

## **LATEST UPDATE : AWHO SEC- 95, GURGAON**

1. This update is in response to the concern expressed by some allottees of AWHO Sector – 95, Gurgaon directly and via the social media as regards the delay in completion of the project.
2. AWHO empathises with the allottees and is committed to completion of the project at the earliest. It is our endeavour that allottees must reap rich dividends of their patience and unfortunate delay. It may be appreciated that 'Everyone' in the Indian Army aims to 'Win' and so does AWHO.
3. AWHO is a society registered under Registrar of Societies Act 1860 and has delivered approx 30,000 DUs in approx 93 projects to date. Also unlike the private builders no project has ever been left incomplete. The organisation was RERA compliant in a majority of aspects, even prior to implementation of RERA. The organization follows two levels of independent audits and stringent supervision methodology for ensuring required quality parameters at given lowest tendered price. Feedback received from the allottees through direct and indirect channels is given due attention.
4. AWHO also rigidly follows the traditions of the Indian Army of not brushing things under the carpet. All communication of the allottees have been treated with great seriousness and associated facts have been diligently checked. Regular interaction with the allottees has been maintained by individual interactions, collective meetings and updates on the AWHO websites. In this respect please refer our website updates dt 17 Aug 2017, 14 Nov 2017, 09 Feb 2018 and 17 May 2018 respectively.
5. AWHO Project Sector – 95, Gurgaon was launched as a Turnkey Contract with M/S Ramprastha in Mar 2012 to provide affordable and quality housing in NCR to the members of the Indian Army (Serving and Retired). The turnkey concept envisages the construction by the builder on land owned by him at a fixed plinth area rate. Accordingly to ensure ownership of the incomplete assets in case of builder not completing the project, the first step involved the transfer of the land title in name of AWHO.
6. Subsequently the construction schedule was finalized with the builder in the form of a contract agreement, which also gave the details of the various items of work. The payment demanded from the allottees was as per the schedule of stages of construction as finalized in the contract agreement.
7. The project progressed satisfactorily in the initial stages, but subsequently slowed down considerably. Accordingly the installments payable by allottees were postponed from Apr 2013 onwards. The sixth installment of 10% totaling 95% cost of DU was taken on 16 Jan 2017, when the financial payments made to the builder including cost of land was approx 81%. Also since the cost of already constructed parkings yet to be recovered from the allottees, the amount recovered would be approx 91% (and not 95%) of the total recoverable cost. Thus since AWHO demands funds in advance, the 10% demand of 6<sup>th</sup> installment on 16 Jan 2017 was justified.

8. With a view to avoid legal and procedural issues associated with cancellation of a project, AWHO made sustained efforts to assist / motivate the builder in accelerating the progress within the contractual provisions. However when all efforts failed and it was visualized that M/S Ramprastha is not capable of completing the project, the contract was cancelled on 05 Jan 2018 after due approval of the Executive Committee headed by the Chairman (Adjutant General). Adequate financial penalties within the contract provisions have been imposed on the builder while cancelling the contract keeping in mind the litigations likely to take place in future.

9. Subsequently as per procedure for finalizing a fresh contract, a BOO has been completed to assess the balance work, based on which fresh tenders have been issued on 10 May 2018. The bids are being received on 26 Jun 2018 and in case found reasonable, the work is expected to recommence in Jul 2018 to be completed by Sep / Oct 2019.

10. The following issues needs to be highlighted :-

(a) The builder has been adequately penalized financially within the contract provisions.

(b) The project has a separate account and interest earned on the unutilised funds shall be credited to this account.

(c) AWHO is committed to complete the project, with the revised date of completion as Oct 2019. However with a view to obviate the problems of allottees desiring a DU earlier, an option has been given to all allottees to withdraw without payment of any penalties except 2% on registration amount of Rs 90,000/- as handling charges and Rs 500/- application fee. Allottees can also transfer to any other AWHO project where DUs are available, whose cost shall be commensurate to cost at the time of booking of Sec-95, Gurgaon.

11. The higher management of AWHO is regularly monitoring the progress. It is once again assured that the allottees welfare is the foremost in everyones mind and the project would attain a place of pride in the area like all AWHO projects.