

# **Motorway Bus Service Business Proposal**



**For Motorway Routes of Pakistan**



**Islamabad – Peshawar Motorway**

**HAMMAD ASSOCIATES (REGISTERED)**  
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## Executive Summary

Transport in Pakistan is extensive and varied, and serves a population of over 191 million people. In recent years, new national highways have been built, with the addition of motorways which have improved trade and logistics within the country.

The construction of motorways began in the early 1990s, with the idea of building a world-class road network and reducing the load on the heavily used national highways throughout the country. The M2 was the first motorway completed in 1998, linking the cities of Islamabad and Lahore. In the past 5 years, many new motorways have opened up, including the M1 and M4. The M4 is also operational and connects the cities of Pindi Bhatian (M2), Faisalabad and Multan via Gojra, Toba Tek Singh, Jhang, Shorkot, Pir Mahal and Khanewal. The M3, which will connect Lahore with Multan through Abdul Hakeem and the existing M4 near Multan, is also completed; it will terminate at the under-construction M5, which will lead to the Sukkur District of Sindh. There, the M6 (which is proposed with construction work to begin soon) will start; the M6 will end at Hyderabad, where it will meet the existing M9 motorway to Karachi. In addition to this, the M8 in Baluchistan province, the longest motorway of Pakistan, is half under construction, half operational. In central Punjab, the Lahore-Sialkot Motorway (M11) is under construction and will be operational by next year, and in KPK province, the Hakka-Dera Ismail Khan Motorway (M14) is also under construction. Swat Motorway and Hazara Motorway are two more expressways under construction in KPK province.

During the 1990s, Pakistan began an ongoing project to rebuild all national highways throughout the country specifically to important financial, cargo and textile centers. The National Highway Authority or NHA is responsible for the maintenance of all national highways in Pakistan.



**Islamabad – Lahore Motorway (Salt Mines Range)**

The Karakoram Highway is the highest paved international road in the world. It connects China and Pakistan across the Karakoram mountain range, through the Khunjerab Pass.

The Grand Trunk Road (commonly abbreviated to GT Road) is one of South Asia's oldest and longest major roads. For several centuries, it has linked the eastern and western regions of the South Asia, running from Bengal, across north India, into Peshawar in Pakistan.

The Silk Road is an extensive interconnected network of trade routes across the Asian continent connecting East, South, and Western Asia with the Mediterranean world, including North Africa and Europe. It passes through the midsection of Pakistan through cities: Peshawar, Taxila and Multan.

Pakistan has a very large infrastructure of motorway roads. There are only two motorways built in the world that connects the whole country through one single road. The first motorway was built by Korea and second motorway built by Pakistan.

Millions of people use Pakistan motorway instead of railways. Therefore a large number of luxury passenger buses are being used to fulfill the daily requirements. A huge profit is being earning by the transporters of motorway and expressway in Pakistan.

## (SECTION – 1)

### Proposed Business Proposal

In the start of the project, It is decided to start a business with two luxury passenger buses for the following routes through Pakistan Motorway.

### Proposed Routes

#### Routes for Bus No. 1

Islamabad to Lahore (Distance = 5 hours travel)

Lahore to Islamabad (Distance = 5 hours travel)

#### Routes for Bus No. 2

Islamabad to Faisalabad (Distance = 6 hours travel)

Faisalabad to Islamabad (Distance = 6 hours travel)



## **Proposed Luxury Buses and their Cost**

Bus type = Hino Luxury Bus  
Seats = 45  
Cost of Hino Luxury Bus = 150,000 US\$  
Total Cost of two Buses = 2 x 150,000 US\$  
= 300,000 US\$

## **Required Staff**

Two Drivers  
Two Hostesses  
Two Ticket Managers

## **Total Investment Required**

Cost of Buses = 300,000 US\$  
Reserve Amount = 200,000 US\$  
Total = 500,000 US\$

Total Investment of 500,000 US\$ is required for this business project



## **(SECTION – 2)**

### **Daily Income Statistics**

Daily income statistics are based on the actual data collection from various bus services

#### **Bus & Route No 1**

ISLAMABAD to LAHORE (UP)

Total passengers = 45

Ticket Amount = Rs.900 /- per passenger  
= 45 x 900  
= 40,500 PKR

LAHORE to ISLAMABAD (DOWN)

Total passengers = 45

Ticket Amount = Rs.900 /- per passenger  
= 45 x 900  
= 40,500 PKR

Total Daily Income = 81,000 PKR or 660 US\$



**Lahore to Islamabad Motorway - Luxury Passenger Buses**

**Bus & Route No 2**

**ISLAMABAD to FAISALABAD (UP)**

Total passengers = 45  
Ticket Amount = Rs.1000 /- per passenger  
= 45 x 1000  
= 45,000 PKR

**FAISALABAD to ISLAMABAD (DOWN)**

Total passengers = 45  
Ticket Amount = Rs.1000 /- per passenger  
= 45 x 1000  
= 45,000 PKR

