u>8,374,481</u>	<u>10,516,868</u>
Profit / (Loss) before interest & taxes	8,236,186	16,166,517	43,829,526
Interest	-	-	-
Tax	<u>2,388,494</u>	<u>4,688,290</u>	<u>12,710,562</u>
	<u>2,388,494</u>	<u>4,688,290</u>	<u>12,710,562</u>
Net Profit / (Loss) after interest & taxes	5,847,692	11,478,227	31,118,963

STATEMENT OF FINANCIAL POSITION

FOR YEAR 2020 TO 2024

ANNEXURE D.2

DAIRY FARMING

	Year 0	2022	2023	2024
<u>Current Assets</u>				
Cash & Bank	1,000,000	8,734,036	20,706,113	57,510,734
Accounts receivable	-	12,348,000	15,331,586	19,195,366
Finished goods inventory	-	441,000	547,557	685,549
Equipment spare part inventory	-	-	-	-
Raw material inventory	10,072,500	10,072,500	12,432,156	15,411,628
Pre-paid building rent	-	-	-	-
Pre-paid insurance	250,000	275,000	302,500	332,750
TOTAL CURRENT ASSETS	<u>11,322,500</u>	<u>31,870,536</u>	<u>49,319,911</u>	<u>93,136,027</u>
<u>Fixed Assets</u>				
Land	5,000,000	5,000,000	5,000,000	5,000,000
Building and infrastructure	9,495,000	8,695,500	7,896,000	7,096,500
Machinery & Equipment	2,141,750	1,813,400	1,485,050	1,156,700
Cows	70,000,000	99,000,000	116,973,650	102,344,823
Furniture & Fixture	358,000	324,700	291,400	258,100
Office Equipment	43,000	35,400	27,800	20,200
Office Vehicles	123,000	103,400	83,800	64,200
TOTAL FIXED ASSETS	<u>87,160,750</u>	<u>114,972,400</u>	<u>131,757,700</u>	<u>115,940,523</u>
<u>Intangible Assets</u>				
Pre-operating costs	800,000	640,000	480,000	320,000
TOTAL ASSETS	<u>99,283,250</u>	<u>147,482,936</u>	<u>181,557,611</u>	<u>209,396,550</u>
<u>Current Liabilities</u>				
Accounts Payable	-	10,963,500	13,286,502	16,613,032
Interest Payable	-	-	-	-
TOTAL CURRENT LIABILITIES	<u>-</u>	<u>10,963,500</u>	<u>13,286,502</u>	<u>16,613,032</u>
<u>Other liabilities</u>				
Provision for tax	-	2,388,494	4,688,290	12,710,562
Long term debt	-	-	-	-
TOTAL OTHER LIABILITIES	<u>-</u>	<u>2,388,494</u>	<u>4,688,290</u>	<u>12,710,562</u>
<u>Shareholder Equity</u>				
Paid up Capital	99,283,250	99,283,250	99,283,250	99,283,250
Retained Earnings	-	29,000,000	46,973,650	32,344,823
TOTAL EQUITY	<u>99,283,250</u>	<u>134,130,942</u>	<u>163,582,819</u>	<u>180,072,955</u>
TOTAL CAPITAL AND LIABILITIES	<u>99,283,250</u>	<u>147,482,936</u>	<u>181,557,611</u>	<u>209,396,550</u>

CASHFLOW STATEMENT

FOR YEAR 2020 TO 2024

ANNEXURE D.3

DAIRY FARMING

	2022	2023	2024
<u>Cash flow from operating activities</u>			
Profit / (Loss) before taxation	8,236,186	16,166,517	43,829,526
Adjustment for:			
Add: depreciation expense	1,188,350	1,188,350	1,188,350
Add: amortization of pre-operating costs	160,000	160,000	160,000
Add: Interest expense	-	-	-
Add: bad debt expense	-	-	-
Operating cash flows before changes in working capital	<u>9,584,536</u>	<u>17,514,867</u>	<u>45,177,876</u>
<u>Changes in working capital:</u>			
Accounts receivable	(12,348,000)	(2,983,586)	(3,863,780)
Finished goods inventory	(441,000)	(106,557)	(137,992)
Equipment inventory	-	-	-
Raw material inventory	-	(2,359,656)	(2,979,472)
Pre-paid building rent	-	-	-
Advance insurance premium	(25,000)	(27,500)	(30,250)
Accounts payable	<u>10,963,500</u>	<u>2,323,002</u>	<u>3,326,530</u>
	<u>(1,850,500)</u>	<u>(3,154,296)</u>	<u>(3,684,964)</u>
Cash generated from operations	7,734,036	14,360,571	41,492,911
Income tax paid	-	(2,388,494)	(4,688,290)
Net cash flow from / (used in) operating activities	<u>7,734,036</u>	<u>11,972,077</u>	<u>36,804,621</u>
<u>Cash flow from financing activities</u>			
Project Loan – principal repayment	-	-	-
Issuance of shares	-	-	-
Interest Paid	-	-	-
Net cash used in investing activities	<u>-</u>	<u>-</u>	<u>-</u>
<u>Cash flow from investing activities</u>			
Capital expenditure	-	-	-
Net cash flow from/ (used in) investing activities	<u>-</u>	<u>-</u>	<u>-</u>
Net increase / (decrease) in cash and cash equivalents	7,734,036	11,972,077	36,804,621
Cash and cash equivalents at the beginning of the year	1,000,000	8,734,036	20,706,113
Cash and cash equivalents at the end of the year	<u>8,734,036</u>	<u>20,706,113</u>	<u>57,510,734</u>

GRAPHICAL ANALYSIS

FOR YEAR 2020 TO 2024

ANNEXURE D.4

CONSOLIDATED

