



केन्द्रीय सरकारी कर्मचारी कल्याण आवास संगठन
**Central Government Employees
Welfare Housing Organisation**
(Ministry of Housing & Urban Poverty Alleviation, Govt. of India)

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No. : T- 701/3

May 17, 2010

To all the beneficiaries of Bhubaneswar (Phase-I) Housing Scheme.

Subject : Interim costing of Bhubaneswar (Phase-I) Project

Sir/Madam,

You might be aware that for last two years the cost of materials and labour has gone up considerably due to inflationary effect in the world economy with the similar effect in Indian economy as well. In order to assess, compute and inform the likely financial impact on the cost of each type of dwelling units, CGEWHO has gone for an exhaustive exercise of **interim costing of each project**.

2. During this process, it emerges that there were two kinds of increase in Bhubaneswar (Phase-I) Project, **primarily** for increasing the Super Built-up Area (SBA) during the approval process of plans of individual dwelling unit / flat from Bhubaneswar Development Authority (BDA). Though, the revised area(s) of each type of dwelling units has been mentioned and informed to all the beneficiaries by distributing '**Technical Brochure**' covering approved unit plan, area(s) with other technical specification(s) and facilities to be provided towards common amenities/properties {both for Phase-I & Phase-II} to be built in the Project, but its financial implications was not quantified to each of you which has now been worked out and shown in **Table A Col 5 at Annexure I**.

3. **Secondly**, there has been steep hike in the cost of input construction material(s) **i)** Cement {to the tune of 45.83%} and **ii)** Reinforcement Steel {to the tune of 33.35%} that are being procured by CGEWHO, Head Office from the primary producers of cement and steel i.e. India Cement, Grasim and RINL, SAIL etc respectively. For balance component of materials, escalation is being incurred as per the whole sale price index (WPI of all commodities). Beside the above, Labour escalation as per Minimum Wages Act of the State of Odisha are being reimbursed.

4. As per this estimate, the cost of DUs is **likely** to be increased by 25.66 ~ 25.77 %, over the proportionately increased cost / area. The expected escalations as indicated and explained in the para-3 above are inescapable and shall have to be finally calculated to the actuals and charged to all beneficiaries proportionately. Knowing fully well that this letter of intimation for the expected increase in the cost shall have additional financial burden on the beneficiaries, CGEWHO is hereby offering following option(s) to be opted by the beneficiaries :

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(a) **Either**, beneficiary may opt to continue in the Bhubaneswar housing scheme and agree to pay the increased cost that will be finally computed and charged at the time of **6th instalment**.

OR

(b) Beneficiary may desire to opt out of the scheme. In that case, CGEWHO will process its refund by NOT deducting any '**Cancellation Charges**' as per para-26 of CGEWHO RULES governing the Bhubaneswar (Phase-I) Scheme and will pay interest @ 5% p.a. from the date of deposit of the respective amount along with the deposited amount. This offer will be valid till **15 July 2010**. Any Withdrawal/Cancellation after **15 July 2010** shall be subject to deduction of 'cancellation charges' as per the CGEWHO Rules and without any interest as stated above.

5. The enhanced cost component **due to increase in area** will be called in two instalments i.e. 50% alongwith 4th instalment and balance 50% alongwith 5th instalments which was also shown in **Table B** of **Annexure I**. With regard to expected escalation on account of material & labour component as explained in para 3, the same shall be computed in actual and shall be called alongwith 6th and final instalment.

6. Kindly be informed that after initial and intermittant slowdown of progress, now the progress at site has been picked up and CGEWHO is likely to offer possession to all by **early 2011**. The 4th instalment is likely to be called shortly once progress is achieved.

Yours faithfully,

(M Narayanan)
Dy Director (Technical)
for Chief Executive Officer

Encl. : Annexure I.

TABLE-A

Type of Flat/ DU(s)	Announced SUPER BUILT-UP AREA (in Sft)	REVISED SBA (in Sft)	Announced Cost of DU (Rs.)	Amount for increase in Area (in Rs.) {SEE TABLE-B FOR PAYMENT}	Anticipated escalation on Materials & Labour (in Rs.)	Total Escalation for each type of DU (in Rs.)	REVISED COST of DU adding ALL escalation (s) as shown Col.7 (in Rs)	%age of increase in cost on account of AREA	%age of escalation on account of Material & Labour
1	2	3	4	5	6	7 = 5+6	8 = 4+7	9	10
A	550	582	698000	41000	189000	230000	928000	5.82	25.58
B	1000	1081	1270000	103000	351000	454000	1724000	8.10	25.56
C	1200	1377	1522000	224000	450000	674000	2196000	14.75	25.77
D	1400	1677	1776000	351000	547000	898000	2674000	19.79	25.72

TABLE-B

Type of Flat/ DU(s)	50% of Col.5 WILL BE CALLED WITH 4th Instalment (in Rs.)	AMOUNT OF 4th Instalment (in Rs.)	REVISED AMOUNT OF 4th Instalment (in Rs.)	50% of Col.5 WILL BE CALLED WITH 5th Instalment (in Rs.)	50% of Col.5 WITH 5th Instalment (in Rs.)	REVISED AMOUNT OF 5th Instalment (in Rs.)
1	2	3	4 = 2+3	5	6	7 = 5+6
A	20500	104700	125200	20500	139600	160100
B	51500	190500	242000	51500	254000	305500
C	112000	228300	340300	112000	304400	416400
D	175500	266400	441900	175500	352200	530700