

**HUNDRED-FOURTH REPORT**  
**PUBLIC ACCOUNTS COMMITTEE**  
**(1982-83)**

(SEVENTH LOK SABHA)

**DELHI DEVELOPMENT AUTHORITY**

[Action taken by Government on the recommendations of the Public Accounts Committee contained in their 18th Report (Seventh Lok Sabha)]

*Presented in Lok Sabha on 5 November, 1982*  
*Laid in Rajya Sabha on 5 November, 1982*

**LOK SABHA SECRETARIAT**  
**NEW DELHI**

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COMMITTEE (7TH LOK SABHA) ON DDA

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(1982-83)**

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## INTRODUCTION

1. I, the Chairman of the Public Accounts Committee, as authorised by the Committee, do present on their behalf this 104th Report on the action taken by the Government on the recommendations of the Public Accounts Committee contained in their 18th Report (7th Lok Sabha) on Delhi Development Authority.

2. Expressing their serious concern over the phenomenal increase of 14,000 industries in non-conforming areas between 1962 and 1968, the Committee have observed that it could not have been possible without the connivance of the concerned authorities. Since no alternative sites could be made available for setting up industrial units in areas earmarked in the Master Plan, there has been no check on the further growth of industrial units in non-conforming areas. At the same time the small industrial units were put to great hardship as no municipal licences were granted even to those units which were in areas not mentioned in the Master Plan as non-conforming. The Master Plan has more or less remained merely a document on paper and no development worth the name has taken place in the city of old Delhi. The Committee have recommended that an enquiry should be conducted by Government as expeditiously as possible to fix responsibility for the non-implementation of the Master Plan in the city and the action taken thereon should be reported to them latest by 31 January, 1983.

3. Dissatisfied with the reply of the Ministry of Works and Housing regarding allotment of four acres of land earmarked for small scale industries to M/s. Tata Iron and Steel Company for setting up a stockyard, the Committee have desired that an enquiry as to how the land meant for allotment to small scale units was allotted to a big business house, should be conducted expeditiously and the results thereof apprised to them by 31 January, 1983. The Committee have also desired the Government to examine the feasibility of resuming this land for allotment to small scale industries.

4. The Committee have further desired that the circumstances in which four cinema sites were given on annual ground rent without obtaining proper sanction of the competent authority should be

(vi)

investigated, responsibility fixed and action taken against those found guilty. Officers who were on deputation and have since reverted to their parent departments should be asked to explain through their cadre authorities.

5. Keeping in view the avowed objective of the DDA to control the price of land in Delhi, the Committee have stressed that an indepth examination of the present system of auctioning of commercial plots should be carried out with the assistance of reputed economists, social scientists, architects etc. so as to ascertain how far the present policy has resulted in escalation in prices of land and other goods including essential items and services in the capital and whether the present policy needs modification.

6. The Report was considered and adopted by the Public Accounts Committee at their sitting held on 13 October, 1982.

7. For reference facility and convenience, the recommendations and observations of the Committee have been printed in thick type in the body of the Report and have also been reproduced in a consolidated form in the Appendix to the Report.

8. The Committee place on record their appreciation of the assistance rendered to them in this matter by the Office of the Comptroller and Auditor General of India.

NEW DELHI;  
October 20, 1982  

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SATISH AGARWAL.  
Chairman,  
Public Accounts Committee.

## CHAPTER I

### REPORT

1.1 This Report of the Committee deals with the action taken by Government on the recommendations and observations contained in their 18th Report (7th Lok Sabha) on Delhi Development Authority commented upon in Paragraph 29 of the Advance Report of the Comptroller and Auditor General of India for the year 1976-77, Union Government (Civil) relating to the Ministry of Works and Housing.

1.2 The Committee's 18th Report was presented to the Lok Sabha on 30 April, 1981 and contained 55 recommendations and observations. According to the procedure laid down, the notes indicating the action taken by Government in pursuance of the recommendations and observations contained in this Report duly vetted by Audit were required to be furnished to the Committee latest by 29 October, 1981. However, the Ministry of Works and Housing submitted action taken notes in respect of the recommendations/observations made in the Report on different dates and the last reply was furnished on 26 August, 1982 i.e. nearly ten months after the due date.

1.3 The Public Accounts Committee (1975-76), in their 220th Report (Fifth Lok Sabha), urged the Government 'to review this thoroughly unsatisfactory state of affairs (In respect of submission of action taken notes) and take immediate remedial measures'. While expressing their happiness over the measures aimed at securing timely submission of action taken notes on the Committee's recommendations *inter alia* setting up a 'Monitoring Cell' in the Department of Expenditure as the focal point for the Government as a whole, to coordinate the progress in this regard and monitor delays with the Ministries/Departments concerned, the Public Accounts Committee (1976-77) had, in paragraph 1.15 of their 25th Report (6th Lok Sabha), expressed the hope that "the Integrated Financial Advisers/Internal Financial Advisers in each Ministry would discharge their responsibility effectively in examining the Reports of the Committee and in coordinating and monitoring the expeditious submission of the Action Taken Notes thereon to the Committee."

**1.4 The Committee are unhappy that there has been unusual delay on the part of the Ministry of Works and Housing in furnishing action taken replies to the recommendations contained in their 18th Report on Delhi Development Authority. Although the replies, duly vetted by Audit, were required to be furnished by October 1981, the last batch of replies was furnished in August 1982 only i.e. 10 months after the due date.**

**1.5 The Committee regret that even the setting up of Monitoring Cell in the Ministry of Finance to ensure timely submission of action taken replies has not been much help. The Committee would like the Monitoring Cell in the Ministry of Finance to be more vigilant in future in ensuring that the Ministries/Departments furnish action taken notes to the Committee promptly and within the stipulated period of six months.**

**1.6 The action taken notes received from Government have been broadly categorised as under:**

**(i) Recommendations and observations which have been accepted by Government:**

Sl. Nos. 1, 3, 4, 6, 7, 8, 9, 13, 15, 19, 21, 24; 25; 26; 27; 28; 29, 30, 31, 33, 34, to 36, and 45, to 47.

**(ii) Recommendations and observations which the Committee do not desire to pursue in view of the replies received from Government:**

Sl. Nos. 2, 11, 16, 17, 18, 20, 22, 23, 32, 37, 38, 53; 54 and 55.

**(iii) Recommendations and observations replies to which have not been accepted by the Committee and which require reiteration:**

Sl Nos. 41, 42, 43, 44, 48, 51 & 52.

**(iv) Recommendations and observations in respect of which Government have furnished interim replies:**

Sl. Nos. 5, 10, 12, 14, 39, 40; 49 and 50.

**1.7 The Committee expect that final replies to those recommendations and observations in respect of which only interim replies have been furnished by the Government, so far, will be made available to the Committee expeditiously after getting them vetted by Audit.**

1.8 The Committee will now deal with action taken by Government on some of their recommendations and observations.

Liberalisation of the policy of granting licences to industries in non-conforming areas

(Paragraph 1.51—Sl. No. 1)

1.9 Expressing their concern over the increase in the number of industries in non-conforming areas, the Committee had in Paragraph 1.51 of their Report, desired to know the specific circumstances which had necessitated the Delhi Administration to review twice their decision of June 1963 not to issue licences for running the industries in non-conforming areas. The Committee had observed:—

“1.51 The Committee note from the Audit paragraph that to obviate further growth of industries in non-conforming areas, the Delhi Administration had decided in June 1963 that municipal licences for running of industries in non-conforming areas should not be issued and that the licences of those industries which had been established in non-conforming areas before 1 September 1962 should be renewed on year to year basis. Despite this, the Committee are concerned to find that the number of industries in non-conforming areas had increased from 9360 on 1 September, 1962 to 13360 on 31 December, 1966. Giving the latest position in this regard the Vice-Chairman, Delhi Development Authority informed the Committee during evidence in October 1978 that about 40,000 units were functioning in Delhi and of this only 23,000 had got municipal licences. The Ministry of Works and Housing have informed the Committee that the decision of 1963 of Delhi Administration was implemented till October 1967 when the policy was liberalised and units functioning in non-conforming areas on or before 30 November, 1967 were granted licences on *ad hoc* basis. Again, this policy was further liberalised in September 1975 and licences were granted to the units functioning in non-conforming areas on or before 21 October, 1975. Thus, the Delhi Administration had, instead of allotting the industrial plots on conforming areas to the then existing units in non-conforming areas and getting adequate number of industrial plots developed in the areas earmarked for the purpose, approved twice the

liberalisation of the policy of granting licences in non-conforming areas. The Committee would like to know the specific circumstances which necessitated reviewing by the Delhi Administration of their earlier decision of June 1963 in this regard."

1.10 The Ministry of Works and Housing in their Action Taken Note\* dated 2 April, 1982 have stated:

"Municipal Corporation of Delhi have reported that the licensing policy for the industries as framed at the time enactment of Master Plan was strictly in accordance with the provisions of the land use prescribed in the Master Plan. But later on, at the instance of the then Chief Commissioner, it was felt that the units which were established before 1-9-1962 should be granted licences if the trade is not noxious and hazardous to health, and a moratorium period should be fixed for their shifting to a regular conforming area developed by the Delhi Development Authority. Later on, in the month of May 1968, the overall position regarding licensing and coming up of new industries was reviewed and it was found that even though licences were not being issued for the units which have come after 1-9-62, actually 14,000 factories were established in between 1962 and 1968 and were running without licences. It was felt that Delhi Development Authority will take much more time than the proposed moratorium period for shifting the industries from non-conforming to conforming areas by making available sites for new units. The Municipal Corporation of Delhi with the approval of Delhi Administration framed a policy in the year 1968 to issue ad-hoc licences to the units which were established before 30-11-67. The ad-hoc licences were granted renewable on year to year basis with a clear condition that it will not confer any right to the licensee for an alternative site in the conforming area. The policy was liberalised again in 1975 because it was found that the proper pace of industrial growth within the union territory of Delhi was not feasible as per provisions of Master Plan because Delhi Development Authority was

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\* Note vetted in Audit.

taking more time for providing proper sites in conforming area. The ad-hoc policies of 1968 and 1975 were framed after consultation with the Delhi Development Authority, Delhi Electric Supply Undertaking and other concerned bodies in order to have a realistic approach, regarding the factories in Delhi. This also helped Municipal Corporation of Delhi in enhancing its revenue by way of licence fee."

1.11 From the reply furnished by the Ministry of Works and Housing and from the Study of the Delhi Master Plan, the Committee find that between 1962 and 1968, there was a phenomenal increase of 14,000 industries in non-conforming areas of Delhi which were running without licences. It is inconceivable as to how so many industries could be established when there was a total ban on issue of licence to industries in non-conforming areas. The Committee cannot but reach the conclusion that such phenomenal growth in the number of industries in non-conforming areas could not have been possible without the connivance of concerned authorities. Had the concerned officers of the Delhi Municipal Corporation shown the prudence expected of them and been vigilant enough, the illegal operation of industries would not have taken place.

The Committee cannot but express their serious concern over the prevailing state of affairs. While the Government and the DDA were to carve out industrial areas as laid down in the Master Plan and then to shift the industries to such new developed areas, it is a matter of regret that no concrete steps in this direction have been taken with the result that the Master Plan has more or less remained merely a document on paper and no development worth the name has taken place in the city of old Delhi. Consequently, Delhi Administration had to liberalise the policy of granting licences to industries in non-conforming areas—first in 1968 and again in 1975.

The Committee regret to find that for all these twenty years no serious effort has been made to develop industrial areas on the basis of the Master Plan. Since no alternative site could be made available for setting up industrial units there has been no check on the further growth of industrial units in non-conforming areas. At the same time, the small industrial units were put to great hardship by not granting them the municipal licences, even to those units which were in areas not mentioned in the Master Plan as non-conforming.



This has resulted on the one hand in harassment to the small industrialists and on the other hand in financial loss to the Delhi Municipal Corporation as they could not collect licence fee. This is indicative of total failure on the part of Delhi Development Authority in ensuring the planned growth of industries in Delhi.

In view of the above, the Committee recommend that a thorough enquiry should be conducted by Government to fix responsibility for the non-implementation of the Master Plan in the city of old Delhi. This enquiry should, inter alia, go into the following matters:—

- (i) reasons for the failure to identify the non-conforming areas;
- (ii) the circumstances in which new units were allowed to come up in non-conforming areas;
- (iii) failure to develop new industrial sites as laid down in the Master Plan;
- (iv) failure to provide land to the existing industries of non-conforming areas at pre-determined rates, requisite incentives and other facilities;
- (v) failure to evolve consistent and clear policy regarding grant of ad hoc licences to all industries in Delhi till these were given alternate sites; and
- (vi) failure to develop the city of Delhi on the lines as laid down in the Master Plan.

The enquiry should be conducted and completed as expeditiously as possible and action taken thereon reported to the Committee latest by 31st January, 1983.

*Finalisation of pending applications for allotment of  
Industrial Plots*

(Paragraph 1.54 — Sl. No. 4)

1.12 Stressing the need to finalise the pending applications for allotment of industrial plots expeditiously, the Committee had, in Paragraph 1.54 of their Report stated:

“From the reply furnished by the Ministry of Works and Housing, the Committee note that out of the 15,000 applications received in February, 1976 for allotment of industrial plots, 14,581 applicants did not deposit the requisite amount of premium called for through an advertisement in newspapers in October, 1976 and thus there were only

**419 applicants left. There were another 700 claims earlier to these applications for allotment of industrial plots. The Committee urge that all these cases should be finalised expeditiously."**

1.13 In their action taken note\* dated 19 March, 1982, the Ministry of Works and Housing had informed the Committee as under:

The Delhi Development Authority has further reported that total number of cases where 30 per cent premium was deposited by the persons, who had applied in 1976 for industrial plots has been reduced to 300, as the rest of them have taken their deposit back. Out of these 300 applicants, only 184 were found eligible for allotment to whom allotment letters/offers of allotment have already been issued. The remaining applicants have not been found eligible and their deposits are being refunded. The Delhi Development Authority has further reported that the claims of 700 persons who had applied before 1976 have almost been finalised."

1.14 Substituting the earlier action taken note, the Ministry of Works and Housing have stated\* on 13 April, 1982:

"The Delhi Development Authority has reported that the total number of cases where 30 per cent premium was deposited by the persons, who had applied in 1976 for industrial plots has been reduced to 300, as the rest of them have taken their deposit back. Out of these 300 applicants, only 184 were found eligible for allotment to whom allotment letters/offers of allotment have already been issued. The remaining applicants have not been found eligible and their deposits are being refunded.

The Delhi Development Authority has further reported that the number of persons who had applied for industrial plots before 1976 was by mistake mentioned as 700 instead of 70. On checking up the position further, the actual number was found to be 84. The recommendations of the Land Allotment Advisory Committee were obtained and the cases are under process of allotment."

1.15 In their reply the Ministry of Works and Housing have stated that the Delhi Development Authority has informed them

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\*Not vetted in Audit.

that 'the number of persons who had applied for industrial plots before 1976 was by mistake mentioned as 700 instead of 70 and on checking up the position further the actual number was found to be 84'. It is interesting to note that till 19 March, 1982 the Delhi Development Authority has been reporting to the Ministry of Works and Housing that the claims of 730 persons who had applied before 1976 have almost been finalised. This discrepancy clearly shows that there is no proper system of maintenance of records in the Delhi-Development Authority. This is also indicative of the casual manner in which information is being furnished to the Committee without getting the same properly checked up. The Committee recommend that the matter should be enquired into and responsibility be fixed for the lapse. The results of the enquiry should be communicated to the Committee by 31st January, 1983.

*Laying down the procedure for allotting industrial Plots  
(Paragraphs 1.58 and 1.59—Sl. Nos. 8 and 9)*

1.16. The Committee had in Paragraphs 1.58 and 1.59 of the 18th Report stated:

"Further, the Committee are surprised to note that there is no procedure in vogue in DDA by which it may be known whether the allottees who had established their industries in new areas had actually vacated the existing premises in non-conforming areas or stopped their further use for the purpose for which these areas were being utilised etc.

The Ministry of Works and Housing have stated that 'a survey will be conducted shortly' and details furnished to the Committee thereafter. The Committee urge upon the Government to evolve without any further delay some effective procedure by which it may be known that the allottees have fulfilled the above two conditions within the stipulated period. They feel that these two conditions should be included in the lease deed and the responsibility for intimating to the DDA about the fulfilment of these conditions be devolved on the allottees."

1.17. In their reply dated 3/5 July, 1982, the Ministry of Works Housing have stated:

"The Delhi Development Authority has reported that a survey of 1068 units still existing in non-conforming areas

which have been allotted alternative sites, has been conducted. It has been found that 96 sites have been vacated. Necessary action against the remaining 972 units is being taken by the Delhi Development Authority. The Delhi Development Authority has further reported that the following two conditions have been incorporated in the lease deed form:—

- (i) The lessee would within a period of 2 years and 6 months from the date of taking possession of the plot, stop such use of the existing premises in non-conforming areas for a purpose not permitted under the Master/Zonal Plan;
- (ii) Establish the industry in the plot allotted at pre-determined rate, within a period of two years.

It has also been decided in principle to make provision in the lease deed that the allottees would apprise Delhi Development Authority about the fulfilment of the above two conditions within three years from the date of allotment in a conforming area. The matter is being processed on priority basis.

As the completion of the survey of all such units and their shifting to conforming areas will take some time, the progress is proposed to be watched periodically.

It may be added that as per the policy followed by the Directorate of Industries, Delhi Administration, the units which have been allotted land under shifting programme, are not eligible for registration if they continue to function in the non-conforming premises even after the expiry of the moratorium period, as per the lease deed/validity period of their factory building plans, in spite of a valid Municipal Licence. Also, before granting registration in the conforming area, the previous premises of the units in the non-conforming area is inspected by the Directorate to ensure that the unit has stopped using it for the purpose of any manufacturing process, or running of any industry whatsoever, in terms of the Lease-deed. On its part, the Municipal Corporation of Delhi also refuses to grant licences for setting up of industries in non-conforming areas.”

1.18 The Committee are surprised to find that out of 1068 units in non-conforming areas which have been allotted alternative sites, only 96 units have vacated the old sites and the remaining 972 units are still working in non-conforming areas. This clearly shows that the matter has not been dealt by DDA with the seriousness it deserves.

1.19 It has been stated by the Ministry of Works and Housing that as per policy followed by the Directorate of Industries, Delhi Administration, the units which have been allotted land under shifting programme, are not eligible for registration if they continue to function in the non-conforming premises even after the expiry of the moratorium period, as per the lease deed/validity period of their factory building plan, in spite of a valid municipal licence. On its part, the Municipal Corporation of Delhi also refuses to grant licences for setting up of industries in non-conforming areas. As there has been a steady growth of industries in non-conforming areas and in view of the slow pace at which these industries are being shifted to the new areas allotted to them, this policy seems to have been followed more in breach than in observance. The Committee would therefore stress that at least in future this should be followed by the Delhi Administration/Delhi Municipal Corporation in letter and spirit.

*Allotment of land by the DDA to a factory not covered under the scheme of allotment to small scale industries (Paragraph 1.62—  
Sl. No. 12)*

1.20. Asking the Government to hold an enquiry in a case in which 4 acres of land was allotted in 1966 for a purpose not covered under the scheme, the Committee had in paragraph 1.62 of their report state:

“1.62 The Committee also find that the then Chief Commissioner was authorised to allot, on the advice of the Land Allotment Advisory Committee, developed land at proper price to small scale industries (in addition to such of the industrialists who held or were granted import manufacturing licences by Government), provided that setting up of the industry was in accordance with the Master Plan. The Committee have been informed by the Audit that the DDA under the above scheme allotted in December 1966 a plot of the land measuring 4 acres to M/s. Tata Iron and Steel Co. which is not a small scale industry at the commercial rate of Rs. 35/- per square yard for setting up a stock yard. However, a further request by the company in July 1974 for allotment of additional land nearby for the same purpose was rejected by the

DDA in September 1977 on the ground that allotment for such purpose could not be made in terms of the scheme. The Finance Member of the Authority in February 1975 had observed that 'this unit is not strictly covered by this order'. If this was so, the Committee are unable to understand how this company was allotted 4 acres of land in the first instance in 1966 for a purpose not covered under the scheme. The Committee, therefore, recommend that a detailed inquiry be made into this case so as to bring out full facts to surface."

1.21 The action taken note furnished in regard to the above recommendation by the Ministry of Works and Housing on 19 January, 1982 is reproduced below:

"As already explained in the note submitted to the Public Accounts Committee earlier, the allotment was not covered by the order governing the Scheme for large scale acquisition, development and disposal of land in Delhi. The land was allotted for the establishment of a stock-yard and not for industrial purpose. It related neither to the shifting of an industry or trade from a non-conforming to a conforming area nor to allotment of land in lieu of land acquired. The Land Allotment Advisory Committee recommended the allotment to the Chief Commissioner on a specific proposal of the Delhi Development Authority. Apparently, the allotment was made because steel was in short supply and the establishment of a stock-yard in Delhi would have enabled steel to be supplied in reasonable quantities at controlled rates to the genuine users.

The Delhi Administration (L&B Department) and Delhi Development Authority have, however, been requested to conduct necessary enquiry if not already done and the Committee would be informed of the results in due course."

1.22. The Committee are not at all satisfied with the reply of the Ministry to the effect that the land earmarked and developed for allotment to small scale industries was not allotted for industrial purpose but was allotted for a different purpose to Messrs. Tata Iron and Steel Company for setting up a steel stockyard. This allotment in the opinion of the Committee, was absolutely unwarranted and has stifled the growth of small scale industries.

The Committee have been informed that the Ministry have requested the Delhi Administration and D.D.A. to conduct necessary

inquiry, if not already done. This again betrays the lackadaisical approach of the Ministry and the D.D.A. to the observations of the Committee. The Committee desire that the inquiry should be conducted expeditiously and they should be apprised of the results thereof by 31st January, 1983. The Committee would also like Government to examine the feasibility of resuming this land for allotment to small scale industrial units.

*Non-maintenance of property registers (Paragraph 1.65—Sl. No. 15)*

1.23. Commenting on non-maintenance of the property registers properly till October 1978, the Committee had in paragraph 1.65 of their report stated:

“The Committee are perturbed to note that the DDA was not maintaining the property registers properly till October 1978. The Ministry of Works and Housing have informed the Committee in 1979 that the records have since been completed. The Committee would now desire to know the number of plots for which lease deed has not been executed so far despite handing over possession of plots. The reasons for such irregularity may be explained in each case.”

1.24. In reply to the above recommendation, the Ministry of Works and Housing in their action taken note dated 15 February 1982, have stated:

“The Delhi Development Authority has reported that the total number of plots for which lease deeds have not been executed so far is 2042. The Delhi Development Authority has also stated that as the number of such cases is large, it is not possible to indicate the reasons for non-execution of lease deeds in each case but that the main reasons thereof, and the number of cases falling in each category are as under:—

(i) Decision of the Delhi Development Authority accepting the changes made in partners of the allottee firms/companies etc. subsequent to allotment has not yet been taken. . . . .	313
(ii) Allottees are not coming to execute the lease-deed inspite of repeated reminders. . . . .	316
(iii) Allottees have not completed the required formalities with regard to execution of lease-deed . . . . .	1101
(iv) Allottees have not returned the lease-deed papers after getting them stamped from the Sub-Registrar . . . . .	312
	2042

Instructions were issued to the Delhi Development Authority vide this Ministry's letter No. K11011/8/81/DDII-B dated 1st October, 1981 to have the necessary formalities completed with the allottees expeditiously so that the lease deeds are executed without further delay. The Delhi Development Authority have since reported that the number of plots for which the lease deeds still remain to be executed has gone down from 2610 to 2042 as indicated above."

