SATHYABAMA
INSTITUTE OF SCIENCE AND TECHNOLOGY
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SCHOOL OF BUILDING & ENVIRONMENT

DEPARTMENT OF ARCHITECTURE

UNIT – I – Real Estate Management – SAR5608

SYLLABUS

UNIT 1 REAL ESTATE MARKET

Real estate scope, classification of real estate activities and peculiarities - factors affecting real estate market - role of government in real estate market, statutory provisions, laws, rules, and regulations application, land use controls in property development, registration and licensing requirements - knowledge base for assessment and forecasting the real estate market - environmental issues related to real estate transactions.

UNIT 2 PARTICIPANTS AND STAKE HOLDERS

Role, scope, working characteristics and principal functions of real estate participants and stakeholders - real estate consultants and their activities - roles and responsibilities of property managers, code of ethics for real estate participants - good practices and managerial responsibilities.

UNIT 3 REAL ESTATE DEVELOPMENT

Functions of real estate development like project formulation, feasibility studies, developing, costing and financing, managing including planning, scheduling and monitoring of real estate projects, risk management, facilities management, marketing/advertising, post construction management etc - real estate investment, sources and related issues.

UNIT 4 DOCUMENTATION

Interest rates in real estate - documentation in real estate processes - transfer of titles and title records - real estate appraisal and valuation - types of agreements between the consultants and principal - closing the real estate transactions.

Course objectives

1. To offer hands on experience that is vital to excel in the real estate market by understanding the principles and practices of real estate.
2. To explore real-world scenarios, best practices and effective management techniques for competing successfully in today's dynamic global markets.

Course Outcomes

1. Summarize the scope of the existing real estate industry in the current business environment and to classify the various statutory and legal regulations applicable to real estate market.
2. Outline the roles, responsibilities, rights and liabilities of different real estate stakeholders.
3. Get exposure to the various documentation procedures for different real estate transactions, appraisals, agreements and valuation of properties.
4. To perform Quantitative analysis with a methodology used in different transactions using the current rates of properties, registration charges and appropriate fees applicable in different states.
5. Delineate project development process, compare the different sources of real estate funds and classify the risks associated therein.
6. Formulate a real estate project by assessing its feasibility and evolving strategies for effective management.

COURSE SUMMARY

UNIT 1 REAL ESTATE MARKET

1. Real Estate Scope
2. Real estate activities.
3. Factors affecting real estate market
4. Legal Considerations
5. Forecasting the Real Estate market
6. Environmental issues.

UNIT 2 PARTICIPANTS AND STAKE HOLDERS

1. Buyers
2. Sellers.
3. Builders & Promotors
4. Advocates
5. RE Agents
6. Advisory & Consulting Companies
7. Financing bodies
8. Regulatory bodies
9. Marketing Agencies
10. Asset Managers

UNIT 3 REAL ESTATE DEVELOPMENT

1. Identifying Scope of the Project
2. Forecasting and business cycles
3. Formulation of Business Model with Feasibility
4. Evaluation & Monitoring
5. Marketing
6. DPR from different stakeholders perspectives

UNIT 4   DOCUMENTATION

1. Formats
2. Letters
3. Application forms
4. Agreements
5. Deeds
6. Affidavit
7. Certificates
8. Tax forms
9. POA registration forms

UNIT 1 REAL ESTATE MARKET

MODULE 1 INTRODUCTION

1. JOB PROFILE

Examples of Job profile posted in websites and required in the industry.

What it takes to be a director of business development – health?

Responsibilities:

- Work to develop and implement the Denver, Salt Lake City and Phoenix Healthcare strategy in concert with HKS firm goals and strategic plan.
- Set overall project targets, budgets and other key performance indicators.
- Ensure that the practice evolves in a manner which is consistent with HKS's overall goals and standards.
- Work internally to elevate the approach to marketing at the firm level.
- Maintain current understanding of the trends, influences and pressures of the Healthcare market.
- Mentor staff in business development, marketing.
- Combine tangible and intangible skill sets (reading RFX's for hierarchical compliance as well as being able reading a room in a pitch; help maintain Dynamics CRM, research and remember something personal about the people you work with).
- Work with regional leadership to retain current clients, and identify new, strategic clients.
- Be aware of alternative delivery methods and how we partner in those pursuits.
- Create visibility for HKS for future design work through strong existing and potential client relationships.
- Be aware of the politics and history of both a particular city and the client.
- Work with the marketing and communications department to prepare proposals and responses as well as new marketing materials.
- Work cross-region and sector to be knowledgeable and well informed as many clients are national, if not international.
- Participate in regional and sector-specific marketing calls/meetings.
- Help prepare and maintain the annual business development plan for assigned area, and work with the leadership to identify marketing budgets for the year.
- Budget items include pursuit costs, sponsorships, events, speaking opportunities, networking events, and other business development activities.

What it takes to be a RE development Analyst ?

- We are looking for a highly motivated, results-driven Development Analyst to join our Development & Investment team. You will become a member of an engaged, high-performing team— part of the world-class, winning culture that is leading the next generation of commercial realestate.When you join World Class, you will work alongside innovative leaders who set the standards responsible for our reputation as an industry leader today, and you'll be a part of the future of commercial real estate.

At World Class Property Company, our Development team manages the development process from the inception of the transaction through the construction and delivery of each project. Development team members specialize in land use, design and construction management and employ these skills across a wide range of asset types.

- Responsibilities

  As a Development Analyst, you will assist Senior Development Staff with the day-to-day management duties from acquisition through pre-development, pre-construction, construction, closeout and pre-operation phases of the project(s) assigned.

  As a member of this team, the successful candidate's responsibilities will include, but not be limited to:Perform financial analysis of various real estate investment opportunities
- Working with the Development and Investment Deal Team(s) to provide due diligence information and feasibility analysis of potential acquisitions
- Assist in negotiating and drafting contract terms and scope with consultants and contractors
- Assist in management and oversight of consultants, contractors and financing sources
- Assist in developing and maintaining project timelines, ensuring milestones are met on time and within budget
- Provide reports related to project status to Investments Team and other stakeholders
- Prepare and track development budget related to assigned projects
- Assist Senior Development Staff in securing the appropriate approvals, certifications, permits, etc. from city and other government agencies as required
- Responsible for completing and executing project contracts in accordance with department requirements.
- Manage project documents including discretionary and non-discretionary approvals, agency releases/declarations/determinations, easements, covenants, tract maps, construction documents, A/E design and engineering plans and specifications, contract/change orders, closeout documentation
- Responsible for sharing and uploading documents and communication on GC's web based project management site
- Tracking and reporting project status to investors, lenders, joint ventures, quasi-public partnerships and the like
- Assist with monthly construction progress reporting including but not limited to schedules, applications for payment, etc.
- Assist in the development of sales and marketing campaigns
- Oversight of design team and consultants, contractors, subcontractors and vendors

What it takes To be Senior Manager - Business Development (Land Acquisition) ?

Role Specification -

This role involves sourcing of deals, understanding the markets, evaluating potential deals and partners, supporting technical and legal due diligence and concluding the transactions independently for the specified region.

This is done through lead identification, conducting feasibility analysis, detailed market research, financial modeling, and project evaluation, negotiation with JV partners, ensuring legal checks and documentation and deal finalization.

The candidate will be independently handling Godrej Properties real estate investments and business development activities and would be responsible for making sound investments with high ROI for the company.

The candidate should be well rounded in terms of analytical and softer skills since handling Joint Venture partners, along with high aptitude, as both are important aspects of the job.

This is a demanding profile which offers unparalleled growth opportunities and exposure to participate/lead multi-million dollar transactions.

The candidate will work in an extremely successful team which is both highly motivated and highly talented.

Financial Modeling and Analysis -

- Conducts detailed financial analysis for the lead using financial modeling templates
- Provides estimates on revenue, profitability, investment, IRR analysis
- Land Sourcing/Identification -
- Generates leads by networking with International Property Consultants (IPC), financial institutions, brokers, relationship with corporate houses, other land aggregators, promoters, tracking opportunities in newspapers etc.
- Meets land owners to understand expectations, profile etc.
- Filters/shortlists leads and recommends for offers as per company defined criteria and business requirements
- Conducts site visits and market study to understand market factors
- Profiles the potential lead– land, land owner, risk assessment, checking title deeds
- Coordinates with Design and Marketing team for inputs on product mix, pricing, costs etc
- Makes recommendations on shortlisted opportunities to HO / Regional Head.

Deal Evaluation

- Conducts preliminary due diligence for the lead -zoning, access, location etc.
- Conducts market benchmarking / feasibility study and prepares reports
- Compiles costing and revenue assumptions and verifies from different teams
- Prepares and recommends the business case proposal for new opportunity covering areas like, pricing, Sales velocities, ticket size, risk assessment, profitability, investment, IRR analysis etc.
- Coordinates with legal department for timely completion of due diligence activities
- Coordinates with Liaison for verification of land title documents, area development plan and latest bye laws
- Coordinates with other departments for timely and successful completion of legal and technical Due Diligence process

Preferred SKILLS:

- Market Knowledge – Very good understanding of Bangalore real estate market including a thorough understanding of all jurisdictions
- Established network of land owners, promoters, brokers, etc.

- Reasonable knowledge of land laws – eg BTAL, ALC etc
- Understanding of local language
- Statistical knowledge.

Deal Structuring / Finalization

- Structures the deal based on analysis conducted to maximize return for the business
- Negotiates with the land owner and discusses terms of joint venture
- Coordinates with legal department for preparation of agreement and terms and conditions when the proposal reaches the agreement stage
- Drives approval from HO/ BD Council/ regional head
- Coordinates signing of agreement between BD Council and JV partner

Essential SKILLS

- Financial Analysis – Understanding financial statements & levers that impact each
- Financial Modelling – DCFs, Ratio analysis, land valuation techniques.
- Regulatory Knowledge – Understanding of rules and regulations governing the land deals/projects
- Understanding the structure of a legal MOU eg. land related documentation on title of ownership
- Negotiation skills

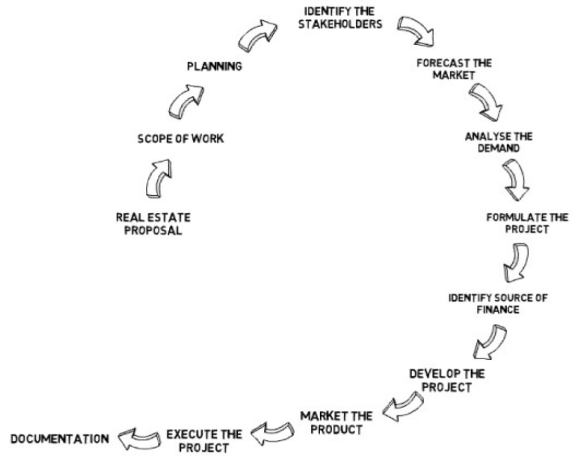
2.HOW DO YOU ACQUIRE THESE COMPETENCIES?

- Acquire Market Knowledge by following the market in the current scenario through newspapers, property headlines and advertisements about sale of plots and built properties
- Learning Robust Strategy, Business Drivers & Synergy
- Update Regulatory Knowledge
- Learning Financial Modelling Financial Analysis & Statistical knowledge
- Reading reports of RE consultants
- Following the change in interest rates as announced by the RBI
- Keeping track of acts passed by the ministry of Ministry of Housing & Urban Affairs.

3.WHAT WILL YOU BE ABLE TO DO BY THE END OF THIS COURSE?

- Practice as real estate consultants
- Formulate real estate projects
- Execute real estate transactions
- Do strategic research.

2. REAL ESTATE PROCESS



3. WHAT DOES REAL ESTATE SERVE?

Real estate is defined as a combination of land along with anything permanently affixed to the land, such as buildings.

In India, real estate is the second largest employer after agriculture and is slated to grow at 30 per cent over the next decade [ibef.org, 2018].

Housing sector is expected to contribute around 11 per cent to India's GDP by 2020 [ibef.org, 2018]. Serves the society

EMPLOYMENT -Real estate and construction industry - technology and mechanization - less man power (during construction phase) - more skilled man power (planning and operational stage).This has played a major role in employment of people in specialize services.

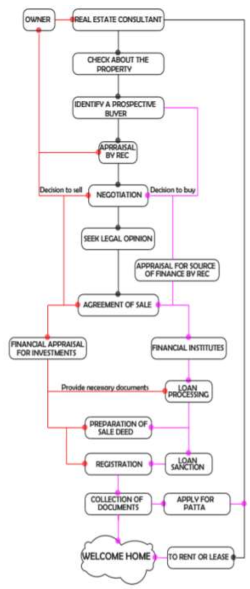
Productivity | Community | New Business | Increased Well Being | Diversity | Cost Efficient | Flexibility

4. BIG PLAYERS IN INDIA & ABROAD

DLF	• Revenue Rs 7766 Cr
PRESTIGE	• Revenue Rs 6518 Cr
INDIABULLS	• Revenue Rs 5015 Cr
TATA	• Revenue Rs 3100 Cr
JLL	• Revenue Rs 4000 Cr
KNIGHT FRANK	• Revenue Rs 500 Cr
CBRE	• Revenue Rs 2539 Cr

MODULE 2 REAL ESTATE SCOPE

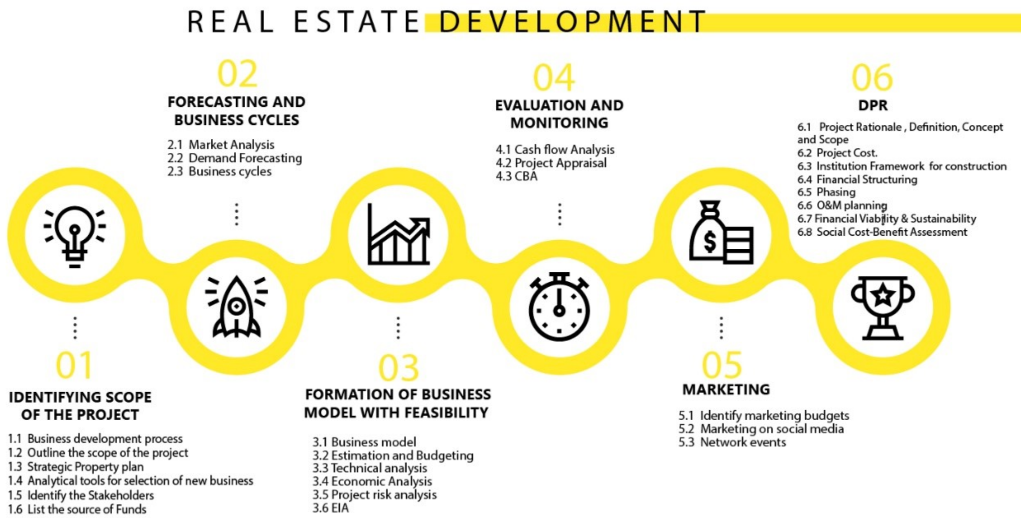
1. AGREEMENTS AND PROPERTY TRANSACTIONS



When a proposed seller enters into an agreement with a proposed buyer for the sale of an immovable property, such a agreement is called an agreement to sell.

2. BUSINESS DEVELOPMENT & PROJECT FORMULATION

- Identifying Scope of the Project
- Forecasting and business cycles
- Formulation of Business Model with Feasibility
- Evaluation & Monitoring
- Marketing
- DPR from different stakeholders perspectives



3 JOINT VENTURES & SUBSIDIARIES & ASSOCIATES

- A joint venture is an entity formed between two or more parties to undertake economic activity together.
- The parties agree to create a new entity by both contributing equity, and they then share in the revenues, expenses, and control of the enterprise
- Therefore, a joint venture may be a corporation, limited liability company, partnership or other legal structure, depending on a number of considerations such as tax and tort liability.

4. STRATEGIC RESEARCH & CONSULTING

I. BUSINESS SEGMENTS

- Business segments
- Services for investors
- Services for occupiers
- Asset types & specialties
- Industry sectors

ADVISORY SERVICES

- Advisory & Transaction Services
- Capital Markets
- Project Management
- Property Management
- Valuation & Advisory Services
- Advisory and auditing
- Investments and market advisory

GLOBAL WORKPLACE SOLUTIONS

- Advisory & Transaction Services | Occupier
- Client Strategy and Consulting
- Facilities Management

- Project Management

REAL ESTATE INVESTMENTS

- Development Services
- Flexible Space Solutions
- Investment Management
- Investment Strategies

Lets see an example - Valuation & Advisory Services.Such services include:

- Market Value
- Mortgage Security
- Arbitration & Consulting
- Taxation
- Rental Review
- Transaction Support

II. SERVICES FOR INVESTORS

- Appraisal Management
- Debt and Loan Valuation
- Federal Government Leases
- Leasing, liasoning& Advisory
- Litigation Support
- Net Lease Properties
- Small Balance Lending
- Debt & equity/capital raising
- Income generating assets.
- Asset management advisory of PE fund portfolios
- Financing of commercial real estate
- Debt and structured finance
- Leisure and alternative investments .
- Corporate Capital Markets
- Capital structure
- Debt & Structured Finance
- Going Concern Valuation
- Investment Accounting & Reporting Solutions
- Loan Portfolio Sales
- Property Management
- Telecom Advisory
- Construction Risk Management
- Energy & Sustainability
- Host
- Investment Banking
- Loan Servicing
- Property Sales

III. SERVICES FOR OCCUPIERS

- Business Transition & Move Management
- Acquisition, disposition and subleasing of property

- Corporate Capital Markets
- Industrial & Logistics Services
- Financial Consulting
- Data Centers
- Labor Analytics
- Location Analytics
- Location Incentives
- Retail Analytics
- Retail Services
- Strategy Development (including lease or own)
- Project Management
- Leasing & Advisory
- Lease Management including administration, abstraction, payments and audits
- Network Advisory
- Real Estate Accounting
- Host
- Industrial & Logistics Services
- Portfolio Services
- Portfolio Optimization and Benchmarking
- Facilities Management
- Energy & Sustainability
- Workplace Client Strategy and Consulting
- Space Enablement

IV. ASSET TYPES & SPECIALTIES

- Office
- Aerospace and Defense
- Data Centers
- Golf & Resorts
- Multifamily
- Self-Storage
- Industrial & Logistics
- Affordable Housing
- Hotels
- Land
- Nonprofit
- Senior Housing
- Retail
- Aviation Properties
- Gaming
- Manufactured Housing
- Omnichannel

5 REAL ESTATE INVESTMENT & FINANCING

Equity financing

Combining knowledge of the underlying real estate fundamentals with a deep understanding of the capital structure to ensure you get the right M&A advice.

Fund advisory

Get access to the highest quality managers and investors in the real estate funds space.

Debt financing

Connect with lending sources around the world to secure the best pricing and deal.

FINANCING BODIES

- Banking sector
- Non-banking Financial Institutions (NBFIs) - Non-banking Finance Companies (NBFCs) & Housing Finance Companies (HFCs)
- Domestic Scheduled Commercial Banks (SCB)
- Institutional investors include
- Family Offices,
- Foreign Banks' Real Estate Investment Desks,
- Pension Funds,
- Private Equity Firms,
- Real Estate Investor- Cum Developers,
- Sovereign Wealth Funds And Foreign Firms.

SIGNIFICANT LEGAL DECLARATIONS

- Industry status to Warehousing and Logistics
- Automatic approval for 100% FDI in single brand retail and 51% in multi-brand retail
- 100% FDI In Single brand retail
- 51% FDI In multi-brand retail
- 100% FDI allowed in e-commerce • Real Estate (Regulation and Development) Act •
- Make in India initiative
- "Housing for All by 2022" Mission
- External Commercial Borrowing permitted for Infrastructure and Affordable Housing

REGULATORY BODIES AND

- SEBI (Alternative Investment funds) Regulations, 2012
- Real Estate Investment trust Regulation
- Land Acquisition, Rehabilitation and Resettlement Act
- Benami Transactions (Prohibition) Amendment Act, 2016 •
- FDI
- RERA
- PMAY
- Goods and Services Tax Act.

Additional Reading:

The Indian real estate industry has been receiving capital from various institutions like scheduled commercial banks, institutional investors and Non-banking Financial Institutions (NBFIs). Institutional investors have invested USD 30 bn during 2009-2018 (until Oct'18). These investors include family offices, foreign banks' real estate investment desks, pension funds, private equity firms, real estate investor- cumdevelopers, sovereign wealth funds and foreign firms. Domestic Scheduled Commercial Banks (SCB) have been traditional lenders, whose outstanding credit to the sector stood at USD 29 bn as of March 2018. On the other hand, NBFIs have provided outstanding credit of USD 40 bn an estimated as of March 2018. Within NBFIs, Non-banking Finance Companies (NBFCs) have played a dominant role with outstanding lending of USD 25 bn while Housing Finance Companies (HFCs) are the second highest lenders with USD 15 bn outstanding lending until 2017-18. This report analyses trends of capital flows from various institutions in the real estate industry and highlights two distinct phases witnessed by the markets, during the last 10 years.

Capital Flows from Institutional Investors

The institutional investments post Global Financial Crisis (GFC) presents an interesting trend in two phases between 2009- 2018. The first phase i.e. 2009-2013 was slow, while the second phase i.e. 2014-18 was reforms led and hence faster. The trends in capital flows during these two phases have been analysed. Additionally, trends in concentration of investments in key metros as well as growth of sovereign wealth funds have been examined in this section.

Indian real estate sector attracted approximately USD 30 bn institutional investments during 2009-2018 (until Oct'18), the decade post GFC.

• The decade post GFC had two distinct phases – 2009 to 2013 and 2014 to 2018. The initial phase was of cautious recovery, which failed to gain momentum due to weak economic growth and lack of investor confidence. Following this phase, the introduction of transformative reforms post the change in Government (2014) led to a sharp rise in investment flows particularly from global investors.

• Indian real estate attracted USD 9.4 bn between 2009-2013 accounting for 32% of the total investments during the decade i.e. 2009 -2018. The first phase witnessed gradual recovery until 2011 (mostly driven by opportunistic domestic fund cherry picking projects in residential sector as commercial segment demand was yet to recover). The investment momentum showed a downtrend post 2012 due to slowdown in economic growth, high interest rates and delay in implementation of policy reforms.

• Post 2014, key reforms like introduction of Securities and Exchange Board of India (SEBI) guidelines for Real Estate Investment Trusts (2014), Housing for All Mission (2015), Real Estate Regulation and Development Act (2016), Benami Transactions (Prohibition) Amended Act (2016) and relaxation in Foreign Direct Investment norms, improved the investor's perception about the Indian real estate sector.

• 2014 - 2018 witnessed a whopping 68% share of total institutional investments i.e. USD 20 bn. A slew of reforms in various segments improved investors' perception. The adoption phase of reforms introduced by Real Estate Regulation Act, The Benami Prohibition Act and Goods and Services Tax (GST) witnessed improved office space absorption, while the residential segment faced sluggish growth with brief hiatus Investments in residential segment declined sharply to 37% of total investments during 2014- 18 as compared to 62% during 2009-13.

• Post GFC, residential segment showed first signs of recovery in 2009; investments were mainly directed towards mid-income segment projects by domestic investors. However, construction delays, delivery deferment, legal & environment issues and subdued economic growth led to demand slowdown towards beginning of 2013.

• During 2014, the demand for residential units failed to pick up albeit improved economic environment. A series of real estate reform measures were initiated to increase transparency.. While this disruption is likely to benefit India's real estate sector, recovery of residential markets has been slow in the short term. Institutional investments towards the residential segment are showing a dwindling trend and this will continue, until green shoots of recovery are visible.

• Office space absorption, on the other hand has shown improvements since 2014 with the economic revival and increased focus towards enhanced transparency by the Government.

• Institutional investments in Commercial Office Space moved up to USD 8.2 bn 2014-18 from USD 1.6 bn 2009-13 – a jump from 17% to 40%

• 2017 and 2018 recorded maximum investments of USD 5.9 bn in the office space. This amounted to 72% of the total investments in the commercial office segment during 2014 to 2018

• During the last three years, Government has brought in constructive modifications in the Indian REIT policy document making it more market friendly. As a result, global investors like Blackstone, Brookfield and sovereign wealth funds like GIC Singapore picked-up large office assets for building their REIT portfolios in India.

• As far as the retail sector is concerned, sharp rise in investments to USD 1.6 bn during 2014-18 from USD 134 mn during 2009-13 has been observed; investors have formed joint ventures / platform deals to invest in retail assets.

• Landmark tax reform - Goods and Services Tax, "Make in India" initiative and the e-commerce revolution have led to rising interest in the Warehousing and Logistics sector of India during the last two years.

• The top three cities, namely, Mumbai, NCR and Bengaluru remain the preferred institutional investment destinations for the entire decade (2009-2018)– no new city has emerged till now.

• Investment trends have remained skewed with NCR, Mumbai and Bengaluru accounting for 67% of the total institutional investments during 2009-13 and 77% during 2014-18.

• Mumbai region continued to attract demand throughout the last decade due to availability of larger office and residential spaces as compared to other cities of India.

• Bengaluru has been intermittently attracting investments mainly in IT/ IT SEZ office space segment and select residential projects.

• Investments in tier II cities are expected to increase, as these locations are likely to witness robust growth in retail and warehousing sectors.

Investments from sovereign funds increased from 5% in 2009-13 to 15% 2014-18. This improved confidence was mainly driven by introduction of REIT regulations, improved transparency and accountability in the real estate sector.

• Sovereign wealth funds are investing as anchor investors in platform funds as well as entering into joint ventures with pedigree developers.

• Private Equity has the lion's share (more than 80%) in the overall institutional investment, in the last decade.

• Foreign PE funds and Sovereign wealth funds account for 45% of the total PE investments in the sector to date.

6 VALUATION

Valuer has been defined as "an individual, group of individuals, or a firm possessing the necessary qualifications, ability and experience to undertake a valuation in an objective, unbiased and competent manner. In some jurisdictions, licensing is required before one can act as a valuer.

This standard is intended to apply to a wide spectrum of valuation assignments, including:

1) valuations performed by valuers for their own employers ("in-house valuations"),
2) valuations performed by valuers for clients other than their employers ("third-party valuations"), and
3) valuation reviews where the reviewer may not be required to provide their own opinion of value

Valuation should be realistic depending on the nature of property, its use, potential and all other characteristics.

A valuer of land and buildings needs the knowledge of.

1. Purpose, time and place of valuation.
2. Laws relating to valuation.
3. Building industry including method of construction, structural arrangements, specifications, type of foundations finishing and services provided etc.
4. Plant and machineries installed.

Valuation Reports

Where the report is the result of an assignment involving the valuation of an asset or assets, the report must convey the following, at a minimum:

(a) the scope of the work performed, to the assignment,

(b) the intended use,

(c) the approach or approaches adopted,

(d) the method or methods applied,

(e) the key inputs used,

(f) the assumptions made,

(g) the conclusion(s) of value and principal reasons for any conclusions reached, and

(h) the date of the report (which may differ from the valuation date)

VALUATION AND ADVISORY SERVICES

In today's dynamic economic environment clients are always in need of customised reports that suit their requirements and help in taking appropriate business decisions within minimal time.

Expert valuers provide holistic solutions towards tangible assets which include land, building and plant & machinery.

Well-established and globally accepted methodologies can be used to prepare the valuation reports for the purposes of acquisition and disposition, fund raising, lending and security, financial reporting, arbitration and dispute resolution and general insurance for various sectors.

These Reports are used across sectors like Residential, Industrial, Commercial, Retail & Hospitality, Townships, Schools and Hospitals.

Appraisal reports are subject to a scrupulous quality control process. Reports are prepared in accordance with the standards published by the Royal Institution of Chartered Surveyors and International Valuation Standards.

REAL ESTATE VALUATION SERVICES

Real estate valuation services include valuation of land and building assets spread across various sectors like Residential, Commercial, Industrial, Retail, Warehousing, Hospitality, Healthcare, Education etc.

Professionals with their vast experience provide a comprehensive and holistic range of valuation and advisory services to clients helping them make critical business decisions.

Typical clientele would include Developers, Investors, Occupiers, Indian as well as Foreign banks, Non-Banking Financial Companies, Government Bodies, Funds etc.

Valuation reports aid clients towards their business requirements by providing a detailed understanding of the assets supported by reliable market research.

Fixed assets valuation providing a one-stop valuation service ranging from Real Estate to Plant and Machinery.

All reports can be prepared in accordance with International Valuation Standards and RICS Guidelines.

7. ASSET MANAGEMENT

PROCESS

1. Property asset strategy and planning
2. Business case evaluation and project programmes
3. Delivering the strategy
4. Delivery review – property asset performance in support of service delivery
5. Leadership and change management
6. Organisation and capacity
7. Data and information management
8. Current issues in public sector property asset management

IMPORTANCE OF ASSET MANAGEMENT

1. extensive maintenance backlogs
2. energy inefficient, unsustainable portfolios of space.
3. a poor fit between service requirements and the property from which services are delivered
4. poor accommodation for staff, impacting on productivity, recruitment and retention
5. limited co-location of public services from different authorities/departments
6. ineffective procurement of property and construction and property support services
7. inefficient use of capital; and
8. insufficient control over running costs

What is property asset management?

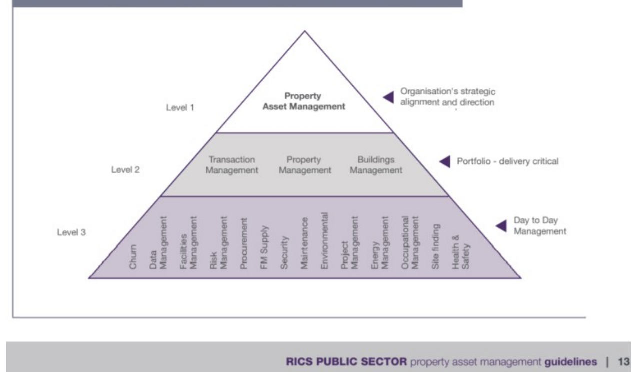
One of the most significant references to asset management was made by Sir Michael Lyons in his report to the Chancellor of the Exchequer in 2004. In this report, Towards Better Management of Public Sector Assets, he says:

"Asset management is a key part of business planning which connects, at a strategic level, decisions about an organisation's business needs, the deployment of its assets, and its future investment needs."

Strategic property asset management

Strategic property asset management is the process which aligns business and property asset strategies, ensuring the optimisation of an organisation's property assets in a way which best supports its key business goals and objectives.

Figure 1.1: Property asset management and property management interrelationship

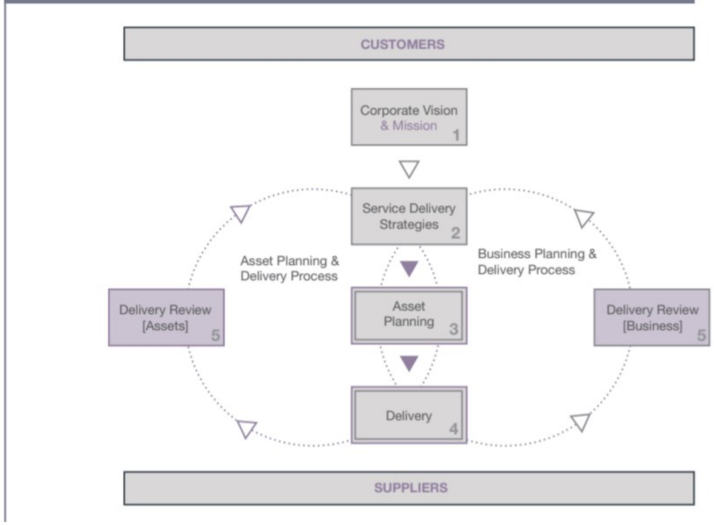


Property asset management and property management

There is consensus about the basic characteristics of strategic property asset management for land and buildings, but to distinguish this process from property management is more difficult. Figure 1.1 assists in explaining how these management processes interrelate. Many of the day-to-day property management activities which keep a facility operational are shown at Level 3. These may be carried out by contractors who will be procured by the property manager, often on a portfolio wide basis in order to reduce the number of suppliers. However, many public bodies have in-house teams of facility management staff who provide informed and cost effective services to the organisation. These activities and, particularly their management, are critical to the ability of the occupying unit to deliver services to customers from a fitfor-purpose facility. It is the job of the property manager to ensure that these services are efficiently delivered and that the facility meets the requirements of customers and staff. Across a portfolio, the property manager will oversee many facilities, perhaps with buildings and transactions managers taking care of maintenance and buying and selling property assets respectively. Level 2 activity defines the property manager's support role for a number of properties .

and emphasises the delivery of this critical activity for accommodation, perhaps across a whole organisation. In contrast, the property asset manager ensures that the property asset base of an organisation is optimally structured in the best corporate interest of the organisation. The brief is to align the property asset base with the organisation's corporate goals and objectives, shown at the apex of the diagram at Level 1. The job requires business as well as property skills and so it is not imperative that the role is filled by a property professional. However, it is essential that the property asset manager does have an overall knowledge of and experience in property matters. The property asset manager does not respond solely to the requirements of any particularly operating part of the organisation, but rather, takes all requirements of the business into account and tries to deliver the optimal solution in terms of the organisation's overall operational and financial goals and objectives. The role has an executive orientation. It is a corporate activity and is focused on the business first and property assets second, in order to match business and accommodation need.

Figure 1.2: The basic business process for effective property asset management



The property asset management process

a. The corporate vision and mission (1) of the organisation are set by the senior management team, including politicians.
b. These are translated into ‘line of business/service delivery strategies’ (2) – for example, education, housing, corporate services, welfare – by a team of business managers with property asset managers and other resource managers working together to achieve an optimum organisation-wide plan.
c. The property asset planning process (3) will then commence with property asset managers analysing exact business needs in terms of accommodation requirements: location, size, facilities required and so on. This plan will also set out how the present portfolio of accommodation will be adapted to best suit the requirements of the customer-facing businesses

The benefits of establishing a property asset managementpolicy include:

• an efficient allocation of property assets across the organisation

•a better integration of service delivery from single multi-purpose locations across the organisation

• introducing innovative online non-property asset dependent service delivery

• increasingly sustainable delivery strategies

• providing a basis for investigating cross-organisation and/or across a number of organisations, ‘engineered’ property asset vehicles; and

• lower operating costs and efficient use of capital.

Figure 1.3: Business, asset planning and service delivery sequence

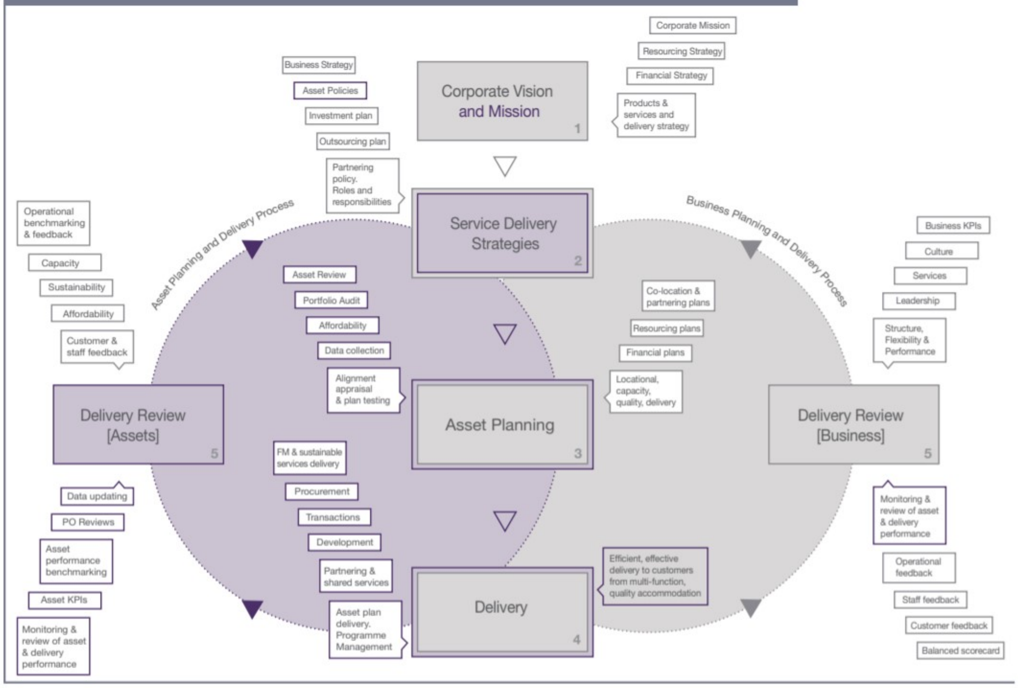


Figure 3.2: The corporate policy cascade

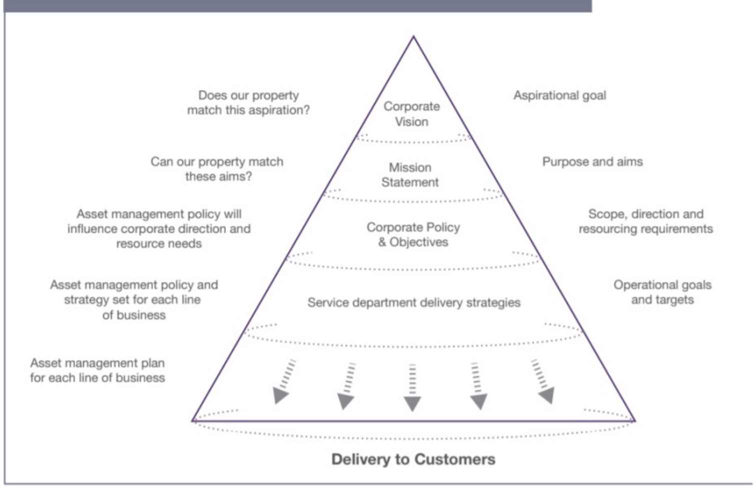


Figure 3.4: Property asset planning process

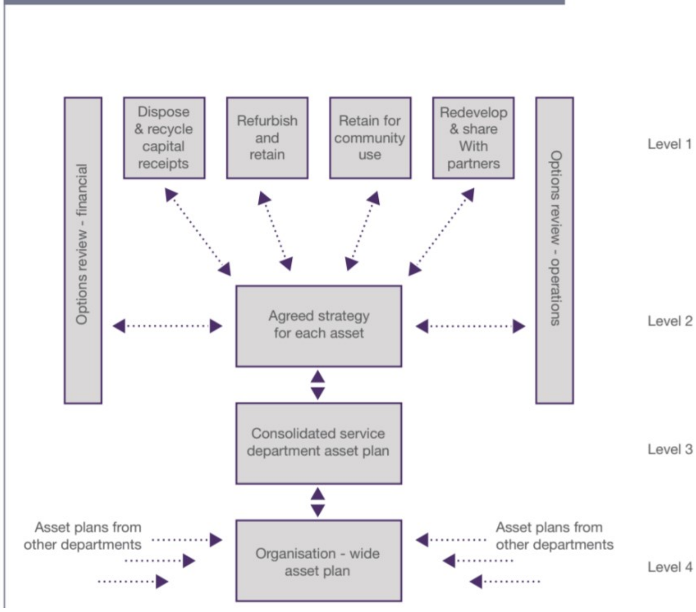
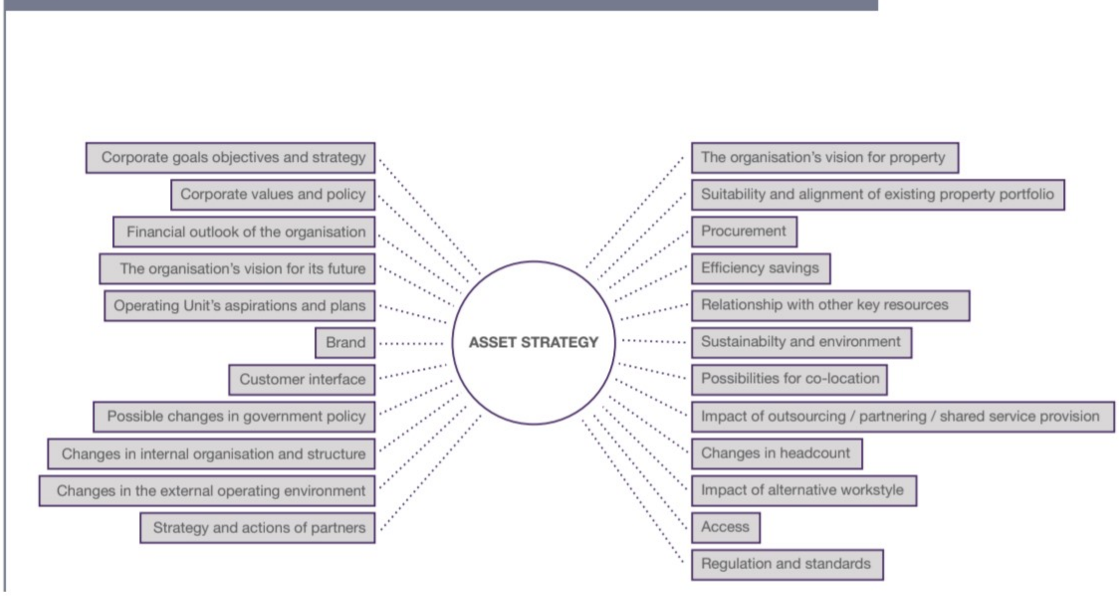


Figure 3.5: Asset strategy considerations



Business case evaluation and project programmes

A business case is a systematic analysis of the benefits and dis-benefits (financial and non-financial) of a proposal for change, compared with continuing with the current situation. Sometimes there may be more than one proposal for change – they are normally called options. To make comparisons of the various financial and other benefits and dis-benefits, sophisticated evaluation techniques will frequently be used.

Business cases are produced:

- to test the strategic ‘sense’ of the project
- so that the taxpayer gets the best value for money
- so that all capital and recurring expenditure implications are taken into account
- to integrate other areas that are affected by the project concerned; and
- to ensure that all the benefits (financial and non-financial) are captured and assessed.

MODULE 3 REAL ESTATE ACTIVITIES

1. AGREEMENTS AND PROPERTY TRANSACTIONS

LETS SEE A CASE OF A BUYER BASKAR NOW!

TRANSACTION TO BUY A VACANT LAND

Agreement are made to sell an immovable property , Sale of immovable property and Mortgage of an immovable property like an apartment.

The apartments may have different units with different BHK configurations and sizes

An example of plot by tata housing.

REAL ESTATE INVESTMENT & FINANCING-

Dealt in detail in Unit 3 Stakeholders

HOME LOANS

TATA CAPITAL HOUSING FINANCE LIMITED

- Home Loans
- Loan Against Property
- Affordable Housing Loan
- Construction Finance
- Quick Cash

TATAGRANT HOME LOANS FOR SEVERAL PURPOSES:

- Self-construction
- Home extension
- Plot plus self-construction

- Buying fresh purchase in under construction projects

TATAHOME LOAN BALANCE TRANSFER

What is Home Loan Balance Transfer?
Home loan balance transfer takes place when the entire outstanding principal amount of home loan is transferred from an existing lender to a new one offering a lower rate of interest.
In such cases, the lender who originally extended the loan gets the unpaid principal amount and the borrower is now required to pay EMIs at the rate offered by the new lender.

Why Should You Transfer Your Home Loan to Tata Capital?
The following are the compelling reasons why you should transfer your home loan to Tata Capital –
A Brand You can Trust
Trust is the most solid foundation to build you home upon. And Tata Capital is a companion you can trust. Tata's trust and legacy gives you the flexibility to build more, and build better.
Interest Rate
Perhaps, the primary reason for home loan balance transfer is lower interest rates offered by the new lender. Because the lower the interest rate, lower will be the EMI that you need to pay for its repayment. Tata Capital's home loans are one of the most lowest in the market, starting at just 9.25%!
Loan Amount
You need to ensure that the new lender will extend you the amount you need to cover your needs. Tata Capital offers home loans that cover a wide range of Rs. 2 lakhs to Rs. 5 crores.

INTEREST RATES

The current interest rates (w.e.f 6th August, 2019) offered to our Home Loan customers are as follows:

APPLICABLE RATES - MONTHLY REST BASIS

Salaried	Any Amount - Applicable Variable Rates**	8.50%*
Self Employed Professionals	Any Amount - Applicable Variable Rates**	8.75%*
Self Employed Non Professionals	Any Amount - Applicable Variable Rates**	8.75%*

Why Should You Transfer Your Home Loan to Tata Capital?
Loan Tenure
Further, it is important to consider the loan tenure offered by the new lender so that you can pay off your EMIs comfortably. Tata Capital's home loans can be taken for a period as long as 30 years.

Processing Fee
Before opting for home loan balance transfer, consider processing fee involved lest the transfer ends up being costlier than before. At Tata Capital, the processing fee is a mere 0.5% of the loan amount!
Home Loan Top-Up
Another thing to consider is whether or not your new lender offers top-up loans over and above your existing home loan that will help you in times of additional needs such as home renovation. Tata Capital provides Home loan Top-Up at relatively lower interest rates to help you meet such additional needs with ease.

What are the Eligibility Criteria for Home Loan Balance Transfer?

- To get a home loan balance transfer to Tata Capital, you must meet the following eligibility criteria –
- Your property for which you have taken a home loan must either be occupied or at least ready to be occupied
- You should not have any outstanding dues on your existing home loan

What are the Documents Required for Home Loan Balance Transfer?

The following documents are required when you plan to transfer your home loan to Tata Capital

- Age Proof documents – valid Passport/Driving License/PAN Card/Birth Certificate/ Life Insurance Policy/School Leaving Certificate
- Identity Proof documents – Voter ID/Passport/Driving License/Aadhar Card/PAN Card
- Address Proof documents – Utility Bills/Bank Statements/Property Registration Documents/Property Tax Receipt/Voter ID Card
- KYC Documents
- Income Proof documents – Last six months' operative current account statement/copy of the last three years' P/L Projection Statement/Bank statements for the last six months of CC, OD facilities (if taken)
- Foreclosure Letter/Latest Principal outstanding
- Home Loan Approval Letter
- Interest Certificates from the initial lender

Is it Possible to Get a Home Loan Balance Transfer with Top-Up?

Yes, several lenders offer the facility of top-up with home loan balance transfer.
Using this unique facility, you can increase your loan limit.
The amount of top-up you receive will be based on your eligibility.

What is a Home Loan Balance Transfer Calculator?

- A home loan balance transfer calculator is a simple online tool using which you can easily find out the total monthly savings that you can make on transferring the principal balance on your home loan from one lender to the other.
- You can enter the relevant details either by adjusting the sliders or by simply entering in the details in the box given for each.
- Requested Loan Amount – This is the principal loan amount that you had borrowed from your original lender
- Requested Tenure – This is the period (in number of months or years) for which you need the loan from your new lender
- Net Salary/Income – In case of net salary, it is the amount of take-home pay left after deducting recoveries and deductions. Net income is the amount that remains after deducting the cost of goods sold from your sales total
- Monthly Obligations – is the amount of money that you need to shelve aside to meet necessary commitments and requirements, including EMI payments for other loans
- Cost of Property – This is the cost of the home for which you took a loan plus all expenditures required to prepare it for its intended use

Loan Principle Outstanding – refers to the remaining portion of the original loan principal amount plus any interest that accrues on the outstanding principal balance
Existing EMI – refers to the amount of money you pay as monthly EMI for loan repayment with your original lender
Once you enter in the above mentioned information, the home loan balance transfer calculator will display the Balance Transfer Amount and the Total Savings you will be making by getting a home loan balance transfer.

