



# एयर फोर्स नेवल हाऊसिंग बोर्ड AIR FORCE NAVAL HOUSING BOARD

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AFNHB/ADM/1047-III

06 Feb 18

To All Allottees of Meerut Project

## PRE-FINAL COSTING/ INSTALLMENT SCHEDULE AND PROGRESS OF AFNHB MEERUT PROJECT

1. Refer to the following letters: -
  - (a) AFNHB letter of even no. dated 30 Jun 17.
  - (b) AFNHB letter AFNHB/ADM/1047 dated 11 Dec 17.
2. **Introduction.** AFNHB Meerut project was launched in 2008. The project consists of 08 Towers having a total of 545 DUs (360 DUs for Officers and 185 DUs for Airmen/ Sailors). The contract for civil construction work for 05 Towers complete and 03 Towers up to plinth level was awarded to M/s Omaxe Infrastructure Pvt. Ltd. (M/s OICL) in May 10 with PDC as 15 May 12. It is pertinent to mention that M/s OICL was one of the most reputed builders at that time and a subsidiary of another major company M/s Omaxe Ltd. Further, additional contract for 03 Towers was awarded on 16 Feb 11 to M/s OICL and PDC of the project extended to Feb 13.
3. **Progress of Project.** The cost intimated to the allottees after award of contract for civil work was provisional and did not include cost of external electrical, lift works and allottees' suggestions for incorporating changes to sample flats. Contracts for External Electrification and lifts were finalized in Dec 12. Unfortunately the project has got inordinately delayed for reasons many of which were beyond the control of AFNHB. The reasons for the same have been communicated to the allottees vide letter at Para 1 (a) above. **AFNHB is alive to the difficulties being faced by the allottees for the abnormal delay and consequent increase in cost since its launch.** After weighing all options and in order to expedite the work, DG AFNHB took a bold decision of entering into a 'Supplementary Agreement' on 03 Feb 16 with the contractor for providing financial support to the company against bank guarantees. Work recommenced thereafter, but due to extremely poor financial state of the company, the Supplementary Agreement could not be enforced in its entirety.
4. **Termination of Contract.** After in depth analysis and consideration for excessive delays in project completion, increase in cost and failure of contractor to submit Bank Guarantee Bond (BGB) as per Supplementary Agreement, it was decided to terminate the contract on 24 Oct 17 and undertake construction of



balance work on Risk and Cost. Towards this, preparatory work for issue of fresh tender was done in advance by short listing only reputed builders with creditable past record. The new tender was issued on 27 Oct 17, and a detailed presentation was held at AFNHB in the presence of independent reps from Air HQ and Naval HQ and few allottees. Elaborate Pre-Bid meeting was held on 10 Nov 17, which was also attended by few allottees. Tenders were opened on 21 Nov 17, once again in the presence independent reps from Air HQ, Naval HQ and allottees.

5. **New Contract.** Letter of Acceptance (LOA) was issued to M/s UMAXE Projects Pvt Ltd, the L1 vendor and fresh contract was signed on 30 Nov 17 for a sum of Rs. 38.33 Crores with PDC of 12 months, commencing ten days after the LOA. The new contract has provision of work to be completed based on five milestones, with penalty linked with every milestone. Details of the five mile stones are placed at Annexure I. First monthly review of the Project with new contractor was carried out by DDG on 19 Jan 18 and by DG on 01 Feb 18. The progress of work has been found to be satisfactory. It is envisaged that 5 Towers and Community Centre would be completed by 10 Jun 18, if the current pace of work is maintained.

6. **Arbitration.** AFNHB has invoked arbitration for failure of the previous contractor, i.e. M/s OICL, to complete the project in time, causing heavy financial loss to allottees and disrepute to AFNHB. Hon'ble Justice (Retd) ML Mehta, has been appointed as the sole arbitrator by the Chairman, AFNHB. The Arbitrator on 22 Nov 17 has directed both parties to submit their claims. Accordingly, AFNHB has filed a claim of Rs 45.04 Crores + interest thereon against M/s OICL which is subject to admission by Arbitrator. Considering the amount of claim, it is opined that the contractor may approach the High Court/ Supreme Court against the award and this legal battle will take some time to come to its logical conclusion. The proceeds of the arbitration would be reimbursed to the allottees and AFNHB on pro-rata basis. Progress of the arbitration would be intimated regularly to the allottees through web updates.

7. **Fact Finding Board.** A Board of Officers (BOO) has been constituted by the Chairman, AFNHB in accordance with the directives of Air Headquarters to bring out the reasons for excessive delay in the project and cost escalation. The BOO is expected to submit its report by 30 Apr 18.

8. **Draw of Lots.** The draw of lots for the AFNHB Meerut project including parking (Stilt/Podium/Open) would be held at Project site, Meerut in end Apr/ May 18 for all category of DUs. Firm date for the same would be intimated subsequently. Draw of lots would simultaneously be undertaken for the following: -

(a) **Additional Open Parking.** A total of 620 parking (433 Stilt/ Podium + 187 Open) are available against 545 DUs. Therefore, a total of 75 additional Open Parking are available on additional payment basis. Allottees are requested to indicate their willingness for the same by **31 Mar 18**. The cost of parking will vary depending upon the size and type of parking (Stilt/ Podium or Open) which would get allotted during the draw of lots. Parking area allotted over and above the standard size parking, if any, will cost extra. The approx cost of standard size parking (approx 128 sq ft) is as follows: -

(i)	Stilt/ Podium	-	Rs. 1,64,000.00
(ii)	Open	-	Rs. 80,000.00




(b) **Additional Terrace Space on First Floor.** Additional terrace spaces of varying sizes are available on the first floor DUs of each block against additional cost. Details would be uploaded on the web site subsequently. Allottees are requested to indicate their willingness for the same by **31 Mar 18**. These allottees would be considered for draw of lots of first floor units only and will not have any choices thereafter for change/ exchange. The total no of DUs with additional terrace space available are as follows: -

- |      |                 |   |                                   |
|------|-----------------|---|-----------------------------------|
| (i)  | Officers        | - | 36 (Size between 149 – 560 sq ft) |
| (ii) | Airmen/ Sailors | - | 17 (Size between 49 – 453 sq ft)  |

9. **Pre-Final Cost.** The pre-final cost of the DUs after incorporating new contract is indicated in Col 11 of Annexure II. This cost does not include LTMF, Parking (Stilt/Podium/Open), additional open parking and cost of additional terrace space which will be additional as per draw of lots.

