

TWELFTH REPORT  
PUBLIC ACCOUNTS COMMITTEE  
(2004-2005)  
(FOURTEENTH LOK SABHA)

ALLOTMENT OF LAND TO  
PRIVATE HOSPITALS AND DISPENSARIES BY  
DELHI DEVELOPMENT AUTHORITY

MINISTRY OF URBAN DEVELOPMENT



*Presented to Lok Sabha on 26 April, 2005  
Laid in Rajya Sabha on 26 April, 2005*

LOK SABHA SECRETARIAT  
NEW DELHI

*April, 2005/Vaisakha, 1927 (Saka)*

**PAC No. 1775**

*Price: Rs. 30.00*

© 2005 BY LOK SABHA SECRETARIAT

Published under Rule 382 of the Rules of Procedure and Conduct of Business in Lok Sabha (Eleventh Edition) and Printed by the Manager, Government of India Press, Minto Road, New Delhi - 110 002.

## CONTENTS

	PAGE
COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE (2004-2005) . . . . .	(iii)
INTRODUCTION . . . . .	(v)
PART-I	
REPORT	
I. Introductory . . . . .	1
II. Irregular allotment of land to Trusts or Private Companies . . . . .	2
III. Allotment of land to private Hospitals/Dispensaries . . . . .	8
IV. Non-inclusion of conditions for monitoring provision of free treatment to indigent patients . . . . .	10
V. Inaction in reported cases of non-adherence in terms of allotment . . . . .	16
VI. Non-appointment of Government representatives . . . . .	18
VII. Timely construction of hospital and dispensary buildings . . . . .	19
VIII. Heavy outstanding dues . . . . .	20
IX. Treatment of poor patients . . . . .	22
X. Observations and Recommendations . . . . .	25
ANNEXURES	
(i) Paragraph 3.1 of C&AG's Report No. 4 of 2004 . . . . .	36
(ii) List indicating the rate of premium of land charged from 65 hospitals/dispensaries . . . . .	47
(iii) List of hospitals/dispensaries which had been issued show cause notices . . . . .	56
(iv) Instructions issued by the Directorate of Health Services, Government of Delhi for compliance of the provisions of free treatment . . . . .	57
(v) Proforma of fortnightly details of the patients treated free . . . . .	59
(vi) Status of the construction of Hospital Buildings . . . . .	60
PART-II	
Minutes of the sittings of Public Accounts Committee (2004-2005) held on 8.11.2004, 9.11.2004 and 15.4.2005 . . . . .	66

COMPOSITION OF PUBLIC ACCOUNTS COMMITTEE  
(2004-2005)

Prof. Vijay Kumar Malhotra — *Chairman*

*Lok Sabha*

2. Shri Ramesh Bais
3. Shri Khagen Das
4. Dr. M. Jagannath
5. Shri Raghunath Jha
6. Shri Naveen Jindal
7. Shri Ashok Kumar Rawat
8. Shri Magunta Sreenivasulu Reddy
9. Dr. R. Senthil
10. Shri Madan Lal Sharma
11. Shri Brij Bhushan Sharan Singh
12. Dr. Ram Lakhan Singh
13. Kunwar Revati Raman Singh
14. Shri K.V. Thangka Balu
15. Shri Tarit Baran Topdar

*Rajya Sabha*

16. Shri Prasanta Chatterjee
17. Shri R.K. Dhawan
18. Dr. K. Malaisamy
19. Shri V. Narayanasamy
20. Shri C. Ramachandraiah
21. Shri Jairam Ramesh
22. Prof. R.B.S. Varma

SECRETARIAT

1. Shri P.D.T. Achary — *Secretary*
2. Shri Ashok Sarin — *Director*
3. Shri N.S. Hooda — *Under Secretary*

## INTRODUCTION

I, the Chairman, Public Accounts Committee having been authorised by the Committee to submit the Report on their behalf, do present this 12th Report relating to "Allotment to Land to Private Hospitals and Dispensaries by Delhi Development Authority (DDA)" on Paragraph 3.1 the Report of C&AG of India for the year ended 31 March, 2003 (No. 4 of 2004), Union Government (Civil—Autonomous Bodies).

2. The Report of the C&AG of India for the year ended 31 March, 2003 (No. 4 of 2004), Union Government (Civil—Autonomous Bodies) was laid on the Table of the House on 13 July, 2004.

3. The Committee took the evidence of the representatives of the Ministry of Urban Development, Delhi Development Authority and the Government of NCT of Delhi on the subject at their sittings held on 8th and 9th November, 2004. The Committee considered and finalised this Report at their sitting held on 15 April, 2005. Minutes of the sittings form Part II of the Report.

4. For facility of reference and convenience, the observations and recommendations of the Committee have been printed in thick type in the body of the Report and have been produced in a consolidated form at the end of the Report.

5. The Committee would like to express their thanks to the officers of the Ministry of Urban Development, Delhi Development Authority and the Government of NCT of Delhi for the cooperation extended by them in furnishing information and tendering evidence before the Committee.

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

NEW DELHI;  
21 April, 2005  

---

1 Vaisakha, 1927 (Saka)

PROF. VIJAY KUMAR MALHOTRA,  
*Chairman,*  
*Public Accounts Committee.*

## **PART-I**

### **REPORT**

#### **I. Introductory**

1. Delhi Development Authority (DDA) was established to promote and secure planned development of Delhi on 30th December, 1957 under the provisions of the Delhi Development Act, 1957. It acquires land and develops lands and properties. It also disposes of plots and properties for commercial, industrial, institutional and residential uses in accordance with the provisions of the DDA (Disposal of Developed Nazul Land) Rules, 1981 popularly known as Nazul Rules. Of these Rules, Rule 5 stipulates that DDA may allot Nazul lands for construction of hospitals and dispensaries to social or charitable institutions. The premium and ground rent for this purpose will be determined by the Government of India. Allotment of Nazul land to public institutions is subject to fulfilment of certain conditions prescribed in Rule 20 which, *inter alia*, states that an institution seeking allotment of institutional land should be a society registered under the Societies Registration Act, 1860, or such institution should be owned and run by the Government or any local authority or constituted or established under any law for the time being in force.

2. Till May, 2003, DDA had allotted land to 65 social or charitable institutions for construction of 53 hospitals and 12 dispensaries under Rules 5 and 20 of Nazul Rules. The allotments were made at concessional premium and ground rent fixed by the Union Ministry of Urban Development from time to time upto 1995-96 and at rates fixed by the DDA in consultation with the Ministry thereafter subject to the condition that the institution shall serve as a general public hospital with at least 25 per cent of total indoor beds reserved for free treatment to indigent patients and that it would provide free treatment to 40 per cent patients in the outdoor department. The primary objective of providing free treatment to the poor patients has, however, not been achieved even after a lapse of period ranging from 4 to over 30 years from the date of allotment of land.

3. This Report is based on paragraph 3.1 of Report of the C&AG of India for the year ended March 2003, Union Government (Civil Autonomous Bodies). No. 4 of 2004 relating to "Allotment of Lands to Private Hospitals and Dispensaries by Delhi Development Authority (DDA)" [Annexure I].

#### *Organization*

4. The allotment of land for the purpose of construction of hospitals and dispensaries to charitable and other organisations in Delhi is looked after by the Land Disposal Department of DDA. The Department is headed by the Commissioner (Land Disposal) who is assisted by the Director (Lands), the Deputy Director (Institutional

Land) and other subordinate staff. The accounting of receipts including recovery of ground rent is looked after by the Director (Land Costing) who is assisted by the Deputy Chief Accounts Officer (Land Costing) and other subordinate staff.

*Scope of Audit*

5. The Audit review conducted from April 2003 to July 2003 included examination of the records of the Institutional Land branch of DDA relating to allotment of land to hospitals and dispensaries for the period from 1981-82 to 2000-2001 and records of the Land Sales Accounts (Nazul Accounts) branch relating to recovery of dues to ensure that:—

- (i) the allotment of land to private hospitals and dispensaries had been made according to the rules and orders in force from time to time;
- (ii) the premia of land and ground rent had been charged at the rates approved by the Government of India/DDA;
- (iii) a proper mechanism for monitoring the adherence to the terms and conditions of allotment existed; and
- (iv) a proper account of dues recoverable and received from the institutions had been maintained.

6. The Committee have dealt with Audit findings and observations in the succeeding paragraphs.

**II. Irregular allotment of land to Trusts or Private Companies**

7. Audit scrutiny had revealed that allotments of land were made to three ineligible institutions *viz.* Arya Vaidya Sala, Kottakkal; Dharmshila Cancer Foundation and Research Centre and Unique Hospitals and Research Institute at concessional institutional rates instead of at commercial rates in contravention of the extant guidelines, which deprived the DDA of revenue of Rs. 38.54 crore.

*Arya Vaidya Sala, Kottakkal*

8. According to Audit, Arya Vaidya Sala, Kottakkal, a charitable Trust of a public nature since 1902, applied for allotment of land from DDA in December 1976 for setting up of an Ayurvedic Centre in Delhi. A plot of 0.8 hect. in Kondli was allotted to the Trusts in April 1985 on the advice of the then Chief Legal Adviser that a charitable Trust duly constituted and registered under the law for the time being in force would have to be treated at par with a society registered under the Societies Registration Act, 1860. The Trust was subsequently offered an alternative site of 1.10 hect. in Dallapura Society complex in February 1987 due to non-development of the original site. This site too could not be handed over due to encroachment. In the meantime, on the basis of a legal opinion taken at the instance of the then Vice Chairman, DDA in September 1994, it was concluded that a public or private Trust cannot be deemed to be a Society under the Societies Registration Act nor can it be deemed to have been constituted or established under any law in terms of the meaning of Rule 20, hence it was not entitled for allotment. However, allotment of a plot of land of 0.95 hect. in Karkardooma Complex

was approved by the Delhi Government in October 1994 as it was felt that a reversal of the position at this stage would not be fair to the applicant. The approval was made subject to the specific condition that the Trust would get itself registered under the Societies Registration Act, 1860. Audit observed that the stipulation of the Trust getting itself registered under the Societies Registration Act was not incorporated in the allotment orders even while making a modified allotment in June 1995 despite the specific directions of the Lt. Governor of Delhi of October 1994. This incorrect interpretation of the rules resulted in allotment of land to an otherwise ineligible institution and deprived the DDA of Rs. 1.40 crore as the allotment was made at the concessional institutional rates instead of the commercial rates. Further, the specific directions of the Government intended to remedy the lacunae in the status of the Trust with reference to its eligibility for such allotment was not incorporated in the allotment orders. No responsibility has been fixed for the lapses.

9. The Committee desired to know the reasons for non-cancellation of the allotment or non-charging, at least, the commercial rates. The Ministry stated in a note as under:—

“The decision for allotment of land to the Trust was taken in 1985 based on the then legal opinion that the institution was eligible for allotment. In the light of conflicting legal opinion thereafter, as to whether such a Trust could be treated as par with societies registered under the Societies Registration Act, 1860 under the Nazul Rules, the matter was considered in its totality by the then Lt. Governor and exemption permitting allotment of land to this particular Trust was granted in view of various factors such as the fact that the society had already made payments for the original allotment, that the particular Trust was a public and charitable Trust which runs a renowned Ayurvedic Centre in Kottakkal, Kerala and that having been created by a 'will' it could not convert itself into a registered society etc.”

10. Explaining the position in this regard, the Vice-Chairman, DDA stated during evidence as under:—

"Actually the Trust had also applied to the DDA, and the Ministry of Health had written to the DDA in 1976 that this particular institution wants to set up an ayurvedic hospital here also, that the Government of India had used their institution in the South as a referral hospital and it will be a good thing that a facility of this nature would come up in Delhi. For almost 6 to 7 years, this issue of the Trust and the society continued to remain in discussion. The Nazul Rules came into being in 1981. When this case came up for discussion, the then Chief Legal Advisor gave a note saying that a trust which has been set up for a public purpose, because there is a Trusts Act, should be seen at an equal footing, if not better footing, than a registered society under the Societies Registration Act. After the legal advice of the CLA which was vetted by a senior advocate, the allotment was initially made."

11. Audit had pointed out that the allotment of land in this case was *ab-initio* irregular as the Trust was not eligible for allotment of land at concessional rates under the rules. The then Vice-Chairman, DDA *vide* his note dated 17.10.1994 had



recommended that land at Karkardooma should be allotted to the Trust as a substitute for earlier allotment with the express condition that they would register themselves as a 'Society' within one month. The Lt. Governor, Delhi approved this proposal on 18.10.1994.

12. The Committee enquired as to why the Trust could not register themselves as a 'Society' subsequently in spite of imposition of this condition. In reply Vice-Chairman DDA explain during evidence as under:—

"When that conditionality was imposed them they were also asked and they responded to it. The crux of the matter is that this was a Trust created by a will and this Trust could not be transformed or created into a society. With the legal advice, the allotment was made to them as a Trust."

13. According to Audit, in January 1995, while considering the rates to be charged from the Trust, Lt. Governor approved a proposal of then Vice-Chairman for seeking government approval for one time exemption from Nazul Rules for allotting land to the Trust. The Committee enquired as to whether the Government approval had been obtained in this regard. The Ministry in their note stated as under:—

"The Government approval had not been obtained. Since DDA had received the payment long ago in respect of Arya Vaidya Sala, any other decision other than *post-facto* approval may not be feasible at this stage."

14. When asked whether amendment to Nazul Rules had been moved as per orders of Lt. Governor in this context. The Ministry stated in a note as under:—

"In view of the fact that the Nazul Rules already stand amended *vide* notification dated 5th July 2002 permitting DDA to dispose of land to private hospitals through auction only, there is now no requirement for amendment of the Nazul Rules as far as allotment of land to hospitals and dispensaries is concerned. As regards institutional allotment generally the whole policy is under review."

*Dharmashila Cancer Foundation and Research Centre*

15. As is seen from Audit paragraph, Dharmashila Cancer Foundation and Research Centre, a public charitable Trust, was allotted two acres of land at Rs. 14.25 lakh per acre in March 1990 though it was not registered as a society under the Societies Registration Act, 1860, as required under the rules for allotment of land at concessional rates. This foundation was sponsored by the Delhi Administration for allotment of land. The Trust was subsequently registered as a Society in April 1990. In December 1992, while dealing with a reference from the Trust relating to revision of rates applicable to it, the Joint Director (Institutional) of DDA observed that the Trust was not in fact eligible for being considered for allotment as it was not a Society registered under the Societies Registration Act at the time of its application/allotment. The Legal Advisor concurred with this view and observed in January 1993 that (i) the allotment of land to the Trust was *ab initio void* and (ii) since the allotment was void, the Trust could not subsequently pass on the property to the Society and the subsequently formed Society could not also take over the assets and liabilities of the erstwhile Trust in

respect of the allotted land. Despite this unambiguous advice of its Legal Advisor, DDA by its Resolution of June 1993 approved a proposal permitting/passing over the land allotted to the Trust to the Society without charging the unearned increase.

16. In this case, Audit had observed that as the land was allotted to an ineligible institution and the allotment was *ab initio void*, the allotment could have been either cancelled or alternatively, the Society charged the commercial rates instead of the concessional institution rates. The decision of the Authority permitting passing over the land to the society on concessional terms was in clear contravention of the conditions for allotment of such land stipulated in the Rules and resulted in loss of Rs. 3.11 crore.

17. The Ministry of Urban Development in a note submitted to the Committee stated that the Dharmshila Cancer Foundation and Research Centre, which was a Trust, had been allotted land on provisional rates. Subsequently, the Dharmshila Cancer Foundation and Research Centre was registered as a 'Society' under the same name and title and the Trust merged with the society through its resolution passed in governing body meeting held on 1.4.1991. No unearned increase was charged on merger of the trust to the society, as the same was to facilitate the achievements of the objectives of the Foundation, which was same for the trust and the society. A decision to this effect was taken by Delhi Development Authority in its meeting held in June 1993 *vide* item No. 95/93.

18. When asked as to why the allotment was not cancelled or alternatively the Society charged the commercial rates, the Ministry of Urban Development in a note contested the Audit observation:—

"The point being made by the Audit that the original allotment made to the Trust in 1990 was *ab-initio void* and contrary to Nazul Rules was raised in December, 1992. It was decided that the technical and legal issues be resolved by placing the matter before the Authority for consideration. Accordingly, the matter was placed before the Authority in its meeting held in June 11, 1993 where it was decided that the change in the allotment of land from the Trust to the Registered Society be approved and no unearned increase be charged since the Trust has merged into the society and the Trust and society are managed by the same set of people for the same purpose. In view of this, there was no question of cancellation of allotment or charging commercial rates from the hospital."

19. Explaining further as to why the subsequently formed society was charged a provisional rate, the Vice-Chairman, DDA stated during evidence as under:—

"This is nothing exclusive to this. The rates are fixed by the Government of India for each particular year and the rates for a particular year are often not fixed at the time an allotment may be made."

20. The Committee enquired whether it was a fact that the Legal Advisor of DDA had concurred with views explain by Joint Director (Institutional) of DDA and had observed in January 1993 that (i) the allotment of land to the Trust was *ab initio void* and (ii) since the allotment was void, the Trust could not subsequently pass on the property to the Society and the subsequently formed Society could not take over the

assets liabilities of the erstwhile Trust in respect of the allotted land. In this regard, the Vice-Chairman, DDA explained during evidence as under:—

"It appears from the file that there was a discussion. ....the issue of the Trust versus the Society came up in the context of payment or possession being given. An issue was raised on the file saying that since when the allotment was made, this was a Trust and so should we consider this *ab initio void* and make fresh allotment to them again as a Society. When this issue was considered, it was decided to take it to the Authority. The proposal was taken to the authority. The authority observed that under the terms of the Trust itself, it could have been merged with or converted into any other registered or other kind of an institution and it had been converted into a Society, and there was no change of membership or anything else. Therefore, they observed like this: "We may transfer the allotment in the name of the Society without charging unearned increase." That was the other issue which you had raised. Normally speaking, in all our lease deeds, there is a provision that a person cannot transfer that property to anybody else and if the permission for transfer is given, then the lessor shall be entitled to recover 50 per cent of the unearned increase as a contribution to the Authority. In this case, they said that since this is an issue of merger which may technically be seen as a transfer, no unearned increase needs to be charged in this. This was the decision of the Authority."

