



April 2015

# Magahun Mirabella

by Golfgreen Infra Private 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 73.65.0 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*

The residential project is located at Sector 79, Noida. The company has tied up with experienced consultants for architecture, and structural planning. So far, the civil construction for the project is done by the company itself. The company has tied up with Hafeez Contractor and Mahimtura Consultants Pvt Ltd as architects and structural consultants of the project respectively. Both these companies have considerable experience and have been associated with many other similar size projects in and around Delhi NCR.

Apart from the basic necessities like water provision, power backup, car parking, the project has various amenities 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 around 40% of the total area has been reserved for lawns, parks, open and landscaped greens

- *Project legal quality*

Under the scheme of allotment for development of Sports city in Sector 78 & 79 Noida, New Okhla Industrial Development Authority (Lessor), executed lease of plot, measuring 80,000 sq.mts in favour of M/s Xanadu Realcon Pvt Ltd. (Lessee). Subsequent on approval of request by the Lessee, the Lessor approved the subdivision of area, and a tripartite lease deed of 20,000 sq. mts was executed between the Lessor, Lessee and M/s Golfgreen Infra Pvt Ltd. (sub-Lessee) through a sub-lease deed dated October 19, 2012.

The company has its building plan and map approved for FAR of 2.75x from NOIDA, which corresponds to "Mahagun Mirabella" and comprises of three towers with 488 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.253.37 crore is likely to be funded through Rs.15 crore of equity, Rs.35 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 4.32 lsf (47%) as on January 31, 2015 with sale value of Rs. 233.04 crore, of which Rs.132.18 crore as on January 31, 2015 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 Mirabella
Project Type	Residential
Project Location	Sector 79, Noida (U.P)
Development type	Leasehold land from NOIDA for 90 years
Project Start Date	December 2013
Scheduled Project Completion Date	March 2017
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	9.13 Isf
Construction Status	The development of project is at initial stage. As on January 31, 2015, the company has incurred 18 % of its total construction cost. The construction for all the three towers is under process. As on January 31, 2015, 1st floor slab for tower 1 is under progress, 2nd floor slab for Tower 2 is completed, and slab for 2nd floor is under progress in Tower 3.

## Project Developer Profile

Name of the company developing the project	Golfgreen Infra 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 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 Mirabella is a premium Group Housing Project located at Sector 79-Noida, spread over a land measuring 5 acres. The company has plans to develop the entire project in a single phase with 488 Flats having saleable area of 9.13 Isf. The project is scheduled to be completed by March 2017.

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 6 kms from Noida City Centre, 8 kms from Fortis Hospital, 4-5 kms from Dadri Road and around 10-13 kms from 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

- Roman/Neo Classical Architecture, Designed by internationally renowned Architect Hafeez Contractor.
- Zero surface parking except for visitors.
- Single Optical Fibre for Integrated TV, Telecom and networking services.
- Optimum utilization of natural daylight in each apartment with insulated roofs in each block for energy conservation.
- High performance building materials including low 'U' value glass and glazing for energy efficiency.
- 3 High Speed Elevators per tower.
- Gated Community with CCTV Surveillance at Entrance Lobbies at Ground Floor.
- Basic amenities including Gymnasium, Children's play area and Jogging track located within the project.
- Power back up for common area & power back up in apartments
- 40% 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	Slab for LB, UB and SF completed, slab for 1st under progress
Tower 2	Slab for 2nd floor completed
Tower 3	Slab for LB, UB and SF completed, slab for 1st under progress

The development of the project is at an initial stage. As on January 31, 2015, the company has incurred 18% of its total construction cost.

Brief particulars about various contractors is as follows –

#### 1. Architects

The company has hired 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

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

So far, the civil work is being handled by the company through its own team. The company will approach other contractors on need basis.

### Project management

So far, no project consultant is appointed by the company.

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

Under the scheme of allotment for development of Sports city in Sector 78 & 79 Noida, New Okhla Industrial Development Authority (Lessor), executed lease of plot, measuring 80,000 sq.mts in favour of M/s Xanadu Realcon Pvt Ltd. (Lessee). Subsequent on approval of request by the Lessee, the Lessor approved the subdivision of area, and a tripartite lease deed of 20,000 sq. mts was executed between the Lessor, Lessee and M/s Golfgreen Infra Pvt Ltd. (sub-Lessee) through a sub-lease deed dated October 19, 2012.

The company has its building plan and map approved for FAR of 2.75x from NOIDA, which corresponds to “Mahagun Mirabella” and comprises of three towers with 488 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.253.37 crore is likely to be funded through Rs.15 crore of equity, Rs.35 crore of debt and the rest through customer advances. The company has achieved comfortable sales booking of 4.32 lsf (47%) as on January 31, 2015 with sale value of Rs. 233.04 crore. Also, the company has already received Rs.132.18 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 still in the initial stages with Rs.90.12 crore of cost incurred (36% of the total cost), funded through Rs.73.94 crore of debt and the rest through customer advances. Therefore, as a significant portion of the project is still to be executed, the execution risk remains high.

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### Disclaimer

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**Project Photographs as on February 15, 2015**



Tower T1



Tower T2



## 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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