



## **TOWNSHIP**

### **Introduction**

A township is a type of human settlement which involves development of new and integrated amenities in order to facilitate ease of living. Generally, a township caters to all the daily needs of a resident, that is to say, the residential requirements as well as recreational requirements. The amenities in any township differs from others, as it depends completely on the developer, as to how many facilities will be accommodated in that township. It is similar to group housing wherein a cluster of living space with requisite amenities are provided to the end user. The major amenities that are generally included in township projects are – Primary and secondary schools, hospitals or day-care cum health care units, cosmopolitan shopping centres, playschool cum crèche, gym, clubhouse, library, meditation hall, pharmacy, laundry, electricity/water bill payment centre, post office/courier service, society office cum emergency response station, community centre and many more.

### **Market Potential**

India's rising population has been a major reason for creating a splurge in the real estate sector. The real estate sector is said to be the second highest contributor to employment generation in India, followed by the agricultural sector. It contributes to around 10-11% of the GDP of India and is expected to contribute around 13-14% of Indian GDP in the coming years. There was a launch of 86,139 housing units across the top eight Indian cities in the second half of 2020, signifying healthy recovery post the strict lockdown conditions imposed due to the spread of COVID-19 in the country. According to ICRA estimates, Indian firms are expected to raise more than USD 48 billion through infrastructure and real estate investment trusts in the year 2022.

The real estate sector is expected to reach USD 1 trillion by the year 2030, growing at a CAGR of 19.5% during the year 2020-2025.

## Cost of Project

Particulars	Amount (Rs. In Crores)
Land & Land development cost (As per Annexure)	66.50
Construction cost for township	532.50
Plant, Machinery and Equipment	4.70
Miscellaneous Fixed Assets (Annexure)	0.08
Escalation & Contingencies (5% on construction costs)	26.86
Preliminary & Preoperative Expenses	30.32
<b>Total Project Cost</b>	<b>660.97</b>
Fund Requirement (Peak )	
Working Capital Margin (25% of 2nd Year Projected Turnover)	84.66
<b>MEANS OF FINANCE</b>	
<b>Total Funds Required (A)</b>	<b>745.62</b>
Loan Component (60% of A above) (B)	447.37
Working Capital (75% of 2nd Year Project Turnover)	253.97
<b>Total</b>	<b>701.34</b>
Margin (A-B)	44.28
<b>Total Fund</b>	<b>745.62</b>

## Detailed Cost Element

Sl. No.	Particulars	Area (sq.ft.)	Rate	Amount (Rs. in Crores)
1	Residential Flats with interior and AC facilities	20,40,000	2,500	175.00
2	Children's Park	25,000	400	54.00
3	Park & Jogging Track	1,00,000	200	40.00
4	Landscaped Garden	4,000	400	736.25
5	Swimming Pool (Including changing room)	9,500	1,800	630.00
6	Parking Area	1,20,000	500	75.00
7	Outdoor Games Area - Basketball Court	2,000	500	24.00
8	- Volleyball Court	1,500	500	95.00
9	- Long Tennis	4,000	500	700.00
10	Indoor Games Area (Carrom, Table Tennis and others)	4,000	800	20.00
11	Gym	6,000	1,000	40.00
12	Clubhouse	1,000	1,000	100.00
13	Library	500	800	25.00
14	Open Hall for Yoga, Meditation etc. (2 Nos.)	15,000	1,000	300.00
15	Hospital (On contract basis)	5,000	1,800	0.90
16	Shopping Mall (On contract basis)	10,000	1,800	1.80
17	Primary School (On contract basis)	8,000	1,500	1.20
18	ATM (On contract basis)	400	500	0.02
19	Laundry service centre	2,500	1,200	0.30
20	Electricity/Water Bill Payment Centers (On contract basis)	1,000	1,500	0.15
21	Post Office/Courier Service (On contract basis)	500	500	0.03
22	Emergency Response Station (On contract basis)	2,000	500	0.10
23	Community Center ( 2 Nos.) including interior & furnishing	20,000	2,000	4.00
24	Plantation for greenery within the residential campus	LS		200.00
	TOTAL			532.50

## Contingencies and Escalations

It has been assumed at approximately 5% at cost.

