

UGCC Projects, Sector-96, 97 & 98, Noida

Queries from Burgundy Homebuyers Association and Response thereto

(as applicable to all O3 Projects, namely, Amber, Burgundy and The Willows)

Sr. No.	Queries of Homebuyers	Unitech Management Response
1. Project Timeline - Tower-wise		
(a)	When does Unitech anticipate handing over possession of the flats?	<p>(i) All Flats in Burgundy have been sold as bare-shell Units. Similarly, 135 Flats in Amber have also been sold as bare-shell Units. The completion time-lines have already been uploaded on the Unitech's website as was also informed during the Puja Ceremony on 15.09.2024. To reiterate, the Completion Timeline is 30.06.2025 for The Willows, 30.06.2026 for Amber along with Towers 1,2 and 3 of Burgundy, and 30.06.2027 for the remaining 04 Towers of Burgundy.</p> <p>(ii) The Homebuyers had been requested during the Puja Ceremony held on 15.09.2024, and also during earlier discussions held with the representatives of Homebuyers, to consider contracting out the internal finishing works right away as the Unitech appointed Contractor would be agreeable to take up these works subject to mutual agreements between the Flat Buyers regarding the specifications to be used and the costs thereof. This would be an optimal solution.</p> <p>(iii) If this arrangement does not work out, we would be happy to start giving possession to the agencies engaged by the Flat buyers for internal finishing works simultaneously as soon as the Flats are in a position to be handed over on an ongoing basis. It would be an ideal situation if the internal finishing works also get completed alongside the completion of works by the main Civil Contractor of Unitech so as to ensure that the Lobby and the Lifts do not get spoiled if these works are taken up later by the Homebuyers.</p> <p>(iv) It may be noted that actual occupation of the Flat by the concerned allottee for its use as a residence would be permissible only after obtaining the OC from Noida Authority.</p> <p>(v) The Management has decided to complete all the works in the flats forming part of the unsold</p>
(b)	Since these are bare shell units, when can we expect the apartments to be handed over for us to begin the interiors and fit-outs?	

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		inventory simultaneously.
2. Project Monitoring and Oversight		
(a)	How does Unitech plans to monitor the progress of the project?	(i) The Management has engaged the Project Management Consultants (PMCs) to oversee and monitor the completion of the projects by the Contractors, both in terms of quality and the time-lines. Over and above, M/s Engineers India Limited (EIL) has also been engaged as a Third Party Inspection and Monitoring Agency (TPIA) to oversee the work and supervision of the Contractors and the PMCs in terms of all quality tests and related compliances.
(b)	Can we establish a monthly monitoring/ reporting process for the project?	
(c)	Can we as Burgundy homebuyers appoint an expert to provide unbiased inspections and reports on the quality and progress of construction on periodic basis?	
(d)	Could we homebuyers also get 1-2 seats on the project monitoring committee to ensure transparency, particularly regarding fund allocation and usage?	(ii) It would not be possible nor advisable for us to agree to the suggestions given by the Homebuyers at (b), (c) and (d). (iii) The Management proposes to upload the Construction Status Updates on a quarterly basis on the Company's website.
3. Financials and RERA Registration		
(a)	As the resolution framework, 70% of collections from Burgundy be allocated specifically to the project, how do you plan to ensure that these funds are used exclusively for Burgundy-related expenditures under regulated conditions?	(i) It is submitted, as also explained during the meet on 15.09.2024, that the payment of instalment will get credited to project specific receipt accounts (in case of each of the three sub-projects) and no money from the said account will be diverted for any other project till the completion of the Project. (ii) As regards renewal of RERA registration, it seems extremely difficult to do so as we are not able to meet the basic RERA conditions. It is for this reason that we have sought exemption from RERA registration in the Resolution Framework as has been allowed in the case of Amrapali Project. In case of Amber, more than 85% of the amount had already been received by the erstwhile management. Moreover, we would not be in a position to make a statement regarding Nil outstanding qua the land dues of Noida Authority. (iii) All the three projects, namely, Amber, Burgundy and Willows were initially registered in 2017 under the provisions of RERA. However, the prescribed compliances were never made by the erstwhile
(b)	What is the plan for extending the existing RERA registration for Burgundy? Without RERA registration, we will not be able to secure bank loans and maintain the commercial viability of the project.	