1.25. From the reply furnished by the Ministry of Works & Housing, the Committee note that in spite of specific instructions issued to D.D.A. by the Ministry of Works & Housing regarding expeditious execution of lease deeds in respect of industrial plots, there were 2,042 cases out of a total number of 2,610 cases in which lease deeds were yet (February, 1982) to be executed. The Committee feel that this is clearly indicative of the lack of seriousness on the part of D.D.A. in getting the lease deeds executed. The Committee note that 316 allottees were not coming forward to execute lease deeds in spite of repeated reminders; in 1,101 cases required formalities with regard to execution of deeds had not been completed and in another 312 cases the allottees had not returned the lease deed papers after getting them stamped from the Sub-Registrar. There is no plausible explanation for the non-execution of lease deeds especially looking to the last category of 312 cases, who inspite of having got the deeds stamped, are not coming forward for execution of lease deeds. The Committee would like the Delhi Development Authority to take the initiative in this matter and get the lease deeds executed within a specified period. The results of these efforts should be communicated to the Committee by the 31st January, 1983. The Committee desire that a proper system should be evolved by D.D.A. whereby the lease deeds may be got executed simultaneously with the handing over possession.

*Disposal of Cinema sites on annual ground rent in incontravention of rules (Paragraphs 4.19 to 4.22—Sl. No. 41 to 44)*

1.26. Stressing the need for fixation of responsibility for disposing the cinema sites on Annual Ground Rent and placing before the Authority a case based on inaccurate figures, deliberate concealment of facts etc., the Committee had in paragraphs 4.19 to 4.22 stated:

"Under the orders of the Government of India (Ministry of Home Affairs) dated 2 May, 1961, commercial plots are



to be sold by auction of the premium. On 20-9-1968, the then Finance Member, DDA after discussion with the then Vice-Chairman, DDA proposed that the cinema site at Jhandewalan may be disposed of on the basis of annual ground rent, without premium. On 25-11-1968 the plot was disposed of by auction on an annual rent of Rs. 3.40 lakhs. Subsequently, the cinema sites at Karam-pura (Milan Cinema), Wazirpur (Deep Cinema) and Naraina (Payal Cinema) were also disposed of by auction on annual rental basis on 26-9-1969, 15-5-1970 and 10-9-1970 respectively. The matter regarding change in procedure i.e. from perpetual lease basis to annual rental basis was placed before the Standing Committee of the DDA in March 1969, April 1969 and June 1969 but no decision was taken. At the meetings held on 4 and 5 December, 1969, the Standing Committee considered the matter and agreed with the proposal. Thereafter the Authority at its meeting held on 24-12-1970 passed a resolution that commercial plots may be disposed of by auction on annual payment of rent. The Committee find that in spite of the orders of the Government of India that commercial plots are to be sold by auction of the premium, the DDA officials chose to dispose of these plots on annual rental basis without obtaining the approval of the Government for change in the policy regarding disposal of commercial plots. Further, even when the matter was placed before the Authority on 24-12-1970, mention was made about the disposal of Jhandewalan site on 25-11-1968 but the fact that three more sites had also been disposed of by that date on annual rental basis, was concealed from the Authority. Again, while obtaining the approval of the Authority, no one seems to have cared to examine whether the Authority was competent to approve the proposal for change in the procedure, namely, from perpetual lease basis to annual rental basis. Deviation from the normal procedure of disposal of commercial plots from perpetual lease to annual rental basis is stated to have been carried out as an experiment and the move in this direction was initiated by the then Secretary, DDA on 13-9-1968. Four cinema sites were thereafter disposed of by auction till 10-9-1970. On 12-11-1970, the then Commissioner, Implementation DDA expressed the opinion that "so far as cinema site is concerned. I would recommend it should be disposed of on 'premium

basis' so that we could get our returns immediately". However, the then Finance Member, DDA expressed contrary opinion and, in his note dated 21-11-1970, stated that: "I have examined the economics of the proposal and find that it would be more beneficial to dispose of the cinema site on annual rental basis instead of selling it on premium basis". The new procedure was then approved by the Authority at its meeting held on 24-12-1970. The Committee find that this new procedure suffered from several lacunae. The Vice-Chairman, DDA conceded during evidence that the assumption of premium, as also of rate of simple interest over a period of 100 years, as placed before the Authority on 24-12-1970 were indefensible and that this particular method of disposal of plots was ill advised. Further, it had resulted in heavy arrears of rent and litigation due to non-payment of rent by the purchasers.

The Committee are surprised as to how a hypothetical example based on inappropriate figures, also concealing vital information, was deliberately placed before the Authority pleading for deviation in the normal procedure to get *post facto* approval of the Authority to the four cinema sites already disposed of under the changed procedure. The Committee would also like the Government to fix responsibility for disposing of these cinema sites without prior approval of the competent authority. They expect that the Ministry of Works and Housing will also devise some procedure to ensure that DDA obtains prior approval of Government wherever such approval is required under the relevant statute, rules, orders etc., and does not exceed the powers vested in it.

The Committee find that the Jhandewalan site auctioned on 25-11-1968 was cancelled on 18-6-1976 for non-payment of the rental charges due from the purchaser and that the amount of Rs. 1.70 lakhs deposited by the party has been forfeited. In respect of the other three cinema sites (Payal, Deep and Milan Cinema), arrears of rent amounting to Rs. 50.43 lakhs are outstanding. Recovery of rent is stated to have gone to the court. The Committee would like to be informed of the out-come of the court proceedings and the present position regarding recovery of arrears of rent."

1.27. In their Action Taken Note dated 15 February, 1962, the Ministry of Works and Housing have stated.

The main issues raised|observations made in para 4.19 to 4.22 of the Report are as under:

- (i) How a hypothetical example based on in appropriate figures, also concealing vital information, was deliberately placed before the Authority pleading for deviation from the normal procedure;
- (ii) Govt. should fix responsibility for disposing of these cinema sites without prior approval of competent Authority;
- (iii) The Ministry of Works & Housing should devise some procedure to ensure that DDA obtains prior approval of the Government wherever such approval is required under the relevant rules, etc. and does not exceed the powers vested in it; and
- (iv) The Committee be informed of the outcome of the Court proceedings and the present position regarding recovery of arrears of rent in respect of three cinema sites (Payal, Deep and Milan).

As regards item No. (i) attention is drawn to the reply given to question No. 103 of the Questionnaire issued by the Public Accounts Committee. As stated therein a conscious decision was taken in the DDA to deviate from the earlier policy of disposal of cinema sites, i.e., for disposal of sites by auction on payment of annual rent instead of the premium. The example of the cinema site at Jhandewalan was cited in the resolution placed before the Authority only to prove the comparative returns under the two methods of disposal and there does not seem to be any intentional attempt on the part of DDA officers to deliberately conceal any information from the Authority.

As regards item (ii), the DDA were asked to fix responsibility. They have stated that all the officers who were concerned with the placing of the proposal before the Authority were on deputation to the DDA and have either been repatriated long back or have retired from service. In the circumstances it has not been possible

for the DDA at this late stage to fix responsibility in the matter.

As regards item No. (iii), the Delhi Development Authority (disposal of Developed Nazul land) Rules 1981 have since been framed under Section 22(3) of Delhi Development Act, 1957. These rules are based on the Scheme for large Scale Acquisition Development and Disposal of land in Delhi as amended from time to time. The procedure laid down under the Delhi Development Act, 1957 and various rules/regulations framed thereunder define the powers of various authorities. The Lt. Governor, Delhi who is *ex-officio* Chairman of the Delhi Development Authority has been requested to issue instructions stressing on all concerned in the DDA that they should function in accordance with the powers delegated to them under the DDA Act, 1957 and the various rules and regulations framed thereunder and that any violation of the prescribed rules of procedure will be taken serious note of by the Government. *Ex-post-facto* approval at the appropriate level will also be obtained for regularisation of the deviation in the prescribed procedure."

As regards item No. (iv) the DDA have informed that a sum\* of Rs, ₹69.37 laks (approx.) (including interest due) was outstanding, as on 31-12-81, in respect of three Cinema Sites (Payal, Deep & Milan). The present position of court cases in respect of these 3 cinema sites is as follows:—

(i) *Payal Cinema*:—

The plaintiff has withdrawn the suit, with liberty to file the fresh suit, if need arises in future.

(ii) *Milan Cinema*:—

The case was fixed for 7-10-81. The High Court remained closed on that date. This case is still pending at the stage of admission|denial of documents etc.

(iii) *Deep Cinema*:—

The case is still pending.

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\*Not vetted in Audit

1.28 The Committee are unable to accept the position that responsibility for disposing of four cinema sites without prior approval of the competent authority could not be fixed. They are unable to appreciate fully the reason given for this. The concerned officers who were on deputation with DDA and have been repatriated could still be asked to explain through their cadre authorities. The Committee, therefore, desire that the circumstances in which these cinema sites were given on annual ground rent without obtaining proper sanction of the competent authority should be investigated, responsibility fixed and action taken against those found guilty. The action taken in this regard should be intimated to the Committee by 31st January, 1983.

*Non-execution of lease deed by the DDA in Respect of Kalkaji District Centre*

(Paragraphs 5.22 to 5.24—Sl. Nos. 45 to 47)

1.29 Urging the Government to take suitable steps to expedite the early execution of the lease deed so as to avoid the delay in payment of the amount due to the Delhi Administration by the DDA, the Committee had in paragraphs 5.22 to 5.24 stated:

“The Committee note that out of the total 174 acres of land acquired under the Scheme of large scale acquisition, development and disposal of land for the district centre at Kalkaji, 66.4 acres of land was transferred to DDA by the Delhi Administration for District Centre, Kalkaji and for that a sum of Rs. 1.20 crores was paid in October, 1968 to the Revolving Fund from the General Development Account of the DDA. The proposed terms of lease of the land sold to the DDA by the Delhi Administration were not in conforming with the general terms and conditions of lease prescribed under the large scale acquisition Scheme, The reply of the Ministry of Works and Housing that the then Lt. Governor had approved the proposal of the Financial Adviser and that the Delhi Administration were unable to offer any further comments, is not at all convincing. The correct position and the circumstances which led to a deviation from the normal procedure in this regard need to be explained to the Committee by the Government.

The Committee are constrained to point out that the lease deed between Delhi Administration and the DDA has not been executed so far although the question of execut-

ing the lease deed for giving effect to the transfer of the land was considered by the Delhi Administration as early as in October, 1969 when it was decided that lease would be executed for 66.4 acres of gross area (of which 16.6 acres represented the area of permissible ground coverage). The Committee are informed that lease agreement has not been executed due to certain legal issues involved which are being sorted out. It is surprising that even after a period of 10 years, the legal issues are still to be resolved.

It is pertinent to note in this regard that it was decided that for the first three years from the date of execution of lease between the Delhi Administration and the DDA, the ground rent would be normal (Re. I per annum) on the entire 66.4 acres and thereafter at Rs. 2½ per cent of the premium which remained unaltered at Rs.1.20 crores. The DDA had, however, sold this land for Rs. 11.20 crores after demarcating it into plots. Taking into account the amount of Rs. 1.20 crores paid to Government and Rs. 1.71 crores incurred or likely to be incurred towards development charges by DDA, the net unearned increase in land value is of the order of Rs. 8.29 crores of which Rs. 4.15 crores should have been paid by the DDA to the Delhi Administration as the land was part of the Scheme of large scale acquisition, development and disposal of land and 50 per cent of the unearned increase in the value of land was creditable to Government (revolving fund). The Committee are led to the inescapable conclusion that because of this inordinate delay in the execution of the lease deed, no ground rent has become payable to Government and also Rs. 4.15 crores, payable to Government by DDA being Government's share of unearned income has been held up. The Committee would urge upon the Government to take suitable steps to expedite the early execution of lease deed if not already done by now so as to avoid the delay in payment of the amount due to the Delhi Administration by the DDA.'

**1.30 The Ministry of Works and Housing in their Action**  
Taken Note dated 28/29 May, 1982 have stated:

"It is not possible for the Delhi Administration to take an immediate decision on the terms of transfer of land

to the DDA for the following reasons:—

- (i) One of the allottees of plots in the Kalkaji District Centre has contested the ownership of DDA over the plot sold to him and this case is pending in the Delhi High Court.
- (ii) The Committee of Experts on the working of the DDA (Baweja Committee) has recommended that newly acquired land under the Scheme for Large Scale Acquisition, Development and Disposal of Land should be transferred to the DDA under Section 15 of the Delhi Development Act, 1957, which permits sale of land to the DDA. The Committee has also recommended that all lands at present held by the Authority for purposes of development and disposal under Section 22 of the Act should also be reviewed and wherever necessary, after completion of all formalities, such lands also should be transferred to the DDA under Section 15 of the Act by denotifying them under Section 22. The views of the Delhi Administration and the DDA have already been obtained and the recommendation is now under Government's consideration.

Every effort will be made to finalise the terms of transfer of land to the DDA after these issues are sorted out and finally settled."

1.31 The Committee are constrained to note that the delay in execution of lease deed by the D.D.A. in favour of Delhi Administration in regard to 66.4 acres of land transferred to it at Kalkaji District Centre had resulted in avoidable litigation as one of the allottees of the plots in the Centre had contested the ownership rights of the D.D.A. The reply of the Ministry is silent about the circumstances which led to the deviation from the normal practice of lease prescribed under the Large Scale Acquisition Scheme in this case. The Committee would like this to be explained and the Lease Deed executed by 31st January, 1983.

*Re-examination of the policy of auctioning of commercial flats*

(Paragraph 5.25 and 5.28—Sl. Nos. 48 and 51)

1.32 Recommending re-examination in depth of the present arrangements regarding auctioning of commercial flats to see how

best the price of land sold by the DDA could be kept within reasonable limits, the Committee in paragraph 5.25 of their report had stated:

“The Committee note that out of the 98 plots carved out by the DDA from an area of 16.6 acres of land 80 plots had been sold upto October 1977 at an average rate of Rs. 2,704.00 per sq. yard (the highest rate realised being Rs. 17,316.00 per sq. yard). One of the primary objectives for which the DDA was set up was to check rise in prices of land in Delhi. It is beyond the comprehension of the Committee as to how this objective could be fulfilled if sale of land in Delhi fetches as much as Rs. 17,316.00 per sq. yard. The Vice Chairman of DDA conceded during evidence that “it is a fact that plots were sold at very high rates but added that if we are to give plots for commercial purposes in a big centre like District Centre at a lower price than the market rate, it means we are encouraging profit making by the intermediaries.” The Committee feel that sale of land at such high prices to the traders in particular compels them to extract the maximum profit from their customers to neutralise the high price paid by the traders and contributes in no small measure to the general rise in prices. The Committee recommend that the present arrangements regarding auctioning of commercial plots should be re-examined in depth to see how best the price of land sold by the DDA could be kept within reasonable limits.”

1.33 In their reply dated 6/9 March 1982 the Ministry of Works and Housing have stated:

“The rates for plots, fetched in the auction, have to be seen in the context of the floor area ratio, the ground coverage, and the total floor space allowed. The DDA has reported that plot Nos. 43 and 98 in Kalkaji District Centre, measuring 1011.71 square meters each, fetched prices of Rs. 2,09,52,000 and Rs. 1,93,01,000 respectively. For both the plots, the total floor space allowed was 16,188 square meters, with 16 floors plus basement. The price per square meter of the floor space, thus, works out to between Rs. 1190-1290, which cannot be considered unreasonable.

The recommendation of the Committee has been considered carefully by the Government and it has been decided



that the present system of disposal of commercial plots through auction should continue."

1.34. Expressing their concern over the DDA becoming mainly a profit making organisation and contributing to the exorbitant rise in prices of land and buildings the Committee had in paragraph 5.28 of their report observed:

"The Delhi Development Authority was set up under the Delhi Development Act, 1957 with a view to "promote and secure the development of Delhi according to plan". For this purpose the Delhi Development Authority was empowered, *inter-alia*, to acquire, hold, manage and dispose of land and carry out other operations for purpose of such development. One of the objectives of setting up Delhi Development Authority in place of the Delhi Improvement Trust was the disposal of developed plots of land at a reasonable price. The Committee have, after examining the various aspects of the functioning of the Delhi Development Authority, came to the conclusion that the Delhi Development Authority has become mainly a profit making organisation and has contributed to the exorbitant rise in prices of land as well as of residential and commercial flats and buildings. It has also failed to provide accommodation to the needy persons. This was surely not the intention of the Government."

1.35. In their action taken note dated 16 February 1982 the Ministry of Works and Housing have stated in this regard:

"The Delhi Development Authority has reported that there has been no deviation from the objective of the Authority as provided in the Delhi Development Act, 1957. While it is correct that there is considerable difference between the cost of acquisition of land and premium charged for plots/flats, the main cause for this differences is due to increase in price of materials used for construction and increased labour charges. The Delhi Development Authority has to incur considerable amount of expenditure for the development of land after its acquisition. All public amenities are required to be provided in the colonies developed for residential uses as also in the industrial complexes, Several socio-economic schemes for

the benefit of the weaker sections of the people are also taken up and implemented by the Delhi Development Authority. At the same time a large sum of money is being spent in the resettlement Colonies, the return from which is meagre.

In this connection, it may be mentioned that whenever a residential scheme is developed about 50 per cent of the gross area has to be left for un-remunerative purposes like roads, parks, play-grounds and schools. Moreover, a substantial amount has to be spent on development and maintainance of parks. The allotment of land to the recognised institutions for schools and other purposes is made at nominal rates.

Up to 31st March, 1981, about 23,000 plots had been allotted by the Delhi Development Authority to persons belonging to Low Income Group and Middle Income Group at pre-determined rates. In addition to this, about 2 lakh plots measuring 25 sq. yds. and 80 sq. yds. were allotted in the resettlement colonies on nominal licence fee basis. About 3670 acres of land has been allotted to House Building Co-operative Societies by the Delhi Administration and Delhi Development Authority for development of about 28,000 residential plots. Thus, out of about 2.60 lakhs residential plots allotted to general public, only about 9000 have been disposed of by auction which comes to less than 4 per cent.

In addition to the development of plots, the Delhi Development Authority had undertaken a massive housing programmes for the construction of houses for Economically Weaker Sections/Janta. Lower Income Group and Middle Group categories and these houses have been allotted to persons registered with the Delhi Development Authority, at fixed rates. While calculating the cost of these houses, the proportionate cost of land component has been taken at pre-determined rate. So far the Delhi Development Authority has constructed about 66000 houses of the above categories and another 33000 houses are under construction.

Out of 7,200 industrial plots, 5,247 plots have been "allotted" at pre-determined rate to industrial units, which were functioning in the non-conforming areas and which were

required to shift to conforming areas. In all, 1973 plots of different sizes have been disposed of by auction. The number of plots which have been disposed of by auction thus amounts to 27 per cent.

The above analysis will bear out that the Delhi Development Authority disposes of the majority of the land at reasonable rates to the middle/low income groups and economically weaker section of the society and only a relatively small number of plots by auction to the affluent people the proceeds of which are used by the Delhi Development Authority for ameliorating the housing needs of the economically weaker sections."

**1.36 The Ministry of Works & Housing have tried to justify the auctioning of commercial plots at extraordinarily high prices by calculating the price of land per square metre on the basis of floor area on the assumption that multi-storied buildings are erected on such plots. Keeping in view the avowed objective of the D.D.A. to keep under control the escalation in prices of land in Delhi, the Committee wish to stress that an indepth examination of the present system of auctioning of commercial plots should be carried out. In this examination, reputed economists, social scientists, architects, etc. may be associated in order to ascertain how far the present policy has resulted in escalation in prices of land and other goods including essential items and services in the capital and whether the present policy needs modification.**

*Amendment of the Land Acquisition Act (Paragraph 5.29—Sl. No. 52)*

1.37. Stressing the need for amending the Land Acquisition Act so that the interest of the farmers are properly safeguarded, the Committee had in paragraph 5.29 of their report stated:

"It is a well-known fact that the Delhi Development Authority acquires land from the land owners at a very low rate and after development sells it at exorbitant rates thereby earning huge profits. A glaring example of this is that in Kalkaji District Centre, the price paid by way of compensation to the land owners was Rs. 2.50 per sq. yd. and the average cost of development (both general and internal) of the entire areas of 66.4 acres worked out

to Rs. 80.15 per sq. yd. Against this, plots were sold at an average rate of Rs. 2704 per sq. yd. the highest rate being 17316 per sq. yd. this amounts to nothing short of "loot". Even where land is acquired for a public purpose, a reasonable compensation is paid. But in cases where land is acquired and later sold by auction or for commercial purposes, as has happened in most cases, the Committee feel that the land owners/farmers should not be compelled to part with their holdings at throw away prices. They, therefore, recommend that the Land Acquisition Act may be suitably amended so that the interests of the farmers are properly safeguarded."

1.38. The Ministry of Works and Housing in their action taken note dated 16 February 1982 have replied:

"It is true that in a few cases the Delhi Development Authority has auctioned plots which fetched high rates whereas their cost of acquisition was very low. However the compensations to the owners are paid as per the provisions of the Land Acquisition Act, 1894. According to the above Act, the owner will get the compensation on the basis of the market rates prevailing on the date of notification under Section 4 of the Land Acquisition Act, 1894, plus a 15 per cent solatium in lieu of the compulsory nature of the acquisition.

It is also relevant to point out that the number of plots auctioned by the Delhi Development Authority forms a very low percentage in the total number of plots disposed of by the Delhi Development Authority.

Whenever a residential scheme is developed, approximately 50 per cent of the gross area has to be left for un-remunerative purposes like roads, parks, play-grounds and schools. The allotment of such land to recognised schools is made at a nominal rate of Re. 1/ per sq. yds. Moreover, a substantial amount has to be spent on the development and maintenance of parks.

The net area, which is left for plotted development is, thus, 50 per cent of the gross area. Total development cost has therefore to be spread on the 50 per cent net available.

area for use. The position obtaining in case of residential plots as on 1st October, 1980 was as under:—

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(a) Total number of residential plots disposed of . . . . .	32,157
(b) (i) Number of plots given by "allotment" at pre-determined price . . . . .	20,390
(ii) Number of plots given by allotment at pre-determined price to those whose lands have been acquired . . . . .	2,778
(iii) Number of plots of an area exceeding 200 sq. yds, disposed by of auction.	8,989

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In addition, about 2.00 lakhs plots varying from 25 sq. yds. to 80 sq. yds. in 44 re-settlement colonies have been allotted to economically weaker sections on nominal licence fee basis.

In addition to the development of plots, the Delhi Development Authority had undertaken a massive housing programmes for the construction of houses for Economically Weaker Sections/Janata, Low Income Group and Middle Income Group categories and these houses have been allotted to persons registered with the Delhi Development Authority at fixed rates. While calculating the cost of these houses, the proportionate cost of land component has been taken at pre-determined rate. In other words, the entire land utilised for the construction of those houses can be said to have been allotted at pre-determined rates. So far the Delhi Development Authority has constructed about 66000 houses of the above categories and another 33000 houses are under construction.

In addition, about 3670 acres of land has been allotted on 'no profit no loss' basis to Cooperative House Building Societies for the development of about 28000 residential

plots for allotment to their members for construction of their houses.

From the foregoing analysis, it will be observed that out of 2.60 lakhs residential plots, thus made available, only about 9000 have been disposed of by auction, which comes to less than 4 per cent.

So far as the industrial schemes are concerned, the Delhi Development Authority has developed 8175 industrial plots out of which 7220 plots have been disposed of.

Out of 7220 plots, 5247 plots have been "allotted" at pre-determined rate to industrial units, which were functioning in the non-conforming areas and which were required to shift to conforming areas. In all, 1973 plots of different sizes have been disposed of by auction. The number of plots which have been disposed of by auction thus amounts to 27 per cent.

The above analysis will bear out that the Delhi Development Authority disposes of the majority of the land at reasonable rates to the middle/low income groups and economically weaker sections of the society and only a relatively small number of plots by auctions to the affluent people the proceeds of which are used by the Delhi Development Authority for ameliorating the housing needs of the economically weaker sections.

The question of amending the Land Acquisition Act, 1984 is also under consideration of the Ministry of Rural Reconstruction and the Committee will be informed of the final position in due course."

**1.39 The activities of the D.D.A. are both of commercial and non-commercial nature. The Committee have taken exception to the profiteering of a high order in regard to auctioning of commercial plots by the D.D.A. They are not clear whether in the matter of payment of compensation to the poor land-owners from whom land is acquired for the D.D.A. any distinction is made on the basis of the purpose of acquisition, i.e. general public purpose or commercial purpose. In any case, it is but fair that the poor land-owners should at least get a share in the overall profits of the DDA. It was in this context that they had recommended that the Land Acquisition Act may be suitably**

amended so that the interests of the landowners are properly safeguarded. The Committee note that the question of amending the Act is under consideration of the Ministry of Rural Reconstruction. The Committee are strongly of the opinion that the Act should be so amended as to provide for—

- (a) some specific period, not exceeding two years, within which the acquisition proceedings should be finalised right from the date of first notification.
- (b) market price of land be paid to the owner on the basis of prevailing price in the same adjoining areas on the date of acquisition order;
- (c) at least one plot at the pre-determined rate in the same area or in the vicinity should be given to the owner whose land has been acquired; and
- (d) at least one member of the family, whose land has been acquired, be provided suitable employment.

