

# Chapter 3

## **Land Acquisition**

# Land Acquisition

DDA is responsible for acquisition and development of land for various developmental schemes as per Master Plan approved by the Central Government. Land Management Wing of DDA carries out the work of Land acquisition on the basis of request from user departments. It forwards the request to Delhi Government for acquisition of land. The land is acquired by Delhi Government and placed at the disposal of DDA. After taking over the possession of land from the Delhi Government, the same is to be transferred to the user departments for development purposes approved under various development schemes and the purpose of acquisition of land.

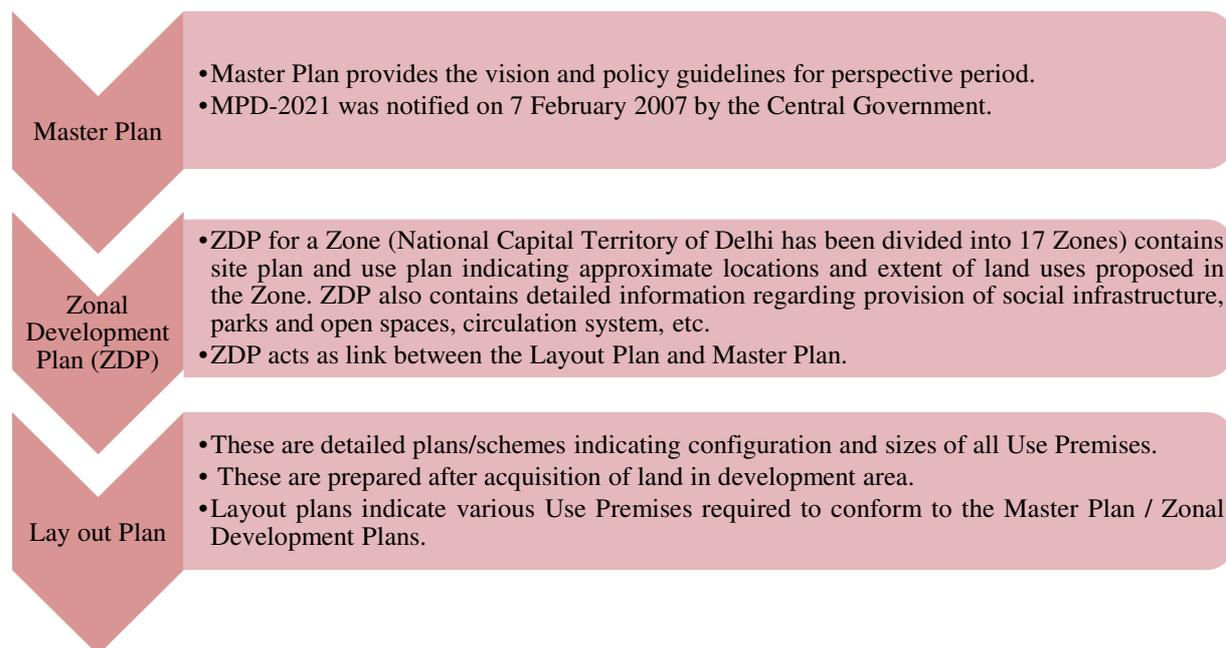
## 3.1 Planning

Master Plan of Delhi (MPD) 1962 sets out the broad vision for planned development of Delhi. With a view to realizing the development plan underlying this vision, a scheme of large scale acquisition and development of land was formulated in 1961. The aim of the scheme was to ensure that spatial pattern of development and use of land would conform to the development plan and the infrastructure and services would be laid out to match the same.

Later, MPD-2001 also reiterated the planning process, which had been outlined in MPD-1962. Keeping in view the above goal, the MPD-2021 also emphasized upon development perspective up to the year 2021. The vision of MPD-2021 is to make Delhi a global metropolis and a world-class city, where all the people would be engaged in productive work, living in a sustainable environment with a better quality of life.

The hierarchy of plans for development of Delhi is given in the chart at next page:

**Chart 3: Planning Hierarchy**



In order to ensure whether proper and efficient planning mechanism was in place and was functional for carrying out the land acquisition activities, Audit reviewed the Planning mechanism of DDA. The Audit findings are given in succeeding paragraphs:

### **3.1.1 Failure to prepare Zonal Development Plan**

Section-8 of the DD Act, 1957 provides for preparation of ZDP simultaneously with the preparation of Master Plan or very soon thereafter. Further, Section-16.1 of MPD-2021 prescribed that ZDPs were to be prepared within 12 months of the approval of the MPD-2021. As the MPD-2021 was approved on 07 February 2007, ZDPs were to be prepared by February 2008.

It was noticed in Audit that:

- ZDPs of 16 Zones were submitted between February 2009 and September 2009 i.e. after two years from notification (February 2007) of MPD-2021, and were approved by the MoUD only in March 2010 to June 2010. Thus, at the planning stage itself, finalization of ZDPs was delayed by at least two years.
- ZDPs for the remaining zone i.e. Zone ‘D’, is yet to be notified by DDA.

