



March 2014

# Mahagun Mezzaria

by Nexgen Infracon Limited

Rated NCR 6-Star By CARE Ratings

## Project Star Rating Rationale

- Project developer quality*

Mahagun group is promoted by Mr PK Jain, chairman, who has an experience of more than 40 years in the infrastructure industry. Development of residential real estate constitutes the core focus area of business activities of Mahagun. The group has already completed construction of about 67 lakh sq ft of residential and commercial real estate in Delhi-NCR and currently has projects involving development of approximately 114.5 lakh sq ft in hand. In addition, the group had delivered the possession of about 3,000 residential dwelling units to its customers, whereas more than 10,000 units are currently under delivery/execution. The group has also constructed a shopping mall and has already completed the construction of a five-star hotel in Delhi, which is running under the name of 'Park Plaza'. As such, the group has adequate experience in this line of business.

- Project construction quality and amenities*

This residential project is located at Sector 78, Noida. The company has tied up with experienced consultants like JMC Projects Pvt Limited (civil construction) which has an experience of 32 years in this line of activity, M/s Optimum Design Consulting Engineers for managing the operations at the site, Hafeez Contractor (architect) and Mahimtura Consultants Pvt Ltd (structural consultants) for the project.

Apart from the basic necessities like water provision, power backup, car parking, the project has various amenities suited for premium living including a club house with facilities like gymnasium, swimming pool, tennis and badminton courts, billiards room, 24/7 security guard service, advanced fire fighting systems. Furthermore, there is a provision for rain water harvesting, sewage treatment plant and about 60% of the total area has been reserved for lawns, parks, open and landscaped greens.

- Project legal quality*

The land measuring 40,468 sq metres had been allotted to Nexgen Infracon Private Limited (NIPL) from New Okhla Industrial Development Authority (NOIDA) on leasehold basis for 90 years through a lease deed dated May 31, 2010. The company has its building plan and map approved for FAR of 2.88x from NOIDA (2.75x + additional 5% of green building), for the project "Mahagun Mezzaria" and comprises of seven towers with 700 flats.

- Project financial quality*

The total project cost of Rs.614.25 crore is likely to be funded through Rs.5 crore of equity, Rs.115 crore of debt and the rest through customer advances. The funding risk of the project is medium as the company has already achieved comfortable sales booking of 308 units being 8.24 lsf (40%) as on January 25, 2014 with sale value of Rs.396.45 crore, of which Rs.198.01 crore (50% of the sales) has already been received. Nevertheless, the high dependence on customer advances makes it imperative for the company to achieve sales progress as envisaged.

## Project Profile

Project Name	Mahagun Mezzaria
Project Type	Residential
Project Location	Sector 78, Noida (UP)
Development type	Leasehold land from NOIDA for 90 years
Project Start Date	September 2012
Scheduled Project Completion Date	March 2016

Agreed upon Possession to the customer	The developer proposes to deliver the residential unit within 48 months from the date of completion of raft.
Total Saleable Area	20.76 Isf
Construction Status	The development of project is at initial stage. As on January 25, 2014, the company has incurred 38% of its total construction cost. The construction for six towers is under process. As on January 25, 2014, while the construction has reached 4th floor for tower 4, 1st floor for tower 3 and ground floor casting work is in progress for other towers.

### Project Developer Profile

Name of the company developing the project	Nexgen Infracon Private Limited
Project developer group	Mahagun Group
Development Experience of the developer group	30
No. of years in the industry	>40
No. of projects developed till date	11
Total Area developed till date	67 Isf
No of ongoing projects	5

### Project Developer

The Mahagun group is promoted by Mr PK Jain, chairman, who has an experience of more than 40 years in the infrastructure industry. The development of residential real estate constitutes core focus area of business activities of Mahagun. The group primarily operating in the Delhi-NCR region has already delivered the possession of about 3,000 residential dwelling units to its customers, whereas more than 10,000 units are currently under delivery/ execution. The group has also constructed a shopping mall, comprising of shopping areas, food court, a 4-screen cineplex-running under the brand of 'PVR' Cinemas - and a service apartment hotel of 127 rooms being operated under the brand name of 'Mahagun Sarovar Portico'. Furthermore, the developer has already completed the construction of a five-star hotel in Delhi, which is running under the name of 'Park Plaza'.

The group is managed by experienced professionals from diverse backgrounds. Mr PK Jain, chairman (Emeritus) has an experience of more than 40 years in the infrastructure industry. He looks after the day to day operations of the group and is supported by an experienced management team comprising of Mr Dhiraj Jain (director, with 16 years of experience), Mr Amit Jain (director, with 16 years of experience), Mr TK Peer (group CFO, with 30 years of experience), Mr Sanjay Varshney (senior VP - construction, with 23 years of experience), Mr SC Sharma (VP - commercial, with 30 years of experience), Mr SK Gupta (VP - construction, with 28 years of experience) amongst many others.

### Project Details

The project Mahagun Mezzaria is a premium group housing project located at Sector 78-Noida, spread over a land measuring 10 acres. The company has plans to develop the entire project in a single phase comprising of 7 towers with 700 flats having a saleable area of 20.76 Isf. The project is scheduled to be completed by March 2016.

