

October 09, 2014

## CARE ASSIGNS 'CARE BB+' RATING TO THE NCD OF STERLING GATED COMMUNITY PVT LTD

**Ratings**

Facilities	Amount (Rs. crore)	Ratings <sup>1</sup>	Remarks
Proposed Non-Convertible Debentures (NCDs)	60	CARE BB+ [Double B plus]	Assigned
<b>Total Facilities</b>	<b>60</b>		

**Rating Rationale**

The rating assigned to the proposed NCDs of Sterling Gated Community Pvt Ltd (SGCPL) are tempered by high project execution risk as the project is at a very nascent stage, apart from moderate dependency on customer advances.

The rating, however, derives strength from the promoter's extensive experience in the real estate industry and favorable location of the project.

The ability of the company to obtain requisite approvals on-time and mobilize the required customer advances for the project constitute the key rating sensitivities.

**Background**

Sterling Gated Community Pvt Ltd. is a special purpose vehicle (SPV) formed by Mr Ramani Sastri and Mr Shankar Sastri, who have more than 30 years of experience in developing real estate projects in Bangalore and are the founders of Sterling group.

SGPCL is developing a real estate apartment project in Whitefield, Bangalore. The project is a residential project with total 147 units of 3-BHK and 4-BHK configurations, planned over a part of larger land parcel owned by SGPCL's associate company, Sterling Urban development Pvt Ltd (SUDPL). The project, which is in a pre-approval stage, is a Joint Development with SUDPL as the land owner (25% share in total revenue) and with SGCPL as the developer (75% share in total revenue). The remaining land of SUDPL is being developed as Villa Grande project comprising of total 243 villas with Phase-I completed and Phase-II ongoing.

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<sup>1</sup> Complete definition of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE publications

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