BUSINESS PLAN · INDIA

Plotting & Land Development

Acquire, approve & develop land into sanctioned, clean-title residential plots

REAL ESTATE

AISEVAK.IN · BY ABL DIGITAL TECHNOLOGIES

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1. Executive Summary

This plan sets out a **Plotting / Land Development** business in India — a firm that acquires raw or agricultural land, obtains conversion and layout approvals, develops it into a legally-sanctioned residential (or plotted) layout with roads, drainage, water, electricity and amenities, and sells individual plots to buyers. It earns development margin on the difference between raw-land cost + development cost and the sale value of serviced plots. This plan is framed for a single, focused plotted-development project.

Plotted development is a capital-efficient, high-demand segment of Indian real estate — buyers value owning land, plots suit a wide budget range, and development cycles are shorter and less capital-intensive than vertical construction. A disciplined developer that secures clean-title land in a growth corridor, obtains proper approvals (RERA/DTCP/local authority), and sells transparently can earn strong margins and repeat demand.

The promoter — a real-estate / land professional — structures a first project of **₹3 crore** total outlay (land + development), typically financed with promoter equity, plot-sale advances and a land/development loan. RERA registration of the plotted layout, clean title and approved layout are central to bankability and buyer trust. *(Illustrative single-project model — figures are indicative and must be replaced with a real project's costing.)*

2. Business Description, Vision & Legal Structure

Concept: A developer that turns raw land into legally-approved, serviced residential plots — giving buyers clean-title, ready-to-build land at a fair price.

Vision: To be a trusted plotted-development brand known for clean titles, proper approvals and transparent dealing.

Mission: Acquire, approve and develop land into sanctioned layouts and deliver clear-title plots buyers can trust.

Legal structure options

- **LLP** — common for single/small land projects with partners.
- **Private Limited / Project SPV** — recommended; a project SPV ring-fences risk and suits development finance.

> **Regulatory anchor:** plotted development hinges on **clean title, land-use conversion (NA/DTCP), layout sanction, and RERA registration** of the plotted project (with escrow of collections). Buyer trust rests on approvals and title; the key risks are approval timelines, title issues, and sales absorption. GST/stamp-duty and local-authority norms apply.

3. Promoter & Ownership

Led by a promoter with land, real-estate or civil experience. Delivery uses a project engineer, surveyors, contractors (roads/drainage/utilities), and legal/title & RERA advisors. A project SPV holds the land; ownership and profit-sharing among partners/investors are editable inputs.

4. Market Analysis — India

Demand for residential plots is strong and broad-based across Indian cities' peripheries, growth corridors and Tier-2/3 towns — driven by the cultural preference for land ownership, affordability versus apartments, investment appeal, and self-build flexibility. Post-RERA, buyers favour approved, clean-title plotted layouts. The market is local; corridor selection and approvals determine success.

Demand drivers

- **Preference for land ownership.**
- **Affordability & budget flexibility** vs. apartments.
- **Investment & appreciation** appeal.
- **Growth corridors & infrastructure** (highways, ring roads).
- **RERA-approved** layout trust.

Market sizing (illustrative framing)

Layer	Definition	Indicative scale
TAM	Plotted-land demand in India	Very large
SAM	Demand in the firm's target corridor	Substantial
SOM (per project)	Plots sold in the project	Project-specific

Target segments

- End-users (self-build homes).
- Investors & land bankers.
- NRIs seeking land assets.
- Budget/first-time buyers.

5. Competition & Competitive Advantage

Landscape: other plotted-layout developers, land aggregators, and unapproved/informal sellers. The firm competes on approvals, clean title, location, pricing, amenities and trust.

