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**FUNCTIONING OF LAND AND  
DEVELOPMENT OFFICE**

**MINISTRY OF URBAN DEVELOPMENT**

**PUBLIC ACCOUNTS  
COMMITTEE  
2011-2012**

**FIFTEENTH LOK SABHA**

FIFTY-NINTH REPORT  
PUBLIC ACCOUNTS COMMITTEE  
(2011-2012)

(FIFTEENTH LOK SABHA)

FUNCTIONING OF LAND AND  
DEVELOPMENT OFFICE

MINISTRY OF URBAN DEVELOPMENT



*Presented to Lok Sabha on 27-04-2012*

*Laid in Rajya Sabha on 27-04-2012*

LOK SABHA SECRETARIAT  
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COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE

(2011-12)

Dr. Murli Manohar Joshi — *Chairman*

MEMBERS

*Lok Sabha*

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3. Dr. Baliram
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- \*21. Shri J.D. Seelam
22. Prof. Saif-ud-Din Soz

SECRETARIAT

1. Shri Devender Singh — *Joint Secretary*
2. Shri D.R. Mohanty — *Deputy Secretary*

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\*Elected *w.e.f.* 29th August, 2011 *vide* the vacancy occurred *vice* Smt. Jayanti Natarajan appointed Minister *w.e.f.* 12th July, 2011.



## INTRODUCTION

I, the Chairman, Public Accounts Committee (2011-12), having been authorised by the Committee, do present this Fifty-ninth Report (Fifteenth Lok Sabha) on '**Functioning of Land and Development Office**' based on C&AG Report No. 6 of 2009-10 (Performance Audit), Union Government (Civil) for the year ended March 2008 relating to the Ministry of Urban Development.

2. The Report of Comptroller and Auditor General of India for the year ended March, 2008 was laid on the Table of the House on 18th December, 2009.

3. The Committee took evidence of the representatives of the Ministry of Urban Development on the subject at their sitting held on 19th July, 2011. The Committee considered and adopted this Report at their sitting held on 24th April, 2012. Minutes of the Sittings from Appendices to 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.

5. The Committee would like to express their thanks to the representatives of the Ministry of Urban Development for tendering evidence before them and furnishing the requisite information to the Committee in connection with the examination of the subject.

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;  
24 April, 2012  
4 Vaisakha, 1934 (Saka)

DR. MURLI MANOHAR JOSHI,  
*Chairman,*  
*Public Accounts Committee.*





## REPORT

### PART I

#### I. INTRODUCTORY

The Land and Development Office (L&DO) traces its genesis to the office of the Chief Commissioner of Delhi, which was responsible for acquiring the land for the New Capital of Delhi in 1911. In 1928, the Office of L&DO came into being as a separate organization. With effect from 1st October, 1959 the L&DO was put under the administrative control of the then Ministry of Works, Housing and Supply, which is now known as the Ministry of Urban Development. The L&DO was earlier a subordinate office. It has been upgraded to the status of an attached office *w.e.f.* April 2000.

2. The main function of the L&DO is lease administration, which includes substitution of title, mutation of title and according permission for sake and mortgage. The other functions of the L&DO include allotment of land to the Government Departments and political charitable, educational and religious institutions, conversion of lease hold properties into free hold, recovery of Government dues, eviction of squatters from Government land and recovery of damages under Public Premises (Eviction of Unauthorised Occupants) Act, 1971 in respect of land under its control, recovery of lease charges and ground rent, maintenance of accounts of receipts and refunds of revenue, auction of vacant land and built up properties under its charge under the direction of the Ministry and policy related to land management and allotment.

3. The L&DO remains responsible for the administration of the properties of the Government of India in Delhi. These properties fall into the following two broad categories.

- Nazul lands, which were acquired in 1911 onwards for the formation of the Capital of India at Delhi; and
- Rehabilitation land, which were acquired by the Government of India for the speedy rehabilitation of displaced persons from Pakistan.

4. These properties were given out on leases for residential, commercial and institutional purposes. Leases on old Nazul lands are perpetual lease and ground rent is revisable at the option of the lessor (L&DO) after every 30 years. Rehabilitation leases are for a period of 99 years, and revision of ground rent is due after 20 years.

5. The L&DO reportedly administered 60,526 leases, covering a total area of 19,995 acres falling under different categories, which constituted 5.5 per cent of the total area of Delhi covering prime localities in Nazul areas like Chanakya Puri,

Jor Bagh, Golf Links, Sunder Nagar, Defence Colony and Connaught Place within the Lutyens Bungalow Zone (LBZ) and elsewhere, as well as rehabilitation colonies like Lajpat Nagar, Rajender Nagar and Patel Nagar:

6. The C&AG carried out a Performance Audit of the functioning of the L&DO between August and December, 2008 covering the period 2003-04 to 2007-08 and gave their comments/findings in their Report No. 6 of 2009-10. Some of the important observations made by Audit were as under:---

- (i) Despite thousands of acres of land in prime locations with potential value ranging from Rs. 1,18,000 crore to Rs. 3,44,000 crore, ground rent receipts from leased out properties were relatively insignificant. During 2008-09, L&DO was receiving an average annual ground rent of only Rs. 40.43 per square metre, this was primarily due to continuation of and *ad hoc* formula for enhancement of ground rent for Nazul leases evolved in 1984, which had no relationship with the current letting/market values of these properties. The potential for revised ground rent in respect of even 1/30th of the non-residential leases, if calculated on letting value, would amount to Rs. 356 crore. Thus, leases falling due for revision during last three years alone could have fetched Rs. 1068 crore annually. Also the revision of ground rent for Nazul leases, even under the *ad hoc* formula of 1984, was in arrears, and L&DO was not aware of how many leases fell due for revision of ground rent or the total amount of outstanding ground rent and other dues. Further, the Ministry/L&DO had not revised the premium rates for allotment of land since 1998.
- (ii) There was lack of effective and efficient disposal of lease applications of various lands. 11 *per cent* of applications were processed with great speed and finalized within 15 days against the available time-frame of 90 days while 51 *per cent* of cases were settled after considerable delays ranging from 6 to 24 months or more. This reflects the lack of effective oversight, and the possibility of undue favour being shown to certain applicants.
- (iii) The documentation of leases and properties, and maintenance of necessary records and registers were poor, impairing effective functioning. Although the L&DO reportedly administered 60,526 leases covering a total area of 19,995 acres, of which 28,824 leases had been converted into freehold, the detailed breakup of current leases administered by the L&DO was not available and the authenticity of these reported figures could not be verified.
- (iv) Key components of the computerization plan, including establishment of a mapping system for all land parcels to be linked to a database, digitization of layout plans for all properties, and scanning of documents relating to markets transferred to NDMC/MCD, had not been effectively implemented. The utilization by the L&DO of the computerized maps/data generated by these initiatives was not ascertainable.

- (v) In the absence of details of total outstanding dues, audit scrutiny of specific categories of lessees-hotels, presses, and petrol pumps-revealed total outstanding dues of Rs. 968.47 crore; even this figure is incomplete, as only partial details in respect of only a few lessees were furnished by the L&DO.
- (vi) There were significant shortfalls in the treatment of patients of Economically Weaker Sections (EWS) in hospitals, despite the order of the Delhi High Court prescribing 25 *per cent* of the IPD beds. This shortfall was attributable partly to lack of referrals from the Government hospitals. In the absence of treatment of the requisite number of EWS patient, the implicit subsidy provided by the Government through allotment of land at highly concessional rates appeared unjustified.
- (vii) There were breaches of lease conditions by the hospitals, schools and petrol pumps in terms of unauthorized construction, encroachment, and misuse, on which effective action had not been taken by the L&DO. The conduct of regular inspections of leased properties by the L&DO to detect such breaches was also very poor.

7. Against this backdrop, the Committee took up the subject for detailed examination and report. In the process the Committee obtained the Background Note and Advance Reply from the Ministry of Urban Development. The Secretary and other representatives of the Ministry of Urban Development and L&DO as well as that of DDA & NDMC appeared before the Committee for tendering oral evidence on 19th July, 2011. Subsequently, the Post Evidence Replies were also obtained from the Ministry. Based on all these written and oral depositions, the Committee examined the subject in detail and identified certain critical issues, as enumerated below, in the functioning of the Land and Development Office.

## II. PREVIOUS AUDIT FINDINGS

8. The functioning of the L&DO was previously reviewed and commented upon in the C&AG's earlier Reports in 1986-87 and 2000. However, despite the Ministry's specific assurances in the Action Taken Notes submitted to the PAC, most of the deficiencies pointed out in the previous Audit Reports, particularly those relating to poor documentation of properties, irregular revision and non-revision of ground rent and non-recovery of outstanding dues from lessees, continued to persist.

9. In the above context, the Committee desired to know the reasons for the inadequate remedial/corrective measures to remove the deficiencies as pointed out by the Audit in their earlier observations and that too despite an assurance given to the PAC. The Ministry, in reply, stated as under:

"Despite the constraints in the functioning of L&DO, various steps have been taken toward remedial/corrective measures. Computerisation of processing of applications has been adopted since September 2004, movement of files has been computerised, receipt of applications has been computerised,

scanning of all the files of the markets transferred to local bodies has been done, scanning of other records is in progress, scanning of different policy orders has been scanned year-wise and subject-wise, L&DO Manual has been loaded on the website of L&DO (ldo.nic.in). The policy orders being issued after the opening of website are being uploaded regularly. Other detailed progress made in computerization is as under:

- (a) Software developed for creation of database and for Management Information System (MIS).
- (b) Visual survey and data entry-completed for 4440 properties in LBZ area and 26308 properties outside LBZ area—the said data can be accessed on the L&DO's website (ldo.nic.in).
- (c) For topographical survey of land under the administrative control of the office, advertisement inviting proposal from the firms has been sent to DAVP for publishing in a national daily as per requirement of GFR.
- (d) Creation of database of land owned by L&DO in and outside Lutyen's Bungalow Zone (LBZ),
- (e) Computerization of office processes for conversion from lease hold to free hold, substitution, mutation, permissions, inspections of properties breaches notices, demand notices, recovery of dues, payments and refunds etc.
- (f) Computerized noting, check lists and letters have been made bilingual (English & Hindi).
- (g) Scanning of files have been completed in the case of markets transferred, all office orders item-wise and year-wise and cases of properties 2249 files of properties and 617 other files have been scanned so far. The scanning work is in progress.
- (h) Computerisation of documentation of 8707 has been completed. Ground rent has been revised except 169 cases of Nazul Leases. The revision of these 169 Nazul leases is in progress.
- (i) The issue of removal of encroachment was considered by the Ministry in 2006 and the detailed instructions on the issue were issued on 30.11.2006 clarifying the responsibilities of different agencies.
- (j) About 60 orders against the unauthorised occupants have been issued by ESO after the last report of CAG. The disposal of cases in the different courts is beyond the control of L&DO.
- (k) The policy of revision of ground rent in respect of petrol pumps has been finalized and issued/notified in 2006.
- (l) Due to various initiative taken by L&DO to recover the government dues the recovery has increased to Rs. 145.24 crore during 2008-09 and Rs. 308.46 crore during 2009-10."

10. The Committee asked whether the L&DO had created a data-base of land owned by it and completed the topographical survey of land. The Ministry replied in the negative and stated that two options *i.e.* (i) topographical survey of land and (ii) sharing of data collected by the Government of Delhi through geospatial survey were under consideration in the L&DO. The appropriate alternative would be chosen base on technical and financial evaluation.

11. Drawing the attention of the Ministry to their assurances that they would overcome some major deficiencies pointed out by Audit in the earlier report, by a definite timeframe, the Committee asked whether the commitments had been fulfilled. In reply, the Secretary, Urban Development deposed in evidence:

"I admit that commitment was not fulfilled fully because the entries are not completed. We have noticed that."

12. Asked to state the other difficulties for not honouring the commitments, the Secretary, Urban Development replied:

"What I have gathered from the records is that the main problems is that we do not have manpower, we have very few people."

### **III. ADMINISTRATIVE SET-UP AND MANPOWER**

13. The Land & Development Office is headed by a Director level officer, designated as Land & Development Officer (L&DO). The L&DO is assisted by the Deputy Land and Development Officer, Assistant Settlement Officer, Vigilance-cum-Legal Officer, Estate Officer, Engineer Officer, Public Relation Officer, Accounts Officer, Administrative Officer etc.

14. The original sanctioned strength of L&DO was stated to be 276. However, 57 posts has been abolished bringing down the sanctioned strength to 219 though workload had increased.

15. The Committee were informed that the Land & Development Office had been facing acute shortage of staff. Even though the total sanctioned strength stood at a meager 219, only 162 incumbents were in place. As a result, the existing officers were shouldering additional responsibilities for an extended period of time and functioning of the L&DO had been affected adversely in areas like computerization, revenue recovery, eviction and inspection of properties.

16. In the above context, the Secretary, Ministry of Urban Development stated in evidence:

".....The Office of L&DO today is beset with manifold problems. One of the major handicaps being felt by the Office of L&DO is the shortage of manpower both in the administrative and technical streams. We have shortage of personnel in all groups, that is, the officer level and also at the staff level. On the other hand, L&DO is experiencing a certain spurt in work due to the large number of RTI applications. In the year 2009-10, the L&DO office received 1237 RTI applications, which has further increased to 1489 during 2010-11. Another major area of difficulty is a large number of

court cases. At the end of the year 2010-11 there were 709 court cases pending in the Supreme Court, the Delhi High Court and various Lower Courts. This figure keeps increasing due to the institution of new cases. The pending litigations are proving to be a major hurdle in the recovery of revenue. Moreover, it drains away the manpower available with the office as the officers and staff are required to attend various courts almost on a daily basis besides spending a lot of time in the preparation of counter-replies, briefing the government counsel, etc. The time taken for handling RTI applications as well as the pending litigations takes away a substantial portion of the man hours available to the L&DO and eats into the man hours for routine office work like maintenance of records, processing of various requests of the lessees and maintenance of accounts relating to revenue collection.... "

17. When the Committee desired to know the exact staff strength required for smooth functioning of L&DO, the Ministry in a written reply submitted as under:—

"L&DO office will be in position to discharge its functions effectively with overall strength of 298. This includes the earlier strength of 276 and the proposed creation of 15 posts of Technical Staff and 7 posts for legal cell."

18. In response to a query of the Committee regarding the impediments faced in getting adequate manpower for the L&DO, the Secretary, M/o Urban Development deposed in evidence as under:—

".....What has happened is that after this office became an attached office, all the recruitment powers have been taken away from the L&DO. All the personnel have to be given by the Department of Personnel. There is also a rule that if there is any vacancy which remains vacant for one year, it gets abolished. Since posts have not been filled, they are getting abolished....."

19. In response to a specific query of the Committee, the Ministry stated that the staff strength of the L&DO was last reviewed in 2002 by the Staff Inspection Unit of the Department of Expenditure. Asked to state whether the shortage of manpower which was adversely impacting the functioning of the L&DO had ever been taken up at the appropriate level, the Ministry replied as under:—

"The acute shortage of staff strength of this office has been brought to the notice of Ministry of UD and CPWD, being the respective cadre authorities, on several occasions through letter dated 10.8.2009, 7.1.2010, 8.6.2010, 3.3.2011 & 4.7.2011 respectively. Ministry of Urban Development had also taken up this matter *vide* D.O. No. A-32016/1/2010-Admn.-IV/3027 dated 26.11.2010 and letter O.M. No. A-22012/2/2011-Admn.-1 dated 21.06.2011."

20. The Committee then desired to know categorically whether the Secretary, UD had taken up the issue with his counterpart at the DoPT. In reply, the Ministry stated that the Secretary, UD had written a D.O. letter to the Secretary, DoPT on 1st August, 2011 requesting him to provide adequate staff to the office of L&DO.

The Ministry further stated that the Minister for Urban Development *vide* his D.O. letter dated 27th May, 2011 had already written to the Minister of Law requesting him to provide a panel of officers for defending the court cases pending in the various courts.

21. The Committee asked in evidence whether the Ministry of UD had made any efforts to recruit people on contractual basis, as other Ministries were doing. In reply, the Secretary, UD submitted:—

"We are trying that .....But the problem is that we cannot hand over the files to these people. Files have to be handled by people who are in regular employment. We have some problems in that regard."

22. The Committee asked whether the problems were being brought to the notice of the DoPT with all the seriousness and on the logic that if more manpower were given to the L&DO, more revenue would accrue to the Government. In reply, the Secretary, UD stated:—

"We will do that. We will try our best."