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		Management. Eventually, the RERA registration expired in 2022. In view of the inherent legacies and the Unitech's prayer for seeking exemption from the RERA provisions lying pending in the Hon'ble Supreme Court, it would not be possible to go in for fresh registration under the provisions of RERA.
(c)	What steps are being taken to tie up with leading banks like ICICI, HDFC, and SBI for financing options for buyers?	<p>(i) The Homebuyers may recall that the Noida Authority vide its letter No. NOIDA/ Res.Plot/ GHP/ 2009/ 1943 dated 20.07.2009 had issued No Objection for mortgaging the land for development of Group Housing Plots of Sector-96, 97 and 98 "for providing loan facility for purchase of flats/ plots to prospective purchasers". This NOC was granted in terms of clause 12 of the Lease Deed executed on 02.05.2006.</p> <p>(ii) This NOC has not been revoked by the Noida Authority as yet and, therefore, still continues to be in force. The Homebuyers may, therefore, approach the Banks for the disbursement of balance loan amount or enhanced amount, as the case may be.</p> <p>(iii) If the banks do not agree, the Homebuyers would have to press upon the Banks/ FIs at their own level. The Unitech Management also proposes to make another attempt to plead before the Hon'ble Supreme Court to issue appropriate directions to the Banks/ FIs to restructure/ sanction Loans to the Homebuyers as was done in the case of Amrapali Projects in Noida by another coordinate Bench of the Hon'ble Supreme Court.</p>
4. Sale of Unsold Inventory and Project Viability		
(a)	With Burgundy being cashflow positive once the unsold inventory is sold, what marketing efforts or strategies are being put in place to expedite the sale of unsold units?	Notwithstanding the confidence and trust reposed by the Homebuyers in the present management, we recognise that the credibility of Unitech in the market at this stage is very low and we need to work on improving the same with actual performance in terms of promised delivery. It is for this reason that we would like to sell the unsold inventory of Amber and Burgundy only when the flats in these Projects reach a stage when the <i>ready-to-move-in</i> possession can be handed over within three months of issue of Allotment Letters. As such, it is imperative for us

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		<p>to initially sell the plotted inventory where all works are planned to be completed latest by 30.06.2025 so as to generate the minimum required cash-flows.</p> <p>We don't think that the sale of unsold inventory should be of any concern for the existing Homebuyers.</p>
5. Building Plans, Construction and FAR Adjustments		
(a)	<p>What approvals have been obtained if there is any change (no of floors/ tower or FAR etc.) since the plan submitted to NOIDA for the approval? Has a Structural Consultant reviewed and approved these plans?</p>	<p>(i) All approvals of the Building Plans granted by the Noida Authority in respect of Burgundy and Amber Projects have already been uploaded on the website of the Company. We have got the Health Safety Audit of all the Structures and the Basements carried out by IIT Roorkee. While the Structures have been found to be generally safe, the construction related deficiencies are being addressed, wherever required, through specialised retrofitting agencies for the rectification works. It is informed that all the Retrofitting Contracts have already been awarded in respective of Amber and Burgundy Projects.</p> <p>(ii) Yes, the Structural Consultants have vetted the Structural Drawings before submission thereof to Noida Authority at the time of approval of Building Plans.</p> <p>(iii) Pursuant to revision of number of floors in different Towers of Burgundy Project, we have found that we are still left with some unutilised permissible F.A.R. and we are submitting our proposal to the Authority for revised sanction for Towers 3, 4 and 5 to take the same up to 28 storeys. Hopefully, we expect to get a decision/ approval from Noida Authority within about two months' time. In case we do not get the proposed approval, the plans as approved as of now will operate.</p>
(b)	<p>Pls share detailed building plans, including common areas such as lobbies, clubhouse, green spaces, sports facilities and the basement, to build transparency and hold the project accountable to the original design?</p>	<p>We should be able to share these details with the Homebuyers within about a month's time. But let me assure that the Floor Plans of the Flats and the Lobby remain the same in respect of Towers 1 to 5 of Burgundy Project. We have already migrated two flats sold in Tower 6 to another Tower against unsold inventory with the consent of the concerned Flat buyers.</p>
(c)	<p>Pls also provide details of the Lobby</p>	<p>As far as the Amber Project is concerned, the</p>

