

ANNEXURE _____

1 Objective

The purpose of the guide is to provide a common understanding of issues and good practice requirements involved in running the operations of a project in an efficient manner and helping to bridge knowledge gaps between the various stakeholders involved in the development, construction, operations, maintenance, management and administration of the project.

2 Definition

Common area maintenance or operations & maintenance as it is commonly addressed as is about managing people and places to achieve best value for money by balancing between the user needs and business needs for optimum organizational effectiveness.

Basics remain the same: CAM "not for profit, not for loss".

3 Contents of CAM

Common area maintenance is worked out by identifying the expenses towards operating and managing the below services on site.

Peripheral Area
Periphery Surface maintenance
Periphery Lights
Electricity for common area
Electricity for common area
Landscape Management
Landscape Management
Deployment
Deployment
Treatment Plants
WTP - Not needed, Treated water from BMC to be procured
STP
Office Expenses
Office Expenses
Office building - Manpower
Office building - Electricity
Capital Investment related
Insurance
*AMCs included from Day 1
AMCs - spares and consumables
DG Checks
DG Checks
Auditor expenses
Auditor - 100Rs/ member
Accounting charges
Other expenses
Miscellaneous + Liasoning
Margin (Cushion to cater for increase in minimum wages, fuel, taxes, etc., 0.5%)
Building painting cost
Clubhouse Management
Clubhouse Management
Total Expenditure (including taxes - 15%) - A
Property Tax for shops
Property Tax for common area
Property Tax for clubhouse
Property Tax per apartment/ month
PT heads - B
TOTAL CAM including service tax (C = A+B)

4 Understanding

Rustomjee Developers has won the 33-acre Abhyudaya Nagar redevelopment project in south Mumbai, worth Rs 5,000 crore, by getting the majority approval of 26 out of the 48 co-operative housing societies. The Abhyudaya Nagar redevelopment scheme is one of the biggest cluster redevelopment projects in Mumbai.

SUMMARY	
Fund per apartment is taken as	15 lakhs / apartment
Total no. of units	3,410
Total fund in crores, start point	512 crores
Inflation	4.96%
Rate of interest on FD say, 7% , 5% after tax	6.90%
Carpet Area considered, in Sq.ft	2,283,511
Maintenance Year 1 taken as	2021
Maintenance Year 10 taken as	2030
With inflation and interest earned, balance fund at the end of 10 years	486 crores
	14.2 lakhs / apartment

Note:

1. Inflation is considered at 4.96%
2. Interest will be earned through best available investment schemes in the market
3. The fund is inclusive of sinking fund
4. If due to unforeseen circumstances, the fund at the end of 10 years reduces to less than 10 lakhs/ apartment (i.e. less than 341 crores), Developer will fund the difference amount and give the startup fund as 341 crores at the start of the 11th year before handing over.

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