PMAY

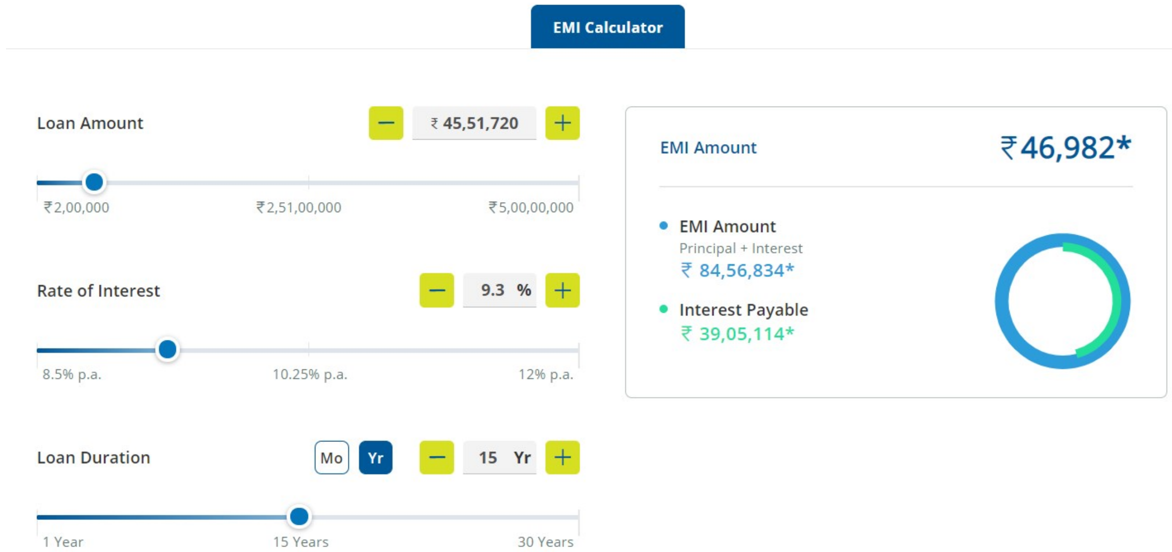
What is PMAY?
PMAY stands for Pradhan Mantri Awas Yojana which is a Credit Linked Subsidy Scheme (CLSS) introduced by the Central Government with the aim of making affordable housing available for the economically weaker sections of the society – the rural and urban poor.
By the 31st of March, 2022, this social welfare flagship programme targets to construct around 20 million affordable houses.

Factors that Affect PMAY Subsidy
Annual Family Income
The higher the annual family income, the lower will be the subsidy amount and the lower the annual family income; the higher will be the subsidy amount.
Tenure
The subsidy amount increases with the increasing tenure or duration for which the loan is taken.
Loan Amount
The amount of subsidy under PMAY scheme increases with an increase in the principal loan amount.

Different Categories under the PMAY Scheme
Your PMAY subsidy will largely depend upon the economic category you fall under. The PMAY scheme permits housing loan under the following four categories -
EWS Category – Also known as the Economically Weaker Section, the EWS category comprises those households whose annual income is Rs. 3 lakhs or below
LIG Category – Also known as Lower Income Group, the LIG category includes those households whose annual income ranges between Rs. 3 lakhs to Rs. 6 lakhs
MIG I Category – Also known as Middle Income Group (I), the MIG I category is the one under which households whose annual income ranges between Rs. 6 lakhs to 12 lakhs
MIG II Category - Also known as Middle Income Group (II), the MIG II category consists of households having an annual income that ranges between Rs. 12 lakhs to Rs. 18 lakhs

How is subsidy calculated in PMAY?
The subsidy under the PMAY scheme is calculated by taking into consideration the annual family income and the PMAY interest rate.
The beneficiaries can belong to the following income groups –
Upto Rs. 3 lakhs – 6.50%
Rs. 3 lakhs to Rs. 6 lakhs – 6.50%
Rs. 6 lakhs to Rs. 12 lakhs – 4% and
Rs. 12 lakhs to Rs. 18 lakhs – 3%

What is PMAY Calculator?
https://www.tatacapital.com/tchfl/products/home-loan.html



HOME LOAN TOP-UP

What is a Home Loan Top-Up?
Home loan top-up is a facility provided by lenders under which a borrower can take an additional sum of money as loan over and above his existing home loan.
Moreover, home loan top-ups are a safety net during moments of emergencies.
For example – If the property builder overshoots the initial budget, prices may rise and to meet the price gap, a home loan top-up is the easiest and the most seamless option.

Why Should You Go for a Top-Up Home Loan?
The following are the benefits of opting for a home loan top up –
Lower Interest Rates – Relatively lower interest rates are the primary reason for choosing home loan top-ups
Longer Tenure – Home loan top-ups also come with longer tenure options which helps in lowering monthly EMIs and also results in higher loan eligibility
Tax Benefits – For purposes of home repair or construction, even for the education of your children, you can avail tax benefits on your home loan top-up
Debt Consolidation – Another major benefit of top-up loan is that it can be used to close existing unsecured loans that may have high interest rates
Faster Loan Processing – Since your existing lender has already built a relationship with you, top-up loan will take minimal processing time

Who Can Get a Top-Up Home Loan?
To get a top-up home loan, you must meet the following eligibility criteria –
You must be an existing customer. Meaning, you must have already taken a home loan from Tata Capital
The payment history of your existing home loan should be free from defaults
You should have a good CIBIL or credit score, preferably over 750

What are the Documents Required for a Top-Up Home Loan?
The standard documents required for a top-up home loan are as follows -

- Age Proof documents – valid Passport/Driving License/PAN Card/Birth Certificate/ Life Insurance Policy/School Leaving Certificate
- Identity Proof documents – Voter ID/Passport/Driving License/Aadhar Card/PAN Card
- Address Proof documents – Utility Bills/Bank Statements/Property Registration Documents/Property Tax Receipt/Voter ID Card
- Business Proof documents – Registration Certificate for Commencement of Business/copy of the last two years' Income Tax Returns
- Income Proof documents – Last six months' operative current account statement/copy of the last three years' P/L Projection Statement/Bank statements for the last six months of CC, OD facilities (if taken)
- Existing Loan details – to be provided via bank statements
- Processing Fee Cheque – to be issued from your business account
- KYC Documents
- Disbursal Request Letter
- Latest coloured photograph
- Home loan application form
- Photocopy of PAN Card

Who Can Get a Top-Up Home Loan?
Find out
https://www.tatacapital.com/tchfl/products/home-loan.html

VALUATION

VALUATION APPROACHES AND METHODS

The three approaches described and defined below are the main approaches used in valuation as per IVS. They are all based on the economic principles of price equilibrium, anticipation of benefits or substitution. Consideration must be given to the relevant and most appropriate valuation approaches. The principal valuation approaches are:

1. Market Approach,
2. Income Approach, and
3. Cost Approach

TANGIBLE ASSETS

- Real estate
- Business value
- Plant & Machinery

INTANGIBLE ASSETS

Trademark and brand name

- Patent and copyright
- Technology know-how
- Software
- Franchise
- BOT/EPC/PPP contract
- Lease-back contract

- Non-compete agreement
- Operating right & license
- Mining right
- Backlog contract
- Customer/supplier relationship

FINANCIAL INSTRUMENTS

- Warrant and share option
- Real option
- Pre-IPO share option
- Preference share
- Convertible bond
- Swap
- Equity-linked financial derivative
- Interest rate derivative
- Structured product
- Financial guarantee
- Employee pension plan
- Asset management

A CASE OF HOTELS

- Audit and accounting services
- Feasibility studies
- Hospitality consulting
- Hotel market analysis
- Investment analysis
- Market studies
- Operator selection
- Valuation services

ACTS & VALUATION

STEPS IN VALUATION

For determination of cost of construction of a building.

- Accounts method.
- Plinth Area Rate and Cost Index method.
- Detailed or item wise method.
- Material and labour contract method.
- Comparable method.

For determination of Fair Market Value of the property.

- Land and building method.
- Rent capitalisation method
- Development method.
- Profit method.
- Comparable method.
- Combination of more than one method for partly owner occupied and partly tenanted property.
- Guidelines rates issued by local Authorities for relevant period and location in respect of rates of land, construction, flats commercial properties etc.

Factors affecting value

All factors affecting value should be considered, like.

- Shape,
- size,
- location,
- low lying,
- allowable FAR etc., for land valuation. –
- Type of foundation, specification, No. of storeys, standard of construction and finishing planning efficiency etc for building valuation.
- Lease hold or free hold. –
- Under litigation or not. –
- Title is clear or not :
- owner ship & possession. –
- Tenanted or Self-occupied. –
- Encroachment / unauthorized occupant exist or not etc. –
- Plinth area rates should be correctly applied.
- Cost indices of relevant time & place should be considered.
- Extra items should be properly framed based on correct rates of materials and labour.
- For ascertaining comparable land values public auction or sale cleared by the Appropriate Authority should be considered more authentic.
- Reliance should be placed on sale instances of registration offices only under circumstances where Appropriate Authority instances are not available.
- Reliance may also be made on the local guidelines rates issued by relevant authority.
- It should be based on facts noted during inspection of property and facts intimated by assessee and verified.
- It should depict the property in simple terms bringing out the position on the date of inspection through a note.
- The detailed measurements and specification should be noted and got accepted from the assessee or his authorized representative for avoiding contradiction.

[Note : Yearly wholesale price index of commodities issued by Office of Economic Advise of Ministry of Industries Which can be downloaded from the website www.eaindustry.nic.in

PLINTH AREA RATES As On 01-10-2007

ANNEXURE-2

S. No.	Description	Office / College / Hospital	Schools	Hostels	Residential
1	2	3	4	5	6
1.0	**R.C.C. FRAMED STRUCTURE**	Rates in Rs. Per Sq. metre			
1.1	R.C.C. Rrames structure upto six storeys				
1.1.1	Floor height 3.35 mt.	13,200	9,150		
1.1.2	Floor height 2.90 mt.			9,100	9,000
1.2	**EXTRAS FOR**				
1.2.1	Every additional storey over six storyes upto nine storeys	310	310	310	310

CPWDPLINTH AREA RATES 2020

		Non-Residential Buildings			Residential Buildings	
Sl. No.	**Description**	**Offices & Colleges**	**Hospitals**	**Schools**	**Hostels**	**Quarters**
2.0	**SERVICES**					
2.1	Internal water supply & sanitary installations	4%	10%	5%	12% with attached toilets, 8% with common toilets.	9%
2.2	External service connections and local body approval charges					
2.2.1	Electrical external service connections	3.75%	3.75%	3.75%	3.75%	3.75%
2.2.2	Civil external service connections	1.25%	1.25%	1.25%	1.25%	1.25%
2.2.3	Local body approvals including tree cutting etc.	1.25%	1.25%	1.25%	1.25%	1.25%
2.3	Internal electric installations	12.5%	12.5%	12.5%	12.5%	12.5%
2.4	**EXTRA FOR**					
2.4.1	Power wiring and plugs	4%	4%	4%	4%	4%
2.4.2	Lightning conductors	0.25%	0.25%	0.25%	0.25%	-
2.4.3	Telephone conduits	0.25%	0.25%	0.25%	0.25%	-
2.4.4	Third Party Quality Assurance	1%	1%	1%	1%	1%

Rate in ₹

Sl. No.	Description of Item	Unit	Rate
1	SUB-STATION EQUIPMENT		
1.1	Supplying, installation, testing and commissioning of 33 kV/0.433 kV or 11 kV/0.433 kV substation equipments comprising HT panel, dry type transformers, HT cable, bus trunking from transformer to LT panel, LT panel, automatic power factor correction panel, active harmonic filters, TVSS (transient voltage suppression system), SPD (surge protection system), essential panel, earthing, required inter-connections, substation safety equipments including LT cabling from sub station to the buildings fed by the sub station.	per kVA	9000
2	DIESEL GENERATING SETS		
2.1	Supplying, installation, testing and commissioning of silent type DG sets, AMF panel, bus ducting/ cables from DG sets to essential panel, synchronizing panel where required, DG set enclosure room sound insulation/ventilation/smoke exhaust as required, earthing of DG set system, control cabling, fuel tank/piping, DG set exhaust piping/ exhaust chimney as per CPCB norms, civil works connected with DG sets including foundation as required.	per kVA	11000
3	33 kV RECEIVING SUBSTAION AND 33 kV/11 kV HT CABLING		
3.1	Supplying, installation, testing and commissioning of 33 kV substation comprising 33 kV HT panel, transformers 33kV/11 kV, 11 kV HT panel, inter connections, 11 kV HT under ground cabling to the distribution substations on ring main system, substation earthing, substation safety equipments.	per kVA	6000
3.2	Supplying, installation, testing and commissioning of 33 kV switch room comprising of 33 kV HT panel, inter connections, 33 kV HT under ground cabling to the distribution substations on ring main system, earthing, safety equipment.	per kVA	6000
4	UNINTERRUPTED POWER SUPPLY		
4.1	Supplying, installation, testing and commissioning of online 3 phase UPS system with 30 minutes back up including batteries, interconnecting cables, battery racks etc.	per kVA	20000
4.2	Add for every additional 30 minutes backup	per kVA	9000
	Note: For assessment of kVA estimation of a building, para 4.4,13 and other relevant paras of "Guidelines for Substation & Power Distribution Systems of Buildings-2019" which is available on CPWD website may be referred to.		
5	CENTRAL AC PLANT		
5.1	Supplying, installation, testing and commissioning of energy efficient central AC plant including low side works	per TR	85000
5.2	Extra for stand-by chilling units high side	per TR	38000
6	VRV/ VRF AC SYSTEM		
6.1	Supplying, installation, testing and commissioning of VRV/VRF system including indoor /outdoor units, piping, electrical power distribution/wiring, electrical panel, treated fresh air system etc.	per HP	55000
7	PRECISION AIRCONDITIONING SYSTEM		
7.1	Supplying, installation, testing and commissioning of precision air conditioning system including piping, electrical cabling, controller etc. required for the system	per TR	110000
8	SOLAR PHOTO VOLTAIC POWER GENERATION SYSTEM		
8.1	Supplying, installation, testing and commissioning of grid interactive roof top solar photo voltaic power generation system including space frame	per kWp	65000

Other rates are available for the following.

Basement Floors	Stilt Floors
Fire Fighting, Security	Substation
Fas, Acs, Cctv, Ibms	Diesel Generator
Lifts, Lighting	Ups
Water Tanks	Ac Plant
Site Development	Solar Plants

COST PRICE INDEX

STATEMENT OF COST INDICES OF DELHI/NCR SINCE 1955

Year	Effective Date	Cost Index	Base 100 of PAR
1955	17.05.1955	100	1955
1962	12.01.1962	118	1955
1962	18.09.1962	131	1955
1966	19.07.1966	148	1955
1969	15.01.1969	157	1955
1969	17.06.1969	168	1955
1969	15.10.1969	181	1955
1970	01.01.1970	100	1970
1971	05.04.1971	120	1970
1972	03.05.1972	134	1970
1973	24.12.1973	166	1970
1975	26.06.1975	180	1970
1976	01.10.1976	180	1970
1976	01.10.1976	100	1976
1977	30.12.1977	113	1976
1978	31.03.1978	116	1976
1979	31.03.1979	130	1976
1980	10.04.1980	176	1976
1981	23.04.1981	200	1976
1982	29.01.1982	217	1976
1982	30.03.1982	221	1976
1983	16.03.1983	245	1976
1984	13.03.1984	274	1976
1985	27.06.1985	312	1976
1986	09.07.1986	340	1976
1987	16.06.1987	370	1976
1988	31.03.1988	397	1976
1988	01.11.1988	421	1976
1989	31.10.1989	494	1976
1990	31.03.1990	521	1976
1991	11.02.1991	564	1976
1991	31.03.1991	595	1976
1992	31.12.1991	664	1976
1992	01.01.1992	100	1992
1992	31.03.1992	104	1992
1994	01.01.1994	117	1992
1995	01.06.1995	132	1992
1996	01.06.1996	142	1992
1997	01.06.1997	145	1992
1998	01.06.1998	148	1992
1999	01.09.1999	158	1992
2000	01.07.2000	162	1992
2001	01.04.2001	166	1992

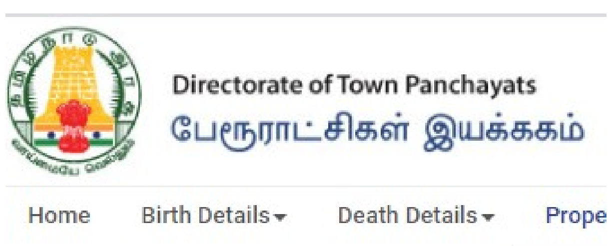
Year	Effective Date	Cost Index	Base 100 of PAR
2002	01.04.2002	176	1992
2003	01.04.2003	197	1992
2004	01.04.2004	209	1992
2005	01.04.2005	223	1992
2006	01.04.2006	236	1992
2007	01.04.2007	254	1992
2007	01.10.2007	260	1992
2007	01.10.2007	100	2007
2008	01.04.2008	114	2007
2008	01.10.2008	119	2007
2009	01.04.2009	113	2007
2009	01.10.2009	126	2007
2010	01.04.2010	136	2007
2010	01.10.2010	139	2007
2011	01.04.2011	149	2007
2011	01.10.2011	151	2007
2012	01.04.2012	161	2007
2012	01.10.2012	170	2007
2012	01.10.2012	100	2012
2013	01.04.2013	100	2012
2014	01.04.2014	105	2012
2014	01.10.2014	107	2012
2015	01.04.2015	104	2012
2015	01.10.2015	103	2012
2016	01.04.2016	102	2012
2016	01.10.2016	101	2012
2017	01.04.2017	111	2012
2017	01.10.2017	115	2012
2018	01.04.2018	116	2012
2018	01.10.2018	118	2012
2019	01.04.2019	118	2012
2019	01.04.2019	100	2019
2019	01.10.2019	98	2019
2020	01.04.2020	101	2019
2020	01.04.2020	100	2020

1. PAR 1955 base 100 is effective from 17.05.1955
2. PAR 1970 base 100 is effective from 01.01.1970.
3. PAR 1976 base 100 is effective from 01.10.1976.
4. PAR 1992 base 100 is effective from 01.01.1992.
5. PAR 2007 base 100 is effective from 01.10.2007.
6. PAR 2012 base 100 is effective from 01.10.2012.
7. PAR 2019 base 100 is effective from 01.04.2019.
8. PAR 2020 base 100 is effective from 01.04.2020.

FACTORS TO BE CONSIDERED IN VALUATION OF A MALL

i.) Location,
ii) Surroundings,
iii) Character of the locality,
iv) Presence of any negative aspect like garbage dumping ground, burial/burning ground, noise emitting or smoke spewing factory etc.
v) Transport facilities,
vi) Availability of parking space either inside or around the mall,
vii) Proximity of transport hub business district and residential locality. locality can further be categorized as posh, upper-class, middle class, lower class, poor,
viii) Aesthetics of mall building,
ix) Availability of infrastructure facilities like lift, escalator, ramp, stair case, captive power plant, air conditioning, lighting, heating, ventilation, fire detection and fighting etc.
x) Security,
xi) Quality and rapidity of ingress and egress system provided,
xii) Overall quality and quantity of entertainment package provided including food and beverage stalls and restaurants,
xiii) Nature of shop and its business,
xiv) Compatibility of business of the shop with the theme of the mall, if any,
xv) Area, size and height of shop,
xvi) Location of shop with reference to entry and exit points as well as service area, floor, atrium and foyer of the mall,
xvii) Quality of services provided by the mall owner or manager,
xviii) Period of business hours permitted. for example, whether shops are permitted to run 24 x 7 through out the year or not,
xix) Quality of construction and richness of specifications adopted in building the mall,
xx) Reputation of the promoter/builder of the mall,
xxi) Observance and compliance of all legal requirements regarding building and running of the mall,
xxii) Brand value of various products and services accommodated in the mall.

Property tax



Profession Tax ▾ Water Charges ▾ Non Tax ▾ Grievances ▾ Building Plan Trade Licence

* District	Chengalpattu	* Town Panchayat	Chitlapakkam
* Building Location	A Zone	* Building Usage	Own Residence
* Building Type	Rcc	* Building Age	15 to 25 Years
* Tax Type	All WARD	* Total Area	1400

Generate Reset

Zone	A
Building Usage	Own Residence
Tax Rate(Zone X Usage)(per Sq.Ft)	1.10
Monthly Rental value (Building Area X Zone Basic Value)	1540.00
Annual Rental Value (Monthly Rental value X 12)	18480.00
Plot Value (Annual Rental Value X (1/6))	3080.00
Building Value (Annual Rental Value - Plot Value)	15400.00
Maintenance Of Building (10% of Building Value)	1540.00
Basic Value (Annual Rental Value - Maintenance Of Building)	16940.00
Discount for Building Age Upto 5 Years - 0% of Basic Value 06 To 15 Years - 10% of Basic Value 16 To 25 Years - 15% of Basic Value Above 25 Years - 20% of Basic Value	2541.00
Discount for Building Type Rcc Roof - 1% of Basic Value Thatched Roof - 4% of Basic Value Madras Terrace - 5% of Basic Value Tiled - 6% of Basic Value Zinc Sheet - 7% of Basic Value	16940.00
Annual Value (Basic Value - (Age Discount + Type Discount))	14400.00
General Tax (Annual Value X 10%)	1440.00
Library Cess (General Tax X 10%)	144.00
Education Tax (Annual Value X 0%)	0.00
Property Tax (General Tax + Library Cess + Education Tax)	1584.00
Total Tax (Property Tax + Pentalty)	1584.00

References

1. *Tata realty & infrastructure ltd & tata homeshttps://www.tatarealty.in/project/ariana*
2. *Plots by tata housinghttps://www.tatarealty.in/project/crescent-enclave*
3. *https://www.tatacapital.com/tchfl/products/home-loan.html*
4. *https://www.tatacapital.com/tchfl/products/home-loan.html*
5. *https://tnreginet.gov.in/portal/*
6. *SAMPLE VALUATION REPORT REFER http://www.shuaacapital.com.sa/media/278120/Elite-Mall-WhiteCubes-Valuation.pdf*

MODULE 4 FACTORS AFFECTING REAL ESTATE MARKET

1. Different segments of business

- Retail
- Office Sector
- Housing sector or Residential spaces
- Coworking Spaces
- Coliving Spaces
- Healthcare segment
- Transit Retail
- Industrial & Logistics
- Mixed use developments
- Malls
- Multiplex

2. Housing

Socio economic factors
Socio Economic Factors affect the housing sector in the urban villages and have implications on social security,
access to basic infrastructure,
habitability and
expression of cultural identity for the occupants.

Demographic factors
Housing needs are governed by **demographic factors** like
population size,
population density,
decadal growth rate of population,
percentage of total workers,
male & female workers,
primary workers,
secondary workers and
tertiary workers.

Geographical factors
Geographical factors which play a key role include
water table level
quality of groundwater,
physical constraints on land development,
availability of land for development,

nearness to workplaces,
accessibility by road,
accessibility by rail ,
environmental condition.

Economic factors
Economic factors such as
government schemes,
government proposals,
land value and
land ownership

play a vital role in housing demand.

3. From a housing providers perspective

Customer Focus
Integrity
Innovation Agility
Leadership
Sustainability (Quality, Safety, Climate Change & Community Care)

Product segments are

- value,
- affordable,
- premium and
- luxury.

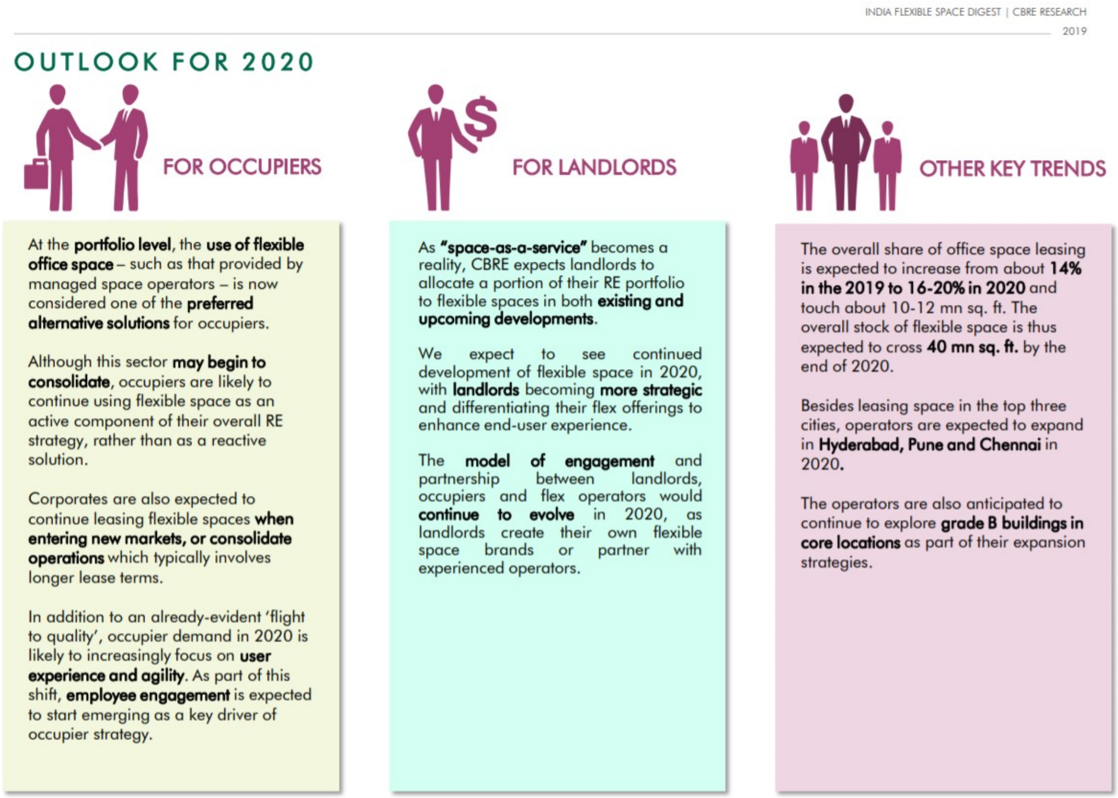
4. Flexible office Spaces

India flexible space digest | cbre research 2019

What are Core micro-markets & Non-core micro-markets in CHENNAI?

- Chennai CBD (Anna Salai, Egmore, etc.), Mount Poonamallee Road, Off CBD (Guindy), OMR Zone 1 (Perungudi and Taramani), OMR Zone 2 (Thoraipakkam, Sholinganallur)
- Ambattur, GST Road, OMR Zone 3 (Navalur)-

- *Before Jan 2020*


INDIA FLEXIBLE SPACE DIGEST | CBRE RESEARCH
2019

OUTLOOK FOR 2020

FOR OCCUPIERS

At the **portfolio level**, the **use of flexible office space** – such as that provided by managed space operators – is now considered one of the **preferred alternative solutions** for occupiers.

Although this sector **may begin to consolidate**, occupiers are likely to continue using flexible space as an active component of their overall RE strategy, rather than as a reactive solution.

Corporates are also expected to continue leasing flexible spaces **when entering new markets, or consolidate operations** which typically involves longer lease terms.

In addition to an already-evident 'flight to quality', occupier demand in 2020 is likely to increasingly focus on **user experience and agility**. As part of this shift, **employee engagement** is expected to start emerging as a key driver of occupier strategy.

FOR LANDLORDS

As **"space-as-a-service"** becomes a reality, CBRE expects landlords to allocate a portion of their RE portfolio to flexible spaces in both **existing and upcoming developments**.

We expect to see continued development of flexible space in 2020, with **landlords** becoming **more strategic** and differentiating their flex offerings to enhance end-user experience.

The **model of engagement** and partnership between landlords, occupiers and flex operators would **continue to evolve** in 2020, as landlords create their own flexible space brands or partner with experienced operators.

OTHER KEY TRENDS

The overall share of office space leasing is expected to increase from about **14% in the 2019 to 16-20% in 2020** and touch about 10-12 mn sq. ft. The overall stock of flexible space is thus expected to cross **40 mn sq. ft.** by the end of 2020.

Besides leasing space in the top three cities, operators are expected to expand in **Hyderabad, Pune and Chennai** in 2020.

The operators are also anticipated to continue to explore **grade B buildings in core locations** as part of their expansion strategies.

•

PODCAST
At Colliers, leaders are empowered to be innovative to provide enterprising solutions to clients. Project Management and the construction sector is one such business that has gone through a huge transition and will need to innovate to grow, post pandemic and function in the new normal. We kickstart the all new Project Management series with our expert IndranilBasu sharing industry leading insights and recommendations that will lead to the faster recovery of the sector and also showcase its resilience.

QUESTION-
NAME AN EXAMPLE OF NEW PRODUCT FORMULATION.IN ANY ONE OF THE DIFFERENT BUSINESSES.

Enterprising Solutions to Accelerate Success
https://www2.colliers.com/en-IN/News/PjM-Podcast
https://omny.fm/shows/colliers-international-india/colliers-india-project-management-innovate-to-thri

5. India Industrial and Logistics Market ViewQ3 2019

- GDP growth slowed from 5% -4.5% in Q3 2019
- Pull back in credit from NBFC
- Slump in Investment & household consumption growth
- Growth in other services like
- Public admn,
- Defence.
- Trade
- Hotels

- Transport
- Communication

Compared to other sectors, RE Services along with financial & Professional Services declined from 7% to 5.8%.Construction sector which is one of the largest employment generators slowed down to 3,3%

Source- India_Industrial_and_Logistics_MarketView_H2_2019 – CBRE REPORT
A Glimpse of the economy

6. CHENNAI OFFICE MARKET Q4 2019

Office leasing activity

- Strong momentum in leasing activity
- Chennai recorded a significant growth in leasing activity, which spiked by 127% q-o-q with the full year
- gross leasing activity reaching 5.8 msf by end-2019.
- This marks a four-year high with demand largely being led by the IT-BPM sector which contributed a 45% share to transaction volumes, followed by flexible workspace operators and captive centres with respective shares of 11% and 10%.
- Some of the major tenants who leased space in 4Q 2019 included BNP Paribas, Renault-Nissan Technology and Business Centre, J. Ray Mcdermott and Pfizer among others.
- Healthy pre-leasing volumes of 1.2 msf in Q4 2019 also contributed to the strong leasing activity this quarter.
- With around 24% of the total Grade A office space coming up in the city in 2020 being already pre-leased and multiple transactions in advanced stages of closure, strong demand momentum is forecasted in the short to medium term in the city.
- A strong supply pipeline of around 13 msf over the next three years is also likely to play a pivotal role in continuing the momentum going forward.

Source- A cushman&wakefield research publication

IT –SEZs

IT –SEZs are major drivers of office demand
The city recorded a significant 64% share of its space take-up in the IT-SEZ developments this quarter with the SEZ sunset clause nearing its scheduled deadline by 31 March 2020.
The current SEZ stock has a vacancy of 7.5%, with the SEZs in the Suburban South and Peripheral South-West submarkets operating at 99% occupancy levels. With occupiers continuing to show a strong preference for SEZ spaces to reap the tax incentives and other benefits and with around 40% of the total SEZ supply due for completion in 2020 already pre-committed, the vacancy in SEZs is likely to remain in low single digits and at similar levels in the above-mentioned SEZ corridors

Suburban AREAS
Suburban South and South West record strong performance.
Suburban South and South West submarkets continued to record healthy performance levels, accounting for 31% and 38% share respectively, of the gross leasing volumes this quarter.
The upcoming Metro Phase II connecting Madhavaram to SIPCOT and Madhavaram to Sholinganallur is likely to further enhance the demand for office space in these submarkets resulting in further strengthening of rents in the coming years. With continued demand

momentum and low single digit vacancy rates, these submarkets recorded rental growth of around 3.8% and 7.1% y-o-y respectively. Overall Chennai had an impactful year with rental growth of 6.7% y-o-y backed by continuous demand and quality supply.

The report on I & L highlights Grade A details only.
Certain indicators are historically corrected by addition / deletion of older / refurbished projects as per grade A classification and accounting for changes in built-up / leasable area besides adjusting tenant leases to reflect accurate market conditions. Net absorption refers to the incremental new space take-up #YTD gross leasing activity includes pre commitments and term renewals ^Includes planned & under construction projects until 2022 *Weighted average asking rental rates for vacant spaces that provide core facility, high-side air conditioning and 100% power back up

CBD –
Anna Salai, Nungambakkam, RK Salai; Off-CBD – T.Nagar, Alwarpet, Kilpauk, Egmore, Chetpet, Royapettah, Kotturpuram; Peripheral South- Sholinganallur, Thoraipakkam, Navalur, Siruseri, Padur; Suburban South – Perungudi, Taramani, Thiruvanmiyur, Velachery; South West – Guindy, Ashok Nagar, Vadapalani, Manapakkam, Ekkaduthangal; North West – Ambattur, Padi, Annanagar, Koyambedu, Arumbakkam; Peripheral South-west – Singaperumalkoil, Tambaram, Guduvanchery, Perungalathur, Pallavaram.

Terms

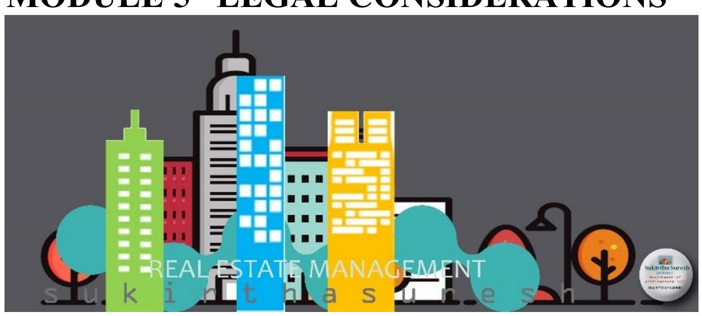
❿ **Business Center** - Formal environment -with more private cabins / spaces; provide limited or no community activity.

❿ **Coworking-** On a membership or per desk basis, coworking offices provide a sociable working environment where users can network, collaborate and undertake business with each other with a substantial focus on start-ups, events and community

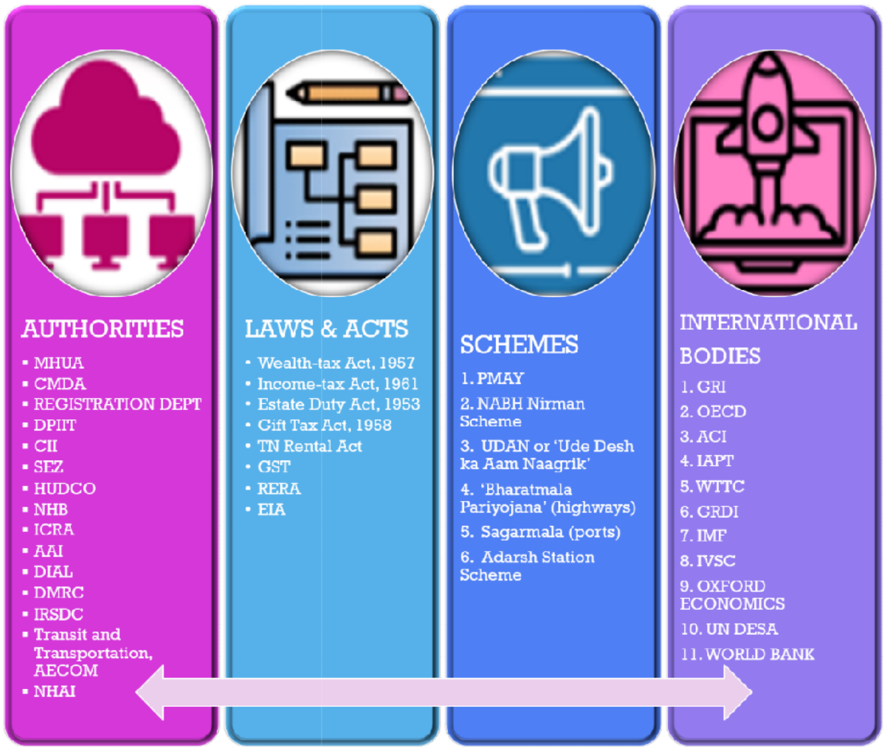
❿ **Managed Spaces** -A managed office is a fully customized, furnished and serviced private or semi-private facility, maintained and operated by an operator for a client who agrees to pay a composite fee for its use.

❿ **Hybrid Spaces** -Fully serviced space consisting of a mix of private cabins, dedicated/open desks, meeting rooms etc. leased out to various clients on per workstation basis for flexible tenures; higher focus on enterprise clients and reasonable focus on community and design

MODULE 5 LEGAL CONSIDERATIONS



LEGAL CONSIDERATIONS, STATUTORY BODIES & OTHERS



1. AUTHORITIES

- REVENUE OR REGISTRATION DEPARTMENT
- Department for Promotion of Industry and Internal Trade -FDI -FOREIGN DIRECT INVESTMENT
- NATIONAL HOUSING BANK
- RBI

SEZ- With a view to attract larger foreign investments in India, the Special Economic Zones (SEZs) Policy was announced in April 2000. Ministry of Commerce & Industry, Department of Commerce http://www.sezindia.nic.in/

- CII- The Confederation of Indian Industry (CII) works to create and sustain an environment conducive to the development of India, partnering industry, Government and civil society, through advisory and consultative processes. CII is a non-government, not-for-profit, industry-led and industry-managed organization, with about 9100 members from the private as well as public sectors, including SMEs and MNCs, and an indirect membership of over 300,000 enterprises from 288 national and regional sectoral industry bodies. https://www.cii.in/About_Us.aspx?enc=ns9fJzmNKJnsoQCyKqUmaQ==
- CMDA- Chennai Metropolitan Development Authority (CMDA) was constituted as an ad-hoc body in 1972 and become statutory body in 1974 vide the Tamil Nadu Town and Country Planning Act 1971
- Chennai corporation- The Tamil Nadu Combined Development Regulations and Building Rules, 2019 https://www.chennaicorporation.gov.in/

- HUDCO- https://hudco.org/Site/FormTemplete/frmTemp1PLargeTC1C.aspx?MnId=102&ParentID=0
- Airports Authority of India
- Delhi Airport International Limited (DIAL)
- Delhi Metro Rail Corporation
- Indian Railway Stations Development Corporation (IRSDC)
- National Highways Authority of India (NHAI)

CATEGORIES OF DOCUMENT	STAMP DUTY	REGISTRATION FEE
1 CONVEYANCE (SALE)	7% on the market value of the property	4% on the market value of property.
2 GIFT	7% on the market value of the Property	4% on the market value of the property.
3 EXCHANGE	7% on the market value of the greater value.	4% on the market value of greater value property.
4 SIMPLE MORTGAGE	1% (on the loan amount) subject to a maximum of Rs 40,000/-	1% on loan amount subject to a maximum of Rs.10,000/-
5 MORTGAGE WITH POSSESSION	4% on loan amount	1% subject to the maximum of Rs.2,00,000/-
6 AGREEMENT TO SALE	Rs.20	1#% on the money advanced(1% on total consideration if possession is given)
7.AGREEMENT RELATING TO CONSTRUCTION OF BUILDING	1 % on the cost of the proposed construction or the value of construction or the consideration specified in the agreement whichever is higher	1 % on the cost of the proposed construction or the value of construction or the consideration specified in the agreement whichever is higher
8 CANCELLATION	Rs.50	Rs.50
9 PARTITION		
i) Partition among family members	1% on the market value of the property subject to a maximum of Rs.25000/- for each share	1% subject to a maximum of Rs.4000/- for each share.
ii) Partition among Non family members	4% on the market value of the property for separated shares	1% on the market value of the property for separated shares
10 POWER OF ATTORNEY		
i) General Power of Attorney to SELL the immovable property	Rs. 100	Rs.10,000
ii) General Power of Attorney to SELL the immovable property (Power is given to family member)	Rs. 100	Rs.1,000
iii) General Power of Attorney to SELL the movable property & for other purposes	Rs. 100	Rs.50
iv) General Power of Attorney given for consideration	4% on Consideration	1% on Consideration or Rs.10,000/- whichever is higher

https://eservices.tn.gov.in/eservicesnew/land/chittaCheck_ta.html?lan=ta

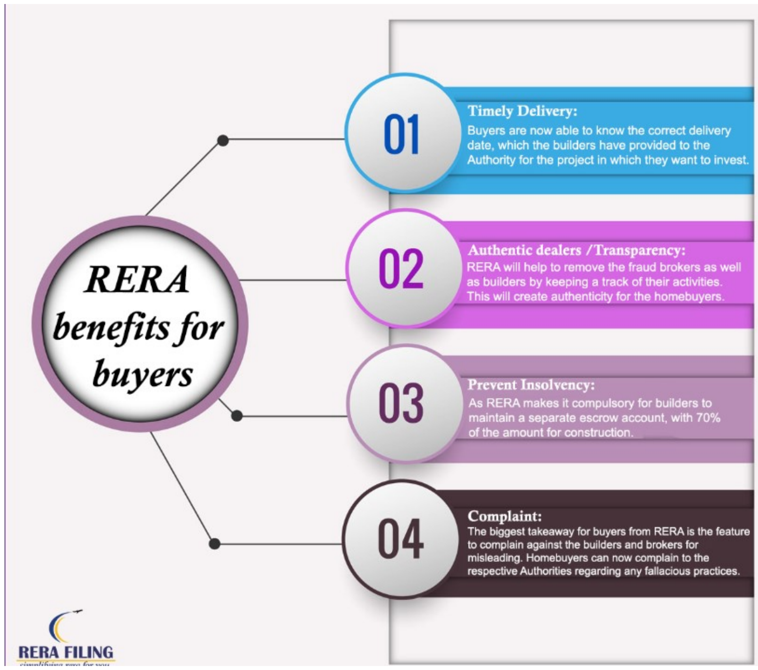
CATEGORIES OF DOCUMENT	STAMP DUTY	REGISTRATION FEE
11 .SETTLEMENT		
i)In favour of family members	1% On the market value of the property but not exceeding Rs.25000/-	1% on the market value of the property subject to a maximum of Rs.4000/-
ii) Other Cases	7% on the market value of the property	4% on the Market Value
12. PARTNERSHIP DEED		
i) where the capital doest not exceed Rs.500	Rs. 50	1% on the Capital invested
ii) Other Cases	Rs. 300	1% on the capital invested
13.MEMORADUM OF DEPOSIT OF TITLE DEEDS	0.5% on loan amount subject to a maximum of Rs.30000/-	1% on loan amount subject to a maximum of Rs 6000/-
14 RELEASE		
i) Release among family members (co - parcenars)	1% on the market value of the property but not exceeding Rs.25000/-	1% on the market value of the property subject to a maximum of Rs.4000/-
ii) Release among non family members (co - owner & benami release)	7% on the market value of the property	1% on the market value of the property
15 LEASE		
Lease below 30 years	1 % on the total amount of rent, premium, fine etc	1% subject to a maximum of Rs.20000/-
Lease upto 99 years	4 % on the total amount of rent, premium, fine etc	1% subject to a maximum of Rs.20000/-
Lease above 99 years or perpetual Leave	7 % on the total amount of rent, fine, premium of advance, if any, payable.	1% subject to a maximum of Rs.20000/-
16. DECLARATION OF TRUST (IF PROPERTY IS THERE, IT WOULD BE CONSIDERED AS SALE)	Rs. 180	1% on the Amount

2.INDIAN LAWS & ACTS

1. INCOME TAX ACT
2. GST
3. TN RENTAL ACT
4. RERA
5. EIA

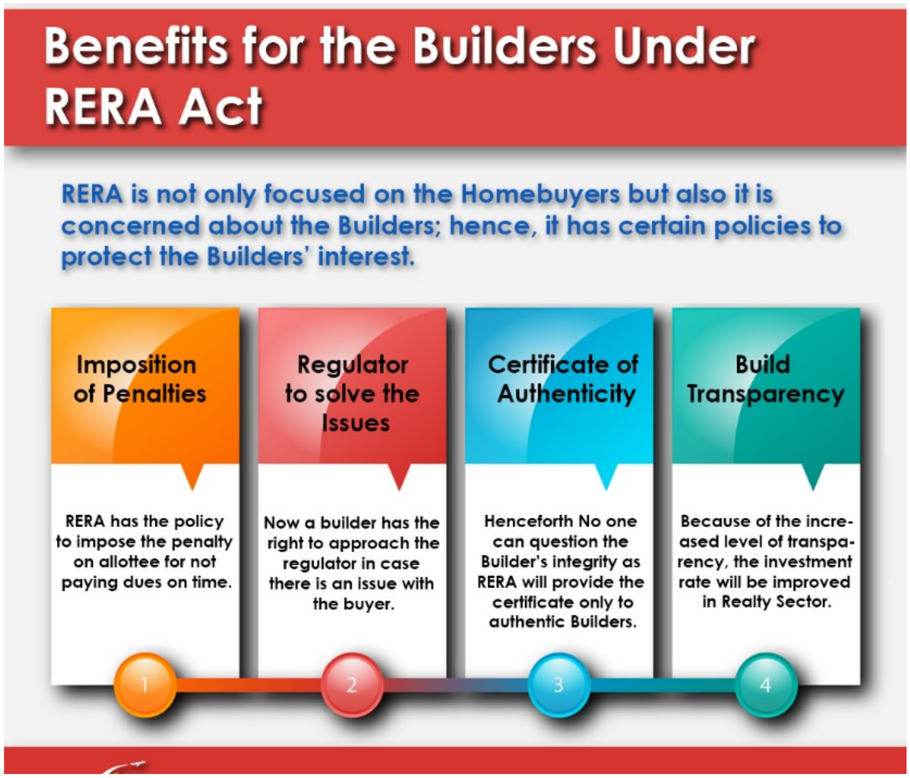
RERA

- RERA stands for Real Estate Regulatory Act. This Act came into picture from 1st may 2016 solely for Real Estate sector in construction industry.
- The Real Estate (Regulation and Development) Act, 2016
- According to the act, each state should have separate RERA website where information regarding every real estate project in the state is updated.
- The Act says that each state will **have its own authority for RERA governed by Ministry of Housing and Urban Poverty Alleviation (HUPA)**.