## CHAPTER II

### RECOMMENDATIONS OR OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY GOVERNMENT

#### Recommendation

The Committee note from the Audit paragraph that to obviate further growth of industries in non-conforming area, the Delhi Administration had decided in June, 1963 that municipal licences for running of Industries in non-conforming areas should not be issued and that the licences of industries which had been established in non-conforming areas before 1 September, 1962 should be renewed on year to year basis. Despite this the Committee are concerned to find that the number of industries in non-conforming areas had increased from 9360 on 1 September, 1962 to 133360 on 31 December, 1966. Giving the latest position in this regard the Vice-Chairman, Delhi Development Authority informed the Committee during evidence in October, 1978 that about 40,000 units were functioning in Delhi and of this only 23,000 had got municipal licences. The Ministry of Works & Housing have informed the Committee that the decision of 1963 of Delhi Administration was implemented till October, 1967 when the policy was liberalised and units functioning in non-conforming areas on or before 30 November, 1967 were granted licences on *ad hoc* basis. Again, this policy was further liberalised in September, 1975 and licences were granted to the units functioning in non-conforming areas on or before 21 October 1975. Thus the Delhi Administration had, instead of allotting the industrial plots on conforming areas to the then existing units in non-conforming areas and getting adequate number of industrial plots developed in the areas earmarked for the purpose approved twice the liberalisation of the policy of granting licences in non-conforming areas. The Committee would like to know the specific circumstances which necessitated reviewing by the Delhi Administration of their earlier decision of June, 1963 in this regard.

[S. No. 1 (Para 1.51) of Appendix to the Public Accounts Committee's 18th Report (7th Lok Sabha).]



### Action Taken

Municipal Corporation of Delhi have reported that the licensing policy for the industries as framed at the time of enactment of Master Plan was strictly in accordance with the provisions of the land use prescribed in the Master Plan. But later on at the instance of the then Chief Commissioner, it was felt that the units which were established before 1-9-1962 should be granted licences if the trade is not noxious and hazardous to health, and a moratorium period should be fixed for their shifting to a regular conforming area developed by the Delhi Development Authority. Later on, in the month of May, 1968, the overall position regarding licensing and coming up of new industries was reviewed and it was found that even though licences were not being issued for the units which have come up after 1-9-62, actually 14,000 factories were established in between 1962 and 1968 and were running without licence. It was felt that Delhi Development Authority will take much more time than the proposed moratorium period for shifting the industries from non-conforming to conforming areas by making available sites for new units. This Municipal Corporation of Delhi with the approval of Delhi Administration framed a policy in the year 1968 to issue *ad hoc* licences to the units which were established before 30-11-67. The *ad hoc* licences were granted renewable on year to year basis with a clear condition that it will not confer any right to the licensee for an alternative site in the conforming area. The policy was liberalised again 1975 because it was found that the proper pace of industrial growth within the union territory of Delhi was not feasible as per provisions of Master Plan because Delhi Development Authority was taking more time for providing proper sites in conforming areas. The *ad hoc* policies of 1968 and 1975 were framed after consultation with the Delhi Development Authority, Delhi Electric Supply Undertaking and other concerned bodies in order to have a realistic approach, regarding the factories in Delhi. This also helped Municipal Corporation of Delhi in enhancing its revenue by way of licence fee.

[The Ministry of Works & Housing O.M. No. K-11011/10/81/DDVA dated 2 April, 1982.]

### Recommendation

In this context the Secretary, Ministry of Works and Housing stated during evidence that the industrial area in the Master Plan was in our view totally unrealistic and the attempt to shift non-conforming industries to other areas is bound to fail whether you make plots available or not. We are now engaged in an exercise to

consider shifting hazardous industries only. The Committee need hardly emphasise that precise reasons for the slow development of industrial area/plots by the Delhi Development Authority/Delhi Administration be identified so as to take appropriate measures to step up the development of industrial area/plots. Alongside the steps that Government may take in this regard, there should be a time bound programme for development and re-location of industrial plots so that in the shortest possible time at least the noxious/hazardous industries operating in non-comforming areas are shifted.

[Sl. No. 3, Para 1.53 of the Public Accounts Committee's 18th Report (Seventh Lok Sabha).]

#### **Action Taken**

The Delhi Development Authority has reported that there are many reasons for the slow development of land and some of which are as follows:—

- (i) The development of land is co-related to the development activities of the Municipal Corporation of Delhi and Delhi Electric Supply Undertaking and other Departments of Government relating to provision of amenities like water supply, electricity, schools etc. All these activities are dependent upon financial resources and as such the development is taken up in a planned and phased manner.
- (ii) The development of land is sometimes hampered due to unauthorised encroachments, disputes regarding ownership, standing crops on the acquired land, non-availability of trunk services which are to be provided by local bodies delay in approval of service plans etc. In some cases isolated pockets of land are available which are required to be planned in an integrated manner with the adjoining areas under the extended urban villages/unauthorised encroachments etc. In such cases, development works can be taken up only after the integrated plans are finalised.

2. In any case, the Delhi Development Authority has geared itself to a speedier development of land and has drawn up a five year programme for the development of 18,750 acres of land. For this purpose a Committee has also been set up under the Chairmanship of the Chief Engineer to suggest ways and means to expedite the development of land. The Government has also assisted the Delhi Development Authority to augment its financial resources.

3. As regards the shifting of the noxious/hazardous industries operating in the non-conforming areas, a survey of such industries has already been conducted by the Delhi Administration and further action to be taken in this regard is under active consideration.

[The Ministry of Works & Housing O.M. No. K-11011/10/81/DDVA dated 15-2-1982.]

#### **Recommendation**

From the reply furnished by the Ministry of Works and Housing, the Committee note that out of the 15,000 applications received in February, 1976 for allotment of industrial plots, 14,581 applicants did not deposit the requisite amount of premium called for through an advertisement in newspapers in October, 1976 and thus there were only 419 applicants left. There were another 700 claims earlier to these applications for allotment of industrial plots. The Committee urge that all these cases should be finalised expeditiously.

[Sl. No. 4-Para 1.54 of Appendix to the Public Accounts Committee's 18th Report (7th Lok Sabha).]

#### **Action Taken**

The Delhi Development Authority has reported that the total number of cases where 30 per cent premium was deposited by the persons, who had applied in 1976 for industrial plots has been reduced to 300, as the rest of them have taken their deposit back. Out of these 300 applicants, only 184 were found eligible for allotment to whom allotment letters/offers of allotment have already been issued. The remaining applicants have not been found eligible and their deposits are being refunded. The Delhi Development Authority has further reported that the claims of 700 persons who had applied before 1976 have almost been finalized.

[The Ministry of Works & Housing O.M. No. K-11011/10/81/DDVA dated 18/19 March, 1982.]

#### **Revised Action Taken**

The Delhi Development Authority has reported that the total number of cases where 30 per cent premium was deposited by the persons, who had applied in 1976 for industrial plots has been reduced to 300, as the rest of them have taken their deposit back. Out of these 300 applicants, only 184 were found eligible for allotment, to

whom allotment letters/offers of allotment have already been issued. The remaining applicants have not been found eligible and their deposits are being refunded.

2. The Delhi Development Authority has further reported that the number of persons who had applied for industrial plots before 1976 was by mistake mentioned as 700 instead of 70. On checking up the position further, the actual number was found to be 84. The recommendations of the Land Allotment Advisory Committee were obtained and the cases are under process of allotment.

[The Ministry of Works & Housing O.M. No. K-11011/10/81/DDVA dated 13 April, 1982.]

### **Recommendation**

The Committee learn that 3000 plots allotted for industrial purposes, have not been utilised for the purpose for which the allotments were made. The Ministry of Works and Housing have informed the Committee that no list of such allottees who have misutilised the allotted plots has been compiled. However, in the course of surveys whenever such cases of misutilisation come to notice, necessary action under the terms and conditions of the lease deed is taken. The Committee feel that unless a proper check is kept on misutilisation of such plots, the very purpose of allotments of industrial plots to the units working in non-conforming area is defeated. They, therefore, recommend that there should be a proper machinery either in the Delhi Development Authority or in Delhi Administration which may bring all cases of misutilisation of plots earmarked for particular purpose to their notice for taking suitable action against the defaulters.

[Sl. No. 6 (Para 1.56) of Appendix to the Public Accounts Committee's 18th Report (7th Lok Sabha).]

### **Action Taken**

The Delhi Development Authority have reported that they have got a set of field staff which makes a survey from time to time and reports about the misutilisation of plots earmarked for particular purposes. As soon as it is reported that a particular plot is misused by the allottee purchase, action is taken against the defaulter under the terms and conditions of the lease-deed.

[The Ministry of Works & Housing O.M. No. K-11011/10/81/DDVA dated 2 April, 1982.]

### Recommendation

The Committee learn from the Audit that allotment of alternative industrial plots at pre-determined rates was subject to the conditions that the lessee would within a period of 2 years and 6 months from the date of taking possession of the plot, stop the use of the existing premises in non-conforming areas for a purpose not permitted in the Master/Zonal Plan and within a period of 2 years establish the industry in the plot allotted at pre-determined rates. The Committee are surprised to find that the Delhi Development Authority had up to December, 1977 no informations regarding fulfilment of the above conditions by the allottees. However, a survey carried out by the Delhi Development Authority recently, revealed that about 1800 plots had not been constructed upon within the period stipulated in the terms of allotment and 'notices have been/are being issued of these defaulting allottees to show cause why their allotment should not be cancelled'. The Committee are of the view that the Delhi Development Authority had started taking action in these cases only when the Audit had pointed out and the Committee took up the paragraph on Delhi Development Authority for examination. The delay in taking action against the defaulting units is regrettable. The Committee hope that all these cases of violation of terms of allotment of industrial plots would be finalised expeditiously.

[Sl. No. 7 (Paragraph 1.57) of Appendix to the Public Accounts Committee's 18th Report (Seventh Lok Sabha).]

### Action Taken

The Delhi Development Authority have reported that the survey in respect of the units functioning in non-conforming areas who have acquired alternative allotment of plots under the scheme of large scale acquisition, development and disposal of land in Delhi is in progress at present. The result of survey so far carried out is as under:

(i) Total units surveyed	3719
(ii) Total units shifted	2556

The units which are still existing in non-conforming area and have not shifted to the allotted plots, are being issued show cause notices. So far Delhi Development Authority have issued show cause notices

in 806 cases and in remaining cases, these are being issued. Efforts are being made for immediate shifting of industries from non-conforming areas to the allotted plots.

[The Ministry of Works & Housing O.M. No. K-11011/10/81-DDIIA dated 17-12-1982.]

### **Recommendation**

Further, the Committee are surprised to note that there is no procedure in vogue in Delhi Development Authority by which it may be known whether the allottees who had established their industries in new areas had actually vacated the existing premises in non-conforming areas or stopped their further use for the purpose for which these areas were being utilised etc.

[Sl. No. 8 (para 1.58) of the Public Accounts Committee's 18th Report (7th Lok Sabha)]

### **Action Taken**

The Delhi Development Authority has reported that the following two conditions have since been incorporated in the lease-deed form :—

- (i) The lessee would within a period of 2 years and 6 months from the date of taking possession of the plot, stop such use of the existing premises in non-conforming areas for a purpose not permitted under the Master/Zonal Plan;
- (ii) Establish the industry in the plot allotted at pre-determined rate, within a period of two years.

2. It has also been decided in principle to make provision in the lease-deed that the allottees would apprise Delhi Development Authority about the fulfilment of the above two conditions within three years from the date of allotment in a conforming area. The matter is being processed on priority basis.

3. It may be added that as per the policy followed by the Directorate of Industries, Delhi Administration, the units which have been allotted land under shifting programme, are not eligible for registration if they continue to function in the non-conforming premises even after the expiry of the moratorium period, as per the lease-

deed/validity period of their factory building-plans, in spite of a valid Municipal Licence. Also, before granting registration in the conforming area, the previous premises of the units in the non-conforming area is inspected by the Directorate to ensure that the unit has stopped using it for the purpose of any manufacturing process, or running of any industry whatsoever, in terms of the Lease-deed. On its part, the Municipal Corporation of Delhi also refuses to grant licences for setting up of industries in non-conforming areas.

[The Ministry of Works & Housing O.M. No. K-11011/10/81/DDVA dated 3/5 July. 1982]

### **Recommendation**

The Ministry of Works and Housing have stated that 'a survey will be conducted shortly' and details furnished to the Committee thereafter. The Committee urge upon the Government to evolve without any further delay some effective procedure by which it may be known that the allottees have fulfilled the above two conditions within the stipulated period. They feel that these two conditions should be included in the lease deed and the responsibility for intimating to the Delhi Development Authority about the fulfilment of these conditions be devolved on the allottees.

[Sl. No. 9—Para 1.59 of Appendix to the Public Accounts Committee's 18th Report (7th Lok Sabha).]

### **Action Taken**

The Delhi Development Authority has reported that a survey of 1068 units still existing in non-conforming areas which have been allotted alternative sites, has been conducted. It has been found that 96 sites have been vacated. Necessary action against the remaining 972 units is being taken by the Delhi Development Authority. The Delhi Development Authority has further reported that the following two conditions have been incorporated in the lease-deed form:—

- (i) The lessee would within a period of 2 years and 6 months from the date of taking possession of the plot, stop such use of the existing premises in non-conforming areas for a purpose not permitted under the Master/Zonal Plan;
- (ii) Establish the industry in the plot allotted at pre-determined rate, within a period of two years.

2. It has also been decided in principle to make provision in the lease deed that the allottees would apprise Delhi Development Authority about the fulfilment of the above two conditions within three years from the date of allotment in a conforming area. The matter is being processed on priority basis.

3. As the completion of the survey of all such units and their shifting to conforming areas will take some time, the progress is proposed to be watched periodically.

4. It may be added that as per the policy followed by the Directorate of Industries, Delhi Administration, the units which have been allotted land under shifting programme, are not eligible for registration if they continue to function in the non-conforming premises even after the expiry of the moratorium period, as per the lease deed/validity period of their factory building-plans, in spite of a valid Municipal Licence. Also, before granting registration in the conforming area, the previous premises of the units in the non-conforming area is inspected by the Directorate to ensure that the unit has stopped using it for the purpose of any manufacturing process, or running of any industry whatsoever, in terms of the Lease-deed. On its part, the Municipal Corporation of Delhi also refuses to grant licences for setting up of industries in non-conforming areas.

[The Ministry of Works & Housing O.M. No. K-11011/10/81-DDVA dated 3/5 July. 1982]

#### **Recommendation**

In another case the Committee find that M/s. India Flour Mills Company consisting of 5 partners was allotted in April 1968 an area of 4543.33 square yards at a concessional premium of Rs. 1.64 lakhs for shifting its industry from a non-conforming area. By October 1971, the number of partners in the concern had increased to 13 and the Delhi Development Authority stated in January 1978 that inclusion of incoming partners was allowed as they were blood relations. The legal section of the Authority, however, opined that 'addition of new partners certainly means a transfer of the share of other partners to the new partners. It is very easy to evade the terms of transfer by adding a new partner and it can be easily arranged to sell out the allotted plot to the new persons while the actual allottees can slip out.' In this connection, the Committee note from Section 30(2) of the Indian Partnership Act, 1932 that 'a person who is introduced as a partner into a firm does not thereby become liable for any act of the firm done before he became a partner'. In view



of the above statutory provision, the Committee are at a loss to understand how the Delhi Development Authority is going to bind the new partners to the terms and conditions agreed to earlier. As lease deed has not yet been executed with this firm and annual-ground rent not received since, 1968, the Committee would stress upon the Government to ensure that all the new incoming partners are made bound to the terms and conditions of the lease and ground rent recovered without any further delay.

[Sl. No. 13, Para 1.63 of the Public Accounts Committee's 18th Report (Seventh Lok Sabha)].

#### **Action Taken**

The Delhi Development Authority has reported that the recommendations of the Committee have been noted for compliance. The Delhi Development Authority has also reported that the demand for ground rent w.e.f. 1968 has been raised on 26-11-1981 and the firm has also been asked on 28-5-1980 to furnish necessary documents for binding the incoming partners to the terms of the lease agreement.

[The Ministry of Works and Housing O.M. No. K-11011/10/81-DDVA dated 18th February, 1982].

#### **Recommendation**

The Committee are perturbed to note that the Delhi Development Authority was not maintaining the property registers properly till October, 1978. The Ministry of Works and Housing have informed the Committee in 1979 that the records have since been completed. The Committee would now desire to know the number of plots for which lease deed has not been executed so far despite handing over possession of plots. The reasons for such irregularity, may be explained in each case.

[Sl. No. 15, Para 1.65 of the Public Accounts Committee's 18th Report (Seventh Lok Sabha)].

#### **Action Taken**

The Delhi Development Authority has reported that the total number of plots for which lease deeds have not been executed so far is 2042. The Delhi Development Authority has also stated that as the number of such cases is large, it is not possible to indicate the reasons for non-execution of lease deeds in each case but that

the main reasons thereof, and the number of cases falling in each category are as under:—

(i) Decision of the Delhi Development Authority accepting the changes made in partners of the allottee firms/companies etc. subsequent to allotment has not yet been taken	313
(ii) Allottees are not coming to execute the lease-deed in spite of repeated reminders	316
(iii) Allottees have not completed the required formalities with regard to execution of lease-deed.	1101
(iv) Allottees have not returned the lease-deed papers after getting them stamped from the Sub-Registrar.	312
	<hr/> 2042 <hr/>

2. Instructions were issued to the Delhi Development Authority vide this Ministry's letter No. K-11011/8/81-DDII-B dated 1st October, 1981 to have the necessary formalities completed with the allottees expeditiously so that the lease deeds are executed without further delay. The Delhi Development Authority have since reported that the number of plots for which the lease deeds still remain to be executed has gone down from 2610 to 2042 as indicated above.

[The Ministry of Works and Housing O.M. No. K-11011/10/81-DDVA dated 15th February, 1982].

#### Recommendation

As per the terms of the lease the lessees are required to complete the construction within 3 years (including one year period of grace) from the date of possession and after the expiry of 3 years, further extensions are allowed on realisation of usual penalties. However, in old cases in which possession was given in 1969 to 1971 extension was given for 7 years without any penalties and the cases in which possession was delivered in 1972-75 extension was given upto 31 December, 1978 without any penalties and thereafter penalties were realisable at usual rates. Action for cancellation of the plots was to be initiated after the expiry of 10 years period from

the date of handing over of possession. In view of the above terms of the lease, the Committee are surprised to note from the reply of the Ministry of Works and Housing that 'it is difficult to say exactly out of 29164 plots disposed of, on how many plots houses have been constructed within the stipulated period.' The Committee are unable to understand how without having such basic statistics the DDA was keeping a watch over the unbuilt plots and recovering penalties. They would like the DDA to streamline the procedure in this regard so that timely action is taken by the competent authority in pursuance of the terms of the leases.

[Sl. No. 19 (Para 2.52) of Appendix to the 18th Report of the Public Accounts Committee (Seventh Lok Sabha)].

#### **Action Taken**

The Delhi Development Authority (DDA) has reported that show-cause notices were issued in the cases where plots of land were found vacant. The lessees to whom notices were issued applied for extension of time in order to complete construction over plots. DDA has now streamlined the procedure to enable the competent authority in DDA to take timely action in regard to plots on which construction has not been completed within the stipulated time. Further, necessary guidelines for charging of penalties for delayed period of construction have been issued (copy of the order annexed). A sum of Rs. 67 lakhs has already been recovered from the defaulting lessees for the delayed period from 1967 to 1981 on account of penalty for delayed construction.

2. DDA is also carrying out a scheme-wise review in respect of un-built plots. Survey in respect of 9 residential schemes has already been completed and show-cause notices in about 366 cases have been issued. Survey in respect of the remaining schemes is in progress.

[The Ministry of Works and Housing O.M. No. K-11011/10/81-DDVA dated 7th September, 1982].

#### *Annexure*

#### **DELHI DEVELOPMENT AUTHORITY**

No. G. 2(3)/81-LAB-Pt. I

Dated: 25th June, 1982

#### **OFFICE ORDER**

The Public Accounts Committee in para 2.52 of their 18th Report (7th Lok Sabha) had adversely commented upon the procedure

being followed in the D.D.A. with regard to the keeping a watch over the un-built plots and recovering penalty thereof. They had further desired that a procedure should be streamlined to enable the competent authority to take timely action. It has, therefore, been decided that the following procedure be adopted in regard to residential plots with immediate effect:—

2. A separate property registered in the form indicated below be maintained by the Land Sales Branch (Residential) in respect of residential plots disposed of by them.

- (i) Name of the allottee and his address.
- (ii) Block/plot No. and location.
- (iii) Date of handing over possession of the plot.
- (iv) Amount of premium recovered.

3. At the end of every month the L.S.B. (R) should forward to Lease Administration Branch a statement showing the total number of plots disposed of during the month in the above said form. On receipt of this information, the L.A.B. should also note down these details in a register to be maintained in the L.A.B. separately. The said register should be in the following form:—

- (i) Name of the allottee and his address.
- (ii) Block/plot No. and its location.
- (iii) Date of handing over possession of the plot to the allottee.
- (iv) Date of completion of the construction of house on the plot.
- (v) Date of issue of show cause notice for non-construction in respect of un-built plot.
- (vi) Amount of penalty recovered.
- (vii) Date upto which extension of time for completing construction of house on the plot has been allowed.
- (viii) Remarks.

4. From this record, the L.A.B. will prepare a list of un-built plots wherein the specified period of 3 years has elapsed and thereafter arrange a scheme wise survey of these un-built plots by the field staff to ascertain as to how many plots have been built up and how many are yet to be constructed. In respect of un-built plots,

show cause notices for non-construction be issued by the L.A.B. to the allottees concerned and in case of non-compliance, penalty on the specified rates for belated construction be recovered and noted in the register. At the end of each month the L.A.B. will prepare a monthly report indicating the total number of built up/un-built up plots and the number of defaulters in which show cause notices have been issued.

5. Regarding amount of penalty to be levied in respect of plots which have not yet been constructed upon, instructions have already been issued *vide* Office Order No. PA/VC-80-402-M dated 20-9-1980 (copy enclosed for ready reference). The guidelines contained therein be followed strictly.

Sd/-

VIRENDRA NATH  
Commissioner (Lands)

Dated: 25-6-1982.

No. G. 2(3)/81-LAB-Pt. I

Copy forwarded to:—

1. The C.A.O., DDA.
2. The A.O. (F &E), DDA.
3. The Dy. Dir. (R), DDA.
4. The Dy. Dir. (LA), DDA.

} For information only.  
} For necessary action.

Sd/-

R. K. GUPTA  
Dy. Director (L.A.)

### Recommendation

It has also come to the notice of the Committee that the pre-determined rates fixed by the Delhi Development Authority in April, 1975 were revised upward by the Delhi Development Authority in August 1975 and thus an excess amount of Rs. 36.66 lakhs was realised from the allottees of two colonies, namely Paschimpuri and Vikaspuri. The Ministry of Works and Housing have admitted that "this was not in accordance with the scheme approved by the Government" and that "it was not correct on the part of the Delhi Development Authority to have revised the pre-determined rates upward in August

1975 without recording any reason and without the approval of the Delhi Administration Government of India." The action on the part of the Delhi Development Authority is regrettable.

[Sl. No. 21, Para 2.54 of the Public Accounts Committee's 18th Report (Seventh Lok Sabha)].

#### Action Taken

The observation made by the Public Accounts Committee has been noted. Incidentally, it may be mentioned that the Delhi Development Authority (Disposal of Nazul Lands) Rules, 1981 have since been notified and have come into effect from the 26th September, 1981. As the pre-determined rates will be required to be notified in the official gazette with the approval of the Central Government there may not be any scope for the Delhi Development Authority in resorting to such action hereafter.