*Unique Hospitals and Research Institute*

21. Audit paragraph had revealed that an allotment of 8,097 sqm. of land was made to the Unique Hospitals and Research Institute in December 1997. In April 1998, it was noticed that the Institute had been actually incorporated in January 1996 under the Companies Act, 1956 and registered itself as a Society under the Societies Registration Act 1860, only in February 1997 and it applied for allotment of land in February 1997 itself. The allotment was, however, allowed to continue by the Government of Delhi in August 1998 on the Institute furnishing an undertaking to the effect that the original company would not have any involvement in the management of the hospital established by the society and that the hospital would made available 25 per cent of the out patient, diagnostic and bed facilities for free patients who would be sent through a referral procedure to be finalized by the Health Department of the Delhi Government. It was also decided that the Director, Health Services, would be responsible for monitoring and certifying the implementation of the arrangement and that DDA would be free to get in checked through its empanelled auditors. According to Audit, the failure to allot land at commercial rates to an organization which remained in essence and to all intents and purposes a 'Company' resulted in loss of Rs. 34.03 crore to DDA.

22. When asked to explain the flaws in the official procedure which had gone wrong in the identification of the Society in this case, the Ministry of Urban Development in a note submitted:—

"There is no procedural irregularity in that the Unique Hospital and Research Institute was a registered society in conformity with Section 20 of the Nazul

Rules. In addition, the society had a valid sponsorship from the Delhi Government and had complied with all the formalities prescribed under the Nazul Rules."

23. The Committee pointed out that the DDA failed to monitor the facts that the Institute got itself registered in January, 1996 under Companies Act, 1956 and in order to get the benefit of concessional rate of land allotment for Societies it also got itself registered under Societies Registration Act, 1860 in February 1997, the very month in which it applied for land. The Committee desired to be apprised whether the Institute was still registered as a Company under the Companies Act, 1956. The Ministry of Urban Development replied in a note:—

"As on the date of allotment of land to the society, it was functioning as such and was eligible under the Nazul Rules for allotment of land and its previous character as a company did not make it ineligible or debar it from allotment of land. The society also furnished an affidavit regarding its non-profit making character. It has also been ascertained that the society no longer exists as a company under the Companies Act, 1956."

24. The Ministry added in this connection as under:—

"Keeping in view that the allotment of land was to eligible society as per the provisions of Nazul Rules, subsequent observations on the files did not tantamount to regularization. Hence, there does not appear to have any ground for considering it as any financial loss made to the DDA."

25. Replying to a specific observation that allotment was made to a company which converted itself into a society just ten months ago whereas there might have been many genuine societies in the Waiting List for allotment of land, the Vice-Chairman, DDA responded during evidence:—

"When they came for allotment of land, they came in the form of a society. That was in February 1997. The Society being eligible for allotment under the rules, they were given land."

26. According to Audit para, allotment of land to the three ineligible institutions discussed above at concessional rates in contravention of the guidelines deprived DDA of revenue of Rs. 38.54 crore. The Committee enquired whether any responsibility has been fixed for procedural lapses leading to land allotment to Trusts or Private Companies, which were otherwise ineligible for land allotment at concessional rates. The Ministry of Urban Development stated in a note as under:—

"All the three allotments in question were approved by the L.G., Delhi in his capacity as Chairman, DDA through considered and detailed speaking orders on the relevant files. Hence, there does not appear to be any necessity for fixing responsibility since the cases have been examined in detail and conscious decisions taken. They would, therefore, need to be seen in the proper administrative perspective as brought out on the relevant files. There is no procedural irregularity in the case of Unique Hospital; in the case of Dharmshila Cancer Hospital, the procedural requirement was duly complied

with and approved by the full Authority Chaired by the L.G. and comprising various officials and non-officials (elected representative members from the DDA, State and Central Governments; and, in the case of Kottakkal Arya Vaidya Sala, whose proposal was recommended by the Government of India, the allotment was approved as a one time exemption by the Hon'ble L.G. in the background of conflicting legal opinion about the eligibility of trusts for allotment of land for which no *mala fides* can be attributed."

27. The Committee enquired about the remedial steps taken up by the Ministry to ensure that in future no ineligible institutions are allotted land, the Ministry of Urban Development replied in a note:—

"The Government has *vide* notification No. 486 (E) dated 5.7.02 amended the Nazul Rules to provide for auction of the DDA land to hospitals and dispensary sites. This would include all sites except those meant for local bodies and Government. This would ensure that the Government would get maximum revenue for its land and also that only those societies, which are genuinely interested in setting up the hospitals, actually get the land."

### **III. Allotment of Land to Private Hospitals/Dispensaries**

28. According to Audit para, DDA had allotted land to 65 social/charitable Institutions for construction of hospitals/dispensaries at varying concessional rates.

29. The Committee desired to know the details of concessional rates *vis-a-vis* prevalent market rate charged from 65 social/charitable institutions for construction of hospitals/dispensaries as reported in Audit para. The Ministry of Urban Development submitted in a note as under:—

"DDA has been assessing market price of land on the basis of price at which plots are auctioned by DDA. DDA has intimated that it would be difficult to assess prevalent market price (for hospital land) for allotments made prior to 2002 since no auction were taking place at that time of plots for hospitals. Although auctions were being made for commercial plots, during that period these may not be comparable since the market price derived from auction for any plot is related to its use. Thus the market value of a hospital plot cannot be directly compared to a residential plot, or to a commercial plot or to an industrial plot. The market rate of each category would also vary in addition to the variation due to location specific factors."

30. In this connection, a list indicating the rate of premium of land charged from each of the 65 hospitals/dispensaries as furnished by the Ministry has been given in Annexure-II.

31. The Committee have been informed that the Government amended the Nazul Rules on 5th July 2002 to provide for disposal of hospital/dispensary sites by auction/tender, except sites to be given to the local bodies or for Government hospitals. When enquired about the details of land allotment by DDA through auction after the

amendment of the Nazul Rules, the Ministry of Urban Development submitted in a note as under:—

S. No.	Name of Society	Area/Location	Date of auction	Date of allotment	Date of Possession	Reserve Price	Amount of bid
1.	M/s Max Health Care Institute	0.9 Hect./Saket 9050 sqm.	20.8.02	5.9.02	16.6.03	4.36 crores	10.11 crores
2.	M/s PCL-JDRC	3.44 Hect./ Dwarka	-do-	-do-	2.6.03	10.41 crores	10.80 crores
3.	Oscar Biotech Pvt. Ltd.	2.97 Hect./ Shalimar Bagh	5.12.03	22.12.03	—	9.32 crores	13.02,00,000/-
4.	Akash Institute Pvt. Ltd.	0.60 Hect./ Dwarka	-do-	-do-	27.10.04	1.88 crores	7,04,50,000/-
5.	Metro Hospital	1.0 Hect./ Narela	-do-	-do-	17.11.04	2.20 crores	3,50,00,000/-
6.	Wockhardt Hospital Ltd.	0.72 Hect./ Pitampura	-do-	-do-	15.10.04	2.20 crores	9,00,10,000/-
7.	Muthoot Hospital	3.50 Hect./ Dwarka	-do-	-do-	31.5.04	10.98 crores	20,20,00,000/-
8.	Dr. Lal Path Lab Pvt. Ltd.	3717 sqm. Rohini/Sec.-18	29.3.04	28.4.04	17.11.04	1,16,64,418/-	6.11 crore
9.	Ganesh Diagnostic & Imaging Centre	616.6 sqm. Rohini/Sec.-8	-do-	-do-	30.11.04	19,34,969/-	1.75 crore
						Total	81.53 crore

#### IV. Non-inclusion of conditions for monitoring provision of free treatment to indigent patients

32. It is seen from Audit paragraph that the allotment of land to private hospitals and dispensaries at concessional rates was made subject to the condition that the beneficiary institution shall serve as a general public hospital with at least 25 per cent of total indoor beds reserved for free treatment to indigent patients and that it would provide free treatment to 40 per cent patients in the outdoor department. A test check in Audit of 42 cases had revealed that DDA had failed to incorporate this condition in the allotment letters in 24 out of 42 cases as shown under:—

Sl. No.	Name of Hospital	Date of Allotment	Date of Possession	Whether condition for free treatment incorporated in allotment letter
1	2	3	4	5
1.	Amar Jyoti Charitable Trust	20-1-1983	30-4-1983	Yes
2.	Fil Lt. Rajan Dhall Charitable Trust	29-8-1983	23-2-1987	No
3.	Deepak Gupta Memorial Foundation	16-3-1982	18-10-1982	Yes
4.	Ganesh Das Chawla Charitable Trust	28-4-1986	12-5-1986	Yes
5.	Arya Vaidyasala, Kottakkal	4-4-1985	9-3-1995	Yes
6.	Venu Charitable Trust	16-10-1992	18-12-1992	Yes
7.	Laxmipat Singhanian Medical Foundation	29-3-1990	12-7-1991	Yes
8.	Dharamshila Cancer Foundation & Research Centre	30-3-1990	6-12-1990	Yes
9.	Rajiv Gandhi Cancer Society	12-3-1990	11-5-1990	No
10.	Sondhi Charitable Hospital	8-11-1993	12-11-1993	No
11.	Sant Nirankari Mandal	24-6-1994	23-2-2000	No
12.	Lala Munni Lal Mange Ram Charitable Trust	24-10-1994	9-1-1995	No
13.	Manav Sewarth Trust	10-11-1994	9-1-1995	No
14.	Vikrant Children Medical Foundation	3-7-1995	16-9-1996	No
15.	Multan Seva Samiti	26-4-1995	1-7-1998	No
16.	Devki Devi Foundation	6-2-1996	5-6-1996	Yes
17.	Human Care Medical Charitable Trust	15-5-1995	23-4-1996	No.
18.	B.R. Dhawan Memorial Charitable Trust	6-3-1996	12-6-1996	Yes
19.	Nirogi Charitable & Medical Research Trust	8-7-1996	7-2-1997	No
20.	Dr. Narain Dutt Shrimali Foundation	22-5-1996	26-6-1996	No
21.	Param Shakti Peeth	17-1-1997	6-1-1998	No

1	2	3	4	5
22.	Unique Hospital & Research Institute	17-12-1997	3-8-1998	Yes
23.	Shanti Memorial Society	6-5-1999	30-8-1999	No
24.	Balaji Medical & Diagnostic Research Centre	14-8-1989	16-10-1996	Yes
25.	Mukundi Lal Memorial Foundation	6-4-1988	11-5-1988	Yes
26.	Maha Durga Charitable Trust	9-8-1999	Not handed over	Yes
27.	Delhi ENT Hospital & Research Centre	20-9-1999	1-2-2000	No
28.	Dr. Walia Charitable Trust	7-2-1998	19-2-1998	Yes
29.	Mai Kamli Wali Jan Kalyan Charitable Trust	15-5-1987	28-8-1988	Yes
30.	Sarvodaya Health Foundation	24-3-1999	22-6-1999	Yes
31.	Vivekanand Pratisthan Parishad	12-3-1985	21-8-1995	No
32.	Tarawati Ram Gopal Mehra Foundation	15-7-1986	16-4-1987	No
33.	Indian Medical Association	8-5-1997	5-7-1997	No
34.	Dilshad Garden Ayyappa Sewa Samiti	18-11-1997	19-12-1997	No
35.	Sh. Guru Singh Sabha Central	6-1-1997	15-1-1997	No
36.	Parivar Seva Sanstha	1-7-1988	8-6-1989	Yes
37.	Jai Sri Ram Sewa Sangh	29-5-1995	8-8-1995	No
38.	Tagore Academy	2-7-1996	30-8-1996	No
39.	Sanatan Dharam Public Trust	20-3-1998	6-4-1998	Yes
40.	Sadhu Vasvani Mission	7-2-1984	18-4-1984	No
41.	Arpna Trust	3-6-1996	21-6-1996	No
42.	Khosla Medical Institute & Research Centre	10-10-1983	17-6-1985	No

33. Five hospitals/dispensaries were allotted additional land for expansion. DDA, however, failed to ascertain even in these cases whether the free indoor and outdoor services for indigent patients stipulated in the conditions of allotment were in fact being provided or not, although in two of these cases, the condition of providing free treatment to indigent patients was specifically incorporated in the allotment letter.

34. Audit para points out that in November, 1999, the Minister for Health and Family Welfare, Government of Delhi constituted a Committee under the Chairman, Central Drug Purchase Committee in the Directorate of Health Services, to review the free treatment facilities required to be provided by the hospitals which had been allotted land at concessional rates. The Committee's review report in April 2000 confirmed public apprehensions that beneficiary hospitals were not fulfilling their obligations of providing free treatment to indigent patients. Subsequently in June 2000 another Committee headed by Justice A.S. Qureshi also recommended *inter-alia* that allotment of land at concessional rates to such institutions was liable to be cancelled for violation



of the terms of allotment. With due references to the findings of these Committees in July-September 2001, the DDA sought a report from 14 institutions as to the fulfilment of their obligations relating to provision of free treatment to indigent patients. Only five institutions responded to the DDA's notice. However, no action was initiated against the defaulters, nor was any action taken to verify the correctness of the report furnished by the five institutions.

35. Audit para has also revealed that DDA stated in May 2003 that since the allotment of land to hospitals and dispensaries was made on the recommendation of the Central Government or the concerned department of the Government of NCT of Delhi, it was for the concerned department to monitor whether all the terms and conditions were being adhered too. DDA subsequently added in June 2003 that the enforcement mechanism to supervise compliance with the terms and conditions of allotment was being revised in consultation with the Government of Delhi.

36. However, the Director Health Services, Government of Delhi as reported by Audit, while disagreeing with the DDA's position stated in July 2003 that the Directorate had not laid down any guidelines for monitoring these aspects and had only recommended the cases to DDA for allotment of land after the approval of the Land Allotment Committee. The Directorate was not aware as to which institution had been allotted land by DDA and on what conditions. The Directorate only inspects the hospitals while doing registration or renewal of registration of allopathic hospitals under the Delhi Nursing Home Registration Act, 1953 and examines the aspect of providing free beds as an additional activity in cases where the conditions for allotment are disclosed by the allottees as this was not a pre-condition for registration or renewal.

37. The Committee desired to know the circumstances that compelled DDA to include provisions of land allotment at concessional rates to Hospitals and Dispensaries. The Minsiry submitted in their note:—

"Prior to 1994 DDA was allotting land at concessional rates of Rs. 10,000/- per acre. Since 1994, the rates at which land is allotted to hospitals and dispensaries are the zonal variant rates, which are actually the 'no profit no loss' rates prescribed by Government of India every year for allotment of land to various categories of institutions including social, cultural and educational organisations. These rates include both the cost of acquisition and the cost of development and are concessional only to the extent that they are considerable less then the market rates. However, over a period to time, it was observed that private hospitals were being run as commercial venture by many of the societies to whom land had been allotted for hospitals DDA took the initiative through an Authority Resolution dated 18.8.2000 (*i.e.* before the present, audit objection) to dispose of institutional land to private hospitals on an auction basis. based on this, the Government amended the Nazul Rules on 5.7.2002, to provide for disposal of hospital/dispensary sites by auction/ tender, except sites to be given to the local bodies or for Government hospitals."

38. The Committee enquired about the reasons for DDA's failure to incorporate the condition of providing free treatment while allotting land to 24 out of 42 hospitals/

dispensaries text checked by Audit. The Ministry of Urban Development replied in their note:—

"The broad goal of providing institutional land to societies for setting up hospitals in Delhi was to provide medical facilities for the public as a whole by supplementing the facilities directly established by the Government. It may be noted that the Delhi Improvement Trust (DIT) which had allotted land for two hospitals viz. Jassa Ram Hospital and B.L. Kapoor Hospital did not include any condition of free treatment. The Nazul Rules also do not have any provision in respect of free treatment. In this background, there had been no uniformity of practice in respect of the imposition of such a condition in various allotments. In the 53 cases where land was allotted for hospitals by DDA there are only 6 cases where Government had stipulated such a condition in the sponsorship whereas in a number of other cases, it appears that DDA did so on its own. The primary aim of the policy had been to build up adequate medical facilities using private initiative to supplement Government's own medical infrastructure, at a time when Delhi was still being planned and developed."

39. The Ministry have further stated in this connection as under:—

"It was only in 1992 when DDA brought out its 'Guidelines on Land Management', that the following conditions were specifically mentioned in the context of allotment of land to private hospitals at concessional rates:

- (i) The institute shall serve as general public hospital with at least 25 per cent of the total beds reserved for free treatment for weaker sections and other 25 per cent will be subsidized.
- (ii) A representative of Delhi Administration will be made a member of the registered society responsible for the administration of the project.

It is true however, that even after that DDA has not applied this condition uniformly, and the non-uniform practice followed in this regard in the past continued even after 1992. However, now DDA is in the process of bringing in this condition in respect of those hospitals where the same does not exist wherever possible and feasible in terms of the allottees seeking various other permissions in terms of the existing lease terms etc. or where the actual leases may not have been executed."

40. Clarifying the position in this regard, the Vice-Chairman, DDA explained during evidence as under:—

"...why we imposed conditionalities in some cases and why we did not impose in others, I am to state that we have tried to look into this aspect. The reason why for some hospitals these conditions are there and not for others can be traced like this. The Nazul rules do not provide for these conditionalities. In some cases, there was an indication in the sponsorship letters received from the Government of Delhi that a conditionality of this nature would be imposed. In a number of cases, this conditionality was imposed on its own by DDA. Now, out of these, there are three hospitals for which no possession has been

given. So, if I were to stick to about fifty hospitals, the position that emerges is that we have not been able to locate any specific policy or decision by virtue of which this might have happened. What we are now doing is that we are trying to bring in these conditionalities even at this point of time."

41. The Committee drew the attention of the witnesses to the selective imposition of conditionalities while allocating land for the institutions and pointed out whether any steps were taken to fix responsibility for the lapses. The Vice-Chairman, DDA assured during oral evidence:—

"We will do that. We will go through each file and try to arrive at a situation of fixing the responsibility."

42. Elucidating the present position in this regard, the Ministry of Urban Development further stated as under:—

"It is true that this particular issue was not given top priority and consequently, there has been inadequacy in compliance of these terms by the Hospitals concerned. That situation is now sought to be remedied through the following steps: Detailed show cause notices were issued to the 10 hospitals (Annexure-III) identified by the Committee set up under the Secretary (UD), Government of India for non-compliance with the free-ship condition; DDA has written to Directorate of Health Services, Government of NCT of Delhi enclosing a list of 23 hospitals in which this condition exists and asking them to assist DDA in monitoring compliance with this condition: the DHS has already issued necessary instructions in this regard (Annexure-IV) and DDA has put all these 23 hospitals on notice that failure in compliance with the fortnightly reporting mechanism in prescribed proforma (Annexure - V) will lead to cancellation of their leases."