DDA in its reply (February 2016 and June/October 2016) stated that Zone-D is being dealt differently from other planning zones of Delhi as the major portion of the zone is under Lutyens Bungalow Zone, which is being monitored at the level of the MoUD and DDA had not delayed the matter of processing the ZDP of Zone ‘D’.

### **3.1.2 Monitoring Framework**

MPD-2021 provided that monitoring of the plan was essential to evaluate the changes required for improving the quality of life in the city. MPD-2021 had envisaged that a dedicated Monitoring Unit with modern data processing facilities would be set up which

would be responsible for collection and analysis of primary and secondary data and bringing important changes to the notice of the Authority comprehensively. This unit was to be in-charge of overall monitoring of implementation of the approved development plans and layout plans. Further, MPD-2021 also mentioned that the plan period was to be divided into three phases (2006-11, 2011-16 & 2016-21) and the plan was to be reviewed at five yearly intervals to keep pace with the fast changing requirements of society. However, Audit observed the following:

### **3.1.2.1 Non-functioning of Monitoring Unit**

A Monitoring Unit was set up in August 2007 but was not provided with any modern data processing facilities and other necessary resources required for carrying out the task. The issue of non-functioning of Monitoring Unit was also commented upon in C&AG's Performance Audit Report No. 17 of 2011-12, Union Government (Civil), however, DDA did not take any corrective action.

DDA accepted the audit observation (October 2015 and January 2016) and stated that in the absence of modern data processing facilities and full-fledged manpower, the Monitoring Unit was unable to coordinate with concerned agencies involved in implementation of MPD-2021 and it also did not prepare any reports.

### **3.1.2.2 Failure to conduct Periodic Review of MPD-2021**

No review of MPD-2021 was conducted for the first phase i.e. 2006-2011. A mid-term review was, however, conducted for the period 2011-14. Thus, monitoring and periodical review of the MPD-2021 was not conducted as prescribed in the Master Plan, in the absence of which, the changes required for achieving the desired objectives of MPD- 2021 could not be incorporated therein, defeating the objective of review of MPD-2021.

DDA stated (June/October 2016) that for regular monitoring and review of MPD-2021, frequent meetings with all the agencies concerned are held periodically in the MoUD and also at Raj Niwas by the Hon'ble Lieutenant Governor (LG), wherein specific inter-agencies issues relating to planning and land requirement are addressed as part of the Master Plan implementation, monitoring, review and inter-agency coordination. In addition, DDA has been carrying out changes in the system of monitoring and implementation through Standard Operating Procedure (SOP) for processing modification in MPD-2021, Guidelines for processing of change of land use cases for land owned by the Government agencies and local bodies and through development of Mobile Application for recording/reporting of various development activities and arrangements for its implementation.

While any step taken by DDA for effective monitoring is welcome, the above steps do not negate the necessity of setting up of dedicated Monitoring Unit equipped with modern data processing facilities as well as conducting of periodic review for overall monitoring and review of implementation of MPD-2021 as envisaged in MPD-2021 itself.

The mid-term review report (2011-14) sought by Audit was not made available by DDA. Hence, the adequacy of the review could not be assessed in Audit.

### 3.1.3 Adverse impact of delay in approval of Land Policy and Regulations on operationalisation and finalization of Land Policy

As per MPD-2021, an important aspect of planned development was the provision of adequate well planned shelter and housing for the different categories of inhabitants of Delhi. MPD-2021 envisaged that about 48 lakh population had to be accommodated in the future urban extension area of approximately 20,000-22,000 hectares of land within development time frame of 15-16 years. For this purpose, alternative options for development of areas identified for urbanization in MPD-2021 through involvement of the private sector in land assembly and development were planned. Land policy was to be based on the optimum utilization of available resources, both public and private for land assembly, development and housing.

Audit noticed that a draft Land Policy was approved (July 2013) by DDA and after approval of Government, a new chapter i.e. Chapter 19 'Land Policy' was added to MPD- 2021 in September 2013. The new land policy was applicable for areas proposed for urbanisation of the Urban Extensions (Zone J-one village, K-I, L, N and P-II) for which Zonal Plans were approved. Thereafter, based on the policy, DDA prepared (January 2014) draft regulations for operationalisation of the policy and forwarded (November 2014) to the MoUD for approval. The draft regulations for operationalisation of the Land Policy were approved (May 2015) by the MoUD with some modifications/additions, but the same is yet to be notified by DDA (June 2016).

DDA stated (June/October 2016) that there were some other modifications already in process in the Land Policy under Section-11A of the DD Act, 1957 and pre-requisites such as declaration of development areas etc., which were under consideration of Delhi Government. Once these modifications in Land Policy were issued, the regulations would be notified by DDA.

DDA's reply may be viewed in light of the fact that though more than nine years have passed since notification of MPD-2021, the new land policy has not been operationalised. Keeping in view that only 1823 acres of land were acquired by DDA in the last eight years (i.e. since notification of MPD-2021 in February 2007 to 2014-15) and further, considering the delay in finalization of land policy as well as delay in operationalisation of regulations, it may be difficult to achieve the goal of development as envisaged in MPD-2021.