## Preliminary Expenses

Particulars	Amount (Rs. in Crores)
Incorporation Expenses	0.003
Project Report Preparation and Consultation	0.005
Feasibility and Engineer's/Architect's Report and Plans	13.313
Legal Charges - Drafting for agreements, contracts, stamp paper, notary and affidavit cost	0.002
Interest Cost for period before commercial operations	17.000
<b>Total</b>	<b>30.323</b>

## Salary

Designation	Manpower	Amount (Rs. In Crores)
Office Staff cum Accounts Staff	2	0.084
Security Staff	30	0.54

## Profitability Statement

Amount (Rs. In Crores)								
Particulars	Year- 1	Year- 2	Year- 3	Year- 4	Year- 5	Year- 6	Year- 7	Year - 8
<b>A. INCOME</b>								
Number of flats (Total)								
- Middle Income Group	700	700	700	700	700	700	700	700
- High Income Group	800	800	800	800	800	800	800	800
Income from sale of flats	225.21	338.63	339.84	228.45	-	-	-	-
Maintenance income	0.81	2.03	3.24	4.05	4.25	4.47	4.69	4.92
<b>TOTAL INCOME</b>	<b>226.02</b>	<b>340.65</b>	<b>343.08</b>	<b>232.50</b>	<b>4.25</b>	<b>4.47</b>	<b>4.69</b>	<b>4.92</b>
<b>B. OPERATING EXPENSE</b>								
Advertisement Cost	5.00	5.25	5.51	5.79	0.50	0.51	0.52	0.53
Repair and Maintenance	0.92	0.93	0.95	0.97	0.99	1.01	1.03	1.05
Salary	0.62	0.66	0.69	0.72	0.76	0.80	0.84	0.88
Depreciation	8.33	8.33	8.33	8.33	0.75	0.75	0.75	0.75
<b>Total Operating Expenses</b>	<b>14.87</b>	<b>15.17</b>	<b>15.48</b>	<b>15.81</b>	<b>3.00</b>	<b>3.07</b>	<b>3.14</b>	<b>3.21</b>
<b>OPERATING PROFIT (A-B)</b>	<b>211.15</b>	<b>325.48</b>	<b>327.60</b>	<b>216.69</b>	<b>1.25</b>	<b>1.40</b>	<b>1.55</b>	<b>1.71</b>
<b>C. FINANCIAL EXPENSES</b>								
Interest on Term Loan	37.07	28.53	17.82	6.87	0.72	0.59	0.46	0.33
Interest on WC Loan	21.59	21.59	21.59	21.59	-	-	-	-
<b>D. OTHER EXPENSES</b>								
Administration and general expenses	11.30	17.03	17.15	11.63	0.21	0.22	0.23	0.25
<b>Total Expenses</b>	<b>69.96</b>	<b>67.15</b>	<b>56.56</b>	<b>40.09</b>	<b>0.94</b>	<b>0.82</b>	<b>0.69</b>	<b>0.57</b>
<b>Profit before Tax</b>	<b>141.19</b>	<b>258.33</b>	<b>271.04</b>	<b>176.60</b>	<b>0.32</b>	<b>0.58</b>	<b>0.86</b>	<b>1.14</b>
Provision For Tax @ 25%	35.30	64.58	67.76	44.15	0.08	0.15	0.21	0.29
<b>Profit After Tax</b>	<b>105.89</b>	<b>193.75</b>	<b>203.28</b>	<b>132.45</b>	<b>0.24</b>	<b>0.44</b>	<b>0.64</b>	<b>0.86</b>
Dividend Declared	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>PROFIT</b>	<b>105.89</b>	<b>193.75</b>	<b>203.28</b>	<b>132.45</b>	<b>0.24</b>	<b>0.44</b>	<b>0.64</b>	<b>0.86</b>

