

Pre-Feasibility of Hostel Management

Transaction Department

Punjab Board of Investment & Trade

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Project Brief

Lahore is home to significant buildings including many high profile universities and schools, great pieces of historical architecture and museums. Historically scripted, the Mughal city and its architecture is a badge in Lahore's credit. It is also the engineering hub of Pakistan with industries such as car manufacture, heavy machinery, steel, IT, chemicals and computers are contributing to its 13.2% to Pakistan's national economy. It is currently ranked 122nd largest in the world for GDP with an average growth rate of nearly 6%. **(Bureau of Statistics 2016)**

The purpose of this prefeasibility is to facilitate the potential investors to build a state of the art hostel which could focus the working class and students looking for secure and healthy residence in the capital city of Punjab, Lahore. This document will provide them with a financial viability of the business which forms basis of any investment decision

According to Punjab developmental statistic, the total student enrollment in Lahore stands at 123,279 in 2016-17. The breakdown includes 46 degree colleges and 22 post graduate colleges with the total enrollment of 53,035 and 65,968 students respectively in the year of 2016-17.

Number of Institutes, Enrolment and Teaching Staff in All Categories of Colleges in 2016									
Division/ District	Intermediate Colleges			Degree Colleges			Post Graduate Colleges		
	Number of Institutes	Enrolment	Teaching Staff	Number of Institutes	Enrolment	Teaching Staff	Number of Institutes	Enrolment	Teaching Staff
The Punjab	932	56,582	1,334	670	503,494	13,149	240	375,222	9,271
Lahore Division	16	4,917	257	83	75,352	2,046	29	87,887	2,347
Lahore	13	4,276	257	46	53,035	1,477	22	65,968	1,995

Source: Bureau of statistics Punjab, Punjab Developmental Statistics

Approximately 4 kanal of land would be required for the establishment of the hostel. This project would have four types of rooms 4 bed, 3 bed, 2 bed and 1 bed. The hostel holds a complete range of facilities including food mess, leisure area, café & barber shop and would be able to cater the 600 people in the hostel which would be open for visitors. Living in shared room would cost a person PKR 6,500 and single room will cost PKR 12,000.

Beds	Room Rent	No. of Person
4	PKR – 6500	243
3	PKR –7500	186
2	PKR –9500	115
1	PKR –12000	54
Total		600

According to assumption derived in the pre-feasibility, the maximum room charge for a single student/one bed room would not cost more than PKR 23,000 which includes mess charges of approximately PKR 7,000 to PKR 9,000 and other services of approx. PKR 2,000 (barber, internet, leisure spending). This maximum room rent will go down as number of bed per room increases and approaches PKR 17,500 minimum for a 4 bed room.

Global Market

There are more than 22,000 properties registered at Hostel world, spread across more than 2,600 cities in all the world.

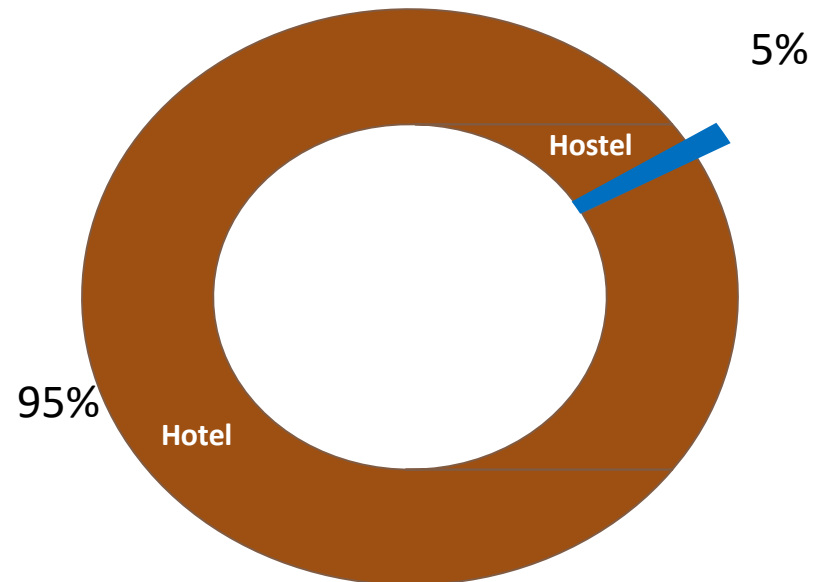
Europe has almost 1,000 cities with hostels, however it is in Asia, where the largest presence of hostels is felt, with more than 7,750 hostels.

“There are 22,000 hostels at Hostelworld”

The governance structure in the hostel industry is far less complex than in the hotel industry. Most hostels are independently owned and operated, and Portugal is no exception to this rule.

