



एयर फोर्स नेवल हाऊसिंग बोर्ड AIR FORCE NAVAL HOUSING BOARD

एयर फोर्स स्टेशन रेस कोर्स, नई दिल्ली-110003
Air Force Station Race Course, New Delhi-110003

Tele No. : 23793462 / 3463 / 23792800 Fax : 23014942 Email : directorgeneral@afnhb.org, Website : www.afnhb.org

No AFNHB/ADM/1046 Vol VII

30 Jul 24

To all allottees of AFNHB Meerut Scheme

RECOVERY OF PROJECT DEFICIT : AFNHB MEERUT PROJECT

1. Reference is made to AFNHB letter No AFNHB/ADM/1047 dated 13 Jul 22 regarding escalation in DU prices in Meerut Project, on account of litigation cost in response to allottees appealing to UPRERA for financial compensation.
2. The project was delayed for variety of reasons, most of which were beyond AFNHB's control. The said project was developed in phased manner wherein a partial Completion Certificate (CC) was obtained for Towers A, F, G, H & J, Community Centre and Shopping Area on 21 Nov 2019 after intervention of Chairman, RERA and Vice Chairman, MDA. Subsequently, Completion Certificate (CC) for Tower B, C, D, E & F was applied for by AFNHB in Aug / Sep 20 which got inordinately delayed in processing at MDA office, during COVID-19 pandemic. AFNHB once again approached Chairman, UPRERA for his help in early issue of CC by MDA. After months of running around and interaction with MDA officials, the CC for the entire project was finally obtained on 19 Jun 22. RWA was also formed on 31 Aug 21. Presently 537 of 545 DUs have been sold and only 12 flats are remaining to be sold.
3. **RERA Litigation.** A total of 92 allottees had proceeded against AFNHB under RERA and two allottees under State/ District Consumer Courts. Of the 92, 21 cases have been dismissed by the RERA whereas 67 allottees have been awarded compensation and 04 cases are pending adjudication. AFNHB had to deposit an amount of Rs 10.8 Cr with UPREAT for filing appeal against RERA awards.
4. It may be reiterated that all AFNHB projects are self-financed and every single rupee received from allottees is utilized/ ploughed back in the project. Any expenditure in the project is booked against project cost. A final costing is carried out after all units have been sold as per Para 0623 to 0624 of Master Brochure 2012. Any deficit or surplus in the project cost is apportioned to the allottees. This methodology of DU costing has been in accordance with the provisions of Master Brochure 2007/ 2012 to which each allottee is a signatory to. However, as mentioned above, some allottees had taken recourse to the legal route, for compensation for delay in handing over of DUs despite being fully aware that AFNHB is not a builder, working for profit, but a Welfare Society mandated to work on 'No Profit No Loss' basis. Therefore, there is no provision for unforeseen financial expenditure such as these legal expenditure/ RERA awards and consequently these expenses have been booked against the cost of the project. As such, there have been considerable cost overruns for AFNHB due to poor performance of the contractors and the consequential time overrun. AFNHB has consciously absorbed this loss in project cost has not passed on the burden to the allottees. However, expenditure on account of litigation due to legal expenditure and compensation awarded etc as on date can no longer be absorbed by AFNHB and is required to be recovered from the allottees proportionately as per their category of flats.
5. It would be important to bring out the following for the kind consideration of the allottees:-

Contd....P/2

(a) As per RERA directions dated 10 Jul 18, AFNHB had frozen the cost of DU for all allottees. Though, the project was running at loss yet the AFNHB had to absorb the loss to the tune of Rs 5.9 Cr, which has not been apportioned to the allottees even at this stage.


(b) In certain cases UPRERA in its orders had given compensation for refund of amount deposited with interest to the allottees. However, allottees namely Wg Cdr Naveen Talwani (B-405), Lt Cdr Rajesh Kumar Wadhwa (C-805), MCEAR-II Jitendra Kumar Sharma (H-1106) despite having taken over possession of their DUs, had in their execution order claimed refund of amount deposited (Cost of DU) with interest. The Execution Authorities accordingly issued RC for refund of deposited cost plus interest. AFNHB was forced to deposit entire amount before the REAT Lucknow further aggregating the AFNHB's financials. These allottees at no stage have submitted the ground realities to the UPRERA.

(c) Post termination of contract with M/s OICL, AFNHB had invoked the arbitration and an award of Rs. 45.04 Cr has been passed in favour of AFNHB by the Hon'ble Arbitrator, however, since M/s OICL is under liquidation, this award could not be realized till date despite best efforts. The said claim has been raised before the Resolution Professional appointed by Hon'ble NCLT, New Delhi and case is under adjudication.

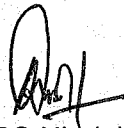
6. Therefore, interim financial burden due to legal expenditure, compensation to RERA litigants etc as on date is as follows:-

Sl.	Category of DU		Amount Due
(a)	A-I	...	2,40,337/-
(b)	A-II	...	2,18,961/-
(c)	B-I	...	1,50,193/-
(d)	B-II	...	1,34,302/-

7. The amount is likely to change if AFNHB gets relief in the higher courts. In such an event, the money saved will be shared with allottees at the time of final costing. It is requested that the amount be remitted either by cheque in favour of 'Air Force Naval Housing Board' payable at par or through RTGS/ NEFT/ QR Code Scanner as per following:-

Account No	50100278921679
Name of Account Holder	Air Force Naval Housing Board
Name & Address of Escrow Account	HDFC Bank 36A, Khan Market, New Delhi 110003
IFSC Code	HDFC0001358
QR Code Scanner	

8. This is for information and implementation, please.


(BS Nirola)
Dy General Manager (L&S)
For Director General