43. Audit para has pointed out that failure to monitor the provisions of free treatment to indigent patients defeated the primary objective of allotment of land at concessional rates and deprived the indigent patients of the benefit of free medical treatment. The Ministry added in a note as under:—

"...proper monitoring to ensure compliance of the condition of free treatment has to be undertaken jointly by the Health Department of Government of NCT of Delhi and the land owning agency *i.e.* DDA. The detail monitoring mechanism along with suitable statutory backing, if required, is being worked out so that a proper system can be put in place to ensure regular monitoring of the hospitals to strictly enforce the conditions of free treatment as stipulated in the letter/lease deed. Simultaneously other possibilities for health coverage of the poor including a General Health Insurance Scheme are also being examined."

44. In this context, the Vice-Chairman, DDA during evidence admitted:—

"...DDA does not have instrumentality or ability to be able to monitor the compliance of these conditions or to ensure that these conditions have been met. In fact, this should be done by the Government of Delhi. Even in the Quareshi Committee's Report, it is stated that the Government of Delhi should be monitoring them."

45. The Committee sought the views of the Government of NCT of Delhi in this connection. During evidence, the Principal Secretary, Health, Government of NCT of Delhi explained his position as under:—

"...the Government of Delhi, presently through Directorate of Health Services, has powers under the Delhi Nursing Homes (Registration) Act under which private hospital can be registered. We only see medical standards they have got. If they fulfil the requirement laid down in the Act, we have to register them. Whether free service is being provided by them or not is a matter which is not covered under the Delhi Nursing Homes (Registration) Act. This can only be implemented by the land-owning agency. Wherever land owning agency requests us, we always check up with that reference and given a report. We have done that in the case of Khanna Committee Report where we did the entire check up and submitted the report. But, to do it on a regular basis with the present infrastructure is a problem. For that, the Qureshi Committee had suggested a comprehensive amendment of the Delhi Nursing Homes (Registration) Act so that these powers could be statutorily available to the Government. Once that power is statutorily available, infrastructure would be amended accordingly."

46. On being enquired whether the Act (Delhi Nursing Home Act) had been amended as per the recommendations of Qureshi Committee, the representative of the Government of NCT of Delhi stated during evidence that the Act had not yet been amended. He also submitted:—

"Sir, the Act has not yet been amended. In fact, this does not call for amendment. This calls for totally having a new legislation because the existing Act has a very limited kind of a role. It does not have much of a regulatory function provided in it. This is what the Qureshi Committee has also recommended that a comprehensive amendment or entirely a new Act should be brought by the Government. The reason why we have not been able to finalise the amendment was that before we could complete this exercise of approval of recommendations of Qureshi Committee, there was a PIL in the High Court which was to find out the extent of free treatment that is being provided and what should be done against the hospitals which have not been providing free treatment. But we have done some initial exercise and it would take us a couple of months to finally amend this Act because as the Secretary, Urban Development has said that even after the policy of auction is there, there would be some hospitals which will continue to be governed by the old lease condition of free treatment, So, we will amend the Act now."

47. According to Audit, there had been absence of a clear demarcation of responsibilities between DDA and Directorate of Health Services, Government of NCT of Delhi to monitor the enforcement of the provisions of the allotment. When asked about this lapse, the Ministry stated in a note as under:—

"The demarcation of responsibility has been unclear so far but is now being resolved... The responsibility of monitoring the conditions lies with Government of NCT of Delhi and enforcement of this condition on the basis of such monitoring lies with DDA."

48. The Committee also asked about the role of Land & Development Office (L&DO), the Ministry of Urban Development, in the selective imposition of terms and conditions of free medical treatment. The Secretary, the Ministry of Urban of Development, replied during oral evidence as under:—

"Sir, the L&DO has allotted land to five hospitals, namely, Moolchand Khairatiram Hospital, Sir Ganga Ram Hospital, St. Stephens Hospital, Veeranwali International Hospital and Vimhans Hospital. Out of these five hospitals, in only two there was stipulation for free services. Here there is a trend available. Initially, when the first three hospitals were given the land, there was no condition of free service. That was much earlier in 50s or 60s. But when Veeranwali International Hospital came, they themselves proposed that they would give 70 per cent free beds. They were allotted the land on that condition. Thereafter, Vimhans Hospital was allotted the land. In their case, it was imposed that it will give 70 per cent free service. Now, Veeranwali International Hospital is continuing the condition of free obligation as determined by the Committee under my predecessor. But in the case of Vimhans Hospital, violations were noticed. A notice was given to them and the lease has been cancelled. They have represented against it. Now, we are in the process of taking a policy decision as to what to do where these terms and conditions are not being met."

#### **V. Inaction in reported cases of non-adherence to terms of allotment**

49. According to Audit para, no system has been laid down either by DDA or the Directorate of Health Services to deal with complaints received against the functioning of the hospitals in contravention of the terms and conditions of allotment of land. In two cases, complaints were received by DDA during April-November 2002 against certain institutions for not providing free treatment to indigent patients and show cause notices were issued during October-December 2002. In the case of Deepak Gupta Memorial Hospital, the reply was received in January 2003; however, no action could be taken as the report of the investigating Assistant Engineer was awaited as of July 2003. No reply was received in the case of Mai Kamli Wali Jan Kalyan Charitable Trust despite a lapse of over six months. In the case of Sondhi Charitable Hospital, in response to a Starred Question raised in the Delhi Assembly in March 2001 that the hospital was functioning like a private nursing home and charging exorbitant fees, the Secretary (Health), Government of Delhi, directed the DDA to take appropriate action against the hospital for violating the terms and conditions of allotment. No action was, however, taken till July 2003 despite the orders of the Director (Lands) to initiate cancellation proceedings against the Institute. No responsibility for the inaction has been fixed.

50. Responding to the Audit observation that there was no system laid down to deal with complaints received against the functioning of the Hospitals in contravention of the terms and conditions of allotment, the Ministry of Urban Development have stated in a note as under:—

"Action is taken as and when complaints are received by DDA. The following actions have been taken by DDA in specific cases—

- (a) On the basis of report and clarification given by the Deepak Memorial Hospital, the matter was sent to Director, Health Services, Government of

NCT of Delhi for evaluation. Directorate of Health Services, Government of NCT of Delhi has confirmed that out of 48 beds, 12 have been reserved for poor patients.

- (b) Inquiry under Director (Lands) had been initiated to look into all the complaints against Mai Kamli Wali Jan Kalyan Charitable Trust. Further action would be taken against the Trust on receipt of the Inquiry Report.
- (c) A final show cause notice had been issued to Sondhi Charitable Hospital on 31.10.2001. The Hospital replied on 12.11.03 undertaking to reserve 25% beds for poor class of patients and adhere to all the conditions."

51. In regard to Deepak Gupta Memorial Hospital the Committee wanted to know whether the report of the investigating engineer has since been received and what follow up action has been taken thereon. The Ministry replied in a note as under:—

"The concerned officer inspected the hospital on 13.10.03 and informed that the hospital is in possession of occupancy certificate and that 8 free beds are available. However, he could not specifically establish the point relating to the weaker sections. Further, the hospital during inspection has informed that they are participating in the National Health Programme. The hospital has also given an affidavit on stamp paper that it is providing 25% free beds and also free treatment to the poor and indigent category."

52. The Committee desired to know what action was taken against the Mai Kamli Wali Jan Kalyan Charitable Trust which did not even reply to the show cause notice of DDA, In reply, the Ministry stated in a note as under:—

"The enquiry is yet to be concluded."

53. When asked whether the order of Director (Lands) to initiate cancellation proceedings against Sondhi Charitable Hospital have since been complied with, the Ministry stated in a note as under:—

"A show cause notice was issued on 31st October 2001 by Director (Lands) to Sondhi Charitable Trust directing them to reserve 25 per cent free beds for poor and provide free OPD service to the poor besides taking part in National Health Programme and offer maternity and child health care on free cost basis. The Sondhi Charitable Trust replied on 12th November 2003. Finally, while applying for mortgage permission on 12.7.04, the society has further given undertaking to reserve 25 per cent beds for the poor and fulfil the obligations."

54. The Committee desired to know whether DDA had a Grievances Redressal Cell to look into complaints and initiate appropriate action against erring Hospitals/ Dispensaries. The Ministry in their note replied:—

"There is no specific cell in DDA for the purpose. As and when any complaints are received, action as per lease terms is being taken."

55. When asked to give the details of the total number of complaints received during the last five years, the Ministry replied:—

"The details in this regard are not readily available. However, DDA takes

action in each case of complaint against any hospital for non-compliance with the allotment terms".

56. When asked to specify the action which is taken by DDA where any social/charitable institute start functioning as a purely commercial organisation, the Ministry stated as under:—

"If information of any such unauthorized conversion/transfer is received, DDA takes action under lease terms, for example in the case of Escorts Heart Institute and Research Centre where the society has been converted into a company, DDA has issued show cause notice for cancellation of lease and their reply is now under examination by the Government."

#### **VI. Non-appointment of Government representatives**

57. According to the Guidelines for Disposal of Institutional Land; a representative of the Government of Delhi is required to be made a member of the registered society responsible for administration of the project so as to ensure that the commitments of medical care for indigent patients are honoured. DDA, however, failed to incorporate this condition in the allotment letter in 39 out of 42 cases test checked in audit. Further in the case of Venu Charitable Society where the condition was included in the allotment letter, a representative from the concerned sponsoring Department *viz.* Government of Delhi and another from DDA was to be appointed on the Board of the Society. But there was nothing on record to establish whether any such representative had been appointed. In the case of Tagore Academy, there was nothing on record to show whether a nominee of the Delhi Government was appointed as Director on the Board of Management of the Society. In another case of Lala Munni Lal Mange Ram Charitable Trust, neither any nominee from DDA was appointed as member nor was the condition incorporated in the allotment letter despite clear directions of the Lt. Governor of Delhi issued in September 1997.

58. Commenting on Audit findings, the Ministry of Urban Development in their note replied:—

"The Nazul Rules do not provide for appointment of representative of the Government as member of the society administering the hospital. However, wherever, the sponsoring authority makes a subjected condition, the same is incorporated to facilitate monitoring by the sponsoring authority, DDA takes further action when violation is brought to its notice by the sponsoring authority. In the three cases mentioned by the Audit, action has been taken by DDA, which is as under:—

- (a) A reminder is being sent to Venu Charitable Society to clarify the issue and DHS (Directorate of Health Services, Government of NCT of Delhi) also requested to nominate suitable Government representative on the Board of Management of all hospitals.
- (b) Tagore Academy Delhi has intimated that as soon as the hospital becomes functional, they shall apply to Government of Delhi to name its nominee on the Board of Management of the Society.

(c) The compliance in this regard will be obtained from Lala Munni Lal Mange Ram Trust. This hospital is under construction at present."

59. The Committee drew the attention of the Ministry toward non-appointment of Government representatives in a large number of cases and enquired whether it was due to gross negligence on the part of the concerned official/authority or deliberately done to give favour to certain allottees. In reply, the Ministry stated in note as under:—

"Non-appointment of Government representatives appears to be a case of omission and default rather than indicative of any intent to give undue favour to such allottees. In any case, based on the facts pointed out by the Audit, all the three hospitals have been made to give undertakings to appoint a representative on their Board/Managing Committee and the Delhi Government has already been requested to nominate their representatives in this regard. DHS (Directorate of Health Services) has informed that the matter is being considered and representatives will be appointed soon."

60. When asked whether any time limit had been fixed for the purpose, the Ministry replied:—

"DDA have recently taken up the matter with Delhi Government in this regard. However, no time limit can be fixed."

#### **VII. Timely construction of hospital and dispensary buildings**

61. Building plans according to the conditions of allotment should be approved and sanctioned by the DDA and construction completed within a period of two years from the date of taking over possession of the land. Extension of period of construction can be granted as per the guidelines issued by the DDA from time to time upto a period of 15 years (10 years in the case of plots upto 500 sqms) with or without levy of composition charges if the circumstances of the case so warranted. However, Audit review had revealed that DDA did not maintain any consolidated record to watch the timely construction of buildings for hospitals/dispensaries on the land allotted by it. It was seen that out of 10 cases where extension was granted for construction of buildings, the extension period had already expired in seven cases. Thus, the status of construction of buildings by the allottees in case where the period for construction including extension had already expired, could not be ascertained. Audit noticed that despite lapse of periods ranging from 4 to over 30 years. 23 out of 27 hospitals which were allotted land during January 1971 to March 2000 had not started functioning till July 2003.

62. The Committee desired to know as to why twenty-three out of 27 hospitals had not started functioning as of July, 2003 even after a lapse of periods ranging from 4 to over 30 years from the date of allotment of land. In reply, the Ministry explained as under:—

"As per the term of the allotment, the allottee is required to construct the hospital/dispensary within two years of allotment falling which he is required to take extension of time. Extension of time is accorded subject to payment of penalty (Composition fee) for non-construction. An inspection was conducted to ascertain the number of allottees who have not taken up



construction. The status report in respect of the hospitals is available as per Annexure-VI. Further action against non-construction will be taken accordingly. In respect of 23 hospitals, which according to audit are yet to start functioning, it is pointed out that as per DDA's record and field inspections, there are at present 19 such hospitals, which are under construction. Out of these, 2 are still in the normal 5 years period of construction allowed to such institutions and in respect of balance, penalties including composition fee are being levied to ensure that construction takes place expeditiously."

63. Explaining the position further in this regard, the Ministry of Urban Development have stated:—

"Some of the reasons for non-construction including delay in handing over possession due to encroachment etc., and pleas that the building plans were not sanctioned within the due period. Extension of time for construction is being given after due consideration and after charging composition fee. It is also pointed that many charitable societies also plead difficulties in mobilizing resources for completing their construction, and some leniency in this regard is not unjustified."

64. The Committee enquired about the Rules governing DDA's policy which provides extension of time to the allottees for construction of hospitals. In reply, the Ministry stated as under:—

"Besides levy of financial penalties in the form of composition fee for delay in construction, as well as the continuing liabilities having to pay ground rent to DDA without generating revenue, it is pointed out that DDA's Building Department does not process building plans unless extension of time is given. As a result, there is a proper system of checking to ensure that hospitals that require time beyond 5 years have to approach DDA to obtain extension of time and in all such cases, the competent authority in DDA take a considered decision based on the merits of the case as to whether extension is to be given or action under lease terms for cancellation etc. is to be taken."

#### **VIII. Heavy outstanding dues**

65. Audit para has pointed out that the Director (Land Costing) is responsible for maintenance of records of recoveries on account of premia and ground rent of land allotted to hospitals and dispensaries. The premium is payable by the allottee within 60 days of demand (30 days upto September 1995) failing which interest at the rate of 18 per cent per annum is leviable. Ground rent is payable annually in advance failing which interest at 10 per cent per annum is levied. The arrears of premium and ground rent are recoverable under the Punjab Land Revenue Act, 1887. Premia of Rs. 12 lakh was outstanding in 3 cases while interest of Rs. 1.43 crores on premia not paid belatedly was outstanding in seven cases as of October 2003. In addition, ground rent of Rs. 3.42 crore was outstanding from 39 allottees while interest of Rs. 1.03 crore was outstanding from 36 allottees. The outstanding premia and interest thereon related to the period from 1996-97 onwards whereas the outstanding ground rent related to the period from 1985-90 onwards. No broadsheet of recoveries was maintained with the result that the correctness of credits afforded in the ledger accounts could not be ensured in audit.

66. Replying to the Audit observation, the Ministry of Urban Development stated in a note as under:—

"For recovery of the outstanding dues relating to ground rent and interest thereon, DDA has issued default notices to the concerned societies/institutions. Since no dues have been recovered, the institutions have also been issued further notices to that effect. In the meanwhile, for recovery of dues of ground rent and interest in respect of institutional/commercial/industrial properties, DDA has decided to outsource the collection to a financial institution. On the failure of the societies to remit the dues in respect of ground rent and interest, further action under the Punjab Revenue Act, 1887 shall be initiated."

67. The Committee desired to know the reasons for heavy outstanding dues, to the tune of Rs. 3.54 crore. In reply, the Ministry stated in a note as under:—

"Though lessee(s) are required to deposit ground rent on their own in compliance of terms and conditions of lease deed, yet they are reminded from time to time by way of Notices, Press releases and display of this obligation on lessee(s) on DDA Website. The fact that still some of the lessee(s) are reluctant to pay the ground rent in time despite persistent efforts made by issue of reminders and notices cannot be denied."

68. Asked to give the latest status of recovery of outstanding arrears pointed out by Audit, the Ministry stated in their note:—

"Against the outstanding ground rent of Rs. 3.42 crore and Rs. 1.02 crore interest as shown in the para of audit report a sum of Rs. 1.68 crore has since been recovered up to 9/2004 and thus a sum of Rs. 2.76 crore is outstanding against the said dues for which lessees were reminded in 2/2004 as well as in 10/2004 and now the final action under Punjab Land Revenue Act, 1887 will be initiated."

69. Explaining the actions to be taken under the Punjab Revenue Act 1887 to recover the outstanding dues, the Ministry stated in their note:—

"As per the procedure under section 68 to 72 of PLR Act of 1887 recovery officer (Assistant Collector Gr. I & II) has to give ample opportunity to the defaulter to pay the due amount and in case he fails to deposit the amount a final notice is served upon him for giving one more opportunity to make the payment or to appear in person in case already deposited. If even after issue of final notice, the payment is not made by the defaulter, the attachment orders are issued. If still the due amount is not deposited, the property is liable to be sealed; however, in practice only the locked premises are sealed and other working properties are cancelled for taking action under the Public Premises (Eviction of Unauthorised Occupants) Act, 1971."

70. On being enquired about fixing responsibility and action to be taken against those officials whose inaction left these arrears pending, the Ministry replied:—

"...There do not appear to be lapses/shortcomings in the recovery of the dues such as to hold any particular officials of DDA responsible and take disciplinary action against them."

71. A test check in audit of the ledger accounts maintained by the Director (Land Costing) further revealed that the outstanding dues as per the ledger accounts differed from those certified and intimated to the Management from time to time. On the discrepancies being pointed out in audit, DDA stated (July-August 2003) that the ledger accounts might not represent the true picture of outstanding dues as the challans received may not have been posted in the Demand and Collection Ledgers. DDA added that the Demand and Collection Ledgers had since been updated and Demand Letters issued to the defaulters whose list was also being sent to the Recovery Officers for collection of ground rent dues. Clearly adequate action had not been taken to effectively pursue the long pending dues which could have been collected even as arrears of land revenue in cases of persistent default. Effective pursuance of the dues was also being thwarted by the incomplete maintenance of records and unreliable ledger accounts. This resulted in accumulation of arrears of premium, ground rent and interest thereon. Non-collection of dues from the defaulting institutions also constituted and undue benefit to them.

