

Executive Summary

Introduction

Delhi, being a city state and also the capital of the Country with an area of 1483 sq. km. and a population of 1.67 crore (as per census 2011), has a great need for planned development to make it a world class city. Further, with the explosive growth of population, the importance of providing necessary infrastructure in a reasonable time and effective manner cannot be overstated.

The Delhi Development Act, 1957 (DD Act) enacted by the Central Government in 1957 provides that the objective of the Delhi Development Authority (DDA) shall be to promote and secure the development of Delhi according to the Master Plan. Thus, DDA is responsible for acquisition and development of land for various developmental schemes as per the Master Plan approved by the Central Government. The land is acquired through Delhi Government and placed at the disposal of DDA for development purposes as approved under the various development schemes.

Audit Objectives and Scope

The Performance Audit was conducted to assess:

- Whether land management activities were executed with efficiency, economy and effectiveness and whether these were undertaken in accordance with the applicable legal and regulatory framework;
- Whether an efficient planning mechanism for carrying out the land management activities was in place and was functional;
- Whether an effective system of record management and documentation existed and was functional;
- Whether an effective and efficient internal control and monitoring system was in place for planned implementation of the land management activities.

The land management activities in DDA commence with the planning for acquisition of land. Requests for acquisition of land are sent to Delhi Government. Land acquired by Delhi Government as per the Land Acquisition Act, 1894 (replaced by ‘The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013’) is handed over to the Land Management (LM) Wing of DDA. The land taken over by LM Wing is to be transferred to the user department/Engineering Wing of DDA for developing the same as per the relevant development schemes and the Master Plan requirements. The developed land should be disposed off for various purposes including institutional, residential, commercial and industrial use, by DDA in accordance with the provisions of Nazul Rules by the Land Disposal (LD) wing. Protection of the land with DDA

is an indispensable function of land management and planned development. Land Protection activities are carried out by the LM and Engineering wings of DDA. Activities relating to land acquisition, development, protection and disposal were examined by Audit at DDA Headquarters as well as various field offices.

Significant Audit Findings

Budget, Receipt and Expenditure

Budget estimates of land acquisition, development and disposal were not prepared on a realistic basis keeping in view actual receipt/ expenditure.

(Para 1.5)

Land Acquisition

The Master Plan of Delhi provides the vision for planned development of Delhi. The National Capital Territory of Delhi has been divided into 17 Zones as per the Master Plan. The Zonal Development Plan (ZDP) contains, *inter alia*, site plan and use plan indicating approximate location and extent of land uses proposed in the Zone as well as detailed information regarding provision of social infrastructure, parks and open spaces, circulation system, etc. Audit noticed that the ZDPs of 16 Zones were submitted by DDA between February 2009 and September 2009 i.e. after two years from notification (February 2007) of MPD-2021, and were approved by MoUD between March 2010 and June 2010. Thus, finalization of ZDPs was delayed by more than two years. Further, the Plan for one Zone i.e. Zone 'D', was yet to be notified by DDA (June /October 2016).

(Para 3.1.1)

Monitoring and periodical review of Master Plan of Delhi (MPD)-2021 was not conducted as prescribed in the Master Plan. The Monitoring Unit set up in August, 2007 was not provided with modern data processing facilities and other necessary resources required for carrying out the task.

(Para 3.1.2)

MPD-2021 had envisaged alternative options for development of areas identified for urbanization in MPD-2021 through involvement of the private sector in land assembly and development. For this purpose, a land pooling policy was approved by the Central Government in September, 2013, but due to lack of coordination between DDA and Delhi Government, on pre requisite formalities such as declaration of development areas, the policy has not been operationalised yet (October 2016).

(Para 3.1.3)

DDA had no consolidated information/database in respect of land acquired and utilized for various schemes as well as vacant land in hand. The information relating to vacant land lying with DDA and acquired land during 2010-11 to 2014-15 provided by different wings of DDA was at variance. Further, joint inspection carried out by audit revealed shortages in land vis-à-vis the area reported by DDA in its records.

(Para 3.2.1)

There was lack of coordination between DDA and Delhi Government in acquisition proceedings, release of compensation/ enhanced compensation, receipt of land from Delhi Government, reconciliation of accounts and proper utilisation of funds by Delhi Government, which resulted in:

- Non-reconciliation of compensation amount between DDA and Delhi Government.
- Non-receipt of utilisation certificate from Delhi Government.
- Non receipt of land even after release of full payment.
- Double payment of enhanced compensation.

