



March 2016

# The Gran Carmen Address

by India Build Villas Development Pvt Ltd



Rated Bengaluru 6-Star By CARE Ratings

## Project Star Rating Rationale

- *Project developer quality*

The Gran Carmen Address (TGCA) is being developed by Piramal Fund Management Pvt Ltd (PFMPL), which is the private equity investment arm of the Piramal Group and one of the country's largest real estate funds. PFMPL has constituted a special purpose vehicle (SPV), India Build Villas Development Pvt Ltd (IBDL) for the execution of TGCA. Although the project is the first development initiative of PFMPL, the project draws strength from the Piramal group's experience in real estate development and its own investment experience in the sector.

- *Project construction quality and amenities*

TGCA is a premium residential villas project located at Sarjapur Road, Bangalore. The various contractors appointed for the execution of the project have adequate track record of experience. Vintech Consultants (VC) has been appointed as Structural Consultants for the project, which is a nationally recognized structural design and civil engineering consulting organization. Morphogenesis is the architect for the project, which is a Delhi-based organization globally recognized for its architectural designs. Cicon Engineers Private Limited (Cicon) is the civil construction contractors for the project. Cicon has been in the construction business for more than 23 years. DTZ Project Management and Building Consultancy (DTZ) is the project management consultant for the project. DTZ is global property services provider and has a long track record, since their origin in England in the 18th century.

Furthermore, the project has good amenities and recreational facilities including a 30,000 sq. ft. club house, short course Olympic size swimming pool, fully equipped gymnasium, spa, etc.

- *Project legal quality*

The title of the project land area of about 13.3 acres is clear and marketable as per the title search done for 30 years (title search was done by Mr Jayant M. Pattanshetti-Advocate). The project comprised 109 units of 3, 4 and 5 BHK Villas and a 30,000 sq. ft. club house which was earlier planned to be built on 11.3 acres of land. The company, however, submitted a revised development plan adding another 2 acres of land to the project layout to make it a contiguous land parcel of 13.3 acres with the club house located in the front portion (road facing) of the project layout instead of the earlier approval in the back yard. Also, in the revised plan the balance 11 units were shifted to back portion of the layout from their current location earmarked in the front. The approval for the same was received from Bangalore Development Authority (BDA) dated November 14, 2014. The construction work has since started and all the units have been opened for sale.

All statutory approvals including environment clearance, consent to establish from the State Pollution Control Board are in place for the entire land parcel of 13.3 acres. The project has a maximum permissible FSI of 3.00; however, the developer plans to utilize 0.72.

- *Project financial quality*

The project has high dependence on customer advances. However, the risk is mitigated substantially with 70% of the saleable area already booked for the value of Rs. 139.50 crore as on September 30, 2015, as against customer advances of Rs. 124 crore required for the construction. The company has already received Rs. 93.30 crore as on September 30, 2015. Moreover, the project being promoted by PFMPL, a private equity investment arm of the Piramal group enables adequate financial flexibility during stressed scenarios.

## Project Profile

Project Name	The Gran Carmen Address (TGCA)
Project Type	Residential Villas
Project Location	Sarjapur Road, Bangalore
Development type	Joint Development
Project Start Date	August 2013
Scheduled Project Completion Date	December 2015 (The project is its final stage and as per the Architect's certificate dated December 2015, the project is nearing completion.)
Agreed upon Possession to the customer	30 months from receiving commencement certificate plus three months grace period.
Total Saleable Area	2.82 Isf (developer's share under the JDA)
Construction Status	The project is in the final stage and work related to club house is going on at present while the finishing work of interiors is going on in villas. 3.70 Isf has already been developed of the total 4.22 Isf available for sale.