72. In reply to a query whether the Ministry were satisfied with the maintenance of records, the Ministry explained as under:—

"The Revenue Ledgers of ground rent, Demand & collections registers of premia, challans, files pertaining to reconciliation for the recovery of ground rent and premia are maintained properly. These are regularly updated by making entries of receipts and the amount which becomes due. It is pertinent to point out that accounts of ground rent have been switched over to computer in respect of Industrial, Institutional and Commercial properties."

#### **IX. Treatment of poor patients**

73. The Committee under the Chairmanship of Central Drug Purchase Committee in the Directorate of Health Services had observed in their Report in April 2000 that in the letters of allotment providing land, certain essential conditions had been given such as the requirement that the institutions should admit patients free of charge upto 25 percent as in-patients and that 40 per cent of OPD patients should be provided free services. There was ambiguity as to what comprises "free services" leading to different interpretations by different institutions. While some institutions interpreted free as meaning consultation only, some provided certain restrictive numbers of medicines and some other provided limited diagnostic services. There was also absence of clarity in regard to eligibility criteria for provision of "free services" since no threshold limits of income for potential beneficiaries has been laid down. Different institutions placed different interpretations. Generally no proof of income was insisted upon and the selection of patients for free treatment was subjective and in respect of in-patients on the basis of recommendations of the OPD consultations. Although it is requirement under the allotment of land that 25 per cent of the total beds should be kept for free patients, the percentage so reserved varied. Dharmshila Cancer Hospital, Rajiv Gandhi Cancer Institute and Batra Hospital provided only 10 per cent as free beds. Further, monitoring of adherence to conditions was absent. There was also no audit of the quality of medical services rendered 'free'.

74. On being enquired as to how the Ministry defined a 'poor' who can be benefited under DDA's policy of allotting land at concessional rates to hospitals and dispensaries, the Ministry stated as under:—

"As per the criteria approved by the Central Government, a person will be considered as being below the "Poverty Line" if his per day calorie intake is less than 2400 in rural areas and 2100 in the urban areas. It is not practically feasible for DDA to define a poor person, particularly, in respect of patients to be treated in a hospital. However, the Central Government is considering a proposal for setting up a universal health insurance scheme for the families below the poverty line. It is also considering the need of providing a safety net for poor patients for whom it is being found difficult to effectively implement the present provisions regarding free treatment in private hospitals."

75. During oral evidence, the Committee drew the attention of the witnesses to the fact that there had been specific cases in the past, wherein poor patients are told by some beneficiary hospitals to get a letter from the Health Minister, Government of NCT of Delhi for being eligible for benefits under this scheme. Responding to this, the Principal Secretary, Health Government of NCT of Delhi, stated:—

"We have notified all hospitals with 100 beds and more in Delhi to make these references because it was found that everybody cannot approach the Secretariat for this purpose or the Director, Health Services. In the normal course if he goes to a hospital and the hospital feels that he should be referred to Apollo for specialized treatment, he is referred. You have mentioned about other people who do not find it convenient to go to the hospital and the Minister makes a reference. There are 31 authorities which can make reference and the Minister is one."

76. When asked whether any complaint had come to Delhi Government that the hospitals that had been notified did not sponsor poor patients, the witness replied:—

"Adequate number of cases have not been referred. About a week back (i.e. last week of October 2004) we had issued a warning to the Medical Superintendents that they should be making more references of those patients who are sick so that our quota is fulfilled."

77. When enquired the number of indigent patient who had been benefited during the last five years from the concessional allotment of land by DDA to hospitals/dispensaries, the Ministry replied without giving the number of patients in their note that the details of patients who benefited from the hospitals had been obtained in the past for special purposes whenever required by different Committees.

78. At the instance of the Committee the Ministry have furnished the following note indicating the steps which are being taken by DDA to achieve the primary objective of free treatment to indigent patient:—

"(i) DDA has taken up with the Delhi Government to appoint representatives on the boards of management of the hospitals to enable oversight of the working of these hospitals with reference to provision of free treatment to

the poor. Some of the hospitals have even come forward and expressed in writing that they are ready to take the representatives on their board if appointed by the Government. The mere presence of a representative itself may compel the hospital administration to seriously implement the free treatment.

- (ii) DDA has in the recent past, inserted a free treatment condition in respect of some hospitals (where this was not originally there) while granting permission for mortgage etc. by taking fresh applications/undertakings from them.
- (iii) In conjunction with the Directorate of Health Services (Government of NCT of Delhi), DDA has set up a mechanism mandating fortnightly reports to be given by the 23 hospitals where the condition of freeship exists or have been incorporated; so that compliance can be monitored."

79. Clarifying the position further in this regard the Secretary, the Ministry of Urban Development explained during evidence as under:—

"On this question of free service by the hospitals which have been given land at pre-determined rates, which is in a sense a concessional rate, the action taken in DDA is that the hospital land is now allotted through auction procedure. There is no pre-determined rate; there is no concessional rate because this hidden subsidy was being exploited and cornered and people were not fulfilling this obligation. Therefore, in the year 2002 a decision was taken to allot land through auction procedure. Initially it was tender, followed by auction thereafter.... It is because we have seen that lands which were given earlier through subvention, through subsidy schemes, there were all kinds of terms and conditions which at times were difficult to verify. For example, membership, and change in the character from trust to society and society to trust. We know both these are liable to be subverted in due course of time. So, to enforce those decisions and to be able to ensure that no changes take place from the original terms of allotment, at times may be difficult to enforce. Therefore, we feel that in the future this should take care of the difficulties of enforcement or the distortions that come in through subsidy."

80. When asked whether this auction can be made on DDA's existing terms and conditions of free medical treatment so that poor patients could still get free treatment in these hospitals, the Secretary, the Ministry of Urban Development stated during evidence:—

"So far as the decision for auction of hospital land is concerned, it was taken in 2002, not now. Another point in my view is that the land should not be disposed of in this fashion. If the poor people are to be supported, there are other ways. From the money that is to be realised, a corpus can be created and an insurance scheme can be started for the poor. There are four lakh poor with identify cards given by the Food Department of the Government of Delhi. Some poor can come under the insurance net. It is a much better upfront system."

81. During oral evidence, the Committee were informed that DDA was considering an offer from Escorts Heart Institute and Research Centre which is one of the beneficiaries that they wanted to give a lump sum amount in lieu being freed from the obligation of free treatment. In regard to specific query on the possible impact of the new system on the hospitals/dispensaries, which had already been allotted at concessional rate, the Secretary, Urban Development, however, conceded during evidence:—

"If this policy of allowing them to pay the difference between market price and auction price is finally accepted by the Government, there may still be some who may not be willing or able to pay. So, they would remain under the old regime of terms and conditions which will need to be enforced."

82. He also added:—

"This is the policy, whether by charging them the commercial rate of interest and freeing them from obligation is the best course of action and from the money so recovered have the insurance scheme for the poor. This is what is thought of."

#### **X. Observations and Recommendations**

**83. The Delhi Development Authority (DDA) was established in 1957 with the objective of promoting and securing planned development of Delhi which was necessitated to check its haphazard growth following the inflow of migrants to the capital city in the post independent days. To fulfil its obligations, DDA acquires land, develops lands and properties under Master Plan and Zonal plans. DDA also disposes of commercial, industrial institutional and residential plots in accordance with the provisions of the DDA (Disposal of Developed Nazul Land) Rules 1981. Rule 5 stipulates that DDA may allot Nazul lands for construction of hospitals and dispensaries to social or charitable institutions. The premium and ground rent will be determined by the Government of India. Allotment of Nazul land to public institutions is subject to the fulfilment of certain conditions prescribed in Rule 20. The Committee note that till May 2003, DDA had allotted land to 65 social or charitable institutions for construction of 53 hospitals and 12 Dispensaries at varying concessional rates fixed by the Union Ministry of Urban Development from time to time upto 1995-96 and at rates fixed by the DDA in consultation with the Ministry thereafter. The primary objective of these allotments was to provide free treatment to the poor patients according to norms which stipulate that the beneficiary hospitals and dispensaries shall serve as a general public hospital with at least 25 per cent total indoor beds reserved for free treatment to indigent patients and that it would provide free treatment to 40 per cent of the outdoor patients.**

**84. The review conducted by Audit from April 2003 to July 2003 included examination of the records of the institutional Land branch of DDA relating to allotment of land to hospitals and dispensaries for the period from 1981-82 to 2000-2001 and records of the Land Sales Accounts (Nazul Accounts) branch**

relating to recovery of dues to ensure that:—

- the allotment of land to private hospitals and dispensaries had been made according to the rules and orders in force from time to time;
- the premia of land and ground rent had been charged at the rates approved by the Government of India/DDA;
- a proper mechanism for monitoring the adherence to the terms and conditions of allotment existed; and
- a proper account of dues recoverable and received from the institutions had been maintained.

The allotment of land at concessional rates to certain institutions by DDA with the primary objective of providing free treatment to poor patients was a laudable step towards making modern medical facilities accessible to economically weaker sections of the society. If successfully implemented, the policy could have provided life saving opportunities to some of those, at least, who are afflicted with complicated and deadly diseases but are practically beyond the realm of the costly medical treatment. Unfortunately however, the policy itself suffered from serious inadequacies right from the beginning and instead of providing succour to its targeted sections of the society, it became a victim of its own deficiency. Ultimately, what was started with a grand idea of benefiting the poor turned out to be a hunting ground for the rich in the garb of public charitable institutions. The records of allotment of land to 42 hospitals and dispensaries revealed various irregularities and shortcomings in both the allotment of land and in enforcement of the terms of allotment which defeated or undermined the very purpose of allotment of land to such organizations at concessional rates. At this stage, the Committee cannot but deplore the failure on the part of Ministry of Urban Development and DDA in taking proper, timely and necessary steps in allotment of land and enforce the terms and conditions on the Societies. The Government of NCT of Delhi too, on their part failed to provide logistic support to DDA for ensuring successful implementation of the policy. Monitoring of adherence to the terms and conditions of the concessional rates was conspicuously non-existent. This will be amply corroborated by the Committee's findings dealt with in the succeeding paragraphs.

85. Rule 20 of the DDA Rules, 1981 prescribes *inter-alia* that an institution seeking allotment of institutional land should be a society registered under the Societies Registration Act, 1860 or such institution should be owned and run by the Government or any local authority or constituted or established under any law for the time being in force. The Committee have found that allotments of land were made to the following three ineligible institutions at concessional institutional rates instead of at commercial rates in contravention of the extant guidelines which deprived the DDA of revenue of Rs. 38.54 crore:—

- (i) Arya Vaidya Sala Kottakkal a charitable Trust of public nature since 1902 was allotted a plot of land measuring 0.95 hect. in Karkardooma Complex. This was despite legal opinion taken at the instance of the then Vice Chairman, DDA in September 1994 when it was concluded that a public or private Trust cannot be deemed to be a Society under

the Societies Registration Act nor can it be deemed to have been constituted or established under any law in terms of the meaning of Rule 20 and hence it was not entitled for allotment. However the approval was made subject to the specific condition that the Trust would get itself registered under the Societies Registration Act 1860. Surprisingly, the stipulation of the Trust getting itself registered under the Societies Registration Act was not incorporated in allotment orders even while making a modified allotment in June 1995 despite the specific directions of the Lt. Governor of Delhi in October 1994. The Ministry have justified the allotment of land by stating that the matter was considered in its totality by the then Lt. Governor and exemption permitting allotment of land to this particular trust was granted in view of various factors such as the fact that the society had already made payments for the original allotment that the particular Trust was a public and charitable trust which runs a renowned Ayurvedic Centre in Kottakkal, Kerala and that having been created by a 'will' it could not convert itself into a registered society etc.

- (ii) Dharmshila Cancer Foundation and Research Centre a public charitable Trust was allotted two acres of land at Rs. 14.25 lakh per acre in March 1990 though it was not registered as a society under the Societies Registration Act, 1860 as required under the rules for allotment of land at concessional rates. The Trust was subsequently registered as a Society in April 1990. In December 1992, while dealing with a reference from the Trust relating to revision of rates applicable to it, the Joint Director (Institutional) of DDA observed that the Trust was not in fact eligible for being considered for allotment as it was not a Society registered under the Societies Registration Act at the time of its application/allotment. The Legal Advisor concurred with this view and observed in January 1993 that (i) the allotment of land to the Trust was *ab initio void* and (ii) since the allotment was void, the Trust could not subsequently pass on the property to the Society and the subsequently formed Society could not also take over the assets and liabilities of the erstwhile Trust in respect of the allotted land. Despite this unambiguous advice of its Legal Advisor, DDA by its Resolution of June 1993 approved a proposal permitting/passing over the land allotted to the Trust to the Society without charging the unearned increase. The decision of the Authority permitting passing over the land to the Society on concessional terms was in clear contravention of the conditions for allotment of such land and resulted in loss of Rs. 3.11 crore.
- (iii) Unique Hospitals and Research Institute applied for allotment of land in February 1997. An allotment of 8,907 sqm. of land was made to the Institute in December 1997. In April 1998, it was noticed that the Institute had been actually incorporated in January 1996 under the Companies Act, 1956 and registered itself as a Society under the



Societies Registration Act, 1860 only in February 1997. It was observed by Audit that allotment of land at concessional rates to an organization which remained in essence and to all intents and purposes a 'Company' resulted in loss of Rs. 34.03 crore to DDA. The Ministry have explained in this case that when the allotment was applied, it was a registered society and was thus eligible. The affidavit of no profit no loss character of society was also furnished.

86. It is thus evident that DDA had allotted land at concessional rates to three ineligible institutions viz. Arya Vaidya Sala, Kottakkal; Dharmshila Cancer Foundation and Research Centre and Unique Hospitals and Research Institute in contravention of Rule 20 of the Nazul Rules which deprived DDA of revenue of Rs. 38.54 crore. The Committee do not see the Ministry of Urban Development's contention that the application of these institutions were sponsored by either the Government of India or the Government of NCT of Delhi and duly approved by the competent authority under the chairmanship of Lt. Governor of Delhi as the legitimate basis for allotting land to these institutions when Rule 20 of the Nazul Rules clearly prescribes, *inter alia*, that an institution seeking allotment of institutional land should be a society registered under the Societies Registration Act, 1860. Institutional land was allotted at concessional rate to Arya Vaidya Sala, Kottakkal which still remains as a trust. The Ministry of Urban Development claimed that one time exemption from this requirement was given to Arya Vaidya Sala, Kottakkal whereas the Nazul Rules do not provide for such exemptions. No Government approval for this exemption was obtained. Dharmshila Cancer Foundation and Research Centre was a trust when it was allotted land in March 1990 and controversially allowed to retain the land when it was converted into a society in April 1990. Even after converting from trust to society, it remained more or less same as before. The Institution has also been issued a 'show cause notice' for failing to honour their commitment of providing free treatment to indigent patients. Unique Hospitals and Research Institute incorporated as a company in January 1996 under the Companies Act, 1956 registered itself as a society under the Societies Registration Act, 1860 only in February 1997 when it applied for allotment of land. Without ascertaining the fact that the Unique Hospitals and Research Institute continued to subsist as a company and registration as a society was a mere facade in order to obtain allotment of land at concessional rates, the Institute was allotted land in December 1997. This undue haste became meaningless as the Hospital is yet to be constructed and extension of time for construction of the building has been given. The Committee view the land allotments to these ineligible institutions as glaring examples of abuse of official position and machinery at the highest echelons in DDA to show favouritism to certain institutions on one or the other pretext. The Committee therefore, desire that responsibility should be fixed for these irregular allotments and appropriate punitive action taken against the erring officials who misinterpreted the rules to enable certain institutions to have the land allotted at concessional rates.

87. Institutional land was allotted to hospitals and dispensaries at concessional rates on the condition that the institution shall serve as a general

public hospital with at least 25 per cent of total indoor patients and that it would provide free treatment to 40 per cent patients in the outdoor departments. The Committee are surprised to find that DDA did not impose this mandatory condition without assigning any reason in allotment letters in 24 cases during 1982 to 1999. The Ministry of Urban Development stated that it was only in 1992 when DDA brought out guidelines in which the conditions were specifically mentioned in the context of allotment of land to private hospitals at concessional rates. However, the fact remains that even after its introduction, DDA had not applied the condition uniformly with the result that out of 26 cases belonging to post 1992 period test checked by Audit, the condition was not imposed in as many as 18 cases. Failure to incorporate in the letters of allotment the term stipulating provision of 25 per cent free indoor and 40 per cent free out door treatment to poor patients defeated the primary objective of such allotment of land at concessional rates and deprived the indigent patients of the benefit of free treatment. The Committee are of the firm view that nothing is going to set the things right until the system stops tolerating the officials who do not perform the task assigned to them judiciously and impartially. The Committee, therefore, recommend that a high level inquiry by an independent agency should be constituted for a thorough probe to fix responsibility and appropriate punitive action taken against officials who failed to incorporate requisite clause in the letters of allotment for whatsoever reasons.

88. What has surprised the Committee is the fact that even in the cases where the condition for free treatment was imposed in the allotment letters, there have been numerous instances where the respective hospitals/dispensaries did not adhere to the requisite conditions. The Committee regret to observe that there was no mechanism in place to demarcate responsibilities between DDA and Directorate of Health Services, Government of NCT of Delhi for monitoring the terms of allotment and their effective enforcement. Whereas DDA contested that they did not have proper mechanism or ability to be able to monitor the compliance of these conditions, the Principal Secretary, Health of Government of NCT of Delhi pleaded that land owning agency can alone ensure the implementation of the requirements by the private hospitals as Delhi Nursing Homes (Registration) Act does not empower them to do so. The Committee are inclined to conclude that lack of coordination and shifting of responsibility by DDA and Government of Delhi on each other provided ample opportunity to beneficiaries in avoiding the implementation of the terms and condition of land allotment under the Nazul Rules. As a consequence, no effective monitoring of the provisions of free treatment to indigent patients could be enforced with the result that the primary objective of allotment of land at concessional rates was defeated. Obviously, DDA's motive was directed more towards providing favours to certain allottees than its genuine concern for providing free treatment to indigent patients. The Committee desire that the Ministry of Urban Development should work in close coordination with DDA and Government of NCT of Delhi to ensure compliance of the terms and condition by the hospitals/dispensaries. The Government of NCT of Delhi may be impressed upon to amend Delhi Nursing Home (Registration) Act, if necessary, which would empower them to enforce on the hospitals, the requisite condition regarding provision of free treatment to indigent patients.