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	outlook, finishes & air conditioning.	Homebuyers are aware that the construction of structures of Towers 1 to 7 was completed during the period of the erstwhile Management. Hence, the new Management is only completing the balance unfinished works as per the approvals already granted by the Noida Authority.
6. Service Taxes / TDS / GST		
(a)	How will the outstanding (or already paid) service tax under the old tax regime be managed for this project? What is the current status of previous service tax payment-related dues or disputes, and will this have any impact on buyers?	<p>(i) <u>Residential or Commercial Units/ Flats</u></p> <p>(a) The homebuyers of the <u>on-going Projects</u>, who have not paid Service Tax on the total consideration amount during the period before the GST regime came into force (01.07.2017), are liable to pay GST @ 12% on the balance amount of basic price of the <u>Residential or Commercial Units</u>.</p> <p>(b) However, the GST would be payable by the homebuyers @ 18% on other components, like, EDC, IDC, PLC, Parking Charges and Lease Charges.</p> <p>(c) Provided an undertaking would be taken from the homebuyers that if any additional liability on account of unpaid Service Tax for the period prior to the GST regime came into force is raised by the GST Authority subsequently, such liability would be a pass-through.</p> <p>(ii) <u>Sale of Plots</u></p> <p>(a) As far as <u>sale of lease-hold plots</u> in Noida is concerned, the GST @ 18% is payable by the allottees of the plots.</p> <p>(b) However, if the plots are free-hold, as in the case of Haryana or elsewhere, the GST is not chargeable since the free-hold plots are to be treated as the sale of immovable property in terms of Sr. No. 5 of Schedule-III of CGST/ HGST Act, 2017.</p>
(b)	Please provide and publish the process for buyers to deduct TDS for each instalment to be paid to Unitech moving forward.	The process has been published on the website under the main Tab on the Homepage - " Ledger View, TDS, TDA and Other Payments ".
7. Interest Levied and Payment Demands		

