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Pay heavy fine for returning DDA flats

Risha Chitlangia | TNN | May 22, 2017, 09.17 AM IST

Representative Image

NEW DELHI: Delhi Development Authority (DDA) has decided to levy a penalty, ranging from 25-100% of the earnest money, to ensure only serious buyers apply for its new housing scheme that is likely to be announced in mid-June.

Officials said the step was being taken to avoid a repeat of what happened in 2014 when 50% of the flats were returned by allottees. However, resident welfare associations are not happy with the land-owning agency's decision.

To apply for the housing scheme in which DDA will put up 13,500 flats on sale, people will have to pay Rs 1 lakh for LIG and Rs 2 lakh for MIG/HIG flats as earnest money. No penalty will be levied on the earnest money if an applicant withdraws before the date of the draw of lots. "But they will have to forfeit 25% of the amount if they surrender the flats within 90 days after the draw of lots," said J P Aggarwal, principal commissioner, land disposal and housing, DDA. If a person surrenders within three months of issue of the demand letter, then he/she will lose 50% of the earnest money. "After this, there would be no exemption. If a person fails to pay the money for the flat allotted to him/her, the entire earnest money will be forfeited," said Aggarwal.

In an attempt to attract serious buyers, DDA had decided to increase the earnest money for MIG and HIG flats to Rs 5 lakh. But it was reduced to Rs 2 lakh following protests by residents.

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Resident welfare associations are opposing the penalty clause. Last year, Delhi Residents' Welfare Associations Joint Front, an umbrella body of RWAs under the Bhagidari scheme, had written to then LG Najeeb Jung in this regard. "This is not a valid clause. If a person has a legitimate reason,

then why should he be made to pay a penalty?" said Pankaj Agarwal, general secretary of the organisation.

S B Singh, a member of Lajpat Nagar III RWA, said that DDA doesn't allow people to give floor-wise preference. "If an old couple is allotted a third floor in a building that doesn't have a lift, then why should they be made to pay a penalty when they don't want the flat? DDA only allows people to give preference for the location," said Singh.

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Explaining the reason behind this move, DDA officials said it is to discourage people who are not serious about buying the flats. "Our flats are much cheaper than market rates. We have given people the option to go and see the location of the project/flats before applying. This is just to ensure serious buyers apply," said a DDA official.

Of the 25,000 flats which were put up for sale in the 2014 housing scheme, 13,000 plus were returned by allottees citing reasons like small size of bedrooms and lack of infrastructure at the location, among others.