#### **Conclusion :**

Zonal Development Plan of Zone 'D' could not be finalised even after a lapse of eight years of notification of MPD-2021. Further, the Monitoring Unit established for monitoring of MPD was non functional and periodical review was not being conducted. In the absence of these, the improvements/changes required for achieving the desired objectives of MPD-2021 could not be incorporated therein.

#### **Recommendation:**

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 ZDP of Zone 'D' at the earliest.

## 3.2 Land Acquisition

Land acquisition process in DDA starts with receipt of request from the user department in Land Management (LM) Wing of DDA. The request is forwarded to Delhi Government for acquisition of land. Thereafter, Delhi Government sends the request to its concerned Land Acquisition Collectors (LACs) for acquisition of land. Once the land is acquired, Delhi Government sends the demand of compensation to DDA. It is necessary that the amount of compensation is released to land owners on time for timely completion of land acquisition process. A timeframe was arrived at (May 2006) which stipulated that DDA will release payment to Delhi Government within 30 days of receipt of the communication. After payment by DDA, possession of land is to be taken by the LM Wing of DDA. The LM Wing then transfers the same to the user departments.

During course of land acquisition, the land owners may go to Court for enhanced compensation. The Hon'ble Court may revise the compensation rates on which the land was acquired and issue directions to pay the revised rates to the land owners alongwith applicable interest on the additional amount. Thereafter, Delhi Government calculates the difference of compensation payable as well as interest thereon as Enhanced Naksha Muntjamin (ENM)<sup>5</sup> and communicates the same to DDA for payment. After receipt of demand, the enhanced amount of compensation is released by DDA to Delhi Government for further disbursement to land owners.

The audit findings on the basis of examination of records relating to acquisition process in DDA are given below:

### 3.2.1 Non-maintenance of consolidated database/records of Land Stock

DDA had no consolidated information/database in respect of land acquired and utilized for various schemes as well as vacant land in possession. During audit, requisite records/registers having details of land requests received from user department, requests sent to Delhi Government, land awarded by Delhi Government, land actually received from Delhi Government etc. were called for, but no records/registers were provided to Audit.

DDA furnished monthly statements, indicating (i) areas of land for which notification has been issued under Section-4 and 6 of the LA Act, (ii) physical possession taken up to the end of previous month and during the month, (iii) total area of land in possession up to the month, (iv) land transferred to user departments and (v) balance of land in possession at the end of the month. Audit scrutiny of the aforesaid statements revealed the following discrepancies:

- As per the Monthly Statements, the total land acquired by DDA during the period from 2010-11 to 2014-15 was 556.64 acres. However, as per the information furnished by DDA in September 2015 to Audit, the land acquired by DDA during the same period was 1184.93 acres.

<sup>5</sup> ENM means calculation sheet for working out enhanced compensation.

- Land measuring 1083.80 acres was lying vacant as on 31 March 2015 as per statement of April 2015. However, as per information furnished by four zones<sup>6</sup> (out of total six zones), vacant land lying with DDA was approximately 1214.43 acres.

DDA stated (June/October 2016) that the figures reported by various zones seems to have included some vacant land which were already handed over to the engineering department or some Gram-Sabha land<sup>7</sup>, hence, the figures reported as 1083.80 acres were final. Thus, the information provided by different wings of DDA was at variance. As a result, Audit could not draw an assurance regarding the correctness of information relating to total land available with DDA (land acquired, actually utilized and vacant land).

Audit also conducted joint inspections with officials of DDA in respect of vacant land<sup>8</sup> in two cases (Azadpur and Wazirpur) to verify the correctness of information available with DDA. During joint inspection, the land area was found to be short vis-à-vis that reported by DDA in its records in both cases. In Azadpur village, land (Khasra No: 403/90/2/1) measuring 2 Bigha 09 Biswa was lying vacant as per records, but as per joint inspection only 3 Biswa land was vacant with boundary wall, while the remaining was encroached by jhuggies and Public Works Department.

Further, in Wazirpur village, the land (Khasra No: 678 & 679) measuring 3 Bigha 16 Biswa was lying vacant as per records, but as per joint inspection only 1 Bigha 13 Biswa land was lying vacant and the remaining land was unauthorisedly used in streets/ roads.



Picture in case of land at Azadpur



Picture in case of land at Wazirpur

DDA stated (June/October 2016) that most of the land pockets of village Azadpur and Wazirpur are part of the old schemes of DDA wherein the issue is regarding the land protection/ enforcement related matters. These issues pertain to the Enforcement Department of Lands and Engineering Wing of DDA.

DDA did not furnish reply on land found short with reference to actual vacant land reported in DDA records. The reply of DDA needs to be seen in light of the fact that in Azadpur, physical possession of the land was taken in May 1963, but the same was not transferred to the user department (October 2016).

<sup>6</sup> North, Rohini, South East and West Zones.

<sup>7</sup> Certain land vested in central government on urbanisation of specified villages for the purpose of development.

<sup>8</sup> Vacant land, as reported by DDA in its records.