89. The Committee have also been informed that DDA is considering a proposal put forward by some of the beneficiaries like Escorts Heart Institute and Research Centre for freeing them from the obligation of free treatment by charging them the commercial rates. The Committee view such proposals from these beneficiaries which have earned huge profits after acquiring precious land at concessional rates on the plea of being charitable institutions as unethical and unacceptable. The Committee are of the firm opinion that primary objective of allotment of land by Government to hospitals and dispensaries at concessional rates should be driven more towards alleviating miseries caused by diseases to the poor people rather than earning hefty profits. The Committee, therefore, strongly recommend that no hospital/dispensary that was allotted land at concessional rate should be allowed under any circumstances to back track their commitments of providing free treatment to poor patients.

90. The Committee desire that DDA should immediately review land allotment (before the introduction of auction system) to all the hospitals and dispensaries and take adequate steps to impose the requisite condition of providing free treatment to indigent patients as per the provisions on all the hospitals and dispensaries retrospectively. For this, the Government, if considered necessary, should bring about appropriate legislative changes. An effective mechanism should also be put in place to monitor the implementation of terms and conditions of allotment by the parties. Failure to adhere to such terms should attract a deterrent penalty.

91. The Committee are constrained to point out that the Ministry/DDA could not furnish information regarding the prevalent market price of land allotted to hospital/dispensaries at concessional rates prior to the year 2002 which would have indicated the huge financial benefits derived by the respective hospital/dispensaries. This advantage would appear more pronounced considering the fact the some of the hospitals/dispensaries were not even asked to adhere to the requisite clauses of free treatment and the remaining, though required to do so, did not eventually bother to implement the same. It is also pertinent to note in this regard that out of 65 cases, DDA could provide only provisional rates of concessional land allotment to 33 hospitals/dispensaries despite the fact that they were allotted plots 6 to 25 years ago. Worse still, in 9 other cases the related files are not available whereas in 2 more cases of land allotment during 1995 and 1996, the files are still under submission. The Committee deplore the casual approach adopted by DDA in maintaining the proper records for allotment of land and would like the matter to be investigated with a view to taking deterrent action against the delinquent officials. The Committee expect the DDA to take suitable steps to ensure maintenance of proper records in future.

92. The Committee are perturbed to find that DDA neither set up any Grievances Redressal Cell nor put in place any other system to deal with the complaints received against the hospitals functioning in contravention of the terms and conditions of allotment. The Ministry of Urban Development claim that as and when complaints are received against erring hospitals or dispensaries, action

as per lease terms is taken. However this contention of the Ministry is unacceptable as DDA failed to take any concrete action in complaints received against Deepak Gupta Memorial Hospital, Mai Kamli Wali Jan Kalyan Charitable Trust and Sondhi Charitable Hospital during April-November 2002. In Deepak Gupta Memorial Hospital case, the investigating officer inspected the hospital after more than one year of the receipt of complaints. Even then he could not give any conclusive report and no further action was taken after the hospital submitted and affidavit on stamp paper that it was providing 25 per cent free beds and also free treatment to the poor and indigent category. Inquiry report of Director (Lands), DDA in respect of Mai Kamli Wali Jan Kalyan Charitable Trust is pending as of now. No action was taken against Sondhi Charitable Hospital despite the orders of the Director (Lands) to initiate cancellation proceedings against the Institute except for issuing a final show cause notice on 30.10.2003. No further action was contemplated after the hospital replied on 12.11.2003 undertaking to reserve 25 per cent beds for poor patients and to adhere to all the conditions. The Committee are constrained to point out that action taken in these cases was not only belated but also totally inadequate. What is surprising is the fact that DDA at times simply relied on the statement of hospital authorities that they are entertaining poor patients as per provision and did not care to cross-check their version by having surprise checks. The Committee desire that responsibility should be fixed on the erring officials for their inaction in these reported cases of complaints. The Committee do not consider measures taken by these hospitals as appropriate and are of the opinion that strict deterrent penal action should have been taken against known defaulters of terms and conditions of allotment to set an example for other hospitals. Renowned and highly profitable hospitals like Escorts Heart Institute and Research Centre, Vimhans, which were allotted land on the same condition, have violated the obligation of free treatment. However no concrete follow-up action could be taken against them. Worse still, the Ministry of Urban Development could not submit information regarding the number of complaints received during the last five years. Obviously, there is no system to deal with complaints received against the functioning of the hospitals in contravention of the terms and conditions of allotment. The Committee, therefore, recommend that DDA should evolve a proper mechanism with adequate manpower and authority to ensure prompt and proper follow up action on complaints received against hospitals functioning in contravention of terms of conditions of allotment.

93. Another area of concern is the DDA's failure to define in specific terms as to 'what comprises free treatment' and 'who can be benefitted under this free treatment' which ultimately became the biggest stumbling block in achieving the primary objective of the policy of allotting land at concessional rates to hospitals and dispensaries. The Committee feel that this lapse, no doubt, empowered hospitals and dispensaries to interpret the provisions differently which in turn gave them immunity from restricting the scope of free service to consultations only and even not entertaining eligible 'poor' patients at all. Further, the Ministry of Urban Development could not furnish information regarding the number of

patients who have been benefited from this policy over the years. It may not be out of place to mention that in few cases which hospitals/dispensaries claim to have entertained poor patients for free treatment, it is actually the friends and relatives of their staff who ultimately get the benefit.

94. The Committee recommend that DDA in consultation and coordination with the concerned authorities should specify clear norms to identify the category of people who could be eligible for this 'free treatment'. In order to eliminate differences in interpretation as to what comprises the 'free treatment', the Ministry of Urban Development in consultation with DDA and the Directorate of Health Services, Government of NCT of Delhi should stipulate the nature of service indicating a list of medicines; a list of diagnostic services; a list of surgical services etc. that should be provided free of charge. Further, it should be made compulsory for the hospitals to display clearly the sign boards indicating that it is functioning on concessional land allotted by DDA for public charity and the type of free treatment and services available with them for a particular category of people. The position of availability of free beds in such a hospital should also be notified on daily basis. Surprise checks need to be conducted by DDA and concerned Health Officials of the Government of NCT of Delhi to ensure that poor patients are actually given the requisite benefits and the hospitals/dispensaries simply do not maintain and furnish the required statistics in this regard. A monthly report to this effect should be obtained by DDA from the concerned hospitals/dispensaries for forwarding of the same to the Ministry of Urban Development for effective monitoring of the requisite clauses by the respective hospitals/dispensaries.

95. Another disquieting feature of the functioning of DDA is the fact that it failed to incorporate the condition of the 'Guidelines for Disposal of Institutional Land' requiring a representative of the Government of Delhi to be made a member of the registered society administering the hospital in the allotment letter in 39 out of 42 cases. In the cases of Venu Charitable Society and Tagore Academy where this condition was included in the allotment letter, there was nothing on record to establish whether any such representative had been appointed. The Committee are surprised at the reasons advanced by the Ministry that non-appointment of Government representative appears to be a case of omission and default rather than indicative of any intent to give undue favour to such allottees. The Committee feel that this requisite incorporation of the condition could have ensured that the commitment of medical care for indigent patients was honoured. The Committee therefore, recommend that the Ministry of Urban Development should impress upon DDA to immediately act in this direction in consultation with Directorate of Health Services, Government of NCT of Delhi with a view to ensuring appointment of representatives of Government in the Societies administering these 42 hospitals within 3 months of the presentation of this Report.

96. According to the conditions of allotment, building plans should be approved and sanctioned by the DDA and construction completed within a period of two years from the date of taking over possession of the land. If the society is unable to construct the structure within two years, extension of time is allowed

upto five years without composite fee and thereafter extension of time [upto 20 years] can be granted on the basis of charging composite fee after a considered decision is taken by the Competent authority in DDA. The Committee find it strange that whereas conditions of allotment require the parties to construct the structure in only two years, extension from time to time can be granted upto 20 years. 23 out of 27 hospitals had not started functioning till July 2003 despite lapse of periods ranging from 4 to over 30 years. Such developments give an unmistakable impression that the intention of the majority of the allottees was more or less to grab the coveted plots of land at the concessional rate using 'public charity' as a ploy. What is intriguing is the fact that DDA did not have any system to monitor timely construction of buildings for hospitals/dispensaries on the lands allotted by it. This is evident from the fact that out of 10 cases where extension was granted for construction of buildings, the extension period had already expired in seven cases. DDA could not furnish to Audit the details of approval of plans, stipulated date of completion, actual date of completion and date of occupancy of buildings by various hospitals and dispensaries which was awaited from the Building Department (July 2003). Obviously there did not exist any inbuilt mechanism to ensure that societies build the hospitals quickly and within the timeframe of extended period. As of now, no extension should be given to any Society and they be asked to complete the construction and operationalise the hospitals positively by the end of year 2005. The Committee recommend that those hospitals/dispensaries which have not been able to start functioning before the introduction of auction system and where there were lapses of more than 20 years in their construction should be auction off. The Ministry of Urban Development may decide about the issues involved within three months of the presentation of the Report.

97. The Committee observe that DDA need to follow a stricter norm for selecting genuine charitable institutions and clear cut time limits to avoid delay in construction and operationalisation of hospitals and dispensaries which is synonymous with idling, if not waste, of precious land resources. The Committee, therefore, recommend that DDA should amend the building construction rules in this regard to provide therein that where the societies fail to complete construction activities on the plots allotted to them and start functioning within a maximum period of five years of allotment, letters of allotment are cancelled invariably. provisions for not permitting transfer or resale of the allotted land to a third party should also be made to help prevent commercial minded societies from applying for institutional land at concessional rates. As of now, no extension should be given to any Society and they be asked to complete the construction and operationalise the hospitals positively by the end of the year 2005 failing which the Ministry of Urban Development should take necessary action to cancel the allotment of land made at concessional rates to these hospitals/dispensaries. The Committee would like to be apprised about the latest position in regard to construction in all these cases of allotment and the precise steps taken to operationalise them within three months of the presentation of this Report. Action taken by DDA to initiate recovery of penalty or action against defaulters violating the conditions of allotment should also be intimated in the Action Taken note.

98. Due to inadequate and ineffective pursuance for recovering outstanding dues on account of premia, ground rent and interest thereon, arrears to the tune of Rs. 6 crores accumulated against the allottees as of October 2003. While the outstanding premia and interest thereon related to the period 1996-97 onwards, the outstanding ground rent related to the period from 1985—90 onwards. The fact that such old arrears could not be collected so far only goes to prove the gross negligence and carelessness exhibited by the DDA authorities in the matter. What is surprising is the fact that Ledger Accounts maintained by the Director (Land Costing) did not present the true picture of outstanding dues against the allottees. Thus effective pursuance of the dues was also thwarted by the incomplete maintenance of records and unreliable ledger accounts. The Committee are inclined to conclude that adequate action was not taken to effectively pursue the pending dues and non-collection of same from the defaulting institutions extended an undue benefit to them.

99. The Committee are not satisfied with the reply of the Ministry that for recovery of the outstanding dues, DDA has, from time to time issued default notices to the concerned societies/organizations and also issued press releases in this regard and the DDA propose to take action under Punjab Revenue Act, 1887 in case of the society fails to remit the requisite dues. The Committee feel that mere issuance of reminders to the defaulters to pay the necessary dues was not enough and the necessary action under this Act which empower the DDA to issue the attachment order or seal the premises should have been taken much earlier. The fact that this was not done against the defaulting parties is questionable. The Committee desire that DDA should take immediate action in this regard so that all the pending dues are recovered from the parties within three months of the presentation of this Report.

100. The Committee have been informed that the Government had by notification No. 486 (E) dated 5.7.02 amended the Nazul Rules to provide for auction of the DDA land to hospitals and dispensary sites. This would include all sites except those meant for local bodies and Government. Accordingly, DDA can now allot land for hospitals/dispensaries through auction system without imposing any condition for providing free treatment to the poor patients since there is no subsidy and market forces determine the prices. After switching over to auction system in the year 2002, a sum of about Rs. 81.53 crore has already been collected from 9 societies. The Committee desire that the Ministry/DDA should examine the feasibility of creating a corpus from the money so generated for providing medical insurance to the *bonafide* poor and economically weaker sections of the NCT of Delhi. In addition, the Committee desire that penalties and fines collected from the those hospitals/dispensaries which were allotted land at concessional rates prior to auction system and which have been found wanting in providing free medical treatment as per laid down criterion may be added to this corpus. The identification of poor and indigent persons who could be covered under this insurance scheme may be left to the Government of NCT of Delhi as to how best they can identify these people in Delhi through their Social Welfare Department

**or Health Department or Urban Local Bodies within six months of the presentation of this Report. Another option could also be to set up new Government hospitals out of this fund to discourage the dangerous mushrooming of private clinics and dispensaries by unqualified people at every nook and corner of the city. The Committee would, therefore, like the authorities concerned to explore all viable options in this regard so that these funds are utilised judiciously and the cause of poor and indigent patients is best served.**

NEW DELHI;  
21 April, 2005  

---

1 Vaisakha 1927 (Saka)

PROF. VIJAY KUMAR MALHOTRA,  
*Chairman,*  
*Public Accounts Committee.*



## **ANNEXURE-I**

### PARAGRAPH 3.1 OF THE REPORT OF C & AG OF INDIA FOR THE YEAR ENDED 31 MARCH 2003, NO. 4 OF 2004

#### *3.1 Allotment of Land to Private Hospitals and Dispensaries by Delhi Development Authority*

Delhi Development Authority (DDA) failed to enforce the terms of allotment of institutional land, at concessional rates, to hospitals and dispensaries. The primary objective of these allotments was to provide free treatment, according to norms, to the poor. This was not achieved. Allotment of land was made to three ineligible institutions which deprived DDA of revenue of Rs. 38.54 crore. Ineffective pursuance of outstanding dues led to accumulation of arrears of Rs. 3.54 crore.

#### **Highlights**

- Allotment of land to three ineligible institutions at concessional rates in contravention of the guidelines deprived the DDA of revenue of Rs. 38.54 crore.
- Failure to monitor the terms of allotment stipulating provision of 25 per cent free indoor and 40 per cent free out door treatment to indigent patients defeated the primary objective of such allotment of land at concessional rates and deprived the indigent patients of the benefit of free treatment.
- No system was laid down to deal with complaints received against the functioning of the hospitals in contravention of the terms and conditions of allotment.
- DDA failed to incorporate a condition for appointment of a representative of the Government as a member of the Society administering the hospital which could have ensured that the commitment of medical care for indigent patients was honored.
- Twenty-three out of 27 hospitals had not started functioning as of July 2003 even after a lapse of periods ranging from 4 to over 30 years from the date of allotment of land.
- Inadequate and ineffective pursuance of outstanding dues on account of premia, ground rent and interest thereon resulted in accumulation of arrears of Rs. 3.54 crore against the allottees.

#### **3.1.1 Introduction**

The Delhi Development Authority (DDA) Disposes of commercial, industrial and residential plots in accordance with the provisions of the DDA (Disposal of

Developed Nazul Land) Rules, 1981. Rule 5 stipulates that DDA may allot Nazul lands for construction of hospitals and dispensaries to social or charitable institutions. The premium and ground rent will be determined by the Government of India. Allotment of Nazul land to public institutions is subject to the fulfillment of certain conditions prescribed in Rule 20.

Till May 2003, DDA had allotted land to 65 charitable institutions of which 53 were for construction of hospitals<sup>1</sup> and 12 for dispensaries<sup>2</sup> (including three hospitals where the possession of land was yet to be handed over). The allotment of land to these institutions was made at varying concessional rates fixed by the Union Ministry of Urban Development from time-to-time upto 1995-96 and at rates fixed by the DDA in consultation with the Ministry thereafter. A test check in audit of the records of allotment of land to 42 hospitals and dispensaries revealed various irregularities and shortcomings in both the allotment of land and in enforcement of the terms of allotment which defeated or undermined the very purpose of allotment of land to such organizations at concessional rates.

### **3.1.2 Organization**

The allotment of land for the purpose of construction of hospitals and dispensaries to charitable and other organizations in Delhi is looked after by the Land Disposal Department of DDA. The Department is headed by the Commissioner (Land Disposal) who is assisted by the Director (Lands), the Deputy Director (Institutional Land) and other subordinate staff.

The accounting of receipts including recovery of ground rent is looked after by the Director (Land Costing) who is assisted by the Deputy Chief Accounts Officer (Land Costing) and other subordinate staff.

### **3.1.3 Scope of Audit**

The review conducted from April 2003 to July 2003 included examination of the records of the Institutional Land branch of DDA relating to allotment of land to hospitals and dispensaries for the period from 1981-82 to 2000-2001 and records of the Land Sales Accounts (Nazul Accounts) branch relating to recovery of dues to ensure that:

- the allotment of land to private hospitals and dispensaries had been made according to the rules and orders in force from time-to-time;
- the premia of land and ground rent had been charged at the rates approved by the Government of India/DDA;
- a proper mechanism for monitoring the adherence to the terms and conditions of allotment existed; and
- a proper account of dues recoverable and received from the institutions had been maintained.

---

<sup>1</sup>. Hospital: Provides both indoor and outdoor treatment facilities to patients.

<sup>2</sup>. Dispensary: Provides only outdoor treatment facilities to patients.

### Irregular Allotment of Land to Trusts or Private Companies

Allotment of land to three ineligible institutions deprived DDA of revenue of Rs. 38.54 crore.

Rule 20 of the Rules prescribes, *inter alia*, that an institution seeking allotment of institutional land should be a society registered under the Societies Registration Act, 1860, or such institution should be owned and run by the Government or any local authority or constituted or established under any law for the time being in force. Audit scrutiny revealed that allotments of land were made to three ineligible institutions at concessional institutional rates instead of at commercial rates in contravention of the extant guidelines which deprived the DDA of revenue of Rs. 38.54 crore as discussed below:

**3.1.4** Arya Vaidyashala Kottakkal, a charitable Trust of a public nature since 1902, applied for allotment of land in December 1976 for setting up of an Ayurvedic Centre. A plot of 0.8 hect. in Kondli complex was allotted to the Trust in April 1985 on the advice of the then Chief Legal Adviser that a charitable Trust duly constituted and registered under the law for the time being in force would have to be treated at par with a society registered under the Societies Registration Act, 1860. The Trust was subsequently offered an alternative site of 1.10 hect. in Dallupura Society complex in February 1987 due to non-development of the original site. This site too could not be handed over due to encroachment. In the meantime, on the basis of a legal opinion taken at the instance of the then Vice Chairman DDA in September 1994, it was concluded that a public or private Trust cannot be deemed to be a Society under the Societies Registration Act nor can it be deemed to have been constituted or established under any law in terms of the meaning of Rule 20 and hence it was not entitled for allotment. However, allotment of a plot of land of 0.95 hect. in Karkarduma complex was approved by the Delhi Government in October 1994 as it was felt that a reversal of the position of this stage would not be fair to the applicant. The approval was made subject to the specific condition that the Trust would get itself registered under the Societies Registration Act, 1860. Audit observed that the stipulation of the Trust getting itself registered under the Societies Registration Act was not incorporated in the allotment orders even while making a modified allotment in June 1995 despite the specific directions of the Lt. Governor of Delhi of October 1994.

