



**Report of the
Comptroller and Auditor General of India
on
Administration of Nazul Lands by
Land and Development Office**



लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest

**Union Government
Ministry of Housing and Urban Affairs
No. 17 of 2021
(Compliance Audit)**

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Laid on the table of Lok Sabha and Rajya Sabha on.....

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Preface

This Report has been prepared for submission to the President under Article 151 of the Constitution of India.

This Report of the Comptroller and Auditor General of India contains the results of compliance audit of Administration of Nazul Lands by Land and Development Office, an attached office of the Ministry of Housing and Urban Affairs. The functioning of Land and Development Office was earlier reviewed by the Comptroller and Auditor General of India and the Audit findings were included in Report No. 6 of 2009-10. The Report was discussed by the Public Accounts Committee and its observations and recommendations were brought out (27 April 2012) in their 59th Report (15th Lok Sabha) on 'Functioning of Land and Development Office'. The Public Accounts Committee further brought out (21 March 2013) 78th Report (15th Lok Sabha) on Action Taken by the Government on the observations/ recommendations contained in their 59th Report.

This Report presents the Audit findings on the follow-up action taken by the Ministry of Housing and Urban Affairs/ Land and Development Office on the observations/ recommendations of the Public Accounts Committee. Audit covered the period from 1 April 2016 to 31 March 2019, and the Audit findings have been subsequently updated upto 31 March 2021.

The Audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.

EXECUTIVE SUMMARY

Land and Development Office (L&DO) is an attached office under the Ministry of Housing and Urban Affairs. The properties administered by L&DO fall into two broad categories:

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

These properties were given on leases for residential, commercial and institutional purposes. As per the Annual Report of the Ministry of Housing and Urban Affairs for the year 2020-21, L&DO is responsible for the administration of about 60,526 leases of the Central Government land in Delhi, out of which 34,905 properties have been converted into freehold.

The functioning of L&DO was reviewed by the Comptroller and Auditor General of India (CAG) and the Audit findings were included in Report No. 6 of 2009-10. The Report was discussed by the Public Accounts Committee (PAC) and its observations and recommendations were brought out (27 April 2012) in their 59th Report (15th Lok Sabha) on 'Functioning of Land and Development Office'. The PAC further brought out (21 March 2013) 78th Report (15th Lok Sabha) on Action Taken by the Government on the observations/ recommendations contained in their 59th Report. The follow-up action taken by the Ministry/ L&DO in this regard was reviewed by Audit based on examination of records relating to a sample of 29 Nazul properties.

Audit findings

Assurances to PAC

- During the previous Audit (2009-10), L&DO did not provide important records. The Ministry made (July 2013) a firm commitment to the Public Accounts Committee (PAC) that in future there shall be no occasion of denial of records to Audit. In the follow-up Audit, many of the records were not produced to Audit.

(Para 3.1)

- The PAC, in their 78th Report, noted that the Ministry/ L&DO had started verifying/ cross-checking the records to arrive at an authentic figure of all the leased properties but found that position was still far from satisfactory. It was seen during the follow-up Audit that L&DO still did not have the authentic figures of the leased properties under its administration.

(Para 3.2)

- The PAC, in their 78th Report, impressed upon the Ministry/ L&DO to recover all the outstanding ground rent dues in a definite time-frame. During the follow-up Audit, it

was found that complete information of ground rent due, demanded, paid and outstanding was not recorded in the ground rent register of any of the test-checked properties. L&DO also did not make any efforts to recover the ground rent in time.

(Para 3.3.2.1)

- The PAC had impressed upon the Ministry/ L&DO to complete the revision of ground rent in a time-bound manner. During the follow-up Audit, it was seen that out of 29 properties, ground rent was due for revision in 21 properties. However, ground rent was either not revised or revised belatedly/ revised incorrectly.

(Para 3.3.2.2)

- Mandatory inspection of the properties was to be carried out once in three years i.e., inspections of at least 33 *per cent* of the properties annually. It was observed during Audit that inspections conducted by L&DO during the years 2016-17 to 2020-21 ranged between five *per cent* and eight *per cent* of the required mandatory inspection. Further, wherever inspections were done, show-cause notices/ breach notices for violations were not issued on time and efforts to re-enter the property were found lacking, thereby rendering the inspections ineffective.

(Para 3.4)

- L&DO was required to dispose of applications for conversion, sale permission, mutation, and substitution etc., within a period of three months from the date of receipt of information and documents from the lessee. During Audit, it was observed that 61 applications were disposed of within a day. However, 1,199 applications were rejected after taking more than 1,500 days. Maximum time taken in rejecting and approving a particular application was more than 23 years and 18 years, respectively. This shows that the processing of applications was extremely tardy.

(Para 3.6)

- L&DO introduced e-Dharti software for speedy disposal of public services. The Ministry had given assurance to the PAC (59th Report) that computerization work related to Nazul properties would be completed by December 2011 and all other files/ registers would be digitized by June 2012. The Ministry/ L&DO failed to fulfil its commitment/assurance as even after a lapse of more than eight years, the process of digitization was yet to be completed.

(Para 3.7)

With regard to Audit findings on Assurances to PAC, Audit recommends that:

- 1. The Ministry may ensure that all the commitments and assurances provided to the Public Accounts Committee are closely monitored and implemented under intimation to Audit.***
- 2. L&DO needs to take stock of all the properties vested under its control and update all the relevant information pertaining to each property in the e-Dharti system, in order***

to avoid any possibility of unauthorised construction and misuse/ unauthorised sale of properties.

3. *The annual budget should be prepared based on assessment of all rent assessed and collectable during the year.*
4. *In order to enable simultaneous updation of inspection registers and follow-up, L&DO may consider developing a GIS enabled mobile application with cross integration facilities with e-Dharti portal to upload the inspection results.*
5. *L&DO should develop a robust monitoring mechanism to ensure that the benefit to EWS beneficiaries is being provided by the Hospitals and Schools, and coordinate with the Government of National Capital Territory of Delhi to ensure that the conditions for admission in school and free medical treatment of EWS category are followed.*

Other Issues

- For receipt of outstanding dues, demand letters in respect of only 20 properties (out of 29 sampled properties) amounting to ₹326.54 crore were last issued to the lessees between June 1977 to December 2019 of which L&DO could not recover ₹325.12 crore (99.57 per cent). Audit observed that in 19 cases, dues towards damage, misuse, interest etc. amounting to ₹444.08 crore were outstanding.

(Para 4.1)
- The unearned increase had been prescribed as 50 per cent of the difference between the present value of land and the last transaction value of the land. Audit observed that in four cases (out of 29), the lessee had sold the properties. However, unearned increase was not claimed after it came to the notice of L&DO.

(Para 4.2)
- L&DO has so far not issued any specific instructions to Sub-registrar offices that the properties under the control of L&DO should not be registered without its permission. In the absence of such instructions, the Sub-registrar offices would not be in a position to identify the properties belonging to L&DO for registration purposes.

(Para 4.3)
- As per lease agreements, after every transfer of the lease rights, lessee has to intimate the same to the lessor. Audit observed that in five out of 29 sampled properties, lessee sold/ transferred the lease rights to other person without prior permission of L&DO. L&DO neither took any action to get the property vacated from the unauthorized occupants nor initiated action for re-entry.

(Para 4.4.1)
- L&DO was allotting plots to various entities for construction of their building and running their activities. It was seen that in three cases, L&DO had to cancel the allotment of plot and allot another plot in lieu of the same for reasons such as allotment

of encroached plot, allotment of smaller plot, etc., which shows that L&DO was not aware of the actual status of the properties vested under its control.

(Para 4.4.2)

- It is the responsibility of the lessee to get the plan sanctioned from the municipal authority/ local body and submit it to the L&DO. Audit found that there was no sanctioned building plan in eight properties out of the sampled 29 properties and L&DO had been demanding the same from the lessee. It was not clear how L&DO conducted inspections without sanctioned building plans.

(Para 4.5.1)

- Scrutiny of 29 properties revealed that in case of 11 properties, the perpetual lease deeds/ license deeds were not executed. In the absence of lease deed, necessary clauses relating to misuse/ unauthorized construction, revision of ground rent, transfer of lease rights and re-entering upon the property cannot be enforced.

(Para 4.5.2)

- For conversion of leasehold properties into freehold, the allottees were required to pay the difference of conversion charges etc. if the land rates were revised. Audit examined five properties which were converted into freehold. Despite revision of land rates in May 2017 effective from 1 April 2000, L&DO did not calculate the difference of conversion charges in any of these cases resulting in non-recovery of dues.

(Para 4.8)

With regard to Audit findings on Other Issues, Audit recommends that:

- 6. L&DO should share its verified land records with the Land Revenue Department and Delhi Online Registration Information System (DORIS) of the Registration Department of the Government of National Capital Territory of Delhi, and should evolve a workable solution through which sale/ transfer of any of its properties may be alerted at the time of registration/ mutation.*
- 7. Through a suitable working mechanism, L&DO should ensure that all the approved building plans for all of its properties are collected from concerned local bodies. These should be digitised and placed in the e-Dharti portal for use. There should be an arrangement to communicate the deviations from the Building plan observed by L&DO to the concerned local body for follow-up action.*
- 8. L&DO should ensure that lease documents for each of its leased out property are traced, verified and registered. In the event of the original lessee not being found, L&DO should re-enter the property.*
- 9. L&DO should identify the revised rent collectable from all freehold conversions and verify if land rates were revised for these. In case of revision in land rates, the amount that needs to be recovered from these buyers may be assessed and followed up with demand notices in a time-bound manner.*

Chapter I

Introduction

The Land and Development Office (L&DO) traces its genesis to the office of the Chief Commissioner of Delhi, responsible for acquiring the land for new capital of Delhi in 1911. The land and development work was then done by an Executive Engineer of the Public Works Department (PWD), known as Land and Development Officer, in the Chief Engineer's office, under the control of the Secretary to the Chief Commissioner in PWD. The Land and Development Officer was formally charged with the land record work and administration on behalf of the Government of Raisina Estate. On transfer of the work under the direct administrative control of the Chief Commissioner, Delhi with effect from 1 March 1928, the office of the Land and Development Officer came into being as a separate organization. In 1958, the Chief Commissioner resumed Nazul¹ lands under the management of the Notified Area Committee, Civil Section, Delhi and put them under the administrative control of the L&DO. L&DO was brought under the control of the then Ministry of Urban Development, presently Ministry of Housing and Urban Affairs (Ministry) with effect from 1 October 1959 and since then, it had been functioning as a subordinate office of this Ministry until it was upgraded as an attached office of the Ministry vide Gazette notification dated 04 April 2000.