23. Asked to state specifically whether the deficiency would be overcome within one year, the Secretary, UD submitted:—

"We will try. I will personally go to the Secretary (Personnel) and request him."

24. When the Committee desired to hear the views of the Ministry/L&DO on the need of restructuring/revamping of the Office of L&DO, the Ministry stated that in the medium/long term, the entire organization of the L&DO needed to be restructured/revamped considering the work load and the sanctioned strength. Asked to state the specific medium/long-term planning under consideration of the Ministry to restructure/revamp the L&DO, the Ministry submitted that the following proposals were under active consideration:—

- Setting up a Legal Cell to defend the court cases pending before various courts.
- Simplification of procedures.
- Strengthening of Technical Wing of L&DO with a view to undertake adequate inspections.

#### **IV. LEASE ADMINISTRATION**

25. The Committee were informed that the objective of converting the lease holdrights into freehold was to transfer the ownership rights from Government to the lessees. It was further stated that the documents submitted for conversion were examined administratively and if required, through the Ministry of Law and Justice.

26. As regards the location-wise details of residential, commercial, industrial and institutional leases, the Committee were informed that as per the information obtained from the office records, there were 49523 residential, 22 commercial,



9 industrial, 156 institutional and 311 residential-cum-commercial leases in 103 different locations in Delhi.

27. When the Committee asked the Ministry to clarify the term 'as per the information obtained from office records', it was replied that to show the definite number of leases might not be possible as the records were inherited from other sources at various points of time. The Nazul records were transferred to the L&DO from the Notified Area Committee in 1955 and the records of rehabilitation properties were transferred in 1983 from the Ministry of Home Affairs in respect of markets transferred to them. The Ministry thus submitted that in the given situation, the L&DO had to rely on the available documents for furnishing information to the Committee.

28. In view of the fact that conversion included commercial leases too, the Committee asked the reasons for not showing the records of category-wise break-up of the freehold properties to Audit. In reply, the Ministry stated that the break-up of properties upto 2004 was shown to Audit and for the subsequent period, the break-up had been computerized and was available for inspection by Audit.

29. The Committee specifically desired to know whether the Ministry/L&DO maintained year-wise records of the conversion of the leased properties. The Ministry replied in the affirmative. The Committee then asked the reasons for not showing the year-wise records to Audit when such records were being maintained. In reply, the Ministry regretted the incident and submitted that there was no intention of denying access to such records, but due to the overload of work, the records could not be retrieved from the Record rooms.

30. The volume of transactions made by the L&DO from 2004 to 2008 was stated to be as under:—

Year	2004	2005	2006	2007	2008	Total
Mortgage	24	42	34	10	08	118
Permissions						
Substitutions	755	556	545	336	220	2412
Mutations	118	143	139	50	43	493
Sale Permissions	25	14	19	01	02	61
Conversions	1886	1821	1422	824	524	6477

31. As would be seen from above, the volume of lease transactions processed by the L&DO had consistently declined over the five year period from 2004 to 2008. On being asked about the reasons for consistent decline of lease transactions processed by the L&DO, the Ministry submitted as under:—

"The number of leases decreases with the increase in the number of

free-hold properties. Accordingly the number of the applications under different lease transaction categories will continue to decrease. Secondly, the recovery of different dues has been made mandatory in the free-hold policy for the applications received on or after June, 2003 policy. In 2008 the inspection of the properties has been made mandatory in all cases if not carried out in last three years in the requests for other than free-hold and one year for freehold. Since there are large scale breaches by the lessees being found on inspections, they are now not coming forward as was being seen earlier. All these factors are leading to the decrease in number of receipt of applications for different purposes".

32. Audit scrutiny also revealed that the volume of transactions reported into the Performance Budgets of the Ministry did not tally with the computerized data base of transactions maintained in the L&DO. Audit further observed that the L&DO had given the details of 6233 leases converted into freehold from January 2005 to August 2011. But Audit could not verify from the soft copy of the data the break-up of the leases pertaining to residential and commercial category leases. Audit further pointed out that the accuracy of assertions made in the Performance Budget and the Statement of Achievements was open to debate.

33. In the above context, the Committee asked the Ministry to furnish the comparative data as found place in the Performance Budgets and as uploaded in the Computer. In response, the Ministry provided the following data:—

Lease administration activities	No. of cases as per the performance budgets for the years 2004-08	No. of cases in the IT system for the years 2004-08
Mortgage permission	118	80
Substitution	2412	1891
Mutations	493	338
Sale permissions	61	17
Conversions	6477	5030

34. Asked to state the reasons for such discrepancy, the Ministry stated that efforts were being made to complete the records and reconcile the figures.

35. The Citizen's Charter for Lessees of L&DO stipulates that L&DO will ensure quality of service by disposing of applications within a period of three months from the date of receipt, provided the information and papers submitted by the lessee are in order. However, Audit's analysis of the electronic database of

the Land Management Information System (LMIS), containing data up to August 2008 revealed the following fact:—

### Profile of Time Taken for Processing Lease Applications

Lease activity	Total	15 days or less	16 to 90 days	91 to 180 days	181 days to 1 year	1 to 2 years	More than 2 years	Percentage of cases where more than 90 days were taken to dispose the case
Conversion	5615	406	1998	1214	874	702	421	57
Substitution	2305	421	1054	342	327	147	14	36
Mutation	375	56	145	72	63	35	4	46
Mortgage	108	21	35	21	18	9	4	48
Permission								
Sale Permission	30	5	10	10	5	0	0	50
Gift Permission	2	0	1	0	1	0	0	50
<b>Total</b>	<b>8435</b>	<b>909</b>	<b>3243</b>	<b>1659</b>	<b>1288</b>	<b>893</b>	<b>443</b>	<b>51</b>

36. Audit specifically pointed out that there was lack of effective and efficient disposal of lease applications of various lands by the L&DO, only 11 per cent of applications were processed with great speed and finalized within 15 days against the available timeframe of 90 days while 51 per cent of cases were settled after considerable delays ranging from 6 to 24 months or even more.

37. In the above context, the Committee asked whether the system of processing the lease applications had been computerized by the L&DO and if so, the reasons for inordinate delay in processing the applications. In reply, the Ministry stated as under:—

"Yes, the system of processing the applications has been computerized by the L&DO. The delays in processing the applications are primarily because of the complications involved in the respective cases themselves and because of the fact that all requisite papers/complete information are not submitted by the applicants in time. It has been stipulated that the respective applications shall be disposed of within 90 days from the date of receipt of complete applications/information/documents and complete payment as applicable. Decision on an application depends on various factors e.g. correctness of particulars and details in the application, submission of requisite documents, availability of sanctioned building plan, involvement of legal issues, court cases, policy conformity, mandatory inspection of the premises, breaches by the lessee, response from the lessee, clearance of Government dues and availability of manpower etc. If the applications submitted are incomplete, government dues are pending, breaches are found on inspection, the applicants do not cooperate in completion of all the

formalities, court case is pending and any complaint or objection is pending, the decision will depend on the time taken in settlement of the issues."

## V. INSPECTION

38. As per the L&DO Manual, annual inspections of all leases are to be carried out by the L&DO. Inspections are also carried out on receipt of applications for mutation/sub-division/change of purpose etc. and whenever NDMC/MCD notice for unauthorized construction, specific written complaints etc. were received, or where breaches were to be regularized. However, Audit pointed out that in practice, no uniform policy for routine inspection of properties had been adopted. Between 1971 and 1998, inspection of properties in rehabilitation colonies was banned, presumably on grounds of fear of harassment. During 1998-99, inspections were permitted, and from 1999-2000 onwards inspections were to be conducted only when specific complaints were received. However, inspections of these properties for purposes like unauthorized constructions etc. were also within the jurisdiction of local bodies like MCD/NDMC, and it was not known whether similar bans on inspections by these bodies were also in effect.

39. Audit had also observed that they could not ascertain the number of inspections conducted by L&DO during the period 2003-2008, as the Register of Inspections was not maintained. Perusal of individual files, however, revealed that annual inspections were not being conducted. There was also no effective mechanism for ensuring that breaches were intimated to the lessees, and for watching the regularization of breaches. Audit scrutiny further revealed that the scheme of conversion of leases to freehold was introduced in April 1992, and modified four times in its scope and coverage in June 1996, June 1999, June 2003 and June 2006. However, no provision for mandatory inspection of such leases prior to conversion, which would have detected cases of unauthorized construction, misuse, breaches, encroachments etc., was made at any time. An analysis of the computerized database, which was admittedly incomplete, revealed that 90 per cent of the conversions related to rehabilitation properties were not subject to annual inspection.

40. In the above context, the Committee desired to know whether it was a fact that regular and periodic inspection on the based properties was not carried out by the L&DO. Admitting the lapses, the Ministry submitted as under:—

"Due to severe scarcity of technical man power it is not feasible to carry out inspections periodically though the L&DO Manual prescribed periodical inspections of all properties. Inspections are being carried out in the cases of applications received for conversion from lease hold to freehold and for substitution/mutation/sale/mortgage/gift permission or NOC.

Earlier As per L&DO's Manual the inspection was to be made annually. It has been revised, changing periodicity from one year to three years. Since 30-10-2009, the inspection has been made compulsory in all cases if it has not been done earlier within three years of receipt of an application for any purpose. In the case of conversion it has been decided *vide* Office Order No. 14/2009 dated 30/10/2009 that if the property has not been inspected

during the last one year preceding the date of receipt of application the inspection must be carried out due to further depletion of the technical staff strength, it is becoming extremely difficult to maintain the periodicity as mentioned in the L&DO Manual. As per records available, 6737 inspection notices were issued and inspections were conducted by L&DO during the year 2004 to 2008".

41. The Ministry further stated that they were bound to comply with the Government Policy on conversions. However, the onus for taking the policy in that direction, by making inspections mandatory in all cases, laid with L&DO, which was well aware of the ramifications of any laxity in its approach on the matter.

## VI. DOCUMENTATION

42. The Compendium of Information, issued by the L&DO in October 2005, under Section 4 of the Right to Information Act, 2005, specifies various records which need to be maintained by the individual Lease and Property sections based on their territorial jurisdiction, for exercising control over the different aspects of lease administration. Similarly, the Office Manual of L&DO also prescribed the maintenance of such records.

43. The key records, containing complete details of various matters related to leases administered by L&DO, which were to be maintained in the form of registers, are summarized as follow:—

Register	Purpose
Ground Rent Register	To watch recovery of ground rent due, and date of next revision; to be maintained separately by each dealing hand.
Squatter Register	To record squatting notices during survey of government lands; to be maintained by each Overseer to note particulars of each squatter
Register of Damages	To maintain record of damages recovered under the Public Premises (Eviction of Unauthorised Occupants) Act 1971. The register is to be maintained separately for each year.

44. However, the above registers were not produced to Audit by any of the sections. As regards the alternative method of data capture in computerized fashion, this had been done only partially. Since these registers were not produced to Audit, these were evidently not maintained, despite assurances in the Action Taken Note (ATN) on the earlier Audit Report.

45. Audit specifically pointed out that documentation of leases and properties, and maintenance of necessary records and registers was poor. Although the L&DO reportedly administered 60,526 leases covering a total area of 19,995 acres, of which 28,824 leases had been converted into freehold, the detailed breakup of current leases administered by the L&DO was not available, and the authenticity of these reported figures could not be verified.

46. In the above context, the Committee desired to know the methodology adopted by the L&DO for proper maintenance of Ledger, Property and Ground Rent Registers. In reply, the Ministry stated that earlier these Registers were maintained manually but it was proposed to computerize these Registers with a view to improve the functioning of the L&DO.

47. In response to another specific query of the Committee, the Ministry stated that regular updating of the Ground Rent Registers could not be done due to shortage of staff. In view of the non-updation of the Registers, the Committee asked the mechanism devised to ensure the accuracy and authenticity of the entries made in the Registers. In reply, the Ministry stated that on entry of the details of the property in the files by the staff concerned, the same are attested by the supervising officer to ensure its authenticity. The Ministry further stated that the maintenance of the details of the properties was independent of the updation of the Ground Rent Registers. The details of the records were being maintained in the respective property files.

48. Asked to state the periodicity prescribed for the inspection/monitoring of the Registers/Ledgers, the Ministry submitted that the supervisor used to inspect the Ledger as and when entries were made in them. However, no specific periodicity had been prescribed for the purpose. On being asked since when the Ground Rent Registers had not been updated, the Ministry replied that the Ground Rent Registers had not been updated since 1984-85.

49. In evidence when the Committee desired to hear the views of the Ministry on non-maintenance of Registers, the Joint Secretary, UD submitted:—

"Many of them (Registers) have not been maintained for the last 40 years; we have to prescribe the format and generate. So, we will need three months."

50. Expressing their surprise, the Committee desired to know the basis on which a particular property was leased out or made freehold in view of the non-maintenance of many Registers since last 40 years. In reply the Joint Secretary, UD stated:—

"We have individual files. But in a particular register, they are not there."

51. Asked to state categorically whether the L&DO had started maintaining the various Registers, the JS, UD replied:—

"It is done now."

52. The Committee asked the methodology adopted for data generation when the Ministry/L&DO did not have any trace of the files. In response, the JS, UD submitted:—

"The files are there; we have to change the format."

53. When asked to state unambiguously whether the methodology adopted by the L&DO for the upkeep and maintenance of land records was adequate and foolproof, the Ministry in a post-evidence information admitted that the effort was

inadequate and there was room for improvement. The Ministry further submitted that the L&DO was resorting to substantial computerization to bring about improvement in the extant system.

## VII. COMPUTERIZATION

54. Audit scrutiny revealed that key components of computerisation plan, including establishment of a mapping system for all land parcels to be linked to a database, digitization of layout plans for all properties and scanning of documents relating to the markets transferred to NDMC/MCD had not been effectively implemented. Audit further pointed out that the utilization by the L&DO of the computerised maps/data generated by these initiatives was not ascertainable.

55. In the above context, when the Committee desired to hear the views of the Ministry, they were informed that computerisation of documentation of 8707 files had been completed. Similarly, 2249 files of properties and 617 other files had been scanned so far.

56. When the Committee desired to know the progress made so far on the sue of computerisation, the Secretary, Ministry of Urban Development responded ring evidence:—

"...We have already started exploiting the information technology to make the functioning of L&DO smoother, faster and contemporary with a view to providing hassle free services to the public. Computerisation has been taken up on a large scale both for land records management as well as providing day to day services to the clients. A specific software called e-DHARTI is already in operation. Computerisation of various registers which help in monitoring of revenue recovery is underway. A fully computerised information facilitation centre has been established for the benefit of public visiting the L&DO office and availing various services. Information Kiosks have also been established for the benefit of the public through which real-time progress can be ascertained...."

57. The Committee asked as the pace the files were computerised/scanned, when the Ministry would be able to finish the job for approximately 30,000 property files. In response, the JS, UD submitted:—

"On Computerisation, I would like to submit that earlier about four and half crores of rupees was spent and the project has started for both hardware and software. We have both hardware and software. The basic challenge at this time is data entry... in the first priority, we are taking those properties which fetch higher revenue. There are about three thousand commercial leasehold properties. So we target to complete the entire data for those properties by this year end *i.e.* December (2011). Thereafter, we shall take rehabilitation properties which are not so high revenue earning and we will take about one year thereafter. At this moment, we have a programme *i.e.* e-DHARTI which includes the systems of conveyance deed, rejection-objection letters, inspection notice, show cause notice, breaches, reporting etc. Ground rent register is also being generated through it."

58. The Joint Secretary further apprised:—

"Now, we have to do another thing. The registers which have not been maintained till now, we shall generate all those registers through computers in next three months. Then, we want to make this system user friendly that at each and every stage when it is processed, automatic e-mail or SMS should be generated to the lessee... We are going to make all applications online. We are targeting to reduce affidavits with the help of self-certification, scanned copies and online filing. But it will take about six months for the development of this software. But within one year, we will make this system operational and bring it up to the public satisfaction."

59. The Committee asked the reasons for the projection of one year to complete the whole process when technical knowledge and know-how were available in the country, which the Ministry could outsource to accomplish the job within few months. In reply, the JS, UD submitted:—

"My humble submission is that we have taken 10 data operators through outsourcing. We cannot give it to all the people because they are property files. When I said three month, I gave a target we have set for ourselves for creation of our registers.... The software reach needs to be changed; it does not include the process; we will do it one by one and complete it within three months."

60. The Committee desired to know whether the computerisation of all the files, Registers etc. would be completed within three months. In response, the Secretary, UD stated that within three months the software work would be over, by 31st December 2011 all the files pertaining to Nazul properties would be computerised and by June, 2012 all other files/register would be computerised.