## Project Developer Profile

Name of the company developing the project	Piramal Fund Management Pvt Ltd (under a SPV India BuildVillas Development Pvt Ltd)
Project developer group	Piramal group
Development Experience of the developer group	4 years under its real estate development arm Piramal Realty and couple of projects by the group prior to that
No. of years in the industry	Same as above
No. of projects developed till date	2 projects by Piramal group and another 20 Isf developed by Piramal Realty
Total Area developed till date	More than 30 Isf
No of ongoing projects	Various projects under development predominantly in Mumbai

## Project Developer

PFMPL initiated in 2006 for real estate asset management is 100% held by Piramal Capital, the financial services company of Piramal Enterprises Ltd (PEL), the flag ship company of the Piramal group. The Piramal group is a global business conglomerate with interest across pharmaceutical, specialty glass, real estate and financial services. PFMPL has investments across various real estate projects in Mumbai, NCR, Bangalore, Hyderabad and Chennai. PFMPL has ventured into real estate development initiative under a brand 'The Address Makers' and TGCA is the first project under it.

PFMPL draws strength from the Piramal group's experience in real estate development which has developed one of the first shopping malls in India, Crossroads in South Mumbai and commercial space Peninsula Corporate Park. The Piramal group re-launched real estate development in 2010 under Piramal Realty headed by Mr Khushru Jijina, the Managing Director (MD), who has over 20 years of experience in real estate industry. Under Mr Jijina's leadership, Piramal Realty has so far completed over 20 Isf of built-up area and has a strong pipe line of 200 Isf of real estate project under development in Mumbai. Mr Jijina is one of the founding members of PFMPL and currently acts as its MD.

## Project Details

The project is located on the Sarjapur road, approximately 2.5 km further ahead of Wipro Corporate office towards Sarjapur. This is one of the prime development areas in Bangalore. The site has good road connectivity. Proximity includes rail way station (0.5 km), international schools, IT parks and shopping malls. The project proposes over 70% green space sans vehicular movement in the podium. The project consists of 109 units (approved by Bangalore Development Authority) of 3, 4 and 5 bhk villas and duplex and a 30,000 sq.ft club house with all modern amenities. The project also proposes to have rain water harvesting, 100% power back up, double layer security protection with closed-circuit television (CCTV) surveillance.

TGCA is designed in conformance with seismic zone II requirements as Bangalore falls under that category described as low to moderate activity zone.

TGCA project has been pre-certified, 'IBGC Green Homes Platinum Rating' by Indian Green Building Council. This is the highest rating on the scale of four. The rating is based on features of the proposed project including energy saving, water saving, wind circulation and other parameters.

### **Highlights of the Project**

- o Short course Olympic size Swimming Poolo Lawn areas and club house
- o Sports amenities like tennis, squash, badminton, table tennis and basketball court etc.
- o Jogging track
- o Gymnasium and spa with steam, sauna and Jacuzzi facilities
- o Toddlers play area
- o CCTV, Video Doorbell System, intercom facility and 24/7 Security guard
- o 100% Power back up
- o Rainwater harvesting plant
- o Sewerage treatment Plant
- o Solar heating systems
- o Approximately 2 car parking space per unit
- o 70% green space and no vehicular movement in podium

### **Current status of the project**

The project is in the final stage and work related to club house is going on at present while the finishing work of interiors is going on in villas. As the project is in final stage, the company has not applied for the completion certificate and is expected to apply for the same after completion of the project.

As per the Architect's certificate dated December 2015, the project is nearing completion.

*Brief particulars about various contractors is as follows –*

I. Architects,

Morphogenesis based in Delhi is globally recognized and ranked amongst the top 100 architectural design firms worldwide by Building Design UBM (UK) in its WA100, 2013.

Amongst other accolades Morphogenesis won Indian Institute of Architects Award for Excellence in Architecture, Seal of Distinction, Cityscape Awards, emerging markets (Dubai), International Design Awards, Architecture (USA), etc.

Some of the prestigious projects for which Morphogenesis has provided architectural design are The Uttorayon Township (Siliguri), The Renaissance Township (Burdwan), Paras Tiera (Greater Noida), Aurora (Coimbatore), The Siolim Villas (Goa), etc.

II. Structural consultants

Vintech Consultants (VC) is a nationally recognized Structural Design and Civil Engineering consulting organization. VC founded in 1988 by Dr Vinod Jain Ph.D (Structures) from IIT Delhi is a ISO 9001:2008 accredited company for its structural design and structural proof consultancy services. They have successfully completed more than 500 structures.

