

Chapter 2

Land & Building Department

2.1 Functioning of Land & Building Department

Executive Summary

Land & Building Department (L&BD), Government of National Capital Territory of Delhi (GNCTD), is responsible to initiate the process for acquisition of land under the Land Acquisition Act, 1894 (the Act) for Departments/agencies requiring private land in National Capital Territory of Delhi (NCTD) for development projects. On receipt of the request from Departments/agencies for acquisition of private land, the Principal Secretary (L&B) brings out notifications under Sections 4, 6 and 17 of the Act for acquisition of land with the approval of Lieutenant Governor of GNCTD.

A performance audit of L& BD covering the period from 2005-06 to 2009-10 was conducted in April- May 2010 covering the matters of operational efficiency, financial management, property management issues and monitoring by top management. The performance audit revealed:

- ❖ The decision of the Union Cabinet dated 22 August 1987 to set up a separate Housing Board could not be implemented till March 2011, thereby restricting the planned development of the city and availability of affordable houses to its citizens.
- ❖ The recovery of loan through Housing Loan Branch of Department was grossly uneconomical. Against the outstanding loans of ₹108 lakh, a sum of ₹ 4.18 lakh could only be recovered during the period from 2005-06 to 2009-10. The expenditure of the Housing Loan Branch during this period was ₹178 lakh.
- ❖ There were inordinate delays in land acquisition cases. In 20 test checked cases though the land was to be acquired on urgent basis for development projects by DMRC, DDA and MCD, the L&BD took three to 24 months just to get approval of Lieutenant Governor for notification under Sections 4 and 17 of the Act. Sixty two cases for land acquisition were pending with the Department as on September 2010, out of which seven and 45 cases pertained to the period from 1992 to 2000 and 2000 to 2008 respectively.
- ❖ The Public Works Department (PWD) had not maintained centralized records for government properties. In the absence of such records it could not be ascertained how many quarters/flats and other properties are owned by the GNCTD.

- ❖ Non-revision and rationalization of rates for water charges timely put an undue burden of ₹ 2.80 crore on the government during the period from April 2005 to March 2010 as PWD has been supplying DJB water to 3820 flats in 9 colonies at old rates while it paid charges for water supplied to Delhi Jal Board at the revised rates.
- ❖ 984 Government flats at 18 locations were lying unallotted, though PWD & Housing (Estate Branch) had 4581 employees in the waiting list for allotment of government flats, as of May 2010.
- ❖ The Department failed to timely recover the ground rent from allottees of 10 petrol pumps. As a result an amount of ₹ 1.48 crore was lying outstanding against them as of March 2010.

2.1.1 Introduction

Land & Building Department (L&BD), Government of National Capital Territory of Delhi (GNCTD), is mainly responsible to initiate the process for acquisition of land under the Land Acquisition Act, 1894 (the Act) for other agencies. Departments/ agencies requiring private land in National Capital Territory of Delhi (NCTD) for development projects make requisitions to L&BD for acquisition of identified piece of land. On receipt of the request from agencies like Delhi Development Authority, Delhi Jal Board, Delhi Metro Rail Corporation, Public Works Department etc. for acquisition of private land, the Principal Secretary (L&B) brings out notifications under Sections 4, 6 and 17 of the Act for acquisition of land with the approval of Lieutenant Governor of GNCTD. The role of L&BD is limited to bringing out notifications and arranging funds from land requiring agencies for payment of compensation to land owners. All other subsequent functions relating to acquisition of land are performed by respective Land Acquisition Collectors, who discharge their official functions under the administrative control of Divisional Commissioner, GNCTD.

In addition, Land & Building Department is also responsible for -

- custody, management and disposal of the government property including agricultural land declared by law to be evacuee properties left behind by the migrants to Pakistan after partition of the country;
- maintenance of the ownership record of all government properties situated in NCTD;
- pursuing the legal matters in different Courts of law relating to land acquisition; and
- recovery of housing loans disbursed by Assistant Housing Commissioner.

Upto September 2009, the Public Works Department & Housing (PWD&H), GNCTD, which manages the Government's residential and commercial properties and coordinates with the NCR Planning Board, was also part of this Department.

2.1.2 Organizational set-up

Principal Secretary (L&B) is head of the L&B Department and is assisted by an Additional Secretary. The department has seven main branches¹ and each branch is headed by a Deputy Secretary. PWD and Housing is headed by the Principal Secretary (PWD & Housing) and is assisted by one Additional Secretary, one Joint Secretary and Assistant Housing Commissioner.

2.1.3 Scope of audit and methodology

The audit was conducted during April and May 2010 covering the period 2005-06 to 2009-10. It covers mainly matters of operational efficiency, financial management, property management issues and monitoring by top management. The audit examination involved scrutiny of records of L&BD and PWD&H.

The audit commenced with an entry conference held on 25 May 2010 with the Principal Secretary (L&B), GNCTD, wherein the objectives, methodology and modalities of the audit were discussed. An exit conference with the organization was held on 4 February 2011 in which audit observations/ aspects pointed out in audit were discussed.

2.1.4 Audit objectives

The broad objectives of audit were to assess the effectiveness in functioning of different branches of Land & Building Department and Public Works Department & Housing on the following parameters:-

- Financial management budgeting and proper utilization of the funds provided by land acquisition agencies;
- Planning and operational management;
- Management of Government properties; and
- Internal control mechanism

2.1.5 Audit criteria

Audit criteria adopted for assessing the effectiveness of audit were-

- Land Acquisition Act, 1894;

¹(i) Land Acquisition Branch, (ii) Alternative Plot Branch, (iii) Evacuee Property Cell, (iv) Housing Loan Branch, (v) Legal/ Writ Cell, (vi) Central Land Record Cell and (vii) Accounts Branch

- Allotment of Alternate Plots (Guidelines for Applicants);
- National Capital Region Planning Board Act, 1985;
- General Financial Rules, Supplementary Rules and other rules in force; and
- Government residences (General Pool) Rules, 1977.

Audit Findings

2.1.6 Planning and Operational Management

2.1.6.1 Non-setting up of separate Housing Board for NCT of Delhi

In order to cope up with the shortage of housing units in NCT of Delhi, the Estimates Committee of Seventh Lok Sabha recommended in its 85th Report (May 1981) setting up of a Housing Board for Delhi in order to relieve the Delhi Development Authority (DDA) from the responsibilities which were not assigned to DDA under the DDA Act, 1957.

The Union Cabinet approved the proposal for setting up a separate Housing Board in August 1987. The Ministry of Urban Development conveyed the decision of the Cabinet to the Lieutenant Governor of NCT of Delhi on 16 June 1988 with a request to implement it. The Lieutenant Governor on 16 December 1997 accorded his approval in principle after a lapse of almost 10 years. The Council of Ministers, Government of NCT of Delhi on 19 December 1997 and 21 March 1998 approved the proposal and decided to extend the Haryana Housing Board Act 1971 with appropriate modifications in the NCTD. L&BD forwarded the decision of the Council of Ministers along with modified Haryana Housing Board Act, 1971 in June 1998 to Ministry of Home Affairs (MHA) for approval. Thereafter no effective steps were taken by the L&BD, GNCTD to get the proposal approved from MHA. The approval of the MHA was still awaited (March 2011).