(Source: Phocuswright, Colliers International)

Global Hotel and Hostel Revenue (2017)



Source: Phocuswright, Colliers International

Global hostel industry revenue is expected to reach USD 7 billion in 2018, at a staggering. 8% yearly growth

Potential for growth

The integration in chains is scarce, with the major players accounting for merely 8% of the global hostel beds' supplies (the top 5 hotel chains account for 20% of total room supply).

Top hostel chains account for more than 30% of the total revenue, while the top 5 hotel chains account for around 15% of the global hotel industry revenue.
(Source: Phocuswright, Colliers International)

Largest Player in Global Market

Major Players (Total beds)

Player	Total beds
A&O	22,000
Generator	8,600
Meininger	8,400
St Christopher's Inns	3,500
Plus Hostels	2,000
Wombats	1,900
Clink Hostels	1,750

The largest hostel chain in the world is A&O, based in Germany, recently acquired by TPG Real Estate, with more than 30 hostels (24 in Germany, 4 in Austria) and 22.000 beds.

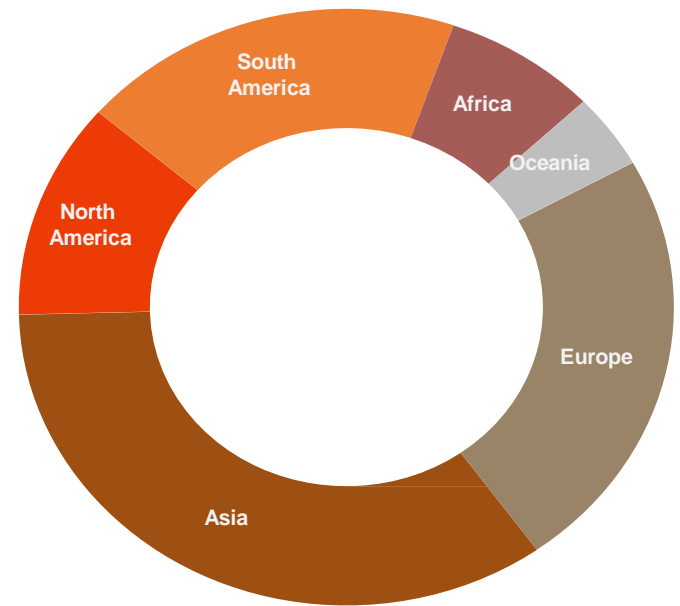
Meininger, also based in Germany, comprises 18 hostels (10 in Germany and 4 in Austria) and 8.400 beds, together with Wombats, based in Austria (6 hostels, 1.900 beds, with 2 in Vienna and 2 in Germany) further attest Germany as the largest hostel market in Europe.

St Christopher's Inn and Generator, both based in the United Kingdom, have 19 and 12 hostels, 3.500 and 8.639 beds, respectively.

St Christopher's Inn includes 8 hostels in London and combines a bar (Belushi's) with the hostel business.

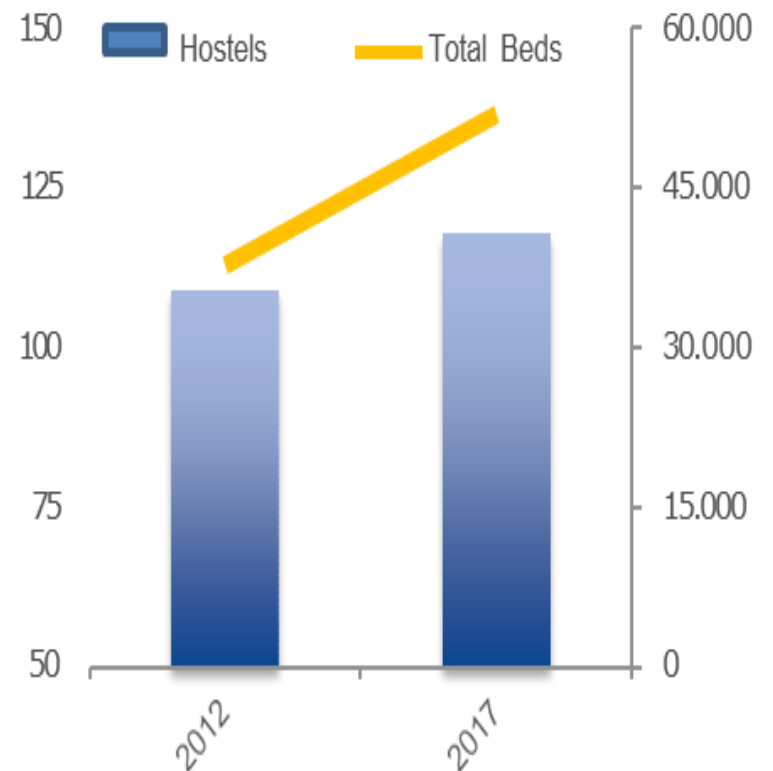
Hostels integrated in chains are, usually, mega hostels. For instance, the average hostel in the top 3 chains, has more than 600 beds.

