

**CHAPTER III : MINISTRY OF HEALTH AND FAMILY
WELFARE**

Department of Health

All India Institute of Medical Sciences

3.1 Avoidable payment of interest

All India Institute of Medical Sciences delayed payment of ground rent for the land allotted to it, which resulted in avoidable expenditure of ₹ 38.31 lakh towards interest.

The Land and Development office (LDO), Ministry of Works and Housing (now Ministry of Urban Development) allotted (August 1985) 16.5 acre of land to the Ministry of Health and Family Welfare for setting up a centralised accident and trauma centre under the aegis of All India Institute of Medical Sciences (AIIMS). Possession of 14.41 acres of land was handed over to the Ministry in January 1986 which was subsequently transferred in the name of AIIMS in November 1993. Consequent to transfer of land to AIIMS, LDO demanded (November 1993) annual ground rent of ₹ 7.25 lakh. AIIMS agreed to the demand of the LDO and deposited (December 1993) ₹ 7.25 lakh towards ground rent for the year 1993-94.

Audit observed that after 1993, AIIMS did not pay the ground rent. Consequently, the LDO raised (December 2001) a demand of ground rent amounting to ₹ 50.72 lakh for last seven years and the same was paid by AIIMS in December 2001. Thereafter, AIIMS again defaulted in making payment of ground rent on time. Consequently, the LDO raised (October 2002 and June 2009) demands for interest also for belated payment of ground rent. Though, AIIMS requested (October 2002) the LDO for waiver of interest on the grounds of non-availability of terms and conditions/lease agreement which was not agreed to and it had to pay (February 2010) an amount of ₹ 38.31 lakh towards interest for belated payment of ground rent. This resulted in avoidable expenditure on account of payment of interest.

AIIMS stated (December 2010) that the amount demanded by the LDO was deposited as per the direction of the Ministry.

The reply is not acceptable as the land was transferred in the name of AIIMS on the condition of payment of annual ground rent which was duly agreed by it. Had the timely payment of committed liability been made by AIIMS payment of interest of ₹ 38.31 lakh could have been avoided.

Report No. of 2010-11

The matter was reported to the Ministry in November 2010; their reply was awaited as of February 2011.