Total Daily Income = 90,000 PKR or 730 US\$  
Total Daily income on both routes = 81,000 + 90,000  
= 171,000 PKR or 1387 US\$



**Islamabad to Faisalabad Motorway**

### **(SECTION – 3)**

## **Daily Expenses Statistics**

Daily expenses statistics are based on the actual data collection from various bus services

### **Diesel Expenses**

#### **For Route No. 1**

UP	=	Rs. 20,000/-
Down	=	Rs. 20,000/-
Total	=	Rs. 40,000/-

Total Distance 375 Km (for single side)

#### **For Route No. 2**

UP	=	Rs. 20,000/-
Down	=	Rs. 20,000/-
Total	=	Rs. 40,000/-

Total Distance 318 Km (for single side)

Total Diesel expenses are Rs. 80,000/-

Diesel expenses are approximately same on both routes of Lahore & Faisalabad from Islamabad.

Subtract the daily diesel expenses from the total daily income

$$\begin{aligned} &= 171,000 - 80,000 \\ &= \text{Rs. } 91,000/- \end{aligned}$$

Therefore total daily income on both routes is Rs. 91,000/- or 735 US\$

## **(SECTION – 4)**

### **Monthly Income Statistics**

On the basis of daily income statistics, the monthly income statistics is given below:

#### **Net Monthly Income**

$$= \text{Rs. } 91,000 \times 30 \text{ (days)}$$

$$= \text{Rs. } 27,30,000/- \text{ or } 22,152 \text{ US\$}$$

### **Monthly Expenses Statistics**

Driver Salary = Rs. 60,000

Two Drivers Salary =  $2 \times 60,000$   
= Rs. 120,000/-

Hostess Salary = Rs. 50,000/-

Two Hostess Salary =  $2 \times 50,000$   
= Rs. 100,000/-

Ticket Manager Salary = Rs. 50,000/-

Two Ticket Manager Salary =  $2 \times 50,000/-$   
= Rs. 100,000/-

Total Monthly Salaries =  $120,000 + 100,000 + 100,000$   
= Rs. 320,000/-

Monthly Oil Expenses for both Buses = Rs. 30,000/-

Monthly mechanical work for both buses = Rs. 30,000/-

Total monthly expenses =  $320,000 + 30,000 + 30,000$   
= Rs. 380,000/-

Subtract monthly expenses from net monthly income

$$\text{Rs. } 27,30,000 - \text{Rs. } 380,000 \\ = \text{Rs. } 23,50,000/-$$

Final net monthly Income from two buses = Rs 23,50,000/-  
= **19,050/- US\$**



## **(SECTION – 5)**

### **Return Amount for Investors**

Total Investment Amount = 500,000 US\$

Return Profit = After every 6 months

Profit Ratio = 50%

Investment Duration = 10 Years

#### **Grace period**

After investment, the investor will give a first 3 months as a grace period. First three months will spend for the purchasing of buses and hiring of staff. The project will start after first 3 months of investment. Therefore the first return profit will issue after 9 months.

For further queries, contact us

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# HAMMAD ASSOCIATES

BUSINESS & INVESTMENT COMPANY

## COMPANY OVERVIEW



Head Office: 24, London Plaza, Railway Road, Gujar Khan, District Rawalpindi, Pakistan  
[www.hammadassociates.com](http://www.hammadassociates.com) [info@hammadassociates.com](mailto:info@hammadassociates.com)

### **Investment Company**

To provide investment services on the basis of good monthly profit. We use our client's investment in the profitable running businesses or develop new business. We deal investments in US\$, Saudi Riyals and Euros only.

### **Business Company**

To provide business planning services to the investors who are interested to start their own business. We provide the list of different businesses to choose by our client. We provide business planning and business operation strategy and start the business according to our client's choice. We also provide business branding services in various categories.

## **INVESTMENT OPPORTUNITIES**

Currently we are providing the following investment sectors to the investors to invest

1. Passenger Bus Service Business Investment Project
2. Real Estate Construction Projects Investment
3. Investment in an Energy Projects Investment

## **COLLATERAL POLICY**

Collateral = Purchased Assets + Investment Fund

**Purchased assets** referred as those goods which we purchase in the invested project. All these assets will be the property of investor until the project being completed.

**Investment Fund** is referred as the Fund which we create for the investor. This fund will have advance 6 months installment given to the investor during the whole period of investment

## **INVESTMENT GUARANTY**

Investors can choose any two of the following guarantees:-

- 1) Legal Agreement as a Guarantee
- 2) Bank Guarantee
- 3) Purchased Assets Guarantee

## **LEGAL IDENTITY OF A COMPANY**

**Company Registration Number:** ROF/RWP/234

**National Tax Number:** 4089109-7

**Company Owner:** Hammad Yousuf (CEO)

**Web Site:** [www.hammadassociates.com](http://www.hammadassociates.com)

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