In Spain, Equity Point has 3 hostels (1.500 beds) in Barcelona, while HipHop Hostels include 14 hostels in Paris. Equity Point is the only largest global player present in Portugal (Lisbon). (Source: Colliers International)



Source: Hostel World, Colliers International

Total Hostels and Hostel Beds integrated in the 10 largest Global Hostel chains



Source: Colliers International

REASONS WHY EXPATS LOVE LAHORE

- *JOB OPPORTUNITY*
- *TOP UNIVERSITIES*
- *FOOD*
- *WOMEN EMPOWERMENT*
- *SHOPPING MALLS*
- *HISTORICAL SITES*
- *BEST HEALTHCARE*
- *WINTER WEATHER*
- *LIFE GOES ON*

Local Market Appetite

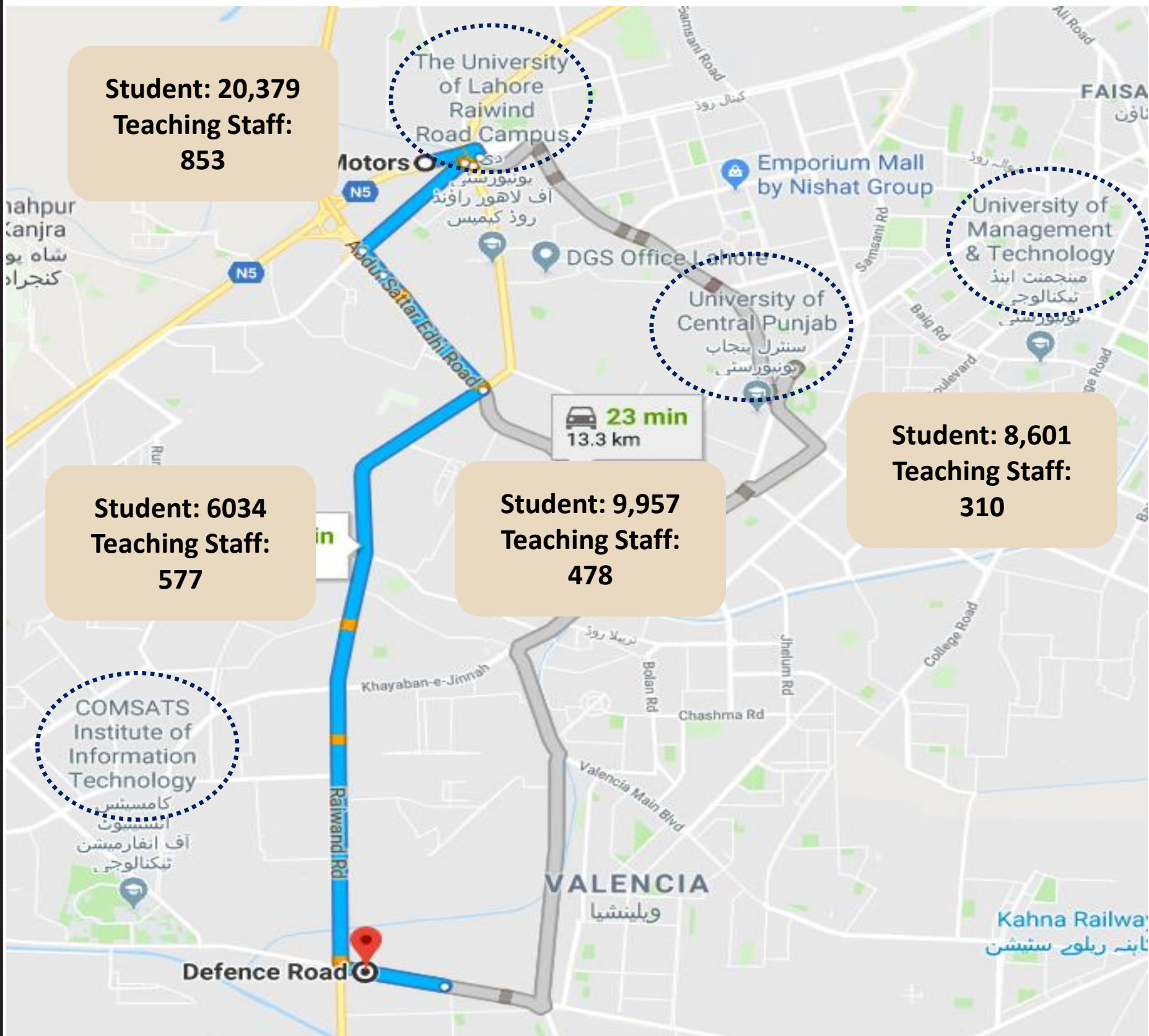
Total Student Enrollments in 2016				
Division/ District	Enrolment	Male	Female	Teaching Staff
The Punjab	935,298	81,031	87,125	23,754
Lahore Division	168,156	81,031	87,125	4,650
Lahore	123,279	57,473	65,806	3729