[The Ministry of Works and Housing O.M. No. K-11011/10/81-DDVA dated 18th January, 1982].

#### Recommendations

Section 52(1) of the Delhi Development Act, 1957 provides that "The Authority may, by notification in the Official Gazette, direct that any power exercisable by it under this Act except the power to make regulations may also be exercised by such officer or local authority or committee constituted under Section 5A as may be mentioned therein, in such cases and subject to such conditions, if any, as may be specified therein." Section 5A(1) of the Act provides that "The Authority may constitute as many committees consisting wholly of members or wholly of other persons or partly of members and partly of other persons and for such purpose or purposes as it may think fit."

Section 5A of the Act empowers the Authority to constitute Committees. It is, however, noticed that instead of the Authority constituting the Housing Committee, the Authority by its Resolution No. 60 dated 21 February, 1970 and by a later notification dated 22 August 1970 empowered the Chairman, DDA to constitute the Housing Committee under Section 5A.....

Further, the first Housing Committee was constituted on 9 March, 1970 whereas the notification empowering the Chairman to constitute such Committee was issued more than five months later.

It is also seen that by the same Resolution dated 21 February, 1970 and another notification dated 22 August, 1970 the Authority had delegated to the Housing Committee all the powers exercisable by the Authority under the Act except the power to make regulations. The powers delegated to the Housing Committee had not been specified nor were regulations framed for conducting the business of the Housing Committee. The Housing Committee functioned for more than 7 years and it was only on 9 June, 1977 that the Authority passed a Resolution (No. 155) stating that the delegated powers of the Housing Committee should be identified and spelt out and its working should be reported to the Authority periodically.

The Committee would therefore suggest that the opinion of the Ministry of Law may be obtained as to whether the notifications relating to the constitution of the Housing Committee and the delegation of "all the powers exercisable by it (DDA)" to that Committee are in order, particularly keeping in view the provision contained in Section 52 of the Delhi Development Act, 1957, which empowers the Authority to delegate "any power" and not "all the powers" to "such officer or local authority or committee constituted under Section 5A."

[Sl. No. 24 to 27, Paras 3.34 to 3.38 of the Public Accounts Committee's 18th Report (Seventh Lok Sabha)].

#### **Action Taken**

The Ministry of Law, Justice and Company Affairs have advised that the language of Section 52(1) of the Delhi Development Act, 1957 is wide enough to enable the Authority to delegate any power exercisable by it under the Act, except the power to make regulations. In other words, all powers, except the power to make regulations, could be delegated and such delegation cannot be considered illegal. They have also advised that the publication of a notification in the Official Gazette is an essential condition precedent to the delegation being valid and that the Resolution of the Delhi Development Authority under which powers were delegated, became operative only when the notification was published in the Gazette.

[The Ministry of Works and Housing O.M. No. K-11011/10/81-DDVA dated 24 March, 1982]

#### **Recommendation**

The Committee have been informed that the original file relating to the constitution of the first Housing Committee is not traceable.

They would like to be informed whether this file has since been traced and if not, what action has been taken against the persons responsible for the proper custody of the file.

[Sl. No. 29—Para 3.39 of the Public Accounts Committee's 18th Report (Seventh Lok Sabha)].

#### **Action Taken**

The Delhi Development Authority have reported that the original file relating to the constitution of the First Housing Committee is now available with them.

[The Ministry of Works and Housing O.M. No. K-11011/10/81-DDVA dated 21 October, 1981].

#### **Recommendations**

It is seen from the Audit Paragraph that 222 LIG and 25 Janata/Community Services Personnel (CSP) flats were allotted by the DDA on compassionate grounds. Initially, the allotments were made by the Chairman, DDA (who was also the Chairman of Housing Committee) on the basis of Resolution No. 9 dated 8 May, 1970, passed by the Housing Committee authorising the Chairman to take decisions in such cases. Later, it appears that the Chairman authorised the Vice-Chairman to decide individual cases in the light of principles/precedents indicated by the Chairman. The Committee are informed that a number of out-of-turn allotments were made by the Commissioner (Housing) also.

The Committee are not satisfied with the procedure being followed by the **DDA in making allotments out of turn** on compassionate grounds. Such allotments can be made only by ignoring the claims of persons who have registered their names with the DDA in the ordinary course. The Committee are therefore of the view that the system of out of turn allotment on compassionate grounds should be dispensed with. However, if it is considered necessary to retain this system as a policy, the Committee would like that a firm criterion for entertaining such applications should be laid down.

[Sl. No. 30 and 31—Para 3.55 and 3.56 of the Public Accounts Committee's 18th Report (Seventh Lok Sabha)].



### Action Taken

The Delhi Development Authority passed a Resolution dated 8-5-1980 authorising the Lt. Governor, Delhi|Chairman to make out of turn allotment of flats to persons not registered with the Authority in cases of extreme hardship on compassionate grounds. The Vice-Chairman of the Authority was also authorised to make out of turn allotment of flats on compassionate grounds to persons who are registered with the Authority under its general registration scheme, self-financing scheme or new pattern scheme.

The matter has been reviewed and the Government have decided that the following criteria should be followed in making out-of-turn allotments:—

- (i) The power to sanction out-of-turn allotment of plots/flats shall vest only with the Chairman, Delhi Development Authority;
- (ii) such allotments shall be made only on grounds of extreme compassion and hardship;
- (iii) out of turn allotments shall be made only to persons who are registered under the Authority under any of its registered schemes; however, this condition may be relaxed in the case of widows;
- (iv) The total number of out-of-turn allotments made in any calendar year shall not exceed 0.5 per cent of the total number of plots/flats allotted during that year.
- (v) The plot allotted on out-of-turn basis shall not exceed 200 sq. yds. in area.

The Delhi Development Authority have been advised to amend the Resolution dated 8-5-1980 in accordance with the above decision vide this Ministry's letter No. K-20011|6|80-DDV-A dated 12|15th February, 1982 (copy enclosed).

[The Ministry of Works & Housing O.M.No. K-11011|10|81-DDVA dated 24 March, 1982].

(COPY)

IMMEDIATE

No. K-20011/6/80-DDV-A  
Government of India  
Ministry of Works and Housing  
Nirman Aur Awas Mantralaya  
New Delhi, the 12/15th February, 1982

To

The Lt. Governor, Delhi,  
Raj Niwas,  
Delhi.

SUBJECT.—*Out of turn allotment of plots/flats by the Delhi Development Authority on grounds of extreme compassion and hardship.*

Sir,

The Public Accounts Committee in its 18th Report (7th Lok Sabha) has expressed dissatisfaction with the procedure being followed by the Delhi Development Authority in making out-of-turn allotments of plots/flats on compassionate grounds and has suggested that either the system should be dispensed with or firm criteria for entertaining applications should be laid down. The Committee of Experts appointed by the Government to examine the working of the Delhi Development Authority (known as the Baveja Committee) had recommended that ad-hoc allotments to unregistered persons and organisations should be immediately stopped.

2. The matter was considered in the Ministry in the light of the recent recommendations of the Public Accounts Committee and the applications pending with the DDA for allotment of houses and it has been decided that the following criteria should be followed in making out-of-turn allotments:—

- (i) The power to sanction out-of-turn allotment of plots/flats shall vest only with the Chairman, Delhi Development Authority;
- (ii) Such allotments shall be made only on grounds of extreme compassion and hardship;

- (iii) Out-of-turn allotments shall be made only to persons who are registered under the Authority under any of its registered schemes; however, this condition may be relaxed in the case of widows.
- (iv) The total number of out-of-turn allotments made in any calendar year shall not exceed 0.5 per cent of the total number of plots/flats allotted during that year;
- (v) The plot allotted on out-of-turn basis shall not exceed 200 sq. yds. in area.

3. The Government have also decided that the Delhi Development Authority shall forward to this Ministry a quarterly statement indicating the names of persons to whom the out of turn allotments have been made, the location and other particular of the plots/flats allotted to these persons and the grounds on which these allotments have been made. The quarterly statement shall be prepared by the DDA for the quarters January—March, April—June, July—September and October—December and shall be forwarded to this Ministry by the last working day of the month following the quarter to which it relates.

4. I am to request that necessary action may be taken to amend the Resolution No. 41 dated 8-5-1980 of the Delhi Development Authority in accordance with the decision of the Government as indicated in para 2 of the letter. Receipt of this letter may kindly be acknowledged.

Yours faithfully,  
sd- M. Srinivasan

Joint Secretary to the Govt. of India

1. Copy to:—Vice-Chairman, DDA, Vikas Minar.  
I.P. Estate, New Delhi.
2. Secretary, Land & Building, Delhi Administration,  
Vikas Bhawan, New Delhi.

#### Recommendation

The staff strength of DDA is about 5,300 excluding work-charged staff. Till October 1978, 766 DDA employees had been allotted flats by the DDA out of the reserved quota of five per cent. Some employees may already have been allotted plots for construction of houses while some others may not be interested in purchasing flats for lack of resources or any other reason. Considering the above facts as also the unsatisfied demand of the general public

for flats, the Committee recommend that Resolution No. 262 dated 17 August, 1968 reserving five per cent of the flats for DDA employees should be reviewed to see whether there is any justification for continuing such reservation.

[S. No. 33—Para 3.58 of the 18th Report of the Public Accounts Committee (Seventh Lok Sabha)]

#### **Action Taken**

The reservation for the staff of the Delhi Development Authority in the allotment of DDA flats was abolished by the Government with effect from 2nd January, 1979. The proposal of the Delhi Development Authority for the revival of reservation for its employees has also not been accepted by the Government.

[The Ministry of Works & Housing O.M. No. K-11011|11|81-DDVA dated 23-12-1981]

#### **Recommendation**

The DDA floated registration schemes in 1969, 1972 and 1976. Special registration scheme for retiring public servants was started in 1972 and for scheduled castes/tribes in 1973. As on 18 January, 1979 the number of registered persons awaiting allotments was 20,418. In spite of a backlog of registered persons awaiting allotment, the DDA allotted flats to Government Departments and autonomous organisations, such as P&T Department, Life Insurance Corporation of India, State Bank of India, Minerals and Metals Trading Corporation of India and International Airport Authority for their employees. There is no policy decision taken by the DDA regarding allotment of flats to Government departments or autonomous bodies or private organisations. The aforesaid allotments were evidently made on the basis of *ad hoc* decisions. This is regrettable. The Committee recommend that the policy regarding allotment of flats to Government departments and autonomous bodies should be reviewed and if it is considered necessary to continue such allotments in future, detailed procedure regarding eligibility and terms and conditions of allotment should be firmly laid down.

[Sl. No. 34—Para 3.59 of the Public Accounts Committee's 18th Report (Seventh Lok Sabha)]

#### **Action Taken**

The Delhi Development Authority have mentioned that sometimes allotments had to be made to various Government organisations, autonomous bodies, banks etc. in the exigencies of public

service. This is particularly so in the case of certain essential public services like postal facilities, banking and health facilities till such time the respective organisations put up their own buildings to serve the needs of the residents of the residential colony. Some of the public sector organisations have also been allotted flats by the Delhi Development Authority for meeting the housing requirements of their employees. Such allotments have also been made to some departments of the Government like the Income Tax Department. The Government are of the view that such allotments, made in exceptional circumstances, would be in the public interest inasmuch as they provide a pool of flats for allotment to the employees of such organisations. The DDA have also mentioned that, wherever the response from the public for allotment of flats in certain colonies has been poor and there is risk of the flats lying unallotted for a considerably long time, these are also offered to the public sector undertakings, Government departments etc. The Vice-Chairman of the Delhi Development Authority has been asked to obtain detailed guidelines of the Authority for making such allotments.

[The Ministry of Works & Housing O.M. No. K-11011|10|81-DDVA dated 23-3-1982]

#### Recommendation

It is seen that the Housing Committee *vide* its Resolution No. 209 dated 26th November, 1974 approved the standard formula followed in pricing of the flats constructed by the DDA. However, during the period March, 1975 to March, 1977 the DDA charged higher rates than the rates as per standard formula from the allottees of flats in Prasad Nagar, Wazirpur, Rajouri Garden, Lawrence Road and Kalkaji schemes resulting in additional realisation of Rs. 196.20 lakhs. The approval of the Housing Committee was not obtained for charging higher rates. According to the Ministry, higher rates were charged "apparently" on the ground of popularity and location of the colonies to even out the fluctuations in the cost of construction in different areas and to subsidise the dwelling units constructed for weaker sections of the society.

[Sl. No. 35—Para 3.69 of the Public Accounts Committee's 13th Report (Seventh Lok Sabha)]

#### Action Taken

The DDA has reported that no surcharge was levied in respect of flats disposed of in Kalkaji and that the disposal costs of flats in Prasad Nagar, Wazirpur, Rajouri Garden and Lawrence Road

were fixed by the Vice-Chairman, DDA in exercise of the powers delegated to him by the Delhi Development Authority *vide* its Resolution No. 200 dated 18-6-1968. In view of this delegation of powers, approval of the Housing Committee was not required. The DDA has also reported that the disposal costs of the flats were fixed (i) Keeping in view the popularity and location of the colony, (ii) to even out the fluctuations in the cost of construction and (iii) to subsidise the dwelling units for the Economically Weaker Sections. These factors have also been incorporated in the revised formula for fixing the disposal costs of the flats, details of which have been furnished by the Government in the Action Taken Note in respect of Sl. No. 36 (Para 3.70). Hence there is no proposal for refund of any amount.

2. The Vice-Chairman, Delhi Development Authority has been advised to ensure that, in future, costing of flats is done according to the formula approved by the Housing Committee and any deviation, considered necessary, is done with the approval of the Housing Committee *vide* this Ministry's letter No. K-11011/10/81-DDVA (Pt. VII) dated 26 April, 1982 (copy enclosed).

[The Ministry of Works & Housing O.M. No. K-11011/10/81-DDVA dated 28/29-5-1982]

(Copy)

No. K-11011/10/81-DDVA (Pt. VII)

GOVERNMENT OF INDIA

MINISTRY OF WORKS AND HOUSING  
NIRMAN AUR AWAS MANTRALAYA

New Delhi, the 26th April, 1982

To

The Vice-Chairman,  
Delhi Development Authority,  
Vikas Minar,  
New Delhi.

SUBJECT.—*Fixation of disposal costs of flats by the DDA under its various housing schemes.*

Sir,

I am directed to say that in paras 3.69 and 3.70 of the 13th Report of the PAC (a copy of which had already been sent to you separately), the Committee has commented on the fixation of dis-

posal costs of flats built in Prasad Nagar, Wazirpur, Rajouri Garden and Lawrence Road in a manner which was not in accordance with the pricing policy approved by the Housing Committee in its Resolution No. 209 dated 26-11-1974. The Committee has also expressed its unhappiness on this deviation.

2. The Government note that the costing policy for fixing disposal costs of flats has since been reviewed and the revised costing policy is contained in the Housing Committee's Resolution No. 429 dated 28-8-1978 and 447 dated 24-10-1980. Since the criteria for fixing the disposal costs of flats has been streamlined, it is expected that disposal costs of flats will henceforth be fixed strictly in accordance with the prescribed formula. In case any deviation is considered necessary, prior approval of the Housing Committee should be obtained.

Yours faithfully,

Sd/-

(J. A. SAMAD),

*Deputy Secretary to the Govt. of India.*

#### **Recommendation**

The Committee are deeply distressed to note that the DDA charged higher rates than the approved rates in fixing prices of flats in the aforesaid cases. When the pricing formula was approved by the Housing Committee, the DDA officers concerned should have scrupulously followed it and any deviation from the approved pricing formula should have first been brought before the Housing Committee and a conscious decision taken. The grounds on which higher rates were "apparently" charged, as stated by the Ministry, are unconvincing and are evidently an after-thought. This is also proved from the subsequent reduction in rates for other colonies. As regards subsidising dwelling units for weaker sections of the society, the Committee find that in the pricing formula higher rates are already charged from the MIG and LIG categories in working out the cost of land, departmental charges, interest and administration charges. Therefore, the question of charging higher rates from the allottees of the aforesaid colonies on the ground of subsidy did not arise. The Committee feel that this was a clear case of DDA taking advantage of its monopolistic position and demanding money from allottees at rates decided in an ad hoc manner and on untenable considerations. This is regrettable. The Committee would like the

Government and the DDA to review the present procedure regarding fixation of prices of flats and issue necessary instructions so that such instances do not recur.

[Sl. No. 36—Para 3.70 of the 18th Report of the Public Accounts Committee (7th Lok Sabha)]

### Action Taken

The formula for fixing the disposal cost of flats has been reviewed by the DDA. On the basis of the resolutions passed by the Housing Committee of the DDA *vide* Resolution No. 429 dated 28-8-78 and 447 dated 24-10-80 respectively, the details of the existing formula are given below:—

1	2
(a) Cost of construction . . . . .	Cost of construction including undischarged liabilities.
(d) Over-heads . . . . .	(i) Departmental charges—10% for LIG and MIG, 6½ % for Janta and EWS, and no charges for community service personnel.  (ii) Interest charge—9% per annum for MIG, 7½% per annum for LIG and 6% per annum for Janta/EWS for a period of 9 months. No interest charges leviable for C.S.P.  (iii) Administrative charges—1% per annum for a period of one year for MIG and LIG. No charge leviable for Janta, EWS and CSP categories.
(c) Cost of land . . . . .	(i) Rs. 62 per sq. mt. of the gross area (less areas under shopping centres and nursery schools) under group housing pocket for all categories.  (ii) For community facilities—Re. 1 per sq. ft. of the plinth area subject to a maximum of Rs. 500 for LIG and Rs. 750 for MIG. No charges leviable for Janta/EWS/CSP categories.  (iii) Service Charges—2½% of the amount of premium of land will be recovered only till the services are handed over to the appropriate local body.  (iv) Inter-category subsidies—7½% from ground floor flats only to be deposited in a separate fund for the benefit of EWS housing schemes.
(d) Equalisation charges . . . . .	This fund has been created to bring down the cost of development of land and provision of services in certain areas (trans-Yamuna area and rocky or hollow land) where the cost of development would be high. The equalisation charges are recovered at the following rates depending upon the level of development of the area and the availability of peripheral services:—  (i) Zones which are fully developed and very popular—Rs. 100 per sq. mt. of the plinth area rounded to the next 100 rupee.



(ii) Zones which are in the process of development:

- (a) areas which are more popular—Rs. 50 per sq. mt. of the plinth area rounded to the next 100 rupee.
- (b) areas which are less popular—Rs. 25 per sq. mt. of the plinth area rounded to the next 100 rupee.
- (c) Trans-Yamuna area—no equalisation charges are to be levied. For these areas relief to the extent appropriate might be given from the equalisation fund.

The equalisation fund will be made applicable for all categories of flats except that in case of Janta/EWS categories the charges will be 50 per cent of the charges fixed for the MIG/LIG.

The Government are of the view that the revised formula for fixing the disposal costs of flats is reasonable.

[The Ministry of Works & Housing O.M. No. K-11011|10|81|  
DD. V-A (i) dated 15-2-1982]

### Recommendations

The Committee note that out of the total 174 acres of land acquired under the Scheme of large scale acquisition, development and disposal of land for the district centre at Kalkaji 66.4 acres of land was transferred to DDA by the Delhi Administration for District Centre, Kalkaji and for that a sum of Rs. 1.20 crores was paid in October, 1968 to the Revolving Fund from the General Development Account of the DDA. The proposed terms of lease of the land sold to the DDA by the Delhi Administration were not in conformity with the general terms and conditions of lease prescribed under the large scale acquisition Scheme. The reply of the Ministry of Works and Housing that the then Lt. Governor had approved the proposal of the Financial Adviser and that the Delhi Administration were unable to offer any further comments is not at all convincing. The correct position and the circumstances which led to a deviation from the normal procedure in this regard need to be explained to the Committee by the Government.

The Committee are constrained to point out that the lease deed between Delhi Administration and the DDA has not been executed so far although the question of executing the lease deed for giving effect to the transfer of the land was considered by the Delhi Administration as early as in October, 1969 when it was decided that

lease would be executed for 66.4 acres of gross area (of which 16.6 acres represented the area of permissible ground coverage). The Committee are informed that lease agreement has not been executed due to certain legal issues involved which are being sorted out. It is surprising that even after a period of 10 years, the legal issues are still to be resolved.

It is pertinent to note in this regard that it was decided that for the first three years from the date of execution of lease between the Delhi Administration and the DDA, the ground rent would be nominal (Re. 1 per annum) for the entire 66.4 acres and thereafter it would be 2½ per cent of the premium which remained unaltered at Rs. 1.20 crores. The DDA had, however, sold this land for Rs. 11.20 crores after demarcating it into plots. Taking into account of amount of Rs. 1.20 crores paid to Government and Rs. 1.71 crores incurred or likely to be incurred towards development charges by DDA, the net unearned increase in land value is of the order of them under Section 22. The views of the Delhi Administration and Rs. 8.29 crores of which Rs. 4.15 should have been paid by the DDA to the Delhi Administration land was part of the Scheme of large scale acquisition, development and disposal of land and 50 per cent of the unearned increase in the value of land was creditable to Government (revolving fund). The Committee are led to the inescapable conclusion that because of this inordinate delay in the execution of the lease deed, no ground rent has become payable to Government and also Rs. 4.15 crores payable to Government by DDA being Government's share of unearned income has been held up. The Committee would urge upon the Government to take suitable steps to expedite the early execution of lease deed if not already done by now so as to avoid the delay in payment of the amount due to the Delhi Administration by the DDA.

[Sl. Nos. 45, 46 and 47—Paras No. 5.22 to 5.24 of the Public Accounts Committee's 18th Report (7th Lok Sabha)]

#### Action Taken

It is not possible for the Delhi Administration to take an immediate decision on the terms of transfer of land to the DDA for the following reasons:—

- (1) One of the allottees of plots in the Kalkaji District Centre has contested the ownership of DDA over the plot sold to him and this case is pending in the Delhi High Court.

- (ii) The Committee of Experts on the working of the DDA (Baweja Committee) has recommended that newly acquired land under the Scheme for Large Scale Acquisition, Development and Disposal of Land in Delhi should be transferred to the DDA under Section 15 of the Delhi Development Act, 1957, which permits sale of land to the DDA. The Committee has also recommended that all the lands at present held by the Authority for purposes of development and disposal under Section 22 of the Act should also be reviewed and wherever necessary, after completion of all formalities, such lands also should be transferred to the DDA under Section 15 of the Act by denotifying them under Section 22. The views of the Delhi Administration and the DDA have already been obtained and the recommendation is now under Government's consideration.

Every effort will be made to finalise the terms of transfer of land to the DDA after these issues are sorted out and finally settled.

[The Ministry of Works & Housing O.M. No. K-11011|10|81|  
DD. V-A dated 28/29 May, 1982]

## **CHAPTER III**

### **RECOMMENDATIONS OR OBSERVATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE REPLIES RECEIVED FROM GOVERNMENT.**

#### **Recommendation**

In spite of the sharp increase in the number of industries in non-conforming areas, the Committee are constrained to learn that the Delhi Development Authority have been able to develop only 7517 plots out of which 4685 plots have been allotted to industries in non-conforming areas and another 1336 plots disposed of by auction, thus leaving 1096 plots undisposed of. The reasons for non-disposal of these plots as advanced by the Ministry of Works and Housing are; (i) big size of plots, (ii) cases being under consideration of Land Allotment Advisory Committee, (iii) non-receipt of assessment of land requirement of units from the Directorate of Industries and (iv) unauthorised encroachments. Slow pace of development of industrial area of 2105.30 acres against an area of 4800 acres as envisaged in the Master Plan is also, in the view of the Committee, responsible for the increase in the number of industrial units in non-conforming areas.