61. In view of the above assurance of the secretary, UD, the Committee look stock of the situation after December 2011. In a latest information, the Ministry stated that as on 15th March, 2012, the computerisation programme had been completed regarding input works relating to the Nazul properties. The Committee were apprised that out the total 3373 Nazul properties, 901 properties had been converted to freehold and out of the remaining 2472 leasehold properties, input pertaining to 2404 properties had been completed.

62. The Ministry further stated that computerisation of key registers like Ground Rent Register, Squatter Register, Inspection Register etc. had been completed and prepared colony-wise.

63. As regards computerization of the Rehabilitations properties, the Ministry stated that data entry had already been started and was expected to be completed as per the scheduled date.



### VIII. SCANNING OF MARKET RECORDS

64. Regarding scanning of market records, Audit had pointed out that in view of the transfer of markets under L&DO's control to NDMC and MCD, L&DO requested NIC in November, 2005 to deploy and agency (through National Informatics Centre Services Inc.) for scanning of the related property files. This task was to be completed by January, 2006. However, after payment of ₹ 0.94 lakh, NIC handed over one set of DVDs to L&DO only in January 2008, after an earlier set of DVDs handed over in August, 2006 were found to be defective. Audit further pointed out that on random checking of the fresh DVDs many blank pages were found and a few folders on different disks were empty.

65. In the above context, when the Committee desired to hear the views of the Ministry, they responded as under:—

"The scanning of documents relating to transferred markets was completed. 8500 property files were scanned and stored in 117145 image files spanning 32 CDs. Since 2398 pages were found blank, the agency was paid for 114747 images, and an amount of 30 percent was thus withheld".

66. When asked the number of files yet to be scanned and the time schedule for the purpose, the Ministry reponded:—

"All layout plans have been scanned and are used for reference purposes as and when required. All files of properties transferred to the Local Bodies have been scanned and there is no pendency. Files of other properties are not to be scanned."

67. As regards scanning of documents relating to markets transferred to NDMC/MCD, the Ministry stated as follows:—

"The scanning of documents relating to markets transferred to NDMC/MCD has been effectively implemented by L&DO. The documents in the scanned form will be used for reference as and when required."

### IX. ESTABLISHMENT OF A MAPPING SYSTEM AND DIGITIZATION OF LAYOUT PLAN

68. One major component of the L&DO's computerization plan was the establishment of a mapping system by creation of base maps on scale of 1:1250 for all land parcels. This would be linked to a database containing address and other details, which could be used for easily locating any property lease. While the total cost of the project was estimated at Rs. 1.82 crore, National Informatics Centre (NIC) was commissioned to execute Phase-I, covering 40 percent of the area, at a cost of Rs. 80 lakh for completion by March, 2002.

69. Audit scrutiny, however, revealed that the establishment of the mapping system had not even commenced as of March, 2009, despite payment of Rs. 80 lakh to NIC between September, 2001 and March, 2002. Of this, an amount of Rs. 40 lakh was released to NIC on 31st March, 2002 (eventdently to avoid lapse of funds), dispite concerns over the high rates quoted by NIC.

70. In the above context, when the Committee desired to hear the views of the Ministry, it was stated that the project could not commence since it involved flights over no fly zones of Delhi. Even after meetings with officials of NIC, the amount paid to them was not refunded, and now, a proposal was underway to utilize this amount for procuring new hardware and software from NIC.

71. The component of digitization of layout plans involved scanning of 4200 layout plans of different sizes of various colonies/land/pockets/survey which were available with L&DO for the last 70 years but were badly damaged due to wear and tear. In addition, there were about 16800 sheets of approved plans and 8600 sheets of B-1 copies. The digitization of layout plans was to be completed by 31st May, 2005.

72. Asked to explain the position, the Ministry stated that five CDs of layout plans were received. The Ministry, however, did not intimate how many plans were digitized, and how these were being utilized. Further, in none of the joint field visits by the Audit team and L&DO staff, was the use of these digitized plans, or printed copies thereof, noticed. Audit had pointed out that in the absence of details of how many plans were scanned and how the scanned data was utilized, the purported completion of digitization of layout plans could not be verified.

73. When asked to explain the present status of the mapping system and digitization of layout plans of properties, the Ministry stated as under:—

"Total 1028 maps (Lay out Plans) have been scanned. There is plan to utilize them in the e-Dharti Application. 5CDs were received from the concerned agency on 26-08-2005. Among the 5 CDs, one is an installer CD while 2 copies of Data Sets (2 CDs containing 1028 Raster (TIFF) images of Layout plans). Master copy CDs are available with NIC plus 1 set of CD is also available in L&DO as backup. The project was undertaken to digitize the layout plans as they are very old and in dilapidated condition and these will be further utilized as and when the need arises. Further, if concerns of the office regarding the security of mapping data are addressed by the Survey of India, then linking of properties and their digitized layout plans shall be considered".

74. In the course of the oral examination, the Committee pointed out that the process of topographical survey of land under the control of the L&DO to establish a mapping system was initiated in 2001, but tender for the topographical work was invited only in December, 2010 and the work was still incomplete. Explaining the position, the Secretary, UD submitted that the Defence Ministry did not give permission for aerial photography which was needed for the topographical work. Therefore, the work was cancelled and a fresh tender was floated for topographical-survey which would take a lot of time for which the Ministry were not going to consider it. The Secretary UD further stated that since the Delhi Government had already done the topo-survey, the Ministry would be sharing the data with them.

75. The Committee asked the basis on which the Defence Ministry allowed the Delhi Government to carry out topo-survey whereas the Ministry of Urban Development's request for the purpose was turned down. In reply, the Secretary, UD stated that aerial photography had very high resolution which was generally done for maps on the scale of 1:2000 whereas mapping through satellite did not have any such problem. Since the Delhi Government did the mapping through satellite, the Defence Ministry did not have any objections.

76. The Committee queried whether aerial photography could be done with low resolution cameras. The Secretary, UD replied that since the Delhi Government had done the job, they would share the data with the Delhi Government.

77. In response to another specific query, the Ministry in a post evidence information stated as under:—

"The Land and Development Office does not intend to implement a Global Information System. However, a proposal is in the offing to share the spatial data under the 3D Mapping System developed by Geospatial Delhi Limited under the aegis of GNCTD".

#### **X. LAND ALLOTMENT AND MANAGEMENT**

78. The Ministry of Urban Development set up a one man Committee of Inquiry (Yogesh Chandra Committee) in September, 2004 to examine cases of allotment by L&DO between 1998-99 and September, 2004 to social, cultural, religious and educational institutions and to recommend suitable action in cases of deviations and suggest guidelines for future allotments.

79. On being asked to furnish year-wise details of the number and the total area of land allotted by L&DO to various social, cultural, religious and educational institutions during the last 10 years, the Ministry furnished the details as shown at **Annexure-I**

80. The Yogesh Chandra Committee examined 100 cases of allotments to religious, educational, socio-cultural and political institutions. Of these cases, they found that in 68 cases, the allotments were in order, although in three cases of allotment to schools, the Committee recommended that the schools should provide a percentage of seats for children from poor families.

81. In the remaining 32 cases, the Yogesh Chandra Committee found that the allotments had been made without due regard to the stipulated procedures. Detailed action taken by the Ministry in the 32 cases was stated to be as follows:—

- (i) Allotments were cancelled in 29 cases, of which, in 23 cases, the lessees had gone in appeal against the cancellation and the matter was, therefore, *sub-judice*. The allotments had been surrendered in the other six cases.
- (ii) In two cases of allotment of religious institutions, allotments were not cancelled, after consideration by the Minister, while in one other case, no final decision had been taken.

82. When asked to state the overall measures taken by the Ministry/L&DO pursuant to the findings/observations of the Yogesh Chandra Committee, the Ministry submitted as under:—

"Pursuant to the findings/observations of the Yogesh Chandra Committee, the Ministry has constituted a Land Allotment Screening Committee for screening all the applications received for allotment of land of Government for any purpose."

83. Audit scrutiny revealed that subsequent to the recommendations of the Yogesh Chandra Committee, the Screening Committee for screening applications for allotment was reconstituted and the Guidelines were revised for allotment. During the period 2005 to 2007, 27 perpetual and 13 temporary allotments were made. In November 2006, the screening Committee decided that there was no scope for further allotment of land to Non-Governmental Organisations in the near future.

84. Audit, during the course of scrutiny of the records, had pointed out that no consolidated list of allotment from 2005 onwards was made available to them by the L&DO. However, Audit scrutiny of the minutes of the Screening Committee meetings held between December 2005 and November 2006 revealed that 29 allotments were made, of which 24 were made to local bodies/Governmental/Quasi-Governmental agencies and five to political parties.

85. On being asked whether the Guidelines prescribed by the Yogesh Chandra Committee were scrupulously adhered to by the Ministry/L&DO in all subsequent allotments, the Ministry in response submitted that they were strictly following the guidelines prescribed by the Yogesh Chandra Committee.

86. When the Committee desired to hear the views of the Secretary, Ministry of Urban Development on the land allotments to social charitable hospitals, religious and educational institutions at a lower premium, he stated in evidence:—

".....We all know that land is a resource. Government believes that this resource should be utilised for the public good. It is precisely because of this commitment that land is allotted to social, charitable, religious and educational institutions as well as hospitals, public service agencies and Government Departments at a comparatively lower premium. It is true that if the land available with the L&DO is valued at prevailing market rates and allotted at those rates, it would fetch more money to the Government. But such a commercial approach would defeat the very intention of deploying public resource of public good.... ."

87. The Committee asked whether L&DO was making any efforts to realize the true value of land in fresh transactions. In reply, the Secretary, Urban Development submitted:—

"In this context, I would like to draw the attention of the Committee to the fact that in the run-up to the Commonwealth Games 2010, L&DO disposed of by way of auction, 3 acres of land for construction of a hotel for a sum

of Rs. 611 crore. Thus, L&DO is already taking steps to realize the true value of land in fresh transactions."

88. The Committee then desired to know the specific areas where the potential for higher revenue existed. In reply, the Secretary, Urban Development stated:—

"....It would be apparent that the potential for higher revenue existed in case of Nazul leases only. The Government, therefore, proposes to focus only on these properties, especially the commercial properties for extracting the value of land by way of higher renewal premium in case of renewals or fresh premiums in case of fresh allotments. Also, the feasibility of linking the premium and the ground rent for such properties to the Zonal average action rates determined by DDA from time to time would be considered."

89. Asked to state categorically the measures taken to ensure that the scope of extracting the true value of land, at least under non-residential leases, was fully exploited, the Ministry responded that the land rates for the L&DO's land were concessional in comparison to the open market rates as they did not involve development of the land and services and commercial interests. Since these rates were policy decision of the Govt., the rates depended on the object of allotment of the land through L&DO. The allotments through L&DO were generally not for commercial benefits but aimed to meet the requirement of the Union Government Departments, Semi-Government Organisations, PSUs, religious, social, educational institutions and Recognized Political Parties, that too on temporary or lease hold basis.

90. The Ministry further stated that the institutions which serve the community were considered for allotment of land at concessional rates. Thus keeping in view their role in providing designated urban services, (such as schools, hospitals, basic infrastructure, secondary infrastructure, social, cultural, and religious contributions etc.), the rates were subsidized and did not reflect the current market rates.

91. The Ministry also reasoned that the open market land rates reflected the commercial value of land and hence, were always comparatively higher and could not be compared with the rates notified by the Government for allotment of land on temporary or regular lease hold basis.

## **XI. GROUND RENT**

92. Ground Rent constitutes one of the primary receipts of the L&DO. It is an annual charge levied at prescribed rates with reference to the premium or one time payment levied at the time of allotment. This rent is payable, in advance, either in two half yearly installments or annually on 1st April. In respect of the Nazul properties, Ground Rent is generally recoverable at the rate of 2.5 per cent per annum of the premium calculated at full market rates for premises used for remunerative purposes and the premium determined by the Government for premises used for unremunerative purposes. Ground Rent is revisable at the option of the L&DO every 30 years. However, for older Nazul leases where the Ground Rent

was under fixed amount and not based on the market rate/premium, an Office Order was issued in February 1984, whereby the earlier Ground Rent was to be enhanced by a specified multiple depending on the period of delay in revision. In respect of rehabilitation leases, the Ground Rent is nominal, but in cases of second sale/assignment, Ground Rent can be revised at 2.5 percent per annum of the value of the land.

93. Audit scrutiny, however, revealed that despite thousands of acres of land in prime locations with potential value ranging from Rs. 1,18,000 crore to Rs. 3,44,000 crore, Ground Rent receipts from the leased out properties were relatively insignificant. During 2008-09 the L&DO was receiving an average annual Ground Rent of only Rs. 40.43 per square metre. This was primarily due to the continuation and adoption of an *ad hoc* formula for enhancement of Ground Rent for Nazul leases evolved in 1984, which had no relationship with the current letting/market values of these properties. The potential for the revised Ground Rent in respect of even 1/30th of the non-residential leases, if calculated on letting value, would amount of Rs. 356 crore. Thus, leases falling due for revision during the last three years alone could have fetched Rs. 1068 crore. Audit further pointed out that the revision of Ground Rent for Nazul leases, even under the *ad hoc* formula of 1984, was in arrears, and the L&DO was not aware of how many leases fell due for revision of Ground Rent or the total amount of outstanding Ground Rent and other dues. Further the Ministry/L&DO had not revised the premium rates for allotment of land since 1998.

94. In the above context, the Committee desired to know whether any study had ever been conducted to formulate a suitable policy for revision of the Ground Rent. In reply, the Ministry stated that the revision of the Ground Rent was to be done as per the terms and conditions provided in the allotment letters/ Lease Deeds. No unilateral revision of the Ground Rent could be done without complying with such provisions as these were legally binding on both the parties.

95. The Committee asked whether it was legally binding upon the Government to renew the lease on its expiry without any changes in the earlier lease terms and conditions. When the Ministry replied in the negative, the Committee queried whether the Ministry/L&DO had explored improving the financial interest of the Government by modifying the earlier lease terms and conditions and leasing the properties to those parties which offered better financial terms. In reply, the Ministry stated that no such situation had come up so far.

96. In evidence, the Committee desired to know the year when the Ground Rent was last revised. In reply, the representative of the Ministry submitted that the rate was last revised in 1998 which was valid upto the year 2000. When the Committee asked the reasons for non-revision of the rate after 2000, the representative of the Ministry responded that they had already sent a proposal to the Finance Ministry in this regard which had given its approval. The Ministry of Urban Development was in the process of putting up a Cabinet Note for the purpose.

97. Intervening in the matter, the Secretary, Urban Development submitted in evidence:—

".....for rehabilitation properties, after 30 years it can be revised in accordance with the formula. But if the lessee transfers the land, for the first transfer there is no provision for any revision of rent, but from the second and subsequent transfer, the rent can be revised to 2.5 per cent of the land value...."

98. The Committee asked whether the provision had already been implemented. When the Secretary, Urban Development responded in the affirmative, the Committee desired to know whether the provision of 2.5 per cent of the land value pertained to the market value of the land or at the cost the land was registered. In reply, the Secretary, Urban Development submitted:—

"It is 2.5 percent of the land value for which it is registered."

99. The Committee enquired whether that did not mean that there was no circular or any other mechanism to evaluate the current market valuation of the land. In reply, the Secretary, Urban Development stated:—

"We have our land rates."

100. The Committee reasoned that the land rate should have been revised every two to three years, but it was last done way back in 1998. Agreeing with the reasoning, the Secretary, Urban Development submitted:—

"The next revision is going to take place. The Finance Ministry has given the approval and we are going to the Cabinet."

101. On the issue of realisation of revenue in terms of Ground Rent from various lessees, the Secretary, Ministry of Urban Development deposed during evidence:—

"So far as the realisation of revenues by way of ground rent is concerned, I would like to draw the attention of this august Committee to some relevant facts. Out of the total number of leases, 60526 reported by the Audit, about 4500 are Nazul and miscellaneous leases and the rest are leases for rehabilitation lands given to migrants from Pakistan, soon after independence. The ground rent for rehabilitation of lands is a mere Re. 1 per sq. yard which can be revised after every 30 year period as per 1984 formula based on letting value of the land. Also, it can be revised at the second or subsequent transfer of land. At that time the Ground Rent can be revised to 2.5 per cent of the land value."