For the proposed project, we have targeted university students stationed at Lahore division and city specifically. The total enrolment in 2016 for all colleges and universities was recorded 123,279 in 2016. We have targeted male students which have a strength of more than 50,000 in Lahore. In market research, we have reached to conclusion that approximately 30% to 40% student enrolled are non native of Lahore and accommodated in either university as private guest / hostel. The student accommodated in private hostel are looking for better facilities to which we consider our target for the proposed business. On estimate, around 10,000 students are continuously looking for hostel near by there institutes. The following list of institutes/ universities are located near to our proposed location. (refer next slide)

Universities	Perspective Clients									
	Total	2015		2016 e		2017 e		2018 f		
		Male	Female	Male	Female	Male	Female	Male	Female	
University of health sciences	27,059	10,086	16,973	10,489	17,651	10,908	18,356	11,343	19,089	
University of Lahore	13,793	10,292	3,501	11,885	4,044	13,522	4,600	15,206	5,173	
University of Central Punjab	7,551	5,052	2,499	5,664	2,803	6,179	3,057	6,661	3,296	
University of Education (Township Campus)	5,984	4,488	1,496	5,305	1,769	6,259	2,086	7,342	2,448	
University of Management & Technology	7,326	5,335	1,991	5,675	2,119	5,998	2,239	6,264	2,337	
The Minhaj University, Model Town, Lahore	3,948	2,394	1,554	2,442	1,585	2,492	1,617	2,541	1,650	
University of South Asia	3,162	2,730	432	2,894	458	3,238	512	3,416	540	
Preston University, Lahore Campus	1,883	1,597	286	1,678	300	1,762	316	1,851	332	
Beaconhouse National University Lahore	1,907	1,063	844	1,095	869	1,128	895	1,161	922	
Imperial College of Business studies, Lahore	1,281	1,176	105	1,234	110	1,295	116	1,360	121	

Source: developmental Statistics of Punjab 2015-2016

Proposed Location



In the above map, the blue line covering a distance of 11.8 km caters to four universities with an average student and teaching staff of more than 42,000. Moreover, after completion of the orange line, it is expected/anticipated that students from far areas, especially Thokar, can now easily access their universities and colleges. Hence, our proposed location seems to be viable.

Project setup cost

To build a state of the art hostel, the project will require an estimated total cost of PKR 248 million (\$ 2.1 million). This project cost includes the working capital of PKR 81 million.

Description	Details	Remarks
Total Equity (60%)	PKR 149,106,675	Project Financing
Bank Loan (40%)	PKR 99,404,450	Project Financing
Tenure of the loan	10 years	
Cost of Debt/ Bank Loan (Kd)	14%	Annual Markup (Long Term Loan)
Cost of Equity (R)	$9.75\% + 5\% = 14.75\%$	
WACC/ Discount Rate	14.45%	$WACC = 60\%(14.75\%) + 40\%(14\%)$

Fixed Cost	Cost	Useful life
Land (A)	PKR 100,000,000	
Building and Infrastructure (B)	PKR 121,500,000	10 years
Office Equipment (C)	PKR 19,000,000	05 years
Fixture & Fitting (D)	PKR 8,011,125	05 years
Total – PKR	PKR 248,511,125	

General Assumption

The Fixed assets require for this project are suggested above along with there useful life. There are three fixed assets which will be depreciated over their useful life.

Project Evaluation

Project Valuation											
PKR	Free Cash Flow										Terminal Year
	2019-20	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	
Net Income	707,864	4,369,034	14,130,665	19,170,410	24,741,141	36,197,237	42,909,569	50,355,586	58,619,435	67,795,288	-
Add- Depreciation	10,262,225	10,262,225	10,262,225	10,262,225	10,262,225	4,860,000	4,860,000	4,860,000	4,860,000	4,860,000	-
Less- WC Changes	(8,420,000)	(842,000)	(926,200)	(1,018,820)	(1,120,702)	(1,232,772)	(1,356,049)	(1,491,654)	(1,640,820)	(1,804,902)	-
Add-Interest Expense	13,531,196	12,801,897	11,963,683	11,000,288	9,893,017	8,620,385	7,157,696	5,476,565	3,544,371	1,323,619	-
less- Capital Expenditure	(248,511,125)	-	-	-	-	-	-	-	-	-	-
Freecash flow	(232,429,841)	26,591,155	35,430,372	39,414,103	43,775,682	48,444,850	53,571,215	59,200,497	65,382,986	72,174,005	872,942,113
NPV of Free Cash Flow	(232,429,841)	23,233,862	27,048,558	26,290,827	25,513,482	24,669,971	23,836,183	23,015,201	22,209,479	21,420,945	259,085,598