Thus, incorrect interpretation of the rules resulted in allotment of land to an otherwise ineligible institution. This irregular allotment of land deprived the DDA of Rs. 1.40 crore as the allotment was made at the concessional institutional rates instead of the commercial rates. Further, the specific directions of the Government intended to remedy the lacunae in the status of the Trust with reference to its eligibility for such allotment was not incorporated in the allotment orders. No responsibility has been fixed for the lapses.

**3.1.5** Dharmshila Cancer Foundation and Research Centre, a public charitable Trust, had applied for allotment of land in January 1989. It was allotted two acres of land at Rs. 14.25 lakh per acre in March 1990 though it was not registered as a society under

the Societies Registration Act, 1860, as required under the rules for allotment of land at concessional rates. The Trust was subsequently registered as a Society in April 1990. In December 1992, while dealing with a reference from the Trust relating to the revision of rates applicable to it, the Joint Director (Institutional) of DDA observed that the Trust was not in fact eligible for being considered for allotment as it was not a Society registered under the Societies Registration Act at the time of its application/allotment. The Legal Advisor concurred with this view and observed in January 1993 that (i) the allotment of land to the Trust was *ab initio* void and (ii) since the allotment was void, the Trust could not subsequently pass on the property to the Society and the subsequently formed Society could not also take over the assets and liabilities of the erstwhile Trust in respect of the allotted land. Despite this unambiguous advice of its Legal Advisor, DDA by its Resolution of June 1993 approved a proposal permitting/passing over the land allotted to the Trust to the Society without charging the unearned increase.

As the land was allotted to an ineligible institution and the allotment was void *ab initio*, the allotment could have been either cancelled or alternatively the Society charged the commercial rates instead of the concessional institutional rates. The decision of the Authority permitting passing over the land to the Society on concessional terms was in clear contravention of the conditions for allotment of such land stipulated in the Rules and resulted in loss of Rs. 3.11 crore.

**3.1.6** Unique Hospitals and Research Institute applied for allotment of land in February 1997. An allotment of 8,097 sqm. of land was made to the Institute in December 1997. In April 1998, it was noticed that the Institute had been actually incorporated in January 1996 under the Companies Act, 1956, and registered itself as a Society under the Societies Registration Act, 1860, only in February 1997. It was observed in audit that the original company continued to exist and the registration as a society was merely a facade in order to obtain allotment of land at concessional rates. The allotment was, however, allowed to continue by the Government of Delhi in August 1998 on the Institute furnishing an undertaking to the effect that the original company would not have any involvement in the management of the hospital established by the Society and that the hospital would make available 25 per cent of the out-patient, diagnostic and bed facilities for free patients who would be sent through a referral procedure to be finalised by the Health Department of the Delhi Government. It was also decided that the Director, Health Services, would be responsible for monitoring and certifying the implementation of the arrangement and that DDA would be free to get it checked through its empanelled auditors.

Though the initial allotment was made ostensibly to a Society, the fact remains that the original company continued to subsist and registration as a society was obtained only to get around the requirements for allotment of land at concessional rate. Thus failure to allot land at commercial rates to an organization which remained in essence and to all intents and purposes a 'Company' resulted in loss of Rs. 34.03 crore to DDA.

### 3.1.7 Non-inclusion of conditions for monitoring provision of free treatment to indigent patients

The condition of providing free indoor and outdoor treatment to indigent patients was not included in 24 cases.

The allotment of land to private hospitals and dispensaries at concessional rates is made subject to the condition that the institution shall serve as a general public hospital with at least 25 *per cent* of total indoor beds reserved for free treatment to indigent patients and that it would provide free treatment to 40 *per cent* patients in the outdoor department. A test check in audit of 42 allotments as shown in **Appendix-I** to private hospitals and dispensaries revealed that DDA had failed to incorporate this condition in the allotment letters in 24 cases.

Further, five hospitals/dispensaries were allotted additional land for expansion. DDA however failed to ascertain even in these cases whether the free indoor and outdoor services for indigent patients stipulated in the conditions of allotment were in fact being provided or not although in two of these cases, the condition of providing free treatment to indigent patients was specially incorporated in the allotment letter.

In November, 1999, the Minister for Health & Family Welfare, Government of Delhi, constituted a Committee under the Chairman, Central Drug Purchase Committee in the Directorate of Health Services, to review the free treatment facilities required to be provided by the hospitals which had been allotted land at concessional rates. The Committee's findings submitted in April 2000 confirmed public apprehensions that beneficiary hospitals were not fulfilling their obligation of providing free treatment to indigent patients. Subsequently, another Committee headed by Justice A.S. Qureshi was constituted in June 2000 to review the system of free treatment facilities by charitable and other private hospitals. The Committee recommended *inter alia* that the allotment of land at concessional rates to such institutions was liable to be cancelled for violation of the terms of allotment. Subsequently in July-September 2001, the DDA sought a report from 14 institutions as to the fulfillment of their obligations relating to provision of free treatment to indigent patients. Only five institutions responded to the DDA's notice. However, no action was initiated against the defaulters nor was any action taken to verify the correctness of the report furnished by the five institutions.

DDA stated in May 2003 that since the allotment of land to hospitals and dispensaries was made on the recommendation of the Central Government or the concerned department of the Government of NCT of Delhi, it was for the concerned department to monitor whether all the terms and conditions were being adhered to. DDA subsequently added (June 2003) that the enforcement mechanism to supervise compliance with the terms and conditions of allotment was being revised in consultation with the Government of Delhi.

The Director, Health Services, Government of Delhi, while disagreeing with the DDA's position, stated (July 2003) that the Directorate had not laid down any guidelines for monitoring these aspects and had only recommended the cases to DDA for allotment and land after the approval of the Land Allotment Committee. The Directorate was not aware as to which institution had been allotted land by DDA and on what conditions. The Directorate only inspects the hospitals while doing registration or renewal of registration of allopathic hospitals under the Delhi Nursing Home Registration Act, 1953, and examines the aspect of providing free beds as an additional activity in cases where the conditions for allotment are disclosed by the allottees as this was not a pre-condition for registration or renewal.

Evidently, the DDA and the Directorate of Health Services did not take the enforcement of the terms of allotment seriously. As a consequence, no effective monitoring of the provision of free treatment to indigent patients was carried out and the primary objective of allotment of land at concessional rates was defeated. As a result, undue benefit was afforded to the allottees. There was clearly a need for a clear demarcation of responsibilities for meaningful monitoring of the terms of allotment and their effective enforcement.

Non-monitoring of the provisions of free treatment to indigent patients defeated the objective of allotment of land at concessional rates.

### 3.1.8 Inaction in reported cases of non-adherence to terms of allotment

Audit observed that no system has been laid down either by DDA or the Directorate of Health Service to deal with complaints received against the functioning of the hospitals in contravention of the terms and conditions of allotment of land. In two cases, complaints were received by DDA during April-November 2002 against certain institutions for not providing free treatment to indigent patients and show cause notices were issued during October-December 2002. In one case (Deepak Gupta Memorial Hospital), the reply was received in January 2003; however, no action could be taken as the report of the investigating Assistant Engineer was awaited (July 2003). No reply was received in the other cases (Mai Kamli Wali Jan Kalyan Charitable Trust) despite a lapse of over six months.

No system has been laid down to deal with the complaints received against the hospitals functioning in contravention of the terms and conditions of allotment.

In another case (Sondhi Charitable Hospital), in response to a Starred Question raised in the Delhi Assembly in March 2001 that the hospital was functioning like a private nursing home and charging exorbitant fees, the Secretary (Health), Government of Delhi, directed the DDA to take appropriate action against the hospital for violating the terms and conditions of allotment. No action was, however, taken (July 2003) despite the orders of the Director (Lands) to initiate cancellation proceedings against the Institute. No responsibility for the inaction has been fixed.

### 3.1.9 Non-appointment of Government representative

According to the Guidelines for Disposal of Institutional Land, a representative of the Government of Delhi is required to be made a member of the registered society responsible for administration of the project so as to ensure that the commitments of medical care for indigent patients are honoured. DDS, however, failed to incorporate this condition in the allotment letter in 39 out of 42 cases test checked in audit.

Condition of appointment of a Government representative as a member of the institution was not incorporated in 39 cases.

In the case of Venu Charitable Society where the condition was included in the allotment letter, a representative from the concerned sponsoring Department *viz.* Government of Delhi and another from DDA was to be appointed on the Board of the Society. But there was nothing on record to establish whether any such representative had been appointed. In the case of Tagore Academy, there was nothing on record to

show whether a nominee of the Delhi Government was appointed as Director on the Board of Management of the Society. In another case of Lala Munni Lal Mange Ram Charitable Trust, neither any nominee from DDA was appointed as member nor was the condition incorporated in the allotment letter despite clear directions of the Lt. Governor of Delhi issued in September 1997.

The failure of the DDA to monitor adherence of this condition of allotment undermined the objective of land allotments at concessional rates.

### 3.1.10 Timely construction of hospital and dispensary buildings

According to the conditions of allotment, building plans should be approved and sanctioned by the DDA and construction completed within a period of two years from the date of taking over possession of the land. Extension of period of construction can be granted as per the guidelines issued by the DDA from time-to-time upto a period of 15 years (10 years in the case of plots upto 500 sqms.) with or without levy of composition charges if the circumstances of the case so warranted.

Record to watch the timely construction of buildings for hospitals/ dispensaries was not maintained.

Audit noticed that DDA did not maintain any consolidated record to watch the timely construction of buildings for hospitals/ dispensaries on the land allotted by it. It was seen that out of 10 cases where extension was granted for construction of buildings, the extension period had already expired in seven cases. The Deputy Director (Institutional Land) stated in June 2003 that the Building Department was responsible for the approval of plans and for watching the completion of buildings by the concerned institution. However, the details of approval of plans, stipulated date of completion, actual date of completion and date of occupancy of buildings by various hospitals and dispensaries was awaited from the Building Department (July 2003).

Thus, the status of construction of buildings by the allottees in cases where the period for construction including extension had already expired, could not be ascertained.

Out of 27 hospitals allotted land, 23 have not started functioning despite lapse of periods ranging from 4 to over 30 years.

Audit noticed that 23 out of 27 hospitals which had been allotted land during January 1971 to March 2000 had not started functioning till July 2003 while three hospitals had sought extension for construction although the land had been allotted during June 1996 to July 1998. In the remaining one case, the stipulated period of two years permissible for construction had not yet expired.

### 3.1.11 Heavy Outstanding dues

The Director (Land Costing) is responsible for maintenance of records of recoveries on account of premia and ground rent of land allotted to hospitals and dispensaries. The premium is payable by the allottee within 60 days of demand (30 days upto September 1995) failing which interest at the rate of 18 *per cent per annum* is leviable.

Ground rent is payable annually in advance failing which interest at 10 *per cent per annum* is levied. The arrears of premium and ground rent are recoverable under the Punjab Land Revenue Act, 1887.

Premia of Rs. 12 lakh was outstanding in 3 cases while interest of Rs. 1.43 crore on premia not paid or paid belatedly was outstanding in seven cases of October 2003. In addition, ground rent of Rs. 3.42 crore was outstanding from 39 allottees while interest of Rs. 1.03 crore was outstanding from 36 allottees. The outstanding premia and interest thereon related to the period from 1996-97 onwards whereas the outstanding ground rent related to the period from 1985-90 onwards. No broadsheet of recoveries was maintained with the result that the correctness of credits afforded in the ledger accounts could not be ensured in audit.

Ineffective monitoring of the outstanding dues resulted in accumulation of arrears of Rs. 3.54 crore.

A test check in audit of the ledger accounts maintained by the Director (Land Costing) further revealed that the outstanding dues as per the ledger accounts differed from those certified and intimated to the Management from time-to-time. On the discrepancies being pointed out in audit, DDA stated (July-August 2003) that the ledger accounts might not represent the true picture of outstanding dues as the challans received may not have been posted in the Demand and Collection Ledgers. DDA added that the Demand and Collection ledgers had since been updated and Demand Letters issued to the defaulters whose list was also being sent to the recovery Officers for collection of ground rent dues.

Ledger accounts maintained did not present the true pictures of outstanding dues against the allottees.

Clearly adequate action had not been taken to effectively pursue the long pending dues which could have been collected even as arrears of land revenue in cases of persistent default. Effective pursuance of the dues was also being thwarted by the incomplete maintenance of records and unreliable ledger accounts. This resulted in accumulation of arrears of premium, ground rent and interest thereon. Non-collection of dues from the defaulting institutions also constituted an undue benefit to them.

### **3.1.12 Conclusion and Recommendations**

The Delhi Development Authority had allotted land to 53 hospitals and 12 dispensaries at concessional institutional rates with the primary objective of establishing general public hospitals with reservations for free treatment to indigent patients. The failure of the DDA to monitor implementation of this provision defeated the primary objective of the allotments.

Based on the audit findings, the following recommendations are made:

- Allotments to ineligible institutions should be considered for cancellation or the regular commercial rates charged. The circumstances leading to such irregular allotments should also be investigated for determining responsibility.



- An effective mechanism must be set up to monitor adherence to the terms and conditions of allotment. Failure to adhere to the terms of allotment should attract a deterrent penalty.
- There should also be a clear demarcation of responsibilities between the DDA and the agencies of the Government of Delhi for meaningful monitoring of the terms of allotment and their effective enforcement.
- A system for redressal of complaints must be established. A nodal officer could be appointed to look into and pursue the complaints received and initiate appropriate action against erring hospitals and dispensaries.

The matter was referred to the Ministry in September 2003; its reply was awaited as of February 2004.

APPENDIX-I

(Referred to in Paragraph No. 3.1.7)

List of Hospitals and Dispensaries checked in Audit

Sl. No.	Name of Hospital	Date of Allotment	Date of Possession	Whether condition for free treatment incorporated in allotment letter
1	2	3	4	5
1.	Amar Jyoti Charitable Trust	20-1-1983	30-4-1983	Yes
2.	Fil. Lt. Rajan Dhall Charitable Trust	29-8-1983	23-2-1987	No
3.	Deepak Gupta Memorial Foundation	16-3-1982	18-10-1982	Yes
4.	Ganesh Das Chawla Charitable Trust	28-4-1986	12-5-1986	Yes
5.	Arya Vaidyasala Kottakkal	4-4-1985	9-3-1995	Yes
6.	Venu Charitable Trust	16-10-1992	18-12-1992	Yes
7.	Laxmipat Singhania Medical Foundation	29-3-1990	12-7-1991	Yes
8.	Dharamshila Cancer Foundation & Research Centre	30-3-1990	6-12-1990	Yes
9.	Rajiv Gandhi Cancer Society	12-3-1990	11-5-1990	No
10.	Sondhi Charitable Hospital	8-11-1993	12-11-1993	No
11.	Sant Nirankari Mandal	24-6-1994	23-2-2000	No
12.	Lala Munni Lal Mange Ram Charitable Trust	24-10-1994	9-1-1995	No
13.	Manav Sewarth Trust	10-11-1994	9-1-1995	No
14.	Vikrant Children Medical Foundation	3-7-1995	16-9-1996	No
15.	Multan Seva Samiti	26-4-1995	1-7-1998	No
16.	Devki Devi Foundation	6-2-1996	5-6-1996	Yes
17.	Human Care Medical Charitable Trust	15-5-1995	23-4-1996	No
18.	B.R. Dhawan Memorial Charitable Trust	6-3-1996	12-6-1996	Yes
19.	Nirogi Charitable & Medical Research Trust	8-7-1996	7-2-1997	No
20.	Dr. Narain Dutt Shri Mali Foundation	22-5-1996	26-6-1996	No
21.	Param Shakti Peeth	17-1-1997	6-1-1998	No
22.	Unique Hospital & Research Institute	17-12-1997	3-8-1998	Yes
23.	Shanti Memorial Society	6-5-1999	30-8-1999	No

1	2	3	4	5
24.	Balaji Medical & Diagnostic Research Center	14-8-1989	16-10-1996	Yes
25.	Mukundi Lal Memorial Foundation	6-4-1988	11-5-1988	Yes
26.	Maha Durga Charitable Trust	9-8-1999	Not handed over	Yes
27.	Delhi ENT Hospital & Research Centre	20-9-1999	1-2-2000	No
28.	Dr. Walia Charitable Trust	7-2-1998	19-2-1998	Yes
29.	Mai Kamli Wali Jan Kalyan Charitable Trust	15-5-1987	28-8-1988	Yes
30.	Sarvodaya Health Foundation	24-3-1999	22-6-1999	Yes
31.	Vivekanand Pratisthan Parishad	12-3-1985	21-8-1995	No
32.	Tarawati Ram Gopal Mehra Foundation	15-7-1986	16-4-1987	No
33.	Indian Medical Association	8-5-1997	5-7-1997	No
34.	Dilshad Garden Ayyappa Sewa Samiti	18-11-1997	19-12-1997	No
35.	Sh. Guru Singh Sabha Central	6-1-1997	15-1-1997	No
36.	Parivar Seva Sanstha	1-7-1988	8-6-1989	Yes
37.	Jai Sri Ram Sewa Sangh	29-5-1995	8-8-1995	No
38.	Tagore Academy	2-7-1996	30-8-1996	No
39.	Sanatan Dharam Public Trust	20-3-1998	6-4-1998	Yes
40.	Sadhu Vasvani Mission	7-2-1984	18-4-1984	No
41.	Arpna Trust	3-6-1996	21-6-1996	No
42.	Khosla Medical Institute & Research Centre	10-10-1983	17-6-1985	No

**ANNEXURE II (a)**

**LIST INDICATING THE RATE OF PREMIUM OF LAND CHARGED FROM 65 HOSPITALS/DISPENSARIES**

**LIST OF HOSPITALS**

Sl. No.	Name of Society	Area/Location	Date of Allotment	Date of Possession	Date of execution of Lease Deed	Rate of premium of land as per allotment letter
1	2	3	4	5	6	7
1.	Ashi Ram Batra Public Charitable Trust, 1-Batra Hospital, 1 Tughlakabad	10.50 Acr./ Tughlakabad	9.5.83 & 16.1.1996	30.5.79 28.11.83 19.3.96	3.5.85 24.7.2000	5,000/-, 3 Lac 80 Lac per Acre (Provisionally)
2.	Gujarmal Modi Hospital & Research Centre, G. Mal Modi Hospital, Saket	15 Acr./Saket	25.5.80	21.12.80		5000/- per Acre for Hospital and 3 Lac per Acre for Staff Quarter (Provisionally)
3.	Amar Jyoti Charitable Trust Secy., N-192, Greater Kailash	0.85 Acr. 726 Sqm./Karkardooma	20.8.83	30.4.83	12.10.83	10,000/- per Acre for Hospital and 6 Lac per Acre Staff Quarter (Provisionally)
4.	Fil. Lt. Rajan Dhall Charitable Trust, Secy, N-192, Greater Kailash,	1 Acr./Masoodpur	20.1.83	9.4.84	18.9.97	10,000/- & 6 Lac per acre (Provisionally)
5.	Sunder Lal Jain Charitable Trust, President, Ashok Vihar	3.14 Acr./Ashok Vihar	29.3.84	23.10.74 30.10.85	1.2.82	10,000/- per Acre (Provisionally)