The above facts show that the decision of the Union Cabinet dated 22 August 1987 could not be implemented till March 2011. This delay restricted the planned development of the city and availability of affordable houses to its citizens. It is evident from the fact that in 2008 GNCTD launched a campaign to regularize 1639 unauthorized colonies. The matter was referred to the department (April 2010); their reply was awaited (February 2011).

2.1.6.2 Inadequate management of Evacuee Properties

After partition of the country in 1947, the Central Government issued Ordinance No. XXVII of 1949 for vesting management and control of the properties left behind by owners who migrated to Pakistan. The Administration of Evacuee Property Act, 1950 came into force on 17 April 1950.

The Displaced Persons who came from Pakistan applied for allotment of land in Delhi. Subsequently, the Committee for Allotment of Land made allotment of buildings on rent during the period from 1948 to 1954 under various Acts² as a measure of rehabilitation out of the evacuee properties.

In the year 1989 the residuary work of Evacuee Property of Delhi state was transferred to Land & Building Department, GNCTD for its disposal in public interest along with 46 posts in different cadres. All these posts were ex-cadre posts and had separate budget provision. A Cell comprising of these officials namely Evacuee Property Cell (EP Cell) was constituted in L&BD in May 1989 to deal with the matters relating to evacuee property.

The Ministry of Home Affairs handed over the following properties/lands/works in April 1989 to Delhi Administration for disposal:

- (a) 135 cases in which Sanad, Conveyance Deed and Sale Certificates were to be issued;
- (b) 730 Bighas 04 Biswa of rural agricultural land available in 26 different villages;
- (c) 683 built up properties in different areas of municipal wards of Delhi; and
- (d) 121 urban plots in different areas of Delhi.

Audit however observed that the department had not disposed of any of the properties after taking over from the Union Government and also discontinued the collection of rent from the allottees of built-up urban properties since 2003.

In 2005 the Government of India notified the Displaced Persons claims and other Laws Repeal Act, 2005 and informed the L&BD that proceedings under the repealed Act would come to an end. Accordingly, the L&BD has no legal power to deal with such properties to dispose them of. However, EP Cell has been continuing and the department had booked an expenditure of ₹ 2.41

²The Administrative of Evacuee Property Act, 1950; The Displaced Persons (Claims) Act, 1950; The Evacuee Interest (Separation) Act, 1951; and The Displaced Persons (Claims) Supplementary Act, 1954

crore on pay and allowances against this inactive Cell during the period 2005-06 to 2009-10.

Thus, failure of the department in disposing of or managing the properties in a timely manner resulted in not only infructuous expenditure on pay and allowances of EP Cell but also in encroachment of 730 bighas 04 biswa of agricultural land and village properties and non recovery of rent from urban properties. Government could have earned a substantial amount of money had the department disposed of the above properties before enactment of Displaced Person claims and other laws Repeal Act, 2005.

The department stated (January 2011) that since the power of managing officer, who is competent for management and disposal of evacuee property had been delegated vide gazette notification dated 19 August 2010, legal action against the encroachments would be initiated and disposal of the property would take place on merit. Reply is not acceptable as the said notification delegates the power only for handling the cases already in Courts. The department still has no legal power to dispose of the evacuee property and in absence of any legal provision, the department is not in a position to initiate legal action against the unauthorized occupants of evacuee properties.

2.1.6.3 Un-economical recovery of outstanding housing loans

The Assistant Housing Commissioner (Loan) (AHC) GNCTD was implementing a Scheme for providing loan to the plot holders for construction of houses since 1955. Although the Scheme had been discontinued in 1993, work for recovery of outstanding loan remained with AHC. However, administration of the office of the AHC alongwith services of 35 officials working in the office of the AHC was taken over by L&BD in 2001. The position of loanees and amount recovered during the period 2005-06 to 2009-10 is given below:

Table 2.1: Position of outstanding loan and expenses on loan branch

(₹ in lakh)

Period	Number of loanees	Loan outstanding	Amount recovered	Expenditure on this branch
2005-06	4330	108	1.38	31.23
2006-07	4200	106	1.35	25.78
2007-08	4100	105	0.75	30.01
2008-09	4080	104	0.45	42.55
2009-10	4070	104	0.25	48.47
			4.18	178.04

It may be seen from above that as against the outstanding loans of ₹ 108 lakh a sum of ₹ 4.18 lakh could only be recovered during the period from 2005-06 to 2009-10 by incurring an expenditure of ₹ 178.04 lakh on Housing Loan Branch. The recovery of loan through departmental resources was grossly

uneconomical. Though performance of this branch was not satisfactory, the department has been receiving the budget regularly against the sanctioned strength of this branch. This reflects lack of monitoring of the department and absence of concern towards expenditure out of the government exchequer.

Further, the LG had approved (April 2004) the proposal of the department to request Delhi Financial Corporation (DFC) to take this work on fee basis or on percentage of amount recovered. Subsequently, the department contacted DFC for recovery and statements of defaulters were forwarded to them (February 2005) but no decision was conveyed by DFC so far.

The department stated (May 2010) that in most of the cases the original loanees had expired and after due certification of legal heirs of the loanees by Sub District Magistrate full and final recovery has to be effected. The reply is not acceptable as had the department initiated timely action against the defaulters, recoveries would have been possible.

2.1.6.4 Ineffectiveness of the legal cell/writ cell and Non-recovery of administrative and legal cost of acquisition

- Acquisition of land by Government is generally resisted by landowners and the notifications/ awards for acquired land are usually challenged in various Courts. The L&BD has one Legal Cell and one Writ Cell to attend to these cases in various Courts from Government side. These Cells are headed by Deputy Legal Advisor and OSD (Litigation) respectively and these Cells appoint lawyers to pursue these cases in various Courts. The statistics of the cases pending/ won/ lost by the Government during the period from 2005-06 to 2009-10 is given below:

Number of cases settled	Number of cases decided in favour Government	No. of cases lost by Government
3728	1111	2617

The above data shows that only 29.80 *per cent* cases were decided in favour of the Government whereas 70.20 *per cent* cases were decided against the Government. Thus, even after incurring an expenditure of ₹ 6.40 crore during the period 2005-06 to 2009-10 on the remuneration of empanelled lawyers the Government was unable to defend its action.

- As the department defends the interest of land requiring agencies, the expenditure on the court cases should have been borne by the agency concerned but no such recovery was ever made. The department stated (February 2011) that Legal Cell of L&BD defends the interest of Land Acquisition Collector (LAC) and UOI and not of the company. Reply is not acceptable as land is acquired by LAC for other agencies and

compensation is paid to land owner by the agency for whom land is acquired. Enhancement in compensation by Courts, ultimately affects the land requiring agency and, therefore, the legal cost needs to be recovered from the land requiring agencies.

