



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. A-402/11

09 Dec 2010

To all beneficiaries of Hyderabad (Ph III) housing project

Subject : CGEWHO's Hyderabad (Phase-III) project

Sir/ Madam,

This letter is being written to you being the beneficiary of the project to update you regarding the present status of your project. The salient issues are dealt in succeeding paragraphs :

2 Reason(s) for delay in the execution of project :

(i) CGEWHO could not take up the construction in full swing due to injunction from the Hon'ble District Court by a neighbouring plot owner, although the plan(s) were approved by Hyderabad Urban Development Authority in April '07. After obtaining necessary clearance from the Hon'ble High Court at Hyderabad, works were started from Jan '08. Further, there was a requirement for provisioning of basement to meet the parking norms of Hyderabad Urban Development Authority. Accordingly it took almost one year to complete this work though not anticipated while formulating the scheme. The reason for such a long period to construct the basement was because the project area is covered under blasting prohibited zone and the rocky strata was to be excavated only by chiseling.

(ii) During the last two years the site at Hyderabad experienced abnormal monsoon which resulted in stoppage of works off and on. Further, various agitations at Hyderabad, namely, on Telangana issue and labour unrest also cropped up which lead to retarding the progress of work substantially.

3. Increase in Costs - The increase in the cost as informed to you vide our letter dated F-227/1 dated 21 May 09, consists of two major components as under:

(i) **Due to Increase in Areas** - The scheme was announced with the area and cost as tentative and subject to revision which was indicated in the scheme brochure. During planning, there was an increase in the area which resulted in increase in the announced cost as per the details given as under:

Type of DU	Announced areas (Sft)	Finalized Built-up areas (Sft)	%age increase	Announced cost (Rs. In lacs)	Adjusted announced cost (Rs. In lacs)
A	620	637	2.74%	6.82	7.01
B	950	1111	16.95%	10.45	12.22
C	1250	1413	13.04%	13.75	15.54
D	1500	1666	11.07%	16.50	18.33

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(ii) **Due to escalation** - Over and above the area increase, there was an increase of approx. 17% on the labour and material component to be paid to the construction agency as per escalation clause based on the clause 10 cc of CPWD. Also there is increase in prices of steel and cement on the pre-determined recovery rates of the contract. The escalations were calculated in the month of May '09 taking into consideration the approx. escalation prevalent at that time and the same was intimated to the beneficiaries with an option to withdraw from the scheme without charging of the 'cancellation charges'.

4. **Quality -**

(i) Initially CGEWHO was procuring cement from the major manufacturers having mega plant of minimum 1 million ton per year capacity and steel from the main manufacturers or re-rollers directly from the factory. However, considering the quality of steel being manufactured by re-rollers, a decision was taken to purchase steel only from main manufacturers i.e. M/s TATA Steel, M/s SAIL or M/s RINL. Though the above decision has increased the cost of the project, considering the advantage in the quality of the construction, it is to inform you that the above additional expenditure is worth its cost.

(ii) As you are aware that Jawahar Lal Nehru Technical University, Hyderabad has been appointed as Proof Consultant for the project to check all structural drawings before implementation at site as well as other provisioning towards development works of the project. Additionally M/s Designerz Workshop are acting as third party check towards quality assurance of the project.

5. **Extension of last date of instalment(s)** – The request for extension of last date of payment of Vth instalment cannot be acceded. However, beneficiaries are free to pay the instalment amount as per their convenience subject to payment of equalization charges as per the CGEWHO Rules.

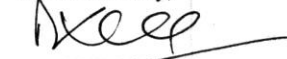
6. **Expected Completion** – Undoubtedly there has been a delay in completion of the project due to the situations beyond the control of CGEWHO, as stated in para 2. All efforts are being made to complete the project in minimum possible time and the project is being monitored regularly by officers of CGEWHO as well as officials of Ministry of Housing & Urban Poverty Alleviation. Considering that the Project Monitoring Committee shall be in position shortly, it will give further impetus to the project. Based on reasons given at para 2(i) & (ii) above and considering the completion period of 30 months from commencement of construction (as defined in the scheme brochure) the project is to be completed by **May '11**. However, based on present status of the project and considering the physical and financial progress, it is expected that the project shall be completed by **Nov '11**.

7. **Option of withdrawal** – Notwithstanding, if any beneficiary still feels aggrieved and wishes to withdraw from the scheme he/ she may do so and the organization will not charge any 'withdrawal charges' and amount deposited by the beneficiary will be refunded along with interest @ 6.5% (which is the average term deposit rates of our banker) from the date of deposit till payment to the beneficiary, as a special case. This option will remain open for 45 days from the date of issue of this letter. Beneficiaries choosing to withdraw should forward the following :

- i) Request for withdrawal ; ii) Original Allotment Letter iii) Original Payment Receipt (s)
- iv) Duly-stamped and discharged Pre-Receipt (Proforma available in the CGEWHO BROCHURE).

8. **All out efforts are being made to complete the project early and within the already intimated costs.**

Yours faithfully,



M K Maity
Dy Director (Admn)
For Chief Executive Officer