The firm's edge

- **Clean title & proper approvals** (RERA/DTCP) — the key trust factor.
- **Right growth-corridor** selection.
- **Serviced layout & amenities.**
- **Transparent, fair dealing.**
- **Cost & timeline discipline.**

6. Products & Pricing

Product	Revenue model	Indicative basis
Residential plots	Sale per plot	₹/sq ft/yard
Premium / corner plots	Sale (premium)	₹/sq ft + premium
Villa plots (with amenities)	Sale per plot	Higher ₹/sq ft
Commercial plots	Sale per plot	Premium
Development charges/amenities	Add-on	Value

> Pricing is ₹/sq ft/yard benchmarked to the corridor; margin = plot sale value − (raw land + development + approvals + finance + marketing). RERA phasing and escrow govern collection timing.

7. Go-to-Market — Marketing & Sales

- **Pre-launch & launch** pricing to build early sales.
- **Broker & channel-partner** networks.
- **Digital, portal & site** marketing; site visits.
- **Investor & NRI** outreach.
- **Loan tie-ups** (plot/land loans) to enable buyers.

Sales approach

Approvals & RERA → pre-launch → phased plot sales alongside development → registration & handover → brand for the next project. Early sales fund development; approvals and clean title build trust and velocity.

8. Operations Plan

- **Location:** land in a growth corridor with connectivity & clear title.
- **Process:** land acquisition/JV → title diligence → conversion & layout approval → RERA registration → development (roads/drainage/utilities/amenities) → phased sales & registration.
- **Execution:** surveyors, civil contractors, and a project engineer; quality of infrastructure.
- **Compliance:** conversion, layout sanction, RERA, environmental & local norms; escrow of collections.
- **Capacity:** project-based; scale by taking the next land parcel once de-risked.

Project workflow

Stage	Activity	Gate
Land	Acquire / JV	Title clear
Approve	Conversion/layout/RERA	Sanctioned
Develop	Roads & utilities	On schedule
Sell	Phased plot sales	Absorption
Register	Sale deeds	Handover

9. Regulatory, Licences & Compliance (India)

- **Title & land-use:** clean-title diligence; NA/agricultural-conversion; DTCP/local-authority layout sanction.
- **RERA registration** of the plotted project; escrow of collections; disclosures; delivery of sanctioned amenities.
- **Approvals:** layout, environmental (where applicable), and local-body NOCs; release/mortgage clearances.
- **Business & tax:** project SPV; PAN/TAN; stamp duty & registration; GST (on development/works as applicable).

10. Organisation & Manpower Plan

Role	Project
Promoter / Developer	1
Project Engineer / Surveyor	1–2
Site supervisors	1–2
Sales & CRM	2–3
Legal / title & RERA	Advisors
Civil contractors	Outsourced

Development works (roads, drainage, utilities) are executed via contractors; legal/title, survey and RERA are engaged as advisors.

11. Implementation Timeline & Milestones

Phase	Timeline	Milestone
Land & title	Month 0–3	Land tied up, title clear
Approvals & RERA	Month 3–8	Conversion, layout sanction, RERA registration
Pre-launch/launch	Month 8–11	Bookings begin; development starts
Development	Year 2	Roads/utilities; phased sales & registrations
Completion	Year 2	Amenities done; sell-out; handover

12. Financial Plan (Illustrative — single plotted project)

All figures are illustrative model assumptions for an Indian context, shown so the promoter can replace them with a real project's costing. They are not projections of guaranteed results, and returns depend heavily on land cost, approvals and absorption.

12.1 Project cost & means of finance

Project cost component	₹
Land acquisition	1,80,00,000
Development (roads, drainage, utilities, amenities)	75,00,000
Approvals, conversion & RERA	20,00,000
Marketing & selling	15,00,000
Finance cost & contingency	10,00,000
Total project cost	**3,00,00,000**
Promoter equity	1,00,00,000

Plot-sale advances (escrow)	1,20,00,000
Land / development loan	80,00,000

12.2 Projected project P&L (on completion, illustrative)

Particulars	₹
Gross sale value of plots	3,90,00,000
Less: Land cost	1,80,00,000
Less: Development cost	75,00,000
Less: Approvals, conversion & RERA	20,00,000
Less: Marketing & selling	15,00,000
Less: Finance cost	10,00,000
Development profit (pre-tax)	**90,00,000**
Development margin	23.1%
Return on promoter equity	~90% (project life)

12.3 Unit economics & break-even

- **Per plot:** sale ₹/sq ft vs. all-in cost ₹/sq ft; margin is the spread; corner/villa plots earn premiums.
- **Break-even absorption:** the % of plots to sell to cover total cost — the key risk metric.
- **Timeline:** approval delays raise finance cost; faster sales & development protect margin.