RERA benefits for buyers
01
Timely Delivery:
Buyers are now able to know the correct delivery date, which the builders have provided to the Authority for the project in which they want to invest.
02
Authentic dealers / Transparency:
RERA will help to remove the fraud brokers as well as builders by keeping a track of their activities. This will create authenticity for the homebuyers.
03
Prevent Insolvency:
As RERA makes it compulsory for builders to maintain a separate escrow account, with 70% of the amount for construction.
04
Complaint:
The biggest takeaway for buyers from RERA is the feature to complain against the builders and brokers for misleading. Homebuyers can now complain to the respective Authorities regarding any fallacious practices.
RERA FILING

Major causes of Litigations on builders under RERA
1. Delays in delivery of project
2. Hiding identity of co-promoter
3. Not disclosing carpet area
4. Misusing funds
5. Not updating quarterly compliances
RERA FILING
simplifying rera for you
www.rerafiling.com
Call Us: +91 9990333758



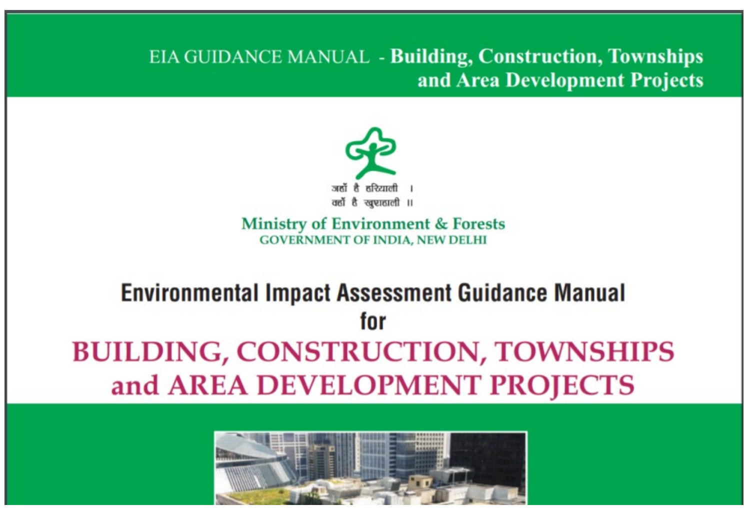
https://www.rera.tn.gov.in/
https://www.rera.tn.gov.in/homePageFiles/Checklist_Submission_Application_Building.pdf
Source: https://www.rerafiling.com/infographics-detail.php/28/major-causes-of-litigations-on-builders-under-rera

EIA

- EIA report covers a wide range of technical disciplines and covers areas such as noise and vibration, air quality, ecology, contamination,water quality & hydrology, archaeology & cultural heritage, landscape & visual character, sustainability and socio-economics.
- Ministry of Environment, Forest and Climate Change Government of India
- *http://environmentclearance.nic.in*
- *http://environmentclearance.nic.in/Staterecord.aspx?State_Name=Tamil%20Nadu*
- *GUIDANCE MANUAL FOR BUILDING CONSTRUCTION*
- *http://environmentclearance.nic.in/writereaddata/Form-1A/HomeLinks/building-construction_may-10.pdf*

Project or Activity		Category with threshold limit - B Category	General Conditions
8.	**Building /Construction projects/Area Development projects and Townships**		
8(a)	Building and Construction projects	≥20000 sq.mtrs and <1,50,000 sq.mtrs. of built-up area#	"Any project or activity specified in Category 'B' will be treated as Category 'A' if located in whole or in part within 10 km from the boundary of: (i) Protected areas notified under the Wildlife

8(b)	Townships and Area Development projects.	Covering an area ≥ 50 ha and or built up area ≥1,50,000 sq .mtrs ++	(Protection) Act, 1972; (ii) Critically polluted areas as identified by the Central Pollution Control Board from time to time; (iii) Eco-sensitive areas as notified under section 3 of the Environment (Protection) Act, 1986, such as, Mahabaleswar Panchangi, Matheran, Pachmarhi, Dahanu, Doon Valley and (iv) inter-state boundaries and international boundaries. Provided that the requirement regarding distance of 10km of the inter-state boundaries can be reduced or completely done away with by an agreement between the respective states or U.Ts sharing the common boundary in the case the activity does not fall within 10 kilometers of the areas mentioned at item (i), (ii) and (iii) above
#(built up area for covered construction; in the case of facilities open to the sky, it will be the activity area)			
++All projects under Item 8(b) shall be appraised as Category B1			



3.SCHEMES

1. NABH Nirman Scheme (2018)- Nextgen Airports for Bharat
2. UDAN or ‘Ude Desh ka Aam Naagrik’
3. ‘Bharatmala Pariyojana’ (highways)
4. Sagarmala (ports)
5. Adarsh Station Scheme

3.INTERNATIONAL BODIES

1. OECD-The Organisation for Economic Co-operation and Development (OECD) is an international organisation that works to build better policies for better lives. Their goal is to shape policies that foster prosperity, equality, opportunity and well-being for all. *https://www.oecd.org/about/*
2. World Travel and Tourism Council WTTC
3. IMF-The International Monetary Fund, or IMF, promotes international financial stability and monetary cooperation. It also facilitates international trade, promotes employment and sustainable economic growth, and helps to reduce global poverty. The IMF is governed by and accountable to its 189 member countries. *https://www.imf.org/en/About/Factsheets/IMF-at-a-Glance*
4. IVSC -International Valuation Standards Council
5. Airport Council International (ACI) -World Airport Traffic Forecasts
6. International Association of Public Transport 1APT
7. GRI- GRI helps businesses and governments worldwide understand and communicate their impact on critical sustainability issues such as climate change, human rights, governance and social well-being. This enables real action to create social, environmental and economic benefits for everyone. The GRI Sustainability Reporting Standards are developed with true multi-stakeholder contributions and rooted in the public interest. *https://www.globalreporting.org/information/about-gri/Pages/default.aspx*
8. GLOBAL RETAIL DEVELOPMENT INDEX
9. UN DEPARTMENT OF ECONOMICS AND SOCIAL AFFAIRS-By 2050,it is projected that 57% of India's population will live in cities (current urbanisation 45%) leading to a spurt in consumption.- UNDESA
10. https://population.un.org/wup/Country-Profiles/ Indian population trend report- https://population.un.org/wup/, https://www.un.org/development/desa/en/
11. WORLD BANK- WORLD DEVELOPMENT INDICATORS *https://www.google.com/search?q=World+Development+Indicators%2C+World+Bank&oq=World+Development+Indicators%2C+World+Bank&aqs=chrome..69i57.1497j0j8&sourceid=chrome&ie=UTF-8*
12. OXFORD ECONOMICS
13. AECOM

MODULE 6 FORECASTING THE REAL ESTATE MARKET

1. AREAS THAT NEED FORECAST

- Retail
- Office Sector
- Residential spaces
- Coworking Spaces
- Coliving Spaces
- Healthcare segment
- **Transit Retail**
- Mixed use developments
- Malls
- Multiplex
-

2. TRANSIT RETAIL

The changing retail spectrum

Source- *https://content.knightfrank.com/research/1923/documents/en/transit-retail-2020-think-india-think-retail-6990.pdf*

1. Transit retail developments across the modes of airport, rail, metro rail, highways or bus stations have not been fully tapped

I. CLASSIFICATION OF RETAIL INTO

a. Airport retail
b. Metro and railway retail
c. Highway and Bus station retail

II. Existing passenger traffic (Million, annual) in Airport, Metro, Railways, Roads & Bus Station.

III. Current Market size in 2019, retail opportunity ,current and projected for 2030 in USD annual.

2. The Report not only analyses the existing market retail opportunity for retailers and operators but also estimates trends for the next 10 years for transport hubs of airports, metros and railways, highways and bus stations.

3. Data collection, namely primary and secondary data for gathering and analyzing information. Benchmarking was done for all transportation hubs across cities on parameters such as

a. retail footprint,
b. passenger traffic
c. product category split and
d. existing market size

4. To understand the dynamics of retail across transit routes and ascertain their current and future potential across the airports, metros, railways, and highways.

- THE CHANGING RETAIL SPECTRUM – historical developments –
    - The new age consumer
    - Urbanisation

By 2050,it is projected that 57% of India's population will live in cities (current urbanisation 45%) leading to a spurt in consumption.- UNDESA

According to a recent research,India will house 10 of the world's fastest growing cities between 2019 and 2035 with Surat, Agra, Bengaluru, Hyderabad and Nagpur taking the top spots. – Oxford Economics

    - Technology boom

IV. ADAPTING WITH TIME – The evolving omni-channel approach- An omni channel strategy connects consumers through various channels such as websites, mobile apps, social media, kiosks, physical stores, and strives to enable the consumer to shift between various channels seamlessly during his shopping journey.

V. The rising income and changing spending patterns

- As per a research study by Oxford Economics, New Delhi (3.4 million, rank 16) and Mumbai (3.3 million, rank 17) will be the world's largest consumer cities in the middle-income households' group by 2030.*
- Compound Annual Growth Rate (CAGR) of around 8.2% during 2019-2025, the growth in domestic spending on leisure and business travel points toward the fact that new age India is ambitious, dynamic and upwardly mobile and therefore huge potential to the Indian retail growth story**
- Increase in broadband subscribers
- GDP & PER CAPITA GDP

- GDP per capita growth as per IMF

Global benchmarking

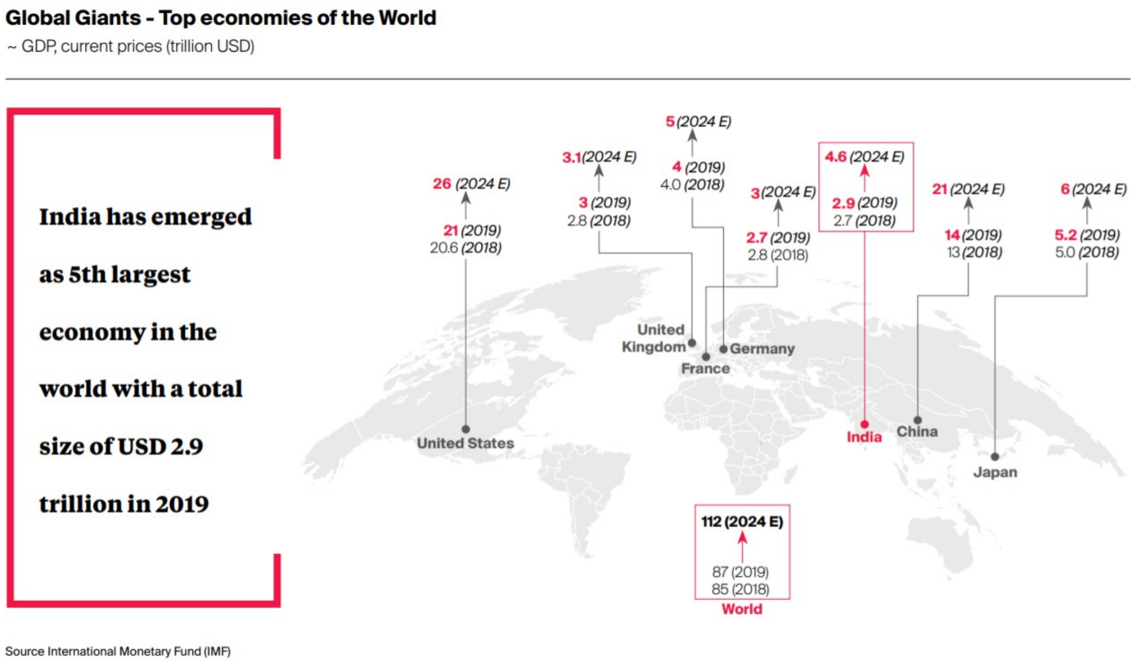
- Global benchmarking was done to understand the retail component along transportation hubs such as London, Paris, Dubai and Singapore for airports, and Hong Kong and London for metros.
- Some of the Case studies for the passenger traffic trends were
- Mumbai-Pune Expressway
- Delhi NCR Metro
- Ahmedabad Airport
- Bus station developments at Lucknow (Uttar Pradesh),
- Gandhinagar for railways.
- Amaravati Marina Development (planned),
- Dubai Marina
- Other cities were also included

AIRPORT

- New airports coming up
- Passenger traffic estimated by 2030
- No. of passengers travelled by air in 2019
- Lease rent revenue of private operator is from DutyFree
- Total retail opportunity for airports estimated.

3. INFRASTRUCTURE PUSH SHAPING UP RETAIL FOOTPRINT

- Infrastructure augmentation and connectivity
- Transport infrastructure in the form of roads, railways, metro, airport, ports and inland waterways is undergoing a massive rehaul in india and is expected to see a capital outlay of usd 300 billion (annually) in the coming five years.
- Government initiatives such as ‘bharatmala pariyojana’ (highways), sagarmala (ports), railway station redevelopment programme, inland waterways development, regional air connectivity scheme in the form of udan (airports), and smart cities (urban infra)
- Participation of private players in infrastructure projects such as airports, metros and railways



4. THE POLICY PERSPECTIVE

- 100% FDI under the Automatic Route in more sectors like single brand retailing,food products, airports, e-commerce activities, construction development, etc
- The process of FDI approvals has been streamlined and simplified to facilitate the investors, with the respective ministries/departments being the approving authorities and Department of Promotion of Industry and Internal Trade (DPIIT) being the single reference point.
- As per FDI Statistics (DPIIT), the total FDI equity inflow received from April 2000 to September 2019 is USD 4,46,238 million and in 2019, till September, India has received USD 26,096 million

MODULE 7 ENVIRONMENTAL ISSUES

1. A case study of Tata housing Sustainability report

ARE THESE RELATED?

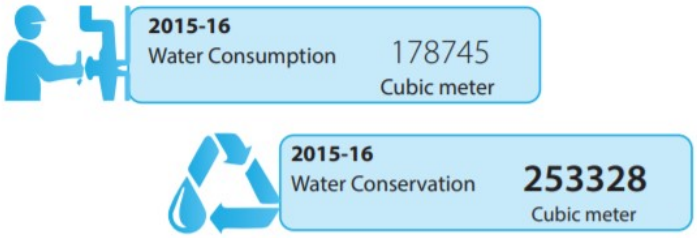
- EIA & ENVIRONMENTAL CLEARANCE (Centre & State)
- GREEN BUILDING RATINGS
- ESG(Environment, Social and Governance Report FY'19 DLF Limited)
- SUSTAINABILITY REPORT (TATA HOUSING)
- They have become carbon neutral in operations by abating CO2 emissions more than the amount of CO2 emitted during our operations in 2015-16.
- This has been achieved through deploying innovative construction technologies and practices.
- The Carbon emissions and Carbon Abatement inventory has been audited by external auditing rm – SGS India Pvt. Ltd.
- TATA HOUSING- Carbon Neutral in operations:

2. CO2 Reduction Measures:

• Reduce consumption of steel and cement by using alternative materials and technologies
• Reduce material handling by use of fly ash and AAC blocks
• Reduce transportation materials by optimizing materials consumption - steel, cement & concrete
• Reduce transport by procurement of local sand, aggregates, etc
• Reuse materials to reduce transport of virgin materials
• Rail travel instead of air travel
• Reduce use of transport within site by optimizing use of RMC, planning of material handling
• Reduce travel through use of audio - video conferencing
• Use of efficient equipment
• Reduce transportation of fresh soil by conserving top soil layer
• Reduce transportation for reclamation materials by using debris generated for backfilling

3. Water Positive in operations

- They have become water positive in operations by conserving water more than the quantity consumed during our operations in 2015-16.
- This has been achieved through deploying innovative construction technologies and practices.
- The Water consumption and conservation inventory has been audited by external auditing rm – SGS India Pvt. Ltd.



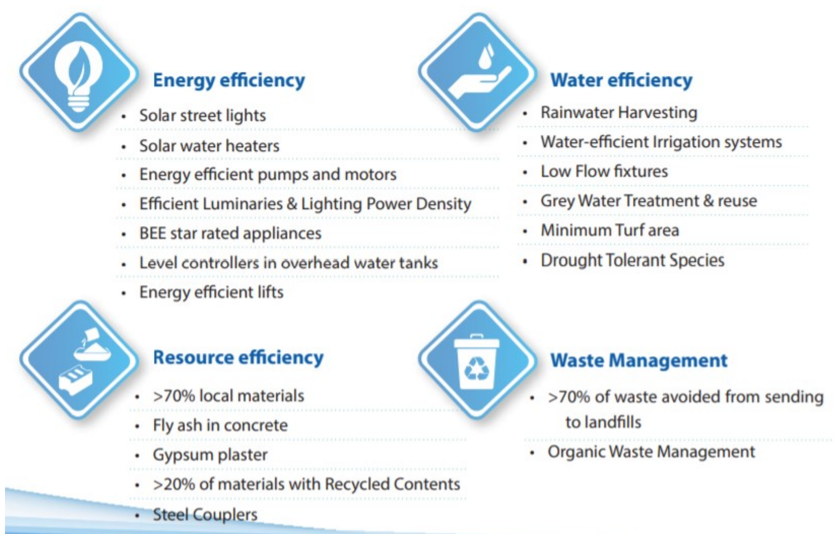
- **Water Consumption reduction measures:**
  - Rainwater Harvesting & Ground water recharging
  - Application of Gypsum Plaster
  - Use of Low flow fixtures
  - Re-use of Treated STP water

4. Green Buildings

Environmental sustainability is an integral part of the sustainability policy adopted by the company. In this respect, all the housing projects developed by the Company are Green Buildings.

The housing projects in Luxury and Premium segments are designed in accordance to the IGBC Platinum or Gold rating (or equivalent GRIHA star rating) and all the housing projects in Affordable and Value Homes Segments are designed in accordance to the IGBC Silver rating (or equivalent GRIHA star rating).

They will continue to design and build only the sustainable houses with the environmental sustainability elements like energy, water and resource efficiency.



5. Other Benefits

6. Daylight levels are at an average 260% higher than the minimum requirement.
7. All dwelling units receive direct wind and sunlight all year long
8. The glazing allows 65% of daylight to penetrate and restricts direct solar heat gains by 33%
9. Use of higher eciency pumps and motors reects in 17% energy saved

10. Dimming controls & timer based controls reduced energy required for external lighting by 64% annually.

11. Captured rain water reduces the annual fresh water requirement by 4%

12. Onsite STP with use of low ow plumbing xtures & rain water harvesting reduces total water requirement by 43%

13. The effect of surrounding vegetation resulted in an average 3o C drop in internal room temperatures and an average 18% reduction in the humidity levels.

14. Reduced negative impacts from heat island effect by 56%

A CASE REPORT OF VGN PROPERTIES FOR EIA & EC

CONCEPTUAL PLAN / ENVIRONMENTAL MANAGEMENT PLAN
(RESIDENTIAL BUILDING CONSTRUCTION PROJECT)

Index

Section	Description
1	Introduction
2	Project Site Description
3	Project Components
4	Water Requirement & Wastewater Management
5	Solid Waste Management
6	Air Pollution Control Measures
7	Noise Control And Management
8	Storm Water Management & Rainwater Harvesting
9	Landscape And Ecological Management
10	Socio Economic Development Plan
11	Power Requirement & Energy Conservation
12	Parking Requirement & Traffic Analysis
13	Fire Protection Measures
14	Disaster/Risk Assessment And Management Plan
15	Health and Safety Measures During Construction
16	Environmental Monitoring Plan
17	Budgetary Allocation for Environmental Management
18	Budgetary Allocation For CSR Activities

Break-up of Land Area proposed for the Residential Construction Project:
Total Land Area:

Description	Area in Sqm
a) Total Land Area (b+c+d+e+f+g= a)	**12,481 (3.084 acres)**
b) Total Ground Coverage Area of Buildings (51 %)	6,401.00
c) Roads and Pavements Area (19 %)	2,383.85
d)Other Utilities Area (2 %)	240.00
e) Surface Parking (3 %)	324.00
f) Greenbelt (excluding OSR) (15 %)	1,872.15
g) OSR Area (10 %)	1,260.00

Built up Area break up details for proposed residential building:

S. No	Buildings/ Blocks	Floors	FSI Area (Sqm)	Non FSI Area (Sqm)	No. of Dwelling units	Total Area (FSI + Non FSI) Sqm
1	Block-A	Stilt Floor	-	3637.23	-	3637.23
2		First Floor	3557.44	142.98	43	3700.42
3		Second Floor	3557.44	142.98	43	3700.42
4		Third Floor	3556.77	142.98	43	3699.75
5		Fourth Floor	3556.77	142.98	43	3699.75
6		Head room	-	114.2	-	114.2
Total (A)			**14228.4**	**4323.35**	**172**	**18551.77**
6	Block-B	Stilt Floor	-	2526.52	-	2526.52
7		First Floor	2176.2	80.83	24	2257.03
8		Second Floor	2078.29	77.96	23	2156.25
9		Third Floor	2078.29	77.96	23	2156.25
10		Fourth Floor	1870.89	71.84	21	1942.73
11		Head room	-	58.91	-	58.91
Total (B)			**8203.67**	**2894.02**	**91**	**11097.69**
11	LIG	First Floor	205.34	7.84	4	213.18
12		Second Floor	205.34	7.84	4	213.18
Total (C)			**410.68**	**15.68**	**8**	**426.36**
13	**Other utilities (STP Pump room, Solid Waste disposal shed) (D)**					**19.97**
Total Built-up area (A+B+C+D)						**30095.79 (Say 30,096 Sq.m)**

SOCIO ECONOMIC DEVELOPMENT PLAN

Construction Phase:

Only locally available workforce were used for the construction purpose. This was resulted in the improved economic condition of the people of that area.

Medical checkups were done at regular intervals to all the employees working. Trained first aid personnel were made available round the clock throughout the construction phase.

The safety procedures were made available with the respective shift in charges and the same was pasted in the workplaces. All the employees involved in the construction activities were provided with the necessary Personal Protective Equipments (PPE) and instated to use it.

Occupational health and safety orientation training were given to all employees consisting of basic hazard awareness, sitespecific hazards, safe working practices, and emergency procedures .

Monthly safety assessment meetings were conducted to identify potential safety issues (e.g., site access, construction, work practices, security, transportation of heavy equipment, traffic management, emergency procedures and fire control and management).

Operation Phase:

The people of the locality, especially men & women would be employed in the Residential Construction Project as service providers/maintenance staffs.

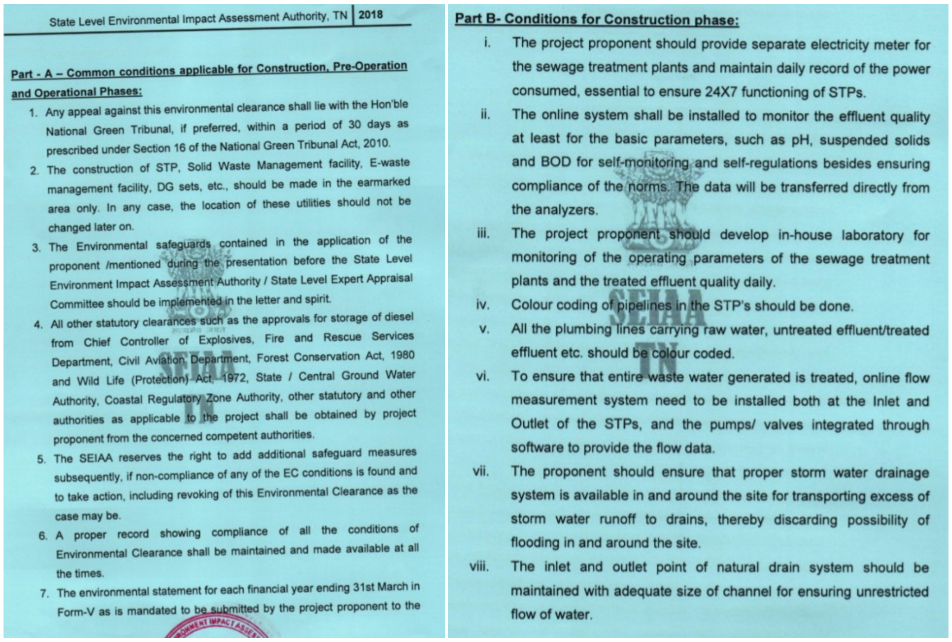
The project also stimulates the auxiliary developments around the project area. These will in-turn result in the improvement of economy in the locality which will increase the local living standards.

Traffic Analysis: Traffic assessment of the road abutting the project site (i.e., Avadi Main road) was carried out to estimate the peak traffic load.

The existing traffic load during the morning and evening peak hours were studied and the vehicle counts were categorized under different heads.
The different categories of vehicular load were converted to PCU equivalents by applying the respective “M” factors.
The peak traffic load in terms of PCUs was arrived and the incremental traffic due to the project was worked out.
This projected traffic load (incremental) was compared with the standard carrying capacity of the existing road.
It was observed that the ratio between Volume and Capacity (V/C ratio) was well within the limits.
Hence the impact of the traffic due to the proposed project is insignificant.
The detail of the traffic assessment is presented below.

DISASTER/RISK ASSESSMENT AND MANAGEMENT PLAN
A well - defined Risk Management Plan is made as follows:
STEP 1: Define the Projects/Tasks

- Site Clearing,
- Excavation
- Raft RCC slab
- Block work / plastering
- External plastering
- Joinery - frame fixing Flooring
- Interior works
- Windows fixing
- Flooring False
- ceiling Painting
- Services I- Electrical II Plumbing III
- Fire fighting
- Equipments
- Elevator
- STP /WTP
- Hard and landscape



State Level Environmental Impact Assessment Authority, TN | 2018

Part - A – Common conditions applicable for Construction, Pre-Operation and Operational Phases:

1. Any appeal against this environmental clearance shall lie with the Hon'ble National Green Tribunal, if preferred, within a period of 30 days as prescribed under Section 16 of the National Green Tribunal Act, 2010.
2. The construction of STP, Solid Waste Management facility, E-waste management facility, DG sets, etc., should be made in the earmarked area only. In any case, the location of these utilities should not be changed later on.
3. The Environmental safeguards contained in the application of the proponent /mentioned during the presentation before the State Level Environment Impact Assessment Authority / State Level Expert Appraisal Committee should be implemented in the letter and spirit.
4. All other statutory clearances such as the approvals for storage of diesel from Chief Controller of Explosives, Fire and Rescue Services Department, Civil Aviation Department, Forest Conservation Act, 1980 and Wild Life (Protection) Act, 1972, State / Central Ground Water Authority, Coastal Regulatory Zone Authority, other statutory and other authorities as applicable to the project shall be obtained by project proponent from the concerned competent authorities.
5. The SEIAA reserves the right to add additional safeguard measures subsequently, if non-compliance of any of the EC conditions is found and to take action, including revoking of this Environmental Clearance as the case may be.
6. A proper record showing compliance of all the conditions of Environmental Clearance shall be maintained and made available at all the times.
7. The environmental statement for each financial year ending 31st March in Form-V as is mandated to be submitted by the project proponent to the

Part B- Conditions for Construction phase:

i. The project proponent should provide separate electricity meter for the sewage treatment plants and maintain daily record of the power consumed, essential to ensure 24X7 functioning of STPs.

ii. The online system shall be installed to monitor the effluent quality at least for the basic parameters, such as pH, suspended solids and BOD for self-monitoring and self-regulations besides ensuring compliance of the norms. The data will be transferred directly from the analyzers.

iii. The project proponent should develop in-house laboratory for monitoring of the operating parameters of the sewage treatment plants and the treated effluent quality daily.

iv. Colour coding of pipelines in the STP's should be done.

v. All the plumbing lines carrying raw water, untreated effluent/treated effluent etc. should be colour coded.

vi. To ensure that entire waste water generated is treated, online flow measurement system need to be installed both at the Inlet and Outlet of the STPs, and the pumps/ valves integrated through software to provide the flow data.

vii. The proponent should ensure that proper storm water drainage system is available in and around the site for transporting excess of storm water runoff to drains, thereby discarding possibility of flooding in and around the site.

viii. The inlet and outlet point of natural drain system should be maintained with adequate size of channel for ensuring unrestricted flow of water.

Part C- Conditions for Pre Operation phase:

l. Waste Water Management & sewage Treatment
2. Rain Water Harvesting
3. Green Belt Development
4. Solid Waste Management
5. Traffic Management
6. Energy Saving.

Part C- Conditions for Operation phase/ entire life:

The CMDA shall issue the completion certificate only after ensuring disposal of excess treated sewage into Avadi srp / water bodies with requisite approvals from the concerned authorities

The EMP cost shail be deposited in a Nationalized bank by opening separate account and the head wise expenses statement shall be submitted to TNpCB with a copy to SEIAA annually.

The daily fresh water requirement of 124 KLD shail be met from Avadi Municipality for entire period of operation after obtaining permission from the competent authority before commissioning the project (or) before obtaining completion certificate from the competent authority, whichever is earlier as committed.

There shall be no drawal of Ground water.

Rain water harvesting for surface run-off, as per plan submitted should be implemented. Before recharging the surface run off, pre-treatment with screens, settlers etc. must be done to remove suspended matter, oil and grease, etc. The Proponent shall provide adequate number of borewells / percolation pits/ etc. as committed. The borewells / percolation pits/ etc. for rainwater recharging should be kept at least 5 mts. above the highest ground water table.

MODULE 8 CASE STUDY

2. AREAS THAT NEED FORECAST

CASE STUDY OF A RESIDENTIAL APARTMENT

ABC APARTMENTS, CHENNAI

PARTICULARS	F2	S1	S2
Apartment Type	East Facing	East Facing	East Facing
Total Area Sq.Ft	1,048	824	500
UDS Area	524	412	250
Cost of Apartment per Sq.Ft	3,450	3,200	3,850
Cost of UDS per Sq.Ft	2,500	2,500	2,500
Total Cost of UDS	13,10,000	10,30,000	6,25,000
Car Parking	1,75,000	1,75,000	-
TNEB	40,000	40,000	40,000
OTHER CHARGES (Grill charges of balcony...)	1,32,000	-	-
Total Cost of construction	26,52,600	18,21,800	13,40,000
Total Cost of Flat (A)	39,62,600	28,51,800	19,65,000
Registration Cost for UDS (7% Stamp + 4% Fees)	1,44,100.00	1,13,300.00	68,750.00
Construction Agreement Registration (1% Stamp + 1% Fees)	53,052.00	36,436.00	26,800.00
Document Writer Processing Fees	20,000	20,000	20,000
Total Cost of Govt Registration Fees(B)	2,17,152	1,69,736	1,15,550
GST 1% In Total Cost of Flat ©	39,626	1,42,590	98,250
Total Cost All Inclusive(A+B+C)	42,19,378.00	31,64,126.00	21,78,800.00
Total Regn Fees Excluding Document writing fees	1,97,152		
Total Cost of the Apartment excluding Regn Charges	40,22,226.00		

March 2020	
G1	Rs. 40,00,000

F1	Rs. 42,00,000
F2	Rs. 48,25,000
S1	Rs. 33,17,600
S2	Rs. 18,00,000
TOTAL Sale value	Rs. 1,81,42,600
land cost	Rs. 80,90,000
total regn ch	Rs. 7,73,000
constn cost	Rs. 70,00,000
EB	Rs. 0
GST	Rs. 5,00,000
Total EXPENSES constn	Rs. 1,50,90,000
PROFIT	Rs. 30,52,600
Commission OR Brokerage Fees	Rs. 82,400
per sft. Profit	Rs. 638.22
AFTER COMMISSION & REGN CHARGES	Rs. 21,97,200
ROI	15
THIS CALCULATION IGNORES • NPV • DRR • IRR • CASH FLOW • Pay back period	

Section 80IBA

- Affordable housing projects are given a deduction under this clause.
- To promote "housing for all" by 2022, the sunset date for taking approval was extended till March 31, 2020, in the Interim Budget 2019.

- To make purchase of house affordable and give tax incentives to Real Estate Developers Government have announced 100% deduction of the profits and gains derived from construction business, by insertion of section 80 IBA of Income Tax Act, 1961

100% DEDUCTION OF THE PROFITS AND GAINS

- The project is approved by the competent authority after 01-06-2016 but on or before 31-03-2020.

- The project must be completed within a period of five years from the date of approval by the competent authority.

- The carpet area of the shops and other commercial establishments included in housing project cannot exceed 3% of aggregate carpet area.

Section 28(via)/ 2(24)(xiia)

- Unsold properties of real estate builders are taxed on fair market value when they are converted into or treated as capital asset.

- Builders often lease unsold properties and the levy is in addition to taxing the lease rental.

- The basis for taxation is that the inventory stands converted from "stock in trade" to a "capital asset" once it is leased out.

- Instead of taxing the fair value at the time of conversion, the government may consider deferring taxation to transfer of the converted property, as currently existing for conversion of capital asset into stock-in-trade.

Section 54

- Capital gains tax period reduced from 3 years to 2 years

Section 54EC

- An exemption is also available on investment in bonds upon sale of property. Such bonds are issued by the Rural Electrification Corporation and the National Highway Authority of India and should be bought within six months of selling the property. As of now, a maximum of Rs 50 lakh can be invested in bonds. An increase in this limit could further infrastructure development.

SCHOOL OF BUILDING & ENVIRONMENT

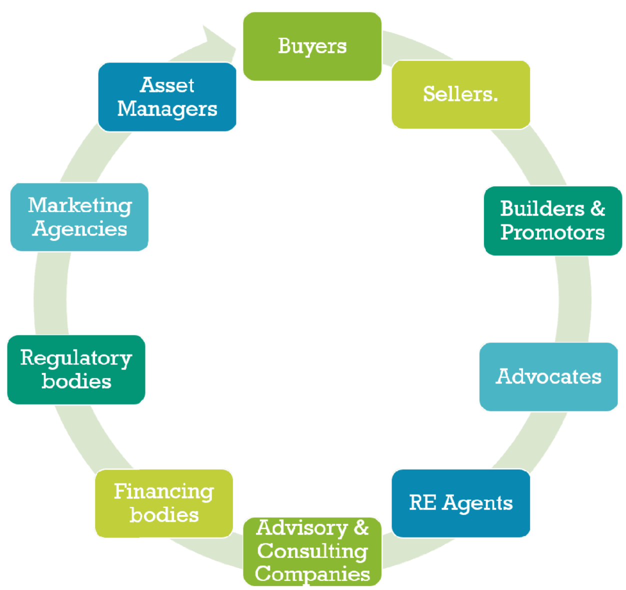
DEPARTMENT OF ARCHITECTURE

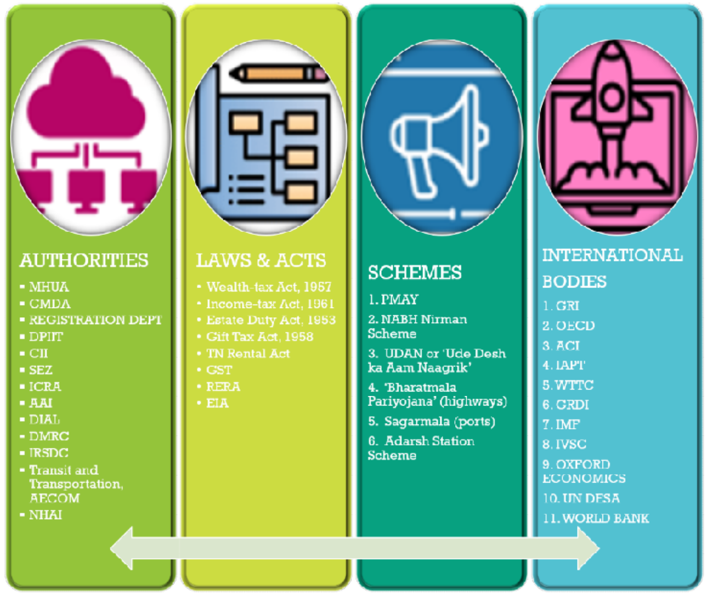
UNIT – 2 – Real Estate Management – SAR5608

UNIT 2 PARTICIPANTS AND STAKE HOLDERS

1. Buyers
2. Sellers.
3. Builders & Promotors
4. Advocates
5. RE Agents
6. Advisory & Consulting Companies
7. Financing bodies
8. Regulatory bodies
9. Marketing Agencies
10. Asset Managers

Module 9 STAKEHOLDERS IN TRANSACTION OF A RESIDENTIAL PROPERTY





BENEFICIARIES

From a socio economic perspective, affordable housing for the beneficiaries improves physical living condition, general well being of communities, support local social and cultural capital networks, that in turn generate better opportunities for livelihood, quality of life and access to services.

Security of tenure conditions are prioritized in the strategies formulated.

AS per Budget 2020,there is an extension to the date of availing home for affordable housing scheme till March 31, 2021.

In the July Budget 2019 , the maximum amount of interest paid on a housing loan eligible for tax benefit was increased to Rs 3.5 lakh from Rs 2 lakh earlier i.e. an increase of Rs 1.5 lakh for buying a house under affordable housing scheme.

Thus an additional tax benefit was given to the first time home buyers buying house property whose stamp duty value is up to INR 45 lakhs.

Under section 80C of the Income Tax Act, you get a deduction for the principal (of the loan) repaid up to Rs 1.5 lakh a year

This increase in amount of deduction was allowed from FY 2019-20 onwards.

BUDGET 2020

A taxpayer can claim deductions for Rs 2 lakh interest against home loan

Rs 50,000 standard deduction

Rs 1.5 lakh under 80C for Home loan Principal

Rs 25,000 under Sec 80D

TOTALLING TO Rs 4,25,000

Old rate	Annual Income	New rate
Nil	Up to ₹2.5 lakh	NIL
5%	₹2.5-5 lakh	5%
20%	₹5-7.5 lakh	10%
	₹7.5-10 lakh	15%
30%	₹10-12.5 lakh	20%
	₹12.5-15 lakh	25%
	Above ₹15 lakh	30%

Income: Rs 30 lakh

	Old regime (without deductions)	Old regime (with deductions)	New regime
Income	₹30 lakh	₹30 lakh	₹30 lakh
Deductions / exemptions	Nil	₹4,25,000	Nil
Taxable income	₹30,00,000	₹25,75,000	₹30,00,000
Tax	₹7,12,500	₹5,85,000	₹6,37,500
Cess @4%	₹28,500	₹23,400	₹25,500
Total tax	**₹7,41,000**	**₹6,08,400**	**₹6,63,000**

SOURCE- *https://economictimes.indiatimes.com/wealth/tax/six-income-tax-slabs-in-70-exemptions-out-impact-on-taxpayers/articleshow/73861843.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst*

New regime excludes these

- Section 80C investments
- House rent allowance
- Housing loan interest
- Leave travel allowance
- Medical insurance premium
- Standard deduction
- Savings bank interest
- Education loan interest

What stays

- Standard deduction on rent
- Agricultural income
- Income from life insurance
- Retrenchment compensation
- VRS proceeds
- Leave encashment on retirement

BUILDERS & PROMOTORS

The challenges faced by Developers/ Builders for affordable housing include High cost of land and financing the land.

Different legal and legislative framework woven by the Government are strategized towards for affordable housing.

Currently the stamp duty for land registration is 7% of the guideline value of the property and the registration charge is 1 %.The developer has multiple challenges such as guideline value of land, (value of properties in Chennai have been reduced to 33% of the previous Values.) Land Elevation, Private Housing Scheme, Non-spatial Factors, Demographic factors, Road Accessibility, Social factors, Economic factors, Political factors, Profit Margin, etc.,

A developer of a housing project is allowed the following Tax Incentives as per Budget 2017:

A deduction of 100% of the profits and gains is for projects completed within a period of 3 years with built-up area of the units not exceeding 30 sq.m of carpet area within the municipal limits of Chennai.

Maximum built-up area of the shops and other commercial establishments as 3% of the aggregate built-up area upto1000 sqm.

Only 1 unit in the housing project is allotted to an individual, or the spouse or the minor children of such individual;

The project should utilize ≥90% of the FAR permissible

For builders for whom constructed buildings are stock-in-trade, tax on notional rental income will only apply after 1 year of the end of the year in which completion certificate is received.

Reduction in the holding period for computing long term capital gains from transfer of immovable property from 3 years to 2 years.

For Joint Ventures, the liability to pay capital gain tax will arise in the year the project is completed.

Relaxed plot coverage norms by additional 10% for such projects.

http://indiabudget.nic.in/ub2017-18/bh/bh1.pdf

BUDGET ANNOUNCEMENTS 2016-17 VALID TILL March 2021

The following measures were made in the Union Budget 2016-17 for housing and housing finance to boost the Housing Sector through the following benefits:

Service Tax exemption on affordable houses of up to 60 sq.m. Constructed by Central or State Government including PPP projects.

100% deduction on profits to an undertaking in housing projects for flats up to 30 sq.m.in Chennai approved during June 2016 – March 2019 and completed in three years from approval.

Incentive for first time home buyers first time home buyers get additional Rs.50,000 deduction for houses of value less than Rs. 50 lakh with a home loan amount of less than Rs. 35 lakh if the home loan is sanctioned in FY 2016-17.

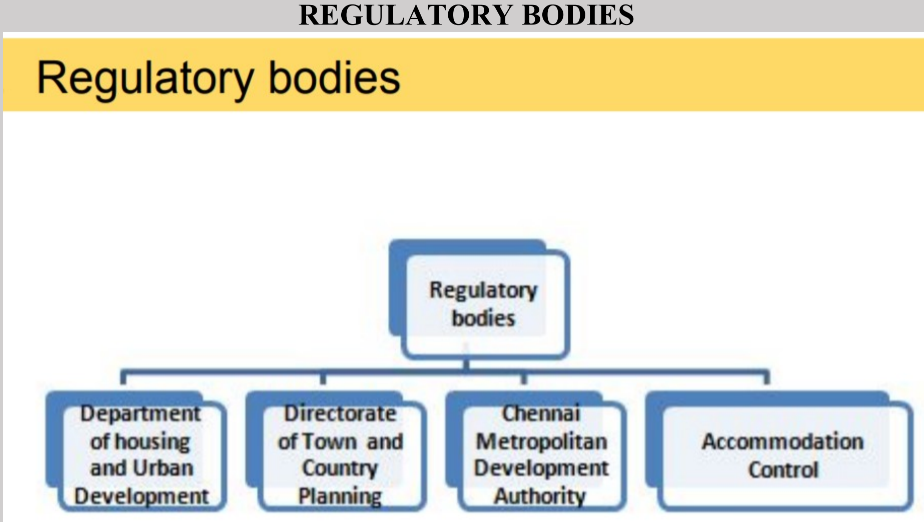
Exemptions in House Rent Allowance (HRA) An individual, self employed or professional who is living on rent but is not getting HRA can claim deductions of upto Rs. 60,000 per annum, increased from Rs. 24,000 under section 80 CG, provided it does not exceed actual rent paid minus 10% of assesses total income or 25% of total income.

Facilitation of investments in Real Estate Investment Trusts Income of SPV to the REITs and Infrastructure Investment Trusts (InvITs) having specified shareholding will not be subject to Dividend Distribution Tax of 17%.

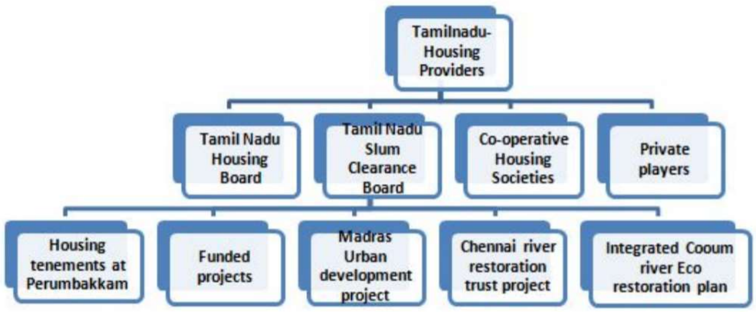
Table 1 Size of the units and additional FSI

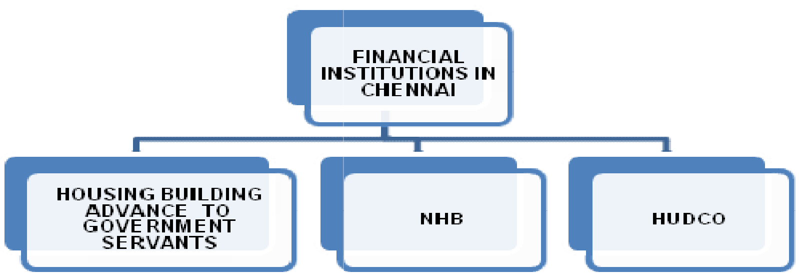
Sl.No	Description	Area of each dwelling unit	Additional FSI
1	Economic Weaker Sections (EWS)	upto 40 sq.m.	50%
2	Low Income Group (LIG)	Above 40 sq.m. & upto 60 sq.m.	30%
3	Middle Income Group (MIG)	Above 60 sq.m. & upto 70 sq.m.	15%

REGULATORY BODIES



TN HOUSING PROVIDERS





Stakeholders and beneficiaries

2.1. Private Developers
2.2 Governmental Suppliers
2.3 Lending institution.
2.4 Beneficiaries

TNHB (Tamilnadu Housing Board)

TNHB caters to Economically Weaker Section, Lower Income Group, Middle Income Group, Higher income Group, provide affordable house sites/houses and flats which has to be repaid over a period years.

TNHB has also been constructing, maintaining and allotting apartments to the employees of Government of Tamil Nadu under Tamil Nadu Government Servants Rental Housing Scheme (TNGRHS).

Table 2 Rates of Housing Board Flats in Chennai

Sl. No	Location	LIG flat Rate/sft	Area	Cost	MIG flat Rate/sft	Area	Cost
1	KK Nagar	8006/-	588 sft	47.07 lakhs	7913/-	819 sft	64.80 lakhs
2	Sholingan allur	3050/-	590 sft	18.00 lakhs	4890/-	1267 sft	62.00 lakhs

TNSCB is the body responsible for in-situ tenement schemes, In-situ plotted and infrastructure development and Rehabilitation and Resettlement schemes to improve the environs of the slums and the living standards of the urban slum families to achieve the Slum Free Cities Vision before 2023.

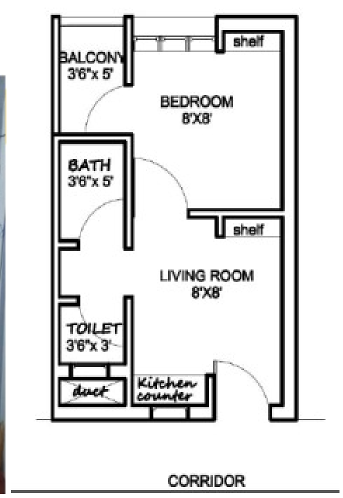
The board acts as bridging agency to implement various centrally shared schemes such as Housing For All (HFA) , Rajiv Awas Yojana (RAY) ,Jawaharlal Nehru National Urban Renewal Mission (JNnURM) and Urban Slum Development XIII Finance Commission .

Vision 2023 envisages slum free cities before 2023 with funding assistance from 'Housing for All'. TNSCB is the Mission Directorate and state level nodal agency implementing this vision under scheme categories of in- situ slum redevelopment, Affordable housing in partnership and Beneficiary led individual house construction.

TNSCB as the Mission Directorate for the 'Housing for All' acts as a State Level Nodal Agency for implementing Verticals 1, 3 and 4.The Directorate of Municipal Administration and Directorate of Town Panchayats act as a State Level Nodal Agency for vertical 2 in respect of Municipal areas and town panchayats respectively under 'Housing for All' Programme.

http://www.tnscb.org/

Case study OF Tenements at Perumbakkam



Tenements at Perumbakkam by Tamil Nadu slum clearance Board have been constructed with plinth area upto 200 sq.ft with multipurpose hall, bed room, kitchen, bath room, toilet, etc.