- Section 41 of the Act provides that if the land acquiring agency is a company then it is liable to pay the cost of acquisition to the appropriate Government, which in case of Delhi is Land and Building Department. L&BD acquires the land mainly for DDA, DMRC, DJB and DSIDC. All these organizations except DDA fall under the category of “Company” and in terms of Sections 40(b) and 41 of the Act, were/are liable to pay cost of acquisition to L&BD. However, it was noticed that recovery of administrative cost on acquisition had never been made by the department from any agency. The department stated (February 2011) that in the absence of guidelines/ instructions no recovery was made. Reply is not acceptable as under the provision of the Act, it was incumbent upon the department to recover the administrative costs wherever applicable.

2.1.6.5 Ineffective Monitoring System of legal matters

Land Acquisition Collector (LAC) is the sole authority under Section 11 of the Act for determination of compensation to the land owners for the land acquired, subject to prior approval of the Principal Secretary (Revenue), GNCTD.

The compensation determined by the respective LACs under section 11 of the Act is usually challenged by the landowner. The landowner files an appeal with the LAC and the Court of Law for enhancement in the compensation, who in turn forwards the appeal to the Court of concerned Additional District Judge (ADJ). If Court enhances the compensation, the LAC seeks the approval of Principal Secretary (L&B) through Legal Cell of L&BD on whether the enhanced compensation is to be paid or the judgement is to be challenged in the Higher Court. The decision of the Principal Secretary (L&B) is communicated to the concerned LAC for compliance but there is no system in place in Legal Cell to watch the compliance of the orders of the Principal Secretary (L&B) by LAC. The department confirmed in October 2010 that during the period from 1 January 2005 to 31 December 2009, in 1659 cases the LACs were advised to file the appeals in higher Courts but only in 824 cases, the LACs confirmed filing of appeals. It clearly shows that department was not aware of the status of 835 cases. In the absence of an effective monitoring system the possibility of the LAC not filing the cases in Higher Courts against the orders of enhancement by Lower Courts within the stipulated time limit despite orders of the Principal Secretary cannot be ruled out. This may have resulted in the department having to pay enhanced compensation. Two such cases are narrated below:

- (i) The LAC (South) awarded compensation to Shri Jai Singh at the rate of ₹ 4820 per bigha for block-I(A) and ₹ 3000 per bigha for block-II(B) vide Award No. 26/1974-75. The awardee filed the case on 15 March 1998 in the Court of Additional District Judge (ADJ) for enhancement of compensation. The ADJ enhanced the compensation from ₹ 4820/3000 per bigha to ₹ 24000 per bigha on 30 May 2007. The Principal Secretary (L&B) directed the LAC on 16 October 2007 to challenge the orders of ADJ in High Court on the same lines as it was filed in the case of Dula Ram Vs. UOI. LAC did not file the case in High Court on the ground that no SLP was filed in Dula Ram case and made payment of ₹ 86.97 lakh on 16 May 2008 on account of the enhancement made by ADJ without resubmitting the case to Principal Secretary.
- (ii) Similarly, in another case, the LAC (South) acquired the land of Shri Balbir Singh of village Ladho Sarai at the rate of ₹ 3,300 per bigha in December 1997. The owner of land filed the case in March 1998 in the Court of ADJ for enhancing the compensation. The ADJ enhanced the compensation on 10 November 2006 from ₹ 3300 to ₹ 20,000 per bigha. Principal Secretary (L&B) directed LAC on 27 September 2007 to file the case in High Court on the lines as it was filed in the case of Shri Dula Ram Vs. UOI. However, the LAC informed the Principal Secretary on 17 November 2007 that no SLP was filed in the case of Dula Ram Vs. UOI. Relying on the statement of LAC, Principal Secretary approved the proposal to accept the judgement of ADJ on 5 December 2007. Accordingly, the LAC made a payment of ₹ 45.34 lakh to the party in August 2008 on account of enhancement made by ADJ.

In both these cases the LAC took the support of the case of Dula Ram Vs. UOI for not filing the case in higher Court. It was noticed in audit that the failed LAC to file the case in Supreme Court against the order of High Court dated 19 July 2002. The LAC remained inactive till March 2004 when Principal Secretary (L&B) approved filing of SLP in Supreme Court though the time limit for filing SLP against the judgement had expired. The LAC on 27 April 2004 requested the Government Advocate to file the Special Leave Petition in Supreme Court as enhancement of compensation by the High Court was on the higher side. However, for want of certain documents SLP could not be filed. Later in May 2004, the Legal Adviser of L&B in his note to Principal Secretary mentioned that the case had become time barred and keeping in view other similar cases, filing of SLP would not serve any purpose. Principal Secretary on 28 May 2004 had shown his agreement with the opinion of the Legal Adviser. However, while releasing the fund to LAC for payment of compensation, the department again directed the LAC to file the SLP, if not filed earlier.

Due to inadequate monitoring and lack of coordination between LAC and Legal Cell of L&BD, the failure of LAC could not be brought to the notice of Principal Secretary (L&B) by Legal Cell while seeking orders in two cases referred above. The orders of Principal Secretary in both the cases might have been different had the Legal Cell brought the failure of the LAC in the case of Dula Ram Vs. UOI to the cognizance of Principal Secretary timely and in that event there was a possibility that this amount of ₹ 1.32 crore could have been saved.

While confirming other facts the department stated (January 2011) that the opinion of the Government counsel to file SLP against Dula Ram's case was reviewed and a decision not to file the appeal was taken. Reply is not acceptable as reasons for not filing the appeal was inaction on the part of LAC and non-availability of certain documents required by Government counsel to file the case. The Principal Secretary recorded his consent on 28 May 2004 not to file the SLP but while releasing the amount of compensation to LAC on 24 June 2004 department directed the LAC to file the appeal and same direction was given by DDA also on 10 June 2004.

2.1.6.6 Working of the Alternate Plot Branch

L&BD has been implementing a scheme of allotment of alternate plots in lieu of acquired land under “Large Scale Acquisition, Development & Disposal of Land in Delhi” announced by Government of India, Ministry of Home Affairs in May 1961. The scheme is in force since 2 May 1961 and is purely a welfare measure.

The L&BD invites applications from eligible persons for grant of alternate plots under this Scheme. For allotment of alternate plots, NCT of Delhi has been divided in three zones. L&BD generally recommends the allotment of alternate plots in the same zone from where the land was acquired. Allotment of plots is made by DDA on recommendation of L&BD as per policy/ norms laid down. In the L&BD, the work of allotment for alternate plot is dealt by Alternate Plot Branch. Position of the applications received during last five

years and recommendation made for allotment is given below:

Table 2.2: Position of pending applications for alternate plots

Year	Opening balance of applications for alternate plots	Number of applications received during the year	No. of plots recommended for allotment to DDA	Closing balance of pending cases
2005	3744*	1429	192	4981
2006	4981	2262	160	7083
2007	7083	1020	254	7849
2008	7849	394	22	8221
2009	8221	234	-	8455
2010	8455	65	-	8520
Total		5404	628	

*there were 3744 applications pending as on 1 January 2005.

The above table shows that as against 5404 applications received during 2005-2010, only 628 names were recommended to DDA for allotment and 8520 applications were pending. Audit also noticed that after recommending the name to DDA, the L&BD does not keep any track to watch whether the plot had been allotted to the applicant or not and whether all the plots allotted under this Scheme were to the persons recommended by the Department. It was further noticed that this Cell did not maintain priority list for the applications received from the persons whose land had been acquired. Non-maintenance of priority list is an indicator of lack of transparency in procedures, smacks of arbitrariness and is susceptible to misuse by the concerned authority.