### 3.2.2 Lack of co-ordination between DDA and Delhi Government on Acquisition of land

Acquisition of land is carried out by Delhi Government whereas management and development of land after acquisition is the responsibility of DDA, necessitating close co-ordination and proper follow up for timely completion of acquisition proceedings and other development activities.

Scrutiny of records revealed many instances of lack of co-ordination between DDA and Delhi Government in acquisition proceedings, release of compensation & enhanced compensation, receipt of land from Delhi Government, reconciliation of accounts and utilisation of funds by Delhi Government, as detailed below:

#### 3.2.2.1 Non-Reconciliation of compensation/enhanced compensation amount between DDA and Delhi Government

There was no system of reconciliation between DDA and Delhi Government of records regarding payment for land acquisition released by DDA towards the demands received from Delhi Government and the amount of land compensation actually released to the land owners and actual land received from Delhi Government. Audit noticed that:

- DDA attempted to reconcile some records between September 2013 and May 2015.
- On receipt of initial reconciliation reports, DDA noticed a difference of more than ₹ 375.14 crore. As against an amount of ₹ 1790.78 crore released by DDA to Delhi Government, only ₹ 1415.64 crore was released (March 2014) as compensation to land owners.
- Based on the reconciliation of 481 awards, DDA found that an amount of ₹ 508.82 crore remained undisbursed with various LACs. DDA requested (March 2015-May 2015) Delhi Government to refund the same. But, the amount reconciled as above by DDA was not authenticated by concerned LACs.

Thus, due to lack of co-ordination between DDA and Delhi Government, the issue of un-reconciled amount of at least ₹ 508.82 crore lying unutilised with Delhi Government, remained unresolved.

DDA accepted (June/October 2016) the audit observation and stated that out of ₹ 508.82 crore, an amount of ₹ 159.04 crore has been authenticated by LAC (South) South-East & North for which letter to refund the said amount has already been sent to Delhi Government, but nothing has been refunded by the Delhi Government so far.

#### Non-recovery of excess amount from land owners

As pointed out by Audit in Para 5.3.3.4 of Audit Report No. 17 of 2011-12, DDA did not recover the amount of ₹ 25.69 crore from land owners in Village Pooth Kalan as directed by the Hon'ble Supreme Court in its order dated 28 November 2002. Audit noticed that DDA and Delhi Government have still not been able to file the complete list of those cases in the Court, where amount is yet to be recovered. In view of above, it appears that neither the Delhi Government nor DDA has complied/prepared full details of persons from whom the amount of excess recovery is to be made even after expiry of more than 13 years of

Judgment of the Hon'ble Supreme Court. Thus, cumulative outstanding amount of ₹ 47.01 crore (excess payment of ₹ 16.79 crore plus interest @ 15 per cent w.e.f. 1 April 2003 to 31 March 2015 amounting to ₹ 30.22 crore) remained recoverable from land owners.

DDA stated (June/October 2016) that the matter has been taken up with concerned authorities number of times.

### 3.2.2.2 Non-receipt of Utilization Certificates from Delhi Government

Utilization Certificates (UCs) are a means to ensure that funds released to an agency have been actually utilised for the purpose for which these were sanctioned. DDA releases funds to Delhi Government with the request to furnish UCs in respect of funds released.

Audit noticed that

- Amount of ₹ 1001.84 crore was released by DDA to Delhi Government for the land acquired between 2010-11 to 2014-15, for which UCs were awaited (October 2016) at DDA from Delhi Government.
- No UCs were available with DDA, in all 64 cases of land acquisition test checked in Audit. Further, Audit did not find any communications exchanged between DDA and Delhi Government to obtain UCs.

DDA stated (June/October 2016) that no UCs had been received from the Delhi Government in respect of any funds released by DDA.

Thus, in the absence of UCs, it could not be ascertained in Audit whether payment has actually been disbursed to land owners on time.

#### Case study of "Village Bamnoli- Irregular payment of ₹ 24.39 crore by DDA"

In August 2007, an award of ₹111.76 crore was announced by Land Acquisition Collector (LAC) for land in village Bamnoli. DDA released ₹ 77.67 crore (August 2007) to Delhi Government, on actual availability of land. But the same was not released by concerned LAC to land owners on time and was released only in February 2010. Meanwhile some of the landowners of the village Bamnoli, whose land had been acquired, approached the Hon'ble High Court of Delhi for release of compensation. Court directed (February 2010) LAC to release the compensation along with interest. LAC forwarded (March 2011) the demand of interest amounting to ₹ 24.39 crore to DDA. DDA denied (February 2012) the above payment of interest stating that they had already paid the amount of award to LAC in August 2007; as such they are not liable to make the payment of interest and sought reasons of non-payment of compensation to land owners. Delhi Government stated (February 2012) that delay occurred due to procedural and technical reasons in disbursing the compensation to the interested persons. Finally, DDA had to release (March 2012) the amount of interest of ₹ 24.39 crore. Thus, lack of coordination between DDA and Delhi Government and not obtaining UCs by DDA led to an avoidable payment of ₹ 24.39 crore.

DDA's reply was awaited (October 2016).