102. The Secretary, UD continued:—

"It is further submitted that roughly half of the rehabilitation properties have been converted into free-hold already. And they have gone out of the L&DO books. In course of time, the rest of the rehabilitation properties would also become free-hold. Thus, not much revenue can be generated

from the rehabilitation properties. So far as the Nazul leases are concerned, these are mostly perpetual leases, 99 year leases and a few 30 years leases. In case of 99 and 30 years leases which are generally for commercial properties, it would be possible to realise the increased value of land as part of the new lease agreement. However, if any restriction is envisaged in the existing agreement on the premium or the ground rent for the period of extension or renewal, then the Government is legally bound to observe those conditions."

103. The Secretary, Ministry of Urban Development summed up by stating:—

"You will appreciate that valuation of L&DO land at commercial rates and the revenue that could be derived through commercial disposal would be an anti-thesis to the *cause de genre* of L&DO. At the same time, however, it is admitted that keeping in view the overall growth of land evaluations, revision of the current land rates is called for at least in respect of properties allotted for commercial and industrial use. The last revision was done a decade back. We propose to revisit this matter to make the land rates more realistic. I must also state, however, that the revised land rates would apply only to new allotments and in case of renewal of leases wherever applicable."

104. The Committee were then informed that due to legal and procedural complications, the Government came out with a policy on revision of Ground Rent. In 1984, after consulting the Ministry of Law & Justice, Ministry of Finance and Ministry of Home Affairs, a note was submitted to the Cabinet wherein the formula for revision of the ground rent was proposed. In November, 1983 the Cabinet approved the proposed formula. After approval of the Cabinet, the Office Order No. 2/1984 dated 18.01.1984 was issued as the policy. Thus, the Ground Rent was being revised as per the decision of the Government.

105. The above said Office Order of February, 1984 specified that the earlier Ground Rent was to be enhanced by a specified multiple, depending on the number of years elapsed since the due date of revision which is as follows:—

#### **Fixation of Revised Ground Rent**

1 to 10 years	Four times
11 to 20 years	Six times
21 to 30 years	Eight times
31 to 40 years	Ten times

106. However, according to Audit, there was no justification for continuing with this *ad hoc* formula. Further, under the order of February, 1984, premises occupied for residential purpose would be exempted from the scope of revision of Ground Rent; such cases would be reviewed each year to decide which Ground Rent could be revised advantageously to the Government. Evidence of such annual review/revision was, however, not provided to Audit.



107. In the above context, the Committee desired to know the reasons for the Ministry persisting with the *ad-hoc* formula of 1984 for enhancement of the Ground Rent for the Nazul leases which had no relation to current letting/market values. In reply, the Ministry stated that the formula as referred to in the C&AG Report was not an *ad-hoc* formula and it was rather a policy decision of the Cabinet. The revision was to be done according to the policy decision.

108. The Committee then asked whether the Ministry meant to say that there was no need for revision of the Ground Rent since it was a Cabinet decision, irrespective of the fact that such a decision was made almost three decades back. In reply, the Ministry submitted that in the year 1984, L&DO only devised a formula for the revision of the Ground Rent which was fixed on the basis of the land rates in a different dispensation. The Ministry further stated that a proposal for revision of the land rates was already at an advanced stage of consideration and once the land rates were fixed, the Ground Rent would also be automatically revised.

109. The Committee enquired whether it was a fact that the revision of the Ground Rent for Nazul leases, even under the 1984 formula, was in arrears. The Ministry replied in the affirmative. Asked to furnish details of the cases of arrears, the Ministry provided the following information:—

"Status of Nazul Properties where revision of Ground Rent was required is as under:—

Cases where revision of Ground Rent was pending (As per comments on ATN by Audit in previous report)	— 1490
Revised by RGR Cell	— 1085
Properties converted into freehold after revision of Ground Rent	— 125
Cases where Ground Rent was due to be revised	— 280
Cases where Ground Rent has been revised during 2010	— 111
Cases under consideration for revision	— 169"

110. When asked to furnish the reasons for the above cited arrears, the Ministry submitted that the Revision of Ground Rent Cell (RGR Cell) ceased to operate as the personnel working in the Cell had either retired or were transferred to some other organization. The Ministry further stated that the Cell had been revived and the work of revision of Ground Rent was under progress.

111. The Committee then desired to know the specific period for which the RGR Cell ceased to exist and the level at which the decision was taken to close the Cell. In reply, the Ministry stated that there was a temporary suspension of the RGR Cell from December, 2007 to January, 2010. The Ministry further stated that no formal decision was taken at any level to close the RGR Cell. Its activities ceased to exist automatically due to transfer of the then incumbents and non-posting of fresh staff due to shortage of manpower.

112. Expressing surprise, the Committee asked whether any important Cell of any Ministry/Department should cease to exist just because its employees retired or were transferred to somewhere else. In reply, the Ministry stated that the RGR Cell was not a separate Cell but the work of the revision of the Ground Rent had been assigned to the officials in addition to their normal duties which was termed as the RGR Cell. The Ministry further stated that in February, 2010, the RGR Cell was revived by giving additional charges to other officials in the L&DO to attend to the pending cases of revision.

113. The Committee then desired to know the accumulated revenue loss to the L&DO due to irregular revision and non-revision of the Ground Rent. In response, the Ministry stated that there was an accumulated revenue loss of Rs. 2 crore (approximately) to the L&DO due to irregular revision and non-revision of the Ground Rent. The Ministry further submitted that since the recovery was being made as per the policy decision of the Government, there was no ground to term it as a loss or profit.

114. The Committee pointed out that on one hand the Ministry were saying that there was an accumulated revenue loss of approximately Rs. 2 crore while on the other they were of the view that the recovery method as per the policy decisions of the Government could not be termed as loss of profit. Asked to reconcile the two contradictory statements and furnish the method followed to arrive at the figure of Rs. 2 crore, the Ministry stated that there was no scientific basis for the estimation of Rs. 2 crore. In actual terms, the accumulated revenue loss shown as Rs. 2 crore was not a loss but a deferred payment. The Ministry reasoned that since the estimated loss of Rs. 2 crore along with the interest would be recovered at any time from the lessees, it could not be termed as an accumulated loss in actual money terms.

115. Asked to state clearly whether ineffective and faulty implementation of the policy decision of the Government which led to poor recovery of Government dues could not be termed as a loss to the exchequer, the Ministry submitted that it was theoretically true that faulty implementation of the policy decision would lead to poor recovery of dues, but in the instant case it was not applicable in view of the position explained by the Ministry.

116. The Committee then wanted to be apprised of the estimated outstanding due of recovery of Ground Rent from various lessees. In reply, the Ministry stated that the approximate estimated outstanding dues in respect of recovery against Ground Rent was Rs. 100 crore pertaining to various lessees under the control of the L&DO.

117. Asked to state the periodicity since the amount of Rs. 100 crore was lying outstanding and the time schedule fixed to recover all the outstanding dues, the Ministry submitted that the figure of Rs. 100 crore was only an estimation of approximate value of the outstanding Ground Rent in respect of Nazul leases. The Ministry further stated that it might not be realistic to set any definite time frame for the recovery of outstanding Ground Rent because several Court cases were

involved wherein any action taken by the Government had to be in conformity with the legal provisions and judicial pronouncements. The Ministry also submitted that to revise the Ground Rent, the RGR Cell had been re-established to complete the work latest by 31st March, 2012.

118. In a subsequent information, apprising the Committee of the latest position, the Ministry stated that with a view to recovering the outstanding Ground Rent at the earliest, the Ministry had initiated action. The process of revision of Ground Rent in case of all Nazul leases had been completed except in 45 cases which were also being revised. An amount of Rs. 5.95 crore had been collected as Ground Rent from 1.4.2011 onwards during the current financial year. Besides this, any other service to the lessee was provided only after recovering all outstanding dues including Ground Rent. The Ministry further apprised that in order to streamline the collection of Ground Rent, the relevant Registers were being computerized under the overall scheme of computerization in L&DO.

## **XII. AUDIT FINDINGS ON HOTELS, HOSPITALS, SCHOOLS AND PETROL PUMPS/PRESS**

119. Audit pointed out that in the absence of complete and reliable consolidated records/statistics on L&DO's leases, they were forced to rely on examination of individual and selected cases of Hotels, Hospitals, Schools, Press etc. both through scrutiny of records as well as field audit.

### **Hotels**

120. L&DO had allotted land to 21 hotels. However, on Audit's request for information relating to the outstanding Ground Rent and other dues, the L&DO provided partial details in respect of only eleven Hotels. Audit scrutiny of these records revealed that an amount of Rs. 516.19 crores on account of dues recoverable was outstanding from eight hotels. The details were as follows:—

Sl. No.	Name of the Hotel	Outstanding dues of Ground Rent
1.	Bharat Hotel	Rs. 304 crore
2.	Samrat Hotel	Rs. 97.94 crore
3.	Le-Meridien Hotel	Rs. 60.90 crore
4.	Taj Mansingh Hotel	Rs. 29.57 crore
5.	Claridges Hotel	Rs. 12.88 crore
6.	Ashoka Hotel	Rs. 5.96 crore
7.	Taj Palace Hotel	Rs. 3.07 crore
8.	Janpath Hotel	Rs. 1.95 crore

121. In the above context, when asked to state the criteria adopted by the L&DO for allotment of land to the Hotels, the Ministry submitted that the allotment of land for Hotels had not been decided by the L&DO but by the Ministry. Initially the land identified for Hotels was allotted to ITDC, DTTDC, NDMC and

DDA *i.e.* Government agencies except a few private Hotels. The Ministry further stated that in some cases the land was allotted during pre-independence period. The land under some private Hotels was allotted for residential purpose. The Ministry admitted that the Hotels operating on such lands were unauthorized.

122. The Committee then enquired about the reasons for delay in the recovery of Ground Rent and other dues from the Hotels. In reply, the Ministry stated that the delay in the cases of Hotels with NDMC/DDA was due to the pendency of a policy decision required on the issues of payment of interest and charges for misuse and damages. The issues of misuse, unauthorized constructions and interest were stated to be under examination of the Government for arriving at a policy decision.

123. So far as recovery of Ground Rent was concerned, the Ministry stated that up-to-date Ground Rent had been received in respect of all the Hotels with NDMC/DDA. However, subsequently the dues on Ground Rent had been revised/updated and conveyed to DDA on 16th June, 2010. The Ministry further apprised that the Claridges Hotel had challenged the demand of the revised Ground Rent/other charges in the Delhi High Court and the matter was sub-judice. The Indian Tourism Development Corporation (ITDC) had deposited Rs. 53,56,077 in respect of charges due from the Ashoka Hotel. In case of the other two Hotels under ITDC *i.e.* Hotel Samrat and Hotel Janpath, sanctioned building plans had been called for to carry out inspection. In case of Rajdoot Hotel the lease had been cancelled and property re-entered on account of non-payment of Government dues.

124. In response to another specific query, the Ministry stated that the sites of Bharat Hotel, Le Meridien Hotel and Taj Mansingh Hotel had originally been allotted to NDMC, which sub-leased the sites without the permission of the L&DO.

125. The Committee asked in evidence whether sub-lease of land, without the approval of the L&DO, was permissible. In response, the Secretary, Ministry of Urban Development submitted:—

"That is not allowed. That becomes a misuse."

126. The Committee then desired to know as to when such misuse was detected by the Ministry. In response the Secretary, UD stated that it must have been long time back. Asked to state the specific action taken upon the detection of the irregularity, the Secretary, Urban Development responded:—

"We have raised a demand on them."

127. When the Committee desired to hear the views of NDMC on the abovesaid violation of rules, the Secretary, NDMC clarified:—

"We have not violated the order. In the allotment order this provision is there that we should not sub-lease but we can arrange for construction and operation."

128. Countering the argument putforth by the Secretary, NDMC, the Secretary, Ministry of Urban Development submitted:—

"My submission is, land was given to NDMC to build a hotel. They had given it to a third party without our permission. They had to get permission in writing. They should not have given it without our permission. That is why we are asking them for misuse charges."

129. Intervening, the Committee asked the reason for which the Ministry of Urban Development did not take back the land when NDMC failed to get permission. In response, the Secretary, Urban Development stated:—

"It is also a Government organization. So, we would sort it out."

130. When the Committee desired to know the reasons for accumulation of huge outstanding dues on the part of the Hotels and measures taken to sort out the differences, realize the amount and within a definite time frame, the Ministry stated as under:—

"The major component of the outstanding dues are interest and misuse charges. Since the basic issue of misuse itself is under dispute and that is precisely being relooked into, it may not be realistic to set any definite time frame. For the recovery of the outstanding amounts notwithstanding the constraints, all efforts are being made to settle the issue involved and recover the dues to the national exchequer."

131. Not satisfied, the Committee asked in evidence the concrete measures taken by the Ministry/L&DO to recover the outstanding dues from various Hotels, especially the Bharat Hotel which owed more than Rs. 300 crore to the Government. In reply, the representative of the L&DO stated that a meeting was held at the Secretary level involving the three organizations viz. L&DO, NDMC and CPWD wherein it was decided to inspect the complete building plans so as to gauge the misuse and unauthorized constructions.

132. Asked to state when the meeting was held and when the first inspection was done, the representative of the L&DO responded that the meeting was held in 2009 and inspection was carried out on 15/16 July 2010.

133. The Committee then pointed out that the Bharat Hotel was running since the last 27 years and asked the reasons for not taking action for such a longer period to recover the dues. In reply, the Secretary, UD stated that NDMC would better explain the reasons for not paying the Government dues. Accordingly, the Secretary, NDMC deposed that the main point was that approximately 50 per cent of the charges raised against them were that of interest only. The Committee asked whether the Ministry should not charge interest from the defaulters irrespective of the stature of the organization. In reply, the Secretary, NDMC stated that the NDMC had not yet charged interest against any Government Departments.

134. The Committee then asked the Secretary, Urban Development the course of action they would take in case NDMC failed to pay the dues within a definite time schedule. In response, the Secretary, Urban Development submitted that if the NDMC did not agree to pay the charges raised against them, then the Urban Development Ministry would take recourse to legal remedies to realize the dues.

135. In a post-evidence information, the Committee were apprised that:—

"A meeting has been held under the chairmanship of Secretary (UD) with the representatives of NDMC and DDA on 1.8.2011 to sort out the issues relating to recovery of outstanding dues from Hotels. It has been decided to relook the issues involved with reference to the relevant Master Plan. Similar exercise has been planned for recovery of dues in respect of ITDC Hotels which were disinvested. However, in these, Court cases are involved. Therefore, any step being taken has to be in conformity with the legal position and judicial pronouncement."

### Hospitals

136. Audit scrutiny revealed significant shortfalls in the treatment of patients of Economically Weaker Sections (EWS) in hospitals despite the order of the Delhi High Court which prescribed 25 per cent of the OPD beds and 10 per cent of the IPD beds for the patients belonging to EWS. In the absence of the treatment of the requisite number of EWS patients, the implicit subsidy provided by the Government through allotment of land at highly concessional rates appeared unjustified.

137. There were also several press reports that private hospitals, allotted land at highly concessional rates *vis-a-vis* the market rates, had not been fulfilling their obligations in providing free treatment to the patients belonging to the Economically Weaker Section (EWS). The earmarked free beds had been found vacant denying the poor patients this very facility. Even the Supreme Court expressed concern over the matter.

138. In the above context, the Committee desired to be apprised of the details of the Hospitals that were allotted land at highly concessional rates, the basis on which such allotments were made, the terms and conditions of the allotments etc. In reply, the Ministry stated that five hospitals namely Vidya Sagar Institute for Mental Health and Neurological Sciences (VIMHANS), Primus Ortho and Spine Hospital (POSH), St. Stephen's Hospital, Moolchand Hospital and Sir Ganga Ram Hospital were allotted land at highly concessional rates for the purpose of opening Hospital as Charitable Trusts.

139. The Ministry further stated that the condition of free treatment was incorporated as one of the conditions of allotment only in respect of POSH and VIMHANS. The condition of free treatment was not existing in the lease deed in respect of Sir Ganga Ram Hospital, Moolchand Hospital and St. Stephen's Hospital.

140. When the Committee asked whether the Ministry were aware of the various press reports regarding non-fulfilment of the contractual obligation by the Hospitals in giving free treatment to the patients belonging to the EWS and the measures taken by the Ministry in this regard, the Ministry responded as under:—

"Yes. In pursuance of the directions of the Hon'ble High Court in Writ Petition No. 2866/2002 titled as "Social Jurist vs. Government, of NCT of Delhi & Ors, an Inspection Committee headed by the Principal Secretary, Health, Government of NCT of Delhi (GNCTD) has been constituted to monitor free treatment for poor patients to be provided by Private Hospitals who have been allotted land on concessional rate. All the Private Hospitals to whom land has been allotted on concessional rate by L&DO have also been directed to comply with the directions of Hon'ble Court to provide free treatment to 25% in OPD and 10% in IPD."

