

Date: September 24 , 2019

To:

Smt. Ritu Maheshwari, CEO

**New Okhla Industrial Development Authority,
Administrative Complex, Sector 6,
NOIDA- 201301
District Gautam Budh Nagar, U.P., India**

Dear Madam,

Subject: Concerns and Issues relating to Project Mahagun Mezzaria, GH-01/A, Sector 78, Noida.

Background:

Mahagun Group is developing a residential complex under their group company Nexgen Infracon Private Limited at the above address. The land for the same was leased by New Okhla Industrial Development Authority to Nexgen Infracon Pvt Ltd for a period of 90 years vide lease deed dated 4th June 2010 to develop **Group Housing / Residential Flats**. This is articulated clearly under various clauses and terms & conditions of the subject lease deed.

Approval to develop **Group Housing / Residential Flats** was granted vide Noida/Mu.Va.Ni./III-272/504 dated 2nd Mar'12. At this stage promoter started selling the flats to various interested buyers.

Since First Approval Nexgen Infracon has made Significant Material changes to building plans vide Second Approval dated 31st Aug'12 (Noida/Mu.Va.Ni./III-272/553) and Third Approval dated 13th Apr'16 (Noida/Mu.Va.Ni./III-272/888) without due regards to **Section 4 - General liabilities of promoter** as laid out in **U.P. Apartment (Promotion Of Construction, Ownership And Maintenance) Act, 2010**.

Dear Madam, having put across the background we, in capacity of **"Mezzaria Flat Buyers Welfare Association"** request your due consideration towards following Complaint / Issues being faced by Buyers:

1. Construction Of Commercial Mart open to public and carved out of Group Housing Project

The developer, in its Third Approval dated 13th April 2016, has altered the contours of the project and carved out a Commercial Complex / Mart underneath one of the residential towers located at the front west corner of the project to make large / undue profit for himself. This location has been chosen to allow opening of a full fledged gate and accompanying ramps, stairways and pathways for outside public to use this commercial complex. At the same time, the Convenience Shopping units that were proposed / approved in earlier plans for the Captive use of the residents (1% allowed under the regulations) have been removed completely from the plans, which makes us believe that the approval for this so-called Mart was a substitution of location and it should have remained confined to exclusive and captive use of residents only. Instead they have changed it with malafide motives.

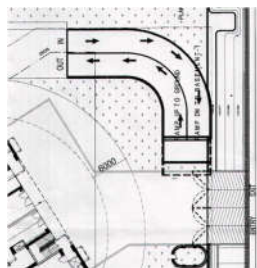
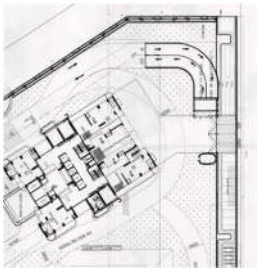
This change in plans has following consequences:

- a. Loss of Privacy and Security as the project now does not have a periphery wall and is open to public. Safety and Security risk to the residents have already been brought to your kind

attention by the residents / buyers of several other developments in Noida area. This particular location has even higher risk of causing massive traffic jams and congestions due to it being the entry point for Metro users of multiple Societies located further down that road, including Mahagun Moderne, Sikka Karmic, Urban Casa, Civitech and many others in various stages of development.

- b. Construction of Mart has blocked the periphery road and all round access to resident vehicles as a ramp has been constructed under the mart entry gate to enter the basement.

Action Requested: We humbly request you to ensure that Mart should not be allowed to have access to Public and must remain Captive for use of residents only. This is a Residential Project and 1% area for daily need shops was usurped from it in making this Mart public.