1	2	3	4	5	6	7
6.	Mata Channan Devi Eye Hospital, C-I Janakpuri Treatree Indian Spinal Injuries Centre, Sec-C Vasant Kunj	2.05 acr./ 0.53 Acr./ Janak Puri 0.444 Acr./ 0.502 Acr/ 0.975 Acr./	9.2.93 3.3.82 15.4.83 27.4.84 6.6.85	3.3.82 9.2.83 15.4.83 27.4.84 6.6.85		10,000/- per Acre for Hospital (Provisionally)
7.	Indian Spinal Injuries Centre	11.84 Acr./ Vasant Kunj	22.8.85	4.5.89	28.4.95	10,000/- per Acre for Hospital and 6 Lac per Acre for Staff Quarter (Provisionally)
8.	Deepak Gupta Memorial Charitable Foundation, Director Admn. 5 Instt, Karkardooma	4840 Sqm./Karkardooma	30.9.90 & 17.7.95	4.2.86	31.1.83 6.5.87	10,000/- per Acre for Hospital and 6 Lac per Acre for Staff Quarter (Provisionally)
9.	Ganesh Das Chawala Charitable trust. President, Saroj Hospital, Madhuban Chowk	4048 Sqm./Rohini	28.4.86	12.5.86	22.12.95	10,000/- per Acre for hospital and 6 Lac per Acre for Staff Quarter (Provisionally)
10.	Arya Vaidshala Kottakkal, Secretary. E-76, South Extn., Phase-I	9240 Sqm./Karkardooma	10.9.86	9.3.95		As per revise demand dated 13.6.95 Rs. 7,84,742/- as premia
11.	Parmarath Mission Hospital, Gen. Secty., 2317, Shakti Nagar	2420 Sqm./Pitampura	11.5.87	21.10.87		File presently not available

12.	Venu Charitable Society (Eye Hospital), Secy, C-40 South Extn. II	2.5 Acr./Saket	29.3.90	10.12.92		28.50 Lac per Acre for Hospital (Provisionally)
13.	Laxmipat Singhanian Medical foundation, Chairman.4Bahadurshah Zafer Marg	2 Acr./ Saket	29.3.90	16.7.91		28.50 Lac per Acre for Hospital (Provisionally)
14.	Dharam Shila Cancer Foundation & Research Centre, Director, Vasundhara Enclave	13175 Sqm./Dallupura	30.3.90 12.2.96	6.12.90 30.8.90	9.7.98	19 Lac per Acre for Hospital (Provisionally)
15.	Rajiv Gandhi Cancer Society President, Q-5A. Jungpura Extn.	3.5 Acr/ 2330 Sqm.	12.3.90 15.4.90 15.11.90	11.5.90 9.1.92 12.9.95		3.25 Lac, 26 Lac & 45 Lac per Acre (Provisionally)
16.	Escorts Heart Instt. & Research Centre. Chairman, 82-A, Kamla Nagar	0.7 Acr./ Okhla	3.5.90	23.11.90		28.5 Lac per Acre (Provisionally)
17.	Sondhi Charitable Trust. Chairman, 82-A, Kamla Nagar	1.162 Acr./ Mayur Vihar	8.11.93	11.12.93	17.3.94	10 Lac & 27.50 Lac per Acre
18.	Sant Nirankari Mandal, Sant Nirankari Colony	10 Acr./ Dheerpur	24.6.94	23.2.2000	11.8.2000	10 Lac, 20 Lac, 50 Lac per Acre and 5 Lac per Acre for Dharamshalla

1	2	3	4	5	6	7
19.	Lala Munni Lal Mange Ram Ch. Trust President 15/17 East Punjabi Bagh	2.34 Hact./ Paschimपुरी	24.10.94 29.9.97	12.11.97 9.1.95	15.1.96	50 Lac+69% per acre
20.	Manav Sewarath Trust , 506, Hemkunt Towers, 98, Nehru Place	1Hact.	10.11.94	9.1.95	10.2.2001	50 Lac per Acre
21.	Vikrant Children Medical Foundation, President Vikrant Children Medical foundation, Vasant Vihar	1.4 Hact./ Saket	3.7.95	16.9.96		File under Submission
22.	Multan Sewa Samiti President, 1476, Sewa Samiti Marg.	1590 Sqm./Pitampura	3.7.95	1.7.98	1.4.97	50 Lac per Acre
23.	Devki Devi Foundation. President. 1476, 10B Kasturba Gandhi Nagar	1.123 Acr/Saket	6.12.96	5.9.96	1.4.97	80 Lac per Acre for Hospital
24.	Human Care Medical Trust, B-1/B. Safdarjung Enclave, Main Africa Avenue		7.7.95	23.4.96	11.6.96	50 Lac per Acre
25.	B.R. Dhawan Medical Ch. Trust. A-44, Vishal encalve	0.9 Hact./Dwarka	6.3.96	12.6.96	14.1.2000	File under submission
26.	Nirogi Ch. Medical Ch. Trust. Presidnet, 301, G.K. House 187-A Sewa Nagar, East of Kailash	0.85 Hact/Mandawali. Fazalpur	8.7.96	7.2.97		45.50 Lac per Acre

27.	Dr. Narain Dutt Shrimali Foundation	3.0 Hact./Pitampura	29.6.96	26.6.96		File presently not available
28.	Param Shakti Peeth, President, 66, IP Extn., Agrsen Aptt.	3.26 Hact./Mandawali	17.1.97	6.1.98		50 Lac+69% per Acre (Provisionally)
29.	Unique Hospital & Research Secy., 504, Gardeni Institute, 6-3-865, Hyderabad	3.16 Hact./Dwarka	17.12.97	31.8.98		50 Lac+69% per Acre (Provisionally)
30.	Shanti Memorial Society, Lado Sarai	1 Hact. Lado Sarai	6.5.99	30.6.99		80 Lac+120% per Acre (Provisionally)
31.	Madhukar Multi-Speciality Hospital, President, 23, Pushp Vihar, Community Centre	5500 Sqm./Geetanjali	21.1.99	15.6.2000		80 Lac+120% per Acre (Provisionally)
32.	B.R. Jesa Ram Hospital, President, WEA, Karol Bagh.	4840.55 Sqm./Karol Bagh	28.11.53	28.11.53		File presently not available
33.	Dr. B.L. Kapoor Memorial Hospital, Pusa Rd., Karol Bagh	5 Acr./Pusa Road		28.11.53		File presently not available
34.	Balaji Medical & Research Centre, President, Balaji Medical & Research Centre, Indraprasth Vihar	12000 Sqm./Mandawli	14.8.89 22.12.98	16.10.96 21.5.2001	18.6.97 1.6.2001	35 Lac+120% (Provisionally)
35.	Jaipur Golden Ch. Trust, President, XIII/475.57, Roshanara Road	2.45 Acr./Rohini	14.5.85	11.9.85	28.12.89	10,000/- per Acre for Hospital and 6 Lac per Acre Staff Quarter



1	2	3	4	5	6	7
36.	Mukanda Lal Memorial Foundation Secy, Mukanda Lal Hospital, Karkardooma	6852sqm.	6.4.88	7.6.88	9.8.88	8 Lac for Acre for Hospital
37.	National Health Insurance All India Heart Foundation, 49, Community Centre, East of Kailash	743.80 sqm East of Kailash	6.7.95	31.5.2000		15 Lac per Acre
38.	Foundation of Applied Research in Cancer, Fed. for Applied Reaserch Hospital, IIT	4013.66 sqm./South of IIT	24.1.90	17.4.90		File presently not available
39.	Vivekanand Pratisthan Parishad, Sen. Sec., VPP, Khureji	8000 sqm./Khureji	12.3.85	21.8.95	27.3.2001	File presently not available
40.	Birla Centre for Medical Research, Prakash Deep, Floor 7, Tolstoy Marg	35 Acr/V. Vihar	1.12.83	8.1.85		File presently not available
41.	Khosla Medical Institute & Research Centre, KMI&R Centre, Paschim Shalimar Bagh	9680 sqm./N Model Town	3.6.83	17.7.85	31.12.86	6 Lac per Acre (Provisionally)
42.	Maha Durga CH. Trust, Model Town	8000 sqm./Model Town	9.8.99	Possession not taken over by the Society		50 Lac per Acre + 120% enhancement
43.	Ashma & Bronchitis Foundation (Delhi University), Gautam Nagar	0.602 Acr./Gautam Nagar	1.2.77	1.2.77 26.2.81		5000/-per Acre

44.	Bala Sahib Gurudwara, President, Delhi Shikh Gurudwara Management Committee	46274 sqm./Kilokari	22.11.00	25.06.2002		10,000/-per Acre for Hospital and 6 lac per Acre for Staff Quarter
45.	National Society of Prevention of Blindness (small Hospital) NS for pre. of Blindness	8.0 sqm./Karkardooma	22.2.88	24.9.90	19.11.91	8 Lac per Acre (Provisionally)
46.	All India Society for Health Aid Education Research	2 acre/Dwarka	2 Acre/Dwarka Land	1.12.84 10.7.04	Possession yet to be handed over	10,000/- per Acre for Hospital and 6 Lac per Acre for Residential
47.	Lala Gela Ram Memorial Medical Research Centre, (Dental Hospital)  Gela Ram M&M Research Center, CU-163-A, Vikash Enclave	528 sqm./ Pitam Pura	8.9.88	8.9.88		23.75 Lac per Acre (Provisionally)
48.	Delhi Cheshire Home (Hospital for Disabled Person) Delhi Cheshire Home. C1/133, S.D.A.	3.502 Acr./Okhla	22.1.71	22.1.71		File presently not available
49.	Delhi ENT Hospital & Research Center (ENT Hospital & Research Center) Delhi ENT Hospital Research Center, 127, Nav Jeevan,	788 Sqm./Jassola FC-33	20.9.99	1.2.2000		80 Lac + 120% per Acre
50.	V.N. Gupta Ch. Trust Rd, No. 43, Pitam Pura	0.2 Hact./Pitam Pura	23.3.89	19.08.2003		19 Lac per Acre for Hospital

**ANNEXURE-II (B)**

**LIST OF DISPENSARIES/HOSPITALS**

Sl. No.	Name of Society	Area/Location	Date of Allotment	Date of Possession	Date of Execution of Lease Deed	Rate of premium of land as per allotment letter
1	2	3	4	5	6	7
1.	Tarawati Ram Gopal Mehra Foundation	1000 sq. mtr./ Mandwali	30.9.83	16.4.87		File presently not available
2.	Indian Medical Association	400 Sqm./ Karkardooma	5.7.97	5.7.97		45.50 Lac per Acre (Provisionally)
3.	Walia Charitable Trust	795 Sqm./Mayur Vihar-III	19.2.98	19.2.98	12.3.2001	35 Lac +69% per Acre (Provisionally)
4.	Dilshad Gardern Ayyappa Sewa Samiti	1020 Sqm./Dilshad Garden	18.11.97	19.12.97		35 lac+60% per Acre (Provisionally)
5.	Mai Kamali Wali Jan Kalyan Ch. Trust	434.50 Sqm./Rajouri Garden	15.3.87	20.8.88 22.7.97		10,000/- & 8 Lac per Acre (Provisionally)
6.	Guru Singh Sabha Central	380 Sqm./ Paschim Puri	6.1.97	28.1.97	3.5.2000	50 Lac + 30% per Acre (Provisionally)

7.	Parivar Sewa Samiti	1000 Sqm./Pitampura	3.6.88	8.6.89		19 Lac per Acre (Provisionally)
8.	Jai Sri Ram Sewa Samiti	295 Sqm./ Pitampura	29.5.95	8.8.95	7.2.2000	50 Lac per Acre (Provisionally)
9.	Tagore Academy	908 Sqm./ Shalimar Bagh	2.7.96	30.8.96	19.5.99	19.50 Lac per acre (Provisionally)
10.	Sarvodaya Health Foundation	1000 sqm./ Rohini	24.3.99	22.6.99	28.2.2001	50 Lac+120% per Acre
11.	Sanatan Dharma Sabha Public Trust	620 Sqm./ Dera Wal Nagar	20.3.98	6.4.98		50 Lac+69% per Acre
12.	Delhi Common Wealth Women's Association	1200 acres/Masood Pur	7.2.84	12.10.83		80 Lac+142% per Acre
13.	Sadhu Vaswani Mission	0.41 acre/Shanti Niketen	7.2.84	18.4.84	28.11.85	10,000/-per Acre (Provisionally)
14.	Arpana Trust	500 Sqm./Vasant Vihar	3.6.96	21.6.96		80 Lac per Acre (Provisionally)
15.	Lok Kalyan Samiti	200 Sqm./Humayun Nagar	6.9.83	6.12.83	25.6.85	10,000/- per acre (Provisionally)

***ANNEXURE-III***

LIST OF HOSPITALS AND DISPENSARIES WHICH WERE FOUND NOT  
HONOURING THEIR COMMITMENTS OF PROVIDING FREE  
TREATMENT TO POOR PATIENTS BY THE MINISTRY OF  
URBAN DEVELOPMENT AND HAD, THEREFORE, BEEN  
ISSUED SHOW CAUSE NOTICES

1. Amar Jyoti Charitable Trust, Karkardooma, Vikas Marg, Delhi  
(a rehabilitation centre not hospital)
2. Pushpawati Singhanian Research Institute for Renal & Digestive Diseases,  
New Delhi
3. Dharamshila Cancer Hospital, Vasundhara Enclave, Delhi
4. Escorts Heart Institute & Research Centre, Okhla Road, Delhi
5. Jaipur Golden Hospital, Delhi
6. Shanti Mukand Hospital, Vikas Marg, Delhi
7. National Heart Institute, East of Kailash, New Delhi
8. Rajiv Gandhi Cancer Society, Rohini, Delhi
9. Bhagwati Hospital (Sarvodaya Foundation), Delhi
10. Mai Kamli Wali Jan Kalyan Charitable Trust, Rojouri Garden, New Delhi

*ANNEXURE-IV*

DIRECTORATE OF HEALTH SERVICES: GOVT. OF NCT OF DELHI  
SWASTHAYA SEWA NIDESHALAYA BHAWAN,  
F-17, KARKARDOOMA, DELHI-110032

F. 13/2/2003/NH/DHS/ 44813-41

Dated 6.12.04

ORDER

The Hon'ble High Court of Delhi at New Delhi in its proceedings held on 18.11.2004 in the CWP the 2866/2002 titled as Social Jurist Vs GNCT Delhi and others, had directed that the hospitals which have been granted land with the conditions to provide treatment to the poor people to the extent of 25% beds, will adhere to this condition till further orders.

Your are, therefore, directed to ensure that the conditions as stipulated in the letter of allotment of land with regard to the treatment to the poor patients are strictly adhered to. In case it is brought to the notice of this directorate that the above conditions are not being adhered to, the same shall be viewed seriously and intimated to the land allotment agency for necessary action. A report every fortnightly ending 15th and the end of the month giving the details of the patients provided free treatment in OPD and IPD is to be submitted (on the enclosed proforma) to this directorate positively till further orders and to keep identifiable records of the patients so treated. The said records will have to be made available to the officers so authorized on behalf of the directorate.

The receipt of the above order is to be acknowledged and is to be complied scrupulously.

Sd/-

(Dr. R.N. BAISHYA)

DIRECTOR, HEALTH SERVICES

To

The Medical Suptd./Medical Directors

1. Dharmshila Cancer Hosp. and Research Centre Vasundhara Enclave, Delhi-110096.
2. Deepak Memorial Hospital & Medical Research Centre, 5, Institutional Area, Vikas Marg Extn., Delhi-110092.
3. Escorts Heart Institute & Research Centre, Okhla Road, Okhla, Delhi-110025.
4. Indian Spinal Injuries Centre, Opp. Police Station, Sector-C, Vasant Kunj, Delhi- 110070
5. Jaipur Golden Hospital 2, Institutional Area, Sector 2, Rohini, Delhi-110085
6. Pushpawati Singhanian Research Institute, Sheikh Sarai, Phase-I, Saket, New Delhi-110027
7. National Heart Institute, 49, Community Centre, East of Kailash, Delhi-110065.
8. Mai Kamliwali Hospital, Ch. Plot, No.12, J Block, Community Centre, Rajouri Garden, Delhi-110027.

9. Saroj Hospital, Sector-14 Extn. Near Madhuban Chowk, Rohini, Delhi-110085.
10. Rajiv Gandhi Cancer Institute & Research Centre, D-18, Sector-V, Rohini, Delhi-110085
11. Shanti Mukund Hospital, 2, Institutional Area, Vikas Marg Extn., Vikas Marg, Delhi-110092
12. Venu Eye Institute & Research Centre, Plot-1, Shekh Sarai, New Delhi-110017
13. Veeranwali International Hospital, Chander Gupta Road, Chanakyapuri, Delhi-110021
14. Dr. Vidya Sagar Kaushalya Devi Memorial Health Centre (VIMHANS), Nehru Nagar Delhi-110065
15. Bhagwati Hospital, C-5/OCF-6 Sector-13, Rohini Delhi-110085
16. Gujarmal Modi Hospital, Mandir Marg, Saket, Delhi-110017
17. Kottakkal Arya Vaidyashala, Karkardooma, Delhi-110092
18. Amar Jyoti Ch. Trust Karkardooma, Delhi-110092

F. 13/2/2003/NH/DHS/44842-44

Date 6-12-04

Copy for information to

1. Vice Chairman, DDA, Vikas Sadan, INA Market, New Delhi
2. Pr. Secretary (H) Govt. of NCT Delhi 9th floor, Delhi, Secretariat, New Delhi.
3. Ms. Zubeda Begum Additional Standing Counsel, 436, Lawyers, Chamber, Delhi High Court with the request to inform the court accordingly.