The main functions of the L&DO are:

- i) administration of the leasehold properties of Central Government land,
- ii) allotment of land to various Government/ semi-Government departments and various political, social, charitable, educational and religious institutions,
- iii) conversion, substitution, mutation etc., of leasehold residential, commercial, industrial and mixed-use properties into freehold and execution of conveyance deeds, and
- iv) realization of Government revenue in accordance with the terms of lease deeds and orders/ instructions issued by the Government from time to time.

The properties administered by L&DO fall into two broad categories:

- Nazul lands, which were acquired in the year 1911 for the formation of the capital of India at Delhi; and
- Rehabilitation lands², which were acquired by the Government of India for the speedy rehabilitation of displaced persons from Pakistan.

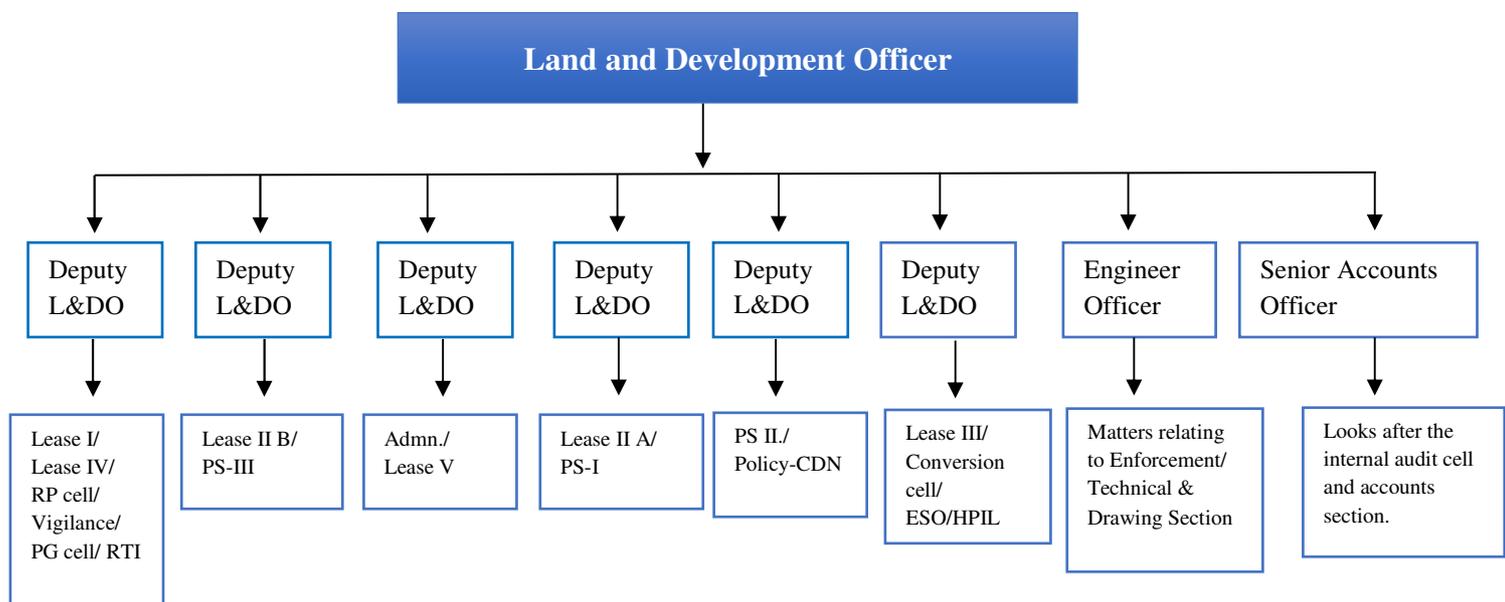
¹ *The term 'Nazul land' inter alia means land or buildings in or near towns or villages which have escheated to the Government; property escheated or lapsed to the State. The term 'Nazul land' is commonly applied to any land or house property belonging to Government either as an escheat or as having belonged to a former Government.*

² *Rehabilitation leases, which were earlier administered by the Rehabilitation Department, were transferred to the L&DO in 1983*

These properties were given on lease for residential, commercial and institutional purposes. As per the Annual Report of the Ministry of Housing and Urban Affairs for the year 2020-21, L&DO is responsible for the administration of about 60,526 leases of the Central Government land in Delhi. These include 57,389 residential, 1,597 commercial, 1,430 institutional and 110 industrial properties, out of which 34,905 properties have been converted into freehold.

1.1 Organizational setup

The L&DO is headed by the Land and Development Officer, who is assisted by six Deputy Land and Development Officers, one Engineer Officer who heads the Technical Branch and one Senior Accounts Officer who also acts as Internal Audit Officer of L&DO. The administration of leased properties is done through six Lease sections, three Property sections (PS), and one Residual Property cell (RP cell).



(PG: Public Grievances; CDN: Coordination; ESO: Estate Officer; HPIL: Hemisphere Properties India Ltd)

As against a sanctioned strength of 197 persons, the L&DO had 99 persons in position (as of January 2021). In addition, 41 persons were also working on contract basis.

1.2 Online Systems

L&DO has an online system known as “e-Dharti”, which is meant for speedy disposal of public services (such as conversion, substitution and mutation of properties) including a payment system. Capability to digitize sale-permission, mortgage permission and gift permission was under development. Another application, the e-Dharti Geoportal, is a Geographic Information System (GIS) based application for mapping its properties. Through this application, the lessee will be able to see the basic details of the property along with a map showing its location. The NIC is managing these applications and the IT resources.

1.3 Budget and expenditure

The budget estimates, revised estimates and actual expenditure of L&DO during the years 2016-17 to 2020-21 is as under:

Table 1.1: Budget Estimates, Revised Estimates and Actual Expenditure of L&DO

(₹ in crore)

| Year | Budget Estimates | Revised Estimates | Actual Expenditure |
|---------|------------------|-------------------|--------------------|
| 2016-17 | 9.94 | 10.50 | 10.42 |
| 2017-18 | 10.76 | 11.16 | 11.03 |
| 2018-19 | 12.04 | 13.11 | 12.13 |
| 2019-20 | 11.93 | 13.86 | 12.66 |
| 2020-21 | 12.97 | 12.97 | Not Available |

(Source: Detailed Demand for Grants of MoHUA)

Chapter II

Mandate, Audit Scope and Methodology

The Compliance Audit Report has been prepared under the provisions of Section 13 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. The Audit has been carried out in line with the Regulations on Audit and Accounts, 2007 and Performance Audit Guidelines, 2014 of the Comptroller and Auditor General of India.

2.1 Scope of Audit

The Audit covered the examination of records relating to administration of Nazul lands under the L&DO for the period 2016-17 to 2018-19, with particular emphasis on follow-up of previous report of CAG on 'Functioning of L&DO' (No.6 of 2009-10) and the Reports of the Public Accounts Committee (PAC) thereon. The Audit findings have been updated upto the year 2020-21, wherever the information/ records were made available by L&DO.

2.2 Audit objectives

The Audit objectives were to assess whether L&DO:

- i) fulfilled the assurances to the PAC on remedial actions/ measures in respect of the recommendations/ observations of the PAC on the Performance Audit Report No. 6 of 2009-10; and
- ii) effectively managed the leases as per provisions of the lease agreements and instructions issued from time to time.

2.3 Sources for audit criteria

- Lease deeds signed by L&DO with lessees
- Office manual of L&DO
- Office orders, amendments and other circulars of L&DO
- General Financial Rules (GFR), 2005 and 2017
- Annual Reports of the Ministry of Urban Development/ Ministry of Housing and Urban Affairs
- Public Premises (Eviction of Unauthorized Occupants) Act, 1971
- Citizen's Charter of L&DO

2.4 Audit methodology

An Entry Conference was held on 30 September 2019 wherein the audit objectives, criteria, scope etc., were explained to the Secretary, Ministry of Housing and Urban Affairs and cooperation for the conduct of the follow-up audit was solicited. Thereafter, examination of records of L&DO was taken up. Besides examination of records, joint inspection of properties selected from sampled cases was also done with the technical staff of L&DO.