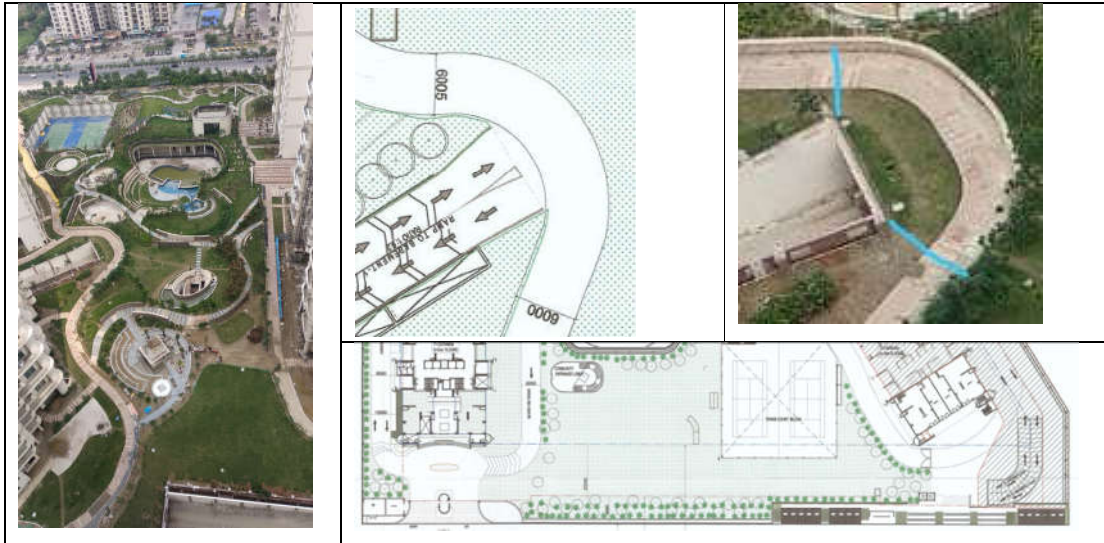
2. Violation of Fire Safety Norms by removing Periphery Road, Dead ends and insufficient width of internal road with hard surface for Fire tender access

With Third Approval dated 13th April'16 and subsequently as per Completion Drawings that have been submitted for Phase-I on 31st May'19, the developer has seriously compromised the Fire and Life Safety Regulations. This Project no longer has an all around Periphery Road along the boundary wall. From perspective of Fire Tender access, a dead end has been created due to public access to the mart and making a ramp under it leading to basement. All round periphery road existed In all three approvals, but is absent in completion drawings. In First and Second Approval width of the peripheral roads was 9.0M and that of the inside roads was 6.0M. In Third approval width of outer periphery road was reduced to 7.5M. Completion drawing now shows outer road as **Only 6.07M**. Inner road though shown as 6.0M **does not exist**. Instead there is pathway with grass on the side. Space between obstructions is just 6.0M. There is no road with 6.0M wide hard surface on internal road. **This Seriously Compromises the ability of Fire Tenders to have access to towers from All sides**. Project which had three Gates in First and Second approval now only has two gates and an end has been blocked due to the Mart. Reduced Road width and absence of designated Visitors Parking is likely to further hinder the access for Emergency services. Please see photos attached.

These changes in 3rd Approval and Phase-1 Completion Drawings, **Fire and Life Safety** of the residents may be seriously compromised due to limited access for Fire Tender due to stated reasons:

- a. Absence of wide enough Internal Roads with hard surface roads for Fire Tenders (45 MT)
- b. Dead End caused by Ramp going under the Mart
- c. Absence of Designated Visitors Parking coupled with fewer gates

Action Requested: We humbly request you to ensure that Fire and Life Safety of residents is in no way compromised. Project will be safer with all around Periphery Road, wide enough but not less than in Third Approval (7.5M) AND wide enough roads with hard surface where internal roads are concerned. Fire clearance obtained whilst applying for OC may please be reviewed and a physical close inspection of the premises may be carried out.



3. Unauthorized Constructions (Religious Structure and Others) without approval plans reducing Green Area without consent and against the wishes of buyers

The builder has been erecting permanent structures in the open areas on one pretext or the other thus reducing the green spaces, in violation of the building plans. A structure termed as "Religious Structure" is being erected right in the middle of green area thus limiting the space available for children to play and for other residents sit in leisure and relax. We are not clear about intention of the builder in erecting this structure. This structure was not shown or approved in any of the previous approval plans. In addition the builder has also erected a large room on the east end of the front wall, presumably as an electric room. This structure also is not shown in any of approval drawings.

Action Requested: We humbly request you to ensure that builder is not allowed any construction of such nature and must adhere to approved plans maximizing green cover.

The structure built in middle of the garden as shown in the picture below, should either be removed (and green area restored) OR be retained as Rain shelter / Gazebo with seating arrangement. The room on east on the front wall should be removed altogether.



