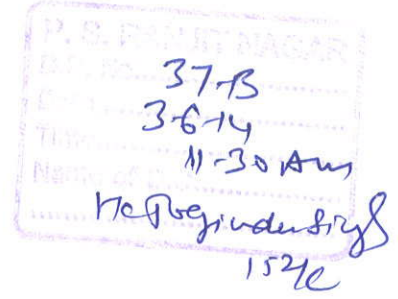


To,

The SHO,

Ranjit Nagar Police Station



Sub: Complaint regarding loss to the public exchequer and sale of public land leading to illegal gratification for M/s Raheja Developers in relation to the scheme for in-situ redevelopment of Kathputli Colony

Sir,

This is to bring to your attention the grave loss caused to the government through the illegal sale of government land, without a public auction, to M/s Raheja Developers Pvt. Ltd. Illegal gratification has been caused to M/s Raheja Developers in the following manner:

Firstly, the bidding process seems to have been designed to discourage bidders other than M/s Raheja Developers Pvt. Ltd. As noted by the Audit Officer (DDA Cell) in their report dated 22 June, 2011 at point 3, no details were provided "regarding the 0.97 hectares of free sale area and the commercial plot pertained to developer for constructing the 170 housing units and commercial component respectively. Test check of conceptual approval of Architect wing of DDA revealed that the prime land towards main road/metro line was given/allowed to the developer for constructing 170 housing units and commercial component. Thus, DDA allowed undue benefit to the developer." The DDA's reply to this charge was evasive. The bidding process would have been fair only if there had been a public auction or if correct information had been supplied before the auction. Any other procedure would be in contravention to the guidelines laid down by the Hon'ble Supreme Court on the issue of private alienation of public resources. The Supreme Court has noted, while ruling on the advisability of public auction and other methods of alienation of natural resources, that "I would, therefore, conclude by stating that no part of the natural resource can be dissipated as a matter of largess, charity, donation or endowment, for private exploitation. Each bit of natural resource expended must bring back a reciprocal

consideration. The consideration may be in the nature of earning revenue or may be to "best subserve the common good". It may well be the amalgam of the two. There cannot be a dissipation of material resources free of cost or at a consideration lower than their actual worth. One set of citizens cannot prosper at the cost of another set of citizens, for that would not be fair or reasonable." [In Re: Special Reference No. 1 of 2012].

In the instant case, land worth much more, located as it was in the center of Delhi, was sold for a sum total of only Rs. 6.11 crore. On this land the developer has been allowed to build 170 flats where each flat, as per the developer's plans, will occupy at least an enormous 800 sq.m. of space. The market rate of these flats, both then and now, is much higher than the circle rate of the land. M/s Raheja Developers have been selling flats in Gurgaon at the rate of Rs. 1 lakh per square metre. Kathputli colony is only a short drive from Rajiv Chowk in Central Delhi, so it stands to reason that its market rate will be much higher. At the Gurgaon rate (which is definitely lesser than the rates in Delhi), the 170 flats would be sold by M/s Raheja Developers at about Rs. 1120 crores. As such, government land worth hundreds thousands of crores has been sold for only Rs. 6.11 crore. It is further estimated by the DDA itself that the cost of building 2700 EWS flats, along with the transit camp and construction costs of the commercial component (for sale by M/s Raheja Developers Pvt. Ltd.) would be about Rs. 203 crore (as per the Viability report of the DDA). Even if all this amount is paid by M/s Raheja Developers, that still means a profit to M/s Raheja Developers of Rs. 900 crore (approx.) arising from government land. This is a clear case of corruption. This is in clear contravention of the law and of the principles laid down by the Hon'ble Supreme Court, and the loss to the government is staggering.

As such, *prima facie* offences under Section 406, 420 of the IPC and Sections 7 and 8 of the Prevention of Corruption Act have been committed by M/s Raheja Developers Pvt. Ltd. and public servants working with the Ministry for Urban Development and the Delhi Development Authority.

Secondly, as per the Agreement signed by the DDA with M/s Raheja Developers Pvt. Ltd, M/s Raheja Developers are only eligible to be allotted a maximum of 0.97

hectares as per Clause 2.2 of the Agreement. Yet, as per pamphlets distributed in Kathputli colony by the DDA itself, almost 40% of the land has now been promised to M/s Raheja Developers. As such, *prima facie* offences under Section 406, 420 of the IPC and Sections 7 and 8 of the Prevention of Corruption Act have been committed by M/s Raheja Developers Pvt. Ltd. and public servants working with the Ministry for Urban Development and the Delhi Development Authority.

Thirdly, there have been concerted attempts by the DDA to deny exact information to the residents of Kathputli colony. This has clearly been done so that undue favours given to M/s Raheja Developers Pvt. Ltd. are not questioned in public. For this reason also, *prima facie* offences under Section 406, 420 of the IPC and Sections 7 and 8 of the Prevention of Corruption Act have been committed by M/s Raheja Developers Pvt. Ltd. and public servants working with the Ministry for Urban Development and the Delhi Development Authority.

An FIR must therefore be registered against M/s Raheja Developers Pvt. Ltd., and public servants working with the Ministry for Urban Development, and also against the Delhi Development Authority, for conspiracy to defraud the public exchequer and to sell off government land at a fraction of its market price to a private party for its private profit.

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