



December, 2016

Aloha

by Cubatic Shimul Ventures Pvt. Ltd.



Rated Bengaluru 4-Star by CARE Ratings

Project Star Rating Rationale

- Project developer quality**

Project Aloha is developed by Cubatic Shimul Ventures Pvt. Ltd. (CSVPL), which is a SPV floated by Cubatic Ventures Pvt. Ltd., Shimul Nirman Pvt. Ltd. and Arthveda Fund Management Pvt. Ltd. (a DHFL company) holding 24.5%, 24.5% and 51% stake respectively. The land is owned by AMR India Ltd. who has clear and marketable title ownership of the land parcel. Although the project is its first development initiative of CSVPL, it draws strength from the Arthveda and DHFL's experience in real estate development and investment experience in the sector.
- Project construction quality and amenities**

Aloha is a premium residential project at Jalahalli, Bengaluru, spread over the land area admeasuring 1.77 acres. The various contractors appointed for the execution of the project have adequate track record of experience. Acme Consultants Pvt. Ltd., appointed as Structural Consultants for the project, is recognized structural design and civil engineering consulting organization. Aslam Architect and Interior Designs Pvt. Ltd. is the architect for the project, which to its credit has worked on more than 300 projects. Lekhana Buildtech Pvt. Ltd. is the civil contractor for the project. The present project is the 5th residential project for the Lekhana Buildtech and has constructed cumulative area of 25 lsf. Malik Design studio is landscape consulting firm for the project whereas Canny Consultants and Canny Infratech Pvt. Ltd. are appointed as MEP consultants and MEP supply & installations for the project.

Daily monitoring of civil works is done through MS Projects. At the end of the day, daily progress report is sent to MD. On monthly basis, the construction status and sales reports are sent to Arthveda, who also independently monitors the development work and sales progress.

Further the project has good amenities and recreational facilities including club house, swimming pool, jogging track etc.
- Project legal quality**

Land title is clear and marketable (title search done by I M Devaiah and Associates for period of 50 years from April 1962 to August 2013). Encumbrance certificates for the period April 1, 2010 to July 11, 2014 and from April 1, 2014 to March 10, 2015 shows the land belongs to AMR India Ltd. and entered into JDA with CSVPL on September 21, 2013.

All approvals viz. Local Development Authority plan approval, Height clearance, High rise NOC, Environment clearance etc. have been obtained by the developer.

As per BBMP guidelines, the allowed FSI for the project is only 2.25 with 40' road. But the company purchased TDRs which allowed it additional 60% of allowed FSI i.e. 1.35 (Total FSI: 3.60)
- Project financial quality in light of time and cost overruns**

Initially, the project was scheduled to be completed by June 30, 2017. However, the project has witnessed delays with completion date being revised to December 31, 2017 on account of slow construction progress. With 42% of construction progress (58% in total) since project launch in April 2014, execution risk remains. Due to delays in project construction, the total project cost is expected to be higher than envisaged initially. Though the company is estimating that construction cost will remain same, increase in cost is estimated due to increase in administration cost and EMI cost (due to company's offering to pay customers' EMIs till possession date). The project has high dependence on customer advances, nevertheless the project being promoted by Arthveda Fund Management Pvt. Ltd., an associate company of DHFL Group which enables adequate financial flexibility during stressed scenarios. Also the satisfactory booking of ~68% (on company's share of saleable area), provides comfort over the reliance on customer advance.

Project Profile

Project Name	Aloha
Project Type	Residential
Project Location	Jalahalli, Bengaluru
Development type	Joint Development Agreement (JDA)
Project Start Date	April 2014
Scheduled Project Completion Date	December 31, 2017 (revised from earlier date of June 30, 2017)

Agreed upon Possession to the customer	December 31, 2017 (revised from earlier date of June 30, 2017)
Total Saleable Area	3.02 Isf (Company's share- 1.96 Isf)
Construction Status as on December 13, 2016	<ul style="list-style-type: none"> • Tower A&B- 12th floor (out of 14) slab work completed • Tower C&D- 11th floor (out of 14) slab work completed.