Sd/-

(DR. R.N. BAISHYA)

DIRECTOR, HEALTH SERVICES

**ANNEXURE-V**

**PROFORMA**

Fortnightly Details of the Patients Treated Free/Subsidized as in Accordance with the Terms & Conditions of Allotment of Land  
Name of the hospital \_\_\_\_\_ Year \_\_\_\_\_ Month \_\_\_\_\_ Fortnight ending 15th/ End of Month

Sl. No.	Total No. of beds	No. of free beds		Total No. of Patients		No. of % age of Patients given free treatment		No of Patients treated at subsidized rates		Remarks
		OPD	IPD	OPD	IPD	OPD	IPD	OPD	IPD	

Certified that the identifiable records of the patients treated under the category of poor patients has been kept for inspection

Prepared by \_\_\_\_\_ Checked by \_\_\_\_\_ Singed by authorized signatory \_\_\_\_\_

Name in Block letters

Telephone No.



DELHI DEVELOPMENT AUTHORITY  
INSTITUTIONAL BRANCH  
STATUS OF THE CONSTRUCTION OF HOSPITAL BUILDINGS

**List of Hospitals**

Sl. No.	Name of Society	Area/Location	Date of Allotment	Date of Possession	Date of Execution of Lease Deed	Remarks
1	2	3	4	5	6	7
1.	Ashi Ram Batra Public Charitable Trust, 1-Batra Hospital, 1- Tughlakabad	10.50 Acr./ Tughlakabad	9.5.83 & 16.1.96	30.5.79 28.11.83 19.3.96	3.5.85 24.7.2000	Built up and functioning
2.	Gujarmal Modi Hospital & Research Centre, G. Mal Modi Hospital, Saket	15 Acr./ Saket	25.5.80	21.12.80		Built up and functioning
3.	Amar Jyoti Charitable Trust, Secy., No.-192, Greater Kailash	0.85 Acr.* 726 Sqm./ Karkardooma	20.1.83	30.4.83	12.10.83	Built up and functioning
4.	Flt. Lt. Rajan Dhall Charitable Trust, President, Flt. Lt. Rajan Dhall Hospital, Masoodpur	1 Acr./Masoodpur	29.8.83	9.4.84	18.9.87	Built up and functioning
5.	Sunder Lal Jain Charitable Trust, President, Ashok Vihar Phase-III	3.14 Acr./Ashok Vihar	29.3.84	23.10.74 30.10.85	1.2.82	Built up and functioning

6.	Mata Chanan Devi Eye Hospital, C-1, Janakpuri, Treated Indian Spinal Injuries Centre, Sec.-C, Vasant Kunj	2.05 Acr./ 0.53 Acr./Janakpuri 0.444 Acr./ 0.502 Acr./ 0.975 Acr./	9.2.93 3.3.82 15.4.83 27.4.84 6.6.85	3.3.82 9.2.83 15.4.83 27.4.84 6.6.85		Built up and functioning
7.	Indian Spinal Injuries Centre	11.84 Acr./Vasant Kunj	22.8.85	4.5.89	28.4.95	Built up and functioning
8.	Deepak Gupta Memorial Charitable Foundation, Director Admn. 5 Instt. Area, Karkardooma	4840 Sqm./ Karkardooma	30.9.90 & 17.7.95	4.2.86	31.1.83 6.5.87	Built up and functioning
9.	Ganesh Das Chawla Charitable Trust, President Saroj Hospital, Madhuban Chowk	4048 sqm./ Rohini	28.4.86	12.5.86	22.12.95	Built up and functioning
10.	Arya Vaidshala Kottalaya, Secretary E-76, South Extn. Ph.I	9240 sqm./ Karkardooma	10.9.86	9.3.95		Built up and functioning
11.	Parmarath Mission Hospital, Geo. Sec. 2317, Shakti Nagar	2420 sqm./Pitampura	11.5.87	21.10.87		Built up
12.	Venu Charitable Society (Eye Hospital), Secy. C-40, South Extn.-II	2.5 Acr./Saket	29.3.90	10.12.92		Built up and functioning
13.	Laxmipat Singhanian Medical Foundation, Chairman, 4-Bahadurshah Zafar Marg	2 Acr./Saket	29.3.90	16.7.91		Built up and functioning
14.	Dharam Shila Cancer Foundation & Research Centre Director, Vasundhara Enclave	13175 sqm./ Dallupura	30.3.90 12.2.96	6.12.90 30.8.90	9.7.98	Built up and functioning

1	2	3	4	5	6	7
15.	Rajiv Gandhi Cancer Society, President, Q-5A, Jangpura Extn.	3.5 Acr./ 2330 sqm.	12.3.90 15.4.90 15.11.90	11.5.90 9.1.92 12.9.95		Built up and functioning
16.	Escorts Heart Instt. & Research Centre, Chairman, 82-A, Kamla Nagar	0.7 Acr./ Okhla	3.5.90	23.11.90		Built up and functioning
17.	Sondhi Charitable Trust, Chaiman, 82-A Kamla Nagar	1.162 Acr./ Mayur Vihar	8.11.93	11.12.93	17.3.94	Built up and functioning
18.	Sant Nirankari Mandal, Sant Nirankari Colony	10 Arr./ Dheerpur	24.6.94	23.2.2000	11.8.2000	Unbuilt
19.	Lala Munni Lal Mange Ram Ch. Trust President, 15/17 East Punjabi Bagh	2.34 Hact./Paschimpuri	24.10.94 29.9.97	12.11.97 9.1.95	15.1.96	Under construction
20.	Manav Sewarath Trust 506 Hemkunt Towers, 98, Nehru Place	1 Hact.	10.11.94	9.1.95	10.2.2001	Unbuilt
21.	Vikrant Children Medical Foundation, President, Vikrant Children Medical Foundation Vasant Vihar	1.4 Hact./Saket	3.7.95	16.9.96		Under construction
22.	Multan Sewa Samiti, President, 1476, Sewa Samiti Marg	1590 sqm./Pitampura	3.7.95	1.7.98		Unbuilt
23.	Devki Devi Foundation, President, 1476, 10B, Kasturba Gandhi Nagar	1.123 Acr./Saket	6.12.96	5.6.96	1.4.97	Under construction
24.	Human Care Medical Trust, B-1/1B, Safdarjung Encl.	1 Hact./Dwarka	7.7.95	23.4.96	11.6.96	Under construction

Main Africa Avenue						
25.	B.R. Dhawan Medical Ch. Trust A-44, Vishal Enclave	0.9 Hact./Dwarka	6.3.96	12.6.96	14.1.2000	—
26.	Nirogi Ch. Medical Ch. Trust President 301, G.K. House 187-A, Sewa Nagar, East of Kailash	0.85 Hact./Mandawali, Fazalpur	8.7.96	7.2.97		Unbuilt
27.	Dr. Narain Dutt Shrimali Foundation	3.0 Hact./Pitampura	29.6.96	26.6.96		Unbuilt
28.	Param Shakti Peeth, President 66, IP Extn., Agarsen Aptt.	3.26 Hact./Mandawali	17.1.97	6.1.98		Unbuilt
29.	Unique Hospital & Research Secy., 504, Garden Institute, 6-3-865, Hyderabad	3.16 Hact./Dwarka	17.12.97	31.8.98		Under construction
30.	Shanti Memorial Society, Lado Sarai	1 Hact./Lado Sarai	6.5.99	30.6.99		Unbuilt
31.	Madhukar Multi-Speciality Hospital, President, 23, Pushp Vihar, Community Centre	5500 sqm./Geetanjali	21.1.99	15.6.2000		Unbuilt
32.	B.R. Jesa Ram Hospital, President, WEA Karol Bagh	4840.55 sqm./Karol Bagh	28.11.53	28.11.53		Built up and functioning
33.	Dr. B.L. Kapoor Memorial Hospital, Pusa Rd, Karol Bagh	5 Acr./Pusa Road		28.11.53		Old building demolished by the allottee for reconstruction.
34.	Balaji Medical & Research	12000 sqm./Mandawali	14.8.89	16.10.96	18.6.97	Built up but not

	Centre,President, Balaji Medical & Research Centre, Indraprasth Vihar		22.12.98	21.5.2001	1.5.2001	functioning
1	2	3	4	5	6	7
35.	Jaipur Golden Ch. Trust, President, XIII/475,57, Roshanara Road	2.45 Acr./Rohini	14.9.85	11.9.85	28.12.89	Built up and functioning
36.	Mukand Lal Memorial Foundation, Secy, Mukand Lal Hospital, Karkardooma	5852 sqm.	6.4.88	7.6.88	4.8.88	Built up and functioning
37.	National Heart Institute, All India Heart Foundation, 49, Kailash Community Centre, East of Kailash	743.80 sqm./East of	6.7.95	31.5.2000		Built up and functioning
38.	Foundation of Applied Research in Cancer, Fed. for Applied Research Hospital, IIT	4013.66 sqm./South of IIT	24.1.90	17.4.90		Built up and functioning
39.	Vivekanand Pratisthanm Parishad, Sen. Secy., VPP, Khureji	8000 sqm./Khureji	12.3.85	21.8.95	27.3.2001	Partly built up Under construction
40.	Birla Centre for Medical Research, Prakash Deep, 10th Floor, 7, Tolstoy Marg	3.5 Acr.,V. Vihar	1.12.83	8.1.85		Merged in green
41.	Khosla Medical Institute & Research Centre, KMI & R Centre, Paschim Shalimar Bagh	9680 sqm./Shalimar Bagh	3.6.83	17.6.85	31.12.86	Built up and functioning
42.	Maha Durga Ch. Trust, Mahadurga Ch. Trust, Model Town	8000 sqm./Model Town	9.8.99	Possession not taken over by the Society		Unbuilt

43.	Ashma & Bronchitis Foundation (Delhi University), Gautam Nagar	0.602 Acr./Gautam Nagar	1.2.77	1.2.77 26.2.81		Built up and functioning
44.	Bala Sahib Gurudwara, President, Delhi Sikh Gurudwara Management Committee	46274 sqm./Kilokari	22.11.2000	25.6.2002		Under construction
45.	National Society for Prevention of Blindness (Small Hospital), NS for Pre. of Blindness, Karkardooma	8.0 sqm./Karkardooma	22.2.88	24.9.90	19.11.91	U. Const.
46.	All India Society for Health Aid Education Research, Mayur Vihar-II	2.0 Acr./Mayur Vihar-II				Land under encroachment by Jhuggi dwellers Encroach
47.	Lala Gela Ram Memorial Medical Research Centre (Dental Hospital), Gela Ram M. & M. Research Centre. CU-163-A. Vishakha Enclave	528 sqm./Pitampura	8.9.88	8.9.83		Built up and functioning
48.	Delhi Cheshire Home (Hospital for Disabled Person), Delhi Cheshire Home, C-1/133, S.D.A.	3.502 Acr./Okhla	22.1.71	22.1.71		Built up
49.	Delhi ENT Hospital & Research Centre (ENT Hospital & Research Centre), Delhi ENT Hospital & Research Centre	788 sqm./Jasoia FC-33	20.9.99	1.2.2000		Unbuilt

127, Nav Jeevan		
50. V.N. Gupta Ch. Trust, Rd. Unbuilt No. 13, Pitampura	0.2 Hact./Pitampura	23.3.89

---

**PART II****MINUTES OF THE EIGHT SITTING OF PUBLIC ACCOUNTS COMMITTEE  
(2004-2005) HELD ON 8TH NOVEMBER, 2004**

The Committee sat from 1600 hrs. to 1715 hrs. in Committee Room 'E', Parliament House Annexe, New Delhi.

**PRESENT**

Prof. Vijay Kumar Malhotra — *Chairman*

**MEMBERS***Lok Sabha*

2. Shri Khagen Das
3. Dr. M. Jagannath
4. Shri Raghunath Jha
5. Dr. R. Senthil
6. Shri Brij Bhushan Sharan Singh
7. Shri K.V. Thangka Balu
8. Shri Tarit Baran Topdar

*Rajya Sabha*

9. Shri Prasanta Chatterjee
10. Shri R.K. Dhawan
11. Shri Jairam Ramesh
12. Prof. R.B.S. Varma

**SECRETARIAT**

1. Shri S.K. Sharma — *Joint Secretary*
2. Shri Ashok Sarin — *Director*
3. Smt. Anita B. Panda — *Under Secretary*

**Representatives of the Office of the Comptroller and Auditor General of India**

1. Ms. Anusua Basu — ADAI (RC)
2. Shri Roy S. Mathrani — Principal Director (AB)

**Representatives of the Ministry of Urban Development**

1. Shri Anil Baijal — Secretary
2. Shri P.K. Pradhan — Joint Secretary
3. Shri Azeer Vidya — Joint Secretary & Financial Adviser

**Representatives of Delhi Development Authority**

1. Shri Madhukar Gupta — Vice-Chairman



2. Shri A.K. Patnaik — Finance Member
3. Shri R.K. Singh — Commissioner (LD)
4. Shri D.B. Gupta — Pr. Commissioner

**Representative of Government of National Capital Territory of Delhi**

Shri S.P. Aggarwal — Principal Secretary (Health)

2. At the outset, the Chairman, PAC welcomed the Members and Audit Officers. The Chairman informed the Members that the sitting has been convened to take oral evidence of the representatives of the (i) Ministry of Urban Development, (ii) Delhi Development Authority, and (iii) Government of NCT of Delhi on Paragraph 3.1 of Report of the C&AG of India for the year ended March 2003, Union Government (Civil-Autonomous Bodies), No. 4 of 2004 relating to "Allotment of land to Private Hospitals and Dispensaries by Delhi Development Authority (DDA)". Thereafter, the officers of the office of C&AG of India briefed the Committee on the specific points arising out of the aforesaid Audit paragraph. The representatives of the (i) Ministry of Urban Development, (ii) Delhi Development Authority (DDA), and (iii) Government of NCT of Delhi then explained their viewpoint on the issues arising out of the audit paragraph. The evidence on the subject remained inconclusive and the Committee decided to continue with it in the forenoon of 9th November, 2004.

3. A copy of the verbatim proceedings of the sitting has been kept on record.

*The Committee then adjourned.*

MINUTES OF THE NINTH SITTING OF THE PUBLIC ACCOUNTS  
COMMITTEE (2004-05) HELD ON 9TH NOVEMBER, 2004

The Committee sat from 1100 hours to 1300 hours on 9th November, 2004 in  
Committee Room 'E', Parliament House Annexe, New Delhi.

PRESENT

Prof. Vijay Kumar Malhotra — *Chairman*

MEMBERS

*Lok Sabha*

2. Shri Ramesh Bais
3. Shri Khagen Das
4. Dr. M. Jagannath
5. Shri Ashok Kumar Rawat
6. Shri Magunta Sreenivasulu Reddy
7. Shri Brij Bhushan Sharan Singh
8. Dr. Ram Lakhan Singh

*Rajya Sabha*

9. Shri Prasanta Chatterjee
10. Shri R.K. Dhawan
11. Shri V. Narayanasamy
12. Shri Jairam Ramesh

SECRETARIAT

1. Shri Ashok Sarin — *Director*
2. Shri N.S. Hooda — *Under Secretary*
3. Smt. Anita B. Panda — *Under Secretary*

**Representatives of the Office of C&AG of India**

1. Shri Anusua Basu — ADAI (RC)
2. Shri Roy S. Mathrani — Principal Director (AB)

**Representatives of the Ministry of Urban Development**

1. Shri Anil Baijal — Secretary
2. Shri P.K. Pradhan — Joint Secretary
3. Shri Azeer Vidya — Joint Secretary & Financial Adviser

**Representatives of Delhi Development Authority**

1. Shri Madhukar Gupta — Vice-Chairman, DDA
2. Shri A.K. Patnaik — Finance Member

3. Shri R.K. Singh — Commissioner (LD)  
4. Shri D.B. Gupta — Pr. Commissioner

**Representative of Government of National Capital Territory of Delhi**

Shri S.P. Aggarwal — Principal Secretary (Health)

2. To begin with, the Chairman welcomed the Members of the Committee, the representatives of the (i) Ministry of Urban Development, (ii) Delhi Development Authority, and (iii) Government of NCT of Delhi and the officials of C&AG to the sitting of the Committee.

3. As the evidence relating to "Allotment of lands to private Hospitals and Dispensaries by Delhi Development Authority (DDA)" had remained inconclusive on 8 November, 2004, the Committee resumed oral evidence on the subject. The witnesses explained various points and queries raised by the Chairman and Members of the Committee arising out of the Audit paragraph. As for the queries, which could not be resolved, the representatives of the Government and DDA were asked to send written replies within 15 days.

4. A copy of the verbatim proceedings of the sitting has been kept on record.

*The Committee then adjourned.*

MINUTES OF THE TWENTIETH SITTING OF THE PUBLIC ACCOUNTS  
COMMITTEE (2004-2005) HELD ON 15TH APRIL, 2005

The Committee sat from 1630 hrs. to 1700 hrs. on 15th April, 2005 in Room No. "51" (Chairman's Chamber), Parliament House, New Delhi.

PRESENT

Prof. Vijay Kumar Malhotra — *Chairman*

MEMBERS

*Lok Sabha*

2. Shri Khagen Das
3. Shri Naveen Jindal
4. Dr. Ram Lakhan Singh
5. Shri K.V. Thangka Balu
6. Shri Tarit Baran Topdar

*Rajya Sabha*

7. Shri Prasanta Chatterjee
8. Shri R.K. Dhawan
9. Dr. K. Malaisamy
10. Shri Jairam Ramesh
11. Prof. R.B.S. Verma

SECRETARIAT

1. Shri Ashok Sarin — *Director*
2. Shri N.S. Hooda — *Under Secretary*
3. Shri J.M. Baisakh — *Under Secretary*

**Officers of the office of the Comptroller and Auditor General of India**

1. Shri Anusua Basu — Addl. Dy. Comptroller and Auditor General
2. Shri Roy S. Mathrani — Pr. Director
3. Ms. Shubha Kumar — Pr. Director
4. Shri R.K. Ghose — Accountant General (Audit)-Delhi

2. At the outset, the Chairman welcomed the Members of the Committee to the sitting. The Committee then took up for consideration the following draft Reports:

(i) **"Allotment of Land to Private Hospitals and Dispensaries by Delhi Development Authority (DDA)"**

(ii) \*\*\* \*\*

3. After some deliberations, the Committee adopted the draft Report on DDA with slight modifications/amendments.

\*\*\* \*\*

The Committee authorised the Chairman to finalise these Reports in the light of verbal and consequential changes arising out of factual verification by audit or otherwise and present the same to the House.

4. The Chairman referred to the fact that two Members of the Committee, namely, Shri Naveen Jindal and Shri Ashok Kumar Rawat would not be with the next Committee, the term of which would begin from 1st May, 2005. The Committee appreciated the keen interest taken by these Members in the work undertaken and valuable contribution made by them during their deliberations.

*The Committee then adjourned.*