### 3.2.2.3 Non-receipt of Land even after release of full payment

LA Act, 1894 and instructions of Delhi Government prescribe that as soon as Delhi Government receives the amount of compensation from DDA, it has to take over possession of land and hand over the same to DDA.

Audit noticed that in seven cases (out of 18 test checked), DDA did not obtain physical possession of complete land (October 2016), despite release of full amount of compensation to Delhi Government. Details are given in Table below:

**Table 3 : Status of land not received**

Sl. No.	Name of Village	Purpose of acquisition	Date of award	Total land to be acquired as per award	Land not received as on (October 2016)	Date of last payment released against award	Period from date of last payment released to October, 2016
				Bigha Biswa-Biswani	Bigha Biswa-Biswani		
1	Bakkarwala	Construction of 20 mtr. Road.	18/04/07	182-06	59-13	27/11/13	2 years 11 months
2	Pooth Khurd	Construction of 100 mtr. Road	05/09/12	79-16	29-09	22/11/13	2 years 11 months
3	Maidangarhi	For SAARC University under Planned development of Delhi	10/07/13	49-14	9-11	21/11/13	2 years 11 months
4	Tikri Kalan	For Delhi State Industrial & Development Corporation Limited.	01/05/08	438-01	67-01	25/06/10	6 years 4 months
5	Mehrauli	Planned development of Delhi	27/12/13	44-10	0-10	04/09/14	2 years 2 months
6	Nasirpur	Dwarka Phase-I under Planned Development of Delhi	30/06/08	15-08	4-08	11/11/13	3 years
7	Barwala	Rohini Residential Scheme Ph. IV & V.	01/07/11	177-15-10	1-6-0	23/02/12	4 years 8 months
<b>Total</b>				987-10-10 (205.73 acres <sup>9</sup> )	171-18-00 (35.81 acres)		

<sup>9</sup> 1 Acre – 4.80 Bigha, 1 Bigha – 20 Biswa and 1 Biswa – 20 Biswani

Audit Analysis of the above cases revealed that:

- 35.81 acres (17 *per cent*) of the total land acquired (205.73 acres) had not been received from the Delhi Government even after release of full payment of compensation by DDA.
- The non receipt of land ranged between 2 years 2 months (Mehrauli) to more than six years (Tikri Kalan) during the period from date of last payment released to October, 2016.
- In case of four villages<sup>10</sup>, land was acquired under emergency clause, hence, non receipt of land defeated the purpose of acquisition.

Non receipt of land had an adverse impact on the objective of land acquisition, thereby delaying the benefit of development to citizens of Delhi. DDA stated (June/October 2016) that the area, which were part of unauthorized colony, was heavily built up. This resulted in non- handing over of complete land by Delhi Government.

The reply of DDA needs to be seen in the light of fact that in joint survey conducted by the officials of DDA and Delhi Government before acquisition proceedings, the survey team was required to prepare complete details about the status of the land clearly indicating the built up areas, Kabristan, Temples, Evacuee Property etc. which was not furnished to audit. Thus, it was apparent that there was lack of due diligence at the time of planning and implementing the land acquisition proceedings.

#### **Announcement of award without ascertaining the actual site condition**

In village Kirari Suleman Nagar, the land measuring 5278 Bigha 02 Biswa costing ₹ 286.41 crore was acquired for Rohini Residential Scheme in March 2006. DDA considering the fact that approximately 150 Bigha land was vacant and the balance land was built up, released only ₹ 8.14 crore in September 2006. Audit noticed that no land had been received from Delhi Government (up to October 2016) even after lapse of more than ten years of award delaying the purpose of acquisition as well as blockade of funds amounting to ₹ 8.14 crore.

#### **3.2.2.4 Double payment of Enhanced Compensation**

Audit noticed that in 96 cases, DDA released the payment of enhanced compensation to Delhi Government during the period 2010-11 to 2014-15, but the same was not disbursed to the land owners. Consequently, the Hon'ble Courts issued attachment warrants to the concerned banks having bank accounts of DDA and directed the banks to deposit the desired amount in the court, resulting in double payment of enhanced compensation. The year-wise status of amount of double payments made by DDA is given at next page:

<sup>10</sup> Bakkarwala, Pooth Khurd, Maidan Garhi and Barwala

**Table 4 : Year-wise details of double payments****(₹ in crore)**

Sl. No.	Year	Number of cases	Total amount attached as per court orders	Amount refunded by Delhi Government	Amount yet to be refunded by the Delhi Government
1	2010-11	11	1.31	1.00	0.31
2	2011-12	11	13.68	0.04	13.64
3	2012-13	13	2.18	0.07	2.11
4	2013-14	24	4.32	0.47	3.85
5	2014-15	37	18.42	1.81	16.61
	<b>Total</b>	<b>96</b>	<b>39.91</b>	<b>3.39</b>	<b>36.52</b>

It is seen from the above that DDA made double payments to the extent of ₹ 39.91 crore during 2010-11 to 2014-15 based on court orders, out of which it had recovered only an amount of ₹ 3.39 crore and balance amount of ₹ 36.52 crore was yet to be realised from Delhi Government (October 2016).