(Para 3.2.2)

There was delay in completion of land acquisition process. Time taken for release of compensation to Delhi Government, after receipt of demand from Delhi Government, ranged from seven month to more than eight years. Further, the time taken for transfer of land to user departments (or non transfer of land upto October 2016), after taking possession of land from Delhi Government, ranged from one month to more than nine years.

(Para 3.2.3)

In respect of seven cases of acquisition, although the awards were announced before 01 January 2009 for acquisition of 2052 acres of land, physical possession of only 486 acres of land was received up to October 2016. As such, land measuring 1566 acres has not been received (June/October 2016) which may lapse, in view of the Land Acquisition, Rehabilitation and Resettlement Act, 2013.

(Para 3.2.4)

Recommendations

- The MPD should be monitored regularly as per the prescribed periodicity and the monitoring unit should be equipped with all the necessary resources to carry out its duties effectively. DDA should take necessary action to finalise the Zonal Development Plan of Zone 'D' at the earliest.
- DDA should develop a proper database of total land and appropriate records maintained in all wings should be properly reconciled.
- DDA should develop systems to ensure timely processing of all the payment requests for compensations and enhanced compensations. DDA should also ensure that the acquired land is transferred to the user department/wing within a reasonable time after the possession of land is received in the Land Management wing.

Land Development

Proper and effective planning was important for timely and cost effective implementation of the development activities. It was important that plans for development were prepared after carrying out proper site surveys, necessary technical studies and in accordance with the identified requirements. Audit noticed various deficiencies in planning for land development activities, which included:

- Non availability of clear site before award of work.

- Delay in submission of structural drawings.
- Failure to take required approvals from various bodies before start of work.
- Non approval of revised administrative approvals & expenditure sanctions and non-revision of technical sanctions.
- Foreclosure of work due to encroachments, agitations and court orders.

(Para 4.2)

Audit noticed delay ranging from six months to more than 17 years in start of work, after the approval of layout plan/ administrative approval and expenditure sanction by the competent authority. Further, delay in completion of works was noticed in the range of three to 43 months. Delays ranging from 15 months to 55 months were also noticed in handing over of completed works to the concerned authorities.

(Para 4.3 and 4.4)

Joint Inspection with DDA representatives' revealed non-utilisation of land handed over to user departments.

(Para 4.5)

Recommendations

- DDA should strengthen its planning mechanism for land development activities. The estimates should be prepared after proper site verifications, technical study and according to the requirements of the development plan.
- DDA should ensure that implementation of the development works is taken up in a time bound manner and as per the prescribed technical estimates. Revised approval of the estimates should also be taken in time and as per the prescribed norms.
- DDA should ensure proper coordination with other local bodies, agencies and public utilities so that the development works are carried out smoothly, all the clearances are received in time and completed works are handed over to the ultimate user at the earliest.

Land Disposal

Audit noted that there was neither a documented policy/timeframe to prioritize, schedule and plan the land disposal activities nor a centralized record/database of number of plots available and disposed off by DDA.

(Para 5.3.1 and 5.3.3)

No records relating to valuation of land and fixation of reserve price was provided to Audit, in the absence of which audit could not draw an assurance that any guideline in this regard existed and valuation was carried out properly and with necessary due diligence.

(Para 5.3.4)

DDA allots Nazul land either through tender/auction or by the process of allotment after consideration by Institutional Allotment Committee (IAC). For the process of allotment, the

application was to be processed within a period of three months from the date of application. Audit noticed that:

- IAC meetings to process the cases for allotment of institutional land were not held regularly. Only seven IAC meetings were held during the period 2010-11 to 2014-15 as against the requirement of 30 meetings.
- 13 out of 36 cases put up to IAC did not fulfil the requirements of Nazul Rules and allotment was made in four of these cases.
- DDA did not have clear guidelines or policy to decide whether a society was running for charitable purpose. Different standards and criteria were used in different cases.
- In all the five cases of concessional allotment under socio-culture category, the applicants did not fulfil all the requirements of the Nazul rules. There was also delay between seven months to more than 11 years in processing of these cases.
- Deficiencies were noticed in processing of cases with respect to requirements/ criteria framed for allotment of land to religious societies

(Para 5.4.1, 5.4.2, 5.4.3 and 5.4.4)

