



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-312/2

25 Aug 2011

To - All the beneficiaries of Mohali (Ph I) housing scheme

Sub : CGEWHO's housing project at Mohali (Ph I)

Sir/ Madam,

We are in receipt of representations from the beneficiaries of your project in connection with the letter No.T-110/2 dated 22 June 11 issued by this office with regard to the expected escalation.

2. In this connection, it is to intimate you that vide the above referred letter we had intimated the increase at various heads according to the data available as on date. It is also intimated to you that the wholesale price indices as well as labour indices being the minimum labour wages to unskilled labour `have been frozen on the original contractual date of completion so that the beneficiaries shall not be put into additional burden of escalation due to the delay in the project. It is also to confirm that the escalation paid to the contractor is strictly in accordance with the contract conditions similar to clause 10cc of CPWD and has been calculated only on construction cost and not on the land component of the contract. Further, the data provided now are tentative and actual increase shall be worked out on the verge of completion. We are also hopeful to complete the project by March 2012 and all necessary steps have already been taken to increase the mobilization at site to complete the work within the revised schedule of completion. As you are aware we are using the same price index and minimum labour wages as announced by Economic Advisor and State & Control Authority and the increase works out to the tune of around 30% and 96% respectively which is unprecedented and could not be visualized by anybody.

3. The above increase in the prices of material as well as scarcity of labour in the market has resulted in substantial delay and increase in cost throughout the country. However, CGEWHO is taking utmost care so that the above factors may not affect our project in a major way. You shall also appreciate that CGEWHO being a no profit no loss organization has to charge the total expenditure being made towards this project, in this project itself. With regard to the final calculations of escalation, the same shall be provided to you during the course of completion

when we shall be making final costing. As you are aware, the escalation shall be payable only alongwith the final instalment so that a real picture can be provided to you.

4. In view of the above, you are requested to kindly bear with us with regard to the increase in cost as the increase was mainly due to abnormal increase in the wholesale price indices, increase in minimum labour wages as well as increase in the cost of cement & steel. The above increase is beyond the control of CGEWHO and can't be attributable to the contractor. However, it is to inform you that we have already frozen the wholesale price indices of material and minimum labour as per the stipulated date of completion of the contract so that any delay beyond the original contract completion date is not being put upon to the project cost and the beneficiary is affected only towards delay in completion of the project and not charged any additional escalation towards the extended period of completion.

5. We have thoughtfully analyzed your views and requirements and decided that beneficiaries are hereby given an opportunity to upgrade/ downgrade their type of unit as per their requirement of dwelling unit at the escalated price which will be taken care of as per the CGEWHO Rules. Extension beyond 45 days is not acceded to since this withdrawal option is one time and special, with lot of financial commitment.

Yours faithfully,

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