Audit test checked 11 cases of double payment and noticed that:

- In three<sup>11</sup> cases, court attachments were made two to five months before receipt of demand of enhanced compensation. However, on receipt of demand from Delhi Government for the same amount, the concerned officers and officials of DDA certified that this was a fresh demand and they had no objection to release the amount. Resultantly, the payments were released twice.
- In eight<sup>12</sup> cases, DDA had already released the payment of enhanced compensation to Delhi Government on receipt of demand. However, this amount was presumably not released by Delhi Government to land owners on time resulting in court attachments. Efforts made, if any, by DDA to bring the fact to the notice of the concerned court, that DDA had already paid the amount of enhanced compensation to the concerned LACs, Delhi Government, for releasing the same to land owners, were not available in the records.

Thus, lack of coordination with Delhi Government and not updating the records of payments released by DDA resulted in double payment to the extent of ₹ 39.91 crore, out of which only ₹ 3.39 crore has been refunded.

DDA stated (June/October 2016) that time and again Delhi Government was requested to refund the excess amount to DDA but this has not been done so far.

### 3.2.3 Delay in land acquisition process in DDA

Processing of land acquisition requests and forwarding the same to Delhi Government was an important part of Land Acquisition process in DDA. Audit did not find any records to verify that all the requisition received from user departments were processed timely with due

<sup>11</sup> LAC No. 128/09, 130/09 and 70/11

<sup>12</sup> LAC No. 437A/05, 417/05, 214A/06, 223A/06, 194A/06, 275A/06, 281A/06 and 96A/06

diligence. In the absence of this, Audit was unable to draw an assurance that land acquisition process was carried out with due diligence.

Audit test checked 18 cases of land acquisition (details in **Annexure I-A**) to analyse time taken to complete important stages in the land acquisition process and observed that time taken from:

- Date of issue of award to date of demand by Delhi Government ranged from one day (Tikri Kalan and Madanpur Dabas) to more than 11 months (Nasirpur) in 13 cases<sup>13</sup>.
- Date of receipt of demand from Delhi Government to release of compensation by DDA ranged from one month (Humayunpur/Hauz Khas/Madanpur Dabas) to more than eight years (Basai Darapur) in 17 cases<sup>14</sup>.
- Date of issue of award to date of receipt of physical possession of land by DDA ranged from one month (Basai Darapur) to more than 14 years (Malikpur Kohi) in nine cases<sup>15</sup>.
- Date of receipt of physical possession of land by LM Wing to transfer of land to user/engineering department or non transfer of land upto October 2016 ranged from one month (Bakkarwala) to more than nine years (Madanpur Dabas) in 12 cases<sup>16</sup>.

Details of cases showing all the delays mentioned in above observation are given in **Annexure I-B**.

DDA stated (June/October 2016) that no delay takes place intentionally. Audit noticed that delays in land acquisition proceedings were mainly due to irregularities in land acquisition process discussed as under:

### 3.2.3.1 Delay in release of compensation/enhanced compensation by DDA

Scrutiny of records in Audit revealed that in 13 cases out of 18 test checked cases, DDA did not release the compensation within one month. Details are given in **Annexure II-A**.

It is apparent from the **Annexure II-A** that there were delays, ranging between seven months (Barwala/Pansali/Pehladpur) and more than eight years (Basai Darapur), in release of compensation amount to Delhi Government. The main reason noticed in Audit was delay in processing the files in different Sections of LM Wing itself as no timeframe had been fixed for processing of files at DDA as well as delay in response by Delhi Government to clarifications sought by DDA. Resultantly, payment to land owner invariably got delayed, which delayed the acquisition process with consequent delays in achievement of intended objectives.

<sup>13</sup> (i) Basai Darapur (ii) Tikri Kalan (iii) Bakkarwala (iv) Nasirpur (v) Malikpur Kohi/Rangpuri (vi) Singhola (vii) Masoodabad/Najafgarh (viii) Khichripur (ix) Maidan Garhi (x) Humayunpur (xi) Hauz Khas (xii) Kirari Suleman Nagar and (xiii) Madanpur Dabas.

<sup>14</sup> (i) Basai Darapur (ii) Tikri Kalan (iii) Bakkarwala (iv) Nasirpur (v) Malikpur Kohi/Rangpuri (vi) Singhola (vii) Mehrauli (viii) Masoodabad/Najafgarh (ix) Khichripur (x) Okhla (xi) Bamnoli (xii) Barwala / Pansali/ Pehladpur Bangar (xiii) Maidan Garhi (xiv) Humayunpur (xv) Hauz Khas (xvi) Kirari Suleman Nagar and (xvii) Madanpur Dabas.

<sup>15</sup> (i) Basai Darapur (ii) Tikri Kalan (iii) Nasirpur (iv) Malikpur Kohi/Rangpuri (v) Singhola (vi) Khichripur (vii) Okhla (viii) Bamnoli and (ix) Madanpur Dabas.