141. As regards the specific monitoring mechanism devised by the Ministry/L&DO to ensure that the Hospitals adhered to the terms and conditions upon which they were allotted land at highly concessional rates, the Committee were informed as under:—

"A special Committee headed by Principal Secretary, Health (GNCTD) has been constituted to ensure effective implementation of the orders of Delhi High Court. The Hon'ble Court has also constituted an Inspection Committee headed by the Medical Superintendent, Nursing Homes. The monitoring mechanism includes inspection of the premises, communication of breaches, and re-entering the property if the breaches are not remedied. After the Delhi High Court (DHC) orders, the monthly reports received through the Inspection Committee set up by the DHC, are examined in L&DO regularly and it is observed that the OPD/IPD achievement is well below the target. The deficiencies observed by the Monitoring Committee from time to time have been communicated to the Hospitals with the directions to adhere to the conditions of free treatment as per the orders of Hon'ble Delhi High Court."

142. Asked to specify the coordinating system devised by the Ministry to take suitable action against the defaulting Hospitals, the Ministry submitted as under:—

"On the basis of reports submitted by Monitoring Committee actions under lease terms are initiated against the Hospitals which includes cancellation of allotments, re-entering of the properties and issuance of the show-cause notice."

143. On being asked to state the action taken against the individual defaulting Hospitals which were found breaching the lease conditions in terms of inadequate

treatment of EWS patients, unauthorized construction, encroachment and misuse of the allotted land, the Ministry furnished the following reply:---

- (i) "VIMHANS had been inspected from time to time and the last inspection was done on 28-29.1.2004. A large number of misuses and unauthorized constructions were observed. The allotment of the VIMHANS was cancelled on 18.5.2004 owing to unauthorised constructions/misuses and non-compliance of condition of free treatment to poor. However, taking over the possession has been kept in abeyance on 24.05.2004 after considering the representation made by VIMHANS. Monitoring Committee on 28.8.2009 informed that the hospital has taken measures for public awareness towards the facilities of free IPD beds. However, the OPD achievement is below the target. As per the Inspection Report for the month of May, 2010, the percentage achieved in OPD and IPD are 8.63 and 0.8 respectively against prescribed 25% in IPD and 10% in OPD.
- (ii) The premises of Moolchand Hospital were re-entered on 8.4.2005 as several breaches were noticed. However, re-entry has been quashed by the Hon'ble High Court upon removal/regularisation of breaches by the local body. As regards the compliance of free treatment, the Hospital approached the Delhi High Court praying for quashing of directions issued by the Ministry.
- (iii) The premises of Sir Ganga Ram Hospital were inspected and several breaches were noticed. However, hospital claimed that the breaches are covered as per MPD-2021. The issue under examination as the policy with regard to additional FAR is yet to be announced. As regards the compliance of free treatment, the Hospital approached the Delhi High Court praying for quashing of directions issued by the Ministry.
- (iv) The premises of St. Stephens Hospital were inspected on 25.2.2005 and 11.1.2008 and breaches were noticed. However, as the completion plans is not made available to this office it is not feasible to ascertain the exact extent of breaches. Final show cause notice was issued on 12.4.2005. Building Plans have been furnished by St. Stephen and the same were scrutinized and deficiencies intimated on 16.4.2008 with a direction to submit completion plans to ascertain the breaches and misuses and the same is awaited. The hospital is not furnishing the OPD/IPD details on the plea that they are not covered under the High Court Orders and filed a Misc. Petition seeking clarification in respect of the Judgement of the Hon'ble High Court.
- (v) The premises of Primus Ortho & Spine Hospital (POSH) (Veeranvali) was inspected on 19.1.2008. No unauthorized construction/encroachment was observed. The only misuse noticed is 52 sq.m. space in G.F, which is used as staff Canteen. The misuse was temporarily regularized and the dues recovered. Lease was executed on 18.2.2008. As regards compliance



to the conditions of free treatment, the deficiencies observed during the inspection done on 24.3.2009 by the Monitoring Committee, have been notified to the Hospital with a direction to adhere to the condition of free treatment as per the orders of Hon'ble High Court. The OPD achievement is well below the target As per the Inspection report the percentage achieved in OPD and IPD are 0.08 and 0.31 respectively against prescribed 25% and 10."

144. In evidence, the Committee asked the Ministry to furnish the details of the total number of beds in the Private Hospitals in Delhi that were allotted land at concessional rates by L&DO, DDA and MCD, the total number of beds *vis-a-vis* free beds available, the number of patients who availed free treatment in IPD and OPD during the last four years etc. In a post-evidence information, the following details were furnished:—

"Total number of beds in 40 identified Private Hospitals	:	5931
Total number of free beds presently available in 37 identified Private Hospitals	:	597
Total number of patients who have availed free treatment in IPD w.e.f. 01.04.2007 to till 30.04.2011	:	99681
Total number of patients who have availed free treatment in OPD w.e.f. 01.04.2007 to till 30.04.2011"	:	2926275

145. As regards the High Court Order of 2007, the representative of the Ministry apprised the Committee that the High Court had made it clear that 25 percent OPD treatment to EWS patients and 10 percent IPD treatment had to be made completely free of cost. The witness further apprised that approximately ten Hospitals had appealed in the Supreme Court against the High Court order.

146. The Committee desired to know the stand the Government had taken on the abovesaid development. In reply, the witness submitted that the Government would want the implementation of the High Court directives. The Committee, then, asked till the time the matter was not appealed in the Supreme Court what concrete measures were taken by the Government to implement the High Court orders. In reply, the representative of the Ministry stated that pursuant to the High Court order, a Committee had been constituted, headed by the Principal Secretary, Health which monitored the implementation of the High Court Order. Besides, there was another Committee in DGHS which regularly inspected and monitored the Hospital to ensure that free treatment, as prescribed by the High Court, was given to the EWS patients.

147. The Committee enquired about the procedure followed to determine that the EWS patients genuinely belonged to the weaker sections. In reply, the Ministry furnished the following information:—

"As per para 77 of the judgement of Hon'ble High Court of Delhi 'every person who has no income or has income below Rs. 5,000/- per month shall be treated under this category to begin with and unless and until the Committee constituted *vide* this judgement takes a final view in regard to fixation of criteria of minimum income for receiving benefits under this scheme.'

The Special Committee constituted under the directions of Hon'ble High Court of Delhi in a meeting convened on 9.10.2007 and decided that the income criteria for free treatment refixed as Rs. 4,000/- per family per month.

The Special Committee in a meeting convened on 13.04.2011 further decided that the income criteria may be linked to the minimum wages of an unskilled worker which is presently Rs. 6,084/- per month. Hence, the eligibility income criteria for EWS category for availing free treatment in identified Private Hospitals was fixed Rs. 6,084/- per family per month till further orders."

148. Referring to the case of the St. Stephen's Hospital which had refused to abide by the High Court Order, the Committee in evidence desired to be apprised of the latest status. In response, the Director, L&DO submitted:—

"....In case of St. Stephen's Hospital, the final status is that the Hospital is refusing to accept the condition of free treatment for OPD and IPD. They say that there was no condition mentioned in their original allotment letter. We have directed them in August, 2010 and in December, 2010 that they have to adhere to this condition because the Court has also spoken on this matter. The contention of the Hospital, the Ministry has rejected because no stay has been granted by the Court. A final show-cause notice has been issued as of February, 2011 to St. Stephen's Hospital regarding non-adherence to both issues of non-treatment of EWS category patients as well as non-submission of the building plans on the basis of which inspections could have been carried out..."

149. When the Committee asked the Secretary, Urban Development to explain the refusal of the Hospital to submit the building plans, he responded:—

"Sir, as L&DO mentioned there are two issues. One is regarding the treatment about which he has already informed. The other issue is that we wanted to inspect the premises to see whether there are any breaches. Those breaches can be ascertained only when we compare the actual construction with the sanctioned plan. The sanctioned plan is not becoming available because in Delhi, buildings do not have completion certificates, and they are not coming forward. Since they are not responding, we will go ahead and take action."

150. Expressing surprise, the Committee asked whether refusal to submit the necessary documents was not tantamount to defying the entire governmental

system and whether cancellation of the allotment would not be the most appropriate step. In response the Secretary, Urban Development submitted:—

"...As the Hon'ble Chairman said, we will now proceed ahead and cancel the allotment. That is why the show-cause notice was issued to them."

### **School/Petrol Pumps/Presses**

151. Audit scrutiny of selected Schools, Petrol Pumps and Presses revealed that there were significant breaches of lease conditions, in terms of unauthorized construction, outstanding dues of ground rent, encroachment and misuse, on which on effective action had been taken by the L&DO. The conduct of regular inspections of leased properties by the L&DO to detect such breaches was also reportedly very poor.

152. When the Committee desired to hear the views of the Ministry on the above shortcomings pointed out by the Audit, the Ministry stated as follows:—

"Inspection of the premises is under progress in the cases of Schools and Petrol Pumps. As per inspection reports, so far in the cases of Schools, Petrol Pumps and Presses, the breaches of the lease conditions have been found in all the presses, petrol pumps and 29 of 30 cases of Schools. All the Oil PSUs have been asked to remedy the breaches. After remedy of breaches, the recovery of dues will be initiated. All the concerned schools have been/ are being communicated the breaches with a condition to remedy the breaches within 30 days or to get them regularized, failing which action under the lease is to be taken. In the cases of Presses, a committee was constituted to examine various issues of inspections/breaches/its regularisation etc. with a view to suggest a realistic policy framework which may encourage compliance. The committee submitted its report in October, 2009. The report has been examined and are under consideration for a decision."

153. When the Committee desired to know the system put in place to detect breach of lease conditions by the lessees, the Ministry replied as under:—

"For detecting the breaches inspection of the premises is mandatory. As per existing orders, inspection is generally to be carried out once in a period of three years. However in all the cases of conversions, it has been mandatory to inspect the properties if the same has not been inspected during the last one year from the date of submission of the application. In other cases, the inspection is carried out if the same is not done during the last three years from the date of submission of the application or receipt of any communication pertaining to a property."

154. Asked to state categorically the number of inspections carried out by the L&DO from the year 2007 to 2011 to detect cases of breach of the terms and conditions by the Schools, Petrol Pumps and Presses, the Ministry submitted that during the said period, inspection had been carried out in respect of all the 9 premises of the presses, 57 out of 73 petrol pumps and 23 out of 123 schools.

155. The Committee then asked the concrete measures taken by the Ministry/ L&DO to penalize the lessees found to have breached the lease terms and conditions. In reply, the Ministry stated as under:—

"In the cases where the lessees agree for payment of dues required for temporary regularisation of breaches, damage charges and misuse charges are levied and recovered. If the breaches continue beyond the time prescribed, action for cancellation of lease is taken. In other cases where the lessees do not agree to remedy the breaches and pay the charges against the breaches, the action is taken to cancel the lease after final opportunity in the form of final show cause notice."

### **XIII. ENCROACHMENT OF GOVERNMENT LAND**

156. Audit had pointed out that as per the Manual of L&DO, surveys of vacant land were to be carried out twice a year. But, records of surveys were available in L&DO, which, however, intimated that they had conducted a survey, covering about 80 per cent of the area for which records were available and the results thereof were maintained in a computerized database. As per the list, there were 14 and 326 vacant plots in LBZ and in areas outside LBZ respectively, and this data did not indicate any encroachment. However, in the absence of a mapping system, the completeness of even this 80 per cent data could not be verified.

157. During field visits to 18 plots, Audit observed that the vacant plots were of such a nature that they could not have been allotted to any party and there were parks/open spaces within colonies being used for parking of vehicles. No demarcation of these plots had been done, which could increase the risk of encroachment. When Audit requested L&DO to confirm that these plots were free from encroachment, L&DO stated that all the vacant plots were under the care and maintenance of CPWD for keeping it free from encroachment.

158. In the above context, when the committee desired to have the details of the encroachment cases they were informed that 118 cases of encroachments of the Government land were reported during the last ten years. In all such cases proceedings under the PPE Act, were initiated before the Estate Officer for eviction of the unauthorized occupants. The Committee were further informed that the vacant land under the control of the L&DO were being managed by CPWD/DDA/ MCD/NDMC and detailed Guidelines for detection and removal of encroachments had been issued by the Ministry in 2006. The Committee were also informed that a total of 24.555 acres of land was reportedly under unauthorized occupation.

159. On being asked whether the L&DO carried out periodical inspections for removal of breaches, encroachments etc. of the Government land, the Ministry replied that inspections of Govt. land/properties were carried out by the Technical Staff as and when breaches and encroachments were noticed.

160. Asked to state the number of inspections carried out during the last five years, the Ministry stated that 32 inspections were got conducted during the

last five years resulting in removal of the encroachments. Asked to furnish the year wise details of the removal of encroachments, the Ministry furnished the following statement:—

Sl. No.	Year	No. of encroachment removed
1.	2006-07	13
2.	2007-08	Nil
3.	2008-09	4
4.	2009-10	2
5.	2010-11	13

161. The Committee, then, desired to know the particulars of encroachment of Government land in New Delhi (locality-wise) pertaining to unauthorized religious-cum-residential structures. In reply, the Ministry stated that there were 15 unauthorized religious structures in different parts of Delhi on the Government land under the control of L&DO. Similarly, there were as many as 91 such structures which had encroached upon the Government land under the control of NDMC. The details are at Annexures II and III respectively.

162. The Committee asked the monitoring mechanism evolved by the Ministry/ L&DO to ensure strict adherence to the inspection-Guidelines by NDMC, MCD, DDA etc. In reply, the Ministry stated that in the e-dharti software used by the L&DO, an inspection module was being developed so that regular monitoring of inspection of vacant land could be carried out.

163. The Committee then asked whether the Ministry were aware of anti-social activities being carried on by the unscrupulous elements in some of the land encroached upon in the guise of religious structures. In reply, the Ministry stated that no such instances had come to their notice.

164. Asked to state the steps taken not to provide water and electricity connections to unauthorized structures on Government land, the Ministry replied that the NDMC gave temporary electric connections to illegal religious structures subject to the condition that sanction of such connection shall not confer any legal right for regularization of building/land use and electricity supply shall be liable for disconnection without notice where the Government or Government agencies conveyed immediate action for sealing/demolition/vacation of the building/land in order to discharge their statutory obligations. The Ministry further stated that the temporary electricity connection to such places was given only to the structures existing prior to 31st March, 1993.

165. In response to another specific query of the Committee regarding connivance of the Government officials with the encroachments, the Ministry stated that no official had been found to have encouraged encroachers or connived with them in their illegal activities. The Ministry further stated that the officials concerned of the L&DO had infact initiated action against the encroachers.

#### XIV. PENDING COURT CASES

166. The Estate Officer in the Office of L&DO acts as a semi-judicial officer to start proceedings under the Public Premises (Eviction of unauthorized occupants) Act, 1971 for eviction and other works related to the proceedings such as issue of summons to witness, service of notices, pursue the proceedings, passing of order and realization of damages. As per the earlier Audit Report of 2000, there were 186 pending cases in the Court of the Estate Officer. As per the Audit Report under examination, the total cases pending with the Estate Officer had risen to 323 as of September 2008.

167. In addition, there were 592 cases pending in the various Judicial Courts. The details of the cases pending in Judicial and Estate Officers Courts were as under:—

##### Age-wise pendency of cases

Period	No. of cases in Judicial Courts	No. of cases in Estate Officer Court	Total
1970—79	Nil	47	47
1980—89	13	160	173
1990—99	43	26	69
2000—08	380	87	467
Dates of filing the suits not available	156	03	159
<b>Total</b>	<b>592</b>	<b>323</b>	<b>915</b>

168. On being asked the number of cases pending in the Court of the Estate Officer as on 31st August, 2010 and measures taken to dispose of/settle them within a definite timeline, the Ministry stated as under:—

"303 cases were pending as on 31.08.2010 in the Court of Estate Officer. Out of 303 cases, 150 cases are pending due to stay by the Judicial Courts. Since the disposal of cases by the Court of Estate Officer is *quasi judicial* function, prescribing any time frame is not under the jurisdiction of L&DO. The ESO functions under 'The Public Premises (Eviction of Unauthorised Occupants) Act, 1971.'"