VC is involved in land mark projects such as Shipra Suncity, Regalia Heights, Windsor Park and Aditya Mega City in Ghaziabad, Carlton Estate in Gurgaon, Green Valley in Faridabad, NRI City I & II in Greater Noida amongst others.

### III. Civil engineers

Cicon Engineers Private Limited (Cicon) has been in the construction business for more than 23 years. Some of the key projects executed by Cicon include Shreyas Resort for Inner Challenges Pvt Ltd (Bangalore), School for Ashok Leyland (Hosur), Factory building for Pierburg India Pvt Ltd (Pune), etc.

### IV. Project Management consultant

DTZ Project Management and Building Consultancy (DTZ) is global property services provider having a long track record, since their inception in England since 18th century. DTZ now has a worldwide presence with foothold in 208 cities across 52 countries. DTZ has managed more than 11 msf of projects across India in the last 5 years.

### V. Land scape consultant

Stantec Consulting Pvt Ltd (Stantec) is an ISO 9001:2008 certified company head-quartered in Ahmedabad. Stantec is involved in wide gamut of services from land scape architecture, design, civil engineering, structural engineering, construction services, etc. Land mark projects of Stantec include JSW World headquarters (Mumbai), Eden Garden Cricket Stadium (Kolkatta), Dholera Special Investment Region Development Authority's Town planning development of over 150 sq. km, Shiv Nadar University, etc.

## Project legal status

- The entire land parcel of 13.3 acres is owned by M/s P R Properties and Mr K.V.Prasad who have clear and marketable title ownership of the land parcels as per the title search done for 30 years by Mr Jayant M. Pattanshetti (advocate). IBDL has entered into a joint development agreement (JDA) and sharing agreement (SA) with the land owners. As per the agreements IBDL gets a saleable area of 2.82 Isf (74 units) of the total saleable area of 4.22 Isf (109 units)
- The current BDA approved development plan is on 13.3 acres of this land parcel, with 109 units of Villas and 30,000 sq. ft. club house.
- The sale and construction agreements are elaborate detailing the carpet area, identification of the unit (Villa), construction linked payment schedule, penalties on the buyers for delays in payment and penalties on developer for delays in possession, defect liability period, details pertaining to rights for usage of common area and maintenance charges. However, it does not mention a fixed date of possession and no termination option/clause for buyers on account of delays in project completion by the developer beyond agreed possession date.

## Project financial status

- The project cost of Rs.149 crore is proposed to be funded by customer advances of Rs.124 crore and debt of Rs.25 crore. The debt component of the project is already tied up.
- As on September 30, 2015, the project had already incurred cost of Rs.111.40 crore, funded with customer advance of Rs.93.30 crore and debt of Rs.18.10 crore. Of the Rs.111.40 crore cost incurred, Rs.90.10 crore pertains to construction cost, Rs.3.30 crore pertains to interest cost, Rs.9.00 crore as non-refundable deposits for land and the balance Rs.9.00 crore is a refundable deposit of land to be repaid by the land owners post possession of their share of units on project completion.
- As on September 30, 2015, the project had a booking of ~70% and the balance customer advance available from the sold inventory is Rs.46.20 crore as against the balance construction cost to be incurred of Rs.45.20 crore.

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#### **Disclaimer**

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**Project Photographs As on January 8, 2016**



## About CARE Ratings

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CARE Ratings provides ratings in the financial sector, infrastructure sector, corporates, public finance and MSME spaces. Under its umbrella of grading services, CARE Ratings carries out grading of IPOs, assesses financial strength of shipyards, grades various courses of Educational institutions and provides grading services to Energy service companies (ESCO), Renewable energy service companies (RESCO), Real estate projects, Maritime training institutes. CARE Ratings also provides equity grading for listed entities. CARE Ratings has recently begun its Valuation Services and offers valuation of equity, debt instruments and market linked debentures (also with embedded complex options). CARE Ratings is committed towards maintaining high standards of professional quality and integrity. To address any conflict of interest, CARE Ratings has always had an external ratings committee since its inception comprising a majority of independent members. Ratings are finally decided by this expert committee. CARE Ratings has recently partnered with four other domestic credit rating agencies in Brazil, Malaysia, Portugal and South Africa, to form an international credit rating agency called ARC Ratings.

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