12.4 Projected Cash Flow — project phases (illustrative)

Particulars (₹)	Yr1 H1	Yr1 H2	Yr2 H1	Yr2 H2
Opening balance	0	8,00,000	12,00,000	18,00,000
Equity + advances + loan	1,50,00,000	90,00,000	70,00,000	40,00,000
Land, development & costs	1,42,00,000	86,00,000	64,00,000	34,00,000
Closing balance	**8,00,000**	**12,00,000**	**18,00,000**	**24,00,000**

> RERA escrow governs how plot-sale collections fund development. Phased sales bridge the build; equity and the development loan cover the gap. Absorption pace and approval timelines are the swing factors.

12.5 Key Performance Indicators to Monitor

- **Sales:** booking velocity; absorption %; realisation ₹/sq ft.
- **Cost:** development cost/sq ft vs. budget; approval timeline.
- **Finance:** collection vs. development pace; interest burden.
- **Title/approvals:** sanction milestones; registration progress.

13. Funding Requirement & Bankability

The project uses an **₹80 lakh land/development loan** alongside ₹1 crore promoter equity and ₹1.2 crore RERA-escrowed plot-sale advances. The loan is secured against the land/receivables with drawdown tied to development milestones and escrow; the ~₹90 lakh development profit and phased sales support debt service. Clean title, layout sanction, RERA registration and sales momentum are the bankability anchors.

13.1 Funding utilisation

Use of funds	₹	% of total
Land acquisition	1,80,00,000	60%
Development (roads, utilities, amenities)	75,00,000	25%
Approvals, conversion & RERA	20,00,000	7%
Marketing & selling	15,00,000	5%
Finance cost & contingency	10,00,000	3%
Total	**3,00,00,000**	**100%**

14. Risk Analysis & Mitigation

Risk	Mitigation
Title / land disputes	Rigorous title diligence; SPV ring-fencing; legal advisors
Approval / conversion delays	Experienced consultants; buffer timelines; corridor selection
Slow absorption	Right pricing/corridor; channel partners; pre-launch
Cost overruns	Fixed-price development contracts; contingency
Market/cycle downturn	Conservative gearing; affordable plot sizes; phasing
Finance cost escalation	Milestone drawdown; fast collections; low leverage

15. SWOT Analysis

Strengths Strong land demand; shorter, capital-efficient cycle; healthy margins; RERA-approved trust.	**Weaknesses** Approval & title dependent; corridor-specific; cycle-sensitive; capital for land.
Opportunities Growth corridors & infra; JV with landowners; investor/NRI demand; repeat projects.	**Threats** Title/approval risk; unapproved-layout competition; market cycles; regulatory change.

16. Recommended AiSevak Tools for This Business

This land developer would use AiSevak's Real-Estate vertical tools in planning & delivery:

- **Project ops:** project-costing, plot-inventory/sales-CRM, booking/collection and RERA-disclosure tools.
- **Documentation & compliance:** title-diligence, conversion/layout and RERA tools (with Legal vertical).
- **Practice:** Business Plan, project-feasibility and Break-even tools to model absorption and margin.

17. Key Assumptions & Notes

- Illustrative single plotted project (~₹3 crore outlay); figures must be replaced with a real project's costing.
- Development margin ~23% on ₹3.9 crore sale value; return depends on land cost, approvals and absorption.
- RERA escrow and milestone-linked development loan assumed; stamp duty & GST (on works) apply.
- Clean title, timely conversion/layout approvals and RERA registration are foundational; figures are pre-tax.

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