169. As regards cases pending in the Judicial Courts, the Ministry stated as follows:—

"A total of 611 cases are pending in the Judicial Courts as on 06.12.2010. 13 cases are pending in Supreme Court, 323 cases are pending in High Courts and 273 cases are pending in Lower Courts and 2 are pending in CAT. All these cases are of Civil in nature. However it has been observed that most of the cases pertain to last ten years."

170. The Committee then desired to know the measures taken/proposed to reduce the pendency of cases in the Court of the Estate Officer within a definite time frame. In reply, the Ministry stated that the Court of the Estate Officer, being a *quasi-judicial* authority, it was for the Court itself to regulate the proceedings as also to take measures for reducing the pendency. The Ministry further stated that the liquidation of the pendency in the Court of the Estate Officer by and large depended upon the cooperation of the parties involved. From the L&DO side, one Deputy Land and Development Officer had been given the charge for handling the ESO Court Cases.

171. In view of 611 pending cases in the Judicial Courts, the Committee asked whether any legal cell had been constituted in the L&DO to deal with various litigations, Court Cases etc. In reply the Ministry stated that creation of legal Cell was under progress. Elaborating the matter, the Ministry further stated that with a view to strengthening the human resources to address the matters relating to Court Cases, RTI Cases, Public Grievance Cases and other legal matters, a proposal to constitute a separate Cell in the L&DO was under process.

172. Audit observed that pendency of cases adversely affected L&DO's ability to take punitive action for recovery of outstanding dues, rectification of breaches etc. When the Committee desired to hear the views of the Ministry for pendency of so many cases, they replied that the pendency was beyond L&DO's control as it neither had any legal section nor any panel of advocates of its own and it had to depend on the Government Counsels appointed by Ministry of Law. The Ministry further stated that no regular Estate Officer was available in L&DO since long, and the charge was being dealt with on temporary basis by one or other Branch Officer.

173. Elaborating the issue, the Ministry further stated:—

"The Estate Officer decides the cases mainly as per "The Public Premises (Eviction of Unauthorised Occupants) Act, 1971". The reasons for the pendency of so many cases in the Court of the Estate Officer are non-availability of a regular Estate Officer, complicated procedure provided in the above said Act, procedure given in the Civil Procedure Code, various Judicial Orders and lengthy procedure involved in issuing notices, examination of documents and witnesses and arguments of both the parties and forced adjournments on account of directions of the Courts, engagement of concerned officers/officials in the courts on the date of hearing and adjournment sought by the respondents on one or the other grounds."

174. Expressing surprise, the Committee desired to know the reasons for not constituting a legal cell despite so many pending cases in the Courts of Law. In reply, the Ministry stated that the creation of a legal cell involved creation of posts as per the Rules and required the approval of the Ministry of Finance. The proposal in this regard had been agreed to in principle by the integrated Finance Division and the final proposal was under preparation for submission to the Ministry of Finance.

175. Asked to state the time frame by which the legal cell would be constituted, the Ministry responded that since the matter involved inter-departmental consultation among the Ministry of Finance, DoPT, the Ministry of Law and Justice etc., a definite time frame might not be possible to be indicated.



## PART II

### OBSERVATIONS AND RECOMMENDATIONS

1. The Land & Development Officer (L&DO) traces its genesis to the office the Chief Commissioner of Delhi, which was responsible for acquiring land for the New Capital of Delhi in 1911. The L&DO has been entrusted with the responsibility for the administration of two categories of properties of the Government of India in Delhi viz. (i) Nazul land acquired in 1911 onwards for the formation of the Capital of India at Delhi, and (ii) Rehabilitation land acquired for the speedy rehabilitation of displaced persons from Pakistan. The main functions of the L&DO are lease administration; management of land allotted to the Government Departments and political, charitable, educational and religious institutions; recovery of Ground Rent, lease charges and other Government dues; removal of encroachments etc. However, the Committee's examination of the subject has revealed certain very disquieting aspects in the functioning of the L&DO which *inter-alia* include scant regard to the earlier Audit findings and failure to take necessary corrective measures pursuant to the PAC's earlier recommendations; acute shortage of manpower in the L&DO, inefficient disposal of lease applications, irregular inspection of the leased properties, inadequate documentation, deficient upkeep and updation of records, ineffective implementation of the computerization process, inadequate scanning of market records, improper land allotment and management, irregular revision/non-revision of Ground Rent, breaches of lease conditions by Hotels, Hospitals, Schools and Petrol Pumps, large scale encroachment of Government land and above all, lack of coordination among various Government Departments to recover the Government dues. The Committee have accordingly given their considered opinion and deliberative judgement on these shortcomings in the succeeding paragraphs.

2. The Committee note that the Audit had reviewed the functioning of the L&DO on two earlier occasions also *i.e.* once in 1986-87 and the other one in the year 2000. Upon examining the C&AG Report of 1986-87, this Committee in their 166th Report (Eighth Lok Sabha) which was presented to Parliament in 1989 had recommended that the Ministry needed to draw up an appropriate action plan for improvement in documentation. Responding to the Committees' recommendation, the Ministry in their Action Taken Notes had assured the Committee that they would update the basic records within a time bound period. Similarly, while responding to the Audit Findings contained in Para No. 5.1 of the C&AG Report No. 2 of 2000, the Ministry in their ATN furnished to the Committee assured overall improvements in the system and procedures. But the Committee are dismayed to note that despite repeated assurances by the Ministry to bring in improvement in the overall functioning of the L&DO, the Audit Report

of 2009-10 again highlighted most of the same deficiencies that were pointed out by them earlier. Needless to say, it smacks of gross inaction on the part of the Ministry in taking requisite corrective measures to remove/prevent encroachments on public land and to safeguard the interest of revenue. Although the Ministry have reportedly initiated some action like developing software for creation of data base and for Management Information System (MIS), computerization of the processing of applications, scanning of files etc., the Committee feel that the Ministry/L&DO have still miles to go to put their records in order since such measures should have been initiated decades earlier when assurances were given to Parliament. The admission by the Secretary, Ministry of Urban Development during evidence that the earlier commitments could not be fulfilled fully because of non-completion of the entries of land records and shortage of manpower bears a testimony to the non-serious attitude of the Ministry. The Committee believe that had the Ministry taken necessary corrective measures on the earlier Audit findings and implement the PAC's recommendations as assured, further deterioration in the functioning of L&DO could have been avoided. The Committee wish to draw the attention of the Government to the recommendation of the National Commission to review the working of the Constitution that the findings and recommendations of the PAC should be accorded greater weight and treat the PAC 'as the conscience keepers of the nation in financial matters'. The Committee hope that the Ministry of Urban Development would give earnest and thoughtful consideration to the Audit findings and the recommendations of the PAC so as to bring the desired systemic improvement and good governance.

3. The Committee are deeply concerned to note the statement of the Secretary, Ministry of Urban Development that the office of the L&DO today is beset with manifold problems and one of the major handicaps being felt by the L&DO is acute shortage of manpower both in the administrative and technical streams. The Committee find that the original sanctioned staff strength of 276 of the L&DO was reduced to 219 following abolition of 57 posts. Even out of the 219 reduced sanctioned staff strength, only 162 incumbents are in place, exacerbating the shortage of personnel both at the officer and staff levels. As a result, the functioning of the L&DO has been virtually paralysed in critical areas like computerization, revenue recovery, eviction and inspection of properties. It is a matter of serious concern and worry that the staff strength of the L&DO was last reviewed a decade ago. Although the L&DO has been taking up the matter with the Ministry of Urban Development which in turn approached the Department of Personnel and Training in 2010 and 2011, nothing concrete has come out. The Committee are apprised that post evidence, the Secretary, Ministry of Urban Development wrote to the DoPT on 1st August, 2011 requesting them to provide adequate staff to the office of the L&DO. The Committee desire that the Ministry of UD vigorously pursue the matter with the DoPT so that the L&DO gets the minimum required manpower for its smooth functioning. Keeping in view the typical rule that if there is a post which remains vacant for one year, it gets abolished, the Secretary, Ministry of Urban Development needs to act swiftly to get the requisite manpower definitely within one year so that the staff strength

of the L&DO is not depleted further. Till such time, efforts may be made to recruit people on contractual basis, the Ministry's reservation in this regard notwithstanding, to facilitate recovery of revenue, inspection of properties, the eviction of encroachers and discharge of other important functioning of the L&DO. The Committee would like to be apprised of the steps taken in this regard and the response of DoPT within three months of the presentation of this Report.

4. The Committee are informed that there were 49,523 residential, 22 commercial, 9 industrial, 156 institutional and 311 residential-cum-commercial leases in 103 different locations in Delhi. But the authenticity of these figures is highly doubtful in view of the Ministry's own admission that it might not be possible to show the definite number of leases as the records were inherited from other sources i.e. the Notified Area Committee for the Nazul properties and the Ministry of Home Affairs for the Rehabilitation properties, at various points of time. It is beyond comprehension that an organization which is entrusted with the responsibility of the overall lease administration, including substitution of title, mutation of title etc. of prime Government properties in Delhi, is not sure of the exact number of the leased properties in various categories on the plea that records were inherited from other sources. The Committee are startled that the L&DO on its own has not made any tangible efforts to make proper survey or inspection of the leased properties, rather it sat pretty on the records it inherited instead of verifying/cross-checking them to arrive at an authentic figure. The Committee, therefore, exhort the Ministry/L&DO to make urgent and time-bound efforts in this regard and apprise the Committee about the correct figures of the leased properties in various categories within three months of the presentation of this Report.

5. The Committee deplore that the Audit was not made available the records of conversion of the leased properties. Though the Ministry have been apologetic and claimed that the records could not be made available due to overload of work, the Committee reject outright such an excuse as denial of records and documents and non-cooperation with Audit only fuels public suspicion. The Committee would like to know the level at which the decision was taken in the Ministry of Urban Development/L&DO not to furnish records to the Audit. Further, the Committee would like to be concurrently informed of the organizations who delay or refuse to furnish information/records to the Audit irrespective of the plea invoked.

6. The Committee are displeased to observe that the volume of transactions in all the lease administration activities like mortgage permission, substitution, mutation, sale permissions and conversions as reported in the Performance Budgets (2004—08) of the Ministry glaringly varied with the respective figures as uploaded on the website. Taking cognizance of the Ministry's assurance that efforts are being made to complete the records and reconcile the figures, the Committee impress upon the Ministry/L&DO, to not only sincerely endeavour to rectify the mistakes but also take all precautionary and corrective measures to prevent recurrence of such glaring discrepancies so that the assertions made in the Performance Budgets are in sync with the Statement of Achievements.

7. The Committee are dissatisfied to note that there is lack of effective and efficient processing and disposal of lease applications for various lands by the L&DO. Although the Citizen's Charter for Lessees of the L&DO stipulates that the L&DO will ensure quality of service by disposing of the applications within a period of three months from the date of receipt, provided the information and papers submitted by the lessee are in order, yet the Committee find that as high as 51 per cent of the cases were settled after considerable delays ranging from 6 to 24 months or even more. The Ministry have attributed the reasons for such inordinate delay primarily to the complications involved in the respective cases themselves and non-submission of the complete information by the applicants. The Committee are not convinced by the reasons adduced by the Ministry for taking as much as two years in some cases to dispose of the lease applications more so when lease applications for 909 properties were processed with remarkable speed and disposed of within 15 days and even in lesser time. The Committee would like to have the detailed breakup of these properties/lease holders in due course. They are also of the view that a system should be devised whereby only applications complete in all respect and accompanied by essential documents are received and the processing of applications received monitored constantly to meet the objectives of the Citizens' Charter.

8. The Committee note that although the scheme of conversion of leases to freehold was introduced in April 1992 and modified four times in its scope and coverage in the years 1996, 1999, 2003 and 2006, they deprecate that no provision for mandatory inspection of such leases prior to the conversion which might have detected cases of unauthorized construction, misuse, encroachments etc. was made at any point of time. It is all the more worrisome that the Register of Inspections is not being maintained to ascertain the exact number of inspections and particulars of the properties being inspected by the L&DO. Moreover, the L&DO Manual prescribes periodical inspection of all properties but surprisingly, the periodicity of inspections has been raised from one year to three years due to severe scarcity of technical manpower. This, is deplorable, to say the least. The Committee are shocked to observe that conversion has been going on for years together without adequate and proper inspection of the properties. They urge the Ministry to ensure 'henceforth' that all the properties under the control of the L&DO are periodically inspected to detect unauthorized construction, misuse and encroachments. Such Inspections should be carried out *suo motu* as well, apart from receipt of specific and actionable complaints. Being accountable to Parliament, the Ministry cannot wash off their hands by just stating that the onus of mandatory inspections lies with the L&DO, an attached officer, who must be aware of the ramifications of any laxity or complicity in its approach on the matter. As the nodal Ministry, they ought to help the L&DO to address the constraints like acute shortage of manpower which impedes regular inspections of the properties. The Committee further recommend that the Ministry should regularly and appropriately take up the matter with the Ministry of Home Affairs and the Delhi Government so that the properties under the control of NDMC and MCD are also inspected regularly so as to remove and prevent encroachments on public land.

9. The Committee are saddened that various basic records like the Ground Rent Register, the Squatter Register and the Register of Damages are not being maintained by the L&DO for the last 40 years. The Ministry's submission that the details of the records are being maintained in the respective individual property files is flawed. Equally deprecating is their reasoning that maintenance of the details of the properties is independent of the updation of the Registers in view of their own admission of non-updation of the Ground Rent Registers since 1984-85. The Committee hardly need to stress the indispensability of the requirement of an office like L&DO to maintain the consolidated records at one place both in the electronic format and in the manually maintained Registers, instead of relying on scattered individual files to avoid possible misuse or fraud. The Committee, however, note the assurance of Ministry of Urban Development that the L&DO has started maintaining the various Registers and started computerization substantially. The Committee desire that due care be taken to ascertain the data being recorded/transferred. The Committee also desire that a specific periodicity be prescribed for the inspection of the Registers/Ledgers by the supervisory officers so as to rectify the anomalies, if any, besides taking action against the officers who fail to make timely entries in the Registers.

10. The Committee note that the Ministry/L&DO have started, albeit very late, harnessing the Information Technology to make the functioning of L&DO smoother, faster, contemporary and above all transparent with a view to providing hassle free and efficient services to the public. The Committee are informed that in the matter of computerization of land records, first priority is being accorded to the commercial lease hold properties which fetch higher revenue and as on March, 2012 out of 3373 such properties, 901 had been converted to freehold and out of the remaining 2472 commercial lease hold properties, computerization pertaining to 2404 properties was complete. The Committee desire that the computerization of the remaining 68 commercial leasehold properties be finished expeditiously as the actual achievement in this regard falls short of the assurance given to the Committee for completing the process of computerization of the commercial lease hold properties by December, 2011. The Committee also recommend that vigorous efforts be made to maintain the momentum and complete the computerization of the rehabilitation properties and all files, ledgers, registers etc. by June, 2012 in accord with the assurance of the Secretary, Ministry of Urban Development so as to bring in transparency and public scrutiny of the overall property management by the L&DO.

11. The Committee deplore that the NIC failed to scan the layout plans and documents relating to the markets transferred by the L&DO to the NDMC/MCD by the stipulated target of 2006. The random scrutiny of the scanned documents and plans by the Audit revealed many defects with the result the Ministry with held 30 per cent payable amount to the NIC. The Committee desire that besides withholding certain percentage of payable amount, the Ministry of Urban Development should take up the matter with the Department of Information Technology so that contractual breach on the part of the NIC is brought to the notice of the Departmental Head and the NIC is warned to be careful and

meticulous enough to fulfil the contractual obligations. Now that the scanning of all the documents relating to the transferred markets has been completed, the Committee recommend that the uploads be regularly updated and monitored to ensure authenticity and ease of reference in public domain.

