

WEB UPDATE AS ON 27 MAR 18
AFNHB MYSORE PROJECT

1. **Background.** It has been intimated to the allottees earlier that AFNHB has invoked Clause 61 of Contract Agreement (CA) on 25 Jul 17 to phase the project development by limiting the scope of work to construction of only 208 DUs. However, the contractor has suspended the work wef 27 Sep 17 and withdrawn all labour and equipment. A Sole Arbitrator was appointed by the Chairman, AFNHB to resolve the dispute. The contractor has also filed cases before the Hon'ble High Court of Delhi against AFNHB.

2. **Directives of Board of Management (BOM).** All the available options, including termination of existing contract, for progressing work were discussed/ deliberated during the BOM meeting held on 22 Dec 17. After detailed and lengthy discussions between the Board members, it was agreed that the phased development of the project wherein 208 DUs would be developed by AFNHB and balance 180 units by the contractor seemed to be the most viable option available in the circumstances and accorded AIP to the proposal.

3. **Approval of Govt of Karnataka.** A case has been taken up with the Chief Secretary, Govt of Karnataka, the land allotting authority, to accord approval for development and sale of Phase II by the contractor to tide over the problem of paucity of funds for development of complete project. The DDG called upon the Chief Secretary, Govt of Karnataka on 23 Jan 18, and discussed the proposal for development and subsequent sale of Phase II by the contractor. It is understood that the case has been moved on file, however the approval is still awaited.

4. **Signing of Supplementary Agreement (SA) and (Development Agreement and General Power of Attorney (DGPA).** The Competent Authority has approved the draft SA and DGPA on 24 Mar 18. Accordingly, the SA & DGPA has been signed between both the parties on 27 Mar 18. The salient features of the SA and DGPA are as follows:-

(a) The scope of work to be executed by AFNHB is reduced from 388 DUs to 208 DUs including cost of development of common facilities as follows: -

Category	No. of Towers	Reduced No. of Dwelling Units
A-1	Three (A,B,C)	72
A-II	Two (B & C)	96
B-II	One	40
Total Units		208

(b) The time allowed for completion of work is 14 months from the date of execution of the SA i.e 27 Mar 18. No extension shall be granted to contractor for completion of this work.

(c) Remaining scope of work comprising 180 DUs and proportionate share of common facilities in the project will be executed by M/s GJS Infratech Pvt Ltd.

(d) The contractor will sell his 180 DUs to Non-Defence Personnel/ General Public in open market for which AFNHB has executed a registered DGPA granting him powers to mortgage 180 DUs to facilitate availing loans from banks.

(e) It is specifically agreed between both parties that in case of non-receipt of clearance for development and sale from Karnataka Government, the contractor would sell 180 DUs to individual allottees iaw the DGPA. It is pertinent to mention that this approval is not a pre-requisite for signing the SA & DGPA by both parties.

5. Further, it has been agreed that, after signatures the SA shall be filed before the Arbitrator and Arbitrator requested to pass award in terms of this Agreement. Also, M/s GJS Infratech Pvt Ltd shall withdraw the case filed before the Hon'ble High Court of Delhi on this subject upon passing of Award by the Arbitrator in terms of SA.

6. **Allottees of B1 Category.** A letter to all allottees of B1 Category is being forwarded separately with options which can be exercised, since this category has been removed from AFNHB's scope of work.

7. **Commencement of Work.** The work at the project site is likely to commence in full swing by early Apr 18. Revised PDC of the project is 31 May 19.

8. **Instalment Due in Apr 18.** The instalment due in Apr 18 is being deferred to **15 May 18** as requested by many allottees. All allottees are requested to forward the same by due date.

9. The patience of allottees for standing by with AFNHB is highly appreciated and it would be AFNHB's endeavour to ensure that the Project is delivered by 31 May 19 without any further delays.

Pl. upload on AFNHB website,

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AMTA
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