4. Violation of condition #7 of Partial OC, IFMS/SINKING Fund and Water connection

Builder has been issued a partial OC with conditions attached. One of the conditions (#7) is that **Visitors Parking** for the project must exist inside the boundary of the project. In reality no provision has been made for Visitors Parking within the project. It is not even shown on the plans.

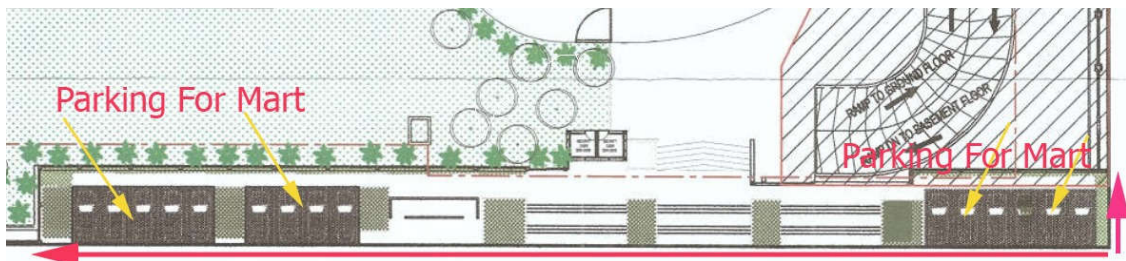
The width of the periphery roads of the complex barely 6.07M and this is barely sufficient for two way traffic. Instead of Visitors parking, an area has been carved out of the project for parking outside along the North wall to service the Commercial Mart.

Additionally builder is forcing possession takers to deposit **IFMS deposit and Sinking Fund** in his own account and not in an Escrow account. As you are aware, many AOA's are already struggling to recover IFMS and Sinking Fund deposits from the builders for years after taking over charge. This has been a major reason for failure of most of the AOA's in managing the affairs effectively.

Water Connection: It has been reliably learnt that builder has applied for Water Connection for 200 Flats whereas Partial OC from Noida Authority has been obtained for 318 Flats. Sufficiency of water supply and its continuity is an essential element to a residential flat. You must be aware that same Builder built and sold Moderne project, wherein Mahagun opted for water supply of only 1300 flat owners against existing 2500, that is creating a lot of hardship to residents of Moderne which exists in the same area.

Action Requested: We humbly request you to ensure that:

- a. A suitable and adequate Parking Space is provided for the Visitors as this will not only be safe, it will also not cause undue occupancy on the public road outside the project.
- b. Designated Parking space will Ensure that Emergency Vehicles have unhindered access and are not blocked on the narrow access roads.
- c. Area for Parking Space carved out from project at the North Wall should be returned within the boundary of the project.
- d. Builder is instructed to collect **IFMS / Sinking** in a designated Escrow account and not use it for any other purpose but as Interest Free Security Deposit / Sinking Fund.
- e. Builder has sufficient connections for water supply that caters to each flat.



5. **Tripartite Registration Deed between Noida Authority (Lessor), Nexgen Infracon (Lessee) and Buyer (Sublessee)**

Builder is not executing sub-lease deed on the pretext of delay on the part of Noida Authority, and offering possession without execution of sub-lease deed. It is pertinent to mention that builder has collected the Stamp Duty Charges from flat owners. Now after having assured the Registration of flats, they have started offering possession without it calling it "possession for fit-outs". You are very well aware that thousands of flats are today occupied without registry using this very route.

In line with **Section 5 - Rights of Apartment Owners** as laid out in **U.P. Apartment (Promotion Of Construction, Ownership And Maintenance) Act, 2010** The Tripartite Registration Deed should specifically mention that post completion certificate Nexgen Infracon (Lessee) shall have no rights whatsoever on any part of the project and the project in totality must be handed over to legally constituted RWA.

Action Requested: We humbly request you to ensure:

- a. That Builder clears all dues and initiates registration process forthwith as many buyers in Phase-I have already made full payments and deposited Stamp Duty charges as well.
- b. That suitable clause is inserted in the **Tripartite Registration Deed** to ensure that post completion certificate Nexgen Infracon (Lessee) shall have no rights whatsoever on any part of the project and the project in totality must be handed over to legally constituted RWA.