2.5 Audit sampling

L&DO was requested to provide the category-wise details of the properties under its control. However, complete information was not provided by L&DO and a list of 2,608 properties was furnished. Due to the outbreak of Covid-19 pandemic, the follow-up audit was conducted based on examination of records relating to a sample of 29 properties selected statistically³. These 29 properties are as under:

Table 2.1: Properties covered in audit

| Sl. No. | Category of Properties | No. of properties covered in audit | Details of properties covered in audit |
|---------|-----------------------------|------------------------------------|---|
| 1. | Schools | 3 | i) Kendriya Vidyalaya, Andrews Ganj ii) Vidya Bhawan Girls Higher Secondary School, New Rajinder Nagar iii) Bal Bharati School, Pusa Road |
| 2. | Presses | 3 | i) Daily Milap, Bahadur Shah Zafar (BSZ) Marg ii) Daily Tej, BSZ Marg iii) Gulab Singh & Sons, BSZ Marg |
| 3. | Hotels | 2 | i) Hotel Le Meridien, Janpath ii) Hotel Taj Man Singh, Man Singh Road |
| 4. | Hospitals | 2 | i) Vidya Sagar Institute of Mental Health and Neuro-Sciences (VIMHANS), Nehru Nagar ii) St. Stephen's Hospital, Tis Hazari |
| 5. | Business premises | 1 | F-2, Connaught Place |
| 6. | Cinema Halls | 1 | Alankar Cinema, Lajpat Nagar |
| 7. | Trade Unions | 3 | i) Centre of Indian Trade Unions (CITU), Rouse Avenue ii) All India Trade Union Congress (AITUC), Deen Dayal Upadhyaya Marg iii) Indian National Trade Union Congress (INTUC), Bhai Veer Singh Marg |
| 8. | Coal Depots/ Gas Godowns | 3 | i) M/s Kishan Bhag Chand (Capital Coal Company), Prithvi Raj Lane ii) Sukhdeep Coal Depot, Rouse Avenue iii) Kayson Enterprises (Gas Godown), Sardar Patel Marg |
| 9. | Petrol Pumps | 2 | i) M/s Prem Service Station, J.B. Tito Marg ii) Krishna Filling Service Station, Minto Road |
| 10. | Political Parties | 1 | All India Trinamool Congress, Deen Dayal Upadhyaya Marg |
| 11. | Other Nazul Properties | 5 | i) 17, Jor Bagh ii) Sen Nursing Home, BSZ Marg iii) 29, Aurangzeb Road |

³ The statistical sample was selected through Interactive Data Extraction and Analysis (IDEA) software

| Sl. No. | Category of Properties | No. of properties covered in audit | Details of properties covered in audit |
|---------|------------------------|------------------------------------|---|
| | | | iv) 3, Kautilya Marg v) 7, Garage, Gole Market |
| 12. | Freehold Properties | 3 | i) 12, Golf Links, ii) 19, Prithvi Raj Road iii) 1, Hailey Road |
| | Total | 29 | |

2.6 Acknowledgement

Audit acknowledges the cooperation extended by the Land and Development Office and the Ministry of Housing and Urban Affairs for timely completion of the audit.

Chapter III

Assurances to PAC

The functioning of L&DO was reviewed by the CAG and the Audit findings were included in Report No. 6 of 2009-10. The Report was discussed by the PAC and its observations and recommendations were brought out (27 April 2012) in their 59th Report (15th Lok Sabha) on 'Functioning of Land and Development Office'. The PAC further brought out (21 March 2013) 78th Report (15th Lok Sabha) on Action Taken by the Government on the observations/ recommendations contained in their 59th Report. The follow-up action taken by the Ministry/ L&DO in this regard is discussed below. Audit findings on the examination of records relating to 29 sampled properties are given in this chapter. Additional details on the Audit findings on individual properties are given in **Annexure-I**. The details of the recommendations made by the PAC and action thereon by the Ministry/ L&DO are given in **Annexure-II**.

3.1 Non-production of records despite firm commitment by the Ministry

Section 18 of CAG's (DPC) Act, 1971, provides that the CAG shall have the authority to require that any accounts, books, papers and other documents which deal with or form the basis of or otherwise relevant to the transactions to which his duties in respect of Audit extend, shall be sent to such place as he may appoint for his inspection.

During the previous Audit (2009-10), L&DO did not provide important records such as ground rent register, squatter register and register of damage for Audit examination.

In the Action Taken Note on 59th Report of PAC, the Ministry had submitted that earlier these registers were not maintained up-to-date and added that these were now being maintained and continuously updated in the computerised format. The Ministry also stated that it is ready to produce any document to Audit. The PAC in its 78th Report cautioned the Ministry that denial of records, documents and information to Audit, regardless of the grounds, brings avoidable mistrust and inference that there is something awry with the functioning of the Department. The Committee also desired to have a firm commitment from the Ministry that under no circumstance, should Audit be denied access to any records/ information in future. The Ministry, in its reply to the PAC, stated (July 2013) that it had taken note of the observation of the Committee and made a firm commitment that, in future, there shall be no occasion of denial of records to Audit.

In the current follow-up Audit, from October 2019 to May 2020, 70 Audit requisitions were issued, seeking various records/ documents/ information relating to the specific 29 sampled properties. The period of Audit was further extended to 2020-21 and accordingly additional information was sought. Many of the records were, however, not produced to Audit, as listed below:

- i) Ground Rent Registers, Lease Deed Registers, Inspection Registers, Damage Registers etc., for the years 2016-17 to 2020-21.

- ii) System Requirement Specification (SRS), User Requirement Specification (URS) and Data Dictionary of e-Dharti software and data dump captured in it for analysis.
- iii) Policy/ guidelines framed for inspection and survey of properties under different categories of leases. Copies of inspection reports, action taken on the shortcomings noticed during the inspections along with relevant documents, and targets fixed by L&DO for inspections of the properties and achievement there against.
- iv) Policy files on allotment of land to Petrol Pumps, Hotels, Schools/ Educational Institutions, Hospitals, etc.
- v) Category-wise and year-wise (2016-17 to 2018-19) receipts due, demanded, collected and outstanding from ground rent, penalties, unearned increase, interest etc. and from conversion of leasehold rights into freehold rights, substitution, etc.
- vi) Year-wise (2016-17 to 2020-21) surveys carried out to assess encroachment and squatting on Government land, action taken for eviction of squatters under Public Premises (Eviction of Unauthorized Occupants) Act, 1971, and cases of unauthorized squatters pending with the Estate Officer as on 31 March 2021 indicating the year since when pending.
- vii) Mechanism to monitor the court imposed social obligation of hospitals and educational institutions (which were allotted lands by L&DO) towards free treatment and admission of wards of economically weaker sections.

Thus, despite a firm commitment by the Ministry to the PAC that there shall be no occasion of denial of records to Audit, most of the records sought during the follow-up audit of L&DO were not furnished.

L&DO stated (April 2021) that due to Covid-19 pandemic, as whole country was under lockdown, and due to constraints⁴ imposed by the Department of Personnel and Training, the records could not be provided. These would be provided in future as and when required/ demanded.

The reply is not tenable as the records not produced had been sought during the pre-Covid period. Although access to e-Dharti was provided to Audit, in the absence of System Requirement Specification, User Requirement Specification and data dictionary, Audit was not able to analyse the database to the desired extent. The fact, therefore, remains that the Ministry/ L&DO did not fulfil the commitment given to the PAC as most of the information/ records requisitioned by Audit were not provided by L&DO.

Recommendation No. 1

The Ministry may ensure that all the commitments and assurances provided to the Public Accounts Committee are closely monitored and implemented under intimation to Audit.

⁴ *Constraints like offices were working with limited staff due to restrictions imposed during lockdown and after lifting of lockdown*

3.2 Authenticity of the figures of the leased properties

Office Manual of L&DO prescribes that records relating to leased properties need to be maintained by the individual Lease and Property Sections, based on their territorial jurisdiction for exercising control over different aspects of lease administration. In the previous CAG Report (2009-10) it was reported that out of the 60,526 leases administered by the L&DO, 28,924 leases had been converted into freehold. Further, as per Annual Report of the Ministry of Housing and Urban Affairs for the year 2020-21, 34,905 properties have been converted into freehold. However, detailed colony-wise break-up of the current leases (excluding leases converted to freehold) was not available with L&DO. Audit could not derive any assurance on the authenticity of these figures maintained by the L&DO due to inadequate documentation.

The Ministry, in its Action Taken Note (on 59th report of PAC), had stated that L&DO had 3,373 Nazul properties of which 901 properties had been converted into freehold and 51 files for Nazul properties were not traceable. As regards rehabilitation properties, it was informed that there were 49,523 residential properties.

The PAC, in the 78th Report, noted that pursuant to their recommendations, the Ministry/L&DO had started verifying/ cross-checking the records to arrive at an authentic figure of all the leased properties but found that position was still far from satisfactory. Forty-six missing files pertaining to the Nazul properties were yet to be traced. The Committee impressed upon the Ministry/ L&DO to intensify the measures initiated and make more vigorous and concerted efforts to locate the missing files and complete the data input of all the leased properties in a definite timeline so that the entrusted responsibility of the overall lease administration of prime Government properties in Delhi was carried out in a smooth and seamless manner.

It was seen during the follow-up Audit that L&DO still did not have the authentic figures of its leased properties. It was mentioned in the Annual Reports of the Ministry (till 2020-21) that L&DO was responsible for administration of about 60,526 leases of Central Government in Delhi. However, as per the Press Information Bureau release dated 07 March 2019, L&DO has started working on GIS-based mapping of all its approximately 65,000 properties. Further, during the Audit, L&DO provided a list of 46,696 leased properties, but did not provide the current status of 46 missing files. Thus, even after 10 years from the previous audit, the authentic figures of the leased properties were not yet available with L&DO.

L&DO replied (December 2020) that digitization entailed entry of every detail about the property. The Nazul properties had been covered under the digitization drive and would be concluded by March 2021. L&DO further stated (April 2021) that since the cadastral⁵ mapping of properties had started in L&DO, final figures would be made available when mapping was completed.

⁵ *Cadastral mapping is a comprehensive register of the details related to the property of an area. These details include the precise location, dimensions and other geographical classification of the properties or individual parcels of land.*

The reply is not tenable as scrutiny of the records relating to the 29 sampled properties during the follow-up Audit revealed that the property proforma on the e-Dharti portal was incomplete in all cases. Besides, the Ground Rent register was maintained in e-Dharti for only 21,260 out of 60,526 properties as of August 2020 and was incomplete. The Ministry/ L&DO had informed the PAC in October 2013 that data inputs for 2,943 properties were pending as on August 2013, however, the process is still not completed even after a lapse of more than seven years. Thus, L&DO did not have authentic information on the number of properties under its control.