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(a)	We request the waiver of any old interest charges currently reflected on buyer ledgers due to the project delays, as these charges are still visible as dues.	<p>(i) We have not reversed the entries of Interest amount in the Accounts Books/ Ledgers in order to maintain the sanctity thereof. However, these interest charges are not added to your balance dues when the demand is raised. No interest would be chargeable from such customers.</p> <p>(ii) However, there are a few cases where a fully justified Demand was raised for payment of instalment/ amount as per the Terms and Conditions of allotment during the period of erstwhile management but the customer did not make that payment. In such a situation, the overdue principal amount has to be cleared and paid upfront without any interest within one month, failing which it shall be payable along with interest. Such a homebuyer cannot get the benefit of making the overdue payment with the entire balance amount in instalments as per the Revised payment Plan.</p> <p>(iii) Illustration - For instance, to take a specific case of Tower-2 of Amber, as per the terms and conditions of Allotment, Builder-Buyer Agreement, the allottee was to make payment as under:</p> <table border="1" data-bbox="794 1211 1390 1720"> <thead> <tr> <th colspan="2">Total Consideration</th> <th colspan="2">Rs. 2,60,97,799/-</th> </tr> <tr> <th>Sr. No</th> <th>Payment Description</th> <th>Due Date</th> <th>Amount (in Rs.)</th> </tr> </thead> <tbody> <tr> <td>(a)</td> <td>On Booking/ Regn.</td> <td>07.10.2011</td> <td>23,88,034/-</td> </tr> <tr> <td>(b)</td> <td>On completion of 26th Floor</td> <td>27.07.2012</td> <td>95,52,139/-</td> </tr> <tr> <td>(c)</td> <td>On completion of 27th Floor</td> <td>20.09.2012</td> <td>95,52,139/-</td> </tr> <tr> <td>(d)</td> <td>On final notice of Possession</td> <td></td> <td>46,05,487/-</td> </tr> <tr> <td>(e)</td> <td>Total Amount</td> <td></td> <td>2,60,97,799/-</td> </tr> </tbody> </table> <p>The said allottee paid only Rs. 24,55,027/- and did not make any payments thereafter. Demands were duly raised on him with completion of construction milestones. He approached the current Management and was informed to make Down Payment of the overdue amount of Rs.1,91,04,278 upfront without any interest and the balance amount to be paid in instalments as per the Revised Payment Plan. He wants to make the</p>	Total Consideration		Rs. 2,60,97,799/-		Sr. No	Payment Description	Due Date	Amount (in Rs.)	(a)	On Booking/ Regn.	07.10.2011	23,88,034/-	(b)	On completion of 26 th Floor	27.07.2012	95,52,139/-	(c)	On completion of 27 th Floor	20.09.2012	95,52,139/-	(d)	On final notice of Possession		46,05,487/-	(e)	Total Amount		2,60,97,799/-
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		payment of overdue amount of Rs.1.91 Cr also in instalments which is not acceptable. The allotment is due for cancellation again.
(b)	Are the instalments for the remaining payment, as published on your website, tied to the construction schedule? What happens if construction is delayed for any unforeseen reasons?	As per the Revised Payment Plan approved by the Hon'ble Supreme Court, the balance dues are payable in quarterly instalments linked with the completion schedule. In case the construction is stalled for any unforeseen reasons (except on account of GRAP-3 or GRAP-4), the management will defer the instalment payment by one quarter and so on and so forth.
(c)	What is the interest rate applied if payments are not made according to the published instalment schedule?	The amount of default in payment of the instalment shall be payable along with 9% interest for the period of default. However, keeping in view that uninterrupted construction is based on regular cash-flows, we expect the Homebuyers to be regular in payments. We may be constrained to approach the Hon'ble Supreme Court to review this and permit the management to cancel the allotment in the case of default in payment of two consecutive instalments. However, till the Hon'ble Supreme Court reviews this provision, we would be constrained to advise the Contractor to stop further work in the Unit of the defaulting Homebuyer.
8. Transfer of the Unit		
(a)	How can Unitech management assist homebuyers who are genuinely unable to pay the remaining balance or no longer require (Have shifted their base out of NCR/ India, aged etc.) their units due to the prolonged delay, especially considering the current restrictions imposed by the Noida Authority's lease conditions?	The only alternative, as of now, is that such homebuyer changes his option from "Possession" to "Refund" or the Homebuyers seek an appropriate direction from the Hon'ble Supreme Court.
9. Miscellaneous		
(a)	Why is Unitech collecting the sinking fund (seen in ledger) now instead of at the time of handover as this will be eventually be transferred to the Resident Welfare Association (RWA)?	As announced during the Puja Ceremony on 15.09.2024, keeping in view that such amount is a pass through to the RWA eventually, the management has agreed to raise the demand for the IFMS and/ or the Sinking Fund as part of the last and final instalment.

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(b)	Can you clarify the plan for the Amber and Burgundy parking areas? Will they be connected, and will there be separate entrances to avoid cross-intrusion between the two projects?	These are altogether separate, without any inter-connect, with three ramps provided in each case.
(c)	What are the plans for the Golf Course development/ improvement and Club building?	We certainly plan to take it up but after a little while.
(d)	Unitech website should be interactive where each question of buyers should be answered in proper time frame.	Aren't we expecting too much from a stressed management handling resurrection of 74 Projects at 11 locations in India involving more than 16,700 Homebuyers? We admit that we don't have such bandwidth at this stage. We try our level best to respond to emails and also individual problems. However, it would be helpful if all the Homebuyers of UGCC project update their contact details.
(e)	As these are Bare Shell, is there option to get the interior work done with the contractor doing the construction work?	Yes, please refer to the response under 1(b) above.

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