As per Guidelines on Land Management, three *per cent* to four *per cent* of land acquired by DDA is to be utilized for commercial use such as for hotels, banquet hall, multilevel parking, office space etc. Audit noticed that there has been a declining trend in the allotment of commercial plots. The percentage of plots disposed during 2010-11 to 2014-15 ranged between three *per cent* and 15 *per cent* of the number of plots put to disposal. Further scrutiny of the records of allotment of commercial land revealed the following deficiencies:

- There were delays ranging from 26 to 481 days in intimation to successful bidders as against the stipulated period of 15 days.
- Instances of Floor Area Ratio (FAR) and ground coverage being allowed to the bidder in variance either with the norms of the MPD-2021 or with the Government orders were noticed.
- Instance of reserve price of a commercial plot being successively reduced over the years were noticed, whereas all other commercial plots auctioned during the period in the same area had higher reserve prices.
- Other issues including omission to sign rectification deed, intimation of granting extension of time communicated at the fag end, encroachment of land by the successful bidder prior to making payment of land were also noticed.

(Para 5.5.1 to 5.5.5)

The Nazul rules prescribe tender or auction as the mode of allotment of land. However, Audit observed that a plot of land was allotted at the current market rate, without tender or auction, treating it as a strip of land. The correctness of the current market price arrived at could not be verified in audit due to absence of any record in this regard. The case was also not referred to the Land Allotment Advisory Committee, which recommends the cases of allotments for commercial purposes and industrial uses.

(Para 5.6)

DDA announced 'ROHINI' residential scheme in the year 1981. While announcing the scheme, it was envisaged that the allotment would be made through draw of lots periodically. 16 draws were held between 1982 and 2014. During the period covered in audit, DDA had issued possession letters to 125 applicants. Audit/ test check of records of 24 cases provided to audit revealed certain deficiencies such as delay in holding draw for allotment, deficiencies in submission of required documents; loss of revenue in respect of unearned increase etc.

(Para 5.7)

Alternative allotment of residential plot is given on the recommendation of Delhi Government to the persons whose land was acquired for planned development of Delhi under the scheme of Large Scale Acquisition, Development and Disposal of land in Delhi. Once recommended, DDA was to prepare a seniority list and make allotment of alternative plots through periodic draw of lots. During test check of 17 alternative allotment cases, issues like-delay in making alternative allotment; delay in handing over the plot to allottees; allotment of land in excess of the prescribed norms etc. were noticed.

(Para 5.8)

DDA allots land to a Government Department as per request of the concerned department for construction of school, hospital, police station, bus depot etc. In the test checked cases of allotment of land to Government Departments, Audit noticed the following deficiencies:

- Delay in processing of cases ranging from five to 93 months
- Failure to hand over plots.
- Allotment of land in excess/short of the norms prescribed in the Master Plan of Delhi.

(Para 5.9 and 5.9.1)

Joint Inspection with DDA representatives revealed instances of land not being used or being used unauthorisedly and land lying vacant as no construction had been carried out by the allottees at the site.

(Para 5.10)

Recommendations

- DDA should prepare and adopt a comprehensive Land Disposal policy which should prescribe the principles and parameters for identification, prioritization and scheduling for land disposal programmes. Further, MoUD should take necessary action to resolve dispute of DDA & DSIIDC in consultation with Delhi Government to enable industrial development of Delhi.
- DDA should ensure that the land disposal activities are carried out in a timely manner as per the applicable regulatory framework and the norms should be uniformly and consistently applied in all the cases. Further, norms for identifying charitable nature of the institutions for allotment of lands on concessional terms should be laid down.
- DDA should implement an effective post allotment monitoring framework to ensure that all the conditions of allotment of land and post allotment obligations are being complied with by the allottees.

Land Protection

In the scenario of growing population with increasing demand of land for various purposes, land being a premium and finite asset with resultant existence of various vested interests, it was very important to have a robust and effective land protection system. With regard to the land protection activities, Audit observed that:

- Information pertaining to vacant land, land under encroachment and land being protected was incomplete and not updated.
- There were encroachments and cases of failure to construct boundary wall.
- There was an overall shortfall of 31.77 *per cent* in carrying out demolition programmes during 2010-11 to 2014-15.
- There was inadequate field staff for protection of land.
- There were deficiencies in execution of demolition programme including late reporting of encroachment, non-handing over of land to the Engineering Wing, ambiguities noticed in area under jurisdiction of engineering divisions and resultant lack of proper land protection activities.