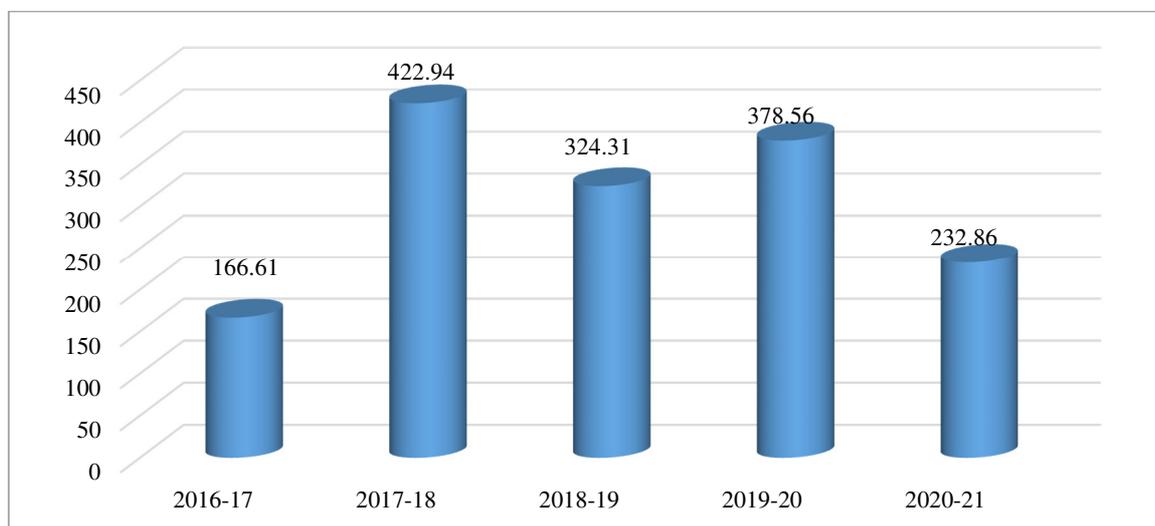
Recommendation No. 2

L&DO needs to take stock of all the properties vested under its control and update all the relevant information pertaining to each property in the e-Dharti system, in order to avoid any possibility of unauthorised construction and misuse/ unauthorised sale of properties.

3.3 Receipts

L&DO gets various types of receipts viz., premium (onetime payment towards the cost of land), ground rent, additional ground rent (on additional construction), misuse charges (for non-permissible activities), damage charges (for unauthorized constructions), unearned increase (on sale of the property), penalty (on misuse charges), conversion charges (for converting the property from leasehold to freehold) and interest (on belated payments) etc. Receipts of L&DO for the period 2016-17 to 2020-21 are as shown in the chart below:

Chart 3.1: Year-wise receipts of L&DO (₹ in crore)



It can be seen from the above chart that while receipts in 2017-18 increased by ₹256.33 crore (154 per cent) over 2016-17, in 2020-21 receipts decreased by ₹145.70 crore (38 per cent) from the previous year.

L&DO replied (January 2021) that the realization of recovery depends upon various factors and it strives to realize the demand diligently and the yearly variation in demand cannot be factored in.

Even though L&DO did not give any specific reason for variations in receipts of revenue, it is apparent that L&DO has not consolidated the details of receipts collectable from all its leased properties. If it had done so, the annual rent collectable would have been a standard figure subject to minor changes.

Recommendation No. 3

The annual budget should be prepared based on realistic assessment of all rent assessed and collectable during the year.

3.3.1 Non-productions of records relating to receipts from Nazul properties

As per the information on e-Dharti system, L&DO received ₹187.22 crore as receipts on account of ground rent⁶ from Nazul properties during the period from 2016-17 to 2018-19 (upto October 2018). The details of ground rent receipts from Nazul properties after October 2018 were not available on e-Dharti. Due to non-furnishing of records/information by L&DO related to receipts, figures of e-Dharti could not be cross-examined and tallied. Therefore, veracity and completeness of figures in e-Dharti could not be verified.

L&DO replied (January 2021) that the demand in respect of individual Nazul and Institutional properties was being updated and L&DO would strive to recover the demanded amount within stipulated time frame.

Thus, even after a decade from the tabling of the last Audit Report, L&DO was still in the process of updating the demands for Government dues, despite computerisation.

3.3.2 Non-receipt and non-revision of ground rent

3.3.2.1 Non-receipt of ground rent

One of the main functions of L&DO is recovery of all Government dues in respect of land under its control. Ground rent is an annual charge levied at prescribed rates with reference to the premium or onetime payment levied at the time of allotment. The ground rent is payable, in advance, either in two half-yearly instalments or annually on 1 April. Further, Rule 9 of GFR 2017 stipulates that it is the duty of the concerned department to ensure that the receipts and dues of the Government are correctly and promptly collected.

During the previous Audit in 2009-10, as the ground rent registers were not produced to Audit, it was inferred that they were not maintained. L&DO had replied in October 2011 that earlier, these Registers were maintained manually and to improve the functioning, L&DO had proposed to computerize these Registers. In the Action Taken Note on 59th Report of PAC, the Ministry had submitted that in order to streamline the collection of ground rent, the relevant Registers were being computerized under the overall scheme of computerization in L&DO. The PAC in its 78th Report stated that the Committee would like to be apprised of the exact dues of ground rent of the Nazul properties and the specific and additional steps taken to recover all the outstanding ground rent dues in a definite

⁶ *Ground rent includes additional and revised ground rent also*

timeframe. In response, the Ministry had stated (July 2013) that as and when an applicant makes a request for mutation, substitution, conversion etc., all outstanding dues including ground rent is recovered.

During the follow-up Audit, scrutiny of the ground rent registers of the sampled 29 properties revealed that the details of payment of ground rent had been left blank in 15 cases⁷ (52 per cent). In the remaining 14 cases, though details of ground rent had been filled but were not updated⁸. Thus, complete information of ground rent due, demanded, paid and outstanding was not recorded in the ground rent register of any of the test-checked properties.

L&DO did not provide the details of outstanding ground rent. In 21 out of the 29 sampled cases (72 per cent), the outstanding ground rent amounting to ₹8.67 crore and interest amounting to ₹8.92 crore as on 31 March 2021 was worked out by Audit, as detailed in **Annexure-III**. Out of the remaining eight properties, ground rent was not due in case of seven properties⁹, and it could not be worked out in case of one property viz., Sen Nursing Home, BSZ Marg due to non-availability of required information.

L&DO replied (January 2021) that as per the procedure followed by it, the updated demand is served on the lessee at the time of substitution, mutation and conversion of tenure of land from leasehold to freehold, which includes updated ground rent. The lessee generally pays the demand lump-sum, which includes various components viz., damages, misuse charges, etc., and bifurcation of ground rent is not feasible. Of the total leases being administered by L&DO, between 60-65 per cent of properties are below 100 square yards or less where the ground rent is very nominal. Therefore, in cases of residential, commercial and industrial properties, the ground rent is recovered at the time of substitution, mutation and conversion. L&DO further stated (April 2021) that they are in the process of digitisation of receipts and have started accepting ground rent through online mode. Each property under L&DO is allotted Property ID number. Hence, though it may take some time but L&DO would be able to recover the outstanding ground rent.

The reply of L&DO is not acceptable as Rule 9 of GFR 2017 stipulates that it is the duty of the concerned department to ensure that the receipts and dues of the Government are correctly and promptly collected. Further, PAC in its 78th report (2012-13) impressed upon the Ministry/ L&DO to recover all the outstanding ground rent dues in a definite

⁷ *Kendriya Vidyalaya, Andrews Ganj; Bal Bharati School, Pusa Road; 7, Garage, Gole Market; Sukhdeep Coal Depot, Rouse Avenue; Vidya Bhawan Girls Higher Secondary School, New Rajinder Nagar; M/s Kishan Bhag Chand (Capital Coal Company), Prithvi Raj Lane; 3, Kautilya Marg; Prem Service Station, J.B. Tito Marg; F-2, Connaught Place, Indian National Trade Union Congress, Bhai Veer Singh Marg; Gulab Singh & Sons; Sen Nursing Home; Hotel Le Meridien; Alankar Cinema; and Daily Tej*

⁸ *Earliest being August 2012 (St. Stephen's Hospital, Tis Hazari) and latest being April 2018 (VIMHANS Hospital, Nehru Nagar)*

⁹ *12, Golf Links; 3, Kautilya Marg and Sukhdeep Coal Depot (ground rent was not due as these were freehold properties); All India Trinamool Congress (ground rent was not due as the possession could not be handed over by L&DO due to encroachment); M/s Kishan Bhag Chand (ground rent was not claimed due to unauthorized occupation of property); 19, Prithvi Raj Road (ground rent was not due, due to court's decision); and Bal Bharati School, Pusa Road (ground rent had been paid, so not due)*

time-frame. However, it is evident that the L&DO neither maintained proper records of ground rent nor made any efforts to timely recover the same. The reply of L&DO is silent on non-maintenance of ground rent registers, nor does the reply mention any time-frame for completion of allotment of Property IDs and recovery of ground rent.

Case Study 1

In case of F-2 Connaught Place, the perpetual lease was executed in March 1925. The ground rent was fixed at the rate of ₹330 per annum, however, the same has not been realized after January 1981. No demand letter has been issued to the lessee for payment of the ground rent after January 1981. L&DO stated (December 2020 and April 2021) that the file had been sent to Technical Section for carrying out inspection and thereafter demand for revised ground rent, additional ground rent etc., would be updated.

The reply is not tenable as the file had been sent to Technical Section earlier also (in June 2004) but the same was not followed up at all. The fact remains that for the last 40 years neither ground rent has been realized nor any demand letter issued.

3.3.2.2 Revision of ground rent

Ground rent is revisable at the option of lessor (L&DO) once in every 30 years. An office order was issued in January 1984, whereby the earlier ground rent was to be enhanced by a specified multiple, depending on the period of delay in revision.