Project Valuation

FCFF is the cash flow available to the suppliers of capital after all operating expenses are paid with working and fixed capital investment are made. Considering the cash flow projection prepared after taking into account project setup cost, key assumption and operating results, the project is expected to generate IRR 26.5% and NPV of PKR 184,520,012. The estimated payback period of the project is 5 years.

Based on the fixed & variable cost and after taken analyzing the growth assumption (2019-2020 to 2028-2029), the monthly room rent PKR – year on year is calculated as under :-

PKR	Terminal Value
Terminal Growth Rate	5.71% GDP Growth rate- FY 18
Terminal WACC	14.45% WACC
Estimated Terminal Free cash flow	72,174,005 2028-2029
Estimated Terminal Value	872,942,113 2028-2029
NPV of Terminal Value	259,085,598 2028-2029

Growth of 10% in revenue of per room over the years

Years	2019-2020	2020 - 2021	2021-2022	2022- 2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029
4 bed	6,500	7,150	7,865	8,652	9,517	10,468	11,515	12,667	13,933	15,327
3 bed	7,500	8,250	9,075	9,983	10,981	12,079	13,287	14,615	16,077	17,685
2 bed	9,563	10,519	11,571	12,728	14,000	15,401	16,941	18,635	20,498	22,548
1 bed	12,000	13,200	14,520	15,972	17,569	19,326	21,259	23,385	25,723	28,295

Assumptions

(A) Land

Kanal	per Sq. Feet	per sq. ft. cost	Cost
1	4500	5,556	PKR 25,000,000
4	18000	5,556	PKR 100,000,000

(B) Building and Infrastructure

		Description
Number of Floor	6	
Total Area of Hostel per floor	18,000 sq. ft.	4 kanal
Covered Area	13,500 sq. ft.	75% covered area
Uncovered Area / vacant area	4,500 sq. ft.	25% vacant area
Total covered area 6 floors	81,000 sq. ft.	(13,500/floor) *(6 floors)
Construction cost per sq. ft.	PKR 1,500	Transaction team research
Total Infrastructure cost	PKR 121,500,000	covered area * construction cost

(C) Office Equipment

		Description
Tables and office	PKR 1,000,000	reception, computer room, cash room
Camera	PKR 3,000,000	500,000/floor *6 floors
Lock System	PKR 2,500,000	(10,000/room)*235 total rooms
AC	PKR 12,500,000	1.5 ton: 123*70,000/ AC, 1 ton: 112*40,000/AC
Total O E	PKR 19,000,000	

According to Lahore Development Authority (LDA) covered area could be 75% of the total available land. Security is the most important determinant of successful hostel. Building 6 floors can accommodate approximately 600 people which is our base assumption.

Assumptions

(D) Fixture and Fitting

	Number	Cost	Total	Description
Fixture & Furniture				
Beds	599	7,000	4,189,500	Transaction t Research
Mattress	599	4,000	2,394,000	Transaction t Research
Kitchen cost				
Fridge	30	40,000	1,215,000	Transaction t Research
Microwave	30	7,000	212,625	Transaction t Research
Total F&F			8,011,125	

According to our in house research we have estimated 599 beds and mattress each, and 30 microwaves and 30 fridge for each kitchens (30 total).

Revenue Assumption: Number of Room

	Units	No. of Ppl. in a room	Total No. of Ppl.	% occupied	Total sq. feet= % occupied * total sq. feet	Room size
Four bed	61	4	243	30%	24,300	400
Three bed	62	3	186	23%	18,630	300
Twin bed	58	2	115	16%	12,960	225
Single	54	1	54	8%	6,480	120
Kitchen	30			3%	2,430	80
Vacant Area				20%	16,200	
Lobby						
Total	234		598	100%	81,000	

The total covered area of the hostel with 6 floors is estimated to 81,000 sq. ft. which includes a range of single bed to four bed room. The room size allocated represents 20 ft*20 ft, 17.5*17.25 ft, 15*15 sq. ft, 12*10 sq ft for Four bed, three bed, twin bed and single bed respectively.

