

# Case Study

## Land Pooling Policy Scam of DDA

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### 1. Introduction:

Delhi Development Authority (DDA) has planned a policy in the name of Land Pooling Policy for ensuring availability of sufficient houses under planned development of Delhi. In the name of this Policy of DDA, various Builders and Promoters were showing rosy pictures to innocent flat buyers and raising huge amounts from them for advance bookings in the name of registration/allotment etc. Various attractive schemes were floated in the market by the unscrupulous elements through different Companies/Developers/Societies/Builders in the name of this Government approved Land Pooling Policy in order to cheat the public at large in this way.

Under its Land Pooling Policy (LPP), the Delhi Development Authority (DDA) is planning to pool land parcels owned by individuals, a group of owners or a builder then develop the land and return it to the owners. The system would replace the process of land acquisition and this new policy will be applicable to urban extensions of Delhi. The concept is about developing urban land parcels available in the City, especially in the outskirts, in an efficient, sustainable and equitable manner. It is likely to help develop and expand the city in a planned manner by increasing the supply of the fresh land.

### 2. Description:

The DDA has not issued any license or authorized any developer/builder/society/company to undertake the process of development in the sectors under this land pooling policy. Further, DDA shall be able to issue such provisional/final development licenses once the sector is qualified for development. As per the notified policy in order to make the sector eligible for development, a minimum of 70% contiguous land of the developable area within the sector free of encumbrances is to be pooled.

This scheme of DDA was grabbed by some mischievous elements as an opportunity to exploit the situation and they launched their web portals from where various types of electronics advertisements were being sent on e-Media with regard to various housing schemes in order to cheat the general public at large and accordingly huge money was collected from the innocent people. They allured the general public in the names of various Housing Societies to book flats. A large number of investors fell into the trap through these inductive moves and invested their hard earned money for buying flats in different Housing Societies/Projects.

Here, the builders entrapped the home seekers for investing in various categories of housing schemes

especially in Dwarka and other peripheral areas of Delhi and duped a large number of such innocent people in the name of these schemes not approved by the Government. Many FIRs were lodged by the Economic Offences Wing of Delhi Police against different Builders/Developers/Societies who were cheating gullible home buyers under the garb of this Land Pooling Policy of DDA. The present Case Study has been carried out to address this recent Scam where in thousands of investor victims were cheated to the tune of hundreds of Crores of rupees in a planned and calculated way.

### 3. Discussion:

Fraud has been played with the general public through such misrepresentations for the sole motive of getting illegal gains by the builders. The immediate need of a common man for having a liveable house in the prime location of Delhi at reasonable rates was encashed by these unscrupulous elements. The name of newly announced Land Pooling Policy of DDA was used to give an impression and spread a message in the masses that the project is duly authorised by a competent authority. In this way, the facts were misrepresented and the material information with regard to the DDA's approval pertaining to this project suppressed in order to induce the public at large for investing in these bogus schemes.

### Activities Involved

- Various attractive/lucrative schemes were floated in the market by the unscrupulous elements through different Companies/Developers/Societies/Builders in the name of Government approved Land Pooling Policy demanding registration fee/initial payments for booking of flats.
- Bulk messages were sent to the public by these Builders/Promoters on cell phones regarding such schemes apart from circulation of hand bills.
- For such schemes, DDA's name was misused by the builders/promoters by claiming their projects as "DDA approved" whereas no such approval was granted by the DDA.
- There was no authority with any of these builders either to develop any of such projects or collect money from the public in the name of any of these.
- Hundreds of Crores of rupees were cheated from the public in a well planned and calculated way.
- The promised assurances were not kept and this huge money collected from the home seekers was misappropriated, siphoned off or diverted.

### The Modus Operandi

Here, in this case, the following methods were adopted by the Economic Offenders for committing the offences in the present case:

- Grabbing the DDA's newly launched Land Pooling Policy as an opportunity in view of heavy housing requirement in Delhi.
- Inducement to the public through misrepresentation of the facts pertaining to this policy and offering affordable housing at prime locations to the persons in dire need.
- Using Aggressive Marketing through mass messages, fictitious portals, electronics advertisements on e-Media, circulation of pamphlets etc. with regard to the Society Projects and collecting investments from the public at large in the form of bookings.
- Hefty commissions to the agents bringing the bookings of these housing projects.
- Siphoning off and diverting the investments of the investors for personal gains.

## Crime Impacts

The general public, unable to appreciate the actual state of affairs, is being targeted regularly by the shrewd promoters and developers for investing in such projects by misrepresenting the facts pertaining to the developmental schemes of the Government as is the case with Land Pooling Policy of the DDA. There was no authority with any developer, promoter or builder to collect any investment from the buyers in the name of LPP scheme.

The following major impacts can be stated to have been caused by the crime committed in the present scam under study:

- A well designed policy of Government for affordable housing for the general public has gone wild in the hands of economic offenders who are bent upon to convert it to a well planned another housing scam.
- Hundreds of crores of rupees are feared to have been duped from the innocent public. The Financial Implications involved here are to the tune of Rs. 1200 Crore (Approx).
- Shattering of the expectations of the home seekers who have already made investments in the form of bookings with these cheats.
- Alarming challenge to the functioning of DDA, a well-established government agency, carrying out developmental work of Delhi.
- A wrong message to the Society regarding hijacking of the Government Scheme by the economic offenders at its initial phase only.
- Setting up of a wrong precedence of bypassing the statutory regulations through system lacunae by the criminals and apprehension of repetition of such crimes in future.
- A Challenge to the rule of law by the criminals through setting up of an example of success of criminal ill designs.
- Increased motivation for the economic offenders for quick and huge money returns through illegalities.

## The Shortcomings

During the study of the present case, certain shortcomings which seem to have given advantages to the economic offenders for succeeding in their ill designs for commission of the crime are being enumerated below:

- Absence of clarity in the minds of general public with regard to the intricacies of Land Pooling Policy of DDA.
- There was no control over the activities and project offers being made by various builders and promoters pertaining to this policy.
- Absence of specific and effective governing rules and regulations relating to housing schemes and floating of offers in the market for inviting investments from the public.
- Absence of some appropriate official information centre for assisting the ignorant and confused general public about such projects and schemes.
- Absence of required frequency of awareness drives in absolutely clear terms by the regulating authority.

## 4. Conclusion/Recommendations:

With regard to this Land Pooling Policy (LPP), specific precautions are required to be taken urgently in view of the fact that about 17 lakh new affordable housing units for accommodating around

76 lakh people would be on offer for sale and the economic offenders are ready for hunting the public at large with their latest machinery and tested ways.

Following remedies are suggested for filling in the lacunae and improving the system on the basis of the study carried out in the present case:

- General awareness by the concerned authorities about such evil designs and precautions to be taken with regard to the investments therein through regular Caution Notices in the print, audio and audio visual media.
- Issuance of specific guidelines, instructions and precautions by the DDA, the regulator, for avoiding any ambiguity in the minds of general public with regard to the investments or the bookings under this policy.
- Setting up of some 'Clearance Centre' or 'Information Portal' for guiding the general public with regard to investments in any particular project.
- Mandatory prerequisite of NOC from some appropriate body for every promoter or builder before offering any project or inviting any investment from the public in any media.
- Enactment of required legal provisions for penalizing appropriately all such inducive and misleading offers of the economic offenders through various means and media.