Each floor has 8 units accommodated in 8 floors and 28 blocks with a total of 1792 units. The Resettlement schemes at Perumbakkam have been implemented as planned integrated townships near Old Mahabalipuram Road (OMR) with requisite infrastructures like roads, street lights, storm water drains, water supply,

Gensets, lifts for the tenements and social infrastructures like schools, ration shops, primary health centre, convenient shops, play grounds, milk booth, bus terminus, gym, parks, police station, etc.

Beneficiary contribution towards construction of tenements at the rate of 10% of the project cost was borne by the state Government. One time Shifting allowance of Rs.5,000/- immediately on occupation.

Subsistence allowance of Rs.30,000/- at the rate of Rs.2,500/- per month for one year is provided to their Bank accounts.

This is a model scheme for affordable housing option for EWS category.

http://www.tnscb.org/wp-content/uploads/POLICY%20NOTE%202016-%2017%20English.pdf

Generic PPP Models for Affordable Housing under MHUA.

- Solving for the Affordable Housing Challenge: Alternative Choices of PPP Strategies.
    - Private Land for affordable housing in exchange for permission for more intensive utilization of land:
    - Private Land for affordable housing in exchange for permission to build high-end housing:
    - Government Land for affordable housing by unlocking unutilized/underutilized parcels of government owned lands:
    - Land for affordable housing through Redevelopment of underutilized urban areas:
    - Land for affordable housing through Policy reform on Change of Land Use (CLU) of Agricultural Lands

  Reducing Costs through Efficiency Gains in Construction and Operations.
  Access to Financing and Capital Markets.
  Risks for PPP in Housing and Possible Mitigation Strategies
    - Risk Potentials in Housing Projects

- Risk Matrix for PPP in Affordable Housing

Government-land Based Subsidized Housing

The comparative analysis of Government-land Based Subsidized Housing is based on the parameters

Scope of Work

Project Structure

Financing Arrangements

Beneficiary Criteria

Government-land Based Subsidized Housing

- Mixed Development Cross-subsidized Housing
- Annuity Based Subsidized Housing
- DBFMT : Annuity cum Capital
- Grant based Subsidized Housing
- Direct Relationship Ownership Housing
- Direct Relationship Rental Housing

Government-land Based Subsidized Housing

Fixed Parameters for the public authority

- redetermined number of units, area, time and specifications
- Prepare technical guidelines
- Transparent Selection/ Empanelment of developer
- Provide land for development
- Set eligibility criteria for beneficiaries
- Handover housing unit
- Technical guidelines as per PMAY(U)
- The Lease period on land is 30 – 99 years for all models .All models cater to affordable housing except Model 2 where the private partner develops and leases high-end housing/ commercial development along with affordable housing as a mixed use development.

Fixed Parameters for the Private developer

- Design, build and finance housing units
- Transfer housing unit

Fixed Parameters for the beneficiary

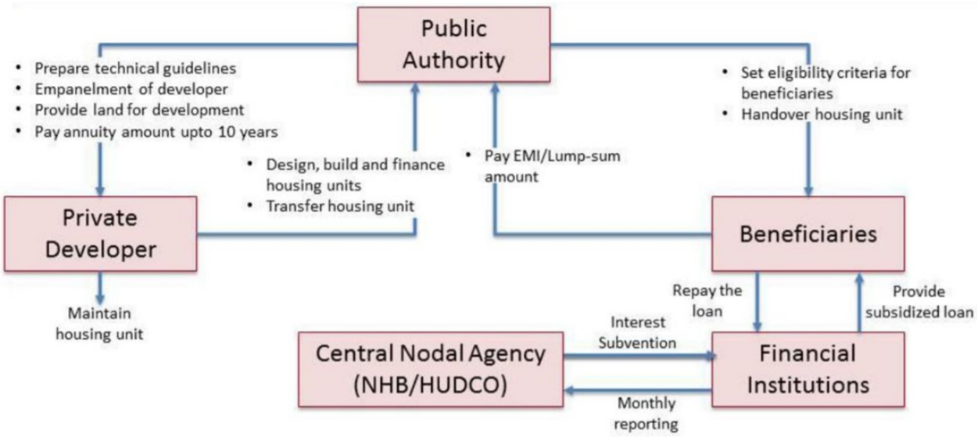
- Repay the loan to the financial institution as per PMAY(U)

Fixed Parameters for the Financial Institutions

- Provide subsidized loan

- Monthly reporting to Central Nodal Agency (NHB/HUDCO).

MODEL 3



***Ministry of Housing and Urban Affairs, Public Private Partnerships for Affordable Housing in India-Sep 2017.pdf*

Module 11 ADVOCATES AND LEGAL CHECKS

1. TRANSACTIONS

1. TRANSACTION STRUCTURES

- Property Transactions
- Joint Ventures
- Development agreement
- Project management agreement
- Business transfer/slump sale
- Liquidation

2. INTERNAL RESTRUCTURING

- Internal restructuring-Merger of group entities
- Internal restructuring-Demerger of undertaking from group entities

3. FUNDING OPTIONS

- Equity instruments- Equity shares & Compulsorily convertible debentures
- Debt instruments-Non-convertible debentures & External commercial borrowings

4. AFFORDABLE HOUSING

5. REAL ESTATE INVESTMENT TRUST (REIT)

6. ALTERNATE INVESTMENT FUND (AIF)

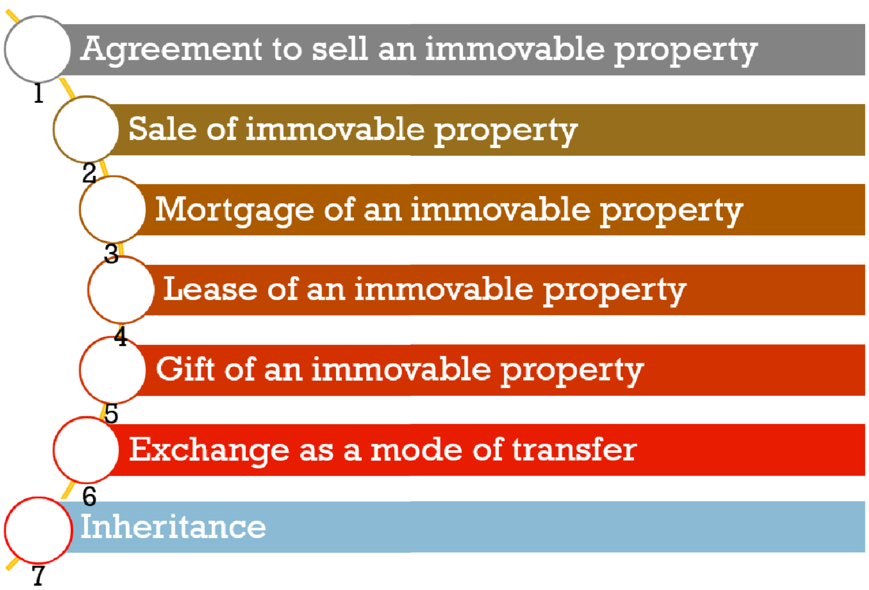
7. REVENUE RECOGNITION-IND AS 115 – Revenue from contracts with customers

8. INCOME COMPUTATION AND DISCLOSURE STANDARDS (ICDS)

2. TRANSACTION STRUCTURES

- Property Transactions
- Joint Ventures
- Debt Financing
- Development agreement
- Project management agreement
- Business transfer/slump sale
- Liquidation

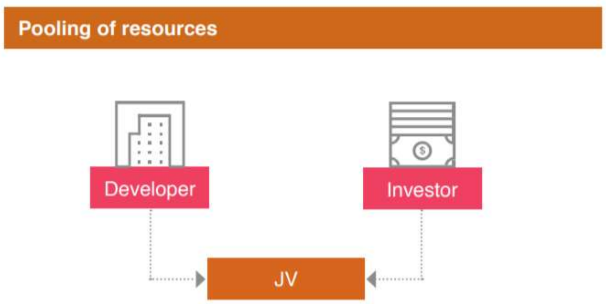
Property Transactions



Joint Ventures

SOURCE: PWC transactions-in-the-real-estate-sector

- A joint venture (JV) is a business arrangement wherein two or more parties agree to pool their resources to achieve a common business objective. Under this structure, all the parties retain some control over an entity and have a defined set of activities to be executed. In the real estate sector, a JV is typically formed in one of the following ways:
- Pooling of resources, as shown above, involves the formation of a JV entity in which the real estate assets are contributed by the developer and funding is provided by an investor(s). The developer and investor(s) enter a JV agreement to capture the rights and obligations of parties to the agreement. There are various tax and regulatory implications to be kept in mind by both the parties while entering such a structure.



The key tax and regulatory implications

A. In the hands of the developer

1. Income tax
2. Indirect tax

B. In the hands of the investor

1. Income tax
2. Indirect tax
3. FEMA regulations

C. In the hands of the JV entity

1. Income tax
2. Stamp duty implications

D. Others

LLP

JV in existing special purpose vehicles (SPVs):

A. In the hands of the developer

1. Income tax

1.1. On transfer of assets to the JV:

i.) Property held as capital asset

On transfer of assets to the JV, the developer will be liable to pay capital gains tax, depending on the period of holding of immovable property at the following rates:

Particulars	Tax rates
LTCG (property held for more than 24 months)	20%^
STCG (property held for less than 24 months)	30%^/25%^/22%^ (as applicable)

^Plus applicable surcharge and cess

The benefit of indexation will be available while computing capital gains on transfer of a long-term capital asset with the base year of 2001.

Income tax

- As per section 281 of the Income-tax Act, 1961 (ITA), transfer of land, building, shares or securities (unless held as stock in trade) would be considered as void as against any claim in respect of any tax or any other sum payable by the transferor if such transfer is done during pendency of any proceedings against the transferor or after the completion of the proceedings but before service of notice by a tax recovery officer.
- However, such transfers would not be considered void if (a) the transfer is made for adequate consideration without notice of pendency of such proceedings or without notice of tax payable by the transferor or (b) with prior permission of the assessing officer

ii.) Property held as stock in trade

- If the immovable property is held as stock in trade, transfer of such property will be taxed as 'business income' in the hands of the developer.
- Section 50C/43CA of the ITA provides that where an immovable property, held as a capital asset or stock in trade, is transferred at a value less than the stamp duty value (being the ready reckoner rate), then this stamp duty value will be deemed to be the consideration for such a transfer, if it exceeds 10% of the amount of transfer value.

Accordingly, the developer will be liable to pay tax based on such stamp duty value

If the JV entity is incorporated as a limited liability partnership (LLP), transfer of land (being a capital asset) by the developer, by way of capital contribution to the LLP, would be subject to capital gains tax in the hands of the developer (depending on period of holding).

Under section 45(3) of the ITA, the amount recorded by the LLP in its books of accounts will be deemed to be the full value of the consideration for computation of capital gains in the hands of the developer.

However, if the land is held as stock in trade, the provisions of section 45(3) will not apply.

Indirect tax

Under the Goods and Services tax (GST) regime, transfer of assets (i.e. land or building) by the developer to the JV entity will not attract any GST, as sale of land and building being an immovable property is outside the purview of the GST in terms of Schedule III of CGST.

However, the taxability of any other assets (apart from land and building) will have to be examined from a GST perspective if the same would qualify as supply. In terms of section 17 of CGST, the value of exempt supply includes sale of land and building

(where the entire consideration is received after issuance of completion certificate or first occupation as mandated under Schedule II of CGST).

Hence, ITC reversal on account of exempt supply, if any, would be required.

B. In the hands of the investor 1. Income tax

Section 56(2)(x) provides that where a person receives certain property (including shares and securities) for a consideration, which is less than its fair market value (FMV) as prescribed under the Income Tax rules, then the difference between the FMV and consideration paid will be taxed in the hands of the recipient of the property.

The amount on which tax is paid will be available as the cost of such property received, for the purpose of calculation of capital gains. Tax implications on exit by the investor are covered separately (refer 'Funding Options').

2. Indirect tax

For levy of GST, there should be an underlying supply of goods or services, or both, for a consideration in the course or furtherance of business. Purchase of equity by investors is outside the purview of GST, since it is a transaction in money.

3. FEMA regulations

3.1 Any flow of funds from non-resident investors to India needs to be in compliance with the applicable FEMA regulations.

The Indian real estate market has significant potential to attract large foreign investments.

Therefore, in order to make investments in the Indian construction and development sector more lucrative, the Government has allowed 100% FDI through the automatic route and eased the rules for investment in the construction development (townships, housing, built-up infrastructure) sector.

The key conditions for FDI in this sector are given below:

Additionally, 100% FDI under the automatic route is permitted in completed projects for operation and management of townships, malls, shopping complexes and business centres.

However, there will be a lock-in period of three years, calculated with reference to each tranche of FDI, and transfer of immovable property or part thereof is not permitted during this period.

3.2 The Government has allowed 100% FDI under the automatic route for the development of industrial parks without applicability of any of the conditions for the construction development (township, housing, built-up infrastructure) sector, as mentioned above, where the following two conditions are satisfied:

• Industrial parks should comprise a minimum of 10 units and no single unit should occupy more than 50% of the allocable area.

Particulars	Conditions
Allowable FDI in construction/ development of townships, housing, built-up infrastructure	100% (under automatic route)
Minimum area	No minimum area requirement
Minimum FDI	No minimum FDI requirement
Exit under automatic route	• On completion of project or development of trunk infrastructure • After three years, before completion of project, calculated from the date of receipt of each tranche of foreign investment*
Transfer from one non-resident to another non-resident before completion of project	Allowed under the automatic route
Prohibition	Entities engaged in the business of real estate,[2] construction of farmhouses and trading in transferable development rights
FDI in LLP engaged in development of special economic zone (SEZ)	Allowed

**Condition of lock-in not applicable to hotels and tourist resorts, hospitals, SEZs, educational institutions, old age homes and investment by NRIs*

• The minimum percentage of the area to be allocated for industrial activity should not be less than 66% of the total allocable area.

C. In the hands of the JV entity- 1. Income tax

1.1. Issue of shares to investor(s) Section 56(2)(viib) of the ITA provides that where a closely held company receives consideration for issue of shares to resident investor(s) in excess of the FMV as prescribed under Income Tax rules, such excess should be taxed as income in the hands of the company.

If the JV entity is incorporated as an LLP, no implications will arise under section 56(2)(viib) of the ITA

1.2 Receipt of immovable property Where any person (including a company) receives an immovable property, without consideration or for a consideration lower than its stamp duty value i.e. FMV, then the differential amount between the FMV and the consideration paid, if it exceeds 10% of the amount of consideration paid, should be taxed, as ‘income from other sources’.

The amount classified as ‘income from other sources’ on which tax has been paid will be available as cost of the property received, for the purpose of calculation of capital gains.

2. Stamp duty implications

2.1. Transfer of assets (being land or building) should attract a stamp duty cost at the rate prescribed in the respective stamp duty law of the state where assets are located. An indicative stamp duty rate on transfer of assets in certain states is given below:

Sr. no.	State	Stamp duty rate	Surcharge and registration
1	Maharashtra	5%[3] of the market value of the immovable property	**Registration fee** 1% of the value of the property subject to a maximum cap of INR 30,000
2	Gujarat	3.5% of the consideration or market value of the immovable property, which-ever is higher	**Registration fee** 1% on the consideration or market value of the immovable property, whichever is higher **Surcharge** 1.4% on the consideration or market value of the immovable property, whichever is higher
3	Tamil Nadu	7% of the market value of the property	**Registration fee** 1% of the market value of property
4	Delhi	Woman – 4% of consideration Others – 6% of consideration	**Registration fee** 1% of consideration
5	Karnataka	5% of the market value of the property	**Registration fee** 1% of the market value of the property **Surcharge** 0.5% of the market value of the property

Particulars	Company	LLP
Relevant legislation	The Companies Act, 2013	The Limited Liability Partnership Act, 2008
Legal entity and perpetual succession	This is a body corporate with a separate legal entity from its members and has perpetual succession.	This is a body corporate with a separate legal entity from its partners and has perpetual succession. An LLP agreement governs the mutual rights and duties of the partners of an LLP and a change in the partners of the LLP will not affect the existence of the rights or liabilities of the entity.
Tax rate	The corporate tax rate is 30%^/25%^/22%^ (as applicable).	For all LLPs, the tax rate will be 30%^
Minimum Alternate Tax (MAT)/Alternate Minimum Tax (AMT)	A company is required to pay MAT on book profits at the rate of 0%/15%^ (as applicable). MAT is payable only in case the tax payable under normal provisions is less than tax payable under MAT provisions. MAT paid can be availed as a credit for 15 years against the income tax payable under normal provisions in excess of MAT payable for respective years.	An LLP is required to pay AMT at the rate of 18.5%^ in case it is claiming a tax holiday. AMT is payable only in case the tax payable under normal provisions is less than tax payable under AMT provisions. AMT paid can be availed as a credit against the income tax payable under normal provisions for 15 years.
Tax on dividend/ profits	The Finance Act, 2020, has abolished the Dividend Distribution Tax (DDT) for dividends declared/paid by a company after 31 March 2020. The dividends would now be taxable in the hands of the shareholders at the applicable rates. The Finance Act, 2020, also provides a deduction to a domestic company for dividends received from another company (including foreign company), REITs and InvITs (if taxable), provided the recipient domestic company also distributes such dividend to its shareholders at least one month prior to its due date for furnishing the return of income. Deduction of interest is restricted up to 20% of the dividend income.	Distribution of profits by the LLP will not be taxable in the hands of members of the LLP.
Others	It is possible to convert a company into an LLP in a tax-neutral manner assuming conditions under the ITA are satisfied. The key conditions are mentioned below: • Total sales, turnover or gross receipts of the company in any of the previous 3 years does not exceed INR 60 lakh. • Total value of assets of the company in any of the previous 3 years does not exceed INR 5 crore. • Shareholders holding at least 50% of company to continue to be the partners of the LLP for a period of five years after the conversion.	It is possible to convert an LLP into a company in a tax neutral manner assuming the conditions under the ITA are satisfied. The key conditions are mentioned below: • Shareholders holding at least 50% of LLP interest to continue to be shareholders of the company for a period of 5 years post conversion. • All the partners before conversion of the LLP become shareholders in the company.

2.2. As per the amendments to the Indian Stamp Act, 1899 (ISA), stamp duty will be payable at the rate of 0.005% of the fair value of shares issued.

Another important aspect to be considered while entering a JV is the nature of the JV entity, i.e. whether it should be set up as a company or an LLP.

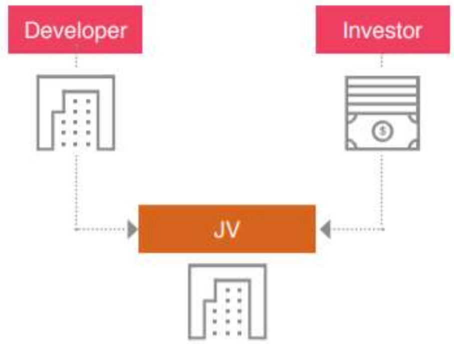
Both the company and the LLP structure have pros and cons, and a thorough analysis of this needs to be done before a decision is taken, since it may have an impact on the entire arrangement.

As far as the real estate sector is concerned, an LLP provides an effective structure from the tax and regulatory perspective since it provides flexibility for cash repatriation and projects can be easily set up in an LLP and wound up after their completion.

Further, an LLP has reduced compliance requirements as compared to a company.

JV in existing special purpose vehicles (SPVs):

Under this structure, the investor(s) are likely to infuse funds into an existing SPV of the developer owning the real estate project. Alternately, the investor(s) may purchase shares from the developer or existing investor(s) by way of secondary sale. Similar to the 'pooling of resources' structure above, the developer and investor will enter a JV agreement to record the rights and obligations of the parties. There are various tax and regulatory implications to be kept in mind by both the parties while entering such a structure.

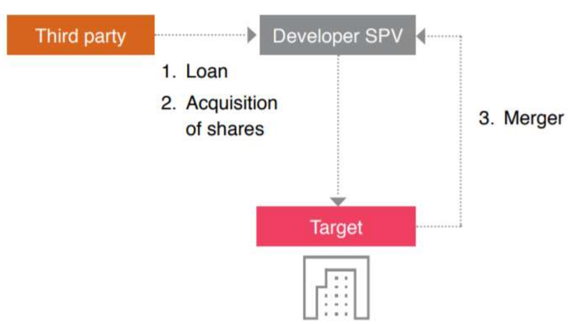


Debt Financing

- A developer is looking for debt financing to purchase an entity (with a real estate project) in India. It would be preferable for the developer to get the loan at the target entity level to make it easier to service the interest on loan and repayment.
- Keeping this objective in mind, the following structure may be considered by the developer:

Key mechanics:

- Developer SPV to obtain a loan from a third party
- Developer SPV to use the loan funds to purchase the shares of the Target (having the real estate project)
- Target to be merged with the developer SPV through an NCLT-approved scheme of amalgamation



Key points for consideration:

Third-party loan will move to the target pursuant to merger.

There will be no adverse tax implications u/s 56(2)(x) of the ITA in the hands of the developer SPV, assuming the transaction value will be more than the FMV as prescribed under income tax rules.

There will be no adverse tax implications on the merger assuming the conditions mentioned in the ITA are satisfied.

As per the Finance Act, 2020, dividend would be taxable in the hands of the shareholders. Further, the Act provides that interest paid to earn such dividend shall be available as deduction under section 57 of the ITA subject to maximum of 20% of such dividend. Hence, the interest deduction would be subject to said restriction till the merger is not completed.

Stamp duty-related implications will need to be analysed on the merger.4 Alternately, a merger of developer SPV with the target may be considered if the stamp duty cost is high.

Development agreement

A development agreement may be defined as an agreement between two or more developers or between a developer and a landowner to construct or develop a real estate project.

The agreement, depending on the commercial circumstances, would typically include compensation in the form of revenue sharing or profit sharing.

Generally, development-related agreements may be classified under two subheads:

Joint development agreement (JDA)

Co-development agreement

Under a JDA, the landowner enters an agreement (registered or unregistered) with a developer to develop a project, along with a power of attorney providing the developer with rights such as right to develop, rights to obtain necessary approvals and create a charge on land etc. In lieu of such development rights, the landowner is compensated in one of the following ways:

Fixed consideration

Fixed built-up area

Percentage of total realization

The role of the landowner is typically restricted to providing the developer with development rights and the landowner does not generally participate in construction or development of property. The key tax and regulatory implications relating to this are discussed below.

Under a co-development agreement, a developer who owns land enters an agreement with another developer to jointly develop a property without creating a separate legal entity. The agreement is likely to distinguish the roles and responsibilities of the developers engaged in developing the project while also stipulating the duties of cash flow, books and accounts, project management, etc. The revenues and/or profits from such an agreement are jointly shared between both the parties, although the manner of compensation will differ from case to case.

The various tax and regulatory implications are given below.

1. Income tax

2. Indirect tax

3. FEMA regulations

Business transfer/slump sale

In a scenario, where a developer ('existing developer'), post the commencement of development activities on a piece of land, may be desirous of transferring such 'under construction project' (undertaking) to another developer (new developer).

One of the options available to the Existing Developer is to transfer the undertaking on a going concern basis to the new developer entity by way of a slump sale.

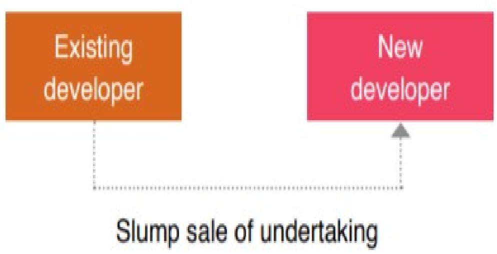
In India, a slump sale could either be implemented as a business transfer agreement or through a Scheme of Arrangement under section 230-232 of Companies Act, 2013. A pictorial representation of the transaction is given below.

The conditions for a transfer to be taxable as a slump sale under the provisions of the ITA are given below:

Transfer of one or more undertakings as a result of a sale for a lump sum consideration.

No values being assigned to individual assets and liabilities of the undertaking in such a sale.

The 'undertaking' being transferred by way of a slump sale should constitute a business activity and it also includes part of an undertaking or unit or division but does not include individual assets or liabilities or any combination thereof not constituting a business activity.



b) Value of consideration

The other issue, which arises, is the determination of the total value of consideration in the hands of the landowner for calculation of capital gains, where the landowner receives a share in the builtup area as consideration.

Section 45(5A) of the ITA states that where an individual or an HUF transfers a capital asset, being land or building, to a developer under a JDA and the consideration is to be received as a share in built-up area with or without cash payment, then the total consideration will be deemed to be the stamp duty value of a share in the project at the time of completion, increased by any additional cash received from the developer.

This relaxation has only been provided for landowners who are individuals or HUFs and not for any other entity. However, even though there is no clarity in this matter, it may be implied that the value of consideration for the JDA for other assessees may also be calculated by using the method mentioned above. With these amendments, the Government has tried to resolve longpending tax issues relating to JDAs.

Liquidation

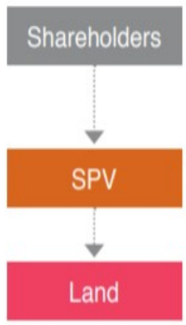
Typically, where a landowner holds land in an SPV, he/she would be desirous of selling the shares of the SPV to the developer instead of the SPV selling the land.

Thus, there may be a situation where the developer buys the shares of the SPV, which holds the land parcels. Post such acquisition, where the land is to be held in the developer company (developer co.), an option of voluntary liquidation may be explored.

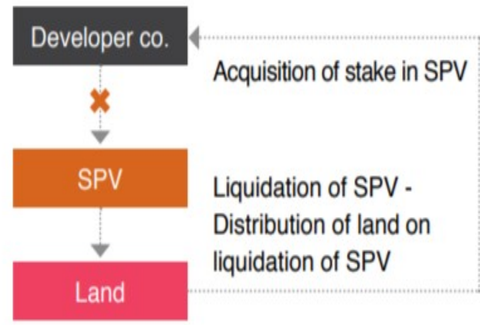
Under this option, the SPV (assuming it only has land parcels and no other assets) shall be liquidated under the Insolvency and Bankruptcy Code (IBC). On liquidation, the land held by the SPV will be distributed to developer co., it being the only shareholder. A pictorial representation of the transaction is given below.

The SPV should be solvent at the time of voluntary liquidation.

Existing structure



Transaction structure

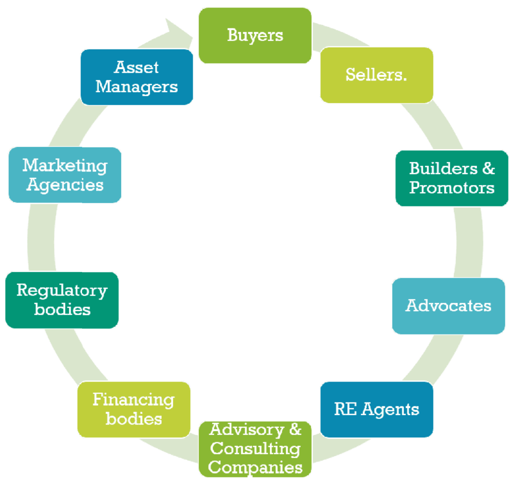


Abbreviation	Full form
AMT	Alternate Minimum Tax
AOP	Association of Persons
AE	Associated Enterprise
BBT	Buy Back tax
CCD	Compulsorily Convertible Debenture
CGST	Central Goods and Services Tax Act, 2017
CPS	Committed Portfolio Size
DDT	Dividend Distribution Tax
DIPP	Department of Industrial Policy and Promotion
EBIDTA	Earnings before Interest, Tax, Depreciation and Amortisation
ECB	External Commercial Borrowing
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999
FMV	Fair Market Value
FPI	Foreign Portfolio Investor
FSI	Floor Space Index
GST	Goods and Services Tax
HUF	Hindu Undivided Family
INR	Indian Rupee
IPO	Initial Public Offering
ITA	Income-tax Act, 1961
ITC	Input Tax Credit
JDA	Joint Development Agreement
JV	Joint Venture
LLP	Limited Liability Partnership
LTCG	Long-term Capital Gains
MAT	Minimum Alternate Tax
MMR	Maximum Marginal Rate
NAV	Net Asset Value

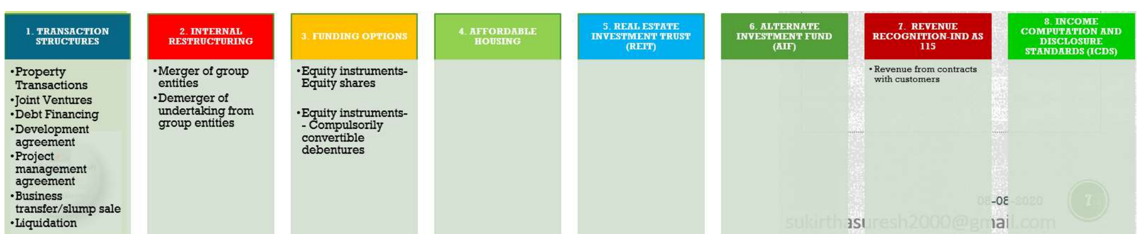
Abbreviation	Full form
NBFC	Non-banking Finance Company
NCD	Non-convertible Debentures
NCLT	National Company Law Tribunal
OL	Official Liquidator
PE	Private Equity
RBI	Reserve Bank of India
RD	Regional Director
REIT	Real Estate Investment Trust
ROC	Registrar of Companies
SEBI	Securities Exchange Board of India
SEZ	Special Economic Zone
SPV	Special Purpose Vehicle
STCG	Short-term Capital Gains
TDR	Transferrable Development Rights
VAT	Value-added Tax
WHT	Withholding Tax

Module 12 FINANCING BODIES

STAKEHOLDERS



DIFFERENT FINANCIAL TRANSACTIONS



FINANCING BODIES

- Banking sector
- Non-banking Financial Institutions (NBFIs) - Non-banking Finance Companies (NBFCs) & Housing Finance Companies (HFCs)
- Domestic Scheduled Commercial Banks (SCB)
- Institutional investors include
- Family Offices,
- Foreign Banks’ Real Estate Investment Desks,
- Pension Funds,

- Private Equity Firms,
- Real Estate Investor- Cum Developers,
- Sovereign Wealth Funds And Foreign Firms.

SIGNIFICANT LEGAL DECLARATIONS

- Industry status to Warehousing and Logistics
- Automatic approval for 100% FDI in single brand retail and 51% in multi-brand retail
- 100% FDI In Single brand retail
- 51% FDI In multi-brand retail
- 100% FDI allowed in e-commerce • Real Estate (Regulation and Development) Act •
- Make in India initiative
- "Housing for All by 2022" Mission
- External Commercial Borrowing permitted for Infrastructure and Affordable Housing

REGULATORY BODIES

- SEBI (Alternative Investment funds) Regulations, 2012
- Real Estate Investment trust Regulation
- Land Acquisition, Rehabilitation and Resettlement Act
- Benami Transactions (Prohibition) Amendment Act, 2016 •
- FDI
- RERA
- PMAY
- Goods and Services Tax Act

Financial advisory services

Equity financing

- Combining knowledge of the underlying real estate fundamentals with a deep understanding of the capital structure to ensure you get the right M&A advice.

Fund advisory

- Get access to the highest quality managers and investors in the real estate funds space.

Debt financing

- Connect with lending sources around the world to secure the best pricing and deal.

ALL THAT NEED FINANCING

The Government has been making a multifaceted effort to boost investments from foreign and domestic investors in the real estate sector. The relaxation of foreign exchange regulations, together with other tax and regulatory reforms, has made real estate in India a lucrative investment option among foreign investors. Private equity (PE), which was at a nascent stage, has turned out to be one of the major sources of funding for the fund-deprived sector. Typically, a PE investor funds a project or company for 4–5 years and seeks an exit after that. In the past, equity/compulsory combustible debentures (CCDs) were the preferred mode of investment for

PE investors to benefit from higher returns while also being exposed to higher risks. In addition to this, there has been the emergence of structured debt deals, which permit PE investors to have security (pledge, mortgage, etc.) over their investments and provide an agreed on return, depending on the performance of the company. Investors may also use external commercial borrowings (ECBs) as a mode of investment.

Investing in Real Estate Private Equity Funds (REPE)

Source- Ramesh Nair

The Indian real estate sector has grown rapidly over the last few years, with its stakeholder profile evolving from locally-focused, privately-owned enterprises to increasingly corporatized, professional organizations funded with public capital and having multiple market and product strategies.

As a result, Indian real estate has seen a considerable flow of capital in recent years, both from foreign and domestic sources. The developer community is adapting to the requirements of joint venture arrangements with institutional capital sources by providing improved transparency and higher professional standards. The preferences of commercial space occupiers (particularly MNCs) as well as residential space buyers are driving improvements in design, engineering and construction quality.

Interestingly, the fragmented nature of the Indian developer community provides scope for Real Estate Private Equity (REPE) funds to source off-market investment opportunities and strategic relationships. This has led to Indian HNIs viewing domestic REPE funds as a preferred asset class for diversified investment. The demand for quality residential and commercial real estate in India is proven and sustainable; presenting investors at many levels with opportunities for income growth and capital appreciation .

There are many different strategies adopted by PE fund managers. The most common investment strategies include:

- Core investing
- Core plus investing
- Value added investing, and
- Opportunistic investing

REPE funds usually have a five-to-seven year life span. The period includes a two-year investment period where properties are acquired, followed by a 3-5 year holding period where active asset management is carried out. At the end of the whole period, the investors make an exit when the acquired properties are sold.

The typical expenses for such investor include:

- Annual management fees
- One-time setup fees, and
- A performance-based fee (also known as carried interest).

As in all other types of private equity investing, REPE investor have to review their financial condition, investment purpose, risk openness, time horizon, diversification and liquidity needs before making an investment decision. They also need to evaluate a number of aspects of the REPE fund itself.

These are:

Integrity, quality and stability: The integrity of the fund manager and the quality and stability of the management team are extremely important, as are the quality of financial and operating controls, corporate governance and reporting.

Financial soundness: The investor also needs to evaluate the REPE fund's overall capital structure, the soundness of the company assets and the sustainability of earnings. The due diligence should include its historical and prospective financial health and the potential returns on investment weighed against the perceived risk.

Market responsiveness: The fund's ability to source off-market deals also need to be studied

Commitment to ROI: The capital commitment by the fund manager and ability to enhance returns with leverage should be evaluated, as also the fund's cash distribution structure and management fee

Asset focus and investment structure: The investor should look at the fund manager's geographic and asset class focus, diversity of the investment structures, methodology for selection, management of JV partners and focus on asset management

Growth potential: Finally, the growth prospects of the company and its competitive position within the industry should be evaluated.

REPE funds attempt to provide returns independent of traditional asset classes. As a result of the low correlation to traditional asset classes, investments in REPE increase the diversification of an overall portfolio. A typical REPE fund seeks both income and capital appreciation from its portfolio investments, the overall goal being to achieve a gross IRR in excess of 25%.

The fund's manager will seek to achieve returns through several means, including:

1. Capital appreciation on land holdings
2. Net operating income on real estate projects
3. Capital gains from disposal of real estate projects
4. Income and capital gains on equity stakes in real estate development companies
5. Projects rental yields, and
6. Proceeds from financing activities.

The objective of most of these funds is to invest opportunistically in the Indian property market in order to generate sustainable, scalable returns that fully compensate for the inherent risk in the underlying investments.

Cautionary Notes

The history of REPE funds in India is still limited to the first couple of chapters, since real estate itself emerged as an independent asset class only after the Indian Government opened FDI in the real estate sector in 2005. As such, there is still not a lot of research and data available about the performance of the REPE sector in India.

Unlike mutual funds, which generally invest in publicly traded securities that are relatively liquid, REPE funds generally invest in illiquid securities of private companies. Depending on the strategy used, REPE funds will have illiquid underlying investments that may not be easily sold, and investors may have to wait for extended periods before actual redemption.

The portfolio holdings in REPE funds may be difficult to value, because they are not usually quoted or traded on any financial market or exchange.

Some REPE funds may employ leverage as a means to enhance returns, but leverage also increases risk because it magnifies negative returns if investments are poorly underwritten or executed, or if market conditions deteriorate. Other risks include the sizeable entry costs – and, as in any other equity investment, the possibility of losing significant amounts of money if not invested well.

Equity instruments

1. FEMA regulations

There are no major regulatory hurdles for subscription to equity by investors.

The investors and the company should ensure compliance with the Companies Act, 2013 for issue of shares.

As per FEMA and regulations framed thereunder, FDI is not allowed in the real estate business.

2. Income tax

For the purpose of this section, it is assumed that an investment is made in an unlisted company engaged in the construction and/or development of townships, residential/commercial premises, etc. A. Repatriation options

A. Repatriation options as below

B. Exit A PE investor can exit from a company prominently by way of an initial public offering (IPO) or a secondary sale-IPO (offer for sale by a PE investor to the public) or Secondary sale (sale to another PE investor)

Dividend

Shareholders are liable to pay tax on the dividend distributed by the company at applicable rates

Buyback

BBT at the rate of 20%^ payable by the company

Capital reduction

To the extent of accumulated profits, shareholders are liable to pay tax as dividend income at applicable rates

Capital gains tax payable by investors over and above dividend

Debt instruments

Debt structures are typically funded through listed or unlisted NCDs.

Generally, NCDs have a fixed tenure of three to five years and include a coupon that is payable at regular intervals, with or without payment of a premium on redemption, as per commercial negotiations between the parties.

The NCDs are generally secured through a pledge, mortgage.

NCD-1. FEMA and SEBI regulations

Non-resident investors need to comply with SEBI (Foreign Portfolio Investment) Regulations, 2019 (FPI Regulations) to invest in debt instruments such as listed NCDs or unlisted NCDs. Accordingly, the non-resident entity must be registered as FPIs in order to subscribe to the listed or unlisted NCDs of an Indian company

Notably, RBI notified that an FPI along with related FPI cannot invest in more than 50% of any corporate bond issued by an Indian company.

The RBI has also notified certain end-use restrictions for funds raised as unlisted NCDs, such as investment in the real estate business, capital markets and purchase of land.

Further, FPIs can also invest in the debt instruments under the voluntary retention route (VRR).

Particulars	Implications
Investment limit	• The limit is in addition to the general investment limits. • Allocation shall be made on tap or through auctions • FPIs along with related FPIs shall not be allotted more than 50% of the amount offered for each allotment by tap or auction, where the demand is more than 100% of the amount offered.
Minimum retention period	• 3 years for each allotment by tap or auction • Commences from date of allotment of limit
Committed Portfolio size (CPS)	• Amount allotted to FPI • Minimum 75% of the CPS needs to be invested in the retention period
Exit	**End of retention period** • Liquidate the portfolio • Shift investment to general investment limit subject to availability of limit • Hold investments till date of maturity **Before the end of retention period** • Sale of investments to other FPIs
Other relaxations	• Exempt for requirements relating to concentration limit or group/single investor wise limits as applicable to corporate bonds

NCD-2. Income tax

2.1.Interest

2.2.Exit- Redemption of NCDs or Secondary sale (sale to another PE investor)

2.3.Thin capitalisation rules- Interest paid to investors on CCDs, NCDs or ECBs should be available as a tax-deductible expense to the company.

2.1.Interest

Particulars	Implications
In the hands of the company	Interest paid on listed or unlisted NCDs to investors should be available as a tax deductible expense, subject to end use and Thin Capitalisation rules (as discussed below).
In the hands of the investor	**Resident** WHT at the rate of 10% by the company but subject to tax at applicable rates **Non-resident (subject to treaty benefit)** • WHT at the rate of 5% by the company* • WHT at the rate of 20% by the company in other cases

MODULE 13 ADVISORY & CONSULTING COMPANIES

There are many advisory and Consulting Companies that report on the current Market trends. They also advise on better investment options considering the demand.One such company is JLL. These are excerpts from *JLL Capital Market Research.*

Institutional Investments

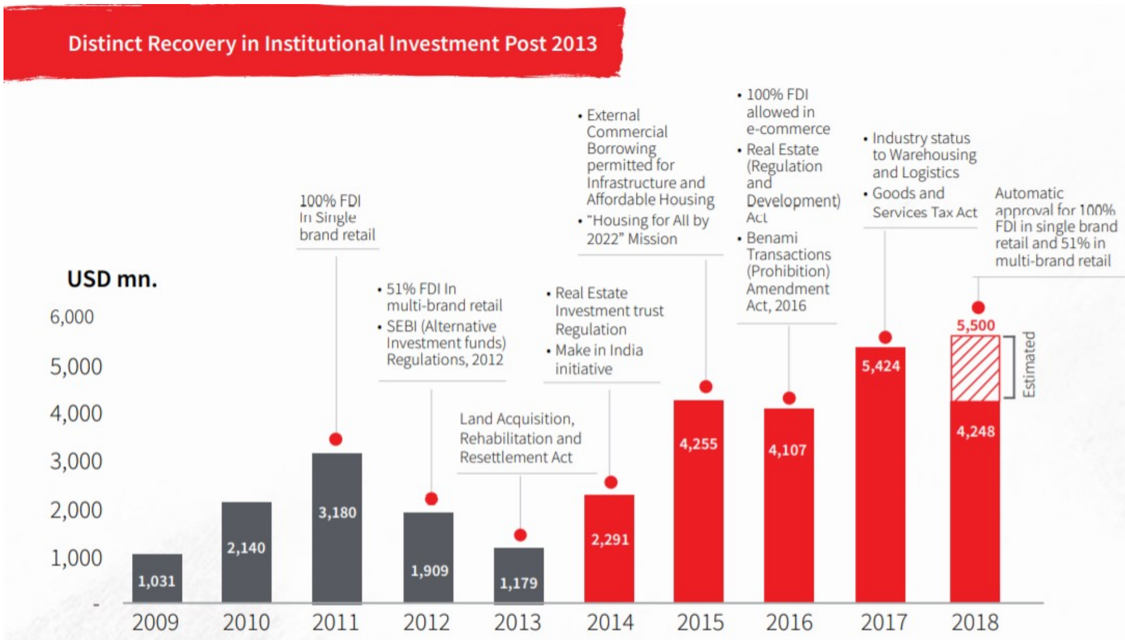
Indian real estate sector attracted approximately USD 30 bn institutional investments during 2009-2018 (until Oct'18), the decade post GFC.

• The decade post GFC had two distinct phases – 2009 to 2013 and 2014 to 2018. The initial phase was of cautious recovery, which failed to gain momentum due to weak economic growth and lack of investor confidence. Following this phase, the introduction of transformative reforms post the change in Government (2014) led to a sharp rise in investment flows particularly from global investors.

• Indian real estate attracted USD 9.4 bn between 2009-2013 accounting for 32% of the total investments during the decade i.e. 2009 -2018. The first phase witnessed gradual recovery until 2011 (mostly driven by opportunistic domestic fund cherry picking projects in residential sector as commercial segment demand was yet to recover). The investment momentum showed a downtrend post 2012 due to slowdown in economic growth, high interest rates and delay in implementation of policy reforms.

• Post 2014, key reforms like introduction of Securities and Exchange Board of India (SEBI) guidelines for Real Estate Investment Trusts (2014), Housing for All Mission (2015), Real Estate Regulation and Development Act (2016), Benami Transactions (Prohibition) Amended Act (2016) and relaxation in Foreign Direct Investment norms, improved the investor's perception about the Indian real estate sector.

• 2014 - 2018 witnessed a whopping 68% share of total institutional investments i.e. USD 20 bn. A slew of reforms in various segments improved investors' perception. The adoption phase of reforms introduced by Real Estate Regulation Act, The Benami Prohibition Act and Goods and Services Tax (GST) witnessed improved office space absorption, while the residential segment faced sluggish growth with brief hiatus.



Source: JLL Capital Market Research

Note:

- Institutional investments include Family Offices, foreign banks' real estate investment desks, Pension Funds, Private Equity, Real Estate Investor - cum-Developer, Sovereign Wealth Funds and Foreign Corporate Groups. Lending by banks, Non-banking Finance Companies (NBFCs) and Housing Finance Companies (HFCs) is not included.
- The investments data for 2018 is for Jan-Oct period.

Investments in residential segment declined sharply to 37% of total investments during 2014- 18 as compared to 62% during 2009-13.

• Post GFC, residential segment showed first signs of recovery in 2009; investments were mainly directed towards mid-income segment projects by domestic investors. However, construction delays, delivery deferment, legal & environment issues and subdued economic growth led to demand slowdown towards beginning of 2013.

• During 2014, the demand for residential units failed to pick up albeit improved economic environment. A series of real estate reform measures were initiated to increase transparency.. While this disruption is likely to benefit India's real estate sector, recovery of residential markets has been slow in the short term. Institutional investments towards the residential segment are showing a dwindling trend and this will continue, until green shoots of recovery are visible.

• Office space absorption, on the other hand has shown improvements since 2014 with the economic revival and increased focus towards enhanced transparency by the Government.

• Institutional investments in Commercial Office Space moved up to USD 8.2 bn 2014-18 from USD 1.6 bn 2009-13 – a jump from 17% to 40% • 2017 and 2018 recorded maximum investments of USD 5.9 bn in the office space. This amounted to 72% of the total investments in the commercial office segment during 2014 to 2018

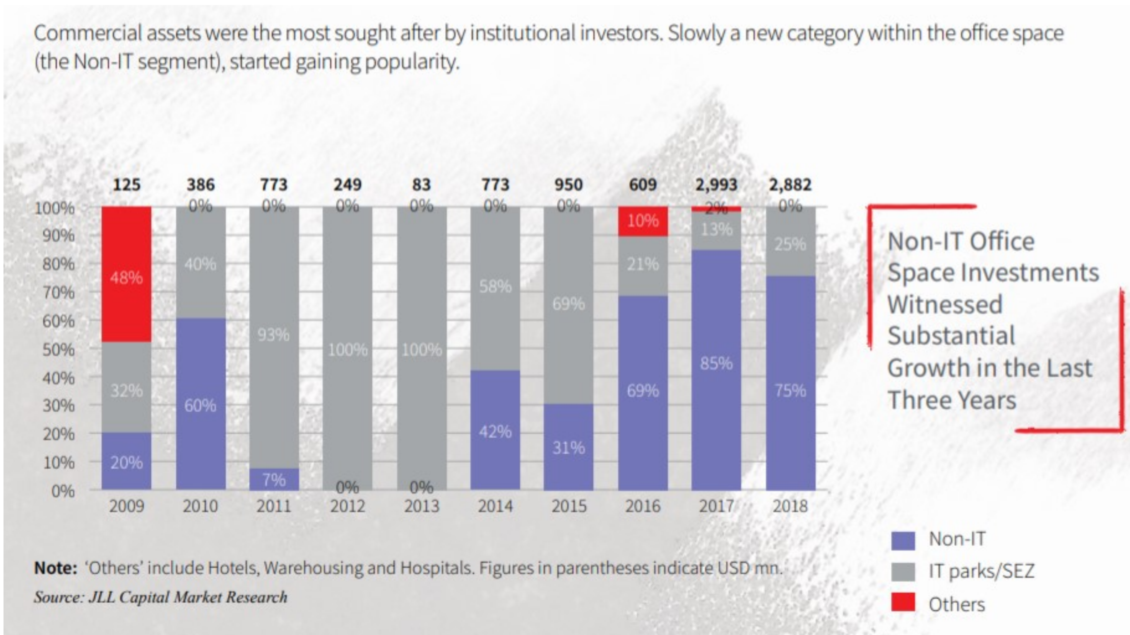
• During the last three years, Government has brought in constructive modifications in the Indian REIT policy document making it more market friendly. As a result, global investors like

Blackstone, Brookfield and sovereign wealth funds like GIC Singapore picked-up large office assets for building their REIT portfolios in India.