Assumptions

Revenue											
	Max No. of capacity	Aug-Nov			Dec-March			Apr-July			
		O. Rate	Rent/person	Revenue (000)	O. Rate	Rent /person	Revenue (000)	O. Rate	Rent / person	Revenue (000)	
Four bed	244	75%	6,500	1,189	100%	6,500	1,586	75%	6,500	1,189	
Three bed	186	75%	7,500	1,046	100%	7,500	1,395	75%	7,500	1,046	
Twin bed	116	75%	9,500	826	100%	9,500	1,102	75%	9,500	826.5	
Single bed	54	75%	12,000	486	100%	12,000	648	75%	12,000	486	
Total	600			3,548			4,731			3,548.5	
									Total Revenue for the year		PKR 49,691

For the first two years, it is assumed that 75% occupancy rate will prevail for 8 months (April to Nov), whereas full occupancy of 100% for the remaining 4 months Dec-March). From year 3 onwards 100% occupancy rate is considered for 8 months (Aug- Mar) and 75% for the remaining 4 months (April - July) which we assumed as vacation. Moreover, the rent per room would increase at 10 % on year on year bases.

Other revenue

	year-1	Description
Branding	2,400,000	Market Research
Food Mess	2,859,813	No. of occupants (6,733) *food price (PKR 100) * (50%) * (360 days)
Barber shop	4,779,750	No. of occupants (6,733) *cutting price (PKR 200) * (50%) * (360 days)
Leisure	3,304,000	S. tables (6)* Play time available (840)* Revenue/ min (PKR 5) * (360 days)
Total	13,343,563	10% growth (yrs. 2-10)

The branding revenue could be achieved by placing a LED screen on the top of the building. Other three revenue sources are directly related to the occupancy rate of the hostel so during calculation of there revenue we have assumed that 50% of the occupancy rate.

Assumptions

Staff Salary

Description	No. of employees	Salary/ month	Yearly Salary
Hostel Manager	2	100,000	2,400,000
Assistant Manager	2	60,000	1,440,000
Lower Staff	36	20,000	8,640,000
Security Guard	5	20,000	1,200,000
Total salaries		1,140,000	12,480,000 year 1 (10% Growth YOY- 2-10)

For cleaning services we have allocated 6 cleaning and maintenance staff for each floor.

Electricity- consumption

	5 months	7 months	Description
Rate/ Unit	16	16	Commercial price/ unit
AC (in units)	-	142,320	
Other (in units)	19,380	19,380	Fan + light + Fridge + Microwave
Total	PKR 310,080	PKR 2,587,200	

Air Conditioner

Beds	Rooms	Daily unit consumed	Total
Single and Twin	112	16	1,792
Three & Four	123	24	2,952
Monthly Units consumed			142,320

Commercial price of unit consumed is approx. 16 rps. Major consumer of electricity is Air conditioner we have proposed to install 112 units of 1 ton AC in Single and Twin bed and 123 units of 1.5 ton AC in three to four beds.

According to assumptions 19,380 units are projected to during winters and 161,700 units in the summer season where AC are operational. The bifurcation of units consumed by AC during summer seasons is provided in the table above.

Assumptions

Depreciation

	Cost	Useful Life	Depreciation for the Year	Description
Building & Infrastructure	121,500,000	25	4,860,000	(121,500,000/25)
Fixture & Furniture	8,011,125	5	1,602,225	(8,011,125/5)
Office Equipment	19,000,000	5	3,800,000	(19,000,000/5)

Finance Cost- Amortization

Year	1	2	3	4	5
loan amount	98,833,400	93,949,984	88,337,269	81,886,340	74,472,016
Principle payments	4,883,416	5,612,715	6,450,929	7,414,324	8,521,594
Outstanding	93,949,984	88,337,269	81,886,340	74,472,016	65,950,422
Interest amount	13,531,196	12,801,897	11,963,683	11,000,288	9,893,017
long term loan	88,337,269	81,886,340	74,472,016	65,950,422	56,156,196
Current portion of loan	5,612,715	6,450,929	7,414,324	8,521,594	9,794,226

Finance Cost- Amortization

Year	6	7	8	9	10
Loan Amount	65,950,422	56,156,196	44,899,280	31,961,233	17,090,993
Principle Payments	9,794,226	11,256,916	12,938,047	14,870,241	17,090,993
Outstanding	56,156,196	44,899,280	31,961,233	17,090,993	-
Interest Amount	8,620,385	7,157,696	5,476,565	3,544,371	1,323,619
Long Term Loan	44,899,280	31,961,233	17,090,993	-	-
Current Portion of loan	11,256,916	12,938,047	14,870,241	17,090,993	-

The financial cost for the loan is 14% for a period of 10 years so the monthly payments for this loan would be PKR 1.534 million and would start after the completion of the infrastructure building is completed.