The project is located in the city of Noida which falls within the National Capital Region of India's capital New Delhi. The project is in close proximity of the already developed townships/projects like Gaur Grandeur, Amrapali Platinum, Amrapali Zodiac, Eldeco Amantrum, etc. The land is a 4-side open plot with a green belt area of 45 metres all around. The project is located at a distance of approximately 4 km from nearest metro station (Noida City Centre metro station), 4-5 km from Fortis Hospital, 3-4 km from Dadri Road and around 7-8 km from Noida Expressway. Also, the project neighbourhood area provides decent connectivity to adjoining schools, hospitals and commercial areas.

The project has been designed in conformance with seismic zone IV requirements, as required in the area.

### Highlights of the Project

- ☐ Designed by internationally renowned architect Hafeez Contractor
- ☐ Double height living rooms in each apartment with attached double height balcony
- ☐ Solar power lightening in landscaped and open areas
- ☐ 3-4 passenger lifts and one service lift for each block
- ☐ Air conditioned apartments, with energy efficient VRV/VRF system, excluding kitchen, toilet
- ☐ Rain Water harvesting system to recharge aquifer, and use of treated water from STP for flushing and horticulture.
- ☐ Requisite power back up of 250 KVA for running lifts, tube well, water pump and common areas. The power backup is also provided for each flat (on payment basis)
- ☐ 60% of the total land area as green area.
- ☐ Advanced fire fighting systems with water sprinklers, smoke detectors, fire doors, staircase, etc.

### Current status of the project

Particulars	Remarks
Tower 1	Raft, 2 Basements completed, Ground floor slabs about to be completed
Tower 2	Raft, 2 Basements completed, Ground floor slabs completed
Tower 3	Raft, 2 Basements completed, First floor slabs completed
Tower 4	Raft, 2 Basements completed, Fourth floor slabs completed
Tower 5	Raft, 2 Basements completed, Ground floor slabs completed
Tower 6	Raft, 2 Basements completed, Ground floor work started

The development of the project is at an initial stage. As on January 25, 2014, the company has incurred 38% of its total construction cost.

Brief particulars about various contractors is as follows –

#### 1. Architects

The company has hired are Hafeez Contractor (HC) for providing consultancy for the overall layout and design of the project. HC has an experience of over 35 years and has been successfully providing consultancy in the field of architecture and has successfully executed projects of various nature like group housing schemes, apartments, residences, commercial complexes, hospitals, airports, railway stations, etc. The same are also associated with the Mahagun Group for the last two years.

#### 2. Structural consultants and civil engineers

The structural consultants of the project are M/s Mahimtura Consultants Pvt Ltd (MCPL). MCPL has an experience of 57 years and the same are associated with the Mahagun group for the last 10 years.

#### 3. Civil engineers

The civil work is being handled by JMC Projects Pvt Ltd (JMCP). JMCP has an experience of 32 years and has successfully executed projects of DMRC, CPWD Commonwealth games division, Software complex of Infosys, Bangalore etc. However, this is the first project with the Mahagun group.

### Project management

The company has hired M/s Optimum Design Consulting Engineers (ODCE) to manage the entire project at the site. Having

an experience of 21 years, ODCE had been associated with various reputed projects in and around Delhi NCR, primarily of groups like Gaur, Prateek, Supertech, Ajnara, etc. Apart from managing the entire operations, the company also regularly provides details regarding the raw material procurement, usage, requirement, etc on a regular basis to the management.

Also, the raw material procurement (cement and steel) and labour contracts are managed by the promoters themselves and are done through local labour contractors. The project uses a combination of column along with Raft foundation technique. Moreover, the MIS is prepared by each department every month. The key reports are reviewed by the head of departments. Further, these reports are shared with the top management on monthly basis.

### **Project legal status**

The land measuring 40,468 sq metres had been allotted to Nexgen Infracon Private Limited (NIPL) from NOIDA on leasehold basis for 90 years through a lease deed dated May 31, 2010.

The company has its building plan and map approved for FAR of 2.88x from NOIDA, which corresponds to “Mahagun Mezzaria” and comprises of seven towers with 700 Flats.

### **Key features of sale agreement**

The buyer agreement has been drafted and executed between developer and buyer. The buyer agreement provides details of possession timeline, key deliverables, payment schedule, penalty on buyer and seller, cancellation terms and maintenance terms among other details.

### **Project financial status**

The total project cost of Rs.614.25 crore is likely to be funded through Rs.5.00 crore of equity, Rs.115.00 crore of debt and the rest through customer advances. The company has achieved comfortable sales booking of 308 units and 8.24 lsf (40%) as on January 25, 2014 with a sale value of Rs.396.45 crore. Also, the company has already received Rs.198.01 crore (50% of the sales) as on January 25, 2014, thereby indicating reasonable collection progress. Nevertheless, with high dependence on customer advances, the sale of the remaining inventory as envisaged and the timely collection of customer advances would be important for completing the project in a timely manner.

Also, the execution of the project is still in the initial stages with Rs.224.24 crore of cost incurred (36.5%), funded through Rs.5.00 crore of the promoters' funds, Rs.75 crore of debt and the rest through customer advances.

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**Project Photographs as on February 12, 2014**



*Tower 1:- Raft, 2 Basements completed, Ground floor slabs about to be completed*



*Tower 2:- Raft, 2 Basements completed, Ground floor slabs completed*



*Tower 3:- Raft, 2 Basements completed, first floor slabs completed*



*Tower 4:- Raft, 2 Basements completed, fourth floor slabs completed*



*Tower 5 :- Raft, 2 Basements completed, Ground floor slabs completed*



*Tower 6:- Raft, 2 Basements completed, Ground floor work started*

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