## Breakeven Point

Amount (Rs. In Crores)									
SL	Particulars	Year - 1	Year - 2	Year - 3	Year - 4	Year - 5	Year - 6	Year - 7	Year - 8
A.	Total Income	226.02	340.65	343.08	232.50	4.25	4.47	4.69	4.92
B.	Variable Cost	-	-	-	-	-	-	-	-
	Total Variable Cost	-	-	-	-	-	-	-	-
C.	Contribution (A-B)	226.02	340.65	343.08	232.50	4.25	4.47	4.69	4.92
D.	Fixed and Semi-Fixed Cost								
	Advertisement and Sales Promotion	5.00	5.25	5.51	5.79	0.50	0.51	0.52	0.53
	Repair and Maintenance	0.92	0.93	0.95	0.97	0.99	1.01	1.03	1.05
	Salary	0.62	0.66	0.69	0.72	0.76	0.80	0.84	0.88
	Interest on term Loan	37.07	28.53	17.82	6.87	0.72	0.59	0.46	0.33
	Interest on WC Loan	21.59	21.59	21.59	21.59	-	-	-	-
	Depreciation	8.33	8.33	8.33	8.33	0.75	0.75	0.75	0.75
	Total Fixed Cost	73.53	65.28	54.89	44.27	3.72	3.66	3.60	3.54
E.	Breakeven Point	33%	19%	16%	19%	88%	82%	77%	72%
F.	Cash BEP	29%	17%	14%	15%	70%	65%	61%	57%

## Debt-Service Coverage Ratio

Amount (Rs. In Lakhs)									
SL.	Particulars	Year - 1	Year - 2	Year - 3	Year-4	Year - 5	Year - 6	Year - 7	Year - 8
i	Profit	105.89	193.75	203.28	132.45	0.24	0.44	0.64	0.86
ii	Depreciation	8.33	8.33	8.33	8.33	0.75	0.75	0.75	0.75
iii	Interest on term loan	37.07	28.53	17.82	6.87	0.72	0.59	0.46	0.33
A	Total (i + ii + iii)	151.29	230.61	229.43	147.66	1.71	1.78	1.85	1.93
i	Interest on term loan	37.07	28.53	17.82	6.87	0.72	0.59	0.46	0.33
ii	Principal repayment	54.00	126.00	126.00	132.00	-	-	-	-
B	Total (i + ii)	91.07	154.53	143.82	138.87	0.72	0.59	0.46	0.33
	DSCR (A / B)	1.66	1.49	1.60	1.06	2.36	3.01	4.03	5.92

## Interest on Term Loan and Principal Repayment

Refer Annexure I for Loan Repayment Schedule.

We have assumed the repayment tenure of term loan for a period of 10 years, rate of interest being @ 8.5% with the moratorium period being 30 months.

## Address of Vendors

Name of Vendor	Address and Contact Number
Amrut Energy	B1308, Empire Business Hub, Science City Road, Sola, Ahmedabad - 380060, Gujarat, India  Phone : 08037301484
Tata Power Solar Systems Limited	Merlin Matrix, DN – 10, Suite No. 703, 7th Floor Near RS Software, Salt Lake, Sector V Kolkata – 700 091
Aaspa Equipment Pvt. Ltd.	Office No. – 112, Near Keshavam Ind Estate, Sahjanand Business Park, Nikol, Ahmedabad – 382350, Gujarat, India  Phone : 08045357529