<sup>16</sup> (i) Basai Darapur (ii) Tikri Kalan (iii) Bakkarwala (iv) Nasirpur (v) Malikpur Kohi/Rangpuri (vi) Pooth Khurd (vii) Mehrauli (viii) Khichripur (ix) Bamnoli (x) Barwala / Pansali/ Pehladpur Bangar (xi) Humayunpur and (xii) Madanpur Dabas.

DDA stated (June/October 2016) that the delay in release was due to reasons like presence of built up structure at sites, files getting mixed up in Legal department, prolonged correspondence with Delhi Government etc. DDA also stated that due care shall be taken so that such instances do not occur in future.

Hence, it is evident that there was lack of coordination among different Wings/Sections of DDA and between DDA and Delhi Government relating to release of compensation.

As per Section 34 of LA Act 1894, interest from the date of taking over the possession of land till actual date of payment of compensation/enhanced compensation to the land owner is payable as per applicable rate (9 percent for first year and 15 percent thereafter). Further, the payments were to be released to Delhi Government within 30 days of receipt of the communication from them. In test checked cases of compensation and enhanced compensation, the following issues were noticed:

- Due to delay in release of compensation by DDA in nine cases (out of 18 test checked), it had to bear an avoidable interest liability of ₹ 8.55 crore. Details of these cases are shown in **Annexure II-B**.
- Delhi Government had sent the demand of enhanced compensation to DDA with delay (from date of judgment to date of interest) from 14 days to 11 years in 42 cases (out of 46 cases test checked) for payment. Due to delayed action by Delhi Government, DDA had to pay ₹ 9.77 crore as additional interest.
- Due to delay in release of payment of enhanced compensation by DDA to Delhi Government, ranging from 9 days to more than three years in 42 cases (out of 46 cases test checked), DDA had to bear an additional interest liability of ₹ 10.78 crore.

Further, it was also noticed that there was a gap between the date of release of cheque by DDA and the date upto which the interest was calculated and paid in respect of enhanced compensation mentioned in the ENM. Thus, the interest for the period i.e. after the date up to which it was calculated and actual date of payment to Delhi Government or land owners, remained unpaid. Audit was unable to ascertain such additional interest liability paid as well as outstanding, as the concerned records were not furnished by DDA.

In two cases DDA had to make extra payment of ₹ 5.11 crore towards interest:

(i) **Chilla Saroda Bangar**

Delhi Government raised a demand in July 2010 for ₹ 67.98 crore for 264 Bigha 11 Biswa land as per direction of the Court. Instead of releasing the payment, DDA in January 2012 requested Delhi Government to send a revised demand as DDA was in possession of only 253 Bigha of land. Delhi Government sent the revised demand for ₹ 69.72 crore in March 2012 for 253 Bigha, which was released by DDA on 30 March 2012.

Audit scrutiny, revealed that in the revised demand, interest for delay under Section 34 of the LA Act was calculated up to the period 31 March 2012, which was exceeding ₹ 4.71 crore from the earlier demand considering interest calculation up to 30 October 2009.

DDA stated (June/October 2016) that the delay was due to wrong ENM/demand sent by Delhi Government and further delay occurred due to non submission of revised ENM/demand in time as required by DDA. The fact remained that due to delay, DDA had to make extra payment of ₹ 4.71 crore. Had DDA made corresponding reduced payment for land possessed by it, extra payment towards interest could have been avoided.

**(ii) Mehrauli**

Delhi Government raised (14 January 2013) demand for enhanced compensation amounting to ₹ 17.71 crore (including interest up to 15 January 2013) to DDA. DDA released (28 June 2013) the payment to Delhi Government. The Delhi Government sent further demand of ₹ 0.40 crore on 24 July 2013 for balance interest (upto 18 July 2013) with reference to the High Court order dated 22 July 2013 and the same was also released (02 August 2013) by DDA. Thus, DDA made extra payment of interest amounting to ₹ 0.40 crore which could have been avoided, if timely payments were made to the Delhi Government as per order of Court.

DDA while accepting audit observation stated (June/October 2016) that the file was put up in time by the concerned officials/officers but due to queries raised by the officers, the amount of enhanced compensation could be released after gap of four and half months. Hence, the excess interest of ₹ 0.40 crore was released.

### 3.2.3.2 Excess payment of awards

Scrutiny of awards (July 2011) for village Pansali and Pehladpur Bangar revealed that the interest was calculated on the total cost of land without deducting the amount of advance compensation already paid. As such, the total cost of award for village Pansali and Pehladpur Bangar was incorrect, but the same was released (February 2012) by DDA. The same worked out to ₹ 8.44 crore and ₹ 1.53 lakh instead of ₹ 9.20 crore and ₹ 1.67 lakh respectively. This resulted in excess payment of ₹ 0.76 crore in respect of village Pansali and ₹ 0.14 lakh in respect of village Pehladpur Bangar.

DDA stated (June/October 2016) that the matter pertains to Delhi Government. However, Audit noticed that no correspondence was made by the DDA with Delhi Government to recover the excess amount of awards.