10. **Handing Over of DUs and Common Assets.** The handing over of DUs and common assets will commence progressively wef end May/ Jun 18 subject to receipt of completion/ occupation certificate from MDA. The allottees would be required to obtain 'No Dues Certificate' from AFNHB and complete all formalities prior to taking over their DUs in accordance with Para 0509 of Master Brochure 2012.

11. All the allottees are requested to make payments as per AFNHB letter at Para 1(b) above by **28 Feb 18** positively in order to mobilise funds for the project without attracting any penalty. The remainder amount will be called in one installment after the draw of lots. 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 10 Nov 18 without any further delays.

  
 (Paresh Sawhney)  
 Cmde  
 Dy Director General  
 for Director General

**Copy to: -**

The COP & Chairman, AFNHB  
 IHQ MoD (Navy)

The AOA  
 Air Headquarters

**MILESTONES OF AFNHB MEERUT PROJECT**

<b>MILE STONE &amp; Date Due</b>	<b>Towers to be Completed</b>	<b>Activities to be under taken/ Completed in Towers/ Bldgs mentioned in Col 2</b>
<b>1</b>	<b>2</b>	<b>3</b>
<b>1<sup>st</sup> Milestone  10 Mar 18</b>	<b>B-1, B-7(1) and CC</b>	Aluminum Work, Internal Electrical including Main line Internal Sanitary and water supply and drainage excluding C.P. Fittings Rubbing and polishing of floor Brick work wooden shutter and door frame Internal plaster External plaster Flooring , granite & wall tile etc CC Flooring in stilt Brick coba & water proofing Internal synthetic & OBD Exterior Texture Fire Fighting Sprinkler Site clearance and handover after deep cleaning
<b>2<sup>nd</sup> Milestone  10 Jun 18</b>	<b>B-6, B-7(2) and B-8</b>	Aluminium Work Internal Electrical including Main line Internal Sanitary and water supply and drainage excluding C.P. Fittings Rubbing and polishing of floor Brick work wooden shutter and door frame Internal plaster

		<p>External plaster  Flooring , granite &amp; wall tile etc  CC Flooring in stilt  Brick coba &amp; water proofing  Internal synthetic &amp; OBD  Exterior Texture  Fire Fighting  Site clearance and handover after deep cleaning</p>
<p><b>3<sup>rd</sup> Milestone</b>   <b>10 Sep 2018</b></p>	<p><b>B-2  and  B-5</b></p>	<p>Aluminium Work  Internal Electrical including Main line  Internal Sanitary and water supply and drainage excluding C.P. Fittings  Rubbing and polishing of floor  Brick work  wooden shutter and door frame  Internal plaster  External plaster  Flooring , granite &amp; wall tile etc  CC Flooring in stilt  Brick coba &amp; water proofing  Internal synthetic &amp; OBD  Exterior Texture  Fire Fighting  Site clearance and handover after deep cleaning</p>
<p><b>4<sup>th</sup> Milestone</b>   <b>10 Oct 2018</b></p>	<p><b>B-3  and  B-4</b></p>	<p>Aluminium Work  Internal Electrical including Main line  Internal Sanitary and water supply and drainage excluding C.P. Fittings  Rubbing and polishing of floor  Brick work  wooden shutter and Door frame  Internal plaster  External plaster  Flooring , granite &amp; wall tile etc</p>

		CC Flooring in stilt Brick coba & water proofing Internal synthetic & OBD Exterior Texture Fire Fighting Site clearance and handover after deep cleaning
<b>5<sup>th</sup> Milestone 10 Nov 2018</b>	<b>Complete Project to be handed over</b>	



**AFNHB MEERUT**  
**COMPARATIVE STATEMENT OF INCREASE IN COST**

CAT	BEFORE CONTRACT (2008)		AFTER CONTRACT FOR CIVIL WORK ALONE (2010)		AFTER ALLOTTEE SUGGESTIONS (DEC 2013)		COST (JUL 2017)		PRE-FINAL COST (FEB 2018)	
	AREA	COST	AREA	COST	AREA	AREA	AREA	COST	AREA	COST
1	2	3	4	5	6	7	8	9	10	11
A-1MRA	1500	25.25	1630	25.98	1709	32.44	1709	35.01	1709	35.76
A-1MRE	-	-	1630	27.98	1709	34.44	1709	37.01	1709	37.76
A-2MRC	1300	21.75	1450	23.11	1557	29.54	1557	31.90	1557	32.58
A-2 MRF	-	-	1450	23.11	1557	31.24	1557	33.65	1557	34.33
B-1	900	15.30	1010	16.10	1068	21.93	1068	21.89	1068	22.35
B-2	700	11.90	810	12.90	955	18.65	955	19.57	955	19.98

**Note: -**

- Cost in Column No 11 does not include:-
  - Parking (Stilt/ Podium/ Open)
  - LTMF – Rs. 30,000.00
  - Additional Parking/ First Floor Terrace Area charges