# ANNEXURE - 1

Year	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Annually
<b>I</b>													
Principal													
Opening	447.37	447.37	447.37	447.37	447.37	447.37	447.37	438.37	429.37	420.37	411.37	402.37	
Repaid							9.00	9.00	9.00	9.00	9.00	9.00	54.00
Closing	447.37	447.37	447.37	447.37	447.37	447.37	438.37	429.37	420.37	411.37	402.37	393.37	
Interest	3.17	3.17	3.17	3.17	3.17	3.17	3.17	3.11	3.04	2.98	2.91	2.85	37.07
<b>II</b>													
Principal													
Opening	393.37	382.87	372.37	361.87	351.37	340.87	330.37	319.87	309.37	298.87	288.37	277.87	
Repaid	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	126.00
Closing	382.87	372.37	361.87	351.37	340.87	330.37	319.87	309.37	298.87	288.37	277.87	267.37	
Interest	2.79	2.71	2.64	2.56	2.49	2.41	2.34	2.27	2.19	2.12	2.04	1.97	28.53
<b>III</b>													
Principal													
Opening	267.37	256.87	246.37	235.87	225.37	214.87	204.37	193.87	183.37	172.87	162.37	151.87	
Repaid	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	10.50	126.00
Closing	256.87	246.37	235.87	225.37	214.87	204.37	193.87	183.37	172.87	162.37	151.87	141.37	
Interest	1.89	1.82	1.75	1.67	1.60	1.52	1.45	1.37	1.30	1.22	1.15	1.08	17.82
<b>IV</b>													
Principal													
Opening	141.37	130.37	119.37	108.37	97.37	86.37	75.37	64.37	53.37	42.37	31.37	20.37	
Repaid	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	11.00	132.00
Closing	130.37	119.37	108.37	97.37	86.37	75.37	64.37	53.37	42.37	31.37	20.37	9.37	
Interest	1.00	0.92	0.85	0.77	0.69	0.61	0.53	0.46	0.38	0.30	0.22	0.14	6.87
<b>V</b>													
Principal													
Opening	9.37	9.24	9.11	8.98	8.85	8.72	8.59	8.46	8.33	8.20	8.07	7.94	
Repaid	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	1.56
Closing	9.24	9.11	8.98	8.85	8.72	8.59	8.46	8.33	8.20	8.07	7.94	7.81	
Interest	0.07	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.72
<b>VI</b>													
Principal													
Opening	7.81	7.68	7.55	7.42	7.29	7.16	7.03	6.90	6.77	6.64	6.51	6.38	
Repaid	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	1.56
Closing	7.68	7.55	7.42	7.29	7.16	7.03	6.90	6.77	6.64	6.51	6.38	6.25	
Interest	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.04	0.59
<b>VII</b>													
Principal													
Opening	6.25	6.12	5.99	5.86	5.73	5.60	5.47	5.34	5.21	5.08	4.95	4.82	
Repaid	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	1.56
Closing	6.12	5.99	5.86	5.73	5.60	5.47	5.34	5.21	5.08	4.95	4.82	4.69	
Interest	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.03	0.03	0.46
<b>VIII</b>													
Principal													
Opening	4.69	4.56	4.43	4.30	4.17	4.04	3.91	3.78	3.65	3.52	3.38	3.25	
Repaid	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	1.56
Closing	4.56	4.43	4.30	4.17	4.04	3.91	3.78	3.65	3.52	3.38	3.25	3.12	
Interest	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.02	0.02	0.02	0.02	0.33
<b>IX</b>													
Principal													
Opening	3.12	2.99	2.86	2.73	2.60	2.47	2.34	2.21	2.08	1.95	1.82	1.69	
Repaid	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	1.56
Closing	2.99	2.86	2.73	2.60	2.47	2.34	2.21	2.08	1.95	1.82	1.69	1.56	
Interest	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.01	0.01	0.01	0.01	0.01	0.19
<b>X</b>													
Principal													
Opening	1.56	1.43	1.30	1.17	1.04	0.91	0.78	0.65	0.52	0.39	0.26	0.13	
Repaid	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	0.13	1.56
Closing	1.43	1.30	1.17	1.04	0.91	0.78	0.65	0.52	0.39	0.26	0.13	-	
Interest	0.01	0.01	0.01	0.01	0.01	0.01	0.00	0.00	0.00	0.00	0.00	-	0.06