Project Developer Profile

Name of the company developing the project	Cubatic Shimul Ventures Pvt. Ltd.
Project developer group	Cubatic
Development Experience of the developer group	Aloha is the first project of the developer
No. of years in the industry	2 years
No. of projects developed till date	Nil
Total Area developed till date	Nil
No of ongoing projects	One

Project Developer

Cubatic Ventures Pvt. Ltd. (CVPL), developer of the project, is promoted by Mr. T S Babu in the year 2013. Mr. T S Babu has more than 32 years of experience in real estate & infrastructure industry and to his credit has been involved in execution of more than 50 projects while working for various companies. Though, Aloha is the first project of the developer, it has been ably supported by Arthveda, which has in house team of civil engineers and architectures which monitors the ongoing construction work schedule, type of the material used etc. Arthveda has track record of successfully exiting from 8 real estate projects with an IRR ranging from 20%-45%. Further, being part of DHFL group, it draws financial strength from its promoters.

Project Details

The project consists of 198 units (approved by Bangalore Development Authority) of 2BHK, 3BHK and Penthouse residential apartments to be built in 4 towers of 2 basement+Ground+14 floors each. Project is developed as JDA with AMR India Ltd., owner of the land. The project is located near to the Outer Ring Road & New BEL Road in Jalahalli which is considered as the Green Belt of Bengaluru. Jalahalli Metro Station is around 4 km and Yeshwanthpur railway station is 5 km from the project. The project will also house swimming pool, basketball and tennis courts, jogging track etc. Project design is in conformance with seismic zone II requirements.

Highlights of the project

- o Power back up: 100% DG Power Backup for all common areas, amenities and apartments except ACs and Power sockets.
- o Security provision: CCTV cameras would be installed near:
 - The main entrance & exit.
 - Stilt Peripheral all around the building.
 - Lower, Upper basement & Stilt Entrance/Exit regions such as staircase, ramp & Lift.
 - Amenities blocks such as Gym, Lobby, Terrace Garden, etc.
 - Monitoring of all cameras would be done in Electronics room (Upper basement).
 - Apart from CCTV, Telephone point provision would be provided near security rooms, Lobby & flats, which enhances security system.
 - Data Point & Power would be provided in security rooms for provision of boom barrier system.
- o Recreation Facilities: Gym, Swimming Pool, Play Courts, Park/ Play area
- o Fire Safety mechanism/provisions available:
 - Lower Basement, Upper Basement & stilt floors would be provided with fire sprinklers systems.
 - All the floors in each block would be provided with fire hose reel.
 - All the floors would be provided with MCP with hooter (hooter which acts as speaker for talk back). In case of hazard any person can intimate through MCP & Fire alarm panel which will integrate to PA panel that will announce at that particular floor for evacuation.
 - Telephone point would be provided in all floors near staircase & Fire man telephone handset will be provided in stilt floor near staircase. In case of any fire hazard at typical floor, this handset would be carried by fire man

and plug in at that respective floor for communication purpose.

- o Fire alarm & PA panel would be located in Electronics room at upper basement.
- o Elevators: Automatic Passenger Lifts with V3F Technology
- o For rain water harvesting, around 10 harvesting pits are provided in premises for water percolation.
- o Car Parking:

Total Car Parks	237
Open Area Car Parks	-
Stilt Area Car Parks	237
Average Car Parks per Unit	1.2

- o Building foundation technique
 - Foundation system of the project consists of Raft foundations and Individual Footings. Based on the soil report, foundations are designed for a Safe Bearing Capacity of 30 T/m². Footings are designed in majority as Raft foundations with pedestals up to lower basement level. The footings are designed for total allowable settlement of 40 mm. All the necessary checks are made as per IS 456-2000, IS 2950 (Part I).
 - The project has RCC framed structure to withstand wind and seismic loads for Zone 2, with solid block masonry walls with 12mm thick single coat cement plaster. External walls 20 mm double coat sand faced cement plaster. Ceiling 6mm single coat cement plaster.