• As far as the retail sector is concerned, sharp rise in investments to USD 1.6 bn during 2014-18 from USD 134 mn during 2009-13 has been observed; investors have formed joint ventures / platform deals to invest in retail assets.

• Landmark tax reform - Goods and Services Tax, "Make in India" initiative and the e-commerce revolution have led to rising interest in the Warehousing and Logistics sector of India during the last two years.

Commercial assets were the most sought after by institutional investors. Slowly a new category within the office space (the Non-IT segment), started gaining popularity.



Commercial Office Space investments increased five-fold from USD 1.6 bn during 2009-13 to USD 8.2 bn during 2014-18.

• During 2009-13, due to attractive valuations mostly domestic funds invested in select office assets (Commercial and IT parks /SEZs); offshore fund Blackstone also started investing during this phase.

• Investments in fully occupied Grade-A IT-space was the natural choice for investors during 2009-13.

• REITs regulations were notified in 2014 and in successive years important provisions were gradually amended making it market friendly. This coupled with relaxation of foreign direct investment norms attracted other global investors to acquire pre-dominantly Grade-A ready to occupy, commercial Non-IT office space during 2014-18.

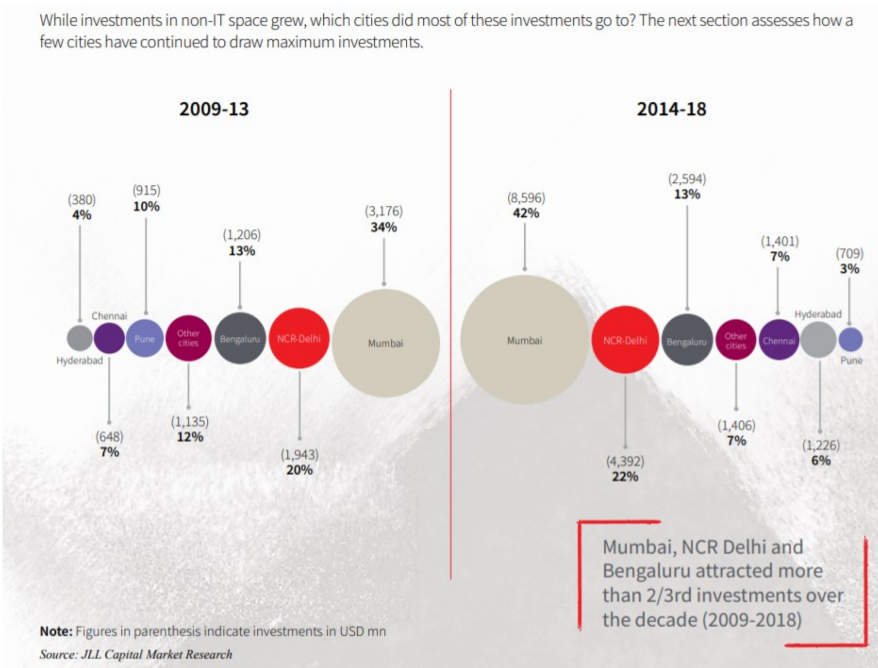
• Increased interest by large players and limited availability of quality IT/ITeS assets lead to a chase of quality non-IT assets driving up their capital values during 2014-18.

• Preference for Grade-A office space with single ownership and its limited supply, pushed global investors to close big deals.

• The share of investments in non-IT office space has jumped manifold hovering between 75-85% during the last two years, as compared to 20% in 2009.

• The benefit of tax incentives in the sunset clause for Special Economic Zones (SEZs) is available until 31st March 2020, post which the benefits for IT companies may not be available. This has also contributed to the shift in institutional investments towards non-IT office spaces in the last three years.

While investments in non-IT space grew, which cities did most of these investments go to? The next section assesses how a few cities have continued to draw maximum investments.



• The top three cities, namely, Mumbai, NCR and Bengaluru remain the preferred institutional investment destinations for the entire decade (2009-2018)– no new city has emerged till now.

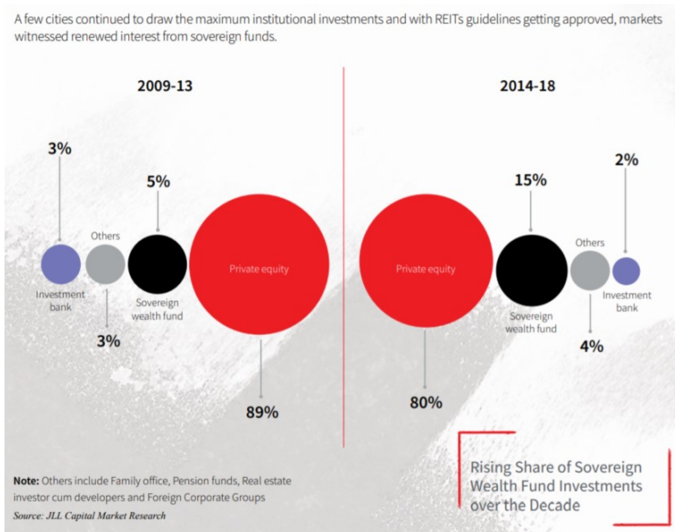
• Investment trends have remained skewed with NCR, Mumbai and Bengaluru accounting for 67% of the total institutional investments during 2009-13 and 77% during 2014-18.

• Mumbai region continued to attract demand throughout the last decade due to availability of larger office and residential spaces as compared to other cities of India.

• Bengaluru has been intermittently attracting investments mainly in IT/ IT SEZ office space segment and select residential projects.

• Investments in tier II cities are expected to increase, as these locations are likely to witness robust growth in retail and warehousing sectors.

A few cities continued to draw the maximum institutional investments and with REITs guidelines getting approved, markets witnessed renewed interest from sovereign funds.

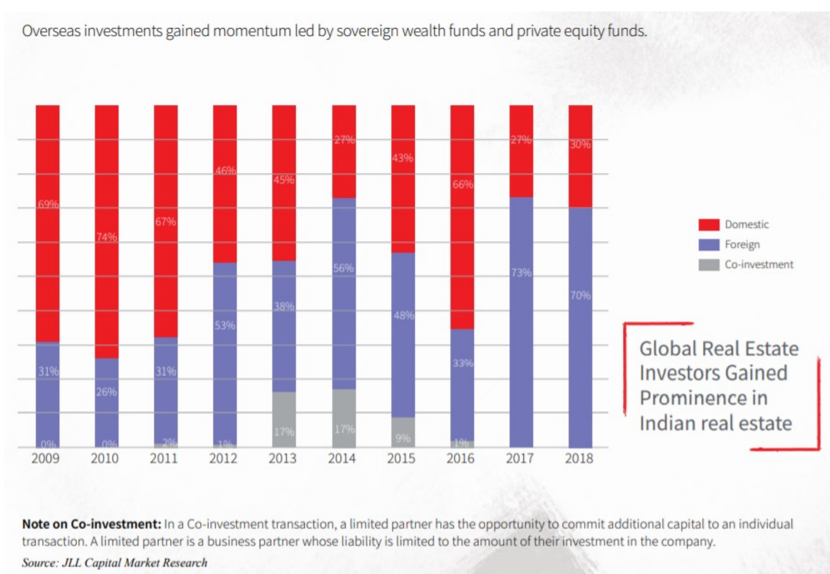


• Investments from sovereign funds increased from 5% in 2009-13 to 15% 2014-18. This improved confidence was mainly driven by introduction of REIT regulations, improved transparency and accountability in the real estate sector.

• Sovereign wealth funds are investing as anchor investors in platform funds as well as entering into joint ventures with pedigree developers.

• Private Equity has the lion's share (more than 80%) in the overall institutional investment, in the last decade.

• Foreign PE funds and Sovereign wealth funds account for 45% of the total PE investments in the sector to date.



• The investment vacuum created post GFC was filled-up by domestic funds, while offshore investments were slow and cautious.

• However, the share of offshore investments rose to 70% in 2018 from 31% in 2009.

• Due to RERA, the real estate sector saw an increase in transparency. Additionally, the introduction of REIT regulations and improved overall economic scenario led to higher investments by global investors during 2014-18.

• Some investors adopted coinvestment strategy by forming joint ventures with leading players in different asset classes, because the foreign investors needed a tie-up with a local player with deeper understanding of the market.

Post GFC, while institutional flow of funds gained momentum, domestic traditional lenders viz. banks faced qualitative restrictions. This lead to growth of active funding to the sector via NBFCs/HFCs. The next section details this new credit flow.

NBFCs/HFCs- the strong support for real estate

NBFCs/HFCs- the strong support for real estate now under pressure

• USD 40 bn outstanding credit to real estate sector by NBFCs/HFC

• A threefold rise in credit by NBFC/HFC in last seven years • Short term liquidity crunch for real estate due to NBFCs/HFC woes.

Scheduled Commercial Banks (SCBs) and Non-banking Financial Institutions (NBFIs) have been traditional lenders to developers. For the purpose of analysis from real estate sector perspective, for the purpose our analysis, NBFIs comprise of NBFCs and HFCs. Indian real estate developers have been traditionally dependent on banks for funding. This scenario changed post GFC as the Central

Bank (RBI) took various steps to reduce higher exposure of bank credit to the sector. As the role of bank finance reduced, NBFIs stepped in to provide funds to the sector.

• Outstanding credit to the real estate sector (from banks and NBFIs) doubled from USD 36.9 bn to USD 69 bn during the last 7 years registering a compounded annual growth of 11%.

• Share of NBFIs rose from 36% to 58% of the outstanding credit during the above period.

• Low cost of funds compared to institutional investors and flexibility in structuring of payments made NBFIs a preferred choice for developers.

• The share of bank lending has declined drastically during the last three years (from 64% in 2011-12 to 42% in 2017-18) as the overall rise in Non-Performing Assets (NPAs) made them more cautious in extending credit to the real estate sector.

Non-banking Financial Institutions (NBFIs)

NBFIs have seen sharp growth in outstanding credit to real estate sector over last few years. HFCs are primarily focussed on providing home loans to individuals. However a part of their loan portfolio comprises of loans to developers. On the other hand, NBFCs mostly provide finance to developers for meeting variedneeds with flexible payment options.

• The oustanding credit of NBFIs to the sector grew from USD 13.4 bn in 2011-12 to USD 40.2 bn in 2017-18, registering 20% compounded annual growth rate (CAGR). • There was sharp rise of 41% and 36% in outstanding credit in 2016-17 and 2017-18 . respectively because of banks' depleting exposure to developers and refinancing of old loans through NBFIs, particulary NBFCs. • HFC segment outstanding credit rose from USD 5.7 bn in 2011-12 to USD 15.5 bn in 2017-18 posting 18 % CAGR. • NBFC sector lending increased at a CAGR of 22% during the above period from USD 7.7 bn (2011-12) to USD 24.7 bn (2017-18).

Hence NBFCs exposure stands at USD 24.7 as of March 2018. It is pertinent to delve deeper into flow of credit from NBFCs to developers, with the recent challenges that NBFCs are facing.

• Net annual credit rose by 12 and 15 times between 2016-17 and 2017-18 as compared to 2015-16, as developers resorted to refinance options to reduce interest costs

• Qualitative and quantitative restrictions on bank lending norms post GFC and ongoing NPA crisis provided ideal opportunity for NBFCs to provide finance to developers

• Dwindling bank credit and higher return expectation of institutional funds made NBFCs funding the optimal source

• Redemption /exit pressures from private equity led to NBFCs being the only refinancing option available as project sales primarily in residential segment slowed down.

Current NBFCs Liquidity Crisis: Not A Systemic risk; Short Term Pain for Real Estate.

• Default by leading NBFCInfrastructure Leasing & Financial Services (IL&FS) in scheduled payments lead to liquidity squeeze since September 2018.

• NBFCs share in outstanding credit to the sector stood at USD 24.7 bn in FY 2017-18 accounting for 36% of total lending to the sector. This came close to banks' share of 42% of the total outstanding credit to real estate sector.

• NBFC share sharply increased from 22% in FY 2015-16 to 36% in FY 2017-18 due to developer preference for NBFC finance.

• However, in recent times, source of funds to NBFC from banks and mutual funds dried up due to crisis of confidence in lending.

• The NBFC sector reduced flow of credit to address the assetliability mismatch affecting availability of funds to corporate sector including real estate.

• Developers who resorted to refinance option to retire old debt and repayment obligations have no recourse to finance as NBFCs lending has come to standstill.

• All NBFCs however cannot be viewed through the same lens. NBFCs affiliated to large corporate groups have steady asset quality and would be able to honour their short-term liabilities.

• The mutual funds exposure to Commercial Papers issued by NBFCs has reduced availability of funds to NBFC

• Efforts by the Central bank to provide liquidity to NBFCs through banks is expected to soothe the concerns • NBFCs sector has adequate Capital to Risk (Weighted) Assets Ratio (CRAR) of 22% as against stipulated 15% as per RBI financial stability report (June-18)

• Various financial indicators of NBFCs sector as per RBI financial stability report indicate viable financial position of the sector

• The default by IL&FS despite investment grade rating has cast doubts on the rating process and has caused apprehension among lenders

• Real estate sector being increasingly dependent on NBFC will suffer short term liquidity pressures.

With a perspective on the recent liquidity crisis surrounding NBFCs, (which we see as a short term phenomenon), the next section exhibits emerging trends being witnessed in Institutional Investments.

Emerging Trends To Usher Rising Investments.

• USD 7 bn funds committed through investment platforms

• Affordable housing to be the emerging investment theme

• Investor shift from income producing to development assets

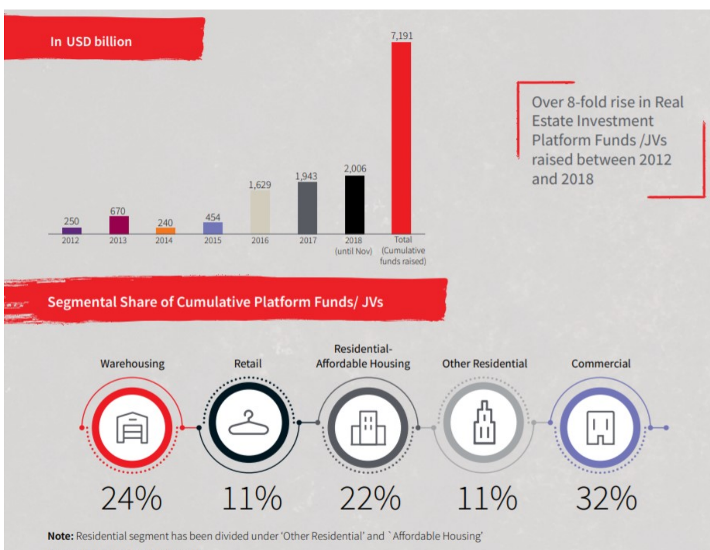
Emerging Trends in Institutional Investments.

Institutional investments in Indian real estate have matured over the last decade. This has led to emergence of three key trends that will influence investment pattern over the next few years. The preference of large investors for active participation in investment process and focused asset classes has led to rise of joint venture/club type investment platforms. The investment platforms for the affordable housing segment are increasing due to initiation of financial and structural reforms. The shift from income producing to development assets reflects with the rising investor confidence.

The Investment Platform.

The Investment Platform is a Joint Venture (JV)/Club type investment programme where all decisions are taken with the investor's agreement. Blind pool fund raising on the other hand is managed by a general partner with limited investor role. Dedicated investment platform deals/funds (which was first

initiated in 2012 with the Godrej – APG platform deal in the residential segment) have come a long way with a total commitment of USD 7 bn till date.



• A whopping USD 7 bn capital has been raised by these funds from 2012 till date; despite dominant share of blind pool funds, platform/JV funding has witnessed a significant jump.

• Investment Platforms have seen a eight- fold rise in funds raised - from USD 250 mn in 2012 to USD 2005 mn in 2018.

• Investor preference for more direct control over their investments have driven growth of investment platforms.

• Focused strategy and welldefined parameters have been key facilitators in deal evaluation and faster decision making in investment platforms.

• Partnerships between large funds and competent developers are likely to benefit the sector as well as its end users.

• Grade-A office project investments led the way with 32% share of the total funds raised. Select examples of funds raised are given below: • RMZ-QIA raised USD 300 mn in 2013 • Standard Chartered- Tata Realty and Infrastructure formed USD 450 mn platform fund in 2016 • APG - Godrej funds management raised USD 450 mn in 2018 • Investments in brownfield/ build to core developments are key destination for platform level tie-ups between established commercial developers and global PE players.

• Residential segment closely followed office space, in which Affordable housing has been the highest fund raising theme with a 22% share of total platform funds raised.

• HDFC Capital has raised USD 1 bn dedicated platform for investments in affordable and mid-income residential projects in 15 cities

• Prestige Estate Project Ltd. and HDFC Capital Advisors have committed USD 390 mn for affordable housing projects

• Puravankara Developers is also in talks with domestic funds for their affordable housing projects.

Retail growth story gets stronger investment support with 11% share of funds raised

• A 11% share in the platform funds for Retail segment reflects the rising investor confidence in Retail

• Phoenix Mills Ltd. and CPPIB formed investment platform of around USD 250 mn in 2016, while APG-Xander Group are coinvesting USD 450 mn in the retail segment since 2017

• These funds, apart from investments in operating malls have acquired Greenfield projects thus undertaking the development role

• Indian retail segment will benefit from global expertise and best practices, supported by growth capital provided by these investors.

Warehousing and Industrial Assets to Drive Future Platform Deals.

• Warehousing and Industrial segment with 24% share of platform funds raised is expected to witness paradigm shift with new industry 4.0 revolution due to landmark changes introduced by GST and a robust growth in e-tailing.

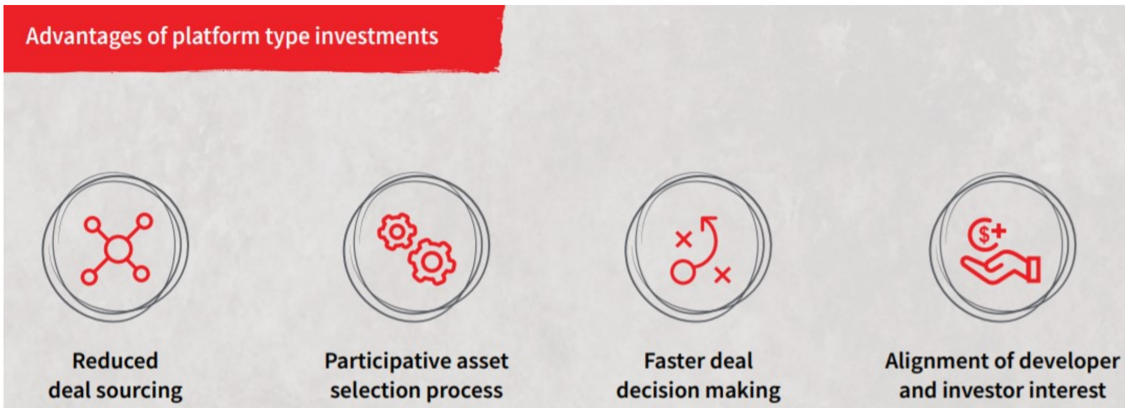
• Post GST, we are witnessing consolidation and emergence of large warehouses in certain sectors like Fast-Moving Consumer Durables (FMCD) and Fast-Moving Consumer Goods (FMCG).

• Robotics, Internet of Things (IoT) and Artificial Intelligence (AI) will bring paradigm shift with efficiencies and economies of scale.

• Government's focus on 'Make in India' and industrial corridors is expected to drive increased demand for Warehousing space

• Large funds with patient capital have an opportunity for superior risk adjusted returns from this segment. This asset class is expected to be the next favourite for investors.

Recently, ESR Group, an Asian logistics real estate developer backed by private equity firm Warburg Pincus, and Germany's Allianz have announced setting up of USD 1 bn investment platform to invest in India's logistics sector.



Selective platform deals across segments

Selective platform deals across segments

Year	Investor Partner	Developer/ Fund	Segment	Fund Committed (USD million)
2016	APG-Dutch pension fund	Godrej Properties	Mid-segment Residential	275
2016	Standard Chartered	Tata Realty & Infrastructure (TRIL)	Commercial	454
2016	Abu Dhabi Investment Authority	HDFC Capital	Affordable Housing	450
2016	APG-Dutch Pension Fund	Xander PE fund	Retail	450
2017	Canada Pension Plan Investment Board	Indospace Ltd.	Industrial	500
2017	Abu Dhabi Investment Authority	HDFC Capital	Affordable Housing	550
2018	Qatar Investment Authority	RMZ Corp Ltd.	Commercial	300
2018	APG-Dutch Pension Fund	Godrej Fund Management	Commercial	450

Affordable Housing

In order to achieve the objective of the initiative 'Housing for all by 2022' the Government has provided incentives to all the stakeholders – the homebuyers, developers and finance providers.

1. Improved Affordability of Home Buyers through Interest Subsidy
2. Incentives to Developers to Make Affordable Housing Projects Attractive
3. Institutional incentives: Long term capital at lower cost to spur more projects

Upfront interest subsidy has resulted in lowering the effective home loan instalment payable, thereby improving affordability • Interest subvention based on different income levels has addressed the affordability issue for wider set of homebuyers • Limit in carpet area results in lower overall house price.

Despite huge unmet demand in the affordable housing segment, most of the organised developers were not keen on undertaking such projects due to lower profitability. These projects also suffered from nonavailability of land. These issues have been addressed by the Public-Private Partnership (PPP) model and Tax Holidays for affordable housing projects. • Lower GST for Affordable Housing projects to reduce cost for the developers and home buyers which is likely to boost demand.

• Permission for external commercial borrowings (ECBs) for Housing Finance Companies (HFCs).

• Infrastructure status to Affordable Housing.

• Creation of Affordable Housing Fund under the Nationa Housing Board.

The provision of long-term institutional finance is crucial for the sustainability of affordable housing projects. The Central Bank has allowed HFC to raise funds from ECB with conditions to invest those funds in affordable housing projects.

• The grant of 'infrastructure' status to Affordable Housing will bring in associated benefits such as lower borrowing rates, tax concessions and make projects viable for investments

• Large projects requiring substantial capital with a project completion term of 5 years, are ideal for institutional investments to avail tax benefits

• Access to lower cost of funds with longer tenures can help developers undertake large Affordable Housing projects with high volume and low margins objective.

• Tax benefits provided to improve project economics, thereby attracting institutional investments.

Conclusion

• Investments in development assets as share of total investments across various real estate asset classes (excluding residential) have risen to 33% in 2018 (YTD) from 4% in 2017; investments in development assets have increased to USD 960 mn in 2018 (YTD) from USD 135 mn in 2017.

• Transformative regulatory reforms across the economy and real estate sector in particular have improved confidence of global institutional investors as they are shifting from income producing to development assets.

• Office markets have been the preferred destination for institutional investors. Foreign funds were first to spot the potential in this space and bought large office assets with attractive yields in view of future public exit via Real Estate Investment Trusts (REITs).

• Blackstone along with its joint ventures with Embassy Group, Salarpuria Sattva, Panchshil Realty and K Raheja Corp owns 78 mn sq. ft., while Brookfield has built an office space portfolio of 24 mn sq. ft.

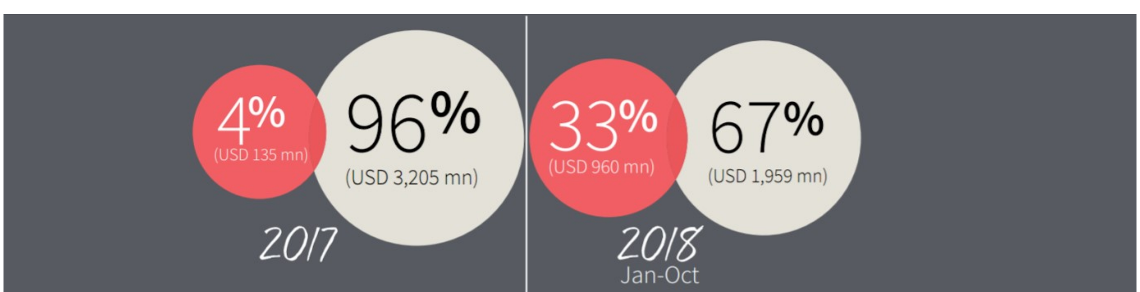
• Ascendas Property Fund Trustee Pte. Ltd. has entered into agreement with Phoenix Ventures Pvt. Ltd. to acquire two upcoming commercial office buildings at aVance Business Hub in Hyderabad

• Private equity firm ASK Group invested USD 31 mn in ATS Infrastructure's mixed-use development project in Noida.

• As far the retail sector is concerned, well established malls have been an attractive destination for investors looking to invest in the Indian retail segment. For instance, GIC bought 50% stake in Viviana Mall, Thane, while Blackstone acquired stake in Forum Group's Esplanade Mall in Bhubaneswar

• Limited availability of welloperated malls have turned the focus of investors towards development assets. As a result, investment platform funds/joint ventures have been the preferred model of investments in the retail segment. For instance, Dutch pension fund, APG Asset Management and Xander fund have formed a platform to invest USD 450 mn in the retail sector. Global experience and patient capital from large institutional funds at development stage is expected to invigorate the retail sector with global best practices and provide a long term horizon for investors.

• With the implementation of Goods & Services Tax (GST) and Government initiatives such as 'Make In India', investors' attention towards Warehousing and Logistics has increased manifold. For instance, Canada Pension Plan Investment Board (CPPIB) and Indospace have formed a joint venture – 'Indospace Core' with initial commitment to invest USD 500 mn to acquire and develop modern logistics facilities.



Note: *Development Assets include realty projects that are either under construction phase, undergoing restructuring or are greenfield in nature; however, these do not include residential projects.
Source: JLL Capital Market Research

The Indian real estate investment flows post GFC, offers interesting insights into the role of reforms in attracting capital flows. Institutional investments of USD 30 bn chased various asset classes starting with 'Residential' and then moving on to 'Office Space'. Growth drivers in 'Retail' and 'Warehousing', (which are linked to steady economic growth and progressive policy changes) will attract future investments, despite office space retaining the dominant share. The paper has highlighted how institutional fund raising has also matured over the decade. Additionally fund raising by investment platforms is gaining pace and has surpassed USD 7 bn till date. Improved risk perception and confidence in the sector is reflected in investments switching from income producing to developmental assets. Investors are willing to put their skin in the game, reflecting a long term outlook towards the sector. Affordable Housing backed by key policy incentives, promises new avenues for investments in the Residential segment and is striving to achieve the objective of 'Housing for all', an initiative by the Government. Capital flow in the form of credit finance to developers stood at USD 69 bn from Banks and NBFIs as of March 2018. In this, NBFIs have replaced bank credit as their share rose from 36% to 58% of outstanding credit during FY 2012-18. NBFIs outstanding credit grew three-fold in the last seven years to USD 40 bn as of March 2018. Within NBFI segment, NBFCs outstanding credit to the sector grew three times reaching USD 25 bn as of March 2018. HFCs, the other segment grew at slower CAGR of 18% extending a credit of USD 15 bn. NBFCs/HFCs have been recently affected by the credit default by IL&FS, an infrastructure development and finance company. This is likely to affect the Real Estate sector in the short term, as it has been increasingly dependent on NBFCs/HFCs lending in recent times. However, the crisis faced by the NBFCs/HFCs is not systemic in nature and is expected to return to normalcy in next two quarters. The decadal history of fund flow to the sector points to a story where despite the slowdown post GFC, backed by ongoing reforms, the house is setting itself in order and funding to the sector is on an upward trajectory. Risk perception of lending to the sector is mitigating with development assets finding their place in the real estate horizon.

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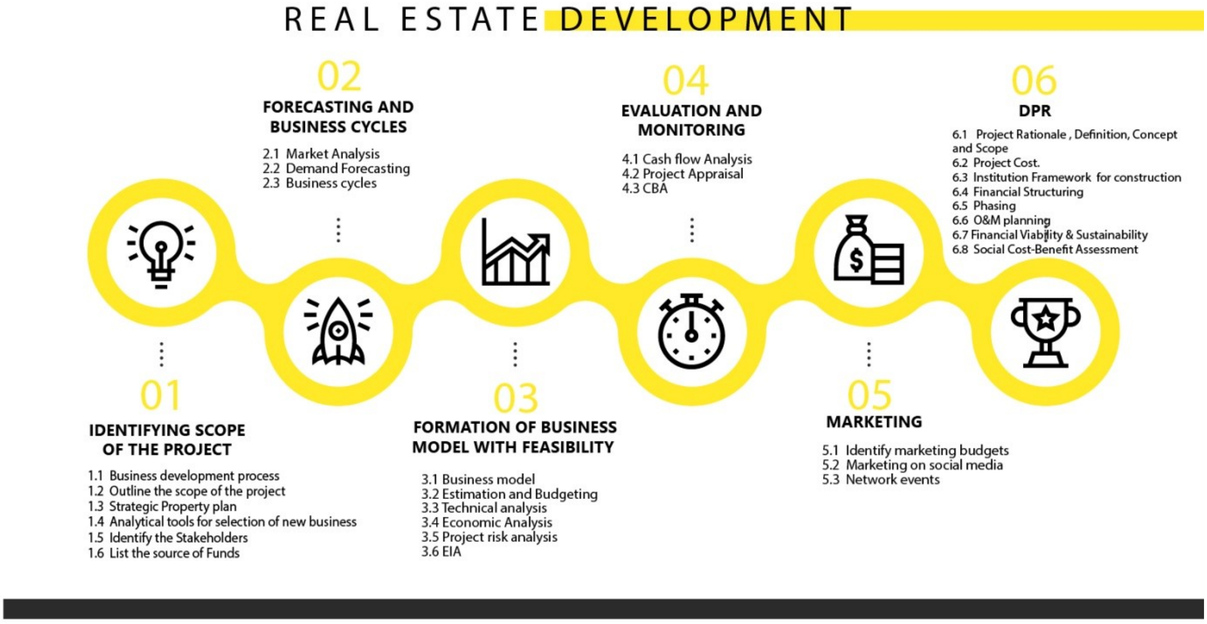
SCHOOL OF BUILDING & ENVIRONMENT

DEPARTMENT OF ARCHITECTURE

UNIT – 3 - REAL ESTATE MANAGEMENT- SAR5608

UNIT 3 REAL ESTATE DEVELOPMENT

1. Identifying Scope of the Project
2. Forecasting and business cycles
3. Formulation of Business Model with Feasibility
4. Evaluation & Monitoring
5. Marketing
6. DPR from different stakeholders perspectives



MODULE 16 SCOPE OF THE PROJECT

1.1 Business development process

1.2 Outline the scope of the project

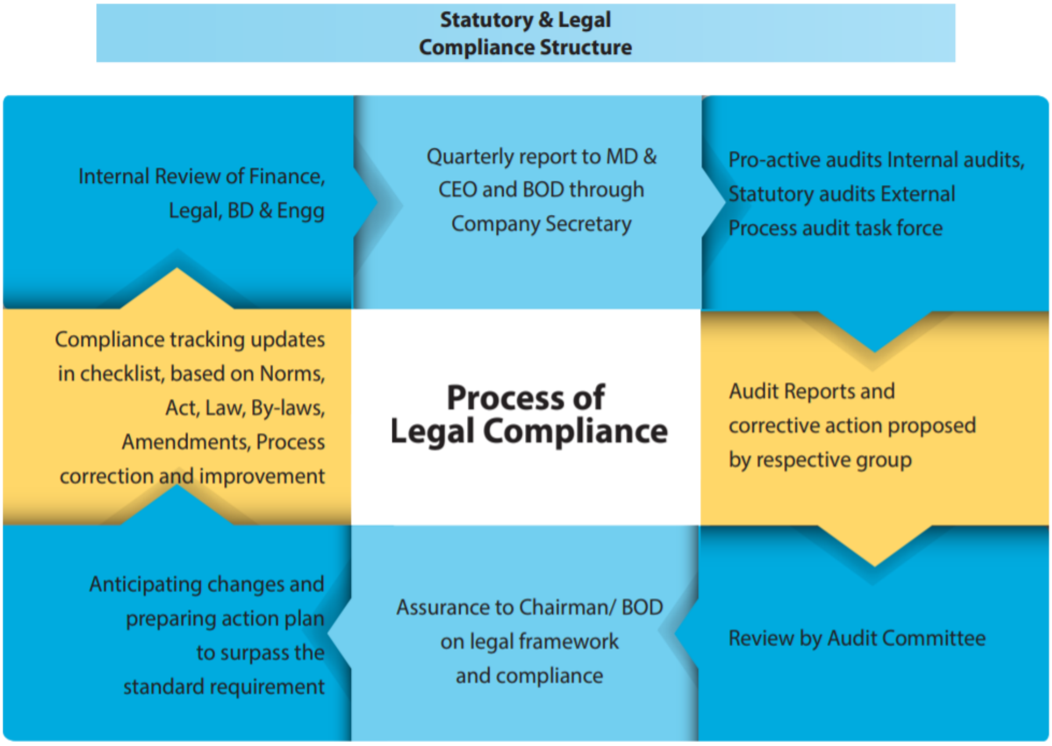
1.3 Strategic Property plan

1.4 Analytical tools for selection of new business

1.5 Identify the Stakeholders

1.6 List the source of Funds

1.1 Business development process



Approach

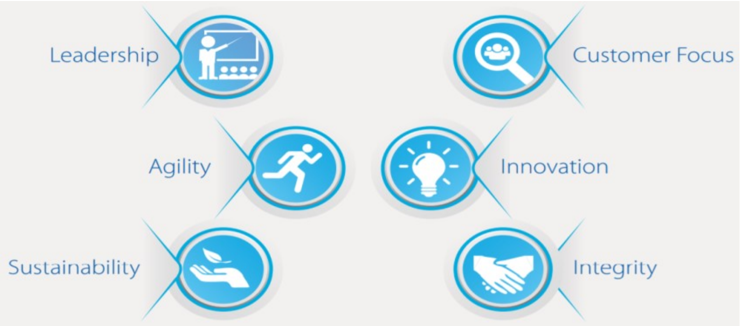
The aim of Tata Housing is to provide innovative and sustainable quality life spaces to people from different socio economic backgrounds while creating long-term value for all their stakeholders by integrating economic, environmental and social considerations into all decisions and key work processes, mitigating future risks and maximizing opportunities.

Embodied principles

- They have embodied principles of product stewardship by enhancing health, safety, environmental and social impacts of products and services across the lifecycle.
- Their policies are aligned to undertake natural and social capital valuation to assess business risks

Values

- Their Values: "It's about identity and the way they do business. "
- Tata Housing adheres to Tata Group values.
- The Tata Group has always sought to be a value driven organization.
- These values continue to direct the Group's growth and businesses.
- The six core TATA values underpinning the way they do business are:

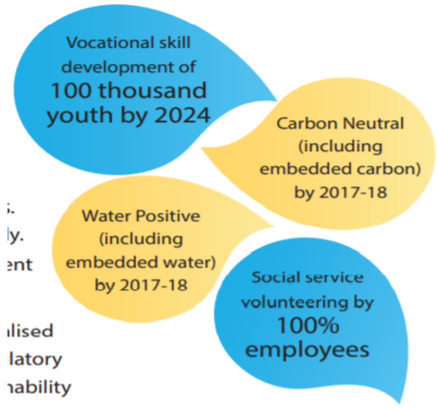


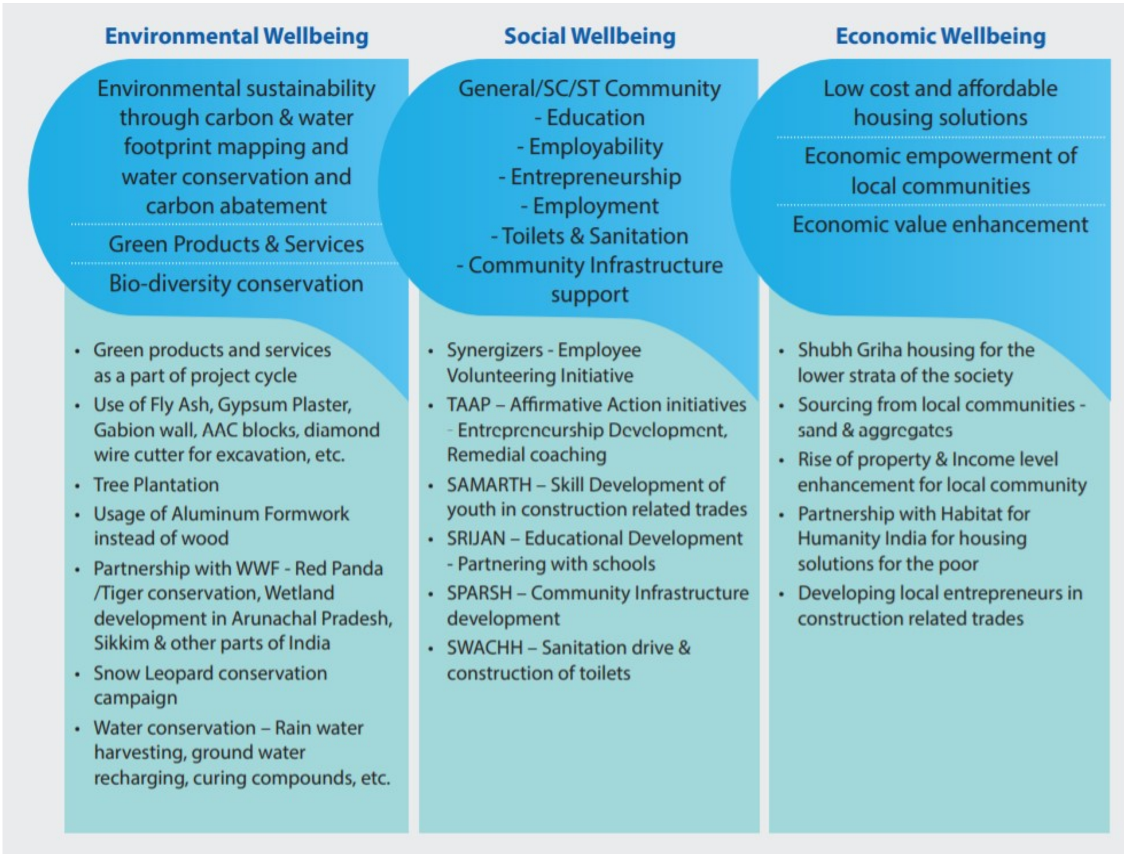
Vision

All the housing projects in Luxury and Premium segments are designed in accordance to the IGBC Platinum or Gold rating and all the housing projects in Affordable and Value Homes Segments are designed in accordance to the IGBC Silver rating.
Their vision envisages profitable growth of the Company by sustainable means such as

  - fair wages,
  - fair labour practices, optimal use of resources,
  - product responsibility,
  - responsible supply chain etc.;
- which will generate reasonable profit for the shareholders after addressing the needs of all other stakeholders including communities.
- reducing inequalities in all spheres - social, economic and environmental.

- It will continue to create employment opportunities, develop communities and rejuvenate the environment because of the focused approach in green buildings, biodiversity conservation, sustainable supply chain and other ecological initiatives.





Micro level planning - CASE OF RETAIL PROPERTIES

- Sales per m²
- Wholesale
- Location categories
- Market volumes (sales volumes)
- Tenant fit-out
- Net Initial Yield

- Restrictions in product ranges
- Product ranges, normally sold in town/city centres
- Rent-to-sales-ratio / effort rate
- Turnover redistribution
- Centrality
- Purchasing power / average spending
- Retail-relevant purchasing power / average spending in retail

Macro location

- ☐ Central location: Regional planning designation
- ☐ Supply of space
- ☐ Supra-regional infrastructure
- ☐ Spatial functions and image of the town or city (regional)
- ☐ Retail centrality: Importance as a retail location
- ☐ Purchasing power of the subject location versus comparable regions
- ☐ Population trends (demographics) and structure in the town or city
- ☐ Commuter patterns
- ☐ Labour market: employment opportunities, unemployment rate
- ☐ Economic and branch structure, economic development perspectives
- ☐ Vacancy rates
- ☐ Competition analysis
  - ☐ Number of shops and volume of sales area in the location
  - ☐ Number of competitors and volume of sales area of competing shops in the location (same product range)
  - ☐ Coverage of retail needs (overall supply)
  - ☐ Development of sales productivity
  - ☐ Communal retail concept (if in place)
  - ☐ Development potential (current/future development opportunities, permissibility of further retail businesses etc.)
  - ☐ Evaluation of location surveys (if available)
  - ☐ Project developments in the area/region.

1.2 OUTLINE THE SCOPE OF THE PROJECT

Space concepts and floor plan designs/spatial flexibility/functionality

1. Dimensions, mix and layout of space
2. Forecourt/path
3. Disruptive room components: columns, stairs, lifts, etc.
4. Display window fronts, room depth, grid measurement
5. Concept assessment (customised, conventional or innovative, flexible)

6. Size and location of storerooms/staff facilities (directly adjacent to the sales area or on the same floor?)
7. Efficiency of floor plan design (flexibility of layout, ratio of usable area to ancillary space etc.)
8. Servicing
9. Link to existing pedestrian flows/design of routes/malls inside the property/internal access
10. Layout and clear arrangement of sales areas
11. Number of sales floors and floor-to-floor connections
12. Design of entrance areas
13. Restroom facilities
14. Functionality and size of the goods delivery zone
15. Functionality/% of circulation space
16. Divisibility, subdivision potential (floor-by-floor or per building section etc.)
17. Extension opportunities
18. Assessment of third party use potential

Site description

1. Site area
2. Building footprint area, land coverage ratio and floor area ratio
3. Frontages
4. Boundaries
5. Entry & Exit
6. exposure
7. Parking availability
8. Traffic circulation
9. Signage
10. Landscaping and drainage
11. Accessibility (transportation facilities and cost of transportation)

12. Site services available
13. Site location/topography
14. Shape
15. Expansion space and surplus land
16. Potential damages or contamination

Description of the building

1. Architectural design
2. Building appearance (elevation), main facade and exterior materials
3. Building entrances
4. Building/type of use ?
5. Building configuration and shape
6. Main and ancillary buildings
7. Year of construction
8. Uses subject to the quality of the location
9. Areas and cubiture
10. Ratios (e.g. parking ratio, efficiency ratio i.e. GLA/GBA
11. Economic and useful life
12. Assessment of energetic standards (Green Building and Sustainability)
13. Type of construction -solid/skeletal construction
14. Description of the type of construction
15. Fitout, general quality of fitout, Assessment of modernity of interior fittings
16. Food courts
17. Circulation, lifts/staircases.
18. IT cabling, if necessary capacity of the wiring/fuses ¨ HVAC, fire protection ¨ Interior signage ¨ Insulation (walls and roof) ¨ Building services (i.e. HVAC) ¨ Special building components ¨ Special fixtures and fittings ¨ State of repair (deferred maintenance/modernisation) ¨ Information on any building components not inspected ¨ Potential damages or contamination ¨ Building insurance ¨ Marketability ¨ Market acceptance and suitability of location.

Criteria which could be of benefit for the assessment of the necessity of revitalisation works:

1. Observation of the current Zeitgeist (analysis of fashion trends etc.)
2. Identification of changes in consumer behaviour (e.g. conflict between ‘at the point of sale’ and online retail)
3. Assessment of the changing population structure (e.g. aging of society etc.) with its effects on the design of retail space and adapting product presentation
4. Identification of deficits in building technology and the calculation of essential renewal works in the valuation
5. Preservation of lettability (external appearance; how direct competitors in the location are changing etc.)
6. Optimal tenant mix

1.3 STRATEGIC PROPERTY PLAN

DLF ESG REPORT

- DLF Limited has leveraged its experience in the construction and real estate sector to transition towards a supervisory role from an implementation one.
- The services of project management company and the general contractor company enables DLF Limited to focus on holistic performance of each project including the social and environmental aspects.

Protecting the Environment-Management Approach

Reduce
Reuse
Recycle
Replenish

27.5 msf of our offices buildings are LEED platinum certified by U.S. Green Building Council (USGBC)

New residential development,

✓ Camellias, with a built-up area of 4.5 msf is Platinum LEED certified

✓ Crest, with a built-up area of 3.5 msf is Gold LEED certified

Procurement practices and Resource optimization

DLF prefers sourcing most of its raw materials locally thereby reducing carbon emissions associated with the transportations and logistics. We source supplies through empanelled vendors who meet environmental prerequisites and are not associated with companies blacklisted by the government/other agencies.