12. The Committee are highly concerned to note that Phase-I of the establishment of a mapping system which was awarded to the NIC at a debatable high cost of Rs. 80 lakh, paid between September, 2001 and March, 2002, for execution by March 2002, had not even commenced as of March, 2009. Worse still, the amount paid to the NIC was not refunded for which the Ministry/L&DO propose to utilize the amount for procuring new hardware and software from the NIC. The Committee are also surprised to observe that although the process of topographical survey of land under the control of the L&DO to establish the mapping system was initiated in 2001, the tenders for the same were floated as late as in December, 2010. To compound the ill-conceived proposal of the Ministry, the work was finally abandoned as the Defence Ministry did not give permission for high resolution aerial photography which was needed for the topographical survey. This is a sad commentary on the Ministry's functioning especially in view of the fact that the Delhi Government were successful in getting the permission from the Defence Ministry and mapping the land, using a different technology *i.e.* Satellite which the Ministry of Urban development could not even anticipate. Now that the Delhi Government have accomplished the job, the Ministry have no option but to share the spatial data under the 3D mapping system developed by the former. While deploring the imprudent planning and unfruitful expenditure on the part of the Ministry/L&DO, on matters involving public importance and public money, the Committee recommend that such laxity at the cost of the national exchequer be discarded forthwith and lack of due diligence viewed as dereliction of duty. The Committee are also of the firm opinion that requisite interest on Rs. 80 lakh, which was held by the NIC for almost a decade without accomplishing the assigned job, be charged upon and recovered from them alongwith the principal amount as per the contractual agreements for the simple reason that a defaulting firm, whether Government or private, should in no case be allowed to go scot free for breach of contract.

13. The Committee note that a one man Committee of Inquiry (the Yogesh Chandra Committee), constituted by the Ministry of Urban Development in September 2004 to examine cases of allotment of land by the L&DO between 1998-99 and September 2004 to various institutions, found that in 32 cases, out of the 100 cases examined by it, allotments were made to religious, educational, socio-cultural and political institutions without due regard to the stipulated procedures. Pursuant to the observations of the Yogesh Chandra Committee, the Ministry sprung to action and cancelled 29 allotments. Surprisingly, the then Minister refrained cancellation of two allotments while in one case the final decision is yet to be taken. The Committee also note that subsequent to the recommendations of the Yogesh Chandra Committee, the Ministry have constituted a Land Allotment Screening Committee and revised the Guidelines for the purpose of receipt and screening all the applications for allotment of Government land for

any purpose. The Ministry have assured the Committee that they are strictly following the Guidelines prescribed by the Yogesh Chandra Committee in all subsequent allotments. The Committee trust that the Ministry/L&DO will continue strict adherence to the revised Guidelines for allotment of land for every purpose so that no fingers are raised against the motives nor any occasion arises for cancellation of allotments. The Committee would also like to have the details of the two allotments which were not cancelled due to the Minister's intervention and the present status of the one undecided case of doubtful allotment, as pointed out by the Yogesh Chandra Committee.

14. The Committee appreciate the Government's concern and commitment in allotting land at a comparatively lower premium to social, charitable, religious and education institutions as well as to Hospitals, Public Service Agencies etc. with the intention of deploying public resource for greater public good. At the same time, the Committee are of the considered view that it is the duty and responsibility of the Ministries concerned to ensure through constant monitoring that all such allottees fulfil scrupulously the terms and conditions of allotment for greater public good as stipulated by the Government. So far as allotment of land for commercial purposes is concerned, the true value of the land commensurate with the extant market rate must be realized without exception. The auction of three acres of land by the L&DO for construction of a hotel in the run-up to the Commonwealth Games, 2010 which fetched the Government an amount of Rs. 611 crore reflects the true value of land in the National Capital. The Committee, therefore, urge the Ministry/L&DO to fully explore and exploit the potential for higher revenue in a transparent manner so as to extract maximum value of land in all cases of renewals and fresh allotments, especially in cases of commercial leases. The Committee further desire that the feasibility of linking the premium and ground rent for the commercial properties to the Zonal average auction rates determined by the DDA be taken into consideration, as assured to the Committee.

15. The Committee are perturbed to note that the Ground Rent receipts, which constitute one of the major receipts of the L&DO, are relatively paltry despite thousands of acres of land leased in prime locations with potential value ranging from 1,18,000 crore to 3,44,000 crore. Further, the Ministry last revised the premium rates for allotment of land in 1998 which was valid till the year 2000. The Committee find that the abysmally low receipts on account of Ground Rent and premiums are primarily due to the continuation and adoption of the formula for enhancement of Ground Rent for Nazul leases evolved in the year 1984, which has now no relationship with the current letting/market value of these properties. The Ministry's reasoning that they are adhering to the 1984 formula as approved by the Cabinet is specious since it is not the duty of the Cabinet to remind the Ministry to put up a note for its consideration, but the responsibility lies with the nodal Ministry to approach the Cabinet for appropriate policy decisions from time to time. The Committee demand an explanation from the Ministry as to what prevented them from approaching the Cabinet after 1984 for enhancement of ground rent and how the loss to the public exchequer can be

made good. Further, the Committee recommend that the matter may be taken up to the Cabinet with a sense of urgency for appropriate revision in land rates/ground rent. The Committee also recommend that after the Cabinet approval, the specific multiples for the enhancement of the Ground Rent depending on the number of years elapsed since the due date of revision, as contained in the Office Order of February, 1984, be suitably modified and the dues recovered retrospectively. Needless to emphasize, the schedule of area-wise letting values should also be considered for upward revision at regular intervals, in line with the fluctuations in the land market so as to generate reasonable revenue from the L&DO's vast land holdings in prime locations.

16. The Committee are dismayed to note that an amount of Rs. 100 crore is outstanding towards Ground Rent involving 169 leases of Nazul properties. The Ministry have reasoned that the above dues were pending because the Revision of Ground Rent (RGR) Cell ceased to operate temporarily as the personnel working in the Cell had either retired or were transferred to some other organizations. The Committee find that though the Cell was closed for more than two year *i.e.* from December 2007 to January, 2010 but the Ministry view it as a temporary suspension. What is more baffling is the Ministry's statement that no formal decision was taken at any level to close the RGR Cell, but the cell ceased to operate upon transfer of all the staff posted there. The Committee view the closure of RGR Cell or over two years when Rs. 100 crores dues were pending for recovery as unconscionable. The Committee are constrained to observe that they cannot exonerate the departmental heads responsible for mass transfers from, and closure of, the RGR Cell. The Committee therefore urge the Ministry to investigate the matter and fix responsibility on the Officers concerned for such unconscionable conduct.

17. The Committee note that the RGR Cell was revived in February, 2010 and the process of revision of Ground Rent in case of all Nazul leases has been completed except in 45 cases which are also being attended to. But the Ministry's inability to set a definite time frame to revise the Ground Rent for all the leases and recover the outstanding dues, on the pretext of litigations and court cases, is not acceptable to the Committee. In their considered view, the Government must act in conformity with the legal provisions and judicial pronouncements to avoid or minimise litigations. The Committee, therefore, exhort the Ministry to act and put in place an effective oversight mechanism so as to ensure proper assessment of outstanding dues on Ground Rent and their recovery within a definite time frame.

18. According to the Ministry, there was an accumulated revenue loss of Rs. 2 crore (approximately) to the L&DO due to irregular revision and non-revision of the Ground Rent, although there is no scientific basis for the estimation of the amount. As an after-thought, the Ministry have expressed the view subsequently that the accumulated revenue loss shown as Rs. 2 crore was not a loss in actual money terms but a deferred payment and since the recovery is being done as per the policy decision of the Government, there is no ground to



term it as loss or profit. The Committee outright reject the contention of the Ministry and wish to caution the Ministry that such a fallacious argument and faulty implementation of the policy decision coupled with inaction for a longer period causes loss of revenue to the Government. In the instant case, the Ministry have been clinging to a policy decision taken almost three decades back which has undisputedly outlived its utility and it cannot be used as a shield for every non-performance and lapse. The Committee therefore impress upon the Ministry to revisit the issue, and take appropriate measures to calculate the revenue loss to the Government due to irregular revision or abnormal delay in revision of the Ground Rent and also set a specific time-frame to recover the amount alongwith penal interest from the lessees concerned.

19. The Committee are extremely concerned to note that an amount of ₹ 516.19 crore is outstanding on account of recoverable Ground Rent and other dues like misuse and damages against eight Hotels. The outstanding dues include Rs. 304 crore against the Bharat Hotel, Rs. 97.94 crore against Samrat Hotel, Rs. 60.90 crore against Le-meridian Hotel, Rs. 29.57 crore against Taj Man Singh Hotel, Rs. 12.88 crore against Claridges Hotel, Rs. 5.96 crore against Ashoka Hotel, Rs. 3.07 crore against Taj Palace Hotel and Rs. 1.95 crore against the Janpath Hotel. The Ministry have apprised the Committee that the delay in the recovery of the outstanding dues in the cases of hotels with NDMC/DDA is due to the pendency of a policy decision required on the issues of payment of interest and charges for misuse and damages. The Committee are not satisfied with the reasoning as nowhere the Ministry have been able to convince the Committee that they taking pro-active measures to either convince the Government or expedite the recovery of outstanding dues from the defaulting Hotels. The Committee, therefore, impress upon the Ministry to take up the matter with a sense of urgency at the appropriate level so that the policy decision on the matter is finalized without further delay to facilitate recovery of the outstanding dues.

20. The Committee are perturbed to note that the sites of the Bharat Hotel, Le Meridian Hotel and Taj Mansingh Hotel were originally allotted to the NDMC which sub-leased the sites without the permission of the L&DO. According to the Ministry of Urban Development, such sub-lease of the sites by the NDMC, without permission from the L&DO, is violation of the rules. The Secretary, NDMC while admitting that sub-lease is not allowed, defended NDMC's action on the ground that construction and operation are permissible. The Secretary, NDMC further submitted that the NDMC was not paying the charges raised against them by the Ministry of Urban Development for violation of rules because 50 per cent of the charges raised against them were on account of interest. It was also contended that the NDMC has not yet charged interest against any Government Departments. The Committee find the admission of the NDMC quite specious and devoid of merit. They are therefore, of the considered view that the NDMC violated the rules by sub-leasing the property allotted to them, and that the Ministry of Urban Development have a lawful duty to raise demand against the NDMC for expeditious recovery of the outstanding dues including the interest. Taking note of the assurance of the representative of the Ministry of

Urban Development to initiate appropriate measures for recovery of outstanding dues from the NDMC, the Committee would like to be apprised of the outcome of the measures initiated within three months of this presentation of the Report.

21. The Committee observed that five hospitals namely Vidya Sagar Institute for Mental Health and Neurological Sciences (VIMHANS), Primus Ortho and Spine Hospital (POSH), St. Stephen's Hospital, Moolchand Hospital and Sir Ganga Ram Hospital were allotted land at highly concessional rates for the purpose of opening Hospital as Charitable Trusts. The condition of free treatment to the patients belonging to the Economically Weaker Section (EWS) was one of the terms of allotment in respect of POSH and VIMHANS whereas no such condition was incorporated in the lease deeds of the other three Hospitals *i.e.* St. Stephen's Hospital, Moolchand Hospital and Sir Ganga Ram Hospital. The Committee would like to be apprised of the specific reasons for which no condition of free treatment to EWS patients by the above said three Hospitals was incorporated in their lease deeds, more so when they were allotted land at highly concessional rates. Now that these three Hospitals have approached the Delhi High Court praying for quashing of directions issued by the Ministry for free treatment of EWS patients, the Committee would also like the matter to be pursued vigorously so that all the Hospitals who were allotted land at concessional rates extend the prescribed free treatment to the EWS patients. The Committee would like to be apprised of the outcome of the efforts made by the Ministry in this behalf.

22. The Committee observe that the Delhi High Court passed an Order in 2007 prescribing 25 per cent of the OPD beds and 10 per cent of the IPD beds for patients belonging to EWS by the Hospitals which were allotted land at concessional rates. The Committee find that in pursuance of the direction of the High Court, an Inspection Committee headed by the Principal Secretary, Health, Government of Delhi has been constituted to monitor the free treatment of the poor patients to be provided by the private Hospitals allotted land on concessional rates. The Court itself has also constituted an Inspection Committee headed by the Medical Superintendent, Nursing Homes for the same purpose. The findings of these Monitoring Committee are a matter of extreme concern to the Committee. For example, as per the Inspection Reports, pertaining to a specific period, the percentage achieved in OPD and IPD free treatments by VIMHANS has been 8.63 and 0.8 respectively against the prescription of 25 per cent and 10 per cent. The achievement of POSH is worse which stands at 0.08 for OPD treatment and 0.31 for IPD treatment. Decrying such glaring shortfalls on the part of the Hospitals in giving the prescribed free treatment to the patients belonging to EWS and the flagrant violation of the lease, the Committee impress upon the Ministry to warn the defaulting Hospitals to mend their ways within a specific period failing which stringent and exemplary action, including cancellation of allotment, be taken against them.

23. The Committee are shocked that the premises of the St. Stephen Hospital could not be inspected to ascertain the breaches of conditions of land allotment like unauthorized construction and misuse as the Hospital refused to furnish the

originally sanctioned building plan which was required to ascertain the breaches, if any. The Committee view that denial of the building plan to the Government as open defiance which cannot be booked. They therefore urge the Ministry to take immediate legal recourse against the hospital for stalling the inspection and for violating the terms and conditions of the lease if established strong exceptions to such an inexplicable conduct on the part of the Hospital and take exemplary action against it as per the lease terms and conditions.

24. The Committee are started that, breaches of the lease conditions have been noticed in all the Presses, Petrol Pumps and 29 and 30 Schools inspected. The Committee note that pursuant to the inspections, the Ministry/L&DO have issued notices to all concerned to remedy the breaches. The Committee therefore recommend that after collecting the damages and misuse charges from these institutions, the Ministry should give them adequate opportunity to rectify/remedy the breaches, failing which necessary action be taken against them in accordance with lease provisions. Since inspection of the premises of the lessees is mandatory for detecting breaches of the lease conditions, the Committee impress upon the Ministry/L&DO to regularly inspect the premises of all the Schools, Presses, and Petrol Pumps so as to take both precautionary and punitive measures as may be warranted.

25. Large scale encroachment of the Government land under the control of L&DO and NDMC, especially pertaining to unauthorized religious cum residential structures is another serious issue which has engaged attention of the Committee. To be very specific, the Committee find that there are 15 unauthorised religious structures existing in different parts of Delhi on the land under the control of L&DO. Similarly, there are as many as 91 such structures which have encroached upon the Government land under the control of NDMC. One of the typical features of the land management and control that has come to the notice of the Committee is the fact that the vacant lands under the control of L&DO are being managed by CPWD/DDA/MCD/NDMC and the Ministry of Urban Development have issued Guidelines to all concerned for detection and removal of encroachments. The Committee believe that mere issuance of Guidelines will not deter the encroachers who seem to have taken the weak inspection system for granted. As encroachment of precious land in any form is not acceptable to the Committee, they urge the Ministry of Urban Development to intensify their monitoring and inspection mechanism in coordination with other Departments concerned for proper detection and early removal of all encroachments, without exceptions. The Committee further recommend that priority be accorded to removal of encroachments on road/side walks, public parks and green areas and water and electricity connection taken unauthorisedly or given temporarily be disconnected forthwith. Responsibility also be fixed against officers who turn a blind eye to such unauthorized constructions being dereliction of duty.

26. The Committee note that as of December, 2010, 13 cases are pending in the Supreme Court, 323 cases in the High Courts and 273 in the Lower Courts. Similarly, 303 cases were pending in the Court of Estate Officer. The

Committee are informed that pendency of so many Court cases is beyond L&DO's control as it has neither any legal section nor any panel of Advocates of its own for which it has to depend on the Government Counsels appointed by the Ministry of Law. To worsen the matter, no regular Estate Officer is available in the L&DO since long and the charge is being dealt with on temporary basis by one or other Branch Officer. The Committee find that in order to address the above constraints, a proposal to constitute a separate cell in the L&DO to deal with matters relating to Court cases, RTI applications etc. is under process. However, the Ministry's contention that a definite time frame is not possible to be indicated for the constitution of the Legal Cell is not acceptable. The Committee therefore, impress upon the Ministry to initiate urgent necessary measures for constitution of the Legal Cell and appointment of a permanent Estate Officer in L&DO so that the pendency of large number of Court cases is decreased to the barest minimum and recovery of outstanding dues, removal of encroachments etc. which are impeded by litigations, are effectively addressed.