[Sl. No. 2 (Paragraph 1.52) of Appendix to the Public Accounts Committee's 18th Report (7th Lok Sabha)]

#### **Action Taken**

The Delhi Development Authority have reported that total number of developed plots is 8260 out of which 5403 have been allotted to industries functioning in non-conforming area and another 1973 plots have been disposed of by the Delhi Development Authority through auction. The balance of 884 plots are being disposed of by the Delhi Development Authority both by auction/allotment etc. Reasons for the slow development of the industrial area/plots and the measures taken to step up the speedy development of the industrial area/plots have been explained in reply to para 1.53. These are reproduced below:—

■

2. The Delhi Development Authority has reported that there are many reasons for the slow development of land and some of which are as follows:—

- (i) The development of land is co-related to the Government activities of the Municipal Corporation of Delhi and Delhi Electric Supply Undertaking and other Departments of Government relating to provision of amenities like water supply, electricity, schools etc. All these activities are dependent upon financial resources and as such the development is taken up in planned and phased manner.
- (ii) The development of land is sometimes hampered due to unauthorised encroachments, disputes regarding ownership, standing crops on the acquired land, non-availability of trunk services which are to be provided by local bodies, delay in approval of service plans etc. In some cases, isolated pockets of land are available which are required to be planned in an integrated manner with the adjoining areas under the extended urban villages|unauthorised encroachments etc. In such cases, development works can be taken up only after the integrated plans are finalised.
- (iii) In any case, the Delhi Development Authority has geared itself to a speedier development of land and has drawn up a five year programme for the development of 18,750 acres of land. For this purpose a Committee has also been set up under the Chairmanship of the Chief Engineer to suggest ways and means to expedite the development of land. The Government has also assisted the Delhi Development Authority to augment its financial resources.
- (iv) As regards the shifting of the obnoxious/hazardous industries operating in the non-conforming areas, a survey of such industries has already been conducted by the Delhi Administration and further action to be taken in this regard is under active consideration.

[The Ministry of Works & Housing O.M. No. K-11011|10|81|  
DDVA dated 18/19 May, 1982]

#### **Recommendation**

The Committee find that the Britania Biscuit Factory, after shifting its industry to the new area continued to use till December,

1977 the existing premises for a non-conforming purpose viz., a warehouse and thus did not fulfil one of the conditions of allotment i.e. to stop the use of the existing premises in non-conforming area for a purpose not permitted in the master/zonal plan in a period of 2½ years from the date of taking possession of plot. Strangely enough the premises in the non-conforming areas were transferred in 1977 by this Company to a transport company. In this regard, the Vice-Chairman, Delhi Development Authority stated during evidence that the Delhi Development Authority was examining whether the transfer was legal or not and whether the rule regarding the use of a property for running a warehouse or a transport company is amendable by the D.D.A. Act and that they would take a decision on that shortly. The Committee deplore the laxity shown by the authorities in not taking expeditious action in this case and expect that the decision would be taken in the matter and without further loss of time by Government.

[Sl. No. 11—Para 1.61 of the Public Accounts Committee 18th Report (Seventh Lok Sabha)]

#### Action Taken

The Delhi Development Authority has reported that according to Clause 4(a) of the Lease Deed executed on 7-4-1964 with M/s Britania Biscuit Company, the lessee was required to stop the use of the old premises in the non-conforming area for purpose of any manufacturing process or running of any industry, within a period of two years and six months from the date of taking possession of plot. However, an inspection carried out on 27-5-71 revealed that the old site was not vacated by the Company and was being used for a warehouse i.e. for storage/distribution of its products. Since this was not a violation of the terms of lease, no action could be taken. The premises was subsequently transferred to a Transport Company. As the area is a commercial/industrial area as per Master Plan and the business of the Transport Company is allowed, the Company cannot now be asked to get it vacated from the present owner of the premises.

2. In this connection it may be mentioned that with a view to preventing such occurrences in future, the following two conditions have been incorporated in the lease-deed form:—

- (i) the lease would within a period of 2 years and 6 months from the date of taking possession of the plot, stop such

use of the existing premises in non-conforming areas for a purpose not permitted under the Master/Zonal Plan;

- (ii) Establish the industry in the plot allotted at pre-determined rate, within a period of two years.

Further it has also been decided, in principle, to make provision in the lease-deed, so that the onus for intimating the D.D.A. about the fulfilment of these conditions lies on the allottee.

[The Ministry of Works & Housing O.M. No. K-11011|10|81|  
DDVA dated 23 March, 1982]

### Recommendation

The Committee note that the pattern of recovery of premia for residential plots, as per orders of Government effective from February, 1970 was revised by the Delhi Development Authority in August 1975 without the approval of the Government, whereby 50 per cent of the premium was recoverable as deposit at the time of application and the balance 50 per cent when possession was given as against the previous practice of recovering 25 per cent at the time of allotment, 50 per cent while handing over possession and the balance 25 per cent at the end of one year after possession was given or on completion of services if that happened to be later. The Ministry of Works and Housing have stated in this regard that since the Delhi Development Authority was to embark upon major projects and needed substantial revenue, it was considered expedient by them to mobilise maximum resources and accordingly the pattern of payment of premium was revised. While the Committee appreciate the need for mobilisation of resources for development, they are of the view that the Delhi Development Authority should have obtained the approval of the Government before revising the pattern of recovery of premia for residential plots. The lapse on the part of the Delhi Development Authority is regrettable.

[Sl. No. 16, Para 2.49 of the Public Accounts Committee's 18th Report (Seventh Lok Sabha)].

### Action Taken

The Delhi Development Authority has explained that the Government orders dated the 5th February, 1970 on the above subject envisage semi-developed plots, whereas the plots given under the Shalimar Bagh residential scheme and other developed schemes are fully developed. Hence there was no justification for a three stage

recovery. However, this Ministry agrees with the Public Accounts Committee that the action of the Delhi Development Authority in changing the pattern of recovery of premia for residential plots without the prior approval of the Government is regrettable. The Delhi Development Authority has been instructed to send a self-contained proposal through the Delhi Administration for obtaining the *ex-post facto* approval of the Government to the change in the pattern, and has also been asked to ensure that in future no departure from the standing Government orders is made without the prior approval of the Government *vide* this Ministry's letter No. K-11011/42/81-DDIB dated the 11th January, 1982 (copy enclosed).

[The Ministry of Works and Housing O.M. No. K-11011/10/81-DDVA (iii) dated 16-2-1982].

No. K-11011/42/81-DDIB

GOVERNMENT OF INDIA

MINISTRY OF WORKS AND HOUSING  
(NIRMAN AUR AWAS MANTRALAYA)

*New Delhi, dated the 11th January, 1982*

Shri V. S. Ailawadi,  
Vice-Chairman,  
Delhi Development Authority,  
Vikas Minar, New Delhi.

SUBJECT.—*Change in the pattern of recovery of premia for residential plots (PAC para 2.49 of the 18th Report).*

Sir,

I am directed to refer to the correspondence resting with your letter No. FE.14(26)/81-PAC/2084, dated the 11th December, 1981 on the above subject and to say that the action of the Delhi Development Authority to change the pattern of recovery of premia of residential plots in respect of the Shalimar Bagh residential scheme and other developed schemes from that of the provisions contained in the Government of India letter No. 18011/11/66-UD, dated the 5th February, 1970 addressed to the Lieutenant Governor of Delhi is not in order. Though there might have been justification for changing the pattern, as the Government of India instructions referred to semi-developed plots whereas the Delhi Development Authority is now allotting developed plots, the Delhi Development Authority should have sent a self-contained proposal to the Government through the



Delhi Administration and obtained Government approval before any change in the pattern as contemplated in the Government of India order was made. It is, therefore, requested that a self-contained proposal as stated above may be sent through the Delhi Administration for *ex-post facto* approval to the change in the pattern of recovery of premia for residential plots. It is also requested that it should be ensured that the departures are made from standing Government orders. In case it has become necessary to make any departures, self-contained proposals should be sent to the Ministry through the Delhi Administration for the necessary changes before any departures are made.

Yours faithfully,

Sd/-

(J. A. SAMAD)

*Deputy Secretary to the Government of India.*

Tel. No. 382636.

Copy to Shri S. C. Vajpeyi, Secretary (Land & Building), Delhi Administration, Vikas Bhawan, New Delhi.

Sd/-

(J. A. SAMAD)

*Deputy Secretary to the Government of India.*

#### **Recommendation**

Again, the Committee note that the Delhi Development Authority, in August, 1975, raised the maximum income limit for Low Income Group from Rs. 7,200 to Rs. 12,000 and the range for Middle Income Group from 7201—to Rs. 18,000 to Rs. 12001—Rs. 24000, without obtaining the approval of the Government. The Committee are unable to appreciate the haste shown by the Delhi Development Authority in revising the income limits in respect of Low Income Group and Middle Income Group categories without waiting for the decision of the Government. This needs to be explained satisfactorily.

[Sl. No. 17 Para 2.50 of Public Accounts Committee's 18th Report (Seventh Lok Sabha)].

#### **Action Taken**

The Delhi Development Authority has reported that the income brackets for Low Income, Group and Middle Income Group were

revised in 1975 on account of the following reasons:—

- (i) A large number of persons in Delhi is in the employment of Central Government and with the acceptance of the recommendations of the Third Pay Commission, their emoluments had gone up with effect from 1-1-1973.
- (ii) One of the Associations of the Central Government Employees had also represented to the Delhi Development Authority for such revision.
- (iii) The income brackets had been fixed long back and the same needed upward revision with the passage of time.

2. Though there is some force in what has been stated by the Delhi Development Authority, its action to revise the income brackets, on its own, was in deviation of the Government policy in this regard. The Delhi Development Authority has therefore been asked to ensure that no deviation is made from the limits prescribed in the relevant Government Orders, without obtaining prior approval of the Government, as also to adhere to the existing norms. This has been noted by the Delhi Development Authority.

3. The question of regularising the past action of the Delhi Development Authority is under consideration of the Government.

[The Ministry of Works & Housing O.M. No. K-11011/11/81-DDVA dated 18th October, 1982].

#### **Recommendation**

The Committee also find that the Delhi Development Authority leased out 32 residential plots, the area of which was in excess of the prescribed maximum limit (400 square yards after May 1973). The Ministry of Works and Housing had approved auctioning of plots, the area of which did not exceed 419.8 square yards without bifurcation vide their letter No. H-11016/25/73-UDI dated the 21st February, 1974. Only 27 out of the 32 plots were covered by the above order and the other 5 plots were of large size. The Ministry of Works and Housing have admitted that 'the auctioning of the 5 plots without the specific approval of the Government is not in order.' This lapse on the part of Delhi Development Authority to say the least is deplorable. The Committee would like that responsibility be fixed for this lapse.

[Sl. No. 18 Para 2.51 of the Public Accounts Committee's 18th Report (Seventh Lok Sabha)].

### **Action Taken**

According to the original proposal submitted by the Delhi Development Authority on the 17th August 1973, the five plots in question were included in the list of 109 plots in the old layouts, the size of which exceeded 400 square yards. It was not possible to bifurcate these plots, as very little frontage would have been left for residuary plots, particularly when set backs had to be left in accordance with the bye-laws. It was, therefore, proposed to dispose of these plots in their then existing shape and form. It was decided by this Ministry that the plots the area of which did not exceed 419.8 square yards (351 sq. metres) should be disposed of through auction without bifurcation.

2. In his letter of 17-8-73, the Vice-Chairman, Delhi Development Authority had stated that for the reasons stated above, the Delhi Development Authority would continue to dispose of such plots through auction. Thus the five plots in question, the area of which ranged between 378 to 432 square metres were disposed of by the Delhi Development Authority through public auction on 10-10-73 and 13-11-73. As the amount of premium fetched by these plots was almost the same as for the 27 plots, which were covered by the Government approval, no loss was incurred by the Delhi Development Authority on this account. However, the Delhi Development Authority has already regretted the lapse.

3. Incidentally, it may be mentioned that while agreeing to the disposal of plots having an area upto 419.8 square yards (351 square metres) the Delhi Development Authority had been asked to specifically refer the cases pertaining to plots of larger area to the Ministry for approval. Accordingly, a proposal submitted in November 1976 involving 8 plots with areas ranging between 420 square yards and 552.9 square yards was agreed to by the Ministry.

4. Keeping in view the position explained, the Committee may not insist on fixing the responsibility at this stage.

[The Ministry of Works & Housing O.M. No. K-11011/10/81-DDVA (lii) dated 16th February, 1982].

### **Recommendation**

According to the orders of the Government of India all plots exceeding 168 sq. mtrs. in size are reserved for auction and the Delhi Development Authority releases for auction about 15 plots per auction

3 to 4 times a month. Giving reasons for offering small number of plots for auction the Ministry of Works and Housing have stated that it is done in order 'to have a control and regulated inflow of plots into the market so that there is no artificial rise/artificial fall in the land values'. However, the Baveja Committee has revealed that releasing small number of plots at intervals has resulted into land value in the same locality going upto 10 times in 10 to 12 years. In some localities within a short span of one year, the land prices have nearly doubled. The Committee are of the view that the Delhi Development Authority has been unable to check effectively the rise in land prices which was one of the objectives of setting up the Authority in Delhi. They would suggest that the Government and the Delhi Development Authority should review the present procedure regarding auction of plots and devise ways and means so that Delhi Development Authority's auction do not lead to abnormal rise in land price.

[Serial No. 20—Para 2.53 of Appendix to the Public Accounts Committee's 18th Report (Seventh Lok Sabha)].

#### Action Taken

It is not correct to say that the main reason for the increase in prices of land in Delhi is due to the policy followed by Delhi Development Authority. The reasons for increase in land prices is due to combination of various factors such as the general inflationary trend, the increasing population in Delhi and the gap in demand and availability of land for free purchase.

2. The measures already taken/being taken to check the land prices are as follows:—

- (i) Upto 31st March, 1981, the Delhi Development Authority had allotted about 23,000 residential plots to persons belonging to lower income and middle-income groups, on pre-determined rates.
- (ii) About 2 lakhs plots measuring 25 sq. yd. and 80 sq. yd. were allotted in resettlement colonies on nominal licence-fee basis.
- (iii) About 3670 acres of land has been allotted to House Building Cooperative Societies by the Delhi Administration and Delhi Development Authority, for development of about 28,000 residential plots.
- (iv) Further the Delhi Development Authority has launched a residential scheme known as 'ROHINI' for allotment of

1,17,000 residential plots under L.I.G., M.I.G. and Janta Categories and about 17,000 dwelling units in Group Housing. This programme apart from going a long way to solving the residential problem is expected to result in reducing the prices of land.

- (v) Recently, from April to July, 1981, 1100 residential plots were released by the Delhi Development Authority. Of these, about 450 plots were disposed of through public auction and the remaining by allotment on pre-determined rates.

It can thus be stated that the policy of large scale acquisition, development and disposal of land in Delhi has served the object of making available land at reasonable rates to people belonging to the low and middle income groups.

[The Ministry of Works & Housing O.M. No. K-11011/10/81-DDVA (iii) dated 16th February, 1982].

#### **Recommendation**

The Committee regret to find that there was delay ranging from 1 to 5 years in allotment of plots in 1640 cases and in handing over of possession in another 4180 cases in four colonies viz. Paschimpuri, Chhalimar Bagh, Gonda and Pritampura thereby delaying the realisation of premia to the extent of Rs. 325.16 lakhs and Rs. 634.49 lakhs respectively, apart from the loss of ground rent at 2½ per cent of the premia amounts for the period of the delay in each case. The Ministry of Works and Housing have admitted that the delay in disposal of plots had resulted in blocking up of funds, besides hardship to the applicants. The Committee are not satisfied with the explanation given by the Ministry of Works and Housing that since their disposal was after the rates of premia had been increased, the Delhi Development Authority had not suffered loss on account of delay in allotment of 1640 plots. This is an extraneous consideration and the loss on account of delay in handing over possession cannot be overlooked. Since there have been such delays in other colonies as admitted by Government, the Committee are of the view that the reasons for such delays should be identified and remedial measures taken in this regard.

[S. No. 22 (Para 255 of Public Accounts Committee's 18th Report (Seventh Lok Sabha).]

### Action Taken

The Delhi Development Authority has reported that the delay in the allotment of plots was due to the fact that a good number of plots were meant for alternative allotments to persons whose land had been acquired under the Scheme of Large Scale Acquisition, Development and Disposal of Land in Delhi, for service personnel and Business Repatriates. The allotment in these cases was to be made only after on receipt of recommendations from the Delhi Administration (L&B Deptt.) and all the allotments could not be made in one lot. However, the Delhi Development Authority has intimated that all these cases have since been disposed of and no review is now considered necessary.

As regards the delay in handing over the possession of plots the Delhi Development Authority has intimated that the delay occurs due to various factors such as the lapse on the part of the allottees for not furnishing the required documents, late-payment of premium and sometimes deliberate delay. With a view to discouraging such tendency on the part of the allottees the Delhi Development Authority laid down the following rates of interest on belated payments of premium with effect from 4-7-1977:—

- (a) 12 per cent p.a. for belated payment of premium/initial premium or part of the premium in case of residential plots/flats allotted to persons in the LIG & MIG.
- (b) 16 per cent p.a. for belated payment in the case of auction purchasers of residential plots and allottees of alternative plots.
- (c) 16 per cent p.a. for belated payment of premium/initial premium/part of the premium, in case of lands/plots built up properties disposed off for purposes other than residential viz. commercial industrial etc.

3. The above mentioned rates have since been revised and a uniform rate of interest @ 18 per cent has been laid down with effect from the 4th January, 1982. Further, an amount of Rs. 50/- is charged as penalty for not taking possession on the due date and the rate of penalty goes on increasing @ Rs. 50/- per month for every successive month. If the allottee does not come forward for taking possession after the expiry of 6 months from the first date intimated to him for this purpose, the allotment is cancelled.

[The Ministry of Works & Housing O.M. No. K-11011/10/81-DDVA  
dated 19 March, 1982]

### **Recommendation**

The Committee have been informed that although the Development Divisions and Sales Branches were required to submit quarterly returns of receipts and disposal of developed plots, these returns were 'either not received or were received incomplete'. The Committee are anxious to know the action taken by the Delhi Development Authority for obtaining timely and regularly these returns from the concerned branches. The Committee also desire that lapses on the part of the officials involved should be ascertained and suitable action taken.

[Sl. No. 23, Para 2.55 of the Public Accounts Committee's  
18th Report (Seventh Lok Sabha)].

### **Action Taken**

The Delhi Development Authority has reported that the returns required to be furnished by the Lands Sales Branches are being received regularly from February, 1980 onwards. However, as the returns from the Development Divisions were not being received regularly, strict instructions have been issued by the Vice-Chairman, Delhi Development Authority under U.O. No. DC/QTLY/ 80-81/106 dated 30-10-1981 (copy enclosed) to the Chief Engineer, Delhi Development Authority to have the returns in question furnished complete in all respects by the due date. It has been enjoined upon the sub-divisional offices that any lapse on their part will be viewed seriously. The Chief Engineer has also been requested to ensure that the returns are sent in time and the names of the defaulting officials, if any, reported to the Vice-Chairman. As regards action to be taken for the lapse on the part of the defaulting officers, it may be mentioned that these returns are prepared initially at the level of sub-divisional/divisional officer of the Engineering Department and consolidated at the level of Chief Engineer. As most of the development divisions of the Authority are involved, it will not be possible to take action against the large number of persons who may be found to be responsible for the delay in the submission of these returns. Moreover, many of the officers of members of staff, who were on deputation to the Delhi Development Authority, have already been repatriated. Keeping this position in view, it may not be of avail to review the past cases. Under instructions from the Ministry, Finance Member, Delhi Development Authority has since issued on 11-12-1981 another circular (copy enclosed), emphasizing the need for regular submission of returns in question to all concerned stating

*inter-alia* that the cases of lapse on this account should be looked-into and disciplinary action initiated against those found responsible.

[The Ministry of Works and Housing O.M. No. K-11011/10/81-DDVA dated 18/19 March, 1982].

DELHI DEVELOPMENT AUTHORITY  
(FINANCE & EXPENDITURE)

No. IA. 14(3)78-79/Vol. V

Dated: 11 Dec., 1981.

SUBJECT.—*Irregular submission of prescribed returns.*

The various branches of the Authority are required to submit certain reports/returns for the information of the other branches or to the higher authorities. It has been seen that such returns/reports are either submitted incomplete or are not submitted regularly. Recently, a case has come to the notice of the P.A.C. where the Engineering Department failed to submit the quarterly reports to the Head Quarters prescribed for monitoring the progress of the development of land or where these reports were submitted, these were incomplete. The P.A.C. took a very serious view of this lapse and desired that disciplinary action should be taken against those members of the staff who were responsible for non-submission or regular submission of the quarterly returns. The Ministry of Works and Housing had been approached to take a lenient view in the matter as far as the default in non-submission or regular submission of these quarterly reports was concerned. However, the Ministry of Works and Housing have stated that the cases of lapse on this accounts, hereafter should be looked into and suitable disciplinary action initiated against those responsible. It is, therefore, impressed upon all the officers/members of the staff that whenever the submission of any report/returns has been prescribed on certain dates, those reports/returns should be submitted on the prescribed dates, complete in all respects, failing which disciplinary action would be initiated against those found responsible for delay or irregular submission of the reports/returns.

Sd/-

(KANWALJIT SINGH)

Finance Member/D.D.A.

Copy to all the officers and employees of the Authority for strict compliance.



**DELHI DEVELOPMENT AUTHORITY  
(DATA COLLECTION SECTION)**

**SUB—Action taken note in respect of Para No. 5.64 of 138th Report of the Public Accounts Committee.**

The Public Accounts Committee in their 138th Report commented on the slow development of land by D.D.A. In our reply we have stated that "Top Priority" was being given to Development of land. The Ministry of Works and Housing since then have been chasing us to monitor the progress made in this direction, and to intimate them the achievements made from time to time.

Keeping this in view a quarterly return had been introduced in the prescribed proforma by the Data Collection Section on 29-11-1979. It has however, been reported that inspite of the D.O. references to the Engineer Member, Chief Engineer time and again and personal meetings at F.M.'s level, no fruitful results have been achieved. Some of the SEs are still not furnishing the quarterly returns. I am unhappy over this state of affairs. I reiterate that these returns should be sent immediately now and in future timely to the C.A.O. so that consolidated picture may be put up to me. The return for the period ending 30th September, 1981, should reach C.A.O. by 15th November, positively and the subsequent returns may be sent in time as already circulated. Any lapse on the part of the SEs will be viewed seriously. Chief Engineer should ensure that the returns are being sent in time and should report the name of the defaulting officers to me.

Sd/-

(V. S. ALLAWADI)  
Vice-Chairman, DDA.

U.O. No. DS/QTLY./80-81/CE-106.

Dated: 30-10-1981.

**Recommendation**

The Committee have been informed that about 4000 LIG flats were allotted to unregistered persons as there had been poor response from the registered persons. It is, however, seen that there was a large backlog of persons on the waiting list of registered persons, and yet, instead of offering flats to persons on the waiting list, the DDA chose to allot flats to unregistered persons. It is difficult to comprehend how the DDA could obtain fresh applications, ignoring the claims of registered persons, and make allotments to un-

registered persons numbering over 4000. The Committee deprecate such irregular action on the part of the authorities concerned. They recommend that the scheme regarding registration and allotment of flats should be scrupulously followed and no deviations as have been noticed in the aforesaid cases should be allowed to recur.

[ Sl. No. 32—Para 3.57 of the Public Accounts Committee's 18th Report (Seventh Lok Sabha) ].

#### **Action Taken**

Allotment of LIG flats to unregistered persons were made in Lawrence Road. These flats were constructed as industrial tenements comprising one living room and one multi-purpose room. These were subsequently converted into LIG flats. Generally, the LIG flats provided by the DDA comprise two rooms, a kitchen, bath, WC, balcony etc. whereas the flats in Lawrence Road had only one room, one multi-purpose room, WC and bath without any separate kitchen provided in these flats. In the initial stages, there were teething troubles in the colony in the matter of services and basic amenities. All these factors put together tended to discourage the registered persons from applying for allotment of these flats. In view of the very poor response from the registered persons, the DDA had no alternative but to allot them to unregistered persons.

[The Ministry of Works & Housing O.M. No. K-11011/10/81-DDVA (iii) dated 16 February, 1982].

#### **Recommendation**

The Committee find that the charges towards cost of over-heads taken into account in fixing the disposal price of flats have been revised a number of times. In the cost of over-heads, the MIG and LIG categories have to share a higher rate as compared to the Janata and EWS (Economically Weaker Section) categories. Evidently, the intention is to subsidise the latter category out of the receipts from the MIG/LIG categories. As LIG category also deserves some relief from the already higher cost of LIG flats, the Committee would like the Government to examine whether the element of subsidy to the residential scheme of the DDA could appropriately be met from out of the receipts from the land and houses sold for industrial or commercial purposes or from a separate fund which may be created for the purpose.