The department stated (May 2010) that a sub-committee had been constituted in September 2008 for scrutiny of pending applications and to submit the case to Allotment Committee for consideration and allotment. The Committee was yet to make its recommendations. The reply is not acceptable as the fact that Committee had not done anything so far suggests gross lack of will to act affirmatively and bring transparency and accountability in the matter.

2.1.6.7 Delay in land acquisition

Sections 4 and 6 of the Act stipulate that whenever it appears to appropriate government that land in any locality is needed for public purpose, a notification to that effect should be published in the official gazette and two daily newspapers. Thereafter under Section 11 of this Act, the Land Acquisition Collector (LAC) after due enquiry shall make an award under his hand of the compensation for the land acquired. In case of urgency, Section 17 of the Act empowers the appropriate government to take the possession of land through LAC even when no award has been made.

In NCTD, the L&BD issues the notifications u/s 4 and 6 of the Act for acquiring the land under Section 7 of the Act through respective LACs. There are 10 LACs in GNCTD, who discharge their official functions under the administrative control of Principal Secretary (Revenue), GNCTD. The respective LAC, under whose jurisdiction the land under acquisition falls, brings out draft notification under Section 4 of the Act for approval of Lieutenant Governor.

Audit observed that the department did not maintain any index or case register for land acquisition cases. Consequently, the total number of files/ cases in the LA Cell could not be ascertained. Further, no centralized records such as case register or index register were being maintained by the LA Cell to register the details such as date of receipt of request for acquisition of land, date on which it was sent by LAC and date of publication of the notifications u/s 4, 6 and 9. In the absence of case register, chances of omission increase and it is difficult to keep a watch on the progress of these cases by the top management of L&BD.

Audit scrutiny of randomly selected 20 files (**Appendix 2.1**) relating to land acquisition revealed that in these cases though the land was to be acquired on urgent basis for development projects by DMRC, DDA and MCD, the L&BD took three to 24 months just to get approval of Lieutenant Governor for notification under Sections 4 and 17 of the Act and in 19 cases the date of handing over the acquired land to the concerned agency was not mentioned in the files. Further, the reason for such delays was lack of coordination between the L&BD and LAC as LAC did not furnish the required information regarding land to L&BD in one go, a lot of correspondence between the two had taken place to get the draft notification from LAC complete in all respect. It was further noticed that there were 62 cases pending with the LAC/L&BD as on September 2010 for land acquisition, out of which seven and 45 cases pertained to the period from 1992 to 2000 and 2000 to 2008 respectively. In NCTD the demand for land is made by different agencies for developmental projects and delay in making the land available to these agencies has the risk of hampering the progress of infrastructure development in Delhi. Efforts should have been made to draw time lines for all activities required to be undertaken under the Act for land acquisition.

The matter was referred to the department (August 2010). In their reply (January 2011) the department accepted that there was no fixed time frame for issuance of notification under section 4 of LAA after receiving the request from any agency for acquisition of land but efforts were being made to expedite the issue.

2.1.6.8 Non-compliance of the orders of Hon'ble Delhi High Court

While hearing Writ Petition (Civil) No. 4582/2003 regarding encroachment of Government land in NCTD, Hon'ble Delhi High Court (DHC) directed the Chief Secretary, GNCTD on 31 August 2006 to evolve a methodology to establish a Centralized Land Ownership Record of Government land to check unauthorized encroachment of Government land by unscrupulous persons. In the meeting held on 10 October 2006 under the Chairmanship of Secretary (UD), the L&BD was nominated as the nodal department for collecting and maintaining the centralized inventory of government land in NCT of Delhi. The High Court allowed six months' time for completion of this job on 16 November 2006.

A Central Land Record Cell (CLR Cell) was established in L&BD in October 2006. The department got software namely Government Public Asset Management System (PAMS) developed through NIC to computerize the land records and 19 posts in different cadres were sanctioned for this Cell. Land records for the land not only under possession of GNCT but also under possession of Central Government agencies, agencies of other states/ union territories, public sector undertakings were to be maintained by this Cell. However, it was noticed that the CLR Cell was not functioning effectively since inception for want of requisite data and records from land owning agencies. The department had not evolved any methodology to identify the government departments which have the land in their names in NCT of Delhi and to obtain an authenticated data of the land/ property in their possession or belonging to them. As against 19 posts only one Lower Division Clerk was posted in this Cell. Thus, inspite of the orders of Delhi High Court, the department could not evolve and implement any methodology to collect the data/ record from Government land owning agencies and failed to establish centralized record of ownership.

The matter was referred to the department (June 2010). In their reply (July 2010) the department stated that staff on the strength of CLR Cell has been posted/ deputed to the other branches of L&BD due to shortage of staff. However, more than 300 letters were sent to different Government departments and they were directed to enter the information regarding their property in PAMS software using login ID and password created by the CLR Cell. The department stated that data entry in PAMS software by the land owning departments relating to government land/ properties was a continuous process. The officials of CLR Cell were also pursuing these regularly to upload the data of their properties. The reply is not tenable as department did not evolve any mechanism to identify all property owing government departments/ agencies. Their job had been limited to sending letters to some government departments and allotment of login ID and password. CLR Cell had no mechanism to compel all property owning departments/agencies to make the entry in the software and to ensure

that all departments/ agencies have made complete and correct entries. Thus, the CLR Cell failed to serve the purpose, for which it was established. Collection of data of the government properties can not be an open ended process and it should have been completed in a time bound manner.

2.1.7 Financial Management

2.1.7.1 Unjustified Grant-in-Aid of ₹ 350 crore to NCR Planning Board

National Capital Region Planning Board (NCRPB) came into force on 19 October 1984 by virtue of NCR Planning Board Act 1985 enacted by the Parliament. The Board includes Union Minister of Urban Development as the Chairman and the Chief Minister of Delhi as one of the members.

This Board functions entirely on commercial lines and maintains a National Capital Region Planning Board Fund. Out of this fund, it provides loan to the participating states at 7 to 8 *per cent* interest for their development projects. To raise the capital in NCRPB Fund it issues Bonds in money market. These Bonds have been rated AAA by CRISIL and CAAA by ICRA.

It was noticed that the GNCTD had provided a sum of ₹ 350.75 crore to NCRPB during the period from 1993-94 to 2008-09 (*Appendix-2.2*). These funds were provided to NCRPB as contribution. Scrutiny of the documents submitted by NCRPB asking for grants revealed that these Plan funds were utilized by NCRPB to increase the capital in “National Capital Regional Planning Board Fund”.