(Para 6.2, 6.3.1 to 6.3.4)

Recommendations

- DDA should lay down and implement a land protection system where construction of boundary wall/fencing/similar protection structure and setting up of sign boards declaring these to be DDA lands, is carried out immediately after the land is received.
- Regular inspections of the vacant land should be carried out and all the encroachments should be immediately reported and remedial action taken at the earliest.
- DDA should initiate action to ensure utilisation of land for intended purposes in a time bound manner.

Nazul-I Land

No consolidated information/database in respect of Nazul-I lands transferred from erstwhile Delhi Improvement Trust, Land & Development Office, Gaon-Sabha Lands of urbanised villages as well as the details of individual Nazul Properties, leases and their status was maintained. There were also deficiencies noticed in lease administration and conversion of leases from leasehold to freehold.

(Para 7.2)

Perpetual lease of 90 years was required to be renewed after specific intervals. At the end of 90 years, land would lapse to DDA or could be made freehold by the lessee. However, there was no mechanism in DDA to watch and monitor the renewal of leases, as some leases were renewed up to second renewal, while others were not renewed at all. The third renewal was not done in any of the test checked cases.

(Para 7.3)

As per terms and conditions stipulated in lease deeds the ground rent, at the rate of two *per cent* to 2.5 *per cent* per annum of the premium determined by Government, was payable in advance, either in two half yearly installments or annually. However, the demand of ground rent was not raised regularly as per the terms of lease and recovery of ground rent was in arrears, which was not monitored. Further, if any person was in unauthorised occupation of DDA's property, the Estate Officer of DDA would assess the damages at the rates fixed by DDA from time to time. Damages were also to be levied on the ex-lessees/ occupants, in the case of expired/ cancelled leases. For collection of damage charges, Show Cause Notices were to be issued regularly. Audit, however, noticed that there were delays up to 32 years in raising the demand of damage charges on the unauthorized occupants.

(Para 7.4)

There were commercial activities being undertaken on the vacant land of the L&DO, transferred to DDA for care and maintenance/ land leased out by DDA for residential purposes.

(Para 7.5)

Recommendations

- DDA should ensure that a comprehensive database and record of all types of leases administered by it is prepared. This should also be regularly updated to reflect the current changes viz. titles, periodic renewals. Additionally, these records should also be integrated with land database.
- DDA should develop a comprehensive policy for effectively dealing with the expired leases in Nazul -I land. This policy should aim at balancing all the interests like those of planned development of these areas, revenue interests of DDA and interests of the existing lessees.

Record Management

The Guidelines on Land Management of DDA prescribed various types of records to be maintained relating to Land Management in various wings of DDA. Audit reviewed the records maintained in DDA and noticed that:

- Various important records and registers, which were prescribed, were not maintained/ updated in various wings.
- Records relating to land acquisition cases, ledgers, lease files etc were not being maintained properly and some of the records were mutilated.

(Para 8.1 and 8.2)

Internal Audit and Accounts

- Internal Audit was not able to complete audit of various units at the required periodicity of audit. Settlement of pending internal audit paragraphs was also slow.
- DDA was not preparing Income and Expenditure Accounts and Balance Sheet in respect of its Nazul-II lands.

- There were differences in the amounts reported in different branches for expenditure incurred on acquisition of land.

(Para 9.1 and 9.2)

DDA, in its reply (June/October 2016) as well as in the Exit Conference, stated that Standard Operating Procedures (SOPs) relating to Land Management and Mobile Applications for land protection and e-Measurement Books have been developed (2015-16) and are being implemented.

General Recommendations

- DDA should prepare an Office Manual laying down the organization structure and defining roles and responsibilities across levels of the organization along with Standard Operating Procedures for various activities and processes with defined timelines. The recently introduced SOPs and other initiatives should be institutionalized and monitored to ensure that these are integrated into the work processes of DDA.
- As DDA deals with varied activities in Land Management and multiple wings of DDA participate in this process, DDA may consider implementation of an Enterprises Resource Planning (ERP) system, integrating all aspects of its functioning.
- DDA should maintain all the prescribed records and ensure their completeness, accuracy, timely updation and proper upkeep. A comprehensive database of land stock with all details and present status must also be maintained. Further, considering the importance, age and quantum of records, DDA should complete the digitalization of its records at the earliest.
- It is important to have an effective coordination and cooperation mechanism between DDA and Delhi Government. An effective mechanism should be evolved where all the pending issues between DDA and Delhi Government are settled.
- DDA needs to implement a strong system for effective internal monitoring of land management activities.