Income Statement

Years	2019-20	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029
Rental Revenue	47,263,500	51,989,850	62,907,719	69,198,490	76,118,339	83,730,173	92,103,191	101,313,510	111,444,861	122,589,347
Other Revenue	13,343,563	14,677,919	16,145,711	17,760,282	19,536,310	21,489,941	23,638,935	26,002,828	28,603,111	31,463,422
Total Revenue	60,607,063	66,667,769	79,053,429	86,958,772	95,654,649	105,220,114	115,742,126	127,316,338	140,047,972	154,052,769
Less: Expenses										
staff salary	13,680,000	15,048,000	16,552,800	18,208,080	20,028,888	22,031,777	24,234,954	26,658,450	29,324,295	32,256,724
Electricity	19,660,800	21,626,880	23,789,568	26,168,525	28,785,377	31,663,915	34,830,307	38,313,337	42,144,671	46,359,138
Depreciation	10,262,225	10,262,225	10,262,225	10,262,225	10,262,225	4,860,000	4,860,000	4,860,000	4,860,000	4,860,000
Repair and Maintenance (2%)	2,764,978	2,559,734	2,354,489	2,149,245	1,944,000	1,846,800	1,749,600	1,652,400	1,555,200	1,458,000
Interest	13,531,196	12,801,897	11,963,683	11,000,288	9,893,017	8,620,385	7,157,696	5,476,565	3,544,371	1,323,619
Total Expenses	59,899,199	62,298,735	64,922,765	67,788,362	70,913,508	69,022,877	72,832,557	76,960,752	81,428,537	86,257,481
Profit	707,864	4,369,034	14,130,665	19,170,410	24,741,141	36,197,237	42,909,569	50,355,586	58,619,435	67,795,288

Balance Sheet

Years	2019-20	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029
Land	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000
Building & Infrastructure	116,640,000	111,780,000	106,920,000	102,060,000	97,200,000	92,340,000	87,480,000	82,620,000	77,760,000	72,900,000
Fixture & Furniture	6,408,900	4,806,675	3,204,450	1,602,225	-	-	-	-	-	-
Office Equipement	15,200,000	11,400,000	7,600,000	3,800,000	-	-	-	-	-	-
Total	238,248,900	227,986,675	217,724,450	207,462,225	197,200,000	192,340,000	187,480,000	182,620,000	177,760,000	172,900,000
Current Assets										
Cash	177,673	8,748,079	26,673,662	48,197,384	74,135,108	104,799,666	140,654,021	182,207,433	230,020,087	284,708,188
Staff Salary 3 Month	3,420,000	3,762,000	4,138,200	4,552,020	5,007,222	5,507,944	6,058,739	6,664,612	7,331,074	8,064,181
Utilities	5,000,000	5,500,000	6,050,000	6,655,000	7,320,500	8,052,550	8,857,805	9,743,586	10,717,944	11,789,738
Total Working Capital	8,420,000	9,262,000	10,188,200	11,207,020	12,327,722	13,560,494	14,916,544	16,408,198	18,049,018	19,853,920
Current Assets	8,597,673	18,010,079	36,861,862	59,404,404	86,462,830	118,360,161	155,570,565	198,615,631	248,069,105	304,562,107
Total Assets	246,846,573	245,996,754	254,586,312	266,866,629	283,662,830	310,700,161	343,050,565	381,235,631	425,829,105	477,462,107
Liabilities+ Equity										
Equity										
Paid up capital	148,250,100	148,250,100	148,250,100	148,250,100	148,250,100	148,250,100	148,250,100	148,250,100	148,250,100	148,250,100
Retained earning	707,864	5,076,897	19,207,562	38,377,972	63,119,113	99,316,350	142,225,919	192,581,505	251,200,941	318,996,228
Liabilities	148,957,964	153,326,997	167,457,662	186,628,072	211,369,213	247,566,450	290,476,019	340,831,605	399,451,041	467,246,328
Long Term Debt	88,337,269	81,886,340	74,472,016	65,950,422	56,156,196	44,899,280	31,961,233	17,090,993	-	-
current liabilities										
Curent Portion Of Long Term Debt	5,612,715	6,450,929	7,414,324	8,521,594	9,794,226	11,256,916	12,938,047	14,870,241	17,090,993	-
Security Deposit	3,938,625	4,332,488	5,242,310	5,766,541	6,343,195	6,977,514	7,675,266	8,442,792	9,287,072	10,215,779
total	246,846,573	245,996,754	254,586,312	266,866,629	283,662,830	310,700,161	343,050,565	381,235,631	425,829,105	477,462,107