During the previous Performance Audit (2009-10), complete details of the revision of ground rent of the Nazul leases that had fallen due for revision could not be ascertained in Audit. In the Action taken note on 59th report of PAC, the Ministry had stated that with a view to recover the outstanding ground rent at the earliest, the process of revision of ground rent in respect of Nazul leases had been completed.

The PAC, in its 78th Report, stated that there is no denying the fact that the work relating to ground rent revision of the pending cases got severely affected due to non-functioning of the 'Revision of Ground Rent Cell'. The Committee impressed upon the Ministry/L&DO to complete the revision of the remaining ground rent cases in a time-bound manner.

During the follow-up Audit, it was seen that out of 29 properties, ground rent was due for revision in 21 properties. However, ground rent was not revised/ revised belatedly/ revised incorrectly as shown in the table below:

Table 3.1: Non-revision/ belated revision/ incorrect revision of ground rent

| Particulars | No. of properties | Name of the properties |
|---|-------------------|---|
| Ground Rent not revised since allotment | 10 | i) 29, Aurangzeb Road ii) Bal Bharati School, Pusa Road iii) Kendriya Vidyalaya, Andrews Ganj iv) Indian National Trade Union Congress, Bhai Veer Singh Marg |

| Particulars | No. of properties | Name of the properties |
|---|-------------------|--|
| | | v) F-2, Connaught Place vi) VIMHANS Hospital, Nehru Nagar vii) Hotel Taj Man Singh, Man Singh Road viii) Sen Nursing Home, Bahadur Shah Zafar Marg ix) Hotel Le Meridien, Janpath x) St. Stephen's Hospital, Tis Hazari (ground rent was not revised for two out of three plots allotted to St. Stephen's Hospital) |
| Ground rent was revised belatedly | 7 | i) Daily Milap, Bahadur Shah Zafar Marg ii) Daily Tej, Bahadur Shah Zafar Marg iii) Gulab Singh & Sons, Bahadur Shah Zafar Marg iv) Kayson Enterprises, Sardar Patel Marg v) 17, Jor Bagh vi) Vidya Bhawan Girls Higher Secondary School, New Rajinder Nagar vii) St. Stephen's Hospital (ground rent was revised belatedly for one out of three plots allotted to St. Stephen's Hospital) |
| Second revision of ground rent not done | 1 | Alankar Cinema, Lajpat Nagar (second revision was not done although due in the year 2017) |
| Ground rent revised by 4 times instead of 10 times | 1 | 7, Garage, Gole Market |
| Ground rent fixed provisionally but not revised, despite revision of land rates | 2 | i) Centre of Indian Trade Unions, Rouse Avenue; and ii) All India Trade Union Congress, Deen Dayal Upadhya Marg |

L&DO stated (April 2021) that revision of ground rent is done at the time of conversion of property from leasehold to freehold, mutation and whenever demands are being issued. In some cases, due to non-submission of documents, the revision could not take place. Moreover, due to Covid pandemic/ other exigencies in office, the revision of ground rent could not be carried out, but the same will be completed by March 31, 2022.

The reply of L&DO is not acceptable as Rule 9 of GFR 2017 stipulates that it is the duty of the concerned department to ensure that the receipts and dues of the Government are correctly and promptly collected. Further, the plea of Covid pandemic and other exigencies is also not acceptable as the ground rent had not been revised since allotment of the properties in 10 out of 29 cases covered in audit.

Case Study 2

Centre of Indian Trade Unions (CITU) and All India Trade Union Congress (AITUC) were allotted (February 2009 and May 2005 respectively) land measuring 504 square meters at Pushp Vihar and two plots having an area of 476 square meters each at DDU Marg at premium (land cost) of ₹88 lakh per acre and annual ground rent at the rate of 2.5 per cent of premium. CITU was paying ground rent as fixed at the time of allotment (ground rent for the period 2015-18 and 2019-21 was not paid) whereas AITUC did not pay any ground rent since allotment. The premium and ground rent were fixed provisionally as the land rates were due for revision from 1 April 2000. After the revision of land rates in June 2017, the rates were revised to ₹929.70 lakh per acre in case of CITU and ₹447.30 lakh per acre in case of AITUC but the revised premium and ground rent were not intimated to the lessee which resulted in outstanding dues amounting to ₹2.63 crore¹⁰ upto March 2021 (calculated by Audit).

3.4 Inspection of the properties

L&DO issued an office order in March 2008 which stipulated that the Manual of L&DO stands amended to the extent that mandatory inspection would be carried out once in three years instead of on annual basis. Thus, L&DO was required to carry out inspections of at least 33 per cent of the properties annually. As per Annual Report of the Ministry of Housing and Urban Affairs for the year 2020-21, L&DO was responsible for administration of about 60,526 leases, out of which 34,905 properties had been converted into freehold. This showed that there were 25,621 properties remaining, which were required to be mandatorily inspected at least once in three years.

The CAG's Performance Audit Report No. 6 of 2009-10 on L&DO had stated that no uniform policy for routine inspection of properties had been adopted and Audit could not ascertain the number of inspections conducted by L&DO during 2003-08, as the Register of inspections was not maintained. In the Action Taken Note on 59th Report of PAC, the Ministry stated that at the time of Audit, inspection register was not maintained and these were now maintained and continuously updated in computerized format.

Follow-up Audit revealed the following:

- Records related to inspection of properties were called for but were not provided to Audit. It was seen in e-Dharti that only 2,726 properties were inspected during the period 2016-17 to 2020-21. The year-wise inspections carried out are shown in the table below:

Table 3.2: Year-wise inspection of properties by L&DO

| Year | No. of properties required to be inspected (33%) | No. of properties inspected | Percentage of properties inspected against required inspections | Percentage shortfall |
|---------|--|-----------------------------|---|----------------------|
| 2016-17 | 8,455 | 495 | 6 | 94 |
| 2017-18 | 8,455 | 663 | 8 | 92 |

¹⁰ ₹2.63 crore = ₹84.52 lakh (premium) + ₹41.32 lakh (ground rent) in case of AITUC + ₹104.83 lakh (premium) + ₹32.82 lakh (ground rent) in case of CITU

| Year | No. of properties required to be inspected (33%) | No. of properties inspected | Percentage of properties inspected against required inspections | Percentage shortfall |
|--------------|--|-----------------------------|---|----------------------|
| 2018-19 | 8,455 | 600 | 7 | 93 |
| 2019-20 | 8,455 | 525 | 6 | 94 |
| 2020-21 | 8,455 | 443 | 5 | 95 |
| Total | | 2,726 | | |

It may be seen from the above table that the year-wise inspections during 2016-17 to 2020-21 ranged between five *per cent* and eight *per cent* of the mandatory inspection required to be conducted annually.

- Examination of section-wise details of inspections in e-Dharti showed that the number of properties inspected in respect of some of the sections was negligible. For instance, only one property each pertaining to Lease Sections 5A and 5B was inspected during 2016-17.
- Audit had called for the Register of Inspections. However, despite consistent efforts and multiple reminders, L&DO did not provide it. In the absence of a reasonable response on the reasons for not providing the Register, Audit is of the view that either such Register was not maintained or was not maintained properly.
- It was observed that out of the sampled 29 properties, inspection of only 10 properties¹¹ was carried out during 2016-19. The details of inspections of the 29 properties during 2019-20 and 2020-21 were sought, but these were not provided to Audit. Misuse/ unauthorized constructions/ encroachments were observed in nine cases.
- It was observed that since mandatory inspections (once in three years) were not being conducted, there was no effective mechanism for ensuring that breaches were intimated to the lessee.

L&DO replied (January 2021) that the mandate of L&DO is to inspect each property after three years. The inspection is carried out prior to mutation and conversion of tenure of land from leasehold to freehold. Due to heavy workload and manpower crunch, sometimes it is not feasible to stick to the schedule. L&DO has initiated the drive to inspect Nazul and Institutional properties as per extant order and to recover up-to-date Government dues. L&DO further stated (April 2021) that the technical staff of their office is not provided with an official vehicle for inspection, and they use local transport in all weather conditions. After inspection, they have to file an inspection report on the computer and work out the charges payable by the lessee. Sometimes they are also engaged in other works like going for site visits/ inspections with senior officers of the Ministry. In future, L&DO will fix targets for inspection of properties.

¹¹ *Daily Milap, Bahadur Shah Zafar Marg; Daily Tej, Bahadur Shah Zafar Marg; Gulab Singh and Sons, Bahadur Shah Zafar Marg; M/s Kayson Enterprises, Sardar Patel Marg; 7, Garage, Gole Market; 17, Jor Bagh; 29, Aurangzeb Road; Bal Bharati School, Pusa Road; Indian National Trade Union Congress, Bhai Veer Singh Marg; and 19, Prithvi Raj Road*

The reply of the L&DO is not acceptable as the Staff Inspection Unit (SIU), Department of Expenditure (Ministry of Finance) recommended (March 2018) strength of 14 technical staff/ persons as against the existing strength of 13 in various technical cadres of L&DO. This indicates that L&DO was having shortage of only one technical person. Lack of timely inspection leaves open the possibility of increasing number of breaches remaining undetected, with consequential non-recovery of damage/ misuse charges resulting in loss of revenue to the Government.

Case Study 3

Temporary allotment of land at Minto Road, New Delhi was made in June 2008 to BPCL (Krishna Filling Service Station) for setting up of Petrol pump. The allotment was made on a purely temporary basis for a period of two years in the first instance. The site was never inspected by L&DO after allotment.

L&DO replied (December 2020 and April 2021) that after the allotment in 2008, the petrol pump was not functional due to land use and other issues.

To verify L&DO's claim, Audit made a physical inspection of the petrol pump (January 2021) and found it to be functional at the site. Despite receipt of only part payments from BPCL, L&DO did not bother to inspect the property to know the exact status of the site.