[Sl. No. 37—Para 3.71 of the Public Accounts Committee's 18th Report (Seventh Lok Sabha)].

### **Action Taken**

In the urban areas of the country, a very large majority of the households belong to the EWS category with a family income less than Rs. 350 per month. The low income group are comparatively better placed economically than the families belonging to the EWS. Therefore, any effort to subsidise the cost of houses should appropriately be directed towards the EWS who, as stated earlier, form a very large majority of the urban-holds.

In the formula now being followed by the DDA for determining the disposal cost of the dwelling units, while the rates for departmental charges and administrative charges are the same for both the MIG and LIG categories, the interest charges are 9 per cent per annum for a period of 9 months for MIG whereas the interest rate charged for LIG is only 7½ per cent. The rate for land, charged by the DDA, is uniform for all categories. For community facilities, the rate charged is Re. 1 per sq. foot of plinth area, the total amount charged on this account per flat being restricted to Rs. 500 for LIG, whereas it is Rs. 750 for MIG. It would, thus, be seen that the costing formula for determining the disposal cost of DDA flats favours LIG in comparison to the MIG.

To subsidise the cost of dwelling units for the economically weaker sections, a charge of 7½ per cent of the cost of dwelling units in respect of ground floor flats only is levied from the allottees of MIG and LIG flats and the amount so collected is credited to the EWS fund, from which the cost of flats for EWS is subsidised to the extent of Rs. 1500 per unit. Land for industrial purposes, transport centres etc. is developed out of land placed at the disposal of the Delhi Development Authority under the "Scheme of Large Scale Acquisition, Development and Disposal of Land in Delhi". The cost of acquisition as well as that of development is met out of the revolving fund. The sale proceeds of the land so developed are credited to the revolving fund for being utilised for further land acquisition and development. Thus, disposal of land for industrial purposes by the DDA does not result in any profit to the DDA. As regards disposal of built up shops in convenient shopping centres, local shopping centres and district shopping centres, a certain percentage of the cost of construction and cost of development of land and overheads is deposited in the EWS fund for subsidising the dwelling units for the EWS category. No such surcharge is, however, levied in respect of shops allotted to evictees.

[The Ministry of Works and Housing O.M. No. K-11011/10/81-  
DDVA dated 3 February, 1982].

### Recommendation

The Committee find that Regulation 6 provides that the disposal price or the hire-purchase price of flats shall be fixed by the Authority. However, the Authority by its Resolution No. 200 passed on 18 June 1968 delegated its power to fix prices of flats to the Vice-Chairman. The Committee would like the Government to examine, in consultation with the Ministry of Law, whether the above delegation of powers to the Vice-Chairman, DDA, through Regulation 60 of the Delhi Development (Management and Disposal of Housing Estates) Regulations, 1968, is within the frame-work of the parent Act and the Rules made thereunder and does not tantamount to excessive delegation.

[Sl. No. 38-Para 3.74 of the Public Accounts Committee's  
18th Report (Seventh Lok Sabha)]

### Action Taken

The Ministry of Law, Justice and Company Affairs have advised that the Delhi Development Authority's Resolution No. 200, passed on 18-6-1968 is fully covered by Regulation 59 of the Delhi Development Authority (Management and Disposal of Housing Estates) Regulations, 1968, that it is not violative of any provisions of the Regulations and that Regulation 59 cannot be treated as *ultra vires* or inconsistent with the provisions of Section 52(1) of the Delhi Development Act, 1957. The Government is also satisfied that the delegation made by the Authority to the Vice-Chairman to fix the disposal price or the hire-purchase price of flats as per its Resolution No. 200 passed on 18-6-1968, is not excessive from the administrative point of view. An extract of Law Ministry's Note dated 12-1-82 is enclosed.

[The Ministry of Works & Housing O.M. No. K-11011/10/  
81-DDVA dated 2-4-1982]

(Extract of note dated 12-1-1982 of the Ministry of Law,  
Justice and Company Affairs)

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The parent Act, namely, Delhi Development Act, 1957 provides, vide Section 3 for constitution of the Delhi Development Authority (DDA) so as to consist of a Chairman, Vice-Chairman, Finance and Engineer Member, representative of Municipal Corporation of Delhi,

**Metropolitan Council of Delhi, nominees of Central Government and Commissioner of M.C.D.**

The D.D.A. has been entrusted with the power of disposal of land (Section 21). However, there does not seem to be any express provision in the Act for fixation of price. It is, however, provided that D.D.A. may make regulations for the management of the properties of the Authority and for any other matter which has to be, or may be, prescribed by regulation [Section 57(i)(j)&(1)]. The rule making clause (Section 56) also does not contain any provision for fixation of price of properties as may be disposed of by D.D.A.

It appears that in exercise of powers of making regulations D.D.A. has made the Delhi Development Authority (Management and Disposal of Housing Estates) Regulations, 1968 (in short the Regulations) which apply to those schemes under which built up properties are to be disposed of by way of sale or hire purchase. The expression "disposal price" in relation to a property, has been defined, in these Regulations to mean such price as may be fixed by the Authority for such property. However, the substantive provision for fixation of price is contained in regulation 6 which is as under:

The hire purchase price or the disposal price as the case may be, shall be such price, as may be determined by the Authority.

Regulation 59 (PAC para presumably refers to this regulation as there is no regulation 60) contains the "power to delegate" and is as under:

The Authority may delegate all or any of its powers under these regulations to the Vice-Chairman or to a whole time member.

It appears that in exercise of above delegation power D.D.A. passed Resolution No. 200 on 18-6-1968 whereunder it was resolved to delegate the powers, *inter alia*, to fix the disposal and hire purchase price to the Vice-Chairman, D.D.A. This power under regulation 6 is vested in the D.D.A.

It would be seen from the above that DDA's Resolution dated 18-6-1968 is fully covered by regulation 59 and is not violative of any provisions of the Regulations.

It remains to be seen, in order to fully examine the point raised in the said PAC para, as to whether the Resolution dated 18-6-1968 of D.D.A. and regulation 59 referred to earlier, is *intra vires* or *ultra vires* the provisions of the parent Act or any rules made thereunder. As has been stated earlier neither the Act contains any express provisions for fixation of price of the properties to be disposed of by DDA nor does it require this matter to be regulated under the rules to be made under the Act. Since the power in this regard has to be exercised by the D.D.A. it would be reasonable to conclude that this would be one of the matter in respect of which it would be necessary to make regulations [Section 21 read with Section 57(i) (j) & (1)]. In fact, the D.D.A. did make regulations in this regard, namely regulation 6 of D.D.A. (Management and Disposal of Housing Estates), Regulations 1968. Regulation 6 is, therefore, *intra vires* the Act.

As regards regulation 59 it will be seen that the relevant provision in the Act to be taken into consideration is section 52(1) which reads as under:

“The Authority may by notification in the Official Gazette, direct that any power exercisable by it under this Act except the power to make regulations may also be exercised by such officer or local authority (or committee constituted under Section 5A) as may be mentioned therein, in such cases and subject to such conditions, if any, as may be specified therein.”

It would be seen, therefore, that the parent Act itself confers power on D.D.A. to empower an officer as may be specified by the authority to exercise any power which is exercisable by the authority itself under the Act, except of course, the power to make regulations. The expression ‘any power exercisable by it under this Act’ would include the powers as are exercisable by the authority under the rules or regulations framed under the Act because such rules and regulations are, in law, to be treated as part of the Act though made by way of subordinate legislation. In view thereof Regulation 59 of the D.D.A. (Management and Disposal of Housing Estates) Regulation 1968 would not be treated as *ultra vires* the provisions of Section 52(1) of the Act; in fact, this regulation could be treated as the one made to give effect to the provisions of section 52(1).

It would be seen that the only difference between the delegation of power under section 52(1) and regulation 59 is that while

section 52(1) requires the power to be exercised by issue of a notification, by DDA., in the Official Gazette, the power under Regulation 59 could be exercised by way of passing a resolution to that effect. As Regulation 59 cannot be treated as *ultra vires* or inconsistent with the provisions of section 52(1) the manner of exercise of the power under regulation 59 would not vitiate the exercise of power in the manner envisaged under Regulation 59. The power under section 52(1), it would be seen, is wider in the sense that it covers all powers exercisable by the authority under the Act (including those under the Rules and Regulations framed under the Act) while the power under Regulation 59 relates only to those powers which are exercisable by the authority under the Regulation.

In this connection, it would also be pertinent to note that every regulation made under the D.D. Act, 1957 are required, under section 58, to be laid before each House of Parliament, so as to enable the Houses to decide whether the regulations so made should be modified or annulled. The regulations in question having been submitted to parliamentary scrutiny and having not been annulled or modified by the Houses of Parliament, would be treated to have received Parliamentary approval.

Incidentally, it would be noted, as has also been brought out by the D.D.A., that this specific issue has been raised in the argument on behalf of the petitioners in the case of *Premji Bhai Vs. D.D.A.*, AIR 1980 SC739. Though Supreme Court did make certain observations in respect of this delegation in para 16 of the judgment, it has rejected the challenge to the validity on the ground of delegation of powers. While rejecting the argument in respect of the delegation of powers the Court considered all the relevant provisions of the Act as also of the regulations and resolutions passed by the authority in exercise of the powers under those regulations. In view thereof even if the delegation is considered excessive on policy considerations it cannot be objected to on the ground of legality which has since been upheld by the above decision of the Supreme Court.

### **Recommendation**

The Committee feel that the present system of allotment of plots as well as built houses by draw of lots/auctioning does not

take into consideration the actual need of the people which should have been the criteria. The Committee strongly recommend that the Government should review the present system of allotment of plots/flats and lay down precise criteria so that the economically weaker sections, low income group and middle-income group people are able to get plots/houses from the Delhi Development Authority at no profit no loss basis.

[Sl. No. 53 Para 5.30 of the 18th Report of the Public Accounts Committee (7th Lok Sabha)]

### **Action Taken**

According to the Scheme of Large Scale Acquisition, Development and Disposal of Land in Delhi, plots measuring 125 sq. yds. and less are allotted to the low income group and plots in excess of 125 sq. yds. and upto 200 sq. yds. are allotted to middle income group. The plots are allotted to the LIG and MIG at pre-determined rates comprising mainly the cost of acquisition and development, and no element of profit is involved in these allotments. Plots in excess of 200 sq.yds. are alone disposed of by the Delhi Development Authority through auction, which is also according to the Scheme of Large Scale Acquisition, Development and Disposal of Land in Delhi. It may be mentioned that the plots disposed of through auction generally attract intending purchasers from the high income group, who are otherwise not entitled to get allotment of plots from the Delhi Development Authority at pre-determined rates. Thus, the system of allotment of plots of sizes above 200 sq. yds. through auction satisfies, though to a very limited extent, the demand for residential plots from the high income group. So far as disposal of built up houses by the Delhi Development Authority is concerned, it may be mentioned that auction is not one of the methods of disposal of built up houses. The houses built by the Delhi Development Authority in the various housing colonies developed by it are disposed of to the MIG, LIG, Janata and Community Service Personnel categories in accordance with the Scheme of Registration being operated by it. The Delhi Development Authority has also introduced a system of cross subsidies under which the cost of houses for the weaker sec-



tions of the society is subsidised. Thus, the housing programme of Delhi Development Authority as a whole operates on no profit no loss basis with an element of subsidy being in-built for the Economically Weaker Section category. In addition, the Delhi Development Authority has also made available a very large number of plots/houses to the weaker sections of society in the various resettlement colonies developed by it. In these circumstances, the Government are of the view that no change in the system of allotment of plots and houses by the Delhi Development Authority is needed.

[The Ministry of Works & Housing O.M. No. K-11011/10/81-DDVA dated 15-1-1982]

### **Recommendation**

In this Report the Committee have drawn attention to several shortcomings and irregularities that have come to their notice in the functioning of DDA. In particular, mention may be made of the following:—

- (i) Failure to implement the policy regarding shifting of industrial units from non-conforming areas to conforming areas; continued use of land for industrial purposes in non-conforming areas by allottees even after allotment of land in conforming areas, non-recovery of ground rent, survey of industrial units operating in non-conforming areas not carried out, failure to take action against persons who were allotted lands for industrial purposes but did not utilise the same for the purpose for which these were allotted; noxious/hazardous industries not shifted from non-conforming areas resulting in air pollution; allotment of lands at rates lower than that prescribed under orders of the Government; property registers not maintained upto date; non-availability of information regarding cases where lease deeds have not been executed.
- (ii) Revision of pre-determined rates without obtaining the approval of the Government; revision of pattern for recovery of premia without obtaining the approval of the Government; revision of income limits for purposes of allotment of plots without approval of the Government;

leasing out residential plots the area of which was in excess of the prescribed ceiling; delay in handing over developed plots; absence of records to indicate the number of plots which have been allotted but on which houses have not been constructed within the stipulated period; failure to take action against defaulters; periodical returns giving complete details of receipts and disposal of developed plots not obtained in time; policy of releasing small number of plots at a time for auction thereby resulting in sky-rocketing prices of land;

- (iii) Delegation of powers by the Authority to the Chairman of the Authority for constitution of Housing Committee in violation of the provisions of Section 5A of the Delhi Development Act, 1957; constitution of Housing Committee five months before the notification empowering Chairman to constitute such Committee was issued; excessive delegation of powers by the Authority to the Housing Committee; files relating to the constitution of the first Housing Committee not traceable.
- (iv) Excessive delegation of powers to the Vice-Chairman, DDA in the matter of fixation of disposal price or hire-purchase price of flats; allotment of dwelling units to a larger number of unregistered persons although there was a long waiting list of registered persons; allotment of out of turn allotments of flats on compassionate grounds without obtaining approval of the Housing Committee; lack of civic amenities in residential colonies when built flats are initially allotted; absence of set policy regarding allotment of flats to Government departments, autonomous bodies or private organisations; fixation of prices at higher rates than that worked out on the basis of standard formula in the case of group housing schemes in certain colonies; and
- (v) Disposal of cinema plots on annual rental basis without obtaining the prior approval of the Government for change in the policy regarding disposal of commercial plots by auction; omission to place full facts before the Authority regarding cinema plots disposed of on annual rental basis;

failure to collect arrears of rent from the owners of cinema houses to whom plots had been sold.

[Sl. No. 34—Para 5.31 of the Public Accounts Committee's 18th Report (Seventh Lok Sabha).]

#### Action taken

The observations contained in this paragraph already figure as separate recommendations/observations in the Report of the Committee, as indicated below itemwise:—

- (i) S. Nos. 2, 3, 5, 6, 7, 8; 10 & 15 of Appendix.
- (ii) S. Nos. 16; 17; 18; 19; 20; 21, 22 and 23 of Appendix.
- (iii) S. Nos. 25, 26, 27, 28 and 29 of Appendix.
- (iv) S. Nos. 31, 32, 34; 35; 36 and 38 of Appendix.
- (v) S. Nos. 41, 42, 43, and 44 of Appendix.

2. Action Taken Notes in respect of the specific recommendations/observations, as listed above, have already been furnished by the Government.

[The Ministry of Works & Housing O.M. No. K-11011/10/81—  
DDVA dated 19-8-1982]

#### Recommendation

The Committee recommend that a high level body independent of DDA, with senior officers drawn from the Ministry of Works and Housing, Ministry of Finance and Delhi Administration should be constituted to go into all aspects of the working of DDA and, in particular, the shortcomings and irregularities pointed out by the Committee in this Report, and suggest improvements in its system and working.

[S. No. 55—Para 5.32 of 18th Report of the Public Accounts Committee (Seventh Lok Sabha)]

#### Action taken

It is submitted that the Public Accounts Committee (1972-73) (Fifth Lok Sabha) while considering the audit paragraph relating to the delay in raising of demands by the Delhi Development Authority observed in its 75th Report as under:—

"It is seen that apart from the compilation of Annual Accounts which are also audited by the Comptroller &

Auditor General of India, no evaluation of the work done by the Delhi Development Authority since its inception has ever been done to find out how far it has achieved the aims for which it was set up. The Committee feel that it would be worthwhile to have the working of the Delhi Development Authority assessed by an Expert Committee which would besides reviewing the over-all functioning of the Delhi Development Authority, also suggest further measures for the development of Delhi and its suburb. In this connection, the Committee would particularly like to review the policy in regard to fixation of price of land disposed by the Delhi Development Authority”.

2. In pursuance of the recommendation of the Public Accounts Committee, the Government of India in the Ministry of Works and Housing set up in June, 1974 a Committee of Experts for assessing the work done by the Delhi Development Authority and find out how far it has achieved the objectives for which it was set up. This Committee of Experts submitted its report to Govt. on 31-3-1975. To Consider and examine the conclusions/recommendations of the Experts Committee on DDA, the Government of India appointed an Empowered Committee in October, 1975 which submitted its report in May, 1976. The recommendations of the Empowered Committee were accepted by the Government in November, 1976.

3. While the decisions of the above mentioned Empowered Committee were in process of implementation, another Committee of Experts was appointed by the New Government in October, 1977 under the Chairmanship of Sh. G. C. Baveja. The implementation of the recommendations of the earlier Committee (Viz. 1974-75 Committee) were kept in abeyance as it was felt that while implementing the earlier committee's recommendations, the recommendations of the new Committee should also be kept in view, to avoid confusion subsequently. The Baveja Committee submitted its report on the 6th June, 1978. To consider and examine the observations/recommendations contained in the report of the Baveja Committee, the Government of India appointed an Empowered Committee, on 27th June, 1978. The Empowered Committee submitted its report on 28th August, 1978. The Government accepted the recommendations/decisions of the Empowered Committee and issued orders on 2nd January, 1979 to the concerned agencies to implement the decisions of the Empowered Committee.

4. In the instant para, the defects pointed out by the PAC which, according to them, warrant the appointment of a high level body to go into these defects, are given in Annexure 'A'. Of these, 13 shortcomings as indicated in Annexure 'B' are already covered by the recommendations of the Baveja Committee which earlier went into the working of the Delhi Development Authority as stated in para 3 above. The Committee of Experts under the Chairmanship of Sh. R. Gopaldaswamy has already examined 7 items (details given in Annexure 'C') out of the 32 defects pointed out. This will leave only 12 items details of which are given in Annexure 'D' which are not so far covered. However, -separate paras of these items have already been received and are being processed in consultation with Audit. In the circumstances, the Ministry is of the view that the few remaining points could be examined and suitable action taken on them (as also on the other points) by the Ministry instead of appointing another high level committee to go into them. The approval of the Honourable Housing Minister has been taken in this regard. The Ministry would assure the PAC that all possible efforts would be made to ensure that the defects pointed out by the PAC are examined at the earliest and remedial measures taken.

[The Ministry of Works & Housing O.M. No. K-11011/10/81/DDCA dated 7 April, 1982]

#### ANNEXURE 'A'

*List of shortcomings irregularities pointed out by the PAC in their 18th Report (7th Lok Sabha)*

1. Failure to implement the policy regarding shifting of industrial units from non-conforming areas to conforming areas;
2. Continued use of land for industrial purposes in non-conforming areas by allottees even after allotment of land in conforming areas;
3. Non-recovery of ground rent;
4. Survey of industrial units operating in non-conforming areas not carried out;
5. Failure to take action against persons who were allotted lands for industrial purposes but did not utilise the same for the purpose for which these were allotted;
6. Noxious/hazardous industries not shifted from non-conforming to conforming areas resulting in air pollution;

7. Allotment of lands at rates lower than that prescribed under orders of the Governments;
8. Property registers not maintained up-to-date;
9. Non-availability of information regarding cases where lease deeds have not been executed;
10. Revision of pattern for recovery of premia without obtaining the approval of the Government;
11. Revision of pre-determined rates without obtaining the approval of the Government;
12. Revision of income limits for purposes of allotment of plots without approval of the Government;
13. Leasing out residential plots the areas of which was in excess of the prescribed ceiling;
14. Delay in handing over developed plots;
15. Absence of records to indicate the number of plots which have been allotted but on which houses have not been constructed within the stipulated period;
16. Failure to take action against defaulters;
17. Periodical returns giving complete details of receipts and disposal of developed plots not obtained in time;
18. Policy of releasing small number of plots at a time for auction thereby resulting in sky-rocketing prices of land;
19. Delegation of powers by the Authority to the Chairman of the Authority for constitution of Housing Committee in violation of the provisions of Section 5-A of the Delhi Development Act, 1957.
20. Constitution of Housing Committee five months before the notification empowering Chairman to constitute such Committee was issued;
21. Excessive delegation of powers by the Authority to the Housing Committee;
22. Unpardonable delay of seven years in rectifying the omission.

23. Files relating to the constitution of the first Housing Committee not traceable;
24. Excessive delegation of powers to the Vice-Chairman, DDA in the matter of fixation of disposal price or the hire purchase price of flats;
25. Allotment of dwelling units to a large number of unregistered persons although there was a long waiting list of registered persons;
26. Allotment of out-of-turn allotment of flats on compassionate grounds without obtaining approval of the Housing Committee;
27. Lack of civic amenities in residential colonies when built flats are initially allotted;
28. Absence of set policy regarding allotment of flats to Government departments, autonomous bodies or private organisations;
29. Fixation of prices at higher rates than that worked out on the basis of standard formula in the case of group housing schemes in certain colonies;
30. Disposal of cinema plots on annual rental basis without obtaining the prior approval of the Government for change in the policy regarding disposal of commercial plots by auction;
31. Omission to place full facts before the Authority regarding cinema plots disposed of on annual rental basis;
32. Failure to collect arrears of rent from the owners of cinema houses to whom plots had been sold.

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#### ANNEXURE 'B'

##### *List of shortcomings/irregularities covered by the Baveja Committee*

1. Failure to implement the policy regarding shifting of industrial units from non-conforming areas to conforming areas.
2. Continued use of land for industrial purposes in non-conforming areas by allottees even after allotment of land in conforming areas.

3. **Survey of industrial units operating in non-conforming areas not carried that.**
4. **Failure to take action against persons who were allotted lands for industrial purposes but did not utilise the same for the purpose for which these were allotted.**
5. **Noxious/hazardous industries not shifted from non-conforming to conforming areas resulting in air pollution.**
6. **Property registers not maintained uptodate.**
7. **Revision in income limits for purposes of allotment of plots without approval of the Government.**
8. **Delay in handing over developed plots.**
9. **Absence of records to indicate the number of plots which have been allotted but on which houses have not been constructed within the stipulated period.**
10. **Failure to take action against defaulters.**
11. **Policy of releasing small number of plots at a time for auction thereby resulting in sky-rocketing prices of land**
12. **Allotment of dwelling units to a large number of unregistered persons although there was a long waiting list of registered persons.**
13. **Allotment of out-of-turn allotment of flats on compassionate ground without obtaining approval of the Housing Committee.**

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#### **ANNEXURE 'C'**

##### **List of shortcomings/irregularities covered by the Gopalaswamy Committee**

1. **Delegation of powers by the Authority to the Chairman of the Authority for construction of Housing Committee in violation of the provisions of Section 5A of the Delhi Development Act, 1957.**
2. **Constitution of Housing Committee five months before the notification empowering Chairman to constitute such Committee was issued.**



3. Excessive delegation of powers by the Authority to the Housing Committee.
4. Lack of civic amenities in residential colonies when built flats are initially allotted.
5. Disposal of cinema plots on annual rental basis without obtaining the prior approval of the Government for change in the policy regarding disposal of commercial plots by auction.
6. Omission to place full facts before the Authority regarding cinema plots disposed of on annual rental basis.
7. Failure to collect arrears of rents from the owners of cinema houses to whom plots had been sold.

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#### ANNEXURE 'D'

*List of shortcomings/irregularities not covered by the previous  
Experts Committees*

1. Non recovery of ground rent.
2. Allotment of lands at rates lower than that prescribed under orders of the Government.
3. Non-availability of information regarding cases where lease deeds have not been executed.
4. Revision of pre-determined rates without obtaining the approval of the Government.
5. Revision of pattern for recovery of premia without obtaining the approval of the Government.
6. Leasing out residential plots the area of which was in excess of the prescribed ceiling.
7. Periodical returns giving complete details of receipts and disposal of developed plots not obtained in time.
8. Unparadonable delay of seven years in rectifying the omissions.
9. Files relating to the constitution of the first Housing Committee not traceable.