Raw material consumption data for Development business

Raw Material	Units	FY'18	FY'19
Welding rods	*MT*	85,687	63,146
Cement	*MT*	54,948	33,598
Ready mix concrete	*MT*	19,577	62,535
TMT	*MT*	18,053	10,275
Bricks	*'000*	5,323	3,187
Ply Board	*sq ft*	4,800	5,504
GI sheet	*sqm*	4,371	1,01,456
Glass	*Sqm*	3,108	40,630
Sand	*sq ft*	1,000	1,500
Mortar	*m3*	752	1,343
Steel structure	*MT*	522	1,264
Solid Blocks	*'000*	366	85
Fly Ash Blocks	*'000*	-	550

Improving energy efficiency

- The drastic effects of global warming are creating long-term changes in the global climatic system.
- This threat can lead to irreversible consequences that urgently need to be acknowledged.
- DLF is committed to decreasing its dependence on conventional energy resources and increasing the use of non-conventional renewable energy sources.
- They have been extensively engaged in revolutionising ways in which they utilise energy through conservatory initiatives and by deploying renewable energy in operations

Energy Consumption within the organisation Development business

Energy	Units	FY'18	FY'19
Electricity (Grid)	*kWh*	85,81,068	88,13,266
Diesel	*KL*	1,485	1,032
PNG	*m3*	6,86,154	7,97,752

Energy Consumption within the Rental business

	Units	FY 2017-18	FY 2018-19
Electricity (Grid, Energy Centre, Solar and Diesel Generator)	mn kWh	*323*	*320*

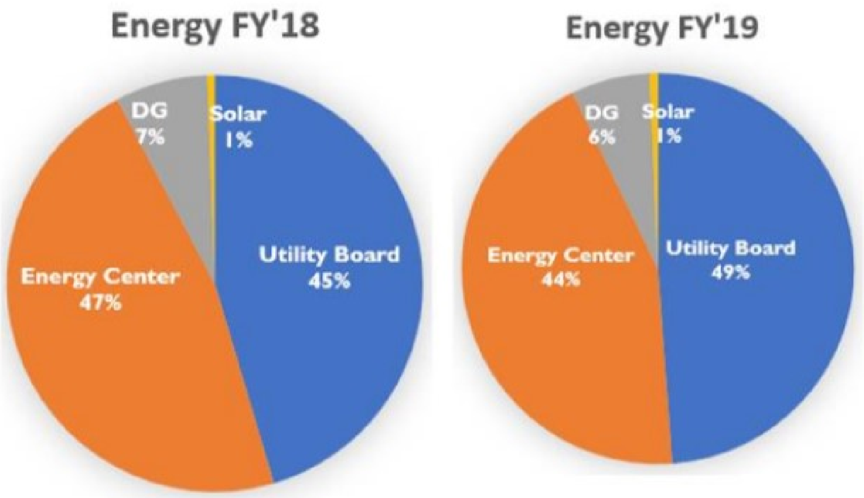


Fig: Source of Energy for Rental Projects

Energy Conservation initiatives of Rental business

S.No.	Initiatives	Savings (compared to FY'18)
1.	Replacement of conventional lights with **LED lights**	40 lac units
2.	Initiatives in **electrical systems** • Improvement of Power factor • Optimization of Lux levels • Use of energy efficient pumps • Use of clock timers, motion sensors, optical sensors	45 lac units
3.	Savings through initiatives in **HVAC systems** • Installation of Automatic tube cleaning system for condensers • Use of VFD for secondary pumps • Optimization of conditioned space temperature • Optimization of chilled water system	36 lac units

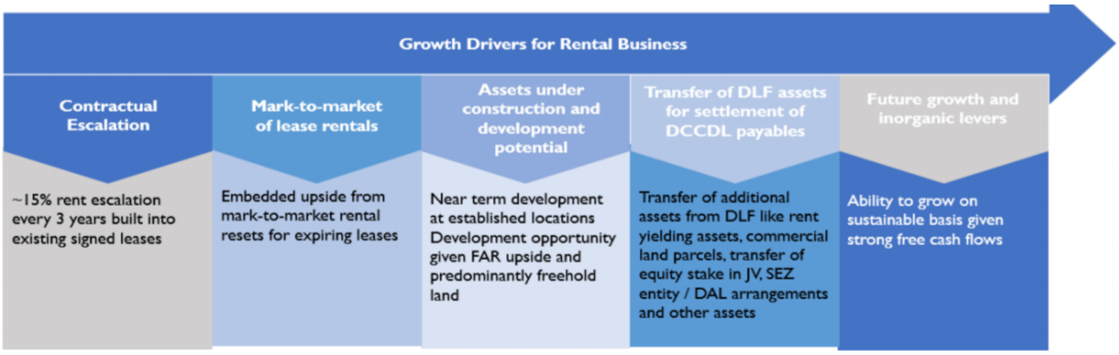
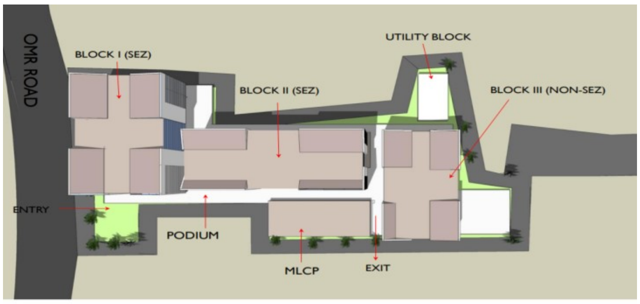


Fig: Growth drivers for Rental Business

Understanding scope of the project



SITE PLAN – OPTION 1

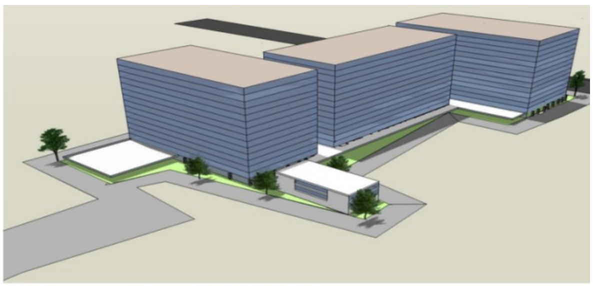
AREA STATEMENT

Total Plot Area	44,515	Sq mts	4,79,160	Sq ft	11	Acres
O S R	4,452	Sq mts	47,916	Sqft	1.10	Acres
Mimimum Land Area For IT SEZ (As per 2013 SEZ rules Ammendment)	The Minimum Land Area Requirement for IT SEZ has been Dispensed with.					
Mimimum Built Up Area As per SEZ norms	100000 Sqm					
Allowable Plot coverage	29.90%					
Allowable Plot Coverage area of all the blocks	13,310	Sq mts	1,43,269	Sq ft	35.41	Acres
Achieved Plot Coverage area of all the blocks (90% of Foot Print Area Considered)	11,706	Sq mts	1,26,000	Sq ft	31.14	Acres
Achieved Plot coverage	26.30%					
Allowable Maximum FSI = Allowable FSI + For IT (50% of normally permissible FSI - 2.5)	3.75					
F.S.I Area Allowable	1,66,932	Sq mts	17,96,851	Sq ft		
F.S.I Area Achieved	1,63,880	Sq mts	17,64,000	Sq ft		
FSI ACHIEVED	3.68					

	Foot print		No of Office	Overall	Built up Area		FSI Area		Parking Requirment		Parking Area	
	Sqmts	Sqft	Foors	Height	Sqmts	Sqft	Sqmts	Sqft	Car	2 Wheeler	Sqmts	Sqft
Areas under SEZ *												
IT BLOCK NO 1	4,645	50,000	14	59.70	65,032	7,00,000	58,528	6,30,000	878	1,756	46,091	4,96,125
IT BLOCK NO 2	4,645	50,000	14	59.70	65,032	7,00,000	58,528	6,30,000	878	1,756	46,091	4,96,125
IT Total	**9,290**	**1,00,000**			**1,30,063**	**14,00,000**	**1,17,057**	**12,60,000**	**1,756**	**3,512**	**92,182**	**9,92,250**
Areas under NON SEZ												
IT BLOCK NO 1	3,716	40,000	14	59.70	52,025	5,60,000	46,823	5,04,000	702	1,405	36,873	3,96,900
NON SEZ TOTAL	**3,716**	**40,000**			**52,025**	**5,60,000**	**46,823**	**5,04,000**	**702**	**1,405**	**36,873**	**3,96,900**
IT Total	**13,006**	**1,40,000**			**1,82,088**	**19,60,000**	**1,63,880**	**17,64,000**	**2,458**	**4,916**	**1,29,055**	**13,89,150**

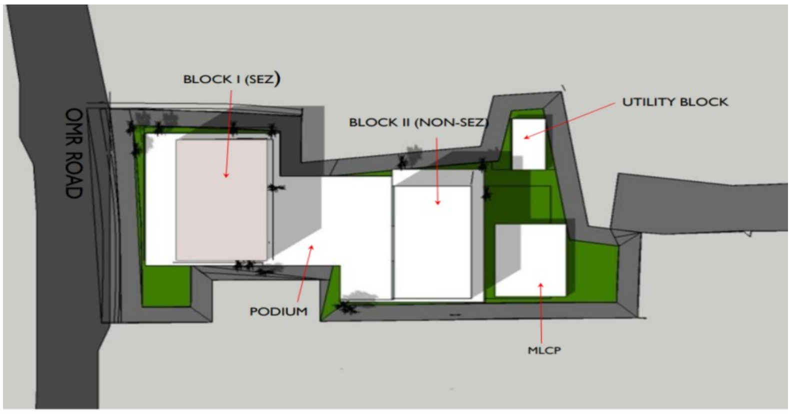
PARKING AREA CALCULATION	**Sqmts**	**Sqft**
SURFACE PARKING	17,994	1,93,685
TOTAL PARKING BUILT UP AREA REQUIRED	**1,11,061**	**11,95,465**
PODIUM AREA	18,844	2,02,833
STILT PARKING + 3 BASEMENT (Area of 22,745.5 Sqmts per Floor)	90,982	9,79,330
TOTAL PARKING AREA REQ IN MLCP	1,236	13,302
FOOT PRINT OF MLCP	1,985	21,367
NUMBER OF FLOORS IN THE MLCP	1	

Planning strategy – buildability study



Note:The view depicts the massing and not the building facade

VIEW 01



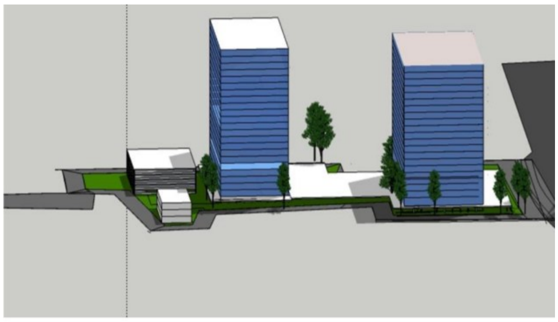
SITE PLAN –OPTION 2

AREA STATEMENT

Total Plot Area	44,515	Sq mts	4,79,160	Sq ft	11	Acres
O S R	4,452	Sq mts	47,916	Sqft	1.10	Acres
Mimimum Land Area For IT SEZ (As per 2013 SEZ rules Ammendment)	The Minimum Land Area Requirement for IT SEZ has been Dispensed with.					
Mimimum Built Up Area As per SEZ norms	100000 Sqm					
Allowable Plot coverage	29.90%					
Allowable Plot Coverage area of all the blocks	13,310	Sq mts	1,43,269	Sq ft	35.41	Acres
Achieved Plot Coverage area of all the blocks (90% of Foot Print Area Considered)	7,525	Sq mts	81,000	Sq ft	20.02	Acres
Achieved Plot coverage	16.90%					
Allowable Maximum FSI = Allowable FSI + For IT (50% of normally permissible FSI - 2.5)	3.75					
F.S.I Area Allowable	1,66,932	Sq mts	17,96,851	Sq ft		
F.S.I Area Achieved	1,65,552	Sq mts	17,82,000	Sq ft		
FSI ACHIEVED	3.72					

	Foot print		No of Office	Overall	Built up Area		FSI Area		Parking Requirment		Parking Area	
	Sqmts	Sqft	Foors	Height	Sqmts	Sqft	Sqmts	Sqft	Car	2 Wheeler	Sqmts	Sqft
Areas under SEZ *												
IT BLOCK NO 1	4,645	50,000	22	90.50	1,02,192	11,00,000	91,973	9,90,000	1,380	2,759	72,429	7,79,625
IT Total	**4,645**	**50,000**			**1,02,192**	**11,00,000**	**91,973**	**9,90,000**	**1,380**	**2,759**	**72,429**	**7,79,625**
Areas under NON SEZ												
IT BLOCK NO 1	3,716	40,000	22	90.50	81,754	8,80,000	73,579	7,92,000	1,104	2,207	57,943	6,23,700
NON SEZ TOTAL	**3,716**	**40,000**			**81,754**	**8,80,000**	**73,579**	**7,92,000**	**1,104**	**2,207**	**57,943**	**6,23,700**
IT Total	**8,361**	**90,000**			**1,83,946**	**19,80,000**	**1,65,552**	**17,82,000**	**2,483**	**4,967**	**1,30,372**	**14,03,325**

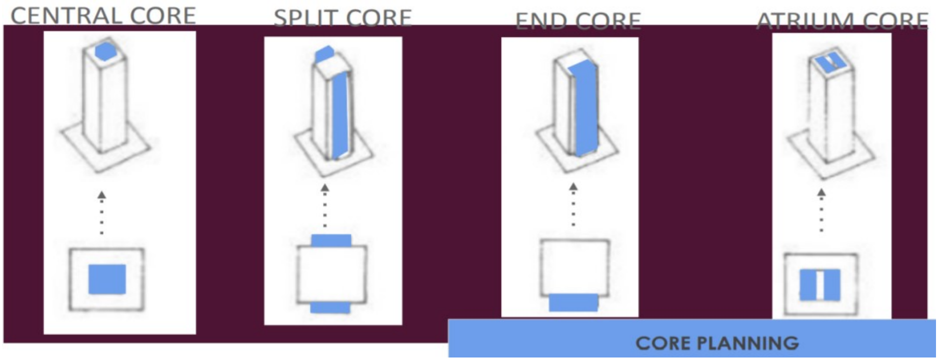
PARKING AREA CALCULATION	**Sqmts**	**Sqft**
SURFACE PARKING	22,509	2,42,287
TOTAL PARKING BUILT UP AREA REQUIRED	**1,07,863**	**11,61,038**
PODIUM AREA	15,223	1,63,856
STILT PARKING + 3 BASEMENT (Area of 17731 Sqmts per Floor)	70,924	7,63,426
TOTAL PARKING AREA REQ IN MLCP	21,716	2,33,756
FOOT PRINT OF MLCP	4,420	47,577
NUMBER OF FLOORS IN THE MLCP	5	



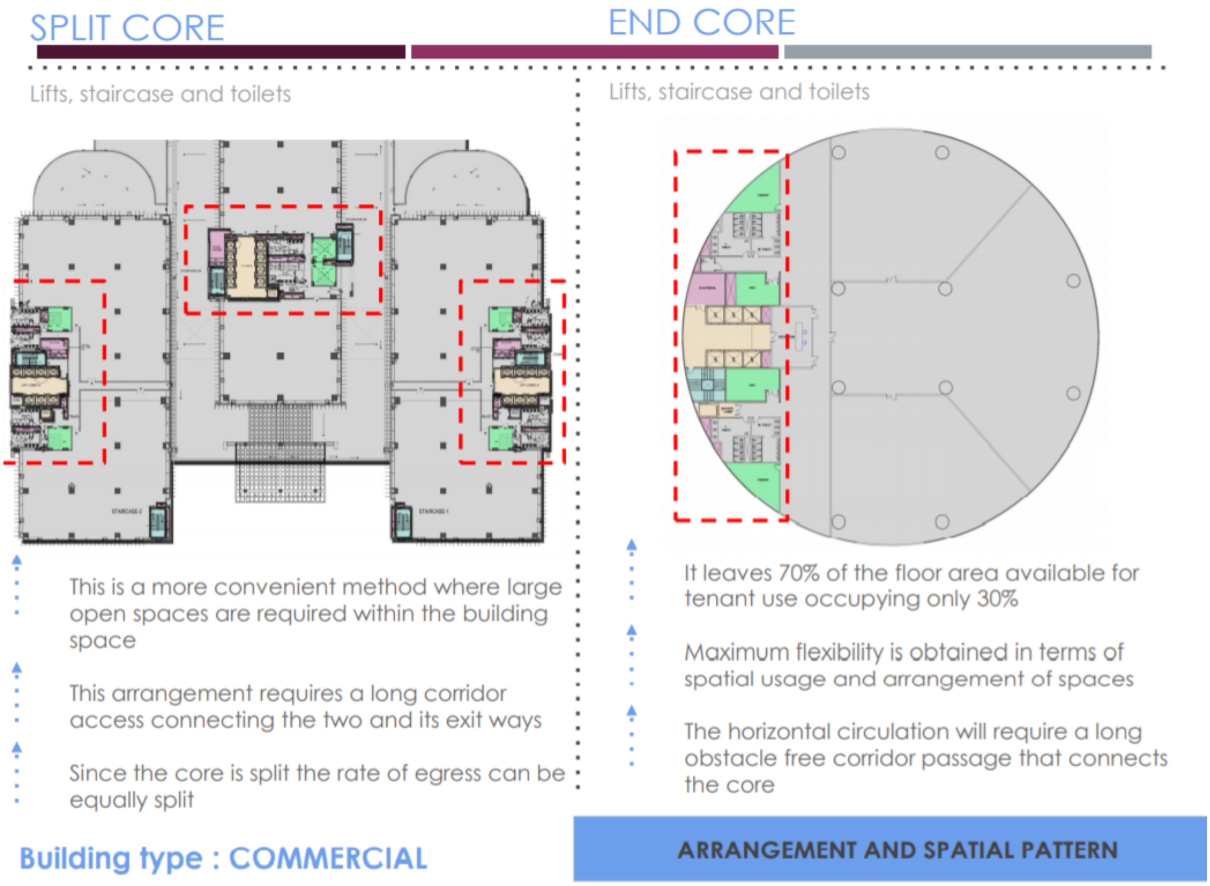
Note:The view depicts the massing and not the building facade

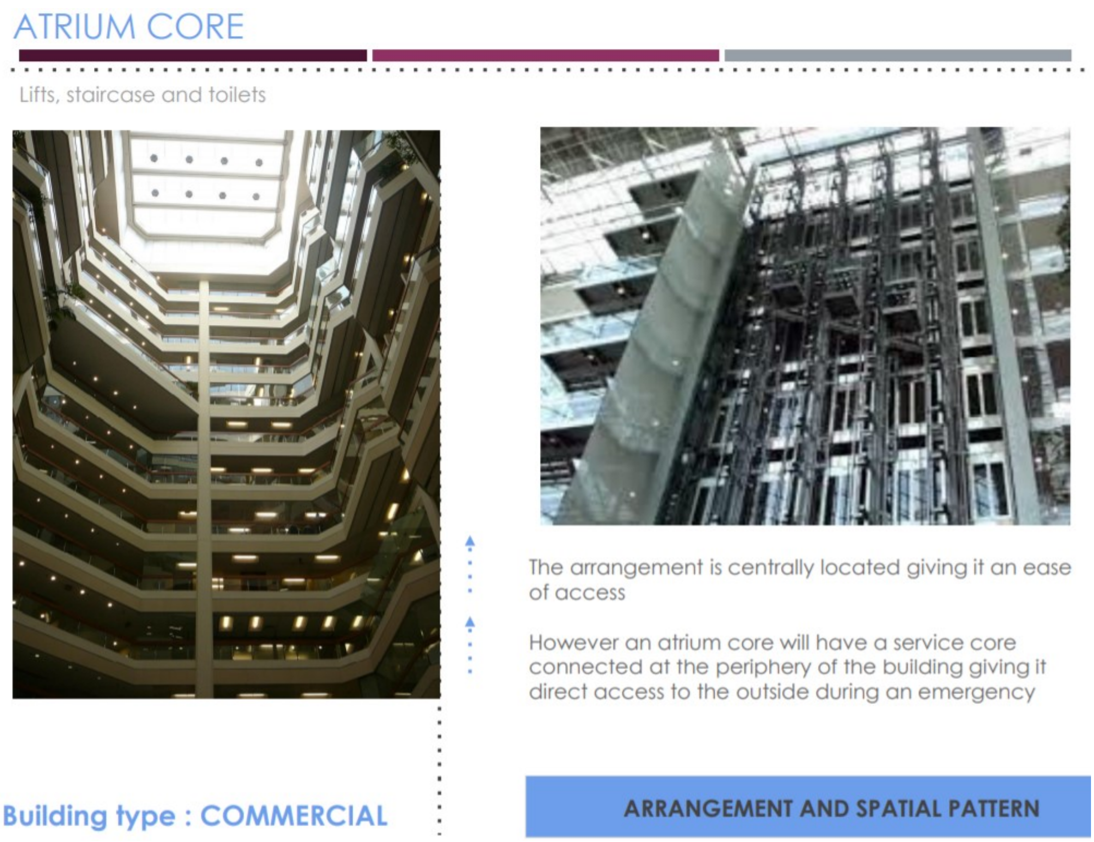
VIEW 01

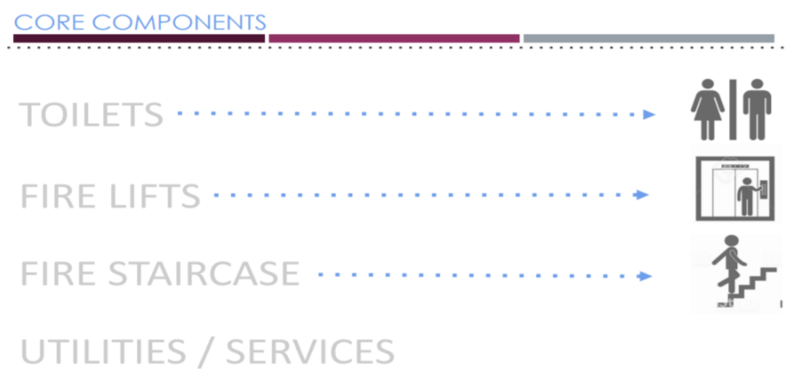
Planning strategy - core



- "Core is a spatial element for load bearing high rise building systems. The core of a multi storeyed building integrates both building services and circulation systems"

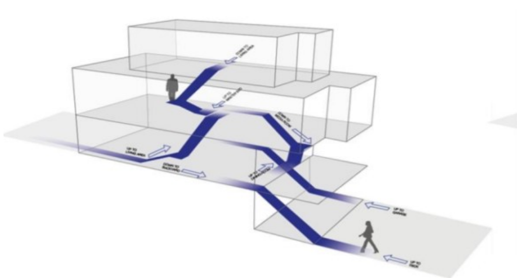


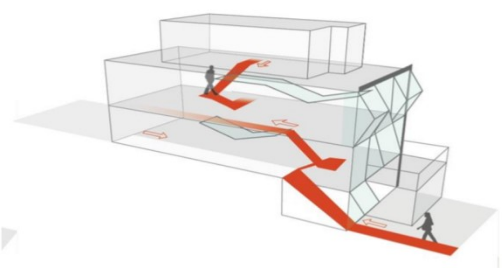




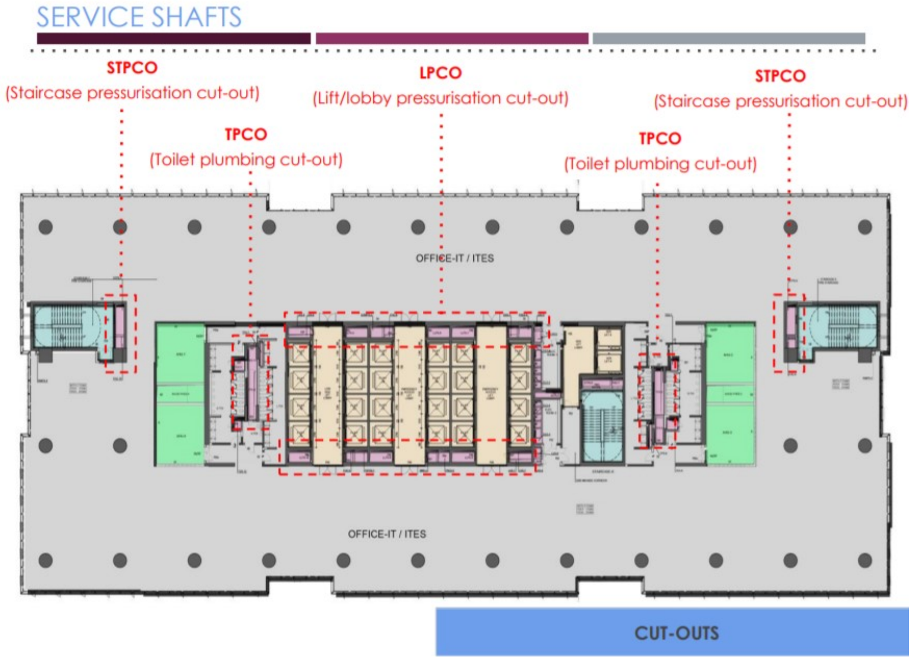
VERTICAL CIRCULATION

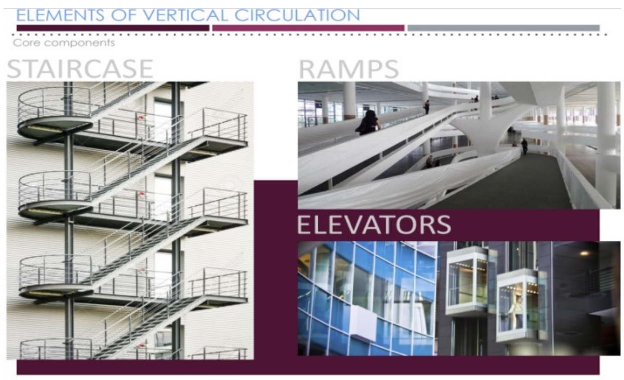
- “Vertical circulation as applied in architecture is the movement of people and goods between interior spaces of a building and to entrances and exits”

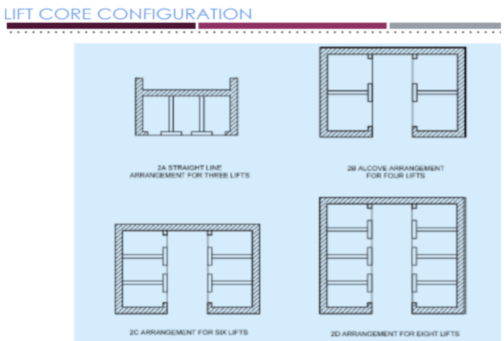




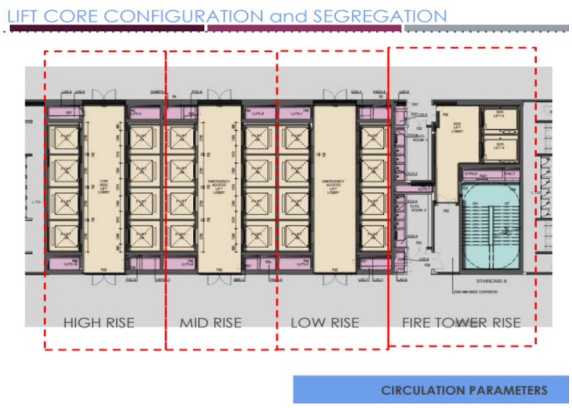
- DUCTS AND shafts-mechanical, electrical and plumbing
- Conceal services reduce noise facilitate inspection







LIFTS – NBC recommendations

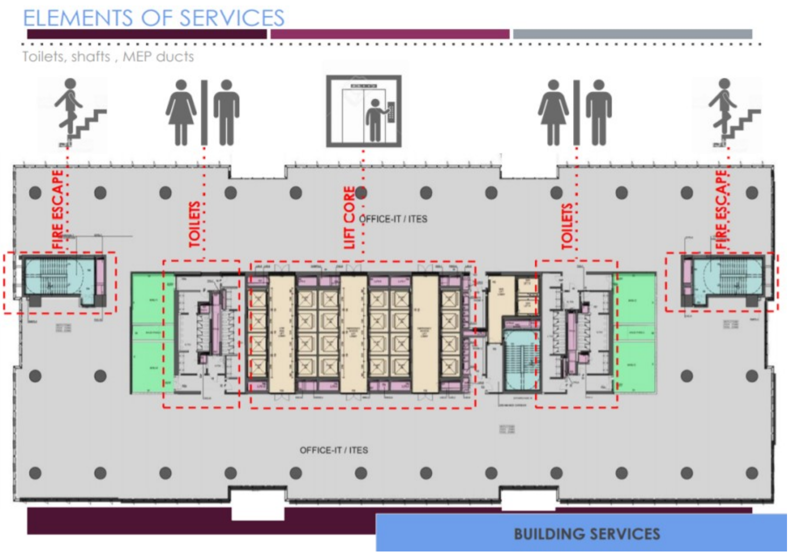


LIFTS – Destination Control,

CORE PLANNING – UTILITIES

- Fire and safety -Refuge terrace

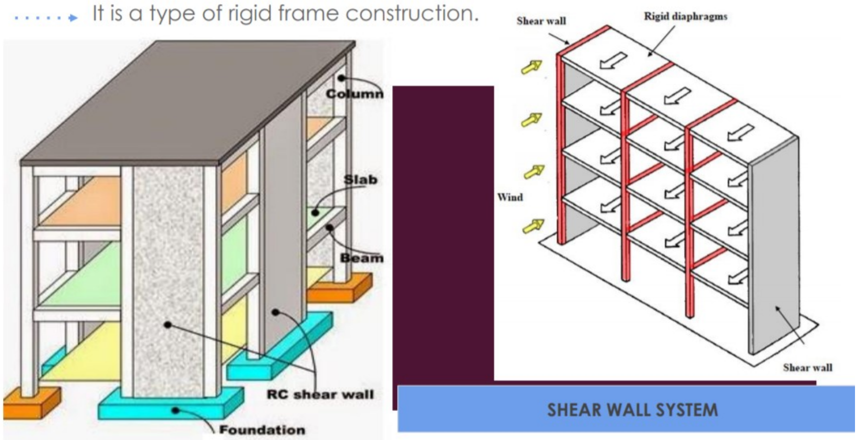
- Handrails
- Toilet layout
- Toilet calculation
- AHU
- Toilets, shafts , MEP ducts
- Lobby and entrance
- Atrium
- Multi Level Car Parking- MLCP-conventional or automated
- Conventional parking-entry & exit ramps circulation space car parking area
- Automated parking -puzzle type tower type,
- Multi floor type rotary type
- Parking requirements-cmda



PLANNING STRATEGY - STRUCTURAL SYSTEMS& DESIGN TECHNIQUES

SHEAR WALL

- The shear wall system is in steel or concrete to provide greater lateral stability.
- It is a wall where the entire material of the wall is employed in the resistance of both horizontal and vertical loads
- It is a type of rigid frame construction.



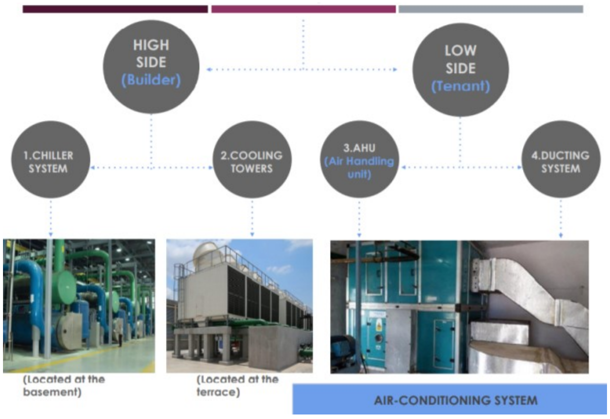
FLAT SLAB

- A flat slab is a two way reinforced concrete slab that usually does not have beams and the loads are transferred directly to the column.
- These are generally used in parking decks, commercial tall buildings where beam projections can be avoided

WAFFLE SLAB

- A waffle slab has a two-way reinforcement on the outside of the material giving it a shape of pockets on the waffle.
- These are generally used in airports, commercial buildings, bridges and other structures that require extra stability.

MEP - HVAC SYSTEMS, ELECTRICAL DISTRIBUTION

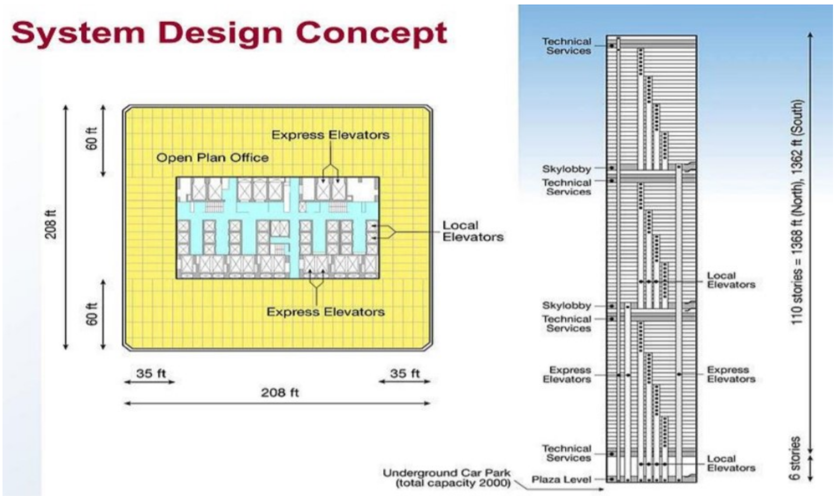


MEP - PLUMBING (supply)& MEP - PLUMBING (disposal)

- Transmission and distribution
- Underground tank
- overhead tank
- supply main
- domestic main
- branch pipe

- Waste appliances
- Soil appliances
- Supply and drain process-Distribution and Sanitation
- Sewage treatment plant

MEP – SERVICE FLOOR, PLANT / UTILITY BUILDING



Fire and safety

- Dry riser - (100m dia min)
- Water drum - (min 2000 lit)
- Water storage tank
- Occupancy wise requirements
- Exit requirements
- Arrangement of exits
- Staircases
- Ramps and fire lifts
- Fire tower
- Emergency lighting requirements
- Fire fighting (equipments)-hose reel, wet riser, dry riser, down – comer, fire-hydrant, automatic sprinklers.

2.1 Market Analysis

CASE OF shopping center

CASE OF shopping center -Market Analysis

- Factors more or less controllable by shopping center management determine the move from one stage of the life cycle to the next one and may also be exploited in the favor of shopping center profitability.

- These factors can be classified into two large categories, following the ease of influence from shopping center management, and more exactly, their location in center's marketing environment

: -**exterior factors** (less controllable by the shopping center management);

Table 2 Shopping center life cycle

ATTRIBUTES		**STAGE OF THE LIFE CYCLE**			
	Important considerations	*Launch/ Innovation*	*Growth/ Accelerated development*	*Maturity*	*Decline*
Market factors	Number of competing centers	Very few	Rapid growth	Many of the same type of center	Many same and newer types
	Amount of shopper traffic generated	Increases rapidly	Steadily increases	Stable amount	Steadily decreases
	Rate of sales growth	Very rapid	Rapid	Moderate to slow	Slow or negative
	Vacancy rate	Low	Very low	Moderate	High
	Control exerted by developers	Extensive	Moderate	Extensive	Moderate
Shopping center developer strategies	Advertising and promotional activities	Extensive	Moderate	Extensive	Moderate
	Renovation of facilities	None	Minor modi-fications	Maintenance of existing facilities	Neglect or extensive reformatting
	Efforts to attract new retail tenants	Extensive	Moderate	Moderate	Extensive
	Rental rates	High	High	Competitive	Low
	Length of lease	Long	Long	Moderate	Short
Retailer-tenant strategies	Advertising and promotional activities	Extensive, to create awareness	Moderate, to draw greater interest	Extensive, to compete on price	Moderate, to remind of sale price
	Special sales and price discounts	Few	Moderate	Extensive	Extensive
	Merchandise offerings	Preplanned variety and assortment	Variety and assortment to the market	Stable variety and assortment	Reduced variety and assortment
	Store size and layout	Prototype model	Adjusted to meet market demand	Stable size	Scaled down
	Type of store	Entrepreneurial	Aggressive	Professional	Caretaker

Source: adapted from Lowry, J.R, The Life Cycle of Shopping Centers, *Business Horizons*, January-February 1997

-situated in the micro-environment: changes related to shopping center shareholders and stakeholders (owners, investors, builders, financial organisms, professionalism of suppliers, local community, public authorities, various organizations, mass-media); intensification of competition; consumers preferences; For example, thoroughfare improvements can affect even a young shopping center's accessibility and visibility (Carn et al., 1995: 31).

-situated in the macro-environment: changes in the demographic structure of the target market, changes affecting local culture, economic situation of the shoppers and of the whole country, changes in the legislation, technology, etc.

-

interior factors (directly controllable by the shopping center management) – assortment of merchandise and services provided to shoppers, more specifically tenant mix, communication and promotion activities, location of a center, physical evidences, affected by shoppers traffic, age of the center, technology, shopping center personnel, shopping center operations, extra services, facilities and amenities.

LIFECYCLE - Launch (Innovation) Stage

- During this stage of a new type of shopping center there are only a few centers of that type, and, since the shopping center is fairly new, the component stores will register a rapid increase in store traffic, which will, in turn, induce a rapid growth of their sales volume.
- In order to provide the best possible mix of retailers for the profile of that shopping center's target customers, together with the lowest possible degree of vacancy rate, the developer maintains close control over its operations. In order to assist the increase of its tenants' sales volumes by attracting shoppers, the developer undertakes extensive promotional activities, especially advertising.
- Shopping center's management tries to lease space for long periods of time and at high rental rates, given the attractiveness and freshness of a new center. During this stage, profits are small, despite growing sales and high occupancy rate, because of development costs that need to be recovered. Regarding tenants' activities, they will engage in significant advertising activities in order to generate awareness of their presence in the shopping center among customers and to attract them.
- Stores' advertising stresses more their novelty and attractiveness and less price promotions they develop. Initial merchandise selection and layout are predetermined, their adjustment being made only after a period of time.
- Merchandise selection and store design are customized to meet customers from that particular market's preferences. In order to accomplish this, the management must be enterprising, actively oriented towards shoppers

Growth (Accelerated Development) Stage

- During this stage, since other shopping center developers have noticed the monetary (financial) and also nonmonetary (behavioral or attitudinal) success of that new type of shopping center, the number of competitors of the same type increases rapidly. At the same type, shopper traffic grows just as fast, because consumers have already found out about center's offer, and this generates an accelerated rate of sales volume growth.

- Other retailers are also attracted by the success of the existing stores, this contributing to the increase in shopping center's occupancy rate (if this hasn't already been of 100%).

- Having already an occupancy rate close to (or even) 100%, it is no longer needed that the management tries to attract new tenants, and may charge high rental rates, since the shopping center is in its early years and to secure leases for longer than the usual 5 to 7 years with its actual tenants.

- Owing to a high traffic of shoppers, promotional spending is reduced, while maintenance and renovation expenditures are augmented, because years passed have put their sign on the attractiveness of shopping center's facilities and its image must be adjusting to modern trends and to the image projected by center's tenants.

- In this phase, both market share and profitability tend to reach their highest levels. Retailers continue to develop promotional activities in order to increase the attractiveness of their offer, and the focus shifts from advertising to sales promotion activities, while overall promotional spending may be reduced as shoppers traffic is already a high one and continuously growing.

- Stores operating experience allows stores managers to adjust merchandise assortment to consumers' needs and desires and to remodel their stores, or even to reduce their rented space. Although they have already established a particular niche in its market, store managers must remain aggressive in their efforts to meet competition and build a solid base of loyal customers.

- A possible example may be the Leipzig Central Station, which was transformed in 1997 into a large shopping center with 140 stores covering 30,000 m2 . In 30 minutes this center is reachable by all of the 620.000 inhabitants of the city, and also by the approximately 75.000 daily commuters (Zentes, Swoboda, 1998: 81-85).

Maturity stage

- It is characterized by the existence of a large number of centers of the same nature that often overlap their market areas. Intense competition among shopping centers prevent sales volumes from increasing, growth rate being medium to small, although each of the centers already has a base of loyal customers. Some of the retailers decide to move to other fresher and trendier centers at the moment that their lease contracts expire, this imposing on center's management the pressure to involve in finding new tenants. In certain cases it is needed, in order not to increase vacancy rate even more, to adjust the level of rental rates and the length of lease agreements. Among the most important measures that must be undertaken by shopping center developers or managers are modifications of existing facilities and facelift alterations of the spaces. If these measures are accomplished, the center may remain in this phase for a long period of time. At the same time, promotional activity must be resumed with an even greater intensity. During this stage, market share is stabilized, and profits begin their decline, at the same time with the decrease in the level of rental rates. The tenants situated in a mature shopping center

- have already understood their consumers' preferences and, as a consequence, even from the previous stage they have already adjusted merchandise assortment, layout and dimension of their stores to market demand. Thus, in this period these store physical facilities and offer are already stabilized. In order to counteract their competitors' efforts of attracting their customers, managers must employ a variety of strategies and tactics. An important strategy concerns promotion. They must increase promotional actions, especially those of sales promotions; advertising is mainly used to support price-oriented promotional activities.

Decline Stage

- Decline Stage As a result of increased competition from other similar centers and from other types of shopping centers, the shopping center enters the decline stage. In this situation, its management has two alternatives. The first one would be to convert that center into another type, undertaking elaborate renovations.

- The second option would be to sell it and invest its resources in something more profitable.

- A shopping center with a timeworn and careless look is the most vulnerable to new, modern competitors that offer modern, pleasant facilities, beautiful stores, with an attractive assortment of merchandise. In case shopping center developers decide to follow the first alternative, and wish to exit this unfavorable decline situation and possibly to initiate a new life cycle, they must initiate complex renovation and reorganization or reconversion programs (this strategy can be followed by those that invest into a decline center), followed by marketing actions that inform target shoppers about them.

- Among the turnaround strategies a center may choose from are included the following (adapted from Lowry, 1997: 84-85, Feldman, 2004: 38, ICSC, Shopping Center Management, 1999: 221-223):

1) Redevelopment is an extensive strategy that may include renovation, expansion or reconfiguration of the center.

- Usually it is accomplished in order to meet the changes in the market environment, more specifically to better face up challenges and take advantage of the market opportunities. - expansion involves creating large spaces for anchor tenants, by the department stores, hypermarkets, supermarkets or anchor tenants that provide entertainment services (the most popular ones are multiplexes and casinos), etc, or mini theme parks.

- In certain situations there might be added new spaces for smaller retailers as well.

Decline Stage

- Reconfiguration may comprise in certain cases an expansion component, too, but it aims in attracting retailers of smaller dimensions than anchor stores to avoid financial problems that might be caused by an eventual bankruptcy of these; innovative retailers of goods or services, whose offer cannot be found somewhere else; or those that match the new profile of the shopping center that it is intended to impregnate on the shopping center.

- It also aims at modifying parking lot configuration, the image of a center or of its use or in remodeling the space for new tenants, especially entertainment companies (bars, restaurants, coffee shops, multiplex theatres, casinos, game rooms, children playrooms, etc), because this type of companies are renowned to attract many consumers and improve the profitability of a center (Kang & Kim, 1999: 47). - renovation is accomplished in order to freshen up a center's image and involves redoing entrances, public spaces, parking spaces, roofs, floors, toilets, sitting spaces, improving visibility of anchor stores, building various amenities (for instance baby changing rooms), etc.

- The decision to renovate a mall depends on the depreciation of net rental incomes, the level and rate of change of renovation costs, discount rates and changing market conditions (Wong & Norman, 1994: 46).

2) Termination of lease contracts with poor performing retailers, utilizing the amounts they pay for early cancellation of lease contracts for attracting new tenants.

3) Changing the destination of a shopping center into medical center, campus, convention center, etc.

- As suggested by Pilzer (1993: 76-77), an unsuccessful shopping center could be converted into a TEC center.

- The main tenants in such a center would be large organizations that need meeting rooms to train and confer with their current employees; recruiting organizations and offices of major employers; service firms related to employment activities (medical examination firms, drug-testing firms, reference-checking firms, skill-testing firms, training companies, etc); life-long educational institutions that could provide information and skills to those that want to improve their knowledge or change careers.

- 4) Selling the center. Also, if a center focuses its marketing efforts towards a certain marketing segment and succeeds in attracting retailers in this direction, it may be drawn to its maturity stage or even to accelerated growth stage (Lowry, 1997: 85). In case management planning is successful, shopper traffic may be augmented.

- In the opposite case, if the renovation is unsuccessful, or if no center renovation actions are undertaken, reduced shoppers traffic and sales volume will cause the loss of many of the tenants and the acceleration of center's decline.

- The efforts to attract new tenants, materialized in promotional actions (advertising and price reductions), the decrease of lease terms, and others are in many cases useless because of low shoppers' traffic. In this stage promotional expenditure as a means of attracting visitors are minor, promotional efficiency being very low since the atmosphere of the shopping center is inadequate.

- In certain cases the decrease in shoppers traffic ad in sales volume are caused by demographic changes among target market – aging of that center's trade area population, changes in the level of incomes, in the structure of households, etc.

- Under such circumstances, the structure of a shopping center must be modified, so that the offer is adjusted to the new characteristics of the target market.
- The strategies of the retailers in a shopping center that is in the decline stage of its life regarding promotion include many sales promotion activities and certain advertising actions that are meant to remind consumers of their presence within the shopping center.
- Advertisements are focused on price reductions in order to attract price sensitive consumers. Because they are aware of the fact that investments in stores renovation in a center that is in decline does not bring extra sales, stores managers avoid such expenses, trying instead to diminish merchandise assortment and to rearrange stores to reduce rented space.
- In countries with mature markets from the shopping centers point of view it may be noticed that many shopping centers projects are, in fact, expansions or reconfigurations of the existing ones (Cushman & Wakefield, 2008: 2; James, 1982: 11).
- This is because there are a large number of centers that have adequately served their target markets, and it is considered not to be economically viable to build new ones, redevelopment being the best solution for all actors in the micro-marketing environment of those shopping centers.
- For investors, advantages of such a strategy include lower costs, circumvention of bureaucracy involved in building a new construction, avoidance of possible refuses to grant construction authorizations for new locations, rapidity in finalization of construction.
- For local communities renovations and expansions have positive aspects as well, including creation and/ or retention of existing jobs, retention or augmentation in the level of local taxes gathered by the local authorities, removal of the danger of degradation of decline shopping centers neighborhood areas, spurring the rehabilitation of surrounding areas (James, 1982: 11).

2.2 Demand Forecasting

Case of retail spaces

Purchasing power / average spending

- At micro-economic level, this refers to the sum of the individual demand for goods within a specific segment or product group/range. Purchasing power refers to the sum of money which private households have at their disposal over a specified period; it is the disposable net income plus withdrawals from savings and loans taken out minus money put aside for saving and the amortisation of loans.

Retail-relevant purchasing power / average spending in retail

- Purchasing power (in EUR and as an index) which can be spent in the retail sector (i.e. point-of-sale and distance selling, but excluding car sales and fuels) after deduction of monthly expenses such as rent, loan interest and savings.

- If the valuer is asked to assess the demand potential, then retail-relevant purchasing power is estimated as follows:

- Inh.x Av. spend x PPI = Demand potential

- Inh. = Inhabitants in the catchment area

- Av. spending = Average spending per inh. for branch-specific products PPI = Purchasing power index for the catchment area Data providers have different opinions in terms of spending in pharmacies and the traditional food industry (i.e. butchers, bakers etc.).

Purchasing Power Index

- The purchasing power index of a region (country, rural district, municipality) refers to the purchasing power of a region per inhabitant compared to the country average (federal average = 100).

- The purchasing power index also describes the spending potential of the local population and demand potential of the respective town, city or region.

- The higher the index, the more favourable the outline conditions for local retail, which can capture a major share of this purchasing power.

- A high purchasing power index normally also has a positive effect on the quality of the location.

Demand volumes

- This is a statistic calculated by multiplying the locally adjusted retail relevant spending per capita by the number of inhabitants (Inh.).

- Purchasing power volumes are also calculated for the main product groups/part product ranges (→ Analysis of Potential).

- Purchasing power volumes = purchasing power per inh. (or per part product range) X no. of inh.

Net Initial Yield

- In the property industry, the net initial yield refers to the ratio of the gross income (net rental income for the first rental year) adjusted by operating costs which have an effect on liquidity and the property value/purchase price plus purchaser’s costs (land transfer tax, notary’s fees and court costs, agency commissions).

- Operating costs, which have an effect on liquidity, include expenses for property management and calculated maintenance costs.