Case Study 4

In the previous Audit Report (2009-10), it was pointed out that in the case of Kendriya Vidyalaya, Andrews Ganj, sub-division of plot was done by it in 2004 and a portion of the plot was given to a private party. The private party constructed a building, providing facilities for swimming, gymnasium, taekwondo and judo. It was also noticed by Audit that excavation was done at the site for construction of a deep ice hockey rink. L&DO was not aware that the unauthorized sports complex was being run by a private party as the last inspection of the premises was conducted in 1998.

During the follow-up Audit, it was seen from the records that the sports complex in the school premises still existed. Thus, a private party constructed a sports complex in the school in an unauthorised manner, and L&DO remained unaware of such construction until Audit brought it to the notice of L&DO in 2008. Since then, L&DO has done only one inspection of the premises (in July 2011) and issued two letters (July 2018 and May 2019) to the lessee for submission of complete set of sanctioned building plan. Thus, due to non-conduct of timely inspections, L&DO failed to exercise effective control on the properties under its control.

L&DO replied (December 2020 and April 2021) that the school authorities had so far not submitted sanctioned building plan, hence, the exact quantum of the breaches could not be ascertained. A letter had been issued on 9 December 2020 to the school authorities giving them final opportunity to submit the desired documents. If no reply was received, L&DO would prepare a demand note by treating the entire structure as unauthorized.

L&DO did not seek the sanctioned building plan from the local body. Owing to its inaction, the school property situated at a prime location was exploited by a private party for commercial purposes. Despite assurances to the PAC, L&DO did not take action against the misuse. Instead of creating a working mechanism with the local bodies for getting copies of approved building plans in respect of its leased lands, L&DO chose to wait indefinitely for the lessee to fulfil its requirements, thereby abetting the lessee to alter land use at will.

Recommendation No. 4

In order to enable simultaneous updation of inspection registers and follow-up, L&DO may consider developing a GIS enabled mobile application with cross integration facilities with e-Dharti portal to upload the inspection results.

3.5 Ineffective monitoring over provision of free treatment/ admission to Economically Weaker Sections (EWS) in hospitals and schools

3.5.1 Government of India decided to assist hospitals by allotting lands at highly concessional rates, so as to involve them in achieving the larger social objective of providing health services to the people. The Hon'ble High Court of Delhi, in its judgment dated 22 March 2007, directed that 20 hospitals named in the judgment and/or all other hospitals identically situated shall strictly provide free treatment to indigent¹²/ poor persons of Delhi to the extent of 25 per cent in out-patient departments (OPD) and 10 per cent in in-patient departments (IPD). L&DO issued an order (2 February 2012) regarding the policy for free treatment to indigent/ poor persons of Delhi to be followed by the private hospitals which had been allotted land by L&DO on concessional rates. In pursuance of the Hon'ble Supreme Court order dated 9 July 2018, L&DO directed (August 2018) the hospitals to scrupulously follow the conditions laid down in its order dated 02 February 2012 and warned about cancellation of lease in case of any violations.

In their 59th Report, the PAC decried the glaring shortfalls on the part of hospitals in giving the prescribed free treatment to patients belonging to EWS and flagrant violation of the lease terms. The PAC impressed upon the Ministry to warn the defaulting hospitals to mend their ways within a specific period failing which stringent and exemplary action, including cancellation of allotment, be taken against them.

While replying to the 59th Report of PAC, L&DO stated that a special committee headed by the Principal Secretary, Health (Government of NCT of Delhi) was constituted to ensure effective implementation of the orders of Delhi High Court. It was further stated that the monthly reports received from the inspection committee set up by Delhi High Court were examined regularly.

The Directorate of Health Services, Government of NCT of Delhi was required to send monthly reports to L&DO in respect of the provision of free treatment to EWS category patients. However, during the examination of records related to two hospitals (VIMHANS

¹² *Poor and needy persons*

hospital, Nehru Nagar and St. Stephen's hospital, Tis Hazari) during the follow-up Audit, only two reports were found in respect of VIMHANS hospital (August 2018 and January 2019) wherein it was stated that the hospital had not achieved the target of 10 *per cent* of IPD and 25 *per cent* of the total OPD, but no complaints regarding denial of free services were received against the hospital. In respect of St. Stephen's hospital, no such report was found.

L&DO was responsible for compliance of directions of the High Court for ensuring free treatment to EWS category patients by the concerned hospitals. However, it is evident that L&DO did not assure regular receipt of reports from the Directorate of Health Services. Thus, L&DO did not pursue the matter effectively to comply with the directions of the High Court and the PAC. Audit, thus, could not ascertain the extent to which the hospitals in the leased lands of L&DO were offering free treatment to the EWS category patients.

L&DO replied (January 2021 and April 2021) that as per Hon'ble Supreme Court's order of July 2018, the Directorate of Health Services shall ensure/ monitor free treatment to the EWS category in the hospitals through a committee set up by them. A report in this regard is received from the Directorate of Health Services from time to time. Based on the report, action as per lease terms is taken against the hospitals.

The reply is not acceptable in view of the fact that in the test-checked hospitals only two such reports were found in the case of VIMHANS hospital and no report was found in the case of St. Stephen's hospital. Efforts made by L&DO in obtaining regular reports were not found in the records provided to Audit. L&DO also did not forward any documentary evidence in support of their reply. Further, action taken against the defaulting hospitals as directed by the PAC was also not intimated.

Case Study 5

In case of VIMHANS hospital, L&DO had allotted a land measuring 3.5 acres, in Nehru Nagar, New Delhi, in May 1984. L&DO stated (December 2020) that in view of non-compliance of EWS condition since 2003-04, the property was under re-entered condition (i.e., the possession of the property was taken over back by L&DO). However, during verification (February 2021), Audit noticed that the hospital was in operation and was accepting the appointments for OPD. Further, Audit did not find any re-entry orders issued to the lessee and L&DO also did not provide any documentary evidence to that effect.

L&DO stated (April 2021) that a demand letter dated 07 December 2020 for withdrawal of re-entry (i.e., for handing over the possession back to the hospital) was issued to the hospital. However, the payment has not been made by the hospital till date.

L&DO, however, did not furnish a copy of the demand letter dated 07 December 2020 to Audit. Further, the reply of L&DO was silent on further action taken by it as a consequence of non-payment of demanded amount by the hospital.

3.5.2 In case of schools, the Delhi Government vide circular dated 29 December 2015 issued guidelines for reservation of 25 per cent seats for admission under EWS/ Disadvantaged Group category at entry-level classes by private unaided recognised schools of Delhi for the academic session 2016-17 and the same was revised to 20 per cent for the session 2019-20. During scrutiny of records related to two schools (Kendriya Vidyalaya, Andrews Ganj and Bal Bharati School, Pusa Road), Audit observed that L&DO did not have any monitoring mechanism to ascertain whether conditions for admission of wards of EWS category was followed by the schools.

L&DO stated (April 2021) that it is for the Directorate of School Education to look into the compliance of EWS condition. The school authorities submit the report on EWS to the Directorate, which will send intimation to the L&DO in case of any violation.

No records/ reports relating to the compliance of condition relating to EWS category of students were, however, found during Audit. As the lands were allotted to the schools at concessional rates by L&DO, pro-active steps should have been taken by L&DO to verify the compliance to the guidelines for admission to EWS category of students.

Thus, in the absence of an effective monitoring mechanism in L&DO, Audit could not ascertain the extent of achievement of social objective of providing health services (by hospitals) and education (by schools) to indigent people.

Recommendation No. 5

L&DO should develop a robust monitoring mechanism to ensure that the benefit to EWS beneficiaries is being provided by the Hospitals and Schools, and coordinate with the Government of National Capital Territory of Delhi to ensure that the conditions for admission in school and free medical treatment of EWS category are followed.

3.6 Lack of effective and efficient administration of lease applications

Citizens' Charter of L&DO stipulates that the L&DO would ensure good quality of service by disposal of applications on conversion, sale permission, mutation, and substitution etc., within a period of three months from the date of receipt of information and documents from the lessee.

It was observed during previous Audit (2009-10) that 51 per cent of lease applications took more than 90 days for disposal while 5 per cent of cases took more than two years in disposal. Some applications were processed with great speed and finalized within 15 days and others were kept pending and settled after considerable delays. Audit had opined that the possibility of undue favour to certain applicants could not be ruled out.

In its 59th Report, the PAC had stated that there was lack of effective and efficient processing and disposal of lease applications by the L&DO. The Committee stated that in some cases, time taken in disposal were as much as two years, whereas lease applications for 909 properties were processed with a remarkable speed of 15 days or lesser. In the Action Taken Note, the Ministry stated that L&DO has to exercise due diligence to safeguard the interests of the Government and genuine lessees. For this, L&DO had

prescribed an elaborate system of verification to avoid possible frauds and forgery. It was also decided vide L&DO's Office order dated 26 July 2012 that all the applications for conversion, sale permission, mutation, substitution etc., would be processed in a time-bound manner and applications which were not complete in all respects would be returned in original to the applicants highlighting the deficiency within 15 days.