The financial position of the NCRPB during last six years was as under:

Table 2.3: Financial position of NCRPB

(₹ in crore)

Date	Amount in banks	Amount of income over expenditure (Plan)	Loan to States	Capital Fund NCRBF
31.3.2004	834.81	79.39	912.93	1111.83
31.3.2005	669.00	758.14	895.51	1245.83
31.3.2006	69.47	73.28	1062.27	1394.44
31.3.2007	250.00	94.77	1723.00	1565.10
31.3.2008	172.93	107.71	1771.69	1822.90
31.3.2009	181.83	115.86	2235.38	2005.23

Source: Annual Accounts of NCRPB

³Credit Rating Information Services of India Limited

⁴Investment Information and Credit Rating Agency

From the above table, it is evident that the NCRPB is a self-sustaining body functioning purely on commercial lines and giving grants to it was not justified. Moreover, while the GNCTD has been providing grants to the NCRPB, on other hand, in 2004-05 Municipal Corporation of Delhi had raised loans from it at commercial rate of interest for their projects. The Principal Secretary (Finance), GNCTD also questioned (October 2006) such grants and directed the department to evaluate the benefits from NCRPB to Delhi but nothing was done in this regard. The matter was referred to the department in April 2010. In their reply (December 2010), the department stated that grant released by GNCTD was not used to increase the capital in NCRPB fund. The NCRPB helped creation of employment opportunities in NCR outside Delhi and percentage of share of net migrants in the decadal growth of population in NCTD reduced from 45.06 per cent in 1961-71 to 39.82 per cent in 1991-2001. The reply is not acceptable as the sanction letter mentions the purpose of grant as contribution to NCRPB fund and this grant formed part of NCRPB fund. In April 2010, the department confirmed to audit that no study to evaluate the benefit availed/ achieved by Delhi against the funds released so far to NCRPB had ever been conducted.

2.1.7.2 Improper management of the funds put in PLA

The L&BD has been maintaining a Personal Ledger Account (PLA) in Reserve Bank of India. The money received by L&BD for compensation of land acquired/ to be acquired from the agency requiring land, have been deposited in this account. As on 31 March 2010, an amount of ₹ 337 crore was lying in this account. Audit also observed that:

- (i) No reconciliation of funds in PLA with the Land Acquisition Collectors (LACs) or with the agencies was ever carried out by the department. In the statement issued on 1 February 2010, State Bank of India showed that an amount of ₹ 310 crore was lying in the LACs' account but no details of this amount were available with the department.
- (ii) LAC (North-West) in January 2007, forwarded a cheque of ₹ 150 crore to L&BD without mentioning the details as to whom this money belonged to. The L&BD deposited this cheque in PLA. Neither the L&BD nor the LAC (North-West) knows to whom this amount of ₹ 150 crore was payable. Resultantly, the amount has been lying in PLA unclaimed, and hence unproductive.
- (iii) Similarly, the department in March 2007 had written back in cash book of PLA an amount of ₹ 14 crore for the cheques issued by L&BD but not presented by LACs in Bank. No detail as to why these cheques were not presented by LAC in bank and what is to be done to this money has been worked out. This amount is also lying unclaimed.

The department stated (October 2010) that matter had been taken up with LAC South and RBI to reconcile the balance in PLA.

2.1.7.3 Non-Adjustment of advances

As per Rule 292(2) of the General Financial Rules, the officer drawing money for making advance payment to suppliers for supply of stores etc. is responsible for its adjustment within 15 days of its drawal. It was, however, noticed that advances aggregating ₹ 49.48 lakh given between the period March 2007 and March 2010 pertaining to purchase of computers, printers and advance salaries to DEOs etc. were lying outstanding for a period of four to 40 months for want of adjustment bills.

The department stated (October 2010) that the matter had been taken up with the firms to adjust the advances.

2.1.8 Inventory Control Management

2.1.8.1 Poor Management of stock register

Scrutiny of stock register revealed that:

- (i) Details of non-consumable items such as purchase price, date of purchase, date of issue, name of the person to whom issued, date of disposal, if any, sale price were not filled in the respective columns of stock register. Stock register also did not provide the assurance that it contained entries of all the goods procured by the department.
- (ii) Ten mobile phones procured from 2003 to 2008 at a cost of ₹ 74,599 were lying unused in store. Instead of utilizing these phones, the department procured new mobile phones for eligible officers. In view of the economy measures, the department should have ensured using the available phones instead of procuring new ones.

The department stated (October 2010) that efforts were being made to complete the stock register.

2.1.8.2 Non-conducting of physical verification of stores

As per Rule 192 of General Financial Rules, physical verification of all the consumable/ non-consumable goods and material should be undertaken at least once in a year in the presence of the officer responsible for the custody of the inventory and discrepancies noticed, if any, should be recorded in the stock registers for appropriate action by the competent authority.

Test-check of stock registers of consumable/non-consumable items maintained by general branch revealed that the physical verification of the stocks had not been conducted by the department for the period under review. As such, discrepancies including shortages, damages and unserviceable goods could not be ruled out.

The department stated (May 2010) that due to incomplete entries in the stock registers of consumable/non-consumable items, the required verification could not be held. However, they have started the process of completing the stock registers and after completing the registers, physical verification would be conducted on priority basis.

2.1.8.3 Non-compliance of the observations of internal/statutory audit

Audit helps an entity in identification of its systemic weaknesses and core areas requiring special attention of top management. It also facilitates the Chief Executive Officer (CEO) to assess the level of performance of manpower machinery of that entity. Timely compliance of audit reports is an indicator of efficient functioning of an entity and it also provides assurance that an effective monitoring system is in place.

Internal audit of L&BD is conducted by Director of Audit, GNCTD. A review of the Inspection Reports issued by Directorate of Audit, GNCTD revealed that seven Inspection Reports pertaining to the period from 1976-77 to 2008-09 containing 50 outstanding paragraphs were pending (July 2010) for want of compliance as detailed in **Appendix-2.3**.

Statutory audit of the L&BD is entrusted to the Accountant General (Audit) Delhi, New Delhi. A review of the Reports issued by the Office of the Accountant General (Audit) Delhi revealed that 16 Inspection Reports pertaining to the period 1979-81 to 2006-07 containing 56 paragraphs were lying outstanding with the department as detailed in **Appendix-2.3**. Further, the department had not sent the first compliance of the Inspection Reports issued by the Accountant General (Audit) and Director of Audit in July 2008 and August 2009 respectively and all the paras of these Inspection Reports were outstanding.

Large pendency of audit observations/ inspection reports indicate weak internal control mechanism and improper monitoring by management.

Public Works Department & Housing

2.1.9 Planning and operational management

2.1.9.1 Inadequate functioning of NCR Planning and Monitoring Cell

National Capital Region Planning Board (NCRPB) was set up with a vision to disperse/ reduce the pressure on National Capital City of Delhi. Subsequently, a Planning and Monitoring Cell (Cell) was created in L&BD/PWD in 1997 to coordinate with NCRPB for planning and monitoring of development of infrastructure in NCR. In the development of NCR, this Cell is required to play a crucial role. However, audit observed that the Cell did not make any significant contribution as brought out in the following paragraphs.