NEW DELHI;  
24 April 2012  
4 Vaisakha, 1934 (Saka)

DR. MURLI MANOHAR JOSHI,  
*Chairman,*  
*Public Accounts Committee.*

**ANNEXURE I****YEAR-WISE DETAILS OF THE NUMBER & THE TOTAL AREA OF LAND  
ALLOTTED BY L&DO TO VARIOUS SOCIAL, CULTURAL,  
RELIGIOUS AND EDUCATIONAL INSTITUTIONS  
DURING THE LAST 10 YEARS***(Area in acres)*

Sl. No.	Year	Socio-cultural		Religious		Educational	
		No.	Area	No.	Area	No.	Area
1.	2000	7	2.4323	3	0.789	4	3.702
2.	2001	6	1.433	1	0.3833	9	8.804
3.	2002	20	5.979	7	1.286	3	2.483
4.	2003	9	1.915				
5.	2004	4	1.252	1	0.559		—
6.	2005	—	—	—	—	—	—
7.	2006	—	—	—	—	—	—
8.	2007	—	—	—	—	—	—
9.	2008	1	0.099				
10.	2009	4	0.675				
11.	2010					1	0.554
<b>Total</b>		<b>51</b>	<b>13.7853</b>	<b>12</b>	<b>3.0272</b>	<b>17</b>	<b>15.543</b>

NOTE: There is no separate category of allotment as Social or as Cultural. The category is Socio-Cultural".

**ANNEXURE II****LIST OF ENCROACHMENTS ON GOVERNMENT LAND UNDER THE  
CONTROL OF L&DO**

Sl. No.	Name of Religious Structure	Address
1.	Sarv Shakti Sanatan Dharam Sabha	I' Point, P.K. Road.
2.	Udasin Ashram	I' Point, P.K. Road.
3.	Satya Sanatan Agam Nigam Hanuman Temple	Near Tilak Bridge.
4.	Shiv Mandir Samiti No.1	Minto Road Area.
5.	Shiv Mandir Samiti No.2	Minto Road Area.
6.	Dargah	Albert Square, DIZ Area.
7.	Rati Ram	Prem Nagar.
8.	Krishna Adhyatmik Kuteer Temple	Prem Nagar.
9.	Roman Catholic Church	Khan Market.
10.	Purana Shiv Shakti Mandir	Lodhi Road.
11.	Bala Ram/Mangal Khalifa	Kidwai Nagar.
12.	Radha Krishan Shiv Mandir	Prem Nagar.
13.	Hanuman Mandir	Near CPWD Godown, Aliganj.
14.	Maharishi Balmiki Temple	Rati Ram, Prem Nagar.
15.	Hindu Dharam Pracharni Sabha Temple	Kidwai Nagar.

**ANNEXURE III****LIST OF ENCROACHMENTS ON GOVERNMENT LAND UNDER THE CONTROL OF NDMC**

Sl. No.	Name of Religious Structure	Address
1	2	3
1.	Masjid	B-Block Corner, Connaught Place.
2.	Masjid	K-Block Corner, Connaught Place.
3.	Indira Masjid	New Arena Emporium, B.K.S. Marg.
4.	Shiv and Hanuman Mandir	DIZ Area Sector-IV, Gole Market.
5.	Kalali Masjid	R.K. Ashram Marg (Sector-C).
6.	Shiv Mandir (Mano Kameshwar)	H-Block, Kali Bari Type-I.
7.	Balmiki Mandir	Balmiki Basti, Mandir Marg.
8.	Shiv Mandir	G-Point, Kali Bari Lane.
9.	Shiv Shakti Mandir	G/13, Rashtrapati Sampada Awas.
10.	Shivji Mandir	Near Lal Bahadur Sadan, Bhai Veer Singh Lane.
11.	Shiv Mandir	Behind NDMC Electric Sub-Station, Old R.K. Ashram Lane, K-Block.
12.	Mandir Kali Mata	Bangla Sahib Road.
13.	Mandir	B.K.S. Marg, G-Point.
14.	Mandir	D-Avenue, Park Side, Sarojini Nagar.
15.	Durga Mandir	Export Market, Sarojini Nagar.
16.	Mandir	L-Avenue, Sarojini Nagar.
17.	Mandir	HPT, Sarojini Nagar.
18.	Gurudwara	XY Block, Sarojini Nagar.
19.	Temple	Round about Talkatora Road.
20.	Masjid	Darbanga House Lane.
21.	Masjid	K.G. Marg Circle.
22.	Masjid	Maulana Azad Road Circle.

1	2	3
23.	Masjid	Parking of India Gate, Man Singh Road.
24.	Mandir	Near Flyover Safdarjung.
25.	Mandir	Khanna Market.
26.	Mandir	Bharti Nagar.
27.	Mandir	Khan Market.
28.	Mandir	Palika Niwas.
29.	Mandir	Brij Mandal Shiv Mandir, Aliganj.
30.	Balmiki Mandir	Aliganj.
31.	Balmiki Mandir	Near Double Storey Aliganj.
32.	Praachin Hanuman Mandir	Aliganj.
33.	Shivalaya Malcha Mandir	Dharam Marg.
34.	Gurudawara	Malcha Marg Market.
35.	Mazar	Kautiliya Marg, Near Bihar Bhawan.
36.	Shri Bhuvneshwari Mata Mandir	Kautiliya Marg behind P.S., Chankaya Puri.
37.	Prahariwali Mata Mandir	Kautiliya Marg.
38.	Hanuman Mandir	Vinay Marg Near Ashoka Hotel.
39.	Shankar Mandir	Madhulimay Marg.
40.	Ram Mandir	Madhulimay Marg.
41.	Shaktipeeth Veshnao Devi Mandir	Vinay Marg, Near Nehru Park.
42.	Balmiki Mandir	Nehru Park, Vinay Marg.
43.	Bharon Mandir	Nehru Park, Vinay Marg.
44.	Shiv Mandir	Manas Marg, Babu Dham.
45.	Sheetla Mata Mandir	Dhaura Kuan, Chankayapuri Railway Station.
46.	Maa Vaishnao Devi Mandir	Madrasi Camp, Moti Bagh.
47.	Gurudwara	Palika Bhawan, R.K. Puram.
48.	Shiv Mandir	Sarojini Nagar Depot.
49.	Shri Ram Mandir	Sarojini Nagar Depo t.



1	2	3
50.	Uttarakhandi Shiv Shakti Mandir	Cement Godown, Netaji Nagar.
51.	Shiv Mandir	Near Primary School No. 4, Moti Bagh-I.
52.	Shiv Mandir	Electric Service Centre, Malcha Marg.
53.	Ram Mandir	Anant Ram Dairy.
54.	Mandir	Back side of Bank of Baroda, Sansad Marg.
55.	Mandir	Gujrati Mkt., Janpath Lane.
56.	Mandir	Atulgrov Road Opp. P&T Flats.
57.	Mazar	Vakeel Lane.
58.	Masjid	Back side of Bank of Baroda, Sansad Marg.
59.	Masjid	Janpath Rd. Near Janpath Hotel.
60.	Masjid	Patel Chowk, Ashoka Road.
61.	Mandir	Hailey Lane.
62.	Mandir	Navnirman Shiv Mandir, D Block, East Kidwai Nagar.
63.	Mandir	Arya Samaj Mandir, D-Block, East Kidwai Nagar.
64.	Mandir	Shiv Hanuman Mandir, E-Block, East Kidwai Nagar.
65.	Mandir	Khatlidiva (Durga) Mandir, E-Block, East Kidwai Nagar.
66.	Mandir	Badri Narain Mandir, East Kidwai Nagar.
67.	Geeta Mandir	East Kidwai Nagar. Near South Market.
68.	Sanatan Dharam Mandir	B-Block, Kidwai Nagar.
69.	Shiv Hanuman Mandir	Near Gate-1, Safdarjung Hospital.
70.	St. Merry Church	D-Block, East Kidwai Nagar.
71.	Balmiki Mandir	D-Block, East Kidwai Nagar.

1	2	3
72.	Shiv Shakti Hanuman Mandir	D-Block, Central Mkt., Kidwai Nagar.
73.	Gurudwara	D-Block, East Kidwai Nagar.
74.	Mazar	D-Block, East Kidwai Nagar.
75.	Durga Saraswati Mandir	D-Block, East Kidwai Nagar.
76.	Shiv Hanuman Mandir	Near Safdarjung Tomb, Aurbindo Marg.
77.	Mandir	West Kidwai Nagar D-II Flats.
78.	Shiv Shakti Mandir	Laxmi Bai Nagar.
79.	Laxmi Narain Mandir	Laxmi Bai Nagar.
80.	Gurudwara	Laxmi Bai Nagar.
81.	Sanatan Dharam Mandir	Laxmi Bai Nagar.
82.	Kali Mandir	Laxmi Bai Nagar.
83.	Shiv Mandir	Laxmi Bai Nagar.
84.	Radha Krishan Mandir	Laxmi Bai Nagar.
85.	Mandir	Back side of Shankar Mkt.
86.	Mandir	Back side of Shankar Mkt.
87.	Mandir	Back side of Bengali Sweet, Todarmal Lane.
88.	Mandir	Barakhamba Lane.
89.	Mandir	Barakhamba Lane, Power Finance Corporation Ltd.
90.	Mandir	Chelmsford Road.
91.	Masjid	Back side of Bengali Mkt.

## APPENDIX I

### MINUTES OF THE THIRD SITTING OF THE PUBLIC ACCOUNTS COMMITTEE (2011-12) HELD ON 19TH JULY 2011

The Public Accounts Committee sat on Tuesday, the 19th July 2011 from 1100 hrs. to 1400 hrs. in Room No. 53, Parliament House, New Delhi.

#### PRESENT

Dr. Murli Manohar Joshi — *Chairman*

#### MEMBERS

#### *Lok Sabha*

2. Shri Anandrao Vithoba Adsul
3. Dr. Baliram
4. Shri Bhartruhari Mahtab
5. Shri Shripad Yesso Naik
6. Shri Sanjay Nirupam
7. Shri Jagdambika Pal
8. Dr. Kavuru Sambasiva Rao
9. Shri Adhi Sankar
10. Kunwar Revati Raman Singh
11. Shri K. Sudhakaran
12. Dr. Girija Vyas

#### *Rajya Sabha*

13. Shri Tariq Anwar
14. Shri Prasanta Chatterjee
15. Shri Naresh Gujral
16. Shri Prakash Javadekar
17. Shri Satish Chandra Misra
18. Prof. Saif-ud-Din-Soz

## SECRETARIAT

1. Shri Abhijit Kumar — *Director*
2. Shri D.R. Mohanty — *Deputy Secretary*

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

1. Shri Vinod Rai — Comptroller and Auditor General of India
2. Ms. Rekha Gupta — Dy. CAG (Report Central)
3. Ms. Shubha Kumar — Director General (Report Central)
4. Shri A.M. Bajaj — Principal Director (Economic & Service Ministries)

**Representatives of the Ministry of Urban Development and Poverty Alleviation  
(Department of Urban Development)**

1. Shri Navin Kumar — Secretary (UD)
2. Shri R.C. Mishra — Additional Secretary (UD)
3. Shri Arun Goel — Joint Secretary (DL)
4. Smt. Sudha Krishnan — Joint Secretary & FA (UD)
5. Shri Shailash Kumar Singh — Joint Secretary (UT)
6. Shri Mahmood Ahmed — Director (L&DO)

**Representative of NCT of Delhi**

Shri Anshu Parkash — Pr. Secretary (H&FW) GNCTD

**Representative of NDMC**

Shri Santosh D. Vaidya — Secretary, NDMC

**Representatives of Delhi Development Authority**

1. Shri Nand Lal — Finance, Member, DDA
2. Shri Pawan Kumar — Economic Adviser, DDA

2. At the outset, the Chairman welcomed the Members, the Comptroller and Auditor General of India and the representatives of the Ministry of Urban Development and Poverty Alleviation (Urban Development) and the Government of NCT, Delhi. Apprising that the meeting was convened to take evidence of the Ministry of Urban Development and Poverty Alleviation (Department of Urban Development) on the subject 'Functioning of the Land & Development Office', the Chairman impressed upon the witnesses to keep the deliberations of the Committee as confidential until the Report on the subject was presented to the House. He then requested the Secretary, Department of Urban Development to give a brief account of the follow up action taken by the Ministry on the Audit findings to improve the overall functioning of the Land & Development Office. The Secretary

accordingly briefed the Committee on action taken by them on various deficiencies, as pointed out by the Audit, which *inter-alia* included poor documentation of the properties, irregular revision and non-revision of ground rent, non-recovery of huge outstanding dues from the lessesses, especially Hotels and Hospitals, significant breaches of lease condition in terms of unauthorized construction, encroachment etc.

3. During the course of deliberations, the Committee expressed their displeasure over the tardy progress made by the Ministry in taking follow up action on several deficiencies pointed out by Audit in 2009-10 as well as a decade ago. When the Secretary, Department of Urban Development clarified that there had been some improvement in the facts and figures in the written reply, as furnished to the Committee, the Chairman sought an explanation as to why the updated reply was not made available to the Committee and directed the Secretary to furnish the same urgently. He also asked the Secretary, Department of Urban Development to send the status report on various issues, as discussed, within three days.

4. The Chairman thanked the representatives of the Ministry of Urban Development and Poverty Alleviation (Department of Urban Development) and the Government of NCT Delhi for appearing before the Committee and furnishing the available information, on the subject. The Chairman also thanked the Members for their active participation in the discussion on the subject.

*The witnesses, then, withdrew.*

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

5. Thereafter, one of the Members drew the attention of the Chairman to one Member of Parliament of a particular political party going to the media and distorting the deliberation of the sitting of the Committee held on 28th June, 2011. Expressing his concern over misreporting of the discussion of the Committee, he opined that it constituted breach of privilege. Some other Members countered it saying that whatever had been said outside the Committee and that too by an MP who was not a Member of PAC should not be taken into cognizance.

6. The Chairman clarified that it was for the political party concerned to see what their spokespersons used to say to the media and as the Head of the PAC, he had nothing to do with it. He, however, apprised the Members that he personally called the reporter concerned and told him that such misreporting of the contents of the deliberations of the Committee was unacceptable as it would impede the effective functioning of the Committee. So far as the issue of breach of privilege was concerned, the Chairman told that many unpleasant situations would crop up if the past was dug. He categorically mentioned that casting aspersion on the integrity of the Chair, as had been done earlier and on record, was also a fit case for breach of privilege, but he chose to forget and forgive. He accordingly requested the Members to work *in tandem*, rising above party affiliation, to maintain the rich legacy of the PAC. The Members concurred.

*The Committee, then adjourned.*

## APPENDIX II

### MINUTES OF THE TWENTY-FIRST SITTING OF THE PUBLIC ACCOUNTS COMMITTEE (2011-12) HELD ON 24th APRIL, 2012

The Public Accounts Committee sat on Tuesday the 24th April, 2012 from 1500 hrs. to 1600 hrs. in Room No. '51' (Chairman's Chamber), Parliament House, New Delhi.

#### PRESENT

Dr. Murlī Manohar Joshi — *Chairman*

#### *Lok Sabha*

2. Shri Anandrao Vithoba Adsul
3. Shri Bhartruhari Mahtab
4. Shri Shripad Yesso Naik
5. Dr. Girija Vyas

#### *Rajya Sabha*

6. Shri Prasanta Chatterjee
7. Shri Prakash Javadekar
8. Prof. Saif-ud-Din Soz

#### SECRETARIAT

1. Shri Devender Singh — *Joint Secretary*
2. Shri Abhijit Kumar — *Director*
3. Shri D.R. Mohanty — *Deputy Secretary*
4. Smt. A. Jyothirmayi — *Deputy Secretary*

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

1. Shri A.M. Bajaj — Pr. Director, Audit
2. Ms. Geetali Tare — Pr. Director, Audit
3. Ms. Sudha Rajan — Director

2. At the outset, the Chairman welcomed the Members and the representatives of the Office of the Comptroller and Auditor General of India to the sitting of the Committee. Apprising the Members that the meeting had been convened to consider

and adopt four Original Draft Reports of the Committee, the Chairman desired that the said Reports be taken up one by one for consideration for appropriate incorporation of the views, if any, of the Members therein.

3. Accordingly, the Committee took up the following Draft Reports for consideration and adopted the same:

- |       |  |     |     |     |
|-------|--|-----|-----|-----|
| (i)   | ***  | *** | *** | *** |
| (ii)  | ***  | *** | *** | *** |
| (iii) | ***  | *** | *** | *** |
| (iv)  | <b>'Functioning of Land and Development Office'</b> based on C&AG Report No. 6 of 2009-10. |     |     |     |

4. The Committee, then, authorized the Chairman to finalise the Draft Reports in light of the factual verifications, if any, received from Audit and present the Reports to the House on a date convenient to him.

5. The Chairman thanked the Members for their cooperation and active participation in the discussions. He also thanked the representatives of the Office of the C&AG for their valuable inputs and assistance to the Committee in the examination of the subjects. The Committee also appreciated the hard work put in by the Secretariat in drafting and finalising 25 Reports during the current term of the Committee.

*The Committee, then, adjourned.*

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\*\*\* Matters not related to this report.