

**GOVERNMENT OF INDIA  
URBAN DEVELOPMENT  
LOK SABHA**

UNSTARRED QUESTION NO:2155

ANSWERED ON:06.08.2010

COMMONWEALTH GAMES VILLAGE PROJECT

Majumdar Shri Prasanta Kumar;Muttamwar Shri Vilas Baburao;Tirkey Shri Manohar

**Will the Minister of URBAN DEVELOPMENT be pleased to state:**

- (a) the details of the agreement signed by the Delhi Development Authority (DDA) for the development of Commonwealth Games Village Project;
- (b) whether the DDA had given a bailout package to the company;
- (c) if so, the details thereof alongwith the reasons therefore;
- (d) whether the price at which the flats will be bought is higher than what was recommended by an Expert Committee constituted by the Government to decide the modalities of bailing out;
- (e) if so, the facts thereof;
- (f) whether the Comptroller and Auditor General has also pointed out the loss suffered by the DDA in bailing out of the company; and
- (g) if so, the details thereof and the reaction of the Government thereto?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF URBAN DEVELOPMENT(SHRI SAUGATA ROY)

(a): DDA has signed an agreement with Emaar MGF for development of Commonwealth Games Village under Private Partnership Participants (PPP) mode. As per the agreement, DDA is to receive Rs.321 crore and share of 1/3 flats out of a total 1168 flats.

(b)& (c): DDA had given financial assistance to Project Developer by way of purchasing flats from the project Developer's share. Since the project had come to a virtual halt because of cash flow problems and serious difficulties were being faced by the project developer in raising resources from the market as well as from financial institutions because of economic recession and in view of the requirement of timely completion of the project, it was decided that DDA may purchase 333 under-construction flats from the project developer's share.

(d)& (e): An Inter-Agency Evaluation Committee was constituted by the Lt. Governor of National Capital Territory of Delhi in order to work out a reasonable price for purchasing of flats from Emaar-MGF. The Committee accordingly arrived at the project cost per sq.ft. of plinth area. Based on inputs of Independent Consultants engaged by the Committee and Financial Experts and after adding the developer's margin and cost of capital, the cost of completed flats was worked out. On the basis of input of Price Evaluation Committee and Negotiation Committee and considering the offer of project developer, it was decided that DDA may go ahead with the purchase of flats at the rate of Rs.11,000/- per sq.ft.

(f) & (g): The Controller & Auditor General of India in its report No.CA 23 of 2009-10 regarding shortcomings in developing the residential complex at Commonwealth Games Village on PPP mode has observed, inter-alia, that there was avoidable extra expenditure due to purchase of apartments from the developer by DDA at higher rates and non-recovery of upfront amount from the developer for construction of excess floor area.

The decision to purchase flats by DDA was taken keeping in view the totality of facts as this was the only immediate solution to the problem in hand, as otherwise timely completion of the project would have been affected. Timely completion of the project involved national prestige and any lapse in this regard would have resulted in serious consequences.