Details of contractors

S No	Particulars	Remarks
1	Structural Consultants	Acme Consultants Pvt. Ltd. (Acme) is the structural consultant for the project. Acme, established in 1963, is specialized in the areas of design, civil and structural engineering, planning, environmental engineering, transportation engineering and project management services. Some of its prestigious clients include RBI, State Bank Group, ISRO, ONGC, Ministry of Forest and Environment (GOI), IIT Kharagpur etc.
2	Architects	Aslam Architect and Interior Designs Pvt. Ltd. (AAIDPL) is the architect for the project. AAIDPL, headquartered in Bengaluru, was established in 1993 and is into providing architecture, master planning, interior design, space planning and on-site project management. Since inception company has worked on more than 300 number of projects.
3	Civil Engineers	Lekhana Buildtech Pvt. Ltd. is the civil contractor for the project. Incorporated in 2007, the present project is the 5th residential project for the company and has constructed cumulative area of 25 Isf.
4	Landscape Consultants	Malik Design studio (MDS) is Landscape consulting firm for the project. MDS is a landscape architecture firm providing collaborative design and management services. Since its establishment in 2005, firm has handled more than 60 projects of similar nature.
5	MEP Consultants	Canny Consultants
6	MEP Supply and Installation	Canny Infra Tech Pvt. Ltd.

Project Legal Status

The entire land parcel of 1.77 acres is owned by Ms AMR India Ltd. who has clear and marketable title ownership of the land parcels as per the title search done for 50 years (April 1962 to August 2013) by I M Devaiah and Associates (advocate). Two Encumbrance certificates for the period April 1, 2010 to July 11, 2014 and from April 1, 2014 to March 10, 2015, shows the land belongs to AMR India Ltd. and entered into JDA with CSVPL on September 21, 2013.

Project Approvals

No.	Particulars	Received
1	Local Development Authority plan approval	December 15, 2014
2	NOC from Pollution Control Board	December 23, 2013
3	NOC from Fire Department	April 11, 2014
4	NOC from BSNL	November 18, 2013
5	NOC from Electricity board	December 3, 2013
6	NOC from Water Supply and Sewerage Board	May 28, 2014
7	Height Clearance	December 18, 2013
8	High Rise NOC	September 9, 2014
9	Environment clearance	March 5, 2015

The allowed FSI for the project is only 2.25 with 40' road. But the company purchased TDRs which allowed it additional 60% of allowed FSI i.e. 1.35 (Total FSI: 3.60)

Key features of sale agreement:

- Details of ownership and specifications of land are discussed in detail.
- Date of possession in the latest agreement has been clearly specified as December 2017.
- Unit number of the apartment with its block and wing along with the floor location, super built up area and the car parks is mentioned for clear identification.
- Construction linked payment schedule provided in the agreement.
- Penalties on buyers – Agreement specifies 18% p.a. interest for delays in payment. Further, if purchaser default in taking possession, it shall be liable to pay Rs. 5 per sq. ft. of super built up area per month.
- Details pertaining to maintenance charges are discussed in detail.
- The price of the flat is fixed in the agreement.
- Clear description of cancellation terms provided in the agreement.
- Penalty on developer in case of giving delayed possession not mentioned.
- Defect liability period not mentioned in the agreement.
- Developer's right to terminate the project and recourse to the buyers not mentioned.

Project Financial Status

- The project cost of Rs. 82.6 crore (revised from Rs. 73 crore) is proposed to be funded out of customer advance of Rs. 66.1 crore and equity of Rs. 16.5 crore.
- As on September 30, 2016, the project has already incurred a cost of Rs. 48 crore, funded with customer advance of Rs. 31.6 crore and equity of Rs.16.5 crore. Of the Rs. 48 crore cost incurred, Rs. 22 crore pertains to construction cost, Rs. 16.2 crore as TDR cost and the balance Rs. 9.8 crore towards other expenses.
- As on September 30, 2016, the project had a booking of ~68% (on company's saleable area) and the balance customer advance available from the sold inventory is Rs. 24.7 crore as against the balance construction cost to be incurred of Rs. 29.4 crore.

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Project Photographs as on December 13, 2016

Front view of site



Block A & B



Block C & D



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