### 3.2.3.3 Non-transfer of Land to the User Departments by LM Wing

In 11 cases (out of 18 cases test checked), Audit noticed that the land had not been transferred by LM Wing of DDA to the executing agencies/user department in eight cases<sup>17</sup>, even after a period of more than two years to more than nine years (October 2016) from the date of taking the physical possession from Delhi Government. Further, in remaining three cases<sup>18</sup>, the land was transferred to the executing agencies/user departments by the LM Wing of DDA after a

<sup>17</sup> (i) Mehrauli, (ii) Humaunpur, (iii) Khichripur, (iv) Barwal/ Pansali/ Pehladpur, (v) Bamnoli, (vi) Malikpur Kohi, (vii) Nasirpur and (viii) Madanpur Dabas

<sup>18</sup> (i) Pooth Khurd, (ii) Tikri Kalan and (iii) Basai Darapur.

lapse of one year to more than six years from the date of taking physical possession from Delhi Government.

DDA stated (June/October 2016) that the land is transferred to Engineering Department within a couple of days after taking over the land from LAC. However in certain cases due to litigation or built up area, the land could not be transferred to user department. The reasons are beyond administrative control. These are part and parcel of acquisition process.

DDA's reply needs to be seen in light of the fact that to achieve the objective of land acquisition, it is necessary that the land should be transferred to user department in a time bound manner so that other necessary development activities can be taken up.

#### **Non-transfer of land to user department by DDA even after 33 years**

In village Chilla Saroda Banger, 264 Bigha 11 Biswa land was acquired out of which physical possession of land measuring 253 Bigha was received by DDA from Delhi Government on 1 October 1982 but there was no record in Land Record register of DDA about the transfer of 253 Bigha land to the user department even after more than three decades since possession of land. Audit requested (January 2016) DDA to provide present status of the 253 Bigha land indicating the purpose for which it was acquired and status of project, name of Zone/Division etc. to which it was transferred for development/watch & ward. The same was not furnished to Audit, in the absence of the information audit could not draw an assurance that the said land had actually been transferred to the user department and the same had been utilised for the purpose for which it was acquired. No reply was received from DDA (October 2016).

Non-transfer and/or delay in transfer of land to the executing agencies/user departments resulted not only in blocking of funds but also in the objective of acquiring the land including development/construction of roads, residential schemes, community centres etc. under planned development of Delhi remaining incomplete. In addition, there was always risk of encroachment on the land lying vacant.

#### **3.2.4 Possibility of Lapse of Acquisition in view of The New Land Acquisition Act, 2013**

Section 24 of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (The New Land Acquisition Act, 2013) applicable from 01 January 2014 stipulates that in case of land acquisition proceedings initiated under the LA Act 1894, where an award under Section 11 of the LA Act has been made five years or more prior to the commencement of the New Land Acquisition Act, 2013 but the physical possession of the land has not been taken or compensation has not been paid, such proceedings shall be deemed to have lapsed.

It was noticed that in respect of seven cases<sup>19</sup> of acquisitions, 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 had not been received upto October 2016 which may lapse. Thus, the purpose of acquisition of land would get defeated, delaying the benefit of development to the citizens of Delhi.

DDA stated (June/October 2016) that it has been writing to the Delhi Government to ensure handing over the physical possession of land. There is no delay or lapse on the part of DDA. The law empowers the LAC to take over the possession from land owners. Further, DDA admitted that 1613.53 acre of land has already lapsed due to application of the above provision.

Thus, at planning and implementation stage, there were deficiencies noticed by Audit as there were delays in completion of acquisition process. In some cases, the delay was more than 14 years and even thereafter the land had not been received by DDA. There was lack of co-ordination between DDA and Delhi Government, which further delayed the process, resulting in encroachment of land, court cases and delay in transfer of land. The overall result was that purpose of acquisition suffered and development work for benefiting the people, could not be completed in time.

DDA replied (June/October 2016) that as and when the demand is received, the payment is released by the department after verification.

The reply of DDA needs to be seen in light of the observations made on delay in release of compensation and avoidable interest liability thereon.

**Conclusion:**

- DDA had no authentic and reliable database in respect of land acquired and utilised as well as vacant land in its possession.
- There was lack of coordination between DDA and Delhi Government resulting in delay in land acquisition, delayed payment to land owners of compensation and enhanced compensation and delay in transfer of acquired land to user departments.
- Audit could neither find existence of a well planned system and codified procedures for carrying out acquisition activities nor draw an assurance that the processes were carried out with economy, efficiency and effectiveness. This adversely impacted achievement of the overall objective of DDA which was development of Delhi and providing the necessary infrastructure to its citizens.

<sup>19</sup> (i) Bakkarwala, (ii) Tikri Kalan, (iii) Malikpur Kohi/Rangpuri, (iv) Bamnoli, (v) Nasirpur, (vi) Kirari Suleman Nagar and (vii) Madanpur Dabas

**Recommendations:**

- DDA should develop a proper database of the total land in its possession and appropriate records maintained in all the 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.
- There should be effective co-ordination and co-operation between DDA and Delhi Government. An effective mechanism should be evolved and institutionalized where all the pending issues between DDA and Delhi Government could be settled expeditiously.

