



April 2015



Mahagun Mezzaria

by Nexgen Infracon Limited

Rated NCR 5-Star By CARE Ratings

Project Star Rating Rationale

- *Project developer quality*

Mahagun group is promoted by Mr. P.K. Jain, Chairman, who has an experience of more than 40 years in infrastructure industry. Development of residential real estate constitutes core focus area of business activities of Mahagun. The Group has already completed construction of about 73.65 lakh sq. ft. of residential and commercial real estate in Delhi NCR and currently has projects involving development of approx. 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 firefighting 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.

In October 2013, National Green Tribunal (NGT) raised a 2002 National Wildlife Board (NWB) ruling to direct Noida Authority to stop construction within 10 km of the Okhla Bird Sanctuary. The final clearance has yet not been received and the final decision remains pending with Ministry of Environment and Forest. Till the final order comes the developer will not be able to issue completion certificates.

- *Project financial quality*

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 funding risk of the project is medium as the company has already achieved comfortable sales booking of 11.17 lsf (54%) as on January 31, 2015 with sale value of Rs. 566.98 crore, of which Rs.366.16 crore 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 (U.P)
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 advance stage.As on January 31, 2015, the company has incurred 63% of its total construction cost. The construction for all the seven towers is under process.As on January 31, 2015, the construction has progressed till 21st floor for tower 4, 15th floor for tower 1 & 5, 12th floor for tower 2 & 6 and 9th floor for tower 3.

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	73.65 Isf
No of ongoing projects	5

Project Developer

Mahagun group is promoted by Mr. P.K. Jain, Chairman, who has an experience of more than 40 years in infrastructure industry. Development of residential real estate constitutes core focus area of business activities of Mahagun. The Group primarily operating in 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'. Further, 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. P.K. Jain, Chairman (Emeritus) has an experience of more than 40 years in 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. T.K Peer (Group CFO, with 30 years of experience), Mr. Sanjay Varshney (Senior VP-Construction, with 23 years of experience), Mr. S.C. Sharma (VP- Commercial, with 30 years of experience), Mr. S.K. 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 admeasuring 10 acres. The company has plans to develop the entire project in a single phase with 700 Flats having 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 green belt area of 45 metres all around. The project is located at a distance of approximately 4 kms from nearest metro station (Noida City Centre metro station), 4-5 kms from Fortis Hospital, 3-4 kms from Dadri Road and around 7-8 kms 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	15th Floor slab completed, 9th Floor Brickwork completed
Tower 2	12th Floor slab completed, 2th Floor Brickwork completed
Tower 3	9th Floor slab completed, 6th Floor Brickwork completed
Tower 4	21st Floor slab under progress, 10th Floor Brickwork completed
Tower 5	15th Floor slab completed, 10th Floor Brickwork completed
Tower 6	11th Floor slab completed, 6th Floor Brickwork completed

The development of the project is at advance stage. As on January 31, 2015, the company has incurred 63% 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 2 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 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.

In October 2013, National Green Tribunal (NGT) raised a 2002 National Wildlife Board (NWB) ruling to direct Noida Authority to stop construction within 10 km of the Okhla Bird Sanctuary, asking the Centre to make fresh demarcations of the eco-sensitive zone around the sanctuary if necessary. As a result no housing project within a 10 km radius around the Okhla sanctuary has been awarded completion certificates by the authority.

In September, 2014, the Ministry of Environment and Forest (MoEF) has issued a draft notification earmarking 100 metres to 1.27 km from the Okhla Bird Sanctuary as an eco-sensitive zone, reducing it substantially from the 10 km area directed by NGT. The Centre’s draft of the redrawn eco-sensitive zone around the Okhla bird sanctuary doesn’t affect any realty project in the area. The ministry had invited comments and suggestions from the public for the next 60 days. All objections to the governments, draft order were filed and cleared within 60 days as stipulated. However, the final clearance has yet not been received and the final decision remains pending with MoEF. The developers are not issuing completion certificate as of now.

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 11.17 lsf (54%) as on January 31, 2015 with sale value of Rs.566.98 crore. Also, the company has already received Rs.366.16 crore as on January 31, 2015, 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 in the advance stages with Rs.368.02 crore of cost incurred, funded through Rs.75.00 crore of debt and the rest through customer advances.

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Project Photographs as on February 15, 2015



Tower 1:- 15th Floor slab completed, 9th Floor Brickwork completed



Tower 2:- 12th Floor slab completed, 2th Floor Brickwork completed



Tower 3:- 9th Floor slab completed, 6th Floor Brickwork completed



Tower 6:- 11th Floor slab completed, 6th Floor Brickwork completed

About CARE Ratings

Credit Analysis and Research Limited (CARE Ratings) commenced operations in April 1993 and over nearly two decades, it has established itself as the second-largest credit rating agency in India in terms of rating income. CARE Ratings offers a wide range of rating and grading services across a diverse range of instruments and industries. It has been rating debt instruments, bank loans & facilities and related obligations covering a wide range of sectors. Our client list includes banks, financial institutions, private sector companies, sub-sovereign entities, central public sector undertakings, small and medium enterprises (SMEs) and micro-finance institutions, among others. CARE Ratings has 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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