Five posts⁵ were sanctioned in 1996-97. The department has been projecting its requirement for creation of 18 more posts including post of Town Planner since 2002-03 to the Planning Department and for some office equipments. Though the expenditure of these posts and funds for office equipments was to be reimbursed by NCRPB no new posts/ equipments were sanctioned by GNCTD. Moreover, out of five posts sanctioned earlier three posts have not been filled up. The post of Associate Town Planner, the only technical post has been lying vacant since April 2007. It was noticed that in absence of adequate manpower and office equipments, there was no significant contribution of the Cell in NCR Planning and its functions were limited just to participate in various meetings of NCRPB. In their reply (December 2010) the department stated that this Cell kept coordination with various departments of GNCTD, Government of Haryana and also arranged various meetings of Lieutenant Governor, Chief Minister and Principal Secretaries of various departments of GNCTD. It also added that vacant posts would be filled up shortly. The reply is not tenable as no planning work was undertaken by this Cell and it has no mechanism to monitor the development work in NCR.

2.1.9.2 Non-claiming the expenses of NCR Planning and Monitoring Cell

The expenditure of this Cell was to be reimbursed by NCRPB but the department did not submit the claims to NCRPB for the year 2006-07 to 2009-10 whereas the department had booked an expenditure of ₹ 37.44 lakh against this Cell during this period.

The department stated (January 2011) that the matter had been taken up with NCRPB and progress would be intimated in due course.

⁵One Joint Secretary, one Associate Town Planner, two Stenos and one peon.

2.1.9.3 Non-preparation of Sub-Regional Plan

As per Section 17(1) of NCRPB Act 1985, every participating State and UT is required to prepare a Sub-Regional Plan for the sub-region within that state falling under NCR. The Master Plan for Delhi 2021 also required GNCTD to prepare a Sub Regional Plan.

Audit observed that Regional Plan 2021 for NCR had been finalized and notified on 17 September 2005 by the NCRPB but the department had not prepared the Sub-Regional Plan for Delhi region.

Upon being pointed in audit the department stated (December 2010) that the Master Plan of Delhi (MPD) 2021 had been approved by Government of India. As far as the issue of Sub-Regional Plan of Delhi Sub-Region under the Regional Plan 2021 of NCRPB is concerned, it might be pointed that Delhi had a peculiar status with respect to its planning and development related issues. The DDA, by virtue of DDA Act 1957 is solely responsible for planning and development of entire territory of Delhi through the instrument of Master Plan. Therefore, the outcomes of the Sub Regional Plan, which were supposed to cover the area outside the urban zone within Delhi, have little significance in the context of Delhi and it would be duplication of MPD 2021. The reply is not acceptable as the MPD 2021 itself recommends that as a follow-up of the Regional Plan 2021 and in consonance with Section 17 of NCRPB Act 1985, a Sub Regional Plan for Delhi was to be prepared by GNCTD. It was also recommended in MPD 2021 to constitute a high level group by GNCTD to ensure timely preparation of Sub Regional Plan.

2.1.9.4 Poor management of government property

Office of the Principal Secretary (PWD and Housing), GNCTD is responsible for construction and maintenance of buildings and general pool accommodations of GNCTD. It also makes allotment of general pool accommodations to the employees of GNCTD, and also keeps the record of recovery of licence fee from the allottees.

Records related to the activities of PWD during the period from 2005-06 to 2009-10 were test checked in the Office of the Principal Secretary (PWD & Housing) GNCTD and following observations emerged:

2.1.9.5 Non-maintenance of primary records

The department had not maintained centralized records for government properties. In the absence of such records it could not be ascertained how many quarters/flats and other properties are owned by the GNCTD.

The department did not maintain any allotment register for keeping the record of allotment of general pool accommodations such as total number of flats, address of flats, names and designations of allottees, date of allotment, date of occupation, date of superannuation of the allottee and date of vacation of flat by the allottee. In the absence of such basic records the department itself cannot ascertain the total number of flats that are;

- under the occupation of bonafide allottees;
- under possession of illegal occupants; and
- lying vacant and reasons for such vacancy.

The department is also not in a position to identify which flat is allotted to whom and on what date a flat is due to be vacated.

Upon being pointed out in audit the department stated (February 2011) that there is no prescribed register wherein all the details of the allotment of all residential quarters were compiled but the details like name of the allottee, the due date of vacation (date of retirement) etc. were very much a part of allotment file. Each quarter had its own allotment file and all the correspondence regarding allotment and related issues thereafter were dealt in that file. However, in order to computerize the record and make the allotment more transparent and frequent, a software e-Awas was to be implemented through NIC in coordination with the Directorate of Estates, Government of India. However, the same could not be implemented in the scheduled time. The reply of the department is not acceptable as it is not in a position to review all the files at all times to watch the vacancy position or to identify the unauthorized occupants or other details of the occupants. Non-implementation of e-Awas is evidence of the fact that necessary details were not available in the files. The department itself accepted that e-Awas could not be implemented due to non-availability of data. It is therefore recommended that e-Awas be implemented urgently to bring about transparency and accountability in the functioning of the Estate Department.

2.1.9.6 Non-implementation of e-Awas

The Estate Department, Ministry of Urban Development, Union Government has computerized its system of allotment of government accommodation by implementing software called “e-Awas”. The PWD also placed an order with NIC in March 2007 to implement this system in the department at a cost of ₹ 8 lakh. The system was to be implemented within two months by NIC on the basis of input/ data to be provided by the department. Scrutiny of the system (April 2010) revealed that system was not functional as on February 2011 because relevant data was not available with the department. As against total number of 6913 flats (*Appendix-2.4*) the department had the details such as

name of allottee, date of allotment, due date of vacation, present status etc. in respect of 3000 flats only. It was also noticed that the department had not devised any system to update the information regarding government accommodation. In addition to the cost of software of ₹ 8 lakh, the department also incurred an expenditure of ₹ 4.37 lakh on hiring the manpower for running the system. Thus, despite an expenditure of ₹ 12.37 lakh, the system could not be put to use for want of data.

The department stated (February 2011) that efforts were being made to make the e-Awas fully functional.

2.1.9.7 Illegal occupation of government flats due to systemic deficiency

A report on illegal possession of government flats by retired Government employees was published in newspapers (July 2005). Taking cognizance of this report, office of the Lieutenant Governor of Delhi (LG), enquired from the department in November 2005. In response, the department confirmed in January 2006 to LG that some flats were under illegal occupation. The department intimated the Lieutenant Governor in June 2007 that action was being taken against the unauthorized occupants and some cases have been referred to ADMs concerned who were also designated as Estate Officers by the government to take action under Public Premises (Eviction of Unauthorized Occupations) Act, 1971 for getting these flats vacated. The department reviewed the position in November 2009 and January 2010 and found the performance of Estate Officers highly unsatisfactory. The exact number of flats under illegal occupation, as on date, was not known to the department. However, in August 2006 there were 417 flats under illegal occupation. This issue was investigated in audit and the following systemic deficiencies were noticed.

In order to get their retirement benefits settled, the employees occupying government accommodation are to submit to their departments 'No Dues Certificate' issued by PWD. The PWD as a practice issue provisional 'No Objection Certificate' to these employees with the condition that final 'No Due Certificate' would be issued after surrendering the government accommodation and producing the surrender slip issued by the concerned Junior Engineer, PWD. Audit noticed that there was no mechanism with the department to keep a track whether the employee getting the provisional 'No Objection Certificate' actually vacated the flat or not. In some cases the allottee got all the retirement benefits on production of provisional NOC, but did not vacate the flats. To address this problem the department in December 2005 decided not to issue Provisional NOC. It was, however, noticed that even after this the department continued to issue provisional NOCs. During the period 2005-06, and from 2007-08

to 2009-10⁶ the department issued 1638 provisional NOCs and out of these it issued only 907 final NOCs indicating that there were 731 allottees who did not turn up to report the vacation of the flats to the PWD. Many of them continued to stay in the same government accommodation illegally after they ceased to be entitled for government accommodation. Further, the department did not have its own Eviction Cell to enforce timely vacation of government flats.

