Proposal for Construction Funding Against Profit Share

We propose to fund the construction of the project in exchange for a thirty percent share in the project profit. The profit share will be calculated on a basis that is frozen in advance, so both parties know the formula upfront and there is no ambiguity later. Construction will be executed by our contracting arm, ensuring speed and accountability sit with the same party that is funding the work.

Illustrative Example

Item	Value
Project cost	Rs. 100 crore
Construction cost	Rs. 40 crore
Approximate top line	Rs. 150 crore
Resulting profit	Rs. 50 crore
Our profit share at thirty percent	**Rs. 15 crore**

Funding and Execution Terms

We will underwrite the entire construction funding for the project. Work will not stop for a single day, provided all statutory and project approvals are in place on time, which remains the developer's responsibility.

If we delay construction against the predecided work schedule, we will pay a penalty of Rs. 2 lakh per day of delay. If the delay is caused by pending approvals on the developer's side, the same penalty of Rs. 2 lakh per day will apply to the developer instead. In either case, these penalty amounts will be kept outside the profit calculation for the project.

As sales happen, forty percent of all sales revenue will be transferred towards construction bills. Any gap between what is collected and what is due for construction will be funded by us. This gap funding will carry an interest cost of six percent per annum, computed on a banking basis for ease of calculation.

We believe this structure aligns incentives cleanly. Our funding return depends on the project moving without delay, our contracting arm executes the work directly, and both sides carry a clear and equal penalty if timelines slip on their end.