10. Excessive delegation of powers to the Vice-Chairman, DDA in the matter of fixation of disposal price or the hire purchase price of flats.
11. Absence of set policy regarding allotment of flats to Government departments, autonomous bodies or private organisations.
12. Fixation of prices at higher rates than that worked out on the basis of standard formula in the case of group housing schemes in certain colonies.

## CHAPTER IV

### RECOMMENDATIONS OR OBSERVATIONS REPLIES TO WHICH HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND WHICH REQUIRE REITERATION

#### Recommendation

Under the orders of the Government of India (Ministry of Home Affairs) dated 2 May, 1961, commercial plots are to be sold by auction of the premium. On 20-9-1968, the then Finance Member, D.D.A. after discussion with then Vice-Chairman, DDA proposed that the cinema site at Jhandewalan may be disposed of on the basis of annual ground rent, without premium. On 25-11-1968 the plot was disposed of by auction on an annual rent of Rs. 3.40 lakhs. Subsequently, the cinema sites at Karampur (Milan Cinema), Wazirpur (Deep Cinema) and Naraina (Payal Cinema) were also disposed of by auction on annual rental basis on 26-9-1969, 15-1-1970 and 10-9-1970 respectively. The matter regarding change in procedure i.e. from perpetual lease basis to annual rental basis was placed before the Standing Committee of the DDA in March, 1969, April, 1969 and June, 1969 but no decision was taken. At the meetings held on 4 and 5 December, 1969, the Standing Committee considered the matter and agreed with the proposal. Thereafter the Authority at its meeting held on 24-12-1970 passed a resolution that commercial plots may be disposed of by auction on annual payment of rent. The Committee find that in spite of the orders of the Government of India that commercial plots are to be sold by auction of the premium, the DDA officials chose to dispose of these plots on annual rental basis without obtaining the approval of the Government for change in the policy regarding disposal of commercial plots. Further, even when the matter was placed before the Authority on 24-12-1970, mention was made about the disposal of Jhandewalan site on 25-11-1968 but the fact that three more sites had also been disposed of by that date on annual rental basis, was concealed from the Authority. Again, while obtaining the approval of the Authority no one seems to have cared to examine whether the Authority was competent to approve the proposal for change in the procedure, namely, from perpetual lease basis to annual rental basis.

Deviation from the normal procedure of disposal of commercial plots from perpetual lease to annual control basis is stated to have been carried out as an experiment and the move in this direction was initiated by the then Secretary, DDA on 13-9-1968. Four cinema sites were thereafter disposed of by auction till 10-9-1970. On 12-11-1970, the then Commissioner, Implementation, DDA expressed the opinion that "so far as cinema site is concerned, I would recommend it should be disposed of on 'premium basis' so that we could get out returns immediately". However, the then Finance Member, DDA expressed contrary opinion and, in his note dated 21-11-1970, stated that: "I have examined the economies of the proposal and find that it would be more beneficial to dispose of the cinema site on annual rental basis instead of selling it on premium basis." The new procedure was then approved by the Authority at its meeting held on 24-12-1970. The Committee find that this new procedure suffered from several lacunae. The Vice-Chairman, DDA conceded during evidence that the assumption of premium as also of rate of simple interest over a period of 100 years, as placed before the Authority on 24-12-1970 were indefensible and that this particular method of disposal of plots was ill advised. Further it had resulted in heavy arrears of rent and litigation due to non-payment rent by the purchasers.

The Committee are surprised as to how a hypothetical example based on inappropriate figures, also concealing vital information, was deliberately placed before the Authority pleading for deviation in the normal procedure to get post facto approval of the Authority to the four cinema sites already disposed of under the changed procedure. The Committee would also like the Government to fix responsibility for disposing of these cinema sites without prior approval of the competent authority. They expect that the Ministry of Works and Housing will also devise some procedure to ensure that DDA obtains prior approval of Government wherever such approval is required under the relevant statute, rules, orders etc., and does not exceed the powers vested in it.

The Committee find that the Jhandewalan site auctioned on 25-11-1968 was cancelled on 18-6-1976 for non-payment of the rental charges due from the purchaser and that the amount of Rs. 1.70 lakhs deposited by the party has been forfeited. In respect of the other three cinema sites (Payal, Deep and Milan Cinema), arrears of rent amounting to Rs. 50.43 lakhs are outstanding. Recovery of rent is stated to have been delayed because

the parties have gone to the court. The Committee would like to be informed of the outcome of the court proceedings and the present position regarding recovery of arrears of rent.

[Sl. Nos. 41 to 44, Para Nos. 4.19 to 4.22 of the 18th Report of the Public Accounts Committee (Seventh Lok Sabha)]

#### Action taken

The main issues raised/observations made in paras 4.19 to 4.22 of the Report are as under:—

- (i) How a hypothetical example based on inappropriate figures, also concealing vital information, was deliberately placed before the Authority pleading for deviation from the normal procedure;
- (ii) Govt. should fix responsibility for disposing of these cinema sites without prior approval of competent Authority;
- (iii) The Ministry of Works & Housing should devise some procedure to ensure that DDA obtains prior approval of the Govt. wherever such approval is required under the relevant rules, etc. and does not exceed the powers vested in it; and
- (iv) The Committee be informed of the outcome of the Court proceedings and the present position regarding recovery of arrears of rent in respect of three cinema sites (Payal, Deep and Milan).

2. As regards item No. (i) attention is drawn to the reply given to question No. 103 of the Questionnaire issued by the Public Accounts Committee. As stated therein a conscious decision was taken in the DDA to deviate from the earlier policy of disposal of cinema sites, i.e., for disposal of sites by auction on payment of annual rent instead of the premium. The example of the cinema site at Jhandewalan was cited in the resolution placed before the Authority only to prove the comparative returns under the two methods of disposal and there does not seem to be any intentional attempt on the part of DDA officers to deliberately conceal any information from the Authority.

3. As regards item (ii), the DDA were asked to fix responsibility. They have stated that all the officers who were concerned with

the placing of the proposal before the Authority were on deputation to the DDA and have either been repatriated long back or have retired from service. In the circumstances it has not been possible for the DDA at this late stage to fix responsibility in the matter.

4. As regards item No. (iii) the Delhi Development Authority (Disposal of Developed Nazul land) Rules 1981 have since been framed under Section 22(3) of Delhi Development Act, 1957. These rules are based on the Scheme for Large Scale Acquisition Development and Disposal laid down under the Delhi Development Act, 1957 and various rules/regulations framed there under define the powers of various authorities. The Lt. Governor, Delhi who is ex-officio Chairman of the Delhi Development Authority has been requested to issue instructions stressing on all concerned in the DDA that they should function in accordance with the powers delegated to them under the DDA Act, 1957 and the various rules and regulation framed thereunder and that any violation of the prescribed rules of procedure will be taken serious note of by the Government. Ex-post-facto approval at the appropriate level will also be obtained for regularisation of the deviation in the prescribed procedure.

5. As regards item No. (iv) the DDA have informed that a sum of Rs. 69.37 lakhs (approx) (including interest due) was outstanding, as on 31-12-81, in respect of three Cinema Sites (Payal, Deep & Milan). The present position of court cases in respect of these 3 cinema sites is as follows:—

(i) Payal Cinema:—

The plaintiff has withdrawn the suit, with liberty to file the fresh suit, if need arises in future.

(ii) Milian Cinema:—

The case was fixed for 7-10-81. The High Court remained closed on that date. This case is still pending at the stage of admission/denial of documents etc.

(iii) Deep Cinema:—

The case is still pending.

[The Ministry of Works & Housing O.M. No. K-11011/10/81-DDVA dated 15-2-1982].

### Recommendation

The Committee note that out of the 98 plots carved out by the DDA from an area of 16.6 acres of land 80 plots had been sold upto October, 1977 at an average rate of Rs. 2,704.00 per sq. yard (the highest rate realised being Rs. 17,316.00 per sq. yard). One of the primary objectives for which the DDA was set up was to check rise in prices of land in Delhi. It is beyond the comprehension of the Committee as to how this objective could be fulfilled if sale of land in Delhi fetches as much as Rs. 17,316.00 per sq. yard. The Vice Chairman of DDA conceded during evidence that "it is a fact that plots were sold at very high rates" but added that "if we are to give plots for commercial purposes in a big centre like District Centre at a lower price than the market rate, it means we are encouraging profit making by the intermediaries." The Committee feel that sale of land at such high prices to the traders in particular compels them to extract the maximum profit from their customers to neutralise the high price paid by the traders and contributes in no small measure to the general rise in prices. The Committee recommend that the present arrangements regarding auctioning of commercial plots should be re-examined in depth to see how best the price of land sold by the DDA could be kept within reasonable limits.

[Sl. No. 48—Para 5.25 of the Public Accounts Committee's 18th Report (Seventh Lok Sabha)]

### Action taken

The rates for plots, fetched in the auction, have to be seen in the context of the floor area ratio, the ground coverage, and the total floor space allowed. The DDA has reported that plot Nos. 43 and 98 in Kalkaji District Centre, measuring 1011.71 square meters each, fetched prices of Rs. 2,09,52,000 and Rs. 1,93,01,000 respectively. For both the plots, the total floor space allowed was 16,183 square meters, with 16 floors plus basement. The price per square meter of the floor space, thus, works out to between Rs. 1190-1290, which cannot be considered unreasonable.

The recommendation of the Committee has been considered carefully by the Government and it has been decided that the present system of disposal of commercial plots through auction should continue.

[The Ministry of Works & Housing O.M. No. K-11011/10/81-DDVA dated 6/9 March, 1982]

### **Recommendation**

The Delhi Development Authority was set up under the Delhi Development Act, 1957 with a view to "promote and secure the development of Delhi according to plan". For this purpose, the Delhi development Authority was empowered, *inter-alia*, to acquire, hold, manage and dispose of land and carry out other operations for purposes of such development. One of the objectives of setting up Delhi Development Authority in place of the Delhi Improvement Trust was the disposal of developed plots of land at a reasonable price. The Committee have, after examining the various aspects of the functioning of the Delhi Development Authority, come to the conclusion that the Delhi Development Authority has become mainly a profit making organisation and has contributed to the exorbitant rise in prices of land as well as of residential and commercial flats and buildings. It has also failed to provide accommodation to the needy persons. This was surely not the intention of the Government.

[Sl. No. 51 Para 5.28 of Public Accounts Committee's  
18th Report (Seventh Lok Sabha)]

### **Action taken**

The Delhi Development Authority has reported that there has been no deviation from the objective of the Authority as provided in the Delhi Development Act, 1957. While it is correct that there is considerable difference between the cost of acquisition of land and premium charged for plots/flats, the main cause for this difference is due to increase in price of materials used for construction and increased labour charges. The Delhi Development Authority has to incur considerable amount of expenditure for the development of land after its acquisition. All public amenities are required to be provided in the colonies developed for residential uses as also in the industrial complexes. Several socio-economic schemes for the benefit of the weaker sections of the people are also taken up and implemented by the Delhi Development Authority. At the same time a large sum of money is being spent in the resettlement colonies, the return from which is meagre.

2. In this connection, it may be mentioned that whenever a residential scheme is developed about 50 per cent of the gross area has to be left for un-remunerative purposes like roads, parks, playgrounds and schools. Moreover, a substantial amount has to be



spent on development and maintenance of parks. The allotment of land to the recognised institutions for schools and other purposes is made at nominal rates.

3. Up to 31st March, 1981, about 23,000 plots had been allotted by the Delhi Development Authority to persons belonging to Low Income Group and Middle Income Group at pre-determined rates. In addition to this, about 2 lakh plots measuring 25 sq. yds. and 80 sq. yds. were allotted in the resettlement colonies on nominal licence fee basis. About 3670 acres of land has been allotted to House Building Co-operative Societies by the Delhi Administration and Delhi Development Authority for development of about 28,000 residential plots. Thus, out of about 2.60 lakhs residential plots allotted to general public, only about 9000 have been disposed of by auction which comes to less than 4 per cent.

4. In addition to the development of plots, the Delhi Development Authority had undertaken a massive housing programme for the construction of houses for Economically Weaker Sections/Janta, Lower Income Group and Middle Income Group Categories and these houses have been allotted to persons registered with the Delhi Development Authority at fixed rates. While calculating the cost of these houses, the proportionate cost of land component has been taken at pre-determined rate. So far the Delhi Development Authority has constructed about 6600 houses of the above categories and another 33000 houses are under construction.

5. Out of 7,200 industrial plots, 5,247 plots have been "allotted" at pre-determined rate to industrial units, which were functioning in the non-conforming areas and which were required to shift to conforming areas. In all, 1973 plots of different sizes have been disposed of by auction. The number of plots which have been disposed of by auction thus amounts to 27 per cent.

6. The above analysis will bear out that the Delhi Development Authority disposes of the majority of the land at reasonable rates to the middle/low income groups and economically weaker section of the society and only a relatively small number of plots by auction to the affluent people the proceeds of which are used by the Delhi Development Authority for ameliorating the housing needs of the economically weaker section.

[The Ministry of Works & Housing O.M. No. K-11011/10/81-DDVA (III) dated 16-2-1982]

### Recommendation

It is well-known fact that the Delhi Development Authority acquires land from the land owners at a very low rate and after development sells it at exorbitant rates, thereby earning huge profits. A glaring example of this is that in Kalkaji District Centre, the price paid by way of compensation to the land owners was Rs. 2.50 per sq. yd. and the average cost of development (both general and internal) of the entire area of 66.4 acres worked out to Rs. 80.15 per sq. yd. Against this, plots were sold at an average rate of Rs. 2704 per sq. yd. the highest rate being 17316 per sq. yd. This amounts to nothing short of "loot." Even where land is acquired for a public purpose, a reasonable compensation is paid. But in cases where land is acquired and later sold by auction or for commercial purposes as has happened in most cases, the Committee feel that the land owners/farmers should not be compelled to part with their holdings at throw away prices. They therefore, recommend that the Land Acquisition Act may be suitably amended so that the interests of the farmers are properly safeguarded.

[Sl. No. 52 para 5.29 of the Public Accounts Committee's  
18th Report (Seventh Lok Sabha)]

### Action taken

It is true that in a few cases the Delhi Development Authority has auctioned plots which fetched high rates whereas their cost of acquisition was very low. However the compensations to the owners are paid as per the provisions of the Land Acquisition Act, 1894. According to the above Act, the owner will get the compensation on the basis of the market rates prevailing on the date of notification under Section 4 of the Land Acquisition Act, 1894, plus a 15 per cent solatium in lieu of the compulsory nature of the acquisition.

2. It is also relevant to point out that the number of plots auctioned by the Delhi Development Authority forms a very low percentage in the total number of plots disposed of by the Delhi Development Authority.

3. Whenever a residential scheme is developed, approximately 50 per cent of the gross area has to be left for un-remunerative purposes like roads, parks, play-grounds and schools. The allotment of such land to recognised schools is made at a nominal rate of Re. 1/- per sq. yd. Moreover, a substantial amount has to be spent on the development and maintenance of parks.

4. The net area, which is left for plotted development is, thus, 50 per cent of the gross area. Total development cost has therefore to be spread on the 50 per cent not available area for use. The position obtaining in case of residential plots as on 1st October, 1980 was as under:—

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(a) Total number of residential plots disposed of . . . . .	32,157
(d) (i) Number of plots given by "allotment" at predetermined price . . . . .	20,390
(ii) Number of plots given by allotment at pre-determined price to those whose lands have been acquired . . . . .	2,778
(iii) Number of plots of an area exceeding 200 sq. yds. disposed of by auction . . . . .	8,989

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5. In addition, about 2.00 lakhs plots varying from 25 sq. yds. to 80 sq. yds. in 44 resettlement colonies have been allotted to economically weaker sections on nominal licence fee basis.

6. In addition to the development of plots, the Delhi Development Authority had undertaken a massive housing programme for the construction of houses for Economically Weaker Sections/Janta, Low Income Group and Middle Income Group categories and these houses have been allotted to persons registered with the Delhi Development Authority at fixed rates. While calculating the cost of these houses, the proportionate cost of land component has been taken at pre-determined rate. In other words, the entire land utilised for the construction of these houses can be said to have been allotted at pre-determined rates. So far the Delhi Development Authority has constructed about 66000 houses of the above categories and another 33000 houses are under construction.

7. In addition, about 3670 acres of land has been allotted on 'no profit no loss' basis to Cooperative House Building Societies for the development of about 28000 residential plots for allotment to their members for construction of their houses.

8. From the foregoing analysis, it will be observed that out of 2.60 lakhs residential plots, thus made available, only about 9000 have been disposed of by auction, which comes to less than 4 per cent.

9. So far as the industrial schemes are concerned, the Delhi Development Authority has developed 8175 industrial plots out of which 7220 plots have been disposed of.

10. Out of 7220 plots, 5247 plots have been "allotted" at pre-determined rate to industrial units, which were functioning in the non-conforming areas and which were required to shift to conforming areas. In all, 1973 plots of different sizes have been disposed of by auction. The number of plots which have been disposed of by auction thus amounts of 27 per cent.

11. The above analysis will bear out that the Delhi Development Authority disposes of the majority of the land at reasonable rates to the middle/low income groups and economically weaker sections of the society and only a relatively small number of plots by auctions to the affluent people the proceeds of which are used by the Delhi Development Authority for ameliorating the housing needs of the economically weaker sections.

12. The question of amending the Land Acquisition Act, 1894 is also under consideration of the Ministry of Rural Reconstruction and the Committee will be informed of the final position in due course.

[The Ministry of Works & Housing O.M. No. K-11011/10/81-DDVA  
(iii) dated 16-2-1982]

## **CHAPTER V**

### **RECOMMENDATIONS OR OBSERVATIONS IN RESPECT OF WHICH GOVERNMENT HAVE FURNISHED INTERIM REPLIES**

#### **Recommendation**

The Committee find that out of about 40,000 units functioning in Delhi nearly 23,000 units have got municipal licences. Apart from the loss of revenue by way of municipal licence fee, sales tax and excise-duty etc. these unlicensed 17,000 units may be creating health hazard. The Committee therefore recommend that a survey should be made immediately to identify such units so as to take strict measures against those units which are continuing unauthorisedly.

[Sl. No. 5 (Para 1.55) of Appendix to the Public Accounts Committee  
18th Report (Seventh Lok Sabha)]

#### **Action taken**

Municipal Corporation of Delhi have reported that for conducting a survey of unlicensed units, they are contacting Delhi Development Authority, Directorate of Industries, Delhi Administration & Delhi Electricity Supply Undertaking to get the details of survey made by them of unauthorised factories. M.C.D. will take further action on receipt of details from them. Further communication in this regard would follow.

[The Ministry of Works & Housing O.M. No. K-11011/10/81-DDVA  
dated 19-1-1982]

#### **Recommendation**

The Committee note that the scheme of Large Scale Acquisition, Development and Disposal of land, as embodied in the Ministry of Home Affairs letter No. F37/16/60-Delhi (i) dated 2 May, 1961 does not impose any ceiling on the area of the plot which could be allotted in conforming area. However, as per paragraph 8(i) (b) and 8(ii) of the above letter the entitlement to allotment at pre-determined rates is restricted to the area acquired or in possession of the industry at the old location and the area in excess of it is to be priced at the auction rate prevailing at the time in the neighbouring areas. In spite of

these clear instructions the Committee are unable to understand how in gross contravention of the provisions M/s. Britannia Biscuit Factory Co. Ltd. were allotted land measuring 30,583.6 sq. yards at pre-determined rates in 1964 against an area of 4984 sq. yards possessed by the firm in a non-conforming area. What has disturbed the Committee most is the reply of the Ministry of Works and Housing that 'almost all cases of —allotment of industrial plots in Delhi, by way of alternative allotment, have been dealt with on the basis of the actual area allotted being disproportionate to the area actually held in the old locations. In all these cases, it is only the pre-determined rate, which has been charged and not the auction rate.'

The Vice-Chairman, DDA had stated during evidence that he had sought clarification from the Government for re-opening all the old cases and the matter was pending before the Delhi Administration. The Committee need hardly urge that a thorough investigation may be held for all these lapses with a view to fix responsibility on the erring officials. The question of re-opening of these cases for re-fixing the premium with reference to the auction rate in respect of the area allotted in excess of that held in the non-conforming area should also be decided without further delay.

[Sl. No. 10 (Para 1.60) of Appendix to the 18th Report of the Public Accounts Committee (Seventh Lok Sabha)].

#### **Action Taken**

The above observation of the Committee is based on the interpretation of paragraph 8(i) and 8(ii) of the Government of India Ministry of Home Affairs letter No. F.37/16/60-Delhi (i) dated 2-5-61 to the effect that the entitlement of allotment at pre-determined rates is restricted to the area acquired or in possession of the industries at the old location and the area in excess of it is to be charged at the auction rate prevailing at the time in the neighbouring areas. In this connection, the DDA has taken the legal opinion. The opinion given by the Chief Legal Adviser of the DDA on the interpretation of these paragraphs is given in the Annexure.

2. It will be seen therefrom that para 8(i) and para 8(ii) of the above Government order dated 2-5-61, deal with two different categories to whom industrial plots can be allotted at pre-determined rates. In the case of industries whose land has been acquired and alternative land is given in lieu of the acquired land, then as per para 8(i), the area in the allotted land equal to the area already in occupation in the non-conforming area will be charged at pre-determined rate and the excess at market rates. But in the case of indus-

tries shifted from non-conforming areas to conforming areas, the provisions of para 8(ii) only will apply and the extent of land in this case will be determined by the Land Allotment Advisory Committee of the Delhi Administration. There is no limit for charging the pre-determined rate.

3. This Ministry also consulted the Ministry of Law whether the above interpretation of the Chief Legal Adviser of the DDA is correct. Extract of the advice of the Ministry of Law is reproduced below:—

“Sub-paragraph (8) of paragraph 2 of the letter dated 2-5-61 provides *inter alia* that as a general policy, disposal of developed land should be made by auction and the premium should be determined by the highest bid subject to certain exceptions. There are four exceptions given thereunder. We are concerned with exception (2) which provides *inter alia* that lands may be allotted at pre-determined rates to industrialists who are being asked to remove their factories from their present locations. Such allotments will be subject to the condition that the location of the industry concerned within the urban area is in accordance with the Master Plan. The Advisory Committee referred to in the previous sub-paragraph should be consulted in making such allotments”.

4. To examine whether the allotment of land to M/s. Britannia Biscuit Co. for industrial purposes was covered under clause (ii) of para 8 of the said order dated 2-5-61 and accordingly only pre-determined rates were to be charged for the allotment, Ministry of Law has asked for certain further clarifications which are being obtained from the DDA.

[The Ministry of Works & Housing O.M. No. K-11011/10/81-DDVA dated 26 August, 1982].

*Extracts from DDA's letter No. 2(40)63ILSB(I) dated 13-11-1981.*

“Regarding allotment of land in excess of what was possessed by the unit at non-conforming area, legal opinion has been taken from the Chief Legal Adviser of the Office as detailed below:—

“From a careful perusal of para 8 of instruction of Ministry of Home Affairs dated 2-5-61, it is evident that as a matter of general policy, the developed land is to be disposed of by auction and the premium is to be determined by the highest bid. However, four ex-

ceptions have been provided to this general rule wherein such land may be allotted at pre-determined rates, which can be enumerated as under:

1. to individual whose land has been acquired.
2. to industrialists who are being asked to remove their factories from their present location.
3. to individuals in the Low Income Group; and
4. to co-operative house building societies and co-operative societies of industrialists and manufacturers.

Exception No. (iii) and (iv) stated above are to be ignored together in the present case. The question remains whether the present case of the Britannia Biscuit Ltd. falls within the ambit of exception No. (i) or exception No. (ii) stated above.

It would be crystal clear that in cases where the land of an industrialist has been acquired which was in industrial plot, then the extent of land allotted at pre-determined rates cannot exceed the area acquired from the industrialist concerned. But para 8(ii) of these guidelines does not contain any such conditions, *i.e.*, neither it creates any bar in allotting an excess area over and above the area held by the industrialists in the original location nor it states anywhere that the pre-determined rates would be limited to the extent of land held by it in its original location. If it had been the intention of the Government of India to put such restrictions regarding the extent of land to be allotted and rates to be charged for the excess land in the case of those industrialists, who were being shifted from non-conforming area to conforming area, there was no difficulty in making a provision in para 8(ii) of these guidelines similar to para 8(i) (b) thereof".