6. Farmers Compensation demand on home buyers and its Quantum

The builder has been forcing the buyers to pay Farmers Compensation. It is our understanding that any such liability or compensation falls solely on account of the builder. Accordingly amount payable under such liability, including interest if any should be met by the builder from his own resources.

In this particular case the Builder has raised demand for Pratikar against individual buyers to whom possession is being offered at the rate of INR 25/- per square foot of Saleable Area. Total Saleable Area based on flat sizes amounts to 21.76 Lakh Sq Feet which translates into collection of about 5.44 Crores. We wish to point out that the builder is not only passing his own liability on to the innocent buyers but is also trying to make a profit from it. As per information available through RTI, original pratikar demand as raised on 25th May'17 was 2.88 Crores. Due to non-payment of this amount by the builder the total pending demand for pratikar as on 30th June'19 has risen to 3.82 Crores including delay penalty at 14% Interest.

Action Requested: We humbly request you to ensure:

- a. That the builder is Instructed to withdraw demand of INR 25/- towards Farmers Compensation in totality from all buyers.
- b. That builder only raises demands that are fair and accounted for by supporting documents.
- c. That buyers are not forced to pay builder's liabilities that are solely due to delays caused by the builder.

7. Direct Electricity Supply to Residents and Common areas from PVVNL

In accordance with 13th Amendment to Electricity Supply Code, it is mandatory for New High Rise Buildings to opt for multi point supply from PVVNL. However, we have been informed that Nexgen Infracon is insisting that the buyers who have been offered possession take electricity supply from Nexgen Infracon. Nexgen Infracon is forcing possession takers in Phase-I by making them sign consent for Single Point connection from the builder. Project is already delayed by three years and possession takers are left with no choice but to sign all the one sided documents lest their possession is further delayed.

Action Requested: Since Builder is required to submit electrical plans to you, we humbly request you to ensure that:

- a. Builder be suitably instructed to apply for Multi Point Electricity connection from PVVNL for all 718 Flats.
- b. That builder ensures installation is as per required specifications of PVVNL and at no extra cost to Flat owners. It is noteworthy that amendment has now existed for almost a year before builder applied for partial OC for 318 flats. Balance 400 flats are in Phase-2 and will take a few months more.

8. **Adequate DG capacity for backup power supply**

Flats of Mahagun Mezzaria has been designed as fully air-conditioned. As such, every home buyer has paid for 10/15 kVA of DG power backup. In spite of our repeated requests, Mahagun has not provided us details of DG power requirement for residents, club and common areas and the DG sets being provided by them for meeting the aforesaid load. It is requested that Mahagun be directed to provide details of actual load, calculation for DG capacity being provided in accordance with engineering calculations to meet the power backup whose cost has been paid by homebuyers.

This request has been made in view of the fact, that it is the normal practice of builders to provide inadequate power backup ie less than what they charged for.

Action Requested: It is requested that Mahagun be directed to provide details of actual load, calculation for DG capacity being provided in accordance with engineering calculations to meet the power back whose cost has been paid by homebuyers.

9. **Forced UNDERTAKINGS being Coerced from Allottees by Builder**

Builder "Mahagun" is extracting undue **UNDERTAKINGS** from **Buyers/Allottees**. These undertakings are false and are being extracted with sole purpose of diminishing rights of the Allottees. Allottees have but no choice but to accept/sign them lest their possession is further delayed and holding charges are levied on them. [Undertaking is attached]

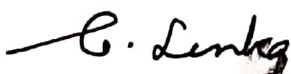
Action Requested: Kindly take cognisance of the matter and instruct the Builder accordingly.

Dear Madam, we "**Mezzaria Flat Owners Welfare Association**" have come before you buoyed by positive actions and decisions taken by your good office as reported in media and by word of mouth. Your office is bringing about positive change and has given hopes to homebuyers.

We represent all buyers in **Mahagun Mezzaria Project** and **Issues** listed above are **common to all**. Your **intervention** is earnestly requested in resolving above issues.

With kind regards and sincerity,

For Mezzaria Flat Buyers Welfare Association,



(Gurudeo Sinha)

President
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(Suneal Kumar Singhal)

Secretary
Mobile: 9811428209