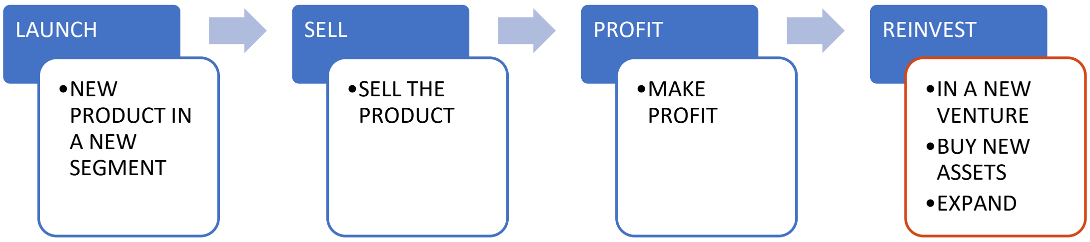
Overview of the retail business types

1.3.2 Overview of the retail business types

Retail in Europe				
At the point of sale			Online/mail order	
Experience	Price	Convenience	Distance selling	Ambulant retail
Shopping centre	Retail park	Hybrid centre	Mail order	
Entertainment centre	Factory Outlet Centre	Convenience store	Online shopping	
Flagship store	Retail warehouse	Airport / railway station shops	Mobile shopping	
Concept store	Discounter	Petrol station shop	Tele shopping	
Pop-up store	Off-price store	Museum shop	Social shopping	

Source: HypZert Germany, 2013

2.3 Business cycles



MODULE 19 FORMULATION OF BUSINESS MODEL & FEASIBILITY

3.1 Business model

A case example of Tata Housing Sustainability report.

https://www.tatahousing.indata_contentannual-reportsannualreport2016_2017.pdf

Governance

Sustainability Approach

Environmental Sustainability

Socio-economic Development

Employee Delight

Health & Safety

Customer Centricity

Scope of report

• Adheres to Global Reporting Initiative (GRI) G4 -'In Accordance' Core criteria.

• Aligned to the nine principles of Ministry of Corporate Affairs' National Voluntary Guidelines on Social, Environmental and Economic responsibilities of business

• Aligned to the ten principles of United Nations Global Compact

• Externally assured by SGS India Pvt Limited.

Governance

- Strong governance is the foundation for delivering corporate objective of maximizing economic, environmental, and social value to stakeholders over the long term.

- The core to governance structure is an effective and qualified Board of Directors (the Board)

Stakeholder	Engagement		
	Method	**Mode**	**Frequency**
Employees	• Surveys • Senior management dialogue	• Internal External - third party • Town Hall meeting Employee forums	• Once in year • Every six months
Customers	• Surveys • Senior management meeting • Customer care centers	• External - third party • One to one interaction • One to one and online	• Once in a year • As per customer visit plan depending on handover • On need basis
Vendors / Partners	• Meetings • Annual function	• One to one meeting • Meetings in presence of MD & senior executives	• Quarterly • Annually
Community	• Need assessment survey • Community mapping • Community need satisfaction survey • Informal meeting • Impact assessment surveys • Access to senior management through emails	• External – third party • External – third party • External – third party • One to one • External – third party • Online	• Annual • Annual • Annual • Need based • Annual • Need based

Policies

- Supply Chain Diversity Policy to increase the number of SC/ST vendors, contractors, sub-contractors, suppliers etc who do business with the Company or within its value chain so that the poor, and socially backward first generation entrepreneurs are able to participate in the growth story of the organization
- Silver or gold Certification
- Carbon neutral (including embedded carbon)- Tata Housing has become Carbon Neutral and Water Positive of its construction operations.
- Strengthening the construction eco-system by providing vocational skill training construction workers,
- Developing entrepreneurs and contractors capable of meeting the emerging challenges particularly in relation to adapting newer technologies
- Low-cost high value housing under the brand name Shubh Griha
- CII Code on Affirmative Action and India Business & Biodiversity Initiatives etc.
- United Nations Global Compact
- Rating by international agencies such as ICRA and CARE

- Spending 3 % of its net profit on CSR initiatives annually.
- Standard of integrity and transparency at all levels of management
- Safety practices.

Stakeholder	Identification & Prioritization
JD/ JV Partners	Addressing environmental issues, community concerns
Suppliers / Contractors	Delivery Performance, Partner Satisfaction Rating, Reduction in Rejection, Quality Rating, Safety Rating, Green Procurement, Affirmative Action deployment-increase in number of SC/ST entrepreneurs and workers
Architects / Consultants	Efficient Techno Economic and environment friendly (Green Building) Design
Brokers	Implementation of Design Intent in the Final Product, Creating Design Differentiators for the products, Approvals of the Projects Higher Velocity, Identification of consumer needs & requirements, Promotion of Green Buildings
Other Consultants	Quality, Cost, Delivery performance, People Capability, Green Building Certification

Ethical behaviour

- Code of Conduct,
- Whistleblower Policy, and
- Prevention of Sexual Harassment Policy

Regulatory environment

Regulatory environment is governed by four levels:

1) Local Bodies (Gram Panchayats, ZillaParishads, Corporations, etc.) for licenses and permissions,

2) State level policies for resources like water, energy.

3) Statutorily applicable laws to run business in the form of Central and State Acts and Laws.

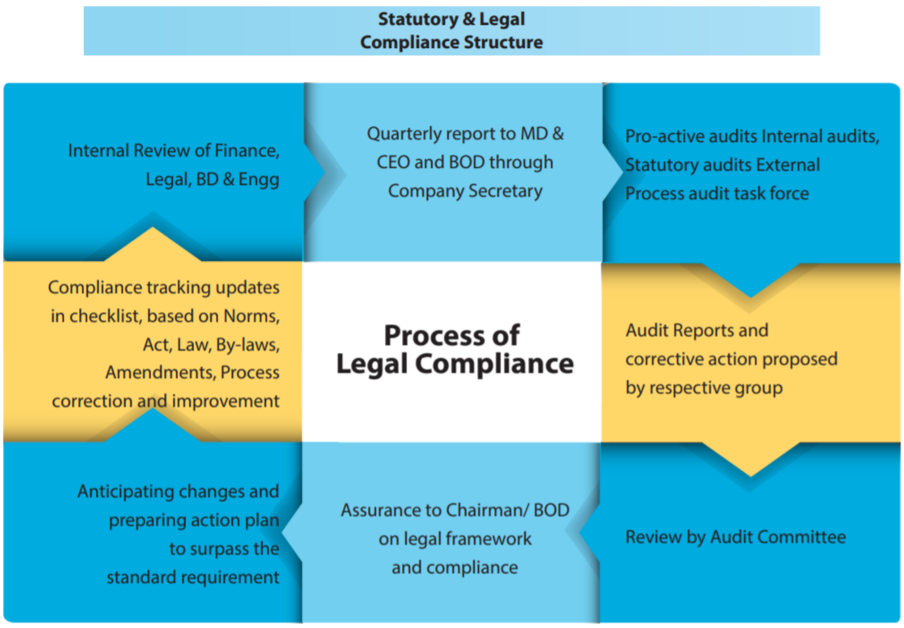
The company has well defined process to ensure the legal compliance at all levels.

Compliance tracking updates in checklist, based on Norms, Act, Law, By-laws, Amendments, Process Correction and improvement

Operations

Business Operations	Health & Well-being	Safe Workplace	Environment
Buildings in Use	Enhanced cross ventilation, lux levels and ambient air quality, fitness centres, isolated smoking zones	Designed safely for differently abled, firefighting systems, emergency preparedness plans	CFC-Free Equipments, Minimum Energy Performance, Energy efficient and water efficient buildings, Landscaping with native tree species, effect, waste water Organic Waste Management
Building while being constructed	Health care centres at construction sites with Dedicated Medical Practitioners, first aid provisions, Dedicated Ambulance for emergencies, Tie ups with hospitals	Strengthen safety governance by- OHSAS certification of all new projects, Safety review by CHP, RHE & PH/Safety walk through, MRC Safety visits, BBS on pilot basis, safety sensible planning at design stage & safety sensible contracting	Climate Change policy, EHS policy, Corporate Sustainability policy – Reduction in carbon emissions, carbon abatement, energy savings, etc
Equipment		Safe practices for operating equipments as per OHSAS certification	Use of highly energy efficient equipments like pumps with more than 60% efficiency and motors with more than 75% efficiency
Materials & Natural Resources	Low VOC paints and materials, Less energy intensive, Less Polluting		Use of green materials - rapidly renewable wood, fly ash, AAC blocks, porotherm blocks, gypsum plaster, Conservation of natural resources like soil conservation, rain water harvesting, solar water heater, solar street lights, tree planation, Materials with Recycled Content

Statutory & Legal Compliance Structure



3.2 Estimation and Budgeting

A) Critical estimates and judgements

The preparation of the consolidated financial statements in conformity with the Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures as at date of the consolidated financial statements and the reported amounts of the revenues and expenses for the years presented. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical Judgements
In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

(a) Discount rate used to determine the carrying amount of the Group`s defined benefit obligation:
In determining the appropriate discount rate for plans operated, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

(b) Contingences and commitments
In the normal course of business, contingent liabilities may arise from litigations and other claims against the Group. Where the potential liabilities have a low probability of crystallising or are very difficult to quantify reliably, the Group treats them as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the consolidated financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings, the Group do not expect them to have a materially adverse impact on financial position or profitability.

(c) Consolidation decisions and classification of joint ventures

i. Consolidation of entities as subsidiaries with 50% voting rights

The management has concluded that the Group controls Technopolis Knowledge Park Limited (TKPL), even though it holds only 50% of the voting rights of this subsidiary.
This is because the Group has control of composition of the Board of Directors of TKPL. The Shareholder's agreement grants the right of casting vote to the chairman of Board, appointed by the Parent. This gives the Group the ability to direct relevant activities of TKPL proving that the Group has control over TKPL.

ii. Classification of joint ventures

The below entities are limited liability entities whose legal form confers separation between the parties to the joint arrangement and the Group itself. Furthermore, there is no contractual arrangement or any other facts and circumstances that indicate that the parties to the joint arrangement have rights to the assets and obligations for the liabilities of the joint arrangement.

Accordingly, these entities are classified as joint ventures of the Group.

1. Sector 113 Gatevida Developers Private Limited (formerly known as Lemon Tree Land & Developers Private Limited)
2. Promont Hilltop Private Limited
3. Smart Value Homes (Peenya project) Private Limited
4. Kolkata-one Excelton Private Limited
5. HL Promoters Private Limited
6. Smart Value Homes (New Project) LLP
7. One Bangalore Luxury Projects LLP

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Use of percentage completion method to recognise revenue and cost of sales
The Group uses the percentage of completion method to recognise revenue and cost of sales in respect of real estate development projects. Use of percentage completion method requires management to estimate the cost of completion of real estate development projects at each reporting period end. Any change in the estimated cost of completion of real estate development projects will impact the percentage of completion which in turn will impact the amount of revenue and cost of sales recognised in the period of such change.

(b) Impairment for doubtful recoverable, advances and financial assets
The Group makes impairment for doubtful recoverable, advances and financial assets based on an assessment of the recoverability. The identification of doubtful debts requires use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the other receivables and advances and impairment expenses in the period in which such estimate has been changed.

(c) Valuation of deferred tax assets
The Group review the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under note 1(h).

(d) Provision for customer compensation
Provision is made for estimated compensation claims to be paid to customers in respect of delay in handing over possession of flats. These claims are expected to be settled in the next financial year. Management makes an estimate of the provision based on expected time of delivery and taking into consideration past experiences.

Tata Housing Development Company Limited

Notes forming part of the consolidated financial statements

Note 12(a): Borrowings (₹ in crores)

Particulars	As at 31 March, 2017		As at 31 March, 2016		As at 1 April, 2015	
	Long-term	Current maturities of long-term debts	Long-term	Current maturities of long-term debts	Long-term	Current maturities of long-term debts
Secured - at amortised cost:						
(a) Debentures	1,150.00	150.00	300.00	400.00	550.00	150.00
(b) Term Loan from Banks	200.36	0.12	150.21	110.05	160.00	200.00
Unsecured - at amortised cost:						
(a) Debentures	400.00	200.00	400.00	-	200.00	200.00
(b) Term Loan from Banks	25.56	-	-	6.38	6.07	-
	1,775.92	**350.12**	**850.21**	**516.43**	**916.07**	**550.00**

12.1 Security and terms of repayment in respect of the above borrowings are detailed in note 43 to the consolidated financial statements

3 Loans to/from related party

(₹ in crores)

Particulars	31 March, 2017	31 March, 2016
Loans to Joint ventures		
Beginning of the year	**396.02**	**290.36**
Loan advanced	152.31	141.33
Loan repayment received	(191.37)	(68.08)
Interest charged (net of TDS)	53.31	47.94
Interest received	(42.97)	(15.53)
End of the year	**367.29**	**396.02**

(₹ in crores)

Particulars	31 March, 2017	31 March, 2016
Loans from Fellow subsidiaries		
Beginning of the year	-	**20.00**
Loan received	-	20.00
Loan repayments made	-	(40.00)
End of the year	-	-

(₹ in crores)

Particulars	31 March, 2017	31 March, 2016
Loans from Associates		
Beginning of the year	**50.00**	**59.00**
Loan received	75.00	50.00
Loan repayments made	(75.00)	(59.00)
End of the year	**50.00**	**50.00**

3.3 Technical analysis

Eco-friendly technologies

Innovation in eco-friendly technologies for the various product segments adopted by Tata Housing over the years have been summarized below.

- Use of Pre-cast & RCB technology for structure which reduces cement, steel and improves quality and speed
- Use of sustainable technologies like Terrazyme roads, Graviloft & Gabion retaining walls and bio-char technology
- Use of AAC blocks, Fly ash Blocks, Gypsum plaster, adhesives etc
- Use of cut and bend rebars and welded wire rebars
- Use of Rapid wall technology
- 3D Precast for structure which reduces cement, steel and improves quality and speed

TECHNOLOGY ABSORPTION

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution;

a) Significant cost and time saving compared to the conventional construction in all new technology use for building construction like precast, plasswall , and RCB
b) Significant cost saving and use of masons trained in conventional technology in case of RCB construction
c) Significant cost saving in case of Gabion and graviloft retaining walls
d) Saving of 15-20% in construction and reduction in maintenance cost, saving in case of terrazyme road.

B. Technology Absorption

(i) The efforts made towards technology absorption;

(a) Construction of load bearing shear wall using High Strength Reinforced Hollow Concrete blocks technology (RCB technology)
(b) Using System Formwork for monolithic construction like Mivan in various projects
(c) Used 'left in place shuttering' known as Plass-wall which also doubles up as plaster for constructing villas
(d) Using precast shear wall slab system
(e) Using bio-enzyme for construction of internal road which is eco-friendly way to reduce the cost of road and improve its performance.
(f) Using alternative retaining walls like Graviloft walls which makes use of patented structural lofts for reducing the reinforcement in retaining wall
(g) Using gabion walls, which is economical and environment friendly alternative to conventional retaining wall

3.4 Economic Analysis

- Their vision is to generate value for all stakeholders and maintain leadership in India’s real estate sector.

- In FY’19, they continued to generate positive cash flows across segments and maintain a healthy Balance Sheet.

- They enjoy a strong promoter commitment and partnership with respected global investors reinforced by a culture of best-in-class corporate governance, safety and compliance practices.

Dlf- Economic Performance

Opportunity	*Leverage Strategy*
Economic Performance	▪ *The Company caters to multiple customer target groups through product offerings covering the premium, luxury and super luxury categories.* ▪ *The Company reduced debt to the desired level by diversifying into the Rental business and selling few projects* ▪ *The Company maintains a healthy inventory across geographies address economic benefits of healthy markets* ▪ *Strengthening sales force skills and customer outreach would enable enhanced customer engagement while reducing information asymmetry and dependence on third parties*

Economic value In FY’19

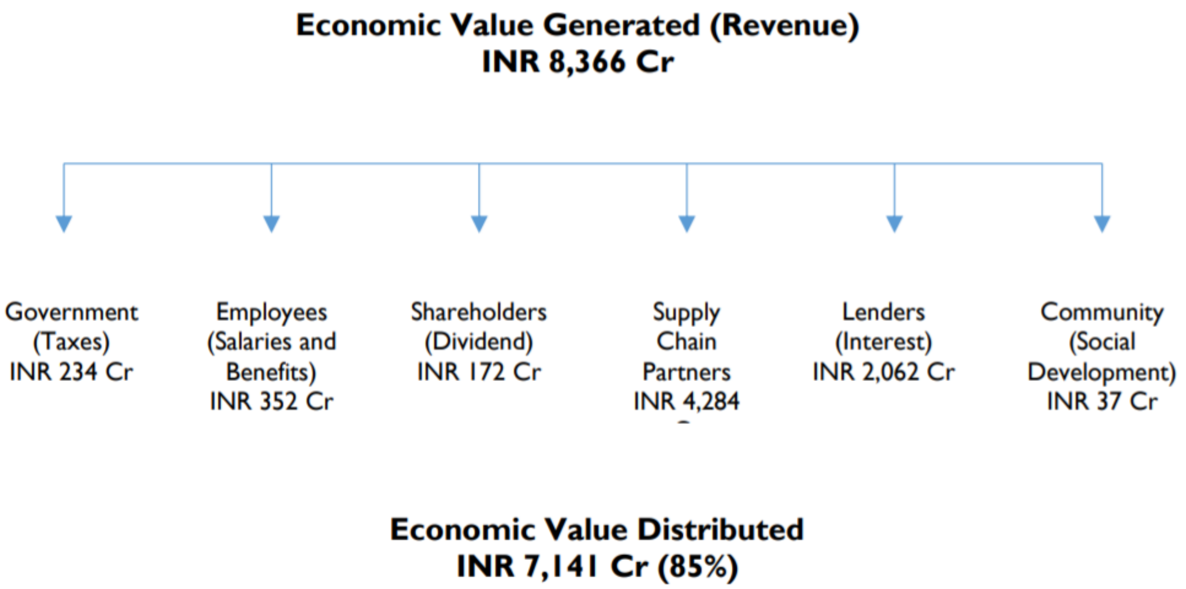


Fig: Direct Economic Value generated and distributed

3.5 Project risk analysis

- The business environment is continuously shifting owing to changes in customer expectations, regulatory updates and economic volatility.

- Their ability to create sustainable value is dependent on recognizing and effectively addressing upcoming risks and opportunities.

- They have a robust risk management framework with an established process for identifying and managing their corporate risks.

- Through this process and with the help of an external agency, they carry out an assessment of risks periodically.

- Latest assessment was performed in 2019.

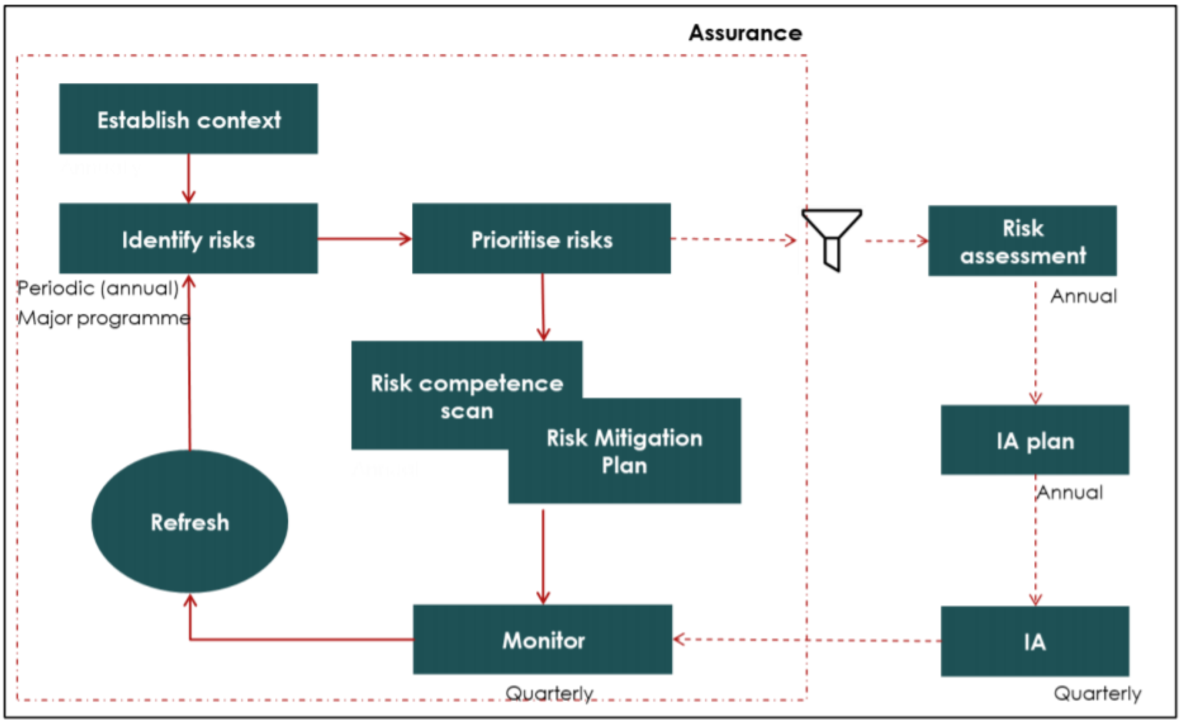


Fig: Risk Management Framework at DLF Limited

- They have a Risk Management Committee (RMC) which reviews key risks and corresponding mitigation programs.

- The RMC meets quarterly to discuss emerging risks and deep dive into mitigation strategies.

- They have aligned their risk monitoring structure in line with other committees.

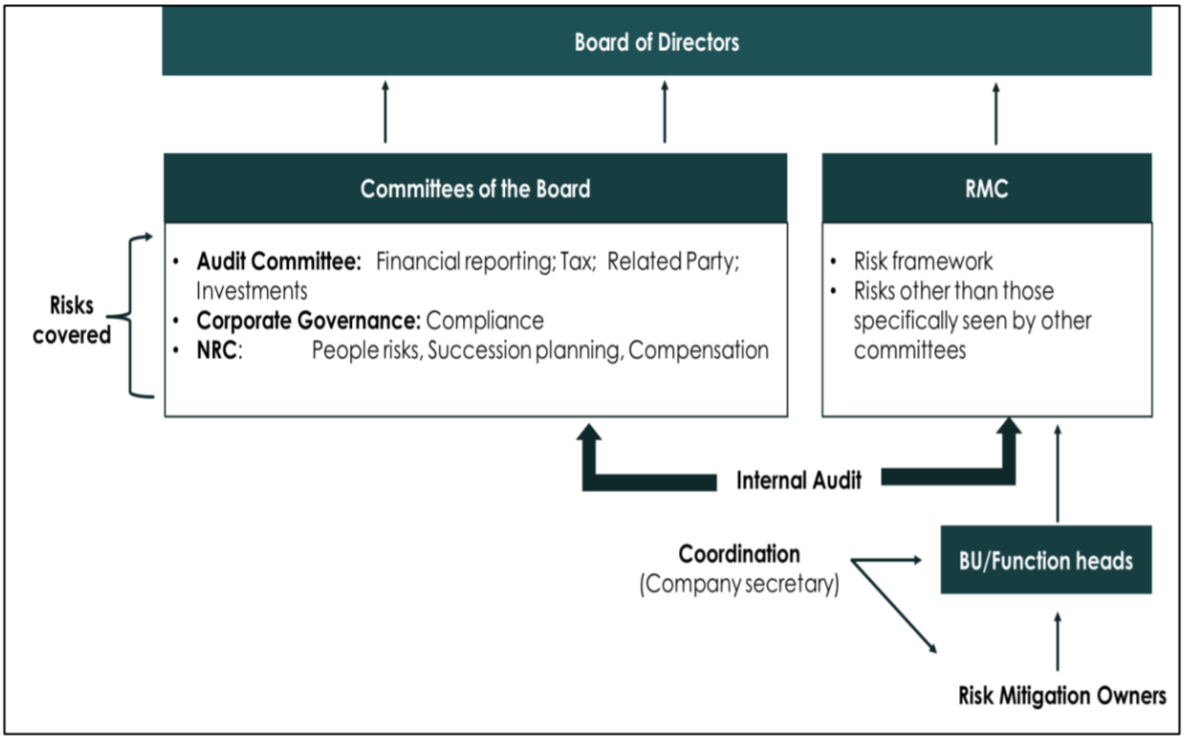


Fig: Risk Management Governance Structure

Risk	Mitigation Strategy
Regulatory Compliance	The Company engaged with professional consultants to study the existing systems and processes in accordance to the applicable laws to identify the gaps/improvement opportunities and strengthen the overall compliance to current and future regulations
Land Title/Safeguarding	The Company has detailed procedures for background verification, due diligence, mutation of records, document management (including digitization) and physical security/ patrolling of its land parcels. ▪ The Company implemented a central team that considers the documentation, digitization and management of land records. The Company ensures that due diligence is implemented in all dealings.
Customer Management ▪	▪ Employees at DLF are trained in line with best-in-class international standards and practises to ensure customer delight through the Triple Bottom Line performance management
Debt Management	▪ The Company diversified into Rental business that generates annuity income for the business, breaking the externality induced through fluctuations in real estate market ▪ Proceeds from sale of CCPS in DCCDL were invested by promoters into DLF to ensure that debt declined to the desired level

Risk	Mitigation Strategy
Project Management (Schedule, Cost and Quality)	▪ DLF team engages with best in class organizations of national and international repute to ensure that the quality, cost and timelines of the projects are not compromised. ▪ The team at DLF conducts an end-to-end supervision of projects. Periodic audits ensure that project modalities are in line with organisational commitments.
Health, Safety and Environment Performance	▪ The Company partnered with Dupont to strengthen system and processes for reducing safety incidents ▪ Most projects implemented by the organization were LEED Platinum certified to ensure minimal environment impact
Cyber Security	▪ Key IT applications were hosted on Azure cloud ▪ Key functions such as finance and IT were developed in-house
Succession Management Change Management	▪ Succession planning policy was at a development stage under the guidance of the Nomination and Remuneration Committee. ▪ Key professionals were identified and trained in key aspects to enable them to undertake leadership roles in the near future. ▪ The HR team ensures periodic training to acquaint the team with the latest technical and behavioural knowledge ▪ A diverse Board and structured governance structure at DLF ensured Triple Bottom Line performance, proactively mitigating risks and leveraging opportunities

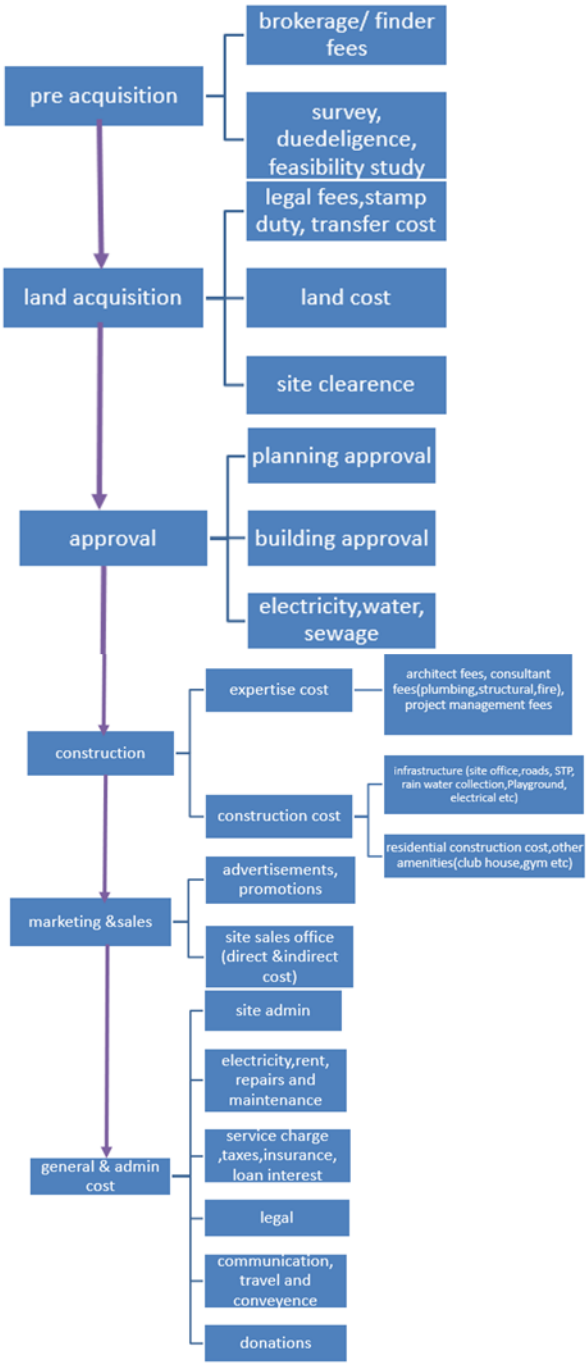
MODULE 19 FORMULATION OF BUSINESS MODEL WITH FEASIBILITY- Estimating and Budgeting

Business Model -micro level - Estimating & Budgeting

A case study of a residential complex

Estimation and Budgeting- a case of a high rise residential development

Project costs



Assumptions in cost and schedules

PROJECT DETAILS	
PROJECT NAME	Sample Pavilion- Phase I
DEVELOPER	Chennai Developers
TYPOLOGY	Residential Apartments
PROJECT START DATE	Mar-13
Months from Land Purchase to Property handover	21
Year of Sale	2014
CONSTRUCTION PERIOD (IN MONTHS)	18
PROJECT END DATE	Dec-14
LAND DETAILS	
Land area (In Acres)	2.00
Land area (In sq. ft.)	87,300.0
land size(in sqm)	8,093.7
Land price (INR per sq. ft.)	850.0
Stamp Duty	7%
Regn Chages	4%
Brokerage Fees	2%
Survey, Due diligence, Feasibility study (INR)	5,00,000.0
Site clearence (INR/acre)	1,00,000.0

APPROVAL DETAILS	
FSI ratio	1.50
Premium FSI (if applicable)	0
Non FSI	5%
Non FSI	0.075
Planning approval costs (INR/sq. m land)	1.5
Building approval costs (INR/sq. ft built up)	190.0
other fees(registration+application)	950.0
electricity per kw	300.0
sewage(INR/ perunit)	7,500.0
water ((INR/per unit)	7,500.0
Premium FSI costs (of guideline value of land)	50%
EXPERTISE FEES DETAILS	
Architect fees (INR/sq. ft)	20.0
Consultants fees (INR/sq. ft.)	10.0
Project management fees (INR/sq. ft.)	-
CONSTRUCTION COST DETAILS	
Construction costs (INR / sq. ft.)	1,650.0
construction	1,500.0
contractors profit	10%

FSI -*Based on road width as per CMDA regulations*

For a road width of 18 metres, the premium FSI allowable will be 50%. For roads with a width of 12-18 metres, the premium FSI allowable will be 40% and for roads with a width of 9-12 metres, it will be 30%.

Premium FSI charges shall not be levied for additional FSI upto 0.5 for High Rise Developments. In IT buildings.

Premium FSI charges shall not be collected for the excess FSI area over and above normally permissible FSI area for affordable housing projects

(3) The extent of the site, FSI, Set back etc. for High Rise Buildings shall be regulated according to the table below:

TABLE

Sl. No	Description	All Areas		
A.	Minimum Road width	12m.	15m.	18m.
B.	Normally Permissible FSI	2.0	2.5	3.25
C.	Maximum Coverage	50%		
D.	Minimum set back all around	Height of the building above ground level	Minimum required setback space from the property boundary	
		Upto 30m.	7m.	
		Above 30m.	For every increase in height of 6m or part thereof above 30m minimum extent of setback space to be left additionally shall be one meter subject to the maximum setback of 20m.	
E.	Spacing between blocks in case of more than one block of High Rise building	Height of the building above ground level	Minimum required spacing between blocks	
		Upto 30m.	7m.	
		Above 30m.	For every increase in height of 6m. or par thereof above 30m. space to be left additionally shall be one metre subject to the maximum setback of 20m.	

29. Spaces excluded from FSI and Coverage Computation.— The following shall not be

counted towards FSI and plot coverage computation: —

(1) In the terrace above the top most storey, areas covered by stair-case rooms and lift rooms and passages thereto, architectural features, elevated tanks (provided its height below the tank from the floor does not exceed 1.5 metre) and WC (with floor area not exceeding 10 sq.m)

(2) Staircase and lift rooms and passage thereto in the stilt parking floor or upper floors used for parking

(3) Staircase and lift rooms and passage thereto in the basement floor or floors used for parking.

(4) Area of the basement floor or floors used for parking

(5) Area of the stilt parking floor provided it is open on sides, and used for parking. In cases where upper floor or floors over a stilt parking floor is proposed for parking.

(6) Servants or drivers bath room and water closet for each block in cases of Non High Rise Buildings and High Rise Buildings at ground floor or stilt parking floor

(7) Watchman booth

(8) caretaker booth or room in ground floor or stilt parking floor

FSI benefit shall be permitted for the land left for OSR, link road, street alignment or road widening wherever it is insisted upon by competent authority.

49. Premium FSI.—The Premium FSI over and above the normally permissible FSI relating the same to road width parameter may be allowed as follows:

Sl.No.	**Road Width**	**Premium FSI (% of normally allowable FSI)**
1.	18.0 m and above	50%
2.	12.0 m - below 18.0 m	40%
3.	9.0 m - below 12.0 m	30%

Rates applicable for computation of Premium FSI charges :

The Premium FSI charges shall be collected at the rate of 50% of Guideline value for the excess FSI area over and above normally permissible FSI area for Non High Rise Building and at the rate of 40% of Guideline value for the excess FSI area over and above normally permissible FSI area for High Rise Building. In case of multiple survey numbers for a site the maximum Guideline value shall be considered.

ADDITIONAL COST DETAILS	
As % of Construction costs	
Marketing, advertising and business promotion	3%
Administrative expenses	2%
General expenses	2%
BUILT-UP AREA DETAILS	
Total Built-up Area:	
FSI Built-up Area	130950
Premium FSI Built-up Area	0
Non-FSI Built-up Area	4365
Total Built-up Area	1,35,315
Plot Coverage (%)	75%
Stories (Stilt plus)	4.0

			predicted								
month No:	Const. Months	Schedule	Sales	Const. cost split	Marketing cost	General exp	Admin exp	payment schedule	period from start of construction	payments	
1		Mar-13	–					on booking		22.5%	May-13
2		Apr-13	–		10%	5%	5%	first installment		10.0%	
3		May-13	16%		10%	5%	5%	completion of foundation	3	15.0%	Sep-13
4	–	Jun-13	12%	3%	5%	5%	5%	completion of stilt	5	10.0%	Nov-13
5	1	Jul-13	9%	3%	5%	5%	5%	completion of first floor	7	7.5%	Jan-14
6	2	Aug-13	9%	3%	5%	5%	5%	completion of second floor	9	7.5%	Mar-14
7	3	Sep-13	9%	3%	5%	5%	5%	completion of third floor	11	7.5%	May-14
8	4	Oct-13	9%	3%	5%	5%	5%	completion of fourth floor	13	7.5%	Jul-14
9	5	Nov-13	9%	3%	5%	5%	5%	completion of walls and plastering	16	7.5%	Oct-14
10	6	Dec-13	9%	5%	5%	5%	5%	handing over	18	5.0%	Dec-14
11	7	Jan-14	9%	5%	5%	5%	5%				
12	8	Feb-14	9%	5%	5%	5%	5%				
13	9	Mar-14	–	5%	5%	5%	5%				
14	10	Apr-14	–	5%	5%	5%	5%				
15	11	May-14	–	6%	5%	5%	5%				
16	12	Jun-14	–	6%	5%	5%	5%				
17	13	Jul-14	–	6%	5%	5%	5%				
18	14	Aug-14	–	6%	5%	5%	5%				
19	15	Sep-14	–	8%	5%	5%	5%				
20	16	Oct-14	–	8%		5%	5%				
21	17	Nov-14	–	8%		5%	5%				
22	18	Dec-14	–	10%		5%	5%				
Total			100%	100%	100%	100%	100%				

BOOKING COLLECTION SCHEDULE																								
					-	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	
0%		Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-13	Feb-13	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	
0%	Mar-13																							0%
16%	Apr-13																							0%
12%	May-13			22.5%	10.0%			15.0%		10.0%		7.5%		7.5%		7.5%		7.5%			7.5%		5.0%	100%
9%	Jun-13				22.5%	10.0%		15.0%		10.0%		7.5%		7.5%		7.5%		7.5%			7.5%		5.0%	100%
9%	Jul-13					22.5%	10.0%	15.0%		10.0%		7.5%		7.5%		7.5%		7.5%			7.5%		5.0%	100%
9%	Aug-13						22.5%	25.0%		10.0%		7.5%		7.5%		7.5%		7.5%			7.5%		5.0%	100%
9%	Sep-13							47.5%		10.0%		7.5%		7.5%		7.5%		7.5%			7.5%		5.0%	100%
9%	Oct-13								47.5%	10.0%		7.5%		7.5%		7.5%		7.5%			7.5%		5.0%	100%
9%	Nov-13									57.5%		7.5%		7.5%		7.5%		7.5%			7.5%		5.0%	100%
9%	Dec-13										57.5%	7.5%		7.5%		7.5%		7.5%			7.5%		5.0%	100%
9%	Jan-13											65.0%		7.5%		7.5%		7.5%			7.5%		5.0%	100%
0%	Feb-13												65.0%	7.5%		7.5%		7.5%			7.5%		5.0%	100%
0%	Mar-14																							0%
0%	Apr-14																							0%
0%	May-14																							0%
0%	Jun-14																							0%
0%	Jul-14																							0%
0%	Aug-14																							0%
0%	Sep-14																							0%
0%	Oct-14																							0%
0%	Nov-14																							0%
	Dec-14																							0%
		0	0%	4%	4%	3%	3%	12%	4%	12%	5%	12%	6%	8%	0%	8%	0%	8%	0%	0%	8%	0%	5%	100%

Project Cost Estimation

ESTIMATED PROJECT EXPENSES

Project Cost Calculations	Units	Value
Land costs:		
land area	acre	2.0
Land area	sq. ft	87,300.0
Land price per sq/ft	INR/ sq. ft	850.0
Cost of Land (A)	**INR**	**7,42,05,000.0**
Pre-development costs:		
Stamp duty	INR	51,94,350.0
Brokerage fees	INR	14,84,100.0
Survey, Due diligence, Feasibility study	INR	5,00,000.0
Site clearence	INR	2,00,000.0
Total Pre-development costs (B)	**INR**	**73,78,450.0**
Total Land Costs (A+B)	**INR**	**8,15,83,450.0**
Total Built-up Area:		
FSI Built-up Area	sq. ft	1,30,950.0
Premium FSI Built-up Area	sq. ft	-
Non-FSI Built-up Area	sq. ft	4,365.0
Total Built-up Area	**sq. ft**	**1,35,315.0**
total saleable area	**sqft**	**1,35,080.0**
Approval costs:		
Planning approval	INR	12,140.6
Building approval	INR	2,56,65,200.0
amenities	INR	13,05,000.0
Premium FSI costs	INR	-
Total Approval costs	**INR**	**2,69,82,340.6**
Expertise costs:		
Architect fees	INR	27,01,600.0
Consultants fees	INR	13,50,800.0
Project management fees	INR	-
Total Expertise costs	**INR**	**40,52,400.0**
Construction costs:	INR/sqft	**1,650.0**
Total Construction costs	**INR/sqft**	**22,28,82,000.0**
Total Development costs	**INR**	**33,55,00,190.6**
development cost	**INR/Sqft**	**2,483.7**
marketing, General and Administrative Expenses:		
Marketing, advertising and business promotion	INR	1,00,65,005.7
Administrative expenses	INR	67,10,003.8
General expenses	INR	67,10,003.8
Total Selling, General and Admin. Expenses	**INR**	**2,34,85,013.3**
Total Project Costs	inr	35,89,85,203.9
project cost	inr/sqft	2,657.57

COST BREAK UP	%	INR
Land cost	21%	7,42,05,000.0
Soft cost	17%	6,18,98,203.9
Hard cost	62%	22,28,82,000.0
Total	**100%**	**35,89,85,203.9**

Note: Constn Cost- Paid over the course of construction period

Note: -Administrative expenses- Paid over the course of construction period

Debt Schedule

Loan Amount (Rs. Crores)	6.51
Tenure (in years)	5.00
Annual Interest Rate	14.00%
Annual Amortization	1.9

Amortization Schedule	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22
Interest paid	0.91	0.77	0.62	0.44	0.23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Principal paid	0.99	1.12	1.28	1.46	1.66	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Debt Service	1.90	1.90	1.90	1.90	1.90	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Balance	6	4	3	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Cash Flow Analysis

MONTHS		Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13
unit sales Revenue		-	-	1,45,88,640	1,74,25,320	1,30,68,990	1,18,53,270	4,89,32,730
other revenue (corpus funds)								
total revenue		-	-	1,45,88,640	1,74,25,320	1,30,68,990	1,18,53,270	4,89,32,730
Costs								
land cost		(7,42,05,000)						
predevelopment		(73,78,450)						
Total Construction Costs		-	-	-	(89,74,630)	(89,74,630)	(1,07,69,556)	(1,07,69,556)
Approval Costs		(2,69,82,341)						
expertise cost		-	(16,20,960)	(4,05,240)	(4,05,240)	-	-	(2,02,620)
Marketing expenses		-	(10,06,501)	(10,06,501)	(5,03,250)	(5,03,250)	(5,03,250)	(5,03,250)
general expenses		-	(3,19,524)	(3,19,524)	(3,19,524)	(3,19,524)	(3,19,524)	(3,19,524)
Admin Expenses		-	(3,19,524)	(3,19,524)	(3,19,524)	(3,19,524)	(3,19,524)	(3,19,524)
Net Project Cash outflows		(10,85,65,791)	(32,66,509)	(20,50,789)	(1,05,22,168)	(1,01,16,928)	(1,19,11,854)	(1,21,14,474)
Total Project Surplus (revenue-expense)		(10,85,65,791)	(32,66,509)	1,25,37,851	69,03,152	29,52,062	(58,584)	3,68,18,256
Developer Infusion	50%	2,17,13,158						
Investor Infusion	50%	2,17,13,158						
Total Project Surplus Post Equity Infusion		(6,51,39,474)	(32,66,509)	1,25,37,851	69,03,152	29,52,062	(58,584)	3,68,18,256
Interest Expenses (debt)			(7,59,961)	(7,59,961)	(7,59,961)	(7,59,961)	(7,59,961)	(7,59,961)
Debt raised		6,51,39,474						
Debt repaid (Principal) (P & I is 1.90 C)			(8,21,211)	(8,21,211)	(8,21,211)	(8,21,211)	(8,21,211)	(8,21,211)
Total Project Surplus Post debt service		-	(48,47,680)	1,09,56,680	53,21,980	13,70,890	(16,39,756)	3,52,37,084
Total Project Cash Flows - Pre Tax		–	(48,47,680)	1,09,56,680	53,21,980	13,70,890	(16,39,756)	3,52,37,084
Tax Expense 33 percent		–	–	(36,15,704)	(17,56,253)	(4,52,394)	–	(1,16,28,238)
Total Project Cash Flows - Post Tax		–	(48,47,680)	73,40,976	35,65,727	9,18,496	(16,39,756)	2,36,08,846
project IRR		(4,34,26,316)	(48,47,680)	73,40,976	35,65,727	9,18,496	(16,39,756)	2,36,08,846
Project IRR	27.2%							

IRR

MONTHS		Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14
unit sales Revenue		1,73,24,010	4,69,06,530	2,09,71,170	4,86,28,800	2,37,06,540	3,03,93,000	-	3,03,93,000
other revenue (corpus funds)									
total revenue		1,73,24,010	4,69,06,530	2,09,71,170	4,86,28,800	2,37,06,540	3,03,93,000	-	3,03,93,000
Costs									
land cost									
predevelopment									
Total Construction Costs		(1,07,69,556)	(1,07,69,556)	(1,79,49,260)	(1,79,49,260)	(1,79,49,260)	(1,79,49,260)	(1,79,49,260)	(2,15,39,112)
Approval Costs									
expertise cost		-	-	-	(2,02,620)	-	(2,02,620)	-	(2,02,620)
Marketing expenses		(5,03,250)	(5,03,250)	(5,03,250)	(5,03,250)	(5,03,250)	(5,03,250)	(5,03,250)	(5,03,250)
general expenses		(3,19,524)	(3,19,524)	(3,19,524)	(3,19,524)	(3,19,524)	(3,19,524)	(3,19,524)	(3,19,524)
Admin Expenses		(3,19,524)	(3,19,524)	(3,19,524)	(3,19,524)	(3,19,524)	(3,19,524)	(3,19,524)	(3,19,524)
Net Project Cash outflows		(1,19,11,854)	(1,19,11,854)	(1,90,91,558)	(1,92,94,178)	(1,90,91,558)	(1,92,94,178)	(1,90,91,558)	(2,28,84,031)
Total Project Surplus (revenue-expense)		54,12,156	3,49,94,676	18,79,612	2,93,34,622	46,14,982	1,10,98,822	(1,90,91,558)	75,08,969
Developer Infusion	50%								
Investor Infusion	50%								
Total Project Surplus Post Equity Infusion		54,12,156	3,49,94,676	18,79,612	2,93,34,622	46,14,982	1,10,98,822	(1,90,91,558)	75,08,969
Interest Expenses (debt)		(7,59,961)	(7,59,961)	(7,59,961)	(7,59,961)	(7,59,961)	(7,59,961)	(6,44,991)	(6,44,991)
Debt raised									
Debt repaid (Principal) (P & I is 1.90 C)		(8,21,211)	(8,21,211)	(8,21,211)	(8,21,211)	(8,21,211)	(8,21,211)	(9,36,180)	(9,36,180)
Total Project Surplus Post debt service		38,30,984	3,34,13,504	2,98,440	2,77,53,450	30,33,810	95,17,650	(2,06,72,730)	59,27,798
Total Project Cash Flows - Pre Tax		38,30,984	3,34,13,504	2,98,440	2,77,53,450	30,33,810	95,17,650	(2,06,72,730)	59,27,798
Tax Expense 33 percent		(12,64,225)	(1,10,26,456)	(98,485)	(91,58,639)	(10,01,157)	(31,40,825)	–	(19,56,173)
Total Project Cash Flows - Post Tax		25,66,759	2,23,87,048	1,99,955	1,85,94,812	20,32,653	63,76,826	(2,06,72,730)	39,71,625
project IRR		25,66,759	2,23,87,048	1,99,955	1,85,94,812	20,32,653	63,76,826	(2,06,72,730)	39,71,625
Project IRR	27.2%								

MONTHS		Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15
unit sales Revenue		-	3,03,93,000	-	-	3,03,93,000	-	2,02,62,000	-
other revenue (corpus funds)								92,00,000	92,00,000
total revenue		-	3,03,93,000	-	-	3,03,93,000	-	2,94,62,000	92,00,000
Costs									
land cost									
predevelopment									
Total Construction Costs		(2,15,39,112)	(2,15,39,112)	(2,15,39,112)	(2,87,18,816)	(2,87,18,816)	2,87,18,816	3,58,98,520	-
Approval Costs									
expertise cost		-	-	(2,02,620)	-	-	(2,02,620)	(4,05,240)	-
Marketing expenses		(5,03,250)	(5,03,250)	(5,03,250)	(5,03,250)	-	-	-	-
general expenses		(3,19,524)	(3,19,524)	(3,19,524)	(3,19,524)	(3,19,524)	(3,19,524)	(3,19,524)	-
Admin Expenses		(3,19,524)	(3,19,524)	(3,19,524)	(3,19,524)	(3,19,524)	(3,19,524)	(3,19,524)	-
Net Project Cash outflows		(2,26,81,411)	(2,26,81,411)	(2,28,84,031)	(2,98,61,115)	(2,93,57,864)	2,78,77,148	3,48,54,232	-
Total Project Surplus (revenue-expense)		(2,26,81,411)	77,11,589	(2,28,84,031)	(2,98,61,115)	10,35,136	2,78,77,148	6,43,16,232	92,00,000
Developer Infusion	50%								
Investor Infusion	50%								
Total Project Surplus Post Equity Infusion		(2,26,81,411)	77,11,589	(2,28,84,031)	(2,98,61,115)	10,35,136	2,78,77,148	6,43,16,232	92,00,000
Interest Expenses (debt)		(6,44,991)	(6,44,991)	(6,44,991)	(6,44,991)	(6,44,991)	(6,44,991)	(6,44,991)	(6,44,991)
Debt raised									
Debt repaid (Principal) (P & I is 1.90 C)		(9,36,180)	(9,36,180)	(9,36,180)	(9,36,180)	(9,36,180)	(9,36,180)	(9,36,180)	(9,36,180)
Total Project Surplus Post debt service		(2,42,62,582)	61,30,418	(2,44,65,202)	(3,14,42,286)	(5,46,036)	2,62,95,977	6,27,35,061	76,18,829
Total Project Cash Flows - Pre Tax		(2,42,62,582)	61,30,418	(2,44,65,202)	(3,14,42,286)	(5,46,036)	2,62,95,977	6,27,35,061	76,18,829
Tax Expense 33 percent		–	(20,23,038)	–	–	–	(86,77,672)	(2,07,02,570)	(25,14,213)
Total Project Cash Flows - Post Tax		(2,42,62,582)	41,07,380	(2,44,65,202)	(3,14,42,286)	(5,46,036)	1,76,18,305	4,20,32,491	51,04,615
project IRR		(2,42,62,582)	41,07,380	(2,44,65,202)	(3,14,42,286)	(5,46,036)	1,76,18,305	4,20,32,491	51,04,615
Project IRR	27.2%								

Conclusion

profit		
Development cost	INR/Sqft	2483.714766
Total project cost	INR/Sqft	2,657.57
sales collection	INR/Sqft	3000
PROFIT	INR/Sqft	342.43
EBIT	INR	4,62,54,796.08
EBT	INR	1,65,23,984.90
EAT	INR	1,10,71,069.89
Total sales collection	INR	40,52,40,000.00
project IRR	%	27%

Cell get highlighted in red if the project is not feasible

sensitivity analysis results

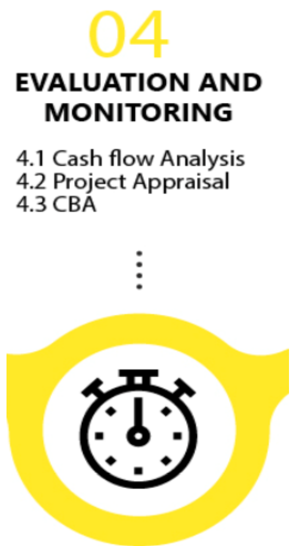
Occupancy sensitivity			sales sensitivity			construction cost sensitivity		
95%	90%	85%	3000	3300	3600	1650	1750	1850
0.83	0.37	(0.10)	0.03	0.83	1.63	0.83	0.55	0.27

Weighted average cost of capital

	debt	equity
COST OF CAPITAL	14%	9%
PERCENTAGE	60%	40%
WACC	12%	

MODULE 20 - EVALUATION AND MONITORING

1. Cash Flow Analysis
2. Project Appraisal
3. CBA



4.1 Cash flow Analysis

Tata housing development co ltd

<u>Revenue Recognition</u>

Revenue is measured at the fair value of the consideration received or receivable and are net of cancellations, value added taxes, service tax and amount collected on behalf of third parties.

i. Revenue from real estate development projects

Revenue from real estate developmental projects is recognised when the Group has transferred to the buyer significant risks and rewards of ownership, the amount of revenue can be measured reliably, and it is probable that the economic benefits associated with the transaction will flow to the Group.

