

WEB UPDATE – DEHRADUN (21 July 17)

CONCERNS EXPRESSED BY ALLOTTEES

1. The draw of lots was held on 30 Apr 17 at site.
2. Post draw of lots, AFNHB has received a few queries from allottees and the same are being individually clarified.
3. However, in order to ensure greater transparency, AFNHB has compiled all the queries in the form of FAQ's are enumerated below in succeeding paragraphs.

Q. Pace of work has slowed down after draw of lots.

Answer. Many allottees have expressed their concern about slowing down of work after draw of lots on 30 Apr 17. However this is not the case as majority of labour intensive work has already been completed. As on date only one Tower is left for internal plastering. Therefore, the strength of labour has reduced from 560 to 350+. Nevertheless the work of internal plaster, tiling in two towers, fixing of doors and windows, Aluminum joining work, water proofing in upper basement, arboriculture work etc is in progress in full swing. Work on firefighting and STP, electrification and fresh water supply system is progressing well. Since these works are not visible in the pictures from outside therefore giving the impression of slow progress which is actually not true. The situation on ground is that, STP has been installed, all sewerage pipe lines are being connected and testing of STP is planned to commence shortly. Work of mechanical ventilation in the basement, which is one of the major works necessary before NOC from Fire department is to commence very soon. DDG and GM (W) visited the site on 19-20 Jun 17 and a review meeting was held at AFNHB HQ on 28 Jun 17 to review the progress. Number of labour and work pace is expected to intensify, regular review of the progress is being done with contractor.

Q. Declaration of Approach Road as Public Road.

Answer. The land for approach road was allotted to AFNHB in 2009 after AFNHB approached to the State Govt. for the same. Since the land was allotted to AFNHB, exclusively for the purpose of approach road. AFNHB developed the same at a cost of Rs. 1.70 Cr. in 2013. Subsequently, the allotted land was claimed by the APADA PRABANDHAN as their land. In order to resolve this dispute a tripartite meeting between, AFNHB, Aapada Prabhandan and District Magistrate, Dehradun was chaired by the Chief Secretary, Uttarakhand on 17 Jun 14. The State Govt. directed that land allotment for road be cancelled and the road to be declared as Public Road. The Chief Secretary also directed during the meeting that the cost of land is to be refunded to AFNHB.

The cost of the land has been refunded by the State Govt. However since, the road has been declared as Public Road, AFNHB has approached State Govt for refund of development cost of approach road incurred by AFNHB. With the road having been declared as public road, future maintenance would also be done by State Govt.

Q. Deletion of Lift in lower basement?

Answer. Since the project had already faced flooding in 2011 and water ingress in 2013, it was based on the technical advice and safety of the life that a conscious decision was taken to delete the lift in the lower basement. This is in the betterment and long term safety of allottees.

Q. Deletion of Swimming Pool?

Answer- Although allottees were informed that swimming pool has been deleted to create additional parking space but the main technical reason behind deletion of swimming pool was the soil conditions which necessitated digging deeper to remove sub surface soft soil and requirement of creation of raft at a depth of 1.5 mts below the base of swimming pool. This was necessitated due to low CBR value of the soil in the area. The cost of the raft would have been more than 1.5 crore, thereby making the total cost of swimming pool to approx. Rs 2 crore which would have resulted in further increase in cost of the project. Thus the swimming pool was deleted and the cost of swimming pool (approximately 25 lakh) has not been included in the pre final costing.

Q Final date of completion?

Answer. All efforts are being made to complete the balance work by 31 Jul 17 and apply for completion certificate on 01 Aug 2017. AFNHB will be dependent on the State Administration, Pollution Control Board and NOC from Fire Department and Environmental clearance. It has been the experienced in the past that it has taken some time to get the completion certificate. However, in case of AFNHB Jalandhar, partial completion certificate could be obtained within three months. Therefore, as on date the date of it is expected that Completion Certificate should be obtained by Sep-Oct 2017 and accordingly physical handing over of DUs shall start after receipt of completion certificate from State Administrative Authorities and taking over of common assets by Society. The implementation of GST has also resulted in delay as supplies are not reaching the market.

Q. Built up area V/s carpet area?

Answer. The carpet area has been worked out based on the MDDA norms and it is assured that unlike private builders AFNHB has not charged the allottees based on per sq ft area. The costing of the project has been based on the actual expenditure incurred.

Q. Cost overrun due to delay?

Answer. It is a well known fact that the real estate industry is going through a near disastrous phase, with many big promoters and builders going bankrupt and abandoning projects – leaving allottees to go in for many years of litigations to recover their money. AFNHB, against all odds, as ensured that none of their projects are abandoned. It is once again assured that all effort is being made by AFNHB to complete projects. However there have been issues beyond the control of AFNHB which contributed towards delays. AFNHB is dependent on contractors for execution of work and bound by the provisions of Indian Contract Act 1872. Cost of escalation of steel and cement is governed by the contract provisions and statutory taxes by the Government of India. **This does not give any added advantage to the contractor.** All possible punitive actions will be taken by

AFNHB. Liquidated damages have been imposed on the contractor for the delay. The LD recovered will be ploughed back to project. The gabion wall has been constructed considering the safety of the project to prevent flood water entering into basement. These are part and parcel of difficulties and their remedies in infrastructure industry and cannot be attributed to shallow knowledge of consultant or the project team.

Q. Transparency?

Answer. During last one year AFNHB has been updating the progress of the work on its website every month. The information given is always correct and updated. All queries of the allottee are being answered personally, telephonically and through website on regular basis. The allottees, whenever visit AFNHB are being given a Patient hearing by the officers and staff of AFNHB.

Q. Quality and Safety of the Building?

Answer. AFNHB has been in existence since 1979. It has developed 45 projects Pan India and has delivered approx 18000 DUs till date. There has been no major issue concerning the quality and safety of any project so far. The quality of construction of all AFNHB project so far has been very good. The structural design of most of the project has been vetted by the IITs, and has been certified to be safe and earthquake proof. The apprehensions of allottees towards quality and safety are therefore baseless and unfounded.

Q. Final Costing?

Answer. Some of the allottees have expressed apprehension about the final cost of their DU. It was categorically stated by GM (Fin) on 30 Apr 17 during the draw of lots that there will be no further escalation in the cost. It is once again assured that unless something drastically unexpected happens, there will be no further demand of any installment except for the cost of additional parking from those who apply for the same, cost of parking area more than standard area and equalization charges wherever it is applicable.

Q. Profit loss statement and balance sheet?

Answer. Details of all amount collected from allottees and project expenses will be shared with all the allottees at the time of Final Costing as per the standard practice being followed in all AFNHB projects.

Q. Payment of interest for delay period?

Answer. AFNHB is a self sustaining welfare society, purely functioning on "**no profit no loss basis**". It is to be clearly understood that AFNHB neither has any corpus/ fund of its own nor it is borrowing any funds from the Services Headquarters to sustain its operations. All the projects developed by AFNHB are self financed by the allottees of the respective schemes. Any extra amount that AFNHB charges from the allottees as equalization charges or by means of levying penalties on the contractors or by any other means, is ploughed back to the project account for the common benefit of all the allottees of that particular scheme and is progressively expended to progress the project. Similarly any penalty/ interest that AFNHB is required to pay to the allottees for any delay in its projects is also charged to the project account and the load is equally/ proportionately shared by the allottees of that scheme. In nutshell, AFNHB is not earning any profit on the money collected from allottees and is therefore not in a position to pay any penal interest to its allottees.