Thus, non existence of an effective mechanism to ensure and enforce timely vacation of flats resulted in large number of flats being in illegal possession. It also deprived the eligible employees of the facility of government accommodation and resulted in loss of licence fee as payment of HRA could also have been saved had the department allotted these flats to eligible and interested employees. This situation may also encourage other employees to stay in government accommodation illegally after retirement.

While confirming the facts, the department stated (February 2011) that to keep a track whether the allottee has actually vacated the flat or not after getting the 'Provisional Certificate/ Permission to Surrender' a separate register is being maintained.

2.1.9.8 Non-revision of licence fee

Licence fee to be recovered from the allottees of various types of government accommodation was revised with effect from 1 July 2004 and the next revision was due on 1 July 2007. The Union Government, Ministry of Urban Development revised the licence fee for central government accommodation in July 2007 but the GNCTD did not increase the licence fee. Thus, inaction on the part of the department deprived the government the amount of enhanced licence fee, though with passage of time the cost of maintenance of the flats has increased manifold.

The department stated (February 2011) that process for revision of licence fee had been initiated.

2.1.9.9 Non-accountal of licence fee

The licence fee is recovered from the allottee by concerned DDO who submits the monthly recovery schedule of licence fee, allottee-wise. Scrutiny of rent recovery registers revealed that the department has made no use of these schedules and no entry of recovery of licence fee in Licence Fee Register was made after May 2005. Audit further noticed that when an allottee contacts the department for obtaining the "No Due Certificate" regarding licence fee, the

⁶ Records for the NOCs issued in 2006-07 was not available with the department

department asks the allottee to produce the details of recovery of licence fee from their DDOs. It proves that department had no records or a system to monitor the correct recovery of licence fee in place.

The department stated (February 2011) that due to shortage of staff record for recovery were not being maintained properly. The reply is not acceptable as recovery of licence fee can be recorded through e-Awas.

2.1.9.10 Loss of ₹ 2.80 crore due to non-revision of rates for recovery of water charges

The rates of water recoverable from the allottees of government flats at various localities where DJB water was being supplied were fixed in February 1991. These rates were effective from September 1990, while payment to DJB was being made at the rate revised by DJB from time to time. The rates for water charges so fixed by PWD varied from ₹ 9 to ₹ 20 per month depending upon type of the flats. The DJB increased the rates of water charges by 4155⁷ per cent since September 1990 but the department did not revise the rates of water charges for recovery from the occupants. Consequently the gap between the amount actually recovered from the allottee and the amount paid by the department to DJB has been mounting. The PWD has been supplying DJB water to 3820 flats in 9 colonies. The Executive Engineers of respective PWD Divisions paid ₹ 3.06 crore to DJB for water supplied in these flats during the period April 2005 to March 2010, whereas total recovery from allottees was to the tune of ₹ 26.15 lakh only (considering that all the flats in these localities were occupied and water charges from all occupants have been duly recovered at prescribed rates). Thus, non-revision and rationalization of rates for water charges timely put an undue burden of ₹ 2.80 crore on the government.

The department stated (February 2011) that process for revision of water charges has been initiated.

2.1.9.11 Undue burden of ₹ 1.03 crore due to non-fixation of rate for recovery of water charges

Audit scrutiny revealed that the department did not fix rates for water charges in case of 1986 flats situated at four⁸ locations. The respective divisions of PWD made a payment of ₹ 1.03 crore to DJB on account of water supplied in these flats during the period from April 2005 to March 2010, but no recovery on this account was made from the occupants of these flats as no rates for recovery were fixed. Thus, non fixation of water charges resulted in undue burden of ₹ 1.03 crore on the Government.

⁷Calculated for the consumption of 100 kilolitre per month

⁸Kalyanvas, Karkarduma, Model Town and Transit Hostel

The matter regarding non-revision and non-fixation of water charges was highlighted in the Report⁹ of C&AG of India for the year 2005. The department had then intimated that the revision of water charges was under consideration but nothing was done in this direction.

The department stated (February 2011) that the process for revised rate of water charges has been initiated.

2.1.9.12 Extra expenditure of ₹ 63.42 lakh, loss of licence fee of ₹ 10.73 lakh and avoidable payment of HRA of ₹ 1.49 crore due to non-allotment of 338 government flats at Dwarka

The department constructed 338 flats for general pool accommodation in Dwarka, New Delhi. Civil work for the flats was completed by 31 January 2008. However, the department applied to the Chief Fire Officer for fire clearance in January 2009 after a lapse of one year. It was noticed that all the flats were lying unallotted as of July 2010. Audit examination revealed that the department constructed eight storey building having 180 type III flats with one staircase only in violation of para 16.3.4 of Delhi Building Byelaw, 1983 which stipulates that there should be two staircases in the building which is more than 15 metres in height. Consequently, the Chief Fire Officer did not issue the No Objection Certificate. Accordingly, the Executive Engineer BPO B-131 PWD submitted an estimate for ₹ 63.42 lakh in October 2009 for adding one more staircase in the building. Thus, non compliance of the Delhi Building Bye-laws by the PWD resulted in:

- additional expenditure of ₹ 63.42 lakh on the stair case; and
- loss of licence fee of approximately ₹ 10.73 lakh, which would have been recovered from the allottees, had the flats been allotted after completion. In addition, payment of ₹ 1.49 crore as HRA upto July 2010 could also have been avoided had the houses been allotted to the eligible employees. Besides, the eligible employees were deprived of the facility of government accommodation.

This serious lapse on the part of PWD engineers of not referring to the Delhi Building Bye-laws, 1983 while formulating the building plans needs to be investigated. This also indicates that there is no other mechanism in the Secretariat to watch the progress of PWD projects apart from the Engineering Wing.

The department stated (February 2011) that type-II quarters have been allotted in the month of October 2010, allotment of type-I quarters was under

⁹ Para 10.3.10 of Report of the Comptroller & Auditor General of India for the year ended March 2004, GNCTD.

submission for approval and construction of second stairs in type-III quarters was in advance stage.

2.1.9.13 Non allotment of Government Flats

PWD& Housing (Estate Branch) has 4581 employees in the waiting list for allotment of government flats and 984 flats at 18 locations were lying unallotted as of May 2010. This attitude of the department in non-allotment of government flats resulted in loss of licence fee, payment of HRA to eligible employees, which could have been avoided had the department allotted these flats in time.

On being pointed out in audit (May 2010) the department stated (February 2011) that they have improved the position of allotment and it would improve further once the e-Awas is made fully functional.