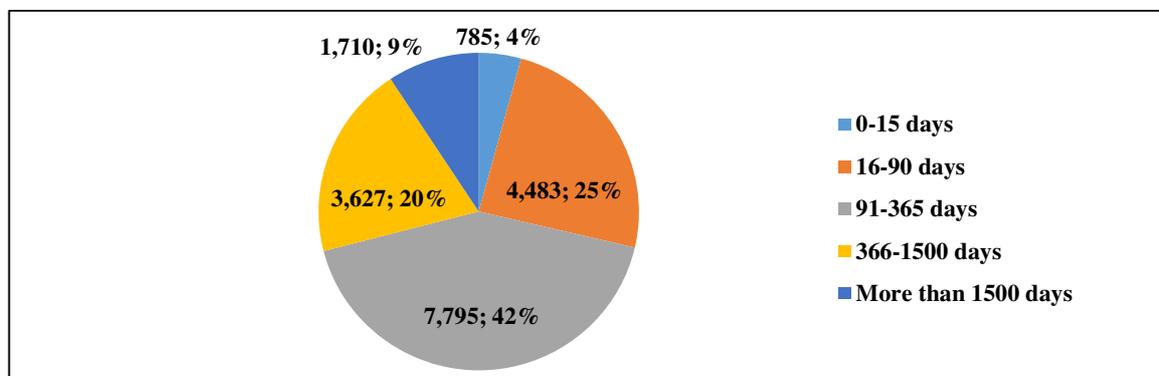
During the follow-up Audit, records related to disposal of lease applications were not provided to Audit. However, it was observed from e-Dharti that inordinate time was taken in processing of different types of applications. Audit observations are discussed below:

3.6.1 Age-wise analysis of disposal of applications revealed the following position:

Table 3.3: Time taken for disposal of applications (Position as on 29 July 2021)

| Application Type | 0-15 days | 16-90 days | 91-365 days | 366-1500 days | More than 1500 days | Total |
|---------------------|------------|--------------|--------------|---------------|---------------------|---------------|
| Conversion | 225 | 2,140 | 5,058 | 2,310 | 916 | 10,649 |
| Substitution | 465 | 2,069 | 2,256 | 1,032 | 580 | 6,402 |
| Mutation | 80 | 222 | 394 | 234 | 162 | 1,092 |
| Sale Permission | 2 | 19 | 25 | 20 | 5 | 71 |
| Mortgage Permission | 12 | 33 | 57 | 28 | 42 | 172 |
| Gift Permission | 1 | 0 | 5 | 3 | 5 | 14 |
| Total | 785 | 4,483 | 7,795 | 3,627 | 1,710 | 18,400 |

Chart 3.2: Age-wise analysis of time taken for disposal of applications (as on 29 July 2021)



It could be seen from the above chart that 71 per cent of total applications were disposed of after the stipulated timeline of 90 days as given in the citizens' charter. Thus, the performance on account of timely disposal of lease applications has even deteriorated as compared to what was observed during the previous Audit. Further, while nine per cent of the applications were disposed of after a lapse of 1,500 days, four per cent of applications were disposed of within 15 days only.

3.6.2 Audit further observed that 61 cases of conversion, substitution and mutation were disposed of within a day as detailed in the table given below:

Table 3.4 Applications disposed of within a day

| | Conversion | Substitution | Mutation | Total |
|--------------|------------|--------------|----------|-----------|
| Approved | 4 | 14 | 4 | 22 |
| Rejected | 29 | 10 | 0 | 39 |
| Total | 33 | 24 | 4 | 61 |

3.6.3 It was also observed that not only the approval of applications took a long time, but even the rejection of applications had also been made after inordinate delays, as detailed in the table below:

Table 3.5: Applications disposed of beyond 1500 days

| Application type | Rejection of applications | | Approval of applications | |
|---------------------|---|---|---|---|
| | No. of applications rejected beyond 1500 days | Maximum time taken in rejecting a particular case (in days) | No. of applications approved beyond 1500 days | Maximum time taken in approving a particular case (in days) |
| Conversion | 662 | 8,439 | 254 | 6,719 |
| Substitution | 404 | 4,793 | 176 | 5,228 |
| Mutation | 133 | 4,745 | 29 | 4,395 |
| Total | 1,199 | | 459 | |

It can be seen from the above table that 1,199 applications for conversion, substitution and mutation were rejected after taking more than 1,500 days. Maximum time taken in rejecting a particular application for conversion, substitution and mutation was more than 23 years, 13 years and 13 years respectively. The maximum time taken in approving a particular application for conversion, substitution and mutation was more than 18 years, 14 years and 12 years respectively. This shows that the processing of applications was extremely tardy.

L&DO replied (January 2021) that time given in the citizens’ charter is indicative in nature and L&DO strives to timely process the cases relating to substitution, mutation and conversion of properties. However, as the matter relates to immovable properties, the documents play an important role, and it becomes incumbent on L&DO to thoroughly scrutinize the documents submitted by the lessee or the buyer. Generally, it happens that the documents submitted are incomplete or are defective and the lessee is requested to rectify the same. Therefore, the finalization of cases is delayed which cannot be attributed to the working of L&DO. It was further stated (April 2021) that earlier there was a policy that if one’s substitution/ mutation application is pending; he can apply for conversion from leasehold to freehold simultaneously. In the case of substitution and mutation, if documents are not in order, then the party takes time to reply the same. And during inspection of the premises if the party is not able to submit the required documents like sanctioned building plan etc., this also leads to delay in finalisation of the case. Due to computerisation, it has

been decided that only the person in whose name the property is in the records of L&DO, can apply for conversion to freehold property.

The reply of L&DO is not acceptable as it took more than 1,500 days (i.e., more than four years) for rejection of 1,199 applications for conversion, substitution and mutation as against prescribed time limit of three months. L&DO's contention that documents submitted used to be incomplete or defective is also not acceptable as applications that were not complete in all respect were to be returned in original to the applicant highlighting the deficiency within 15 days of receipt. Further, there was inordinate delay in processing of different category of applications and only 29 *per cent* of the total 18,400 applications were disposed of within the time limit of 90 days. The fact remains that despite observation of PAC that there was lack of effective and efficient processing in disposal of lease applications by the L&DO, there was still a significant scope for improvement in the disposal of lease applications by the L&DO.

3.7 Computerisation of records

Computerisation helps in smoother and faster delivery of services to the public, in a transparent manner. L&DO introduced e-Dharti software for speedy disposal of public services. The property proforma in e-Dharti was meant for providing all important information about the property.

The Ministry had given assurance to the PAC (59th Report) that computerization work related to Nazul properties would be completed by December 2011 and all other files/registers would be digitized by June 2012. Further, in its Action Taken Reply (ATR) on the 78th Report of PAC (2012-13), the Ministry stated that the inspection register of L&DO is now maintained and continuously updated in computerized format.

During the follow-up Audit, L&DO did not provide the records relating to implementation of e-Dharti as a whole. However, during the scrutiny of the records related to the sampled 29 properties, it was observed that important registers such as inspection register, damage register, squatter register etc., were also not maintained in the computerised format. It was also observed that:

- Property proforma was not complete for any of the 29 properties.
- Out of 60,526 properties, Ground Rent Register was maintained in e-Dharti for only 21,260 properties as on August 2020.
- The details of payment of ground rent had been left blank in the Ground Rent Register in 15 cases¹³. In the remaining 14 cases, although details of ground rent had been

¹³ *Kendriya Vidyalaya, Andrews Ganj; Bal Bharati School, Pusa Road; 7, Garage, Gole Market; Sukhdeep Coal Depot, Rouse Avenue; Vidya Bhawan Girls Higher Secondary School, New Rajinder Nagar; M/s Kishan Bhag Chand (Capital Coal Company), Prithvi Raj Lane; 3, Kautilya Marg; Prem Service Station, J.B. Tito Marg; F-2, Connaught Place; Indian National Trade Union Congress, Bhai Veer Singh Marg; Gulab Singh & Sons, Bahadur Shah Zafar Marg; Sen Nursing Home, Bahadur Shah Zafar Marg; Hotel Le Meridien, Janpath; Alankar Cinema, Lajpat Nagar; and Daily Tej, Bahadur Shah Zafar Marg*

filled, these were not updated. Thus, complete information of ground rent due and paid had not been given for any of the sampled properties.

- The details of the ground rent, wherever recorded in the Ground Rent Register, did not match with the information given in the property files. Two cases of such discrepancies are mentioned as under:

Table 3.6: Mismatch between information in Ground Rent Register & Property Files

(Amount in ₹)

| Name of the Entity | Ground rent paid as per the property file | Ground rent paid as per Ground Rent Register in e-Dharti |
|--------------------------------|---|--|
| M/s Krishna Filling Station | 69,10,176 | 52,79,689 |
| Centre for Indian Trade Unions | 1,91,793 | 56,450 |

Thus, columns of the property proforma and Ground Rent Register were either left blank or were not updated in the e-Dharti module which defeated the purpose of computerization of records.

L&DO replied (January 2021) that they are fast moving towards the process of digitization of records and once the process of substitution, mutation and conversion is initiated, the records of the said properties get automatically digitized.

The Ministry/ L&DO failed to fulfil its commitment/assurance given to the PAC that all files/ registers would be computerized by June 2012 and even after a lapse of more than eight years, the process of digitization was yet to be completed. Audit also observed that in one case (out of 29 sampled properties) there was mismatch between details available in original records and in e-Dharti as given below:

Case Study 6

In case of Vidya Bhawan Girls Higher Secondary School, there were discrepancies between the information on e-Dharti and the original records as given below:

| Description | Data incorporated in the e-Dharti | As per the original record |
|--------------------------------------|--|--|
| Lessee details | Vidya Sharan Girls Sr. Sec. School, New Rajinder Nagar | Vidya Bhawan Girls' Sr. Sec. School, New Rajinder Nagar |
| Plot Area | 1.5 acre | 1.472 acre |
| Whether additional land allotted | Data not filled | Yes |
| Date of allotment of additional land | 09.03.1977 | 13.07.1971 |
| Inspection Details | 13.08.2003, 02.11.1983, 30.11.1998 | 23.04.1982, 08.04.1985, 23.08.1971, 05.05.1974, 20.09.1975, 10.04.1978, 23.04.1982, 02.11.1983, 08.04.1985, 30.11.1998, 13.08.2003, 13.06.2008 |

3.8 Summing Up

During the follow-up Audit, it was observed that despite Ministry's assurances given in the Action Taken Notes submitted to the Public Accounts Committee, most of the deficiencies pointed out in the Audit Report continued to persist. Most of the documents/information sought during the follow-up audit were not provided by L&DO. In the Performance Audit Report No. 6 of 2009-10, it was mentioned that the authenticity of the number of properties administered by L&DO could not be verified. The follow-up Audit revealed that L&DO still did not have the authentic figures of its leased properties.