4. Thus, it becomes clear that the present case falls within the ambit of para 8(ii) of the aforesaid guidelines. It was erroneous view which went into the reply by the DDA for para 18(b) raised by PAC; on the basis of the correct construction and interpretation of the guidelines the demand for additional premium was not justified."

#### **Recommendation**

The Committee also find that the then Chief Commissioner was authorities to allot, on the advice of the Land Allotment Advisory Committee, developed land at proper price to small scale industries



(in addition to such of the industrialists who held or were granted import manufacturing licences by Government), provided that setting up of the industry was in accordance with the Master Plan. The Committee have been informed by the Audit that the Delhi Development Authority under the above scheme allotted in December 1966 a plot of the land measuring 4 acres to M/s. Tata Iron & Steel Co. which is not a small scale industry at the commercial rate of Rs. 35/- per square yard for setting up a stock yard. However, a further request by the company in July 1974 for allotment of additional land nearby for the same purpose was rejected by Delhi Development Authority in September 1977 on the ground that allotment for such purpose could not be made in terms of the scheme. The Finance Member of the Authority in February 1975 had observed that 'this unit is not strictly covered by this order'. If this was so, the Committee are unable to understand how this company was allotted 4 acres of land in the first instance in 1966 for a purpose not covered under the scheme. The Committee, therefore, recommended that a detailed enquiry be made in this case so as to bring our full facts to surface.

[Sl. No. 12 Para 1.62 of the Public Accounts Committee's 18th Report (7th Lok Sabha)].

#### **Action Taken**

As already explained in the note submitted to the Public Accounts Committee, earlier, the allotment was not covered by the order governing the Scheme for large scale acquisition, development and disposal of land in Delhi. The land was allotted for the establishment of a stockyard and not for industrial purpose. It related neither to the shifting of an industry or trade from a non-conforming to a conforming areas nor to allotment of land in lieu of land acquired. The Land Allotment Advisory Committee recommended the allotment to the Chief Commissioner on a specific proposal of the Delhi Development Authority. Apparently, the allotment was made because steel was in short supply and the establishment of a stock-yard in Delhi would have enabled steel to be supplied in reasonable quantities at controlled rates to the genuine users.

The Delhi Administration (L & B Department) and Delhi Development Authority have, however, been requested to conduct necessary enquiry if not already done and the Committee would be informed of the results in due course.

[The Ministry of Works & Housing OM No. K-11011/10/81-DDVA dated 19-1-1982]

### **Recommendation**

The Audit has also pointed out that according to the terms and conditions of allotment, the Delhi Development Authority was entitled to realise 50 per cent of the unearned increase in the value of land in case of transfer. The Ministry of Works and Housing have informed the Committee that 'the charges in the constitution (of the firm) have been allowed in the past and are being allowed in a number of cases amongst blood relations without recovering 50 per cent of the unearned increase'. The Committee would like the Government to examine the existing provision in this regard particularly in light of the opinion expressed by the Legal Section of the Delhi Development Authority.

[Sl. No. 14, Para 1.64 of the Public Accounts Committee's 18th Report (7th Lok Sabha)].

### **Action Taken**

A detailed report has been called from the Delhi Development Authority and Delhi Administration for examination of the matter by the Government.

[The Ministry of Works & Housing O.M. No. K-11011/10/81-DDVA dated 19-1-1982]

### **Recommendation**

As the disputes between M/s Uppal Engineering Construction Company and DDA over the execution of work relating to 188 MIG and 188 LIG dwelling units at Ashok Vihar are pending before the High Court and in view of the fact that departmental action against the officers responsible in this case has been ordered, the Committee do not wish to make any observation at this stage on the issues involved. They would, however, like to be informed of the outcome of the above court proceedings and the departmental enquiry.

[Sl. No. 39—Para 3.82 of the Public Account Committee's 18th Report (7th Lok Sabha)].

### **Action Taken**

The disciplinary proceedings initiated against the three officers were dropped after consultation with the Union Public Service Commission and with the approval of the Competent Authority. The

case in which arbitration award has been challenged is still pending in the High Court.

[The Ministry of Works & Housing O.M. No. K-11011/10/81-DDVA dated 2 April, 1982]

### Recommendation

As the dispute regarding construction of 177 houses in Wazirpur Phase I is pending before the Arbitrator, the Committee do not wish to make any observation at this stage. They would like to be informed of the outcome of the arbitration proceedings and of the position regarding recovery of the amount due from the contractor.

[Sl. No. 40—Part 3.85 of the Public Accounts Committee's 18th Report (7th Lok Sabha)]

### Action Taken

As the contractors have neither been submitting statement of facts nor replying to the letters sent to them, the Arbitrator is being requested to proceed *ex-parte*. The only course open for the DDA is to get the award from the Arbitrator, make it the rule of Court and then initiate legal proceedings for recovery of the amount. Efforts in this direction will be made after the Arbitrator gives his award.

[The Ministry of Works & Housing O.M. No. K-11011/10/81-DDVA dated 21-11-1981]

### Recommendation

The Committee note that in October, 1974 the members of Urban Art Commission accompanied by the Secretary and the Architect Planner of the Authority inspected the premises and building under construction in the Kalkaji district centre. The Commission *inter alia* found that 'no project report or a comprehensive programme seems to have been prepared for a scheme of this magnitude and complexity. . . . ., the present concept, plans and the architectural details are most unsatisfactory and if the construction of this complex is allowed to proceed based on the present concept and plans it is not difficult to predict that the result will be in a major failure both functionally and aesthetically'.

The Committee are constrained to note that the planning and designing of the District Centre was done unsatisfactorily as has been pointed out by the Urban Art Commission. The Committee

have been informed that the project is being modified on the basis of the Commission's recommendations. They would like to be informed of the further progress made in the matter.

[Sl. 49 & 50—Paras 5.26 and 5.27 of the Public Accounts Committee's 18th Report (7th Lok Sabha)]

#### **Action Taken**

As per the Master Plan, a District Centre serves as a nucleus to the surrounding communities and serves a population of between 1.5 lakhs and 2.5 lakhs. To provide services to such a large population, it has to have areas for community facilities, industrial-cum-shopping centres, service centres, semi-Government offices, bus terminals and other facilities like zonal municipal offices and recreation/cultural centres. In the Kalkaji District Centre, the commercial area has already been identified and a large majority of the commercial plots have already been disposed of. The Delhi Development Authorities have reported that a revised plan, incorporating several improvements, was prepared in September, 1978 and that the details of sectors, other than commercial, are being worked out accordingly. The revised layout plan of the Kalkaji District Centre, prepared by the Delhi Development Authority, was considered by the Delhi Urban Art Commission in June, 1979. The Delhi Development Authority had approached the Commission in July 1979 with the suggestion that the layout plan, as already prepared by them, be permitted to be adopted. This suggestion is under consideration of the Delhi Urban Art Commission. It may be mentioned that the Plan for the District Centre was approved by the Delhi Development Authority in August, 1969 whereas the Delhi Urban Art Commission was established with effect from 1-5-1974.

[The Ministry of Works & Housing O.M. No. K-11011/10/81-DDVA dated 2 April, 1982]

**(PART II)**

**MINUTES OF THE 16TH SITTING OF THE PUBLIC ACCOUNTS  
COMMITTEE HELD ON 13 OCTOBER, 1982**

The Committee sat from 1700 to 1915 hours.

**PRESENT**

Shri Satish Agarwal—*Chairman*

**MEMBERS**

2. Smt. Vidyavati Chaturvedi
3. Shri G. L. Dogra
4. Shri Bhiku Ram Jain
5. Shri Uttam Rathod
6. Shri G. Narshimha Reddy
7. Shri B. Satyanarayana Reddy
8. Shri Nirmal Chatterjee

**REPRESENTATIVES OF AUDIT**

Shri R. K. Chandrashekharan—*Addl. Dy. C & AG of India*

Shri M. M. Mehta—*Director of Audit, Central Revenues*

Shri G. R. Sood—*Joint Director (Reports)*

**SECRETARIAT**

Shri K. C. Rastogi—*Chief Financial Committee Officer*

Shri K. K. Sharma—*Senior Financial Committee Officer*

The Committee considered the draft 104th Report on action taken by Government on the recommendations contained in their 18th Report (7th Lok Sabha) on Delhi Development Authority and adopted the same with certain amendments/modifications as shown in Annexure I.

The Committee also approved certain other modifications arising out of factual verification by Audit.

*The Committee then adjourned.*

## ANNEXURE I

## LIST OF AMENDMENTS/MODIFICATIONS MADE BY THE PUBLIC ACCOUNTS COMMITTEE IN THE DRAFT 104TH REPORT ON D.D.A.

Page	Para	Line(s)	Amendments/Modifications
7&8	1.11	4&5 from bottom and 1-3	For the sentence "There has been no.....units" <i>Read</i> "Since no alternative site could be made available for setting up industrial units there has been no check on the further growth of industrial units in non-conforming areas."
8	1.11	3	For "On the contrary" <i>read</i> "At the same time"
8	1.11 (iv)	1-3	For "failure.....facilities" <i>read</i> : "(iv) failure to provide land to the existing industries of non-conforming areas at predetermined rates, requisite incentives and other facilities."
8	1.11	-	<i>Add</i> at the end: "The enquiry should be conducted and completed as expeditiously as possible and action taken thereon reported to the Committee latest by 31 January, 1983."
11	1.15	16-20	For "The Committee recommend.....future" <i>Read</i> "The Committee recommend that the matter should be enquired into and responsibility be fixed for the lapse. The results of the enquiry should be communicated to the Committee by 31 January, 1983."
14	1.19	16	<i>Add</i> 'than in observance' <i>after</i> the word 'breach'
17	1.22		The existing paragraph may be <i>substituted</i> by the following:—  "1.22 The Committee are not at all satisfied with the reply of the Ministry to the effect that the land earmarked and developed for allotment to small scale industries was not allotted for industrial purpose but was allotted for a different purpose to Messrs. Tata Iron and Steel Company for setting up a steel stockyard. This allotment, in the opinion of the Committee, was absolutely unwarranted and has stifled the growth of small scale industries.  The Committee have been informed that the Ministry have requested the Delhi Administration and D.D.A. to conduct necessary inquiry, if not already done. This again betrays the lackadaisical approach of the Ministry and the D.D.A. to the observations of the Committee. The Committee desire that the inquiry should be conducted expeditiously and they should be apprised of the results thereof by 31st January, 1983. The Committee would also like Government to examine the feasibility of resuming this land for allotment "to small scale industrial units."

Page	Para	Line(s)	Amendments/Modifications
20	1-25		<p>The existing paragraph may be <i>substituted</i> by the following:</p> <p>“1.25 From the reply furnished by the Ministry of Works &amp; Housing, the Committee note that in spite of specific instructions issued to D.D.A. by the Ministry of Works and Housing regarding expeditious execution of lease deeds in respect of industrial plots, there were 2042 cases out of a total number of 2,610 cases in which lease deeds were yet (February 1982) to be executed. The Committee feel that this is clearly indicative for the lack of seriousness on the part of D.D.A. in getting the lease deeds executed.</p> <p>The Committee note that 316 allottees were not coming forward to execute lease deeds in spite of repeated reminders in 1,101 cases required formalities with regard to execution of deeds had not been completed and in another 312 cases the allottees had not returned the lease deed papers after getting them stamped from the Sub-Registrar. There is no plausible explanation for the non-execution of lease deeds, especially looking to the last category of 312 cases, who inspite of having got the deeds stamped, are not coming forward for execution of lease deeds. The Committee would like the Delhi Development Authority to take the initiative in this matter and get the lease deeds executed within a specified period. The results of these efforts should be communicated to the Committee by 31 January, 1983. The Committee desire that a proper system should be evolved by D.D.A. whereby the lease deeds may be got executed simultaneously with the handing over possession.”</p>
25	1-28	1	<p><i>For</i> “The Committee regret to note that the.”</p> <p><i>Read</i> “The Committee are unable to accept the position that”</p>
35	1-28	last line	<p>The following may be <i>added</i> as the last sentence of the para :</p> <p>“The action taken in this regard should be intimated to the Committee by 31 January, 1983.”</p>

Page	Para	Line(s)	Amendments/Modifications
28	1-31		The existing paragraph may be <i>substituted</i> by the following :
			“1-31 The Committee are constrained to note that the delay in execution of lease deed by the DDA in favour of Delhi Administration in regard to 66.4 acres of land transferred to it at Kallaji District Centre had resulted in avoidable litigation as one of the allottees of the plots in the Centre had contested the ownership rights of the D.D.A. The reply of the Ministry is silent about the circumstances which led to the deviation from the normal practice of lease prescribed under the large Scale Acquisition Scheme in this case. The Committee would like this to be explained and the lease deed executed by 31 January 1983.”
29	..	2	<i>Add</i> ‘an! exorbitant rise in prices of land’ <i>after</i> the words ‘Commercial Flats’.
29	..	3	<i>For</i> ‘(Paragraph 5-25, S. No. 48)
			<i>Read</i> ‘(Paragraphs 5-25 & 5-28 S. Nos. 48 and 51)
31	1-34	..	<i>Delete</i> paragraph 1-34 and <i>re-number</i> the subsequent pages and paragraphs accordingly
32	-	1 & 2	<i>Delete</i> ‘Exorbitant.....51.
35	1-37	..	The existing paragraph may be <i>substituted</i> by the following :
			“1-36 The Ministry of Works and Housing have tried to justify the auctioning of commercial Plots at extraordinarily high prices by calculating the price of land per square metre on the basis floor area on the assumption that multi-storeyed buildings are erected on such plots. Keeping in view the avowed objective of the D.D.A to Keep under control the escalation in prices of land in Delhi the Committee wish to stress that an in-depth examination of the present system of auctioning of commercial plots should be carried out. In this examination, reputed economists, social scientists, architects, etc. may be associated in order to ascertain how far the present policy has resulted in escalation in prices of land and other goods including essential items and services in the capital and whether the present policy needs modification. . . .
39	1-40	15	<i>For</i> ‘farmers’
			<i>Read</i> ‘landowners’



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Page	Para	Line(s)	Amendments/Modifications
39	1.40	18-20	<p>For the sentence "The Committee.....regard."</p> <p><i>Read</i> "The Committee are strongly of the opinion that the Act should be so amended as to provide for—</p> <ul style="list-style-type: none"><li>(a) some specific period, not exceeding two years, within which the acquisition proceedings should be finalised right from the date of first notification.</li><li>(b) market price of land be paid to the owner on the basis of prevailing price in the same/ adjoining areas on the date of acquisition order ;</li><li>(c) at least one plot at the predetermined rate in the same area or in the vicinity should be given to the owner whose land has been acquired; and</li><li>(d) at least one member of the family, whose land has been acquired, be provided suitable employment."</li></ul>

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## APPENDIX

### Statement of Conclusions and Recommendations

Sl. No.	Para No.	Ministry Concerned	Recommendations and Conclusions
1	2	3	4
1	1.4	Ministry of Finance / Works and Housing	The Committee are unhappy that there has been unusual delay on the part of the Ministry of Works and Housing in furnishing action taken replies to the recommendations contained in their 18th Report on Delhi Development Authority. Although the replies, duly vetted by Audit, were required to be furnished by October 1981, the last batch of replies was furnished in August 1982 only i.e. 10 months after the due date.
2	1.5	Do.	The Committee regret that even the setting up of Monitoring Cell in the Ministry of Finance to ensure timely submission of action taken replies has not been of much help. The Committee would like the Monitoring Cell in the Ministry of Finance to be more vigilant in future in ensuring that the Ministries/Departments furnish action taken notes to the Committee promptly and within the stipulated period of six months.



with the result that the Master Plan has more or less remained merely a document on paper and no development worth the name has taken place in the city of old Delhi. Consequently, Delhi Administration had to liberalise the policy of granting licences to industries in non-conforming areas—first in 1968 and again in 1975.

The Committee regret to find that for all these twenty years no serious effort has been made to develop industrial areas on the basis of the Master Plan. Since no alternative site could be made available for setting up industrial units there has been no check on the further growth of industrial units in non-conforming areas. At the same time, the small industrial units were put to great hardship by not granting them the municipal licences, even to those units which were in areas not mentioned in the Master Plan as non-conforming. This has resulted on the one hand in harassment to the small industrialists and on the other hand in financial loss to the Delhi Municipal Corporation as they could not collect licence fee. This is indicative of total failure on the part of Delhi Development Authority in ensuring the planned growth of industries in Delhi.

In view of the above, the Committee recommend that a thorough enquiry should be conducted by Government to fix responsibility for the non-implementation of the Master Plan in the city of old Delhi. This enquiry should, *inter alia*, go into the following matters:—

- (i) reasons for the failure to identify the non-conforming areas;
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- (ii) the circumstances in which new units were allowed to come up in non-conforming areas;
- (iii) failure to develop new industrial sites as laid down in the Master Plan;
- (iv) failure to provide land to the existing industries of non-conforming areas at pre-determined rates, requisite incentives and other facilities;
- (v) failure to evolve consistent and clear policy regarding grant of *ad hoc* licences to all industries in Delhi till these were given alternate sites; and
- (vi) failure to develop the city of Delhi on the lines as laid down in the Master Plan.

111

The enquiry should be conducted and completed as expeditiously as possible and action taken thereon reported to the Committee latest by 31st January, 1983.

1.15

Do.

In their reply the Ministry of Works and Housing have stated that the Delhi Development Authority has informed them that the number of persons who had applied for industrial plots before 1976

was by mistake mentioned as 700 instead of 70 and on checking up the position further the actual number was found to be 84.' It is interesting to note that till 19 March 1982 the Delhi Development Authority has been reporting to the Ministry of Works and Housing that the claims of 700 persons who had applied before 1976 have almost been finalised. This discrepancy clearly shows that there is no proper system of maintenance of records in the Delhi Development Authority. This is also indicative of the casual manner in which information is being furnished to the Committee without getting the same properly checked up. The Committee recommend that the matter should be enquired into and responsibility be fixed for the lapse. The results of the enquiry should be communicated to the Committee by 31st January, 1983.

- |   |      |     |  |
|---|------|-----|--|
| 6 | 1.18 | Do. | The Committee are surprised to find that out of 1068 units in non-conforming areas which have been allotted alternative sites, only 96 units have vacated the old sites and the remaining 972 units are still working in non-conforming areas. This clearly shows that the matter has not been dealt by DDA with the seriousness it deserves.  |
| 7 | 1.19 | Do. | It has been stated by the Ministry of Works and Housing that as per policy followed by the Directorate of Industries, Delhi Administration, the units which have been allotted land under shifting programme, are not eligible for registration if they continue to function in the non-conforming premises even after the expiry of the moratorium period, as per the lease deed/validity period of their factory building plan, inspite of a valid municipal licence. On its part, the |

Municipal Corporation of Delhi also refuses to grant licences for setting up of industries in non-conforming areas. As there has been a steady growth of industries in non-conforming areas and in view of the slow pace at which these industries are being shifted to the new areas allotted to them, this policy seems to have been followed more in breach than in observance. The Committee would therefore stress that atleast in future this should be followed by the Delhi Administration/Delhi Municipal Corporation in letter and spirit.

8

1-22

Do.

The Committee are not at all satisfied with the reply of the Ministry to the effect that the land earmarked and developed for allotment to small scale industries was not allotted for industrial purpose but was allotted for a different purpose to Messrs. Tata Iron and Steel Company for setting up a steel stockyard. This allotment in the opinion of the Committee, was absolutely unwarranted and has stifled the growth of small scale industries.

The Committee have been informed that the Ministry have requested the Delhi Administration and D.D.A. to conduct necessary inquiry, if not already done. This again betrays the lackdaisical approach of the Ministry and the D.D.A. to the observations of the Committee. The Committee desire that the inquiry should be conducted expeditiously and they should be apprised of the results thereof by 31st January, 1983. The Committee would also like

Government to examine the feasibility of resuming this land for allotment to small scale industrial units.

9

1.25

Do.

From the reply furnished by the Ministry of Works and Housing, the Committee note that in spite of specific instructions issued to D.D.A. by the Ministry of Works and Housing regarding expeditious execution of lease deeds in respect of industrial plots, there were 2,042 cases out of a total number of 2,610 cases in which lease deeds were yet (February, 1982) to be executed. The Committee feel that this is clearly indicative of the lack of seriousness on the part of D.D.A. in getting the lease deeds executed. The Committee note that 316 allottees were not coming forward to execute lease deeds in spite of repeated reminders; in 1,101 cases required formalities with regard to execution of deeds had not been completed and in another 312 cases the allottees had not returned the lease deed papers after getting them stamped from the Sub-Registrar. There is no plausible explanation for the non-execution of lease deeds especially looking to the last category of 312 cases, who inspite of having got the deeds stamped, are not coming forward for execution of lease deeds. The Committee would like the Delhi Development Authority to take the initiative in this matter and get the lease deeds executed within a specified period. The results of these efforts should be communicated to the Committee by the 31st January, 1983. The Committee desire that a proper system should be evolved by D.D.A. whereby the lease deeds may be got executed simultaneously with the handing over possession.



1	2	3	4
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10            1.26            Do.

The Committee are unable to accept the position that responsibility for disposing of four cinema sites without prior approval of the competent authority could not be fixed. They are unable to appreciate fully the reason given for this. The concerned officers who were on deputation with DDA and have been repatriated could still be asked to explain through their cadre authorities. The Committee, therefore, desire that the circumstances in which these cinema sites were given on annual ground rent without obtaining proper sanction of the competent authority should be investigated, responsibility fixed and action taken against those found guilty. The action taken in this regard should be intimated to the Committee by 31st January, 1983.

11            1.31            Do.

The Committee are constrained to note that the delay in execution of lease deed by the D.D.A. in favour of Delhi Administration in regard to 66.4 acres of land transferred to it at Kalkaji District Centre had resulted in avoidable litigation as one of the allottees of the plots in the Centre had contested the ownership rights of the D.D.A. The reply of the Ministry is silent about the circumstances which led to the deviation from the normal practice of lease prescribed under the Large Scale Acquisition Scheme in this case. The Committee would like this to be explained and the Lease Deed executed by 31st January, 1983.

12

1-36

Do.

The Ministry of Works and Housing have tried to justify the auctioning of commercial plots at extraordinarily high prices by calculating the price of land per square metre on the basis of floor area on the assumption that multi-storeyed buildings are erected on such plots. Keeping in view the avowed objective of the D.D.A. to keep under control the escalation in prices of land in Delhi, the Committee wish to stress that an indepth examination of the present system of auctioning of commercial plots should be carried out. In this examination, reputed economists, social scientists, architects, etc. may be associated in order to ascertain how far the present policy has resulted in escalation in prices of land and other goods including essential items and services in the capital and whether the present policy needs modification.

13

1-39

Ministry  
of Works  
& Housing  
Rural  
Reconstru-  
ction.

The activities of the D.D.A. are both of commercial and non-commercial nature. The Committee have taken exception to the profiteering of a high order in regard to auctioning of commercial plots by the D.D.A. They are not clear whether in the matter of payment of compensation to the poor land-owners from whom land is acquired for the D.D.A., any distinction is made on the basis of the purpose of acquisition, i.e., general public purpose or commercial purpose. In any case, it is but fair that the poor land-owners should at least get a share in the overall profits of the DDA. It was in this context that they had recommended that the Land Acquisition Act may be suitably amended so that the interests of the land-owners are properly safeguarded. The Committee note that the question of

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amending the Act is under consideration of the Ministry of Rural Reconstruction. The Committee are strongly of the opinion that the Act should be so amended as to provide for—

- (a) some specific period, not exceeding two years, within which the acquisition proceedings should be finalised right from the date of first notification.
  - (b) market price of land be paid to the owner on the basis of prevailing price in the same adjoining areas on the date of acquisition order;
  - (c) at least one plot at the pre-determined rate in the same area or in the vicinity should be given to the owner whose land has been acquired; and
  - (d) at least one member of the family, whose land has been acquired, be provided suitable employment.
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