2.1.10 Commercial properties

2.1.10.1 Vacant shops

The Department owns some commercial properties in addition to residential properties. No centralized records for these properties have been maintained by the Department. Audit revealed that the Department had 80 shops at four locations¹⁰. These shops were allotted on licence fee basis to private persons during the period 1977 to 1989. Scrutiny of records revealed that:

- 32 shops have been lying vacant/ non-functional since long but no efforts were made by the department to allot/ utilize these shops. This has resulted not only in loss of licence fee but also deprived many persons of employment opportunities. The department stated (February 2011) that out of these 32 shops, 18 had already been allotted to government departments as there was shortage of office space. The reply is not acceptable as these shops were allotted long back on temporary basis and as per record of the department, these shops were lying non-functional;
- Licencees of 13 shops have not been paying the licence fee for the last four to 304 months and an amount of ₹ 2.37 lakh was lying outstanding against these shops; and
- The department has not revised licence fee after fixation of licence fee at the time of allotment between the period 1977 and 1989. The licence fee of 26 shops was ₹ 500 per month or less and lowest monthly licence fee was ₹ 152.

¹⁰ (1) Gulabi Bagh, (2) Kalyanvas, (3) Karkardooma and (4) Timarpur

The department stated (May 2010) that show cause notices were issued to the defaulters and revision of licence fee would be taken up with the Chief Engineer, PWD. This reflects the lack of seriousness of the department in management of its valuable properties.

2.1.10.2 Non-disposal of 119 commercial properties

The PWD constructed 40 shops during the period from 1992 to 2001 alongwith the construction of 7 subways at different localities in NCTD. In 2001, DDA on request of PWD auctioned and gave the possession of 10 shops to private parties at lease rents of ₹ 2.04 lakh to ₹ 8.77 lakh. Later, DMRC demolished seven shops at Mall Road including one auctioned shop. Subsequently, PWD constructed 71 more shops and 22 offices in six subways and also three snack counters during 2002-2005 but none of these (including earlier constructed 24 shops) were disposed of. However, one shop was allotted as alternate arrangement to allottee of a demolished shop. As on date 93¹¹ shops, 22 offices and three snack counters (**Appendix-2.5**) were lying vacant/ unutilized. Audit scrutiny revealed that these premises could not be disposed of because PWD failed to finalize any policy during last 10 years for disposing of these shops inspite of intervention by LG and CM. As a result, 119 shops/offices/snack counters at different localities were lying vacant/ unused and allowed to deteriorate for 5 years to 18 years. Had the PWD disposed them of timely, considerable revenue could have been realized by way of sale proceeds/ lease rent/ licence fee.

The department stated (February 2011) that due to non existence of a policy, shops could not be disposed of. Non-finalization of a policy for disposal of the shops even after 18 years of their construction is another evidence of apathy of the department towards government properties.

2.1.10.3 Plots for Petrol Pumps

- Department allotted plots in NCT of Delhi for 10 petrol pumps on ground rent basis sometime in sixties. The ground rent was last revised w.e.f. 1 January 1986. However, it was noticed that the allottees had not paid ground rent for years and a sum of ₹ 1.48 crore was lying outstanding against them as of March 2010. The department stated (May 2010) that six allottees were paying the licence fee to DDA. However, reasons for not paying the ground rent to the GNCTD for the land allotted by L&BD was neither explained to audit by the department nor was found in records relating to these petrol pumps.

¹¹ location of one shop was not known to the department

- The ground rent, revised first time in January 1986, has not been revised thereafter. Though all these petrol pumps are situated at prime locations and function on commercial lines, the allottees were paying ground rents as low as ₹ 2,388 to ₹ 11,238 per month which should have been revised keeping in view the fact that the occupants are using these plots for commercial purpose.

The department stated (February 2011) that a meeting was convened on 21 August 2008 in which the representative of DDA informed that DDA was receiving ground rent from IOC in respect of seven petrol pumps sites since 1996 and further stated that the land in question belongs to DDA, but no authentic proof to this effect was furnished by him. The IOC representative claimed that IOC was paying ground rent to DDA but did not have the relevant document/ lease deed etc. In the absence of ownership document of the site in question, no decision could be taken. DDA was requested to provide copy of ownership documents of the site as they have been collecting lease/ licence from IOC. The department assured that efforts would be made to settle the issue of ownership and revision of ground rent.

2.1.10.4 Non-recovery of licence fee of ₹ 17.34 lakh from Super Bazar

Six shops at three² locations in NCT of Delhi were in possession of Cooperative Store Limited (Super Bazar), which was wound up on 5 July 2002, and a liquidator was appointed. The department had taken the possession of shops on 25 September 2003, 16 October 2004 and 6 July 2004 respectively. At the time of vacating the shops a sum of ₹ 17,34,303 was outstanding as licence fee against Super Bazar. The department requested the Liquidator in March 2005 to pay the dues. Thereafter the department had made no effort to recover the dues. Thus, failure of the department to take effective steps to recover the dues resulted in non-recovery of licence fee of ₹17.34 lakh from Super Bazar.

The department stated (February 2011) that the matter has been referred to Estate Officer and a reminder issued to the Liquidator.

2.1.10.5 Government Employees compelled to live in dangerous buildings

1163 flats in Kalyanvas were declared dangerous by PWD in September 2002. It was noticed that 360 flats were still occupied (May 2010) by allottees, as department had not made alternative arrangements for the occupants of these flats. In the absence of effective steps by the department, to relocate the occupants of these flats the occupants have been compelled to stay in a dangerous buildings.

¹² Gulabi Bagh, Kalyanvas and Timarpur

On being pointed out in audit the department stated (February 2011) that 1060 allottees had been shifted to alternative accommodation and only 103 allottees were still staying in dangerous flats.

2.1.11 Conclusion

Both the departments did not have robust internal controls to inspire confidence. Record management and system for reporting of the actual performance to the management was either not in place or was not adequate. Absence of an effective management information system and improper monitoring led to inadequate management of Evacuee Properties, improper management of Residential and Commercial properties of Government and illegal occupation of government flats. Non-revision of water charges/licence fee of residential/ commercial properties, non-disposal/ non-allotment of commercial properties, non-recovery of housing loan and improper inventory management depicts a less than professional approach of the Departments towards financial and asset management. Non-functional NCR Planning and Monitoring Cell and delay in land acquisition for development projects were also cause for concern.

2.1.12 Recommendations

2.1.12.1 Land & Building Department

- Details of evacuee properties should be computerized and an effective system for proper management of evacuee properties be evolved. Legal hurdles in disposing of the evacuee properties after enactment of Repeal Act should be brought to the notice of MHA alongwith details of such properties to find out the legal way to deal with the situation.
- As the owners have already been compensated for acquisition of their land, allotment of alternate plots in an arbitrary manner is not desirable and needs to be dispensed with. A more transparent system of suitable and adequate compensation may be evolved for the purpose.
- Department should strengthen the internal control mechanisms and ensure proper coordination with LACs to deal with legal cases in different Courts.

2.1.12.2 PWD & Housing

- E-Awas should be implemented immediately to enable proper maintenance of records of government properties and to ensure timely vacation of government flats and their allotment to eligible employees.
- Licence fee and water charges should be rationalized keeping in view the actual expenditure. Individual water meters should be installed for ensuring better water management and collection of water charges.