

Concerns and Issues relating to Project Mezzaria - Offer of Possession

From: Mezzaria Flat Buyers Welfare Association (mezzariafbwa@gmail.com)

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Date: Wednesday, 26 June 2019, 18:11 GMT+5:30



Contact us
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Date: 26th June 2019

To: Mr. Amit Jain

**Chairman -M/s Nexgen Infracon Pvt Ltd
Correnthum Towers
Sector-62, NOIDA. U.P**

Dear Sir,

Subject: Concerns and Issues relating to Project Mezzaria - Offer of Possession

You are aware that we are a registered Association of the buyers of flats in the project titled "Mahagun Mezzaria" (being developed by Nexgen Infracon Private Limited) and have close to 200 buyers as our members. We have also met you and your project teams on several occasions in the past.

We are pleased to see the project making progress towards completion. We have now been informed by several of our members that they have received a so called 2 page letter in the name of Offer of Possession without Statement of Accounts. Subsequently some members have received "Final Statement of Account" containing erroneous figures of amount due towards balance payable by a certain date. Also, 30 stamp papers have been asked for and the content of Agreements on these Stamp Papers not shared till date.

A study of these two documents and looking at the current state of project makes us feel very concerned and worried about the entire process that you are trying to follow before offering actual possession/ hand-over of the flats.

For the sake of clarity, the concerns of the members are stated as under:

1. Several of our members have written letters to your organization raising their concerns over the contents of your letter "Offer of Possession" but no specific response has been sent to the members from your end. For your ready reference, an e-mail written by one of our members 15 June 2019 is attached. We would request you to respond to all the buyers with specific answers to the issues raised by them.
2. Many of our members (buyers) have visited the site to see their flat after they received "Offer of Possession". Most have expressed disappointment at the quality / state of readiness (including common areas) and others have expressed disbelief and reported that their flats are far from ready. Members have shared their findings with association by sending dated photographs and some have also written to you in this regard. It is desirable that you address buyers concern as to how offer of possession has been made when flats and common areas are obviously not ready.
3. Further, on review of the Final Statement of Account as received by many members, several discrepancies and omissions have been noted.
4. We note that IFMS, Sinking Fund and other charges being collected on account of Maintenance are being demanded to be paid to Nexgen Infracon Pvt Ltd? These should be deposited in an escrow account and be used for maintenance purposes only. You may please take necessary steps in this regard and inform the

individual buyers for payment accordingly, as and when due so that these funds are utilised only for their intended purpose.

5. No charges for Club usage can be collected in advance. These need to be determined in a fair and transparent manner first and then collected on a month on month basis as per actual usage.
6. Common area maintenance should not be treated as a source of income for Mahagun / Nexgen Infracon. It is only reimbursement of actual cost incurred. Hence Mahagun must provide full details of computation of Maintenance Charges keeping in mind the following aspects:
 - Interest to be earned from IFMS, Sinking Fund;
 - Minimum one year warranty on all equipment. In case, warranty has expired due to delay on account of Mahagun, one year maintenance of all equipment must be to the account of Mahagun.
7. Maintenance to be charged on monthly basis only, instead of your demand of 24 months in advance. Further, there is no clarity on the start date for applicability of such dues.
8. If any customer has been offered free Maintenance for a certain period, Mahagun should bear that cost. Please confirm that such cost, including the deemed share of unsold flats is not loaded on to the flat buyers.
9. Please confirm that while computing maintenance cost, a minimum of one year warranty of all equipment from date of taking of actual possession has been taken into account.
10. Please provide the justification of charging the flat buyers a sum of Rs. 25 per sq. ft. for Farmers' Compensation and basis of the calculation. What is the total amount due toward Farmers' Compensation?
11. Please confirm that the Electricity supply from PVVNL to each buyer has been provisioned at no additional cost and not through Mahagun's single point supply. You are well aware that it is a mandatory requirement now.
12. We are surprised to see additional charges being demanded from some of the buyers in the name of "Unit Charge Revised Area Charges" which are applied for not only base sale charge but also on several other heads. In our meetings earlier, we had requested you to provide the justification of the increased area of the flat but same has not been done. We had expected that the super area of each flat would have decreased given that since launch of the project in the year 2011-12, the number of flats constructed has gone up significantly [from 570 to 718] by way of increased FAR, which should result in same services area to be spread over larger flat area. It is therefore surprising that despite no increase in carpet area, you have arbitrarily increased the saleable area.
13. During the visit of some of the buyers and also during our site meeting a few months ago, we were informed of appointment of a Quality Auditor who will be certifying the completion of each flat before hand-over. Kindly furnish the details of appointed Quality Auditor for us to satisfy ourselves with the firms competence and independence of the Quality Auditor's. Given that the Quality Auditor shall discharge his duties in a fiduciary capacity (since he shall owe duties to the buyers / members), please provide terms of the appointment and the scope of the verification to be carried out by such Quality Auditor.
14. We would expect that a copy of such report is provided to each buyer for their flat and only when they are satisfied, they should be asked to pay and take possession. The buyers at their option also reserve the right to appoint an auditor to carry out independent quality check to ensure that the flat and related support services and facilities are built as per minimum standards stated in the Agreement. Please note that similar orders have been passed by NCDRC in a recent judgement. Please confirm that that your team will extend full cooperation in this regard.
15. Any payment due on possession shall be made only when the flat is ready for possession / handover duly complete in every respect.
16. In your final statement of account, there is no mention of credit due for delay in delivery of flats. During the visits of buyers to your office and calls to your executives, they have been given inconsistent information, the most common being, that Nexgen Infracon shall pay back the penalty after receiving full payment as demanded. You must make your position clear for each case and advise the credit due with calculations thereof before demanding any sum from the buyers.
17. Many buyers have also noticed a significantly high amount of interest charged in the final statement of account but no details of its calculations have been provided. This is as shocking to the buyers as to us. We wonder why was the justified interest for any delayed instalment not charged in the next demand instead of waiting for all these years? Further what is the rate of interest charged in this regard?

An affirmative action and confirmation on each of the points noted above is requested within one week of receipt of this mail/letter.

Our members have expressed extreme dissatisfaction at the attitude of Nexgen Infracon and are waiting for your positive response so that they can take possession.

You will observe from the above and the letters and visits/calls from several buyers individually that it is very serious matter and needs your urgent attention. While some members have already reached out to higher authorities in State and Central Government, more buyers / members could take additional steps if their issues are not satisfactorily redressed.

It is extremely necessary that customers, who are the Raison d' Etre of business are treated fairly as any unfair treatment would give rise to display of resentment and anger of buyers through legal, social media, electronic and print media as well as public agitation.

Please note that in such a situation, you will be solely responsible for its consequences.

Thank you,

Yours sincerely,

Gurudeo Sinha (President)

Suneal Kumar Singhal (Secretary)

MEZZARIA FLAT BUYERS ASSOCIATION

Registered office
C-9 South Extension Part-1, New Delhi- 110049
Registration no: S-E/1367/DISTT.SOUTH EAST/2018



Offer of possession – Flat No 2217, Tower 5 (Valencia), Mahagun Mezzaria (“Property”).eml
224.2kB



Gmail - Offer of possession – Flat No 2217, Tower 5 (Valencia), Mahagun Mezzaria (“Property”).pdf
180.2kB



Mahagun Mezzaria Site as on 15 June 2019 (2).pdf
2MB