Cash Flow

Years	2019-20	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029
Profit/loss	707,864	4,369,034	14,130,665	19,170,410	24,741,141	36,197,237	42,909,569	50,355,586	58,619,435	67,795,288
Add non cash expense										
Depreciation	10,262,225	10,262,225	10,262,225	10,262,225	10,262,225	4,860,000	4,860,000	4,860,000	4,860,000	4,860,000
(Changes in C Asset)	10,970,089	14,631,259	24,392,890	29,432,635	35,003,366	41,057,237	47,769,569	55,215,586	63,479,435	72,655,288
(Changes in C Liabilities)	(8,420,000)	(842,000)	(926,200)	(1,018,820)	(1,120,702)	(1,232,772)	(1,356,049)	(1,491,654)	(1,640,820)	(1,804,902)
Cashflow for operation	3,938,625	393,863	909,822	524,231	576,654	634,319	697,751	767,527	844,279	928,707
Investing cashflow	6,488,714	14,183,121	24,376,512	28,938,046	34,459,319	40,458,784	47,111,271	54,491,458	62,682,895	71,779,093
O Equity	(248,511,125)									
Proceeds from Loan	148,250,100									
yearly Payments	98,833,400									
Total Financing (Outflow)/inflow	(4,883,416)	(5,612,715)	(6,450,929)	(7,414,324)	(8,521,594)	(9,794,226)	(11,256,916)	(12,938,047)	(14,870,241)	(17,090,993)
Total Cashflow (outflow)/inflow	242,200,084	(5,612,715)	(6,450,929)	(7,414,324)	(8,521,594)	(9,794,226)	(11,256,916)	(12,938,047)	(14,870,241)	(17,090,993)
Cash opening balance	177,673	8,570,406	17,925,583	21,523,722	25,937,724	30,664,558	35,854,355	41,553,412	47,812,654	54,688,101
current year movement		177,673	8,748,079	26,673,662	48,197,384	74,135,108	104,799,666	140,654,021	182,207,433	230,020,087
closing	177,673	8,570,406	17,925,583	21,523,722	25,937,724	30,664,558	35,854,355	41,553,412	47,812,654	54,688,101
	177,673	8,748,079	26,673,662	48,197,384	74,135,108	104,799,666	140,654,021	182,207,433	230,020,087	284,708,188

ABOUT US

Punjab board of investment & trade is a provincial trade and investment promotion agency established by the Government of Punjab in 2009. In today's global economy, trade and investment play an increasingly important role in generating means for transformative change. At PBIT, we strive to ensure that this transformative change is sustainable and more impactful. PBIT is committed to enhancing the global competitiveness of Punjab and its business. To this end, we work to attract new investments in the region and strengthen the existing ones by promoting local investment opportunities, facilitating businesses and highlighting the distinct advantages of Punjab as a business location.

Incorporated under Section 42 under the Companies Ordinance of 1984, Punjab Board of Investments & Trade (PBIT) assists companies which intend to invest in the manufacturing and services sectors of Punjab. The wide range of services provided by PBIT include providing information on the opportunities for investments, as well as facilitating companies which are looking for joint venture partners. PBIT acts as Punjab's marketing arm and actively promotes the province worldwide as one of the best investment hubs in Asia. PBIT as Special Economic Zone Authority Punjab also evaluates the applications/proposals from Developers to declare their Industrial Parks as Special Economic Zones. For granting one time import duty exemption on machinery, equipment, spare parts, consumables in Special Economic Zones, PBIT is responsible to issue a confirmation Letter on the status of the applicant prior to seeking the permission from the relevant department/agencies to claim for the exemption. Investors are always encouraged to discuss their project interests with PBIT officers, wherein Information can be obtained on major public/private projects, prevailing sectoral policy framework, existing incentive regime, financing options, trade statistics etc. Punjab Board of Investment & Trade is a Steering Committee Member and the Director of South Asia at the World Association of Investment Promotion Agencies (WAIPA) - a prestigious world association of organizations similar to PBIT created by UNCTAD.

TRANSACTIONS Department

Punjab Board of Investment and Trade targets a socio-economic growth through its Transactions Department. The department plans to fortify its deep roots, both locally and internationally, by reaching out to leading businesses for discussing the panoramic commercial opportunities. As per the initiative of inventiveness, the department plans to provide a transaction advisory as defined in its role to bring-in the investments and establish new businesses. For this purpose, Pitch books of different identified sectors are a new resourcefulness of this department which would target to develop the in-house capacity of production by connecting the local and international market players. This would not only ensure the technology transfer but also create several jobs in the province. The department plans to connect through the regional IPAs, financial institutions, the embassies in different countries and local chambers as well so as to fast-track the process of economic growth and industrialization in Punjab in regard to its recognition as 'The Land of Opportunities

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