However, if at the time of transfer, substantial acts are yet to be performed under the contract, revenue from real estate development project is recognised based on 'Percentage Completion Method'. The Percentage Completion Method is applied when the stage of completion of the project reaches a reasonable level of development. Revenue is recognised, in relation to the project area sold.

For computation of revenue, the stage of completion is arrived at with reference to the costs incurred for the entire project including cost of land / cost of development rights, construction and development cost, overheads related to project under construction and borrowing costs as compared to the estimated total costs of the project. The percentage completion method is applied on a cumulative basis in each reporting period and the estimates of saleable area and costs are revised periodically by the management. The effect of such changes to estimates is recognised in the period such changes are determined.

The threshold for 'reasonable level of development' is considered to have been met when the criteria specified in the Guidance Note on Accounting for Real Estate Transactions (Ind AS compliant companies) issued by the Institute of Chartered Accountants of India are satisfied, i.e., when:

1. All critical approvals necessary for commencement of the project have been obtained.

2. The expenditure incurred on construction and development costs is not less than 25% of the construction and development costs.

3. At least 25% of the saleable project area is secured by contracts or agreements with buyers.

4. At least 10% of the total revenue as per the agreements of sale or any other legally enforceable documents are realised at the reporting date in respect of each of the contracts and it is reasonable to expect that the parties to such contracts will comply with the payment terms as defined in the contracts.

ii. Sale of completed property / development rights

Revenue from sale of completed property (residential and commercial) and development rights is recognised when:

1. The Group has transferred to the buyer significant risks and rewards of ownership of the completed property/development rights;
2. The Group retains neither continuing managerial involvement to the degree usually associated with the ownership nor effective control over the completed property/development rights sold;
3. The amount of revenue can be measured reliably;
4. It is probable that the economic benefits associated with the transaction will flow to the Group; and
5. Costs incurred or to be incurred in respect of the transaction can be measured reliably.

iii. Project Management/Marketing fees

Revenue from project management/marketing services is recognised in the accounting period in which services are rendered in accordance with the substance of the agreement.

f. Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

g. Cost of sales

Project Cost including cost of land and cost of development rights, construction and development costs and borrowing costs incurred, are charged as cost of sales in proportion to the project area sold. Costs incurred for projects which have not achieved reasonable level of development is carried over as construction work-in-progress. Any expected loss on real estate projects is recognised as an expense when it is certain that the cost will exceed the revenue.

Current tax:
Current tax is the amount of tax payable on the taxable profit for the year.

Taxable profit differs from 'profit before tax' as reported in the Consolidated Statement of Profit and Loss because of items of income or expenses that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated on the basis of the tax laws enacted or substantively enacted by the end of the reporting period.

Deferred tax:
Deferred tax is recognised on temporary differences between the carrying amounts of the assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current tax and deferred tax are recognised in the Consolidated Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, current tax and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Minimum Alternative Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to the future current tax liability, is considered as an asset if there is reasonable certainty of it being set off against regular tax payable within the stipulated statutory period. MAT credit is reviewed at each balance sheet date and the carrying amount of MAT credit is written down to the extent there is no longer reasonable certainty to the effect that the Group will pay regular tax during such specified period.

i. Leases – as a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Consolidated Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

j. Impairment of tangible and intangible assets

The carrying amounts of tangible and intangible assets or Cash Generating Unit (CGU) are reviewed at each balance sheet date to determine whether there is any indication that those assets / CGU have suffered an impairment loss. If any such indications exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

An impairment loss is recognised in the Consolidated Statement of Profit and Loss wherever the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is higher of the asset's fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using appropriate discount factor. When there is an indication that an impairment loss recognised for the asset in earlier accounting periods no longer exists or may have decreased such reversal of impairment loss is recognised in the Consolidated Statement of Profit and

k. Cash and cash equivalents

For the purpose of presentation in the Consolidated Statement of Cash Flows, Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Consolidated Balance Sheet.

l. Unbilled revenue

Unbilled revenue represents excess of revenue recognised on 'Percentage of Completion Method' over actual bills raised. Unbilled revenue is recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

m. Inventories

Inventories comprises of cost of construction material, finished residential or commercial properties and costs of projects under construction/development (construction work-in-progress). Inventories are valued at the lower of cost and net realisable value. The cost of construction material is determined on a weighted average basis.

Cost of project includes, cost of land / cost of development rights, construction and development cost, overheads related to project and justifiable borrowing costs which are incurred directly in relation to a project or which are apportioned to a project.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

n. Financial Assets

Recognition: Financial assets include Investments, trade receivables, advances, security deposits, loans and cash and cash equivalents. Such assets are initially recognised at transaction price when the Group becomes party to contractual obligations. The transaction price includes transaction costs unless the asset is being fair valued through the Consolidated Statement of Profit and Loss.

Classification: Management determines the classification of an asset at initial recognition depending on the purpose for which the assets were acquired. The subsequent measurement of financial assets depends on such classification.

Financial assets are classified as those measured at:

(a) Amortised cost, where the financial assets are held solely for collection of cash flows arising from payments of principal and/ or interest.

(b) Fair value through other comprehensive income (FVTOCI), where the financial assets are held not only for collection of cash flows arising from payments of principal and interest but also from the sale of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in other comprehensive income.

(c) Fair value through profit or loss (FVTPL), where the assets are managed in accordance with an approved investment strategy that triggers purchase and sale decisions based on the fair value of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in the Consolidated Statement of Profit and Loss in the period in which they arise.

Trade receivables, advances, security deposits, loans, cash and cash equivalents etc. are classified for measurement at amortised cost while investments may fall under any of the aforesaid classes.

Investment in Associates and Joint Ventures: Investment in associates and joint ventures is accounted for using the 'equity method' less accumulated impairment, if any.

Impairment: Group assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, trade receivables, advances and security deposits held at amortised cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort.

Reclassification: When and only when the business model is changed, the Group shall reclassify all affected financial assets prospectively from the reclassification date as subsequently measured at amortised cost, fair value through other comprehensive income, fair value through profit or loss without restating the previously recognised gains, losses or interest and in terms of the reclassification principles laid down in the Ind AS relating to Financial Instruments.

De-recognition: Financial assets are de-recognised when the right to receive cash flows from the assets has expired, or has been transferred, and the Group has transferred substantially all of the risks and rewards of ownership. Concomitantly, if the asset is one that is measured at:

(a) Amortised cost, the gain or loss is recognised in the Consolidated Statement of Profit and Loss;

(b) Fair value through other comprehensive income, the cumulative fair value adjustments previously taken to reserves are reclassified to the Consolidated Statement of Profit and Loss unless the asset represents an equity investment in which case the cumulative fair value adjustments previously taken to reserves is reclassified within equity.

r. Intangible assets

Computer software purchased is stated at cost less accumulated amortisation and accumulated impairment losses, if any.

Amortisation methods and periods
The Group amortises cost of software over a period of 3 years on a straight-line basis.

Transition to Ind AS
On transition to Ind AS, the Group has elected to continue with the carrying value of intangible assets recognised as at 1 April, 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

s. Borrowing costs

Borrowing costs include interest, other costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs, allocated to and utilised for qualifying construction project / assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying construction project / assets up to the date of substantial completion of project / capitalisation of such asset are added to the cost of construction project / assets. Capitalisation of borrowing costs is suspended and charged to the Consolidated Statement of Profit and Loss during extended periods when active development activity on the qualifying construction project / assets is interrupted. A qualifying construction project / asset is an asset that necessarily takes 12 months or more to get ready for its intended use or sale and includes the real estate properties developed by the Group.

Interest income earned on the temporary investment of specific borrowing pending their expenditure on qualifying construction project / assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

t. Provisions and Contingencies

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

u. Employee benefits

i. Post-employment obligations

The Group operates the following post-employment schemes:

(a) Defined benefit plan

The Group's obligation towards gratuity to employees, post-retirement medical benefits and ex-directors pension obligations is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan asset, is reflected immediately in the Consolidated Balance Sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in the retained earnings and not reclassified to profit or loss. Past service cost is recognised in the Consolidated Statement of Profit and Loss in the period of a plan amendment. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised as employee benefit expense in the Consolidated Statement and Profit and Loss.

(b) Defined contribution plan

The Group's contributions to Provident fund, Superannuation Fund and employee's state insurance scheme are considered as defined contribution plans. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

ii. Other Long-term employee benefit obligations

The Group's obligation towards other long term employee benefits in the form of compensated absences and long service awards are measured at the present value of the expected future payments to be made by the Group in respect of services provided by employee up to the reporting date.

iii. Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

v. Dividends to equity shareholders

Dividend to equity shareholders is recognised as a liability and deducted from shareholders' equity, in the period in which the dividends are approved by the equity shareholders in the general meeting.

w. Operating cycle

All assets and liabilities have been classified as current or non-current based on operating cycle determined in accordance with the guidance as set out in the Schedule III of the Companies Act, 2013 and Ind AS 1 – Presentation of Financial Statements.

4.2 Project Appraisal

Tata housing development co ltd

1. Reasons of loss or inadequate profit-

- Slowdown in real estate industry and Demonetization has resulted in low velocity of sales across the projects which has impacted the revenue of the Company and resulted in net loss for FY 17.

2. Steps taken or proposed to be taken for improvement along with expected increase of profit in measurable terms.-

- Various proposals have been implemented/in process of implementation
- · To monetize the Hailey Road project which shall positively impact the cash flow of the Company by around 250-300 crores
- · To monetize various projects as plotted land which are difficult to sell during the sluggish market like Sohna City project located at Gurgaon and Chennai project .
- · Various steps has been taken for reduction of overheads and wasteful cost
- · The Company has proposed to commence a new project at Rajarhat, Kolkata with ICVT which is expected to generate a surplus of Rs.66 Crore and ROI and IRR being 18% and 46% respectively during a span of 3-4 years.
- · The Company has received an approval from Ministry of Defence after which the Company shall launch the Alipore project which is expected to generate IRR of 18% to 20%
- · The Company is in process of replacement of high interest debt with lower interest bearing instruments like non-convertible Debentures to reduce interest burden.
- · During FY 18, various projects are in handover stage and are likely to generate cash flow which shall be utilize to repay the existing debts.

TATA HOUSING DEVELOPMENT COMPANY LIMITED

We are privileged to place before you the Thirty Eighth Annual Report on the business and operations of the Company together with the audited financial results for the year ended 31st March 2017.

FINANCIAL HIGHLIGHTS (Consolidated) (as per IND AS) Rs. in Crs

Particulars	Current Year	Previous Year
Net Sales and Other Income	827.87	886.83
Total Expenses	927.21	837.54
(Loss)/Profit before Tax	(97.97)	51.63
Tax expense	(16.51)	23.90
(Net Loss)/Net Profit after Tax	(81.46)	27.73
Add/(Less): Share of (loss)/profit attributable to non-controlling interest	(1.81)	2.0
(Loss)/Profit for the year attributable to the shareholders of the Company	(79.65)	25.73

Tata Housing Development Company Limited

Consolidated Statement of Profit and Loss for the year ended 31 March, 2017

(₹ in crores)

Particulars	Note No	Year Ended 31 March, 2017	Year Ended 31 March, 2016
Revenue from Operations	18	727.23	789.90
Other Income	19	100.64	96.93
Total income		827.87	886.83
EXPENSES			
Cost of Sales	20	557.09	564.09
Employee Benefits Expense	21	79.59	66.34
Finance Costs	22	157.11	92.01
Depreciation and Amortisation Expense	23	4.92	4.96
Other Expenses	24	128.50	110.14
Total Expenses		927.21	837.54
Share of profit of joint ventures		1.37	2.34
(Loss)/Profit before tax		(97.97)	51.63
Tax expense	7		
Current tax		1.22	6.47
Deferred tax (credit)/expense		(17.73)	17.43
		(16.51)	23.90
(Loss)/Profit for the year		(81.46)	27.73
Other Comprehensive Income/(Loss):			
Items that will be reclassified to profit or loss:			
Exchange differences in translating the financial statement of foreign operations		(0.23)	0.40
Items that will not be reclassified to profit or loss:			
Remeasurements of post-employment benefit obligations		(1.00)	1.36
Share of Other Comprehensive Income in joint ventures		(0.03)	0.05
Income tax relating to these items		0.35	(0.48)
Other Comprehensive Income/(Loss) for the year, net of tax		(0.91)	1.33
Total Comprehensive Income/(Loss) for the year		(82.37)	29.06
(Loss)/Profit for the year attributable to:			
Owners of the Parent		(79.65)	25.73
Non-controlling interests		(1.81)	2.00
		(81.46)	27.73
Other Comprehensive Income/(Loss) for the year attributable to:			
Owners of the Parent		(0.95)	1.26
Non-controlling interests		0.04	0.07
		(0.91)	1.33
Total Comprehensive Income/(Loss) for the year attributable to:			
Owners of the Parent		(80.60)	26.99
Non-controlling interests		(1.77)	2.07
		(82.37)	29.06
Earnings per Ordinary share:			
Basic and diluted earnings per share (of ₹ 10/- each) (In ₹)	34	(2.78)	0.90

4.3 CBA

What is Compound Interest?

Compound interest essentially means "interest on the interest".

Example

Rs 100 invested for 5 years at 12% per annum. Let us consider three scenarios:

a. Interest paid annually
b. Interest paid semi-annually
c. Interest paid quarterly

FV = Principle X (1+r)^n

Where,
Principle is the current value
r is the discount rate
n is the time period

a. In case interest is paid annually:

Principle = 100
r = 12%
n = 5

FV = 100 X (1+12%)^5 = 176.23

b. In case interest is paid semi-annually:

Principle = 100
r = 12%/2 = 6%
n = 5 x 2 = 10

FV = 100 X (1+6%)^10 = 179.08

c. In case interest is paid quarterly:

Principle = 100
r = 12%/4 = 3%
n = 5 x 4 = 20

FV = 100 X (1+3%)^20 = 180.61

When the frequency of interest payout increases, interest earns more interest and the future value increases.

Discount Factor

The discount factor denotes value of Rs 1, discounted at a certain rate for each year in the future.

For example, if the discount rate (or 'r') is 11.5% p.a., here are the discount factors of the next five years:

Year 0 = 1/(1+12%)^0 = 1.00
Year 1 = 1/(1+12%)^1 = 0.90
Year 2 = 1/(1+12%)^2 = 0.80
Year 3 = 1/(1+12%)^3 = 0.72
Year 4 = 1/(1+12%)^4 = 0.65
Year 5 = 1/(1+12%)^5 = 0.58

Using cell reference

When you want a formula to consistently refer to a particular cell, even if you copy or move the formula elsewhere on the worksheet, you need to use an absolute cell reference. An absolute cell reference is a cell address that contains a dollar sign ($) in the row or column coordinate, or both.

PROBLEMS ON NPV, IRR

WACC

For example you require funds to the tune of 8 lakhs, and you avail bank loan for 2Lakhs at 10% interest. For the rest of 6 lakhs you borrow from your father. This 6 lakhs also carries a cost called opportunistic cost at 12%. So the weighted average cost of capital is

= 2L * 10 % /8L + 6L *12% /8L

=2.5% + 9%

=11.5%

The following shows the NPV and the cash flow a 11% WACC. The NPV is positive. So the investment is profitable at WACC of 11%.

initial setup cost of Rs 5 lakhs. 500000.0

	Interest		
3L	2L	WACC	
9%	14%	DR	
5.4	5.6	11	%

FV=PV * Discount factor

DR 11.00%

Year	Revenue	Cost	Net Cash Flow	Cumulative Cash flow		Discount factor	PV	
1	4,60,000	3,60,000	1,00,000	1,00,000		0.900901	90090.0901	
2	5,70,000	4,70,000	1,00,000	2,00,000		0.811622	81162.2433	
3	6,60,000	4,90,000	1,70,000	3,70,000	1,30,000	0.731191	124302.535	
4	7,60,000	5,60,000	2,00,000	5,70,000		0.658731	131746.195	
5	8,60,000	6,60,000	2,00,000	7,70,000		0.593451	118690.266	
					0.65		545991.329	TOTAL PV
			NPV				**45991.3**	POSITIVE
			Payback period	Years	3.65 years			profitable

The IRR at which the investment is neither at profit nor loss is at WACC of 14.12%.

initial setup cost of Rs 5 lakhs. 500000.0

	Interest	
3L	2L	WACC
9%	14%	DR
5.4	5.6	11 %

FV=PV * Discount factor

DR	14.12%	IRR

Year	Revenue	Cost	Net Cash Flow	Cumulative Cash flow		Discount factor	PV	
1	4,60,000	3,60,000	1,00,000	1,00,000		0.876247	87624.6542	
2	5,70,000	4,70,000	1,00,000	2,00,000		0.767808	76780.8002	
3	6,60,000	4,90,000	1,70,000	3,70,000	1,30,000	0.672789	114374.148	
4	7,60,000	5,60,000	2,00,000	5,70,000		0.589529	117905.826	
5	8,60,000	6,60,000	2,00,000	7,70,000		0.516573	103314.572	
					0.65		500000	TOTAL PV
			NPV				0.0	POSITIVE
			Payback period	Years	3.65 years			profitable

IRR =The Discounted rate that equates the present value of a projects expected cash inflows o the present value of the projects costs. IRR= DR when NPV=0.

PV-Present value

Cash flow is at a future date ,so future value (FV)

Amount = Principal x (1+r) ^{x}

Where,

Principal is the current value-PV

r is the discounted rate of interest.

x is the time period

Relate to the above interest formula.

FV = PV x (1+r) ^{3} if n=3 years

FV = PV x (1+r) ^{x} if n=x years

Therefore

PV = PV / (1+r) ^{x}

= PV x 1/(1+r) ^{x}

= PV x Discount factor

Discount factor= 1/(1+r) ^{x}

PAY BACK PERIOD

Payback period ignores NPV or IRR.

Year	Revenue	Cost	Net Cash Flow	Cumulative Cash flow	
1	4,60,000	3,60,000	1,00,000	1,00,000	
2	5,70,000	4,70,000	1,00,000	2,00,000	
3	6,60,000	4,90,000	1,70,000	3,70,000	1,30,000
4	7,60,000	5,60,000	2,00,000	5,70,000	
5	8,60,000	6,60,000	2,00,000	7,70,000	

In the above table, in the 3rd ear, the cumulative cash flow = Rs 3,70,000.

Therefore fund required =5,00,00-3,70,000 = Rs 1,30,000

Therefore considering an initial investment of 5 lakhs,
Time reqd
= 1,30,000/2,00,000
= 0.65 years

Therefore the total duration
=3+0.65
=3.65 years
Payback period = 3.65years.

MODULE 21 MARKETING

Marketing has been covered in the participants and stakeholders section as marketing agents.

MODULE 22 - DPR-Toolkit JNURM

Refer the uploaded pdf - DPR_framework_26_Sep_2006pen.doc- Detailed Project Report: Preparation Toolkit- Jawaharlal Nehru national urban renewal mission.

References

1. Valuation Parameters of Retail Properties- Hypzert
2. https://www.tatahousing.in/csr/pdf/sustainability-report_2015-16.pdf
3. DLF ESG report.
4. Cushman & Wakefield, 2008: 2; James, 1982: 11.
5. Detailed project report: preparation toolkit (sub-mission for urban infrastructure and governance)-MHUD.
6. *Tata housing development co ltd- Financial report*

SATHYABAMA
INSTITUTE OF SCIENCE AND TECHNOLOGY
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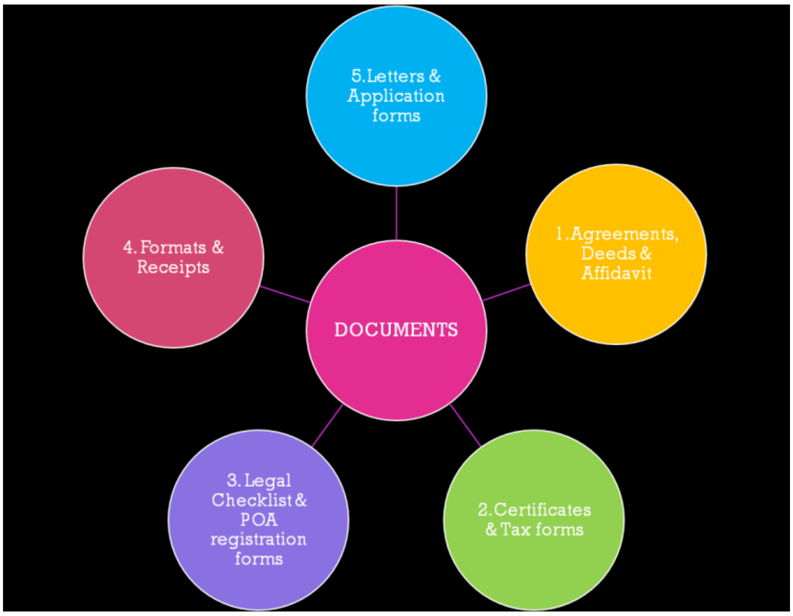
SCHOOL OF BUILDING & ENVIRONMENT

DEPARTMENT OF ARCHITECTURE

UNIT – 4 - REAL ESTATE MANAGEMENT- SAR5608

UNIT 4 DOCUMENTATION



A CASE EXAMPLE

- ASHOK- BUYER
- VARDANAN – LAND OWNER
- MARN- MARN BUILDERS

Mr ASHOK wants to buy an Apartment quoted as Rs 48 Lakhs IN **RAR APARTMENTS** .

1.Stamp paper - sale deed- Amount -Rs 87,150

2.Stamp paper - Constn agreement - Amount – Rs 27,550

3. Sale deed Regn amount- Rs 49800

4. Constn agreement Regn online fees- Rs 27,550

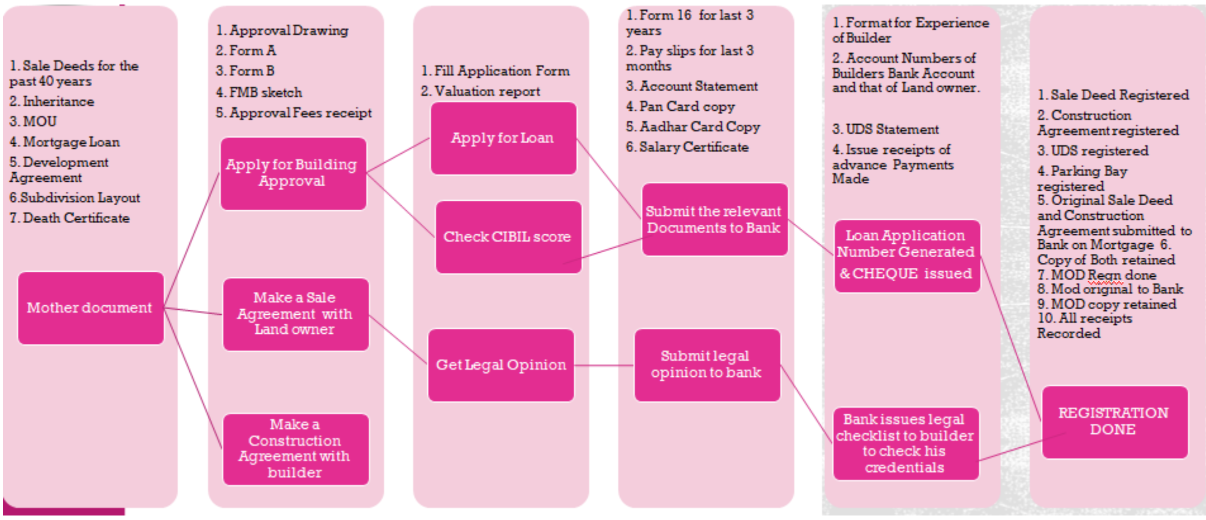
5. Documentation charges-RS.20000

PATTA

- This is got from the Review department –Thasilar office)
- This confirms the sole ownership of the property.
- It also provides the extents of the property with exact dimensions

- This is to confirm the ownership, once registered patta is got in the name of the new owner.
- Patta is the customer copy

PROCESS OF DOCUMENTATION



Module 24 – Formats & Receipts

Receipt for advance payment

M/s. MARN BUILDERS

Plot NoAAA BBB

SSSSNagar, NNNNN,

Chennai-600 300.

Date:16-05-2020

RECEIPT

Received a Sum of **Rs.2,00,000/-** (**Rupees 2 lakhs only**) from **Mr. ASHOK** residing at No. Adddress 3 -Tambaram, by the way of Cheque, towards Sale Consideration token advance for **"RAR Apartments", ADDRESS XX**

The sum will be reimbursed 100% in case of cancellation of Sale.

Payment Details are follows.

S.No.	DATE	BANK & CHEQUE No	AMOUNT
1.	20-03-2020	YY Bank India DDD Branch Cheque no-xxxxx	Rs. 2,00,000
	Total		Rs. 2,00,000

(Rupees 2 Lakhs only)

For MARN BUILDERS

Authorised Signatory

Sale deed Registration payment e-receipt

भारतीय स्टेट बैंक
State Bank of India
The Banker to Every Indian

Government of Tamilnadu

e-Receipt

Reference Details

Department	TNREG
Application ID	S01JUS2BT201601280810101
Transaction ID	REG20160128060808

Nature of Remittance	Head of Account	Amount (in Rs.)
	003002103AB0008	12600.00
	003003800AH0009	50.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00

Applicant Details

Name of Applicant	[redacted]

Payment Details

Branch Code	07948
Branch Name	SELAIYUR
Reference Number	IKA2198790
Payment Mode	I
Amount Paid	12650.00
Payment Date	28/01/2016

Module 25 – Letters & Application Forms

Documents required for Home Loans according to the Income type:

- If Salaried Individuals

If Self-Employed/Businessmen.

Salaried Individuals

1. Salary slip/Form 16 A.
2. A photocopy of the first and last pages of Ration card or copy of PAN/Telephone/Electricity bills.
3. A photocopy of Investments (FD Certificates, Shares, any fixed asset etc. or any other documents supporting the financial background of the borrower.
4. A photocopy of LIC policies with the latest premium payment receipts (if any).
5. Photographs (as applicable).
6. A photocopy of bank statement for the last six months.

Self-Employed/Businessmen

1. A brief introduction of Business/Profession.
2. Balance Sheet, Profit and Loss account and statement of income with Income Tax returns for the last 3 years certified by a CA.
3. A photocopy of Advance Tax payments (if applicable).
4. A photocopy of Registration Certificate of estatblishment under shops and Establishments Act/Factories Act.
5. A photocopy of Registration Certificate for deduction of Profession Tax (if applicable).
6. Bank statements of Current and Saving accounts for the last 6 months.
7. A photocopy of Certificate of Practice (if applicable).A photocopy of any bank loan (if applicable).
8. A photocopy of the first and last pages of the Ration card or a copy of PAN/Telephone/Electricity Bills.
9. A photocopy of LIC policy (if applicable).
10. A photocopy of investments (FD Certificates, Shares, any other fixed asset).

Documents required for Home Loans according to the type of building:

- If a flat is purchased from the builder
- If the property is being purchased is in Cooperative Society
- If constructing on own land

If a flat is purchased from the builder

1. Original copy of your agreement with the builder.
2. Property register card of the land under construction.
3. Extract of your agreement with the builder.
4. Search and title report (with the details of documents) for the last 30 years.
5. Development agreement between the owner of land and the builder.
6. Copy of order under the Urban land Ceiling Act.
7. Copy of building plans sanctioned by the competent authority.
8. Commencement certificate granted by Corporation
9. Building completion certificate (if available).
10. The latest receipts of taxes paid.
11. Partnership deed or memorandum of association of the builders firm.

If the property is being purchased is in a Cooperative Society

1. Original share certificate of the Society.
2. Allotment letter from the society in your name.
3. Copy of the lease deed, if executed.
4. Certificate of the registration of the society.
5. Copy of the byelaws of the society.
6. No objection certificate from the society.
7. Property register card in the society's name.
8. Search and title report (with the details of documents) for the last 30 years.
9. Copy of order under the Urban Land ceiling Act.
10. Copy of the building plans sanctioned by the competent authority.
11. Commencement certificate granted by Corporation
12. The latest receipts of taxes paid.
13. Original Agreement to assign / Deed of assignment.

If constructing on own land

1. Original sale deed of land and extract of Index II.
2. Property register card in your name.
3. Search and title report (with the details of documents) for the last 30 years.
4. Copy of order under Urban Land Ceiling Act.
5. Copy of the building plans sanctioned by the competent authority.
6. Building permission granted by Corporation
7. The latest receipts of taxes paid.
8. Estimate of cost of construction certified by the architect.

For proprietary concerns, If they need Business loan following are the criteria:

- Income Tax return filed for the last consecutive three years
- Pan number/ Tin number
- Company establishment by Bank account statements for six months
- Deed concerning to the partnership/ private ltd etc.,
- Project proposal
- Viability of the project
- Asset lists of the company
- Legal opinion of the proposal.
- Sanction plan of the proposal
- Total expected budget proposal
- Property documents of Originals

Project Loan may be required for the following:

- For construction of the building:
- For Buying a new Building:
- For Plot purchase.

CHECKLISTS

1. For construction of the building:

- Sanction plan of civic authority
    - Estimation of the project
    - Original documents of the plot
    - Eligibility Criteria for loan amount & Repayment
    - Salary Certificate
    - IT returns of the three consecutive years
    - Project Proposal
    - Loan dispersed on the Landlord's name.

- Photographs of the persons.
- Bank statements
- Reference of Two persons in the society.
- Employment letter for the date of joining and acquaintance of company.
- Details of other loans to be declared if any.
- Encumbrance Certificate

2. For Buying a new Building:

- Sanction plan of approval
- Original documents of the property
- Legal opinion of the property
- Valuation Report of the building from the empanelled valuer.
- Salary certificate
- Income Tax returns for the three consecutive years
- Bank statements
- Residential proof
- Address proof / ID Proof
- Reference persons
- Encumbrance Certificate
- As above

3. For Plot purchase

- As above conditions and additions to it
- Chitta
- Patta
- Village layout plan

- Plot layout plan
- Approved DTP plan
- Encumbrance Certificate
- Parental Documents
- Tax receipt

LETTERS

DEMAND LETTER

To, Date: 15/07/2014

Mr. ………………..

S/o, Mr M………………..

No. 40’A’, -----Nagar,

Medavakkam,

Chennai-600 100.

Dear Sir,

Sub“-------- FLATS” Construction of Flat No. F-2, on First Floor,Plot No. 87 in “----- NAGAR” Sithalapakkam Village, Chennai 600126..Construction of your Flat fully Completed and -Payment - Requested – Reg.

This is to bring to your notice that Our Project of “S-----------FLATS” in Flat No. F-2, on First Floor, Plot No. 87 in “--------- NAGAR”Sithalapakkam Village, Chennai 600126. Construction of your Flat fully Completed as per Our Construction Agreement dated. 07rd day of July 2013.Hence we request you to arrange for the Payment of Rs.20,00,000/- Rupees Twenty Lakhs Only) in favor of below mentioned bank details at the earliest time.

Name : M/S ………… HOMES

A/c No. : 91………………..

Bank Name : AXIS BANK LTD

Branch Name : MEDAVAKKAM

With regards,

MODULE 26-Agreements, Deeds & Affidavits

Registration checklist

- Sale Deed Original
- General Power of Attorney Original
- Patta Copy
- EC till date
- Life Certificate
- Land Approved Plan Original
- Building Plan Original
- Id Proof Purchaser & Vendor (PAN & Aadhar Card)
- Witness – 2 Nos with Id Proof (Aadhar Card).

LEGAL DOCUMENTS -TITLE DEED

- The first step is to see the title deed of the land which you are going to buy.
- Confirm whether the land is in the name of the seller and that the full right to sell the land lies with only him and no other person.
- Don't be satisfied with the Photo copy of the title deed. Insist on seeing the Original Deed. Sometimes the seller may have taken a loan by pledging the original deed.
- It also needs checking whether the seller has permitted any entry/access to others through this land and whether any other fact has been suppressed/left undisclosed by the owner of the land.
- It is better to get the original deed examined by a lawyer.
- Along with the title deed, the buyer can also demand to see the previous deeds of the land available with the seller.

AGREEMENTS

- Construction Agreement
- Development Agreement
- MOU

Refer to the formats posted.

MODULE 27-Legal Checklist & POA

Legal check by advocate for loan

- Sale Agreement Original
- Construction Agreement original
- General Power of Attorney Original
- Patta Copy
- EC till date
- Life Certificate
- Land Approved Plan Original
- Building Plan Original
- Id Proof Purchaser & Vendor (PAN & Aadhar Card)

Receipt for Bank loan approval

M/s. MARN BUILDERS

Plot NoAAA BBB

SSSSNagar, NNNNN,

Chennai-600 300.

Date:16-05-2020

RECEIPT

Received a Sum of **Rs.2,00,000/-** (**Rupees 2 lakhs only**) from **Mr. ASHOK** residing at No. Adddress 3 -Tambaram, by the way of Cheque, towards Sale Consideration token advance for **"RAR Apartments", ADDRESS XX**

The sum will be reimbursed 100% in case of cancellation of Sale.

Payment Details are follows.

S.No.	DATE	BANK & CHEQUE No	AMOUNT
1.	20-03-2020	YY Bank India DDD Branch Cheque no-xxxxx	**Rs. 2,00,000**
	Total		**Rs. 2,00,000**

(Rupees 2 Lakhs only)

For **MARN BUILDERS**

Authorised Signatory

LEGAL CHECKLIST BY BANK

LEGAL CHECK LIST FOR PROJECT

NAME OF THE BUILDER	[redacted]
NAME OF THE PROJECT	[redacted]
LOCATION OF THE PROJECT	**SITHALAPAKKAM**
TOTAL NO. OF FLATS/UNITS & BLOCKS	6 UNITS

S No	DESCRIPTION			Enclosed Yes / No
1	DETAILS OF THE TOTAL LAND EXTENT WITH SURVEY NUMBERS, VILLAGE/TOWN & TOTAL NUMBER OF FLATS/UNITS & BLOCKS			YES
2	PRESENT TITLE / SALE DEED/S COPIES			YES
3	GENERAL POWER OF ATTORNEY/S COPIES, IF APPLICABLE			YES
4	COMPLETE SET OF PARENT DOCUMENT/S COPIES			YES
5	REVENUE RECORDS – PATTA, CHITTA,ADANGAL,A-REGISTER			YES
6	ENCUMBERANCE CERTIFICATE FOR LAST 30 YEARS UPTO DATE			YES
7	FMB SKETCH & COMBINED FMB SKETCH			NO
8	IS THE PROJECT UNDER JOINT VENTURE AGREEMENT, IF YES, PROVIDE COPY OF JOINT VENTURE AGREEMENT			YES
9	DEMARCATION OF FLATS/UNITS, FLOOR, BUA, BLOCK, UDS OF LAND BETWEEN LANDOWNER AND BUILDER, IF JOINT VENTURE			YES
10	DETAILS OF UDS OF LAND AND CORRESPONDING FLAT & BLOCK DETAILS OF THE ENTIRE PROJECT			YES
11	LAYOUT APPROVAL / SUB-DIVISION PLAN APPROVAL			N/A
12	WHETHER BUILDING PLAN APPROVAL OBTAINED, IF SO, COPY SUBMITTED TO HDFC			YES
13	WHETHER PROPERTY IS UNDER MORTGAGE, IF YES,			NO
	A NAME OF THE INSTITUTION/BANK			N/A
	B COPY OF THE DEPOSIT OF TITLE DEEDS / LIST OF DOCUMENTS			N/A
	C. FORMAT OF THE LIEN RELEASE LETTER			N/A
14	NAME OF THE CONTACT PERSON OF BUILDER (FOR GENERAL CO-ORDINATION)		[redacted]	
	PHONE	MOBILE	E-MAIL	
	-	[redacted]	[redacted]	
15	NAME OF THE LEGAL PERSON OF BUILDER (FOR LEGAL CO-ORDINATION)		[redacted]	
	PHONE	MOBILE	E-MAIL	
	-	[redacted]	[redacted]	

Date: 07/07/2014 **Signature and Seal of the**

LEGAL CHECKLIST BY BANK

Name of the Firm : **'ParkXXX' CONSTRUCTIONS**

Type of the Firm : **PROPRIETORSHIP**
Mr. Park
Pan No- abbbbbbbbbb

Address of the Firm : **Address , y Nagar.**
Chennai-600 000.

Mobile No. : **mmmmmmmm**

Details of the specific Project: **"AAAAAAPT APARTMENTS"**

Site Address: **Plot No.M, W Street extn, No.1 M Village,Tambaram Taluk, Kancheepuram District,**
Chennai- 600013

Total Land Area: **2400 Sq. Ft.**

Total No.of Floors: **Ground Floor+ First Floor + Second Floor**

Flats per Floor: **GF-1 Flat, FF - 2 Flats, SF - 2 Flats.**

Total No. of Flats **As per Approval : 5 Units**
As per Site : 5 Units

ANNEXURE

FLAT NO	FLOOR	PLINTH AREA (sft.)	COMMON AREA-15% (sft.)	TOTAL BUILT UP AREA(sft.)	UDS AREA (sft.)
G-1	GF	940	141	**1081**	541
F-1	FF	1010	152	**1162**	581
F-2	FF	920	138	**1058**	529
S-1	SF	804	121	**925**	462
S-2	SF	500	75	**575**	288
TOTAL	**5 UNITS**	**4174**	**626**	**4800**	**2400**

Advanced Processing Facility request to Bank

Date: 10-08-2020

From

Mr . MARN

M/s. MARN BUILDERS

Plot NoAAA BBB

SSSSNagar, NNNNN,

Chennai-600 300.

To

The Manager

RRRR Bank

Sir,

Sub:- **Advanced Processing facility Request** (APF Project Approval)– (**RAR APARTMENTS)-** Documents – Submitted- reg

We are herewith submitting the project documents pertaining to the subject project for availing advanced processing facility with RRRR Bank.

Regards

Details of Project

Details of Project

- Name of the Project: RAR APARTMENTS
- Postal Address of the Project: Plot No.RR
  ADDRESS XX
- Total Land Extent: 2400 Sqft.,
- Total Built up Area: 4800 Sqft.,
- Total Number of Units: 5 Units ,
- No of Floors : 2 Floors
- Number of Units Sold till Date in the Project: 2 units
- Project Commencement Date: June 2017
- Expected completion Date: Ready
- Land owner Name: : VARDANAN
- POA/Authorised Signatory RICK
  (For entering into Sale Agreement/ Sale Deed)
- POA/ Authorised Signatory : RICK
  (For entering into Construction Agreement)
- Free Hold /Leasehold: Free Hold
- Is the Project approved by any other banks/FI/NBFC – Approval letters /(List the names): HDFC Ltd
  Axis Bank
- Other amenities in the project : -NA-
- Cheque Favouring Details: **Payments to be given in Favour of "MARN BUILDERS"**
  Bank A/c No: nnnnnnnn
  Bank Name & Branch:RRR BANK
  MM Branch
- Construction Funding for the project availed from: **-NA-**

Details of the Builder

Details of the Builder

Name of the Builder: **M/s. MARN BUILDERS**

- Concern (Proprietorship, partnership, Pvt, Ltd etc): **Proprietorship**

  Plot NoAAA BBB
  SSSSNagar, NNNNN,
  Chennai-600 300.

- Phone No : **nnnnnnnnn**
- Date of inception/Total No: of yrs .In builder business: **31-05-2010, 10 years**
- Name of Proprietor/Partners/Directors: **Mr. MARN**
- No. of Projects in which there was delay & Brief details: **-NA-**
- Total built up area Completed in past (in Sq.ft): **-100000 sqft.,**
- Total built up area Sold in past (in Sq.ft): **- 20000 sqft.,**
- WIP-on going Projects(in Sq.ft): **-NA-**
- WIP(in amount): **-NA-**
- No of Projected Completed : **-10 projects**
- Website address if applicable: **-NA-**
- List of Bankers/Banking relationship: **HHHHH Ltd.**
- Previous Two Projects full/clear Site address with landmark and Contact details :

  ADDREESS 2.

Regards

Authorised Signatory

Annexure 1

Items	Submitted (Yes/ No)
• Project Brochure /working Plan	**Yes**
• Legal Document Set (including sale and construction draft, sale deed draft)	**Yes**
• Legal and Tech reports	**No**
• Updated EC	**Yes**
• Cost break up/Cost sheet per unit	**Yes**
• Builder Payment Schedule	**Yes**
• Area Statement(details of Flat UDS, carparking, etc)	**Yes**

POWER OF ATTORNEY (POA)

- The Power of Attorney is a signed and notarized document by which one person, the principal, gives another person, or an agent, authority to act on the principal's behalf.
- The person who signs (executes) a Power of Attorney is called the PRINCIPAL OR GRANTER (of the power), and the one authorized to act is the AGENT OR ATTORNEY-IN-FACT.
- The authority may be general, giving the agent broad power to make decisions, or limited, giving the agent the power to do one or more specific things.
- Most general powers of attorney prepared today are durable, which means the authority continues even if the principal becomes disabled or incapacitated and cannot act for himself or herself

MODULE 28-Certificates & Taxes

NOC

- Another very important document that you need to check before purchasing a land is the NOC (No Objection Certificate) from the Mandal Revenue Office/Collectorate of the Mandal to which the land belongs.
- This is a very important document that assures that the land does not come under government sealing.

EC

- Before buying any land or house, it is important to confirm that the land does not have any legal dues.
- It is available as a certificate called encumbrance from the sub registrar office where the deed has been registered,
- It states that the said land does not have any legal dues and complaints.
- The encumbrance certificate for the past thirteen years should be taken or for more clarification, you could demand 30 years encumbrance certificate to be checked.
- If you still have anymore doubts, you can take a Possession Certificate of the ownership of the particular land, which is available from the village office.
- There are some basic things one should know when looking at an EC.
- The first thing you would like to see is the survey no in EC.
- You can find in the EC the exact location in terms of address and survey nos.
- It also gives the plot numbers, details of surrounding property, road with etc.

- The second section i.e. Names of Parties column mentions the current owner name and the ones who sold this property last time.
- Claimants is the one who currently owns the land and Executants are the ones who sold this land to Claimants
- It is extremely important that after you get the property registered on your name get a copy of EC on that property and you should be able to see your name.
- Once you see your name on the EC as claimant, you are the lawful owner of this land.
- The survey no and address also will be detailed at the upper left corner of EC.
- The area of the property for which EC is being applied is detailed in the upper right corner of EC.
- As said earlier EC is one the important documents you should be looking for as it provides information on the status of the property at that time.
- An EC copy before you buy your property will let you know if that land is mortgaged or is in some legal litigation.
- An EC copy after your registration confirms that you are the rightful owner of the land