Scrutiny of the ground rent registers of the sampled 29 properties revealed that the details of payment of ground rent had been left blank in 15 cases (52 *per cent*) and in the remaining 14 cases, though details of ground rent had been filled but were not updated. Thus, complete information of ground rent due, demanded, paid and outstanding was not recorded in the ground rent register of any of the test-checked properties. Further, out of 29 properties, ground rent was due for revision in 21 properties. However, ground rent was not revised/ revised belatedly/ revised incorrectly.

The year-wise inspections conducted by L&DO during the years 2016-17 to 2020-21 ranged between five *per cent* and eight *per cent* of the mandatory inspection required to be conducted annually. Further, wherever inspections were done, show-cause notices/ breach notices for violations were not issued on time and efforts to re-enter the property were found lacking, thereby rendering the inspections ineffective. There was no system in place to monitor compliance with the condition of offering free medical care to poor and indigent patients and free education to children from economically weaker sections.

Citizens' Charter of L&DO stipulates that the L&DO would ensure good quality of service by disposal of applications on conversion, sale permission, mutation, and substitution etc., within a period of three months from the date of receipt of information and documents from the lessee. L&DO's administration of lease applications was, however, found to be ineffective and inefficient, with excessive delays in the disposal of applications. Besides, the objective of computerization of records was defeated by incomplete information in e-Dharti.

Chapter IV

Other Issues

In addition to the review of follow-up action taken by the Ministry/ L&DO, Audit also observed fresh issues on the examination of records relating to 29 sampled properties which are mentioned in this chapter. Additional details on the Audit findings on the individual properties are given in **Annexure-I**.

4.1. Non-receipt of other dues

As per L&DO Manual, damages are charged for unauthorized construction. The charges for misuse of the land/ building constructed thereon for a purpose other than that for which the land/building was allotted shall be levied from the date on which such misuse is established and up to the date of communication of terms or sanction of the building plan in accordance with which construction has been re-executed or the date of starting construction whichever is earliest.

Examination of the property files relating to 29 sampled properties revealed the following:

4.1.1 Demand letters in respect of only 20 properties amounting to ₹326.54 crore¹⁴ were last issued to the lessees between June 1977 (29, Aurangzeb Road) to December 2019 (Gulab Singh & Sons, Bahadur Shah Zafar Marg) of which L&DO could not recover ₹325.12 crore (99.57 per cent), as shown in the table below:

Table 4.1: Demand letters issued by L&DO and amount recovered there against
(₹ in lakh)

| Sl.No. | Name of the Property | Amount demanded | Amount recovered |
|--------|--|-----------------|------------------|
| 1 | Vidya Bhawan Girls Higher Secondary School, New Rajinder Nagar | 0.008 | Nil |
| 2 | Bal Bharati School, Pusa Road | 796.78 | 0.16 |
| 3 | Daily Milap, Bahadur Shah Zafar Marg | 4,211.00 | Nil |
| 4 | Daily Tej, Bahadur Shah Zafar Marg | 100.97 | 10.00 |
| 5 | Gulab Singh & Sons, Bahadur Shah Zafar Marg | 878.40 | Nil |
| 6 | Hotel Le Meridien, Janpath | 12,483.92 | Nil |
| 7 | Hotel Taj Man Singh, Man Singh Road | 13,282.85 | Nil |
| 8 | VIMHANS Hospital, Nehru Nagar | 612.00 | Nil |

¹⁴ Comprising ₹ 2.59 crore on account of ground rent and ₹ 323.95 crore on account of damages, misuse charges and other dues.

| Sl.No. | Name of the Property | Amount demanded | Amount recovered |
|--------|--|------------------|------------------|
| 9 | F-2, Connaught Place | 12.65 | 3.16 |
| 10 | Alankar Cinema, Lajpat Nagar | 106.34 | 92.93 |
| 11 | All India Trade Union Congress, Deen Dayal Upadhyaya Marg | 2.27 | Nil |
| 12 | M/s Kishan Bhag Chand (Capital Coal Company), Prithvi Raj Lane | 99.47 | Nil |
| 13 | Sukhdeep Coal Depot, Rouse Avenue | 0.08 | 0.09 |
| 14 | M/s Kayson Enterprises, Sardar Patel Marg | 3.53 | 2.00 |
| 15 | Krishna Filling Service Station, Minto Road | 10.00 | 10.00 |
| 16 | All India Trinamool Congress, Deen Dayal Upadhyaya Marg | 0.18 | 0.18 |
| 17 | 29, Aurangzeb Road | 5.50 | 3.76 |
| 18 | 12, Golf Links | 2.93 | 2.93 |
| 19 | 19, Prithvi Raj Road | 17.20 | 17.20 |
| 20 | 1, Hailey Road | 27.85 | Nil |
| | Total | 32,653.93 | 142.41 |

4.1.2 Information in respect of Floor Area Ratio (FAR), interest rates and methodology adopted for calculation of different charges from time to time were not provided to Audit. However, based on available information as well as the demand letters previously issued by L&DO, in 19 cases, outstanding dues towards damage, misuse, interest¹⁵ etc. amounting to ₹444.08 crore were worked out by Audit as shown below:

Table 4.2 Outstanding damage charges, misuse charges and other dues

(₹ in lakh)

| Sl. No. | Identity of the Property | Misuse | Damages | Penalty on misuse, interest on belated payment, etc. |
|---------|--------------------------------------|----------|----------|--|
| 1 | Bal Bharati School, Pusa Road | 957.40 | 27.85 | 104.19 |
| 2 | Daily Milap, Bahadur Shah Zafar Marg | 2,911.39 | 1,359.15 | 1,037.23 |

¹⁵ In the demand letters issued by L&DO, interest at the rate of 10 per cent per annum is charged on belated payments, and the same has been adopted by Audit.

| Sl. No. | Identity of the Property | Misuse | Damages | Penalty on misuse, interest on belated payment, etc. |
|---------|--|------------------|-----------------|--|
| 3 | Daily Tej, Bahadur Shah Zafar Marg | 0.00 | 91.02 | 14.36 |
| 4 | Gulab Singh & Sons, Bahadur Shah Zafar Marg | 484.68 | 653.82 | 678.47 |
| 5 | Hotel Le Meridian, Janpath | 13,625.36 | 232.98 | 4,573.68 |
| 6 | Hotel Taj Man Singh, Man Singh Road | 11,889.31 | 354.14 | 3,661.03 |
| 7 | VIMHANS Hospital, Nehru Nagar | 673.20 | 354.65 | 205.74 |
| 8 | F-2, Connaught Place | 0.00 | 0.00 | 47.64 |
| 9 | Alankar Cinema, Lajpat Nagar | 23.19 | 59.87 | 46.46 |
| 10 | Centre of Indian Trade Unions, Rouse Avenue | 0.00 | 0.00 | 26.05 |
| 11 | All India Trade Union Congress, Deen Dayal Upadhyaya Marg | 0.00 | 0.00 | 2.27 |
| 12 | M/s Kishan Bhag Chand (Capital Coal Company), Prithvi Raj Lane | 0.00 | 92.05 | 7.42 |
| 13 | Sh. Sukhdeep Singh, Rouse Avenue | 0.00 | 0.00 | 0.06 |
| 14 | M/s Kayson Enterprises (Gas Godown), Sardar Patel Marg | 0.00 | 1.44 | 3.23 |
| 15 | 17, Jor Bagh | 141.56 | 3.37 | 0.00 |
| 16 | 29, Aurangzeb Road | 0.00 | 0.26 | 9.20 |
| 17 | 3, Kautilya Marg | 0.00 | 0.00 | 10.52 |
| 18 | 12/10, Golf Links | 0.00 | 0.00 | 42.29 |
| 19 | 1, Hailey Road | 0.00 | 1.27 | 0.00 |
| | Total | 30,706.09 | 3,231.87 | 10,469.84 |
| | Total dues | 44,407.80 | | |

Of the remaining 10 cases, dues were not payable in three¹⁶ cases, while it could not be worked out in seven¹⁷ cases as the required information for calculation of dues was not found in records.

L&DO stated (December 2020 and April 2021) that in 18 cases¹⁸ out of the 19 cases pointed out by Audit, action was being taken for inspection, updation/ calculation of dues/ demand. In case of the remaining one case viz. VIMHANS Hospital, it was stated that the property was under re-entry (i.e., its possession was taken over by L&DO) and a demand letter dated 07 December 2020 for withdrawal of re-entry (i.e. for handing over the possession back to the hospital) was issued to the hospital, however, the payment was not made by them till date.

It is evident from the reply that L&DO failed to recover Government dues. Further, in case of VIMHANS Hospital, Audit did not find any document in the records establishing re-entry into the property. L&DO neither provided any supporting documents regarding re-entry, nor furnished a copy of the demand letter issued in December 2020, and it was observed that the hospital was still in operation. Further, the reply was silent on the action taken by L&DO upon non-payment of dues demanded in December 2020.

4.2 Non-levy of unearned increase

Terms for grant of sale permission as prescribed in the L&DO Manual include unearned increase payable by the lessee. The unearned increase had been prescribed as 50 per cent of the difference between the present value of land and the last transaction value of the land.

During the scrutiny of 29 sampled cases, Audit observed that in four cases¹⁹, the lessee had sold the properties but unearned increase was not claimed after it came to the notice of L&DO. While the details of all the four cases are given in **Annexure-I**, one case has been highlighted as a case study below:

Case Study 7

In respect of Sen Nursing Home, it was noticed that lease rights were transferred in June 1974 to Ansal Saigal Properties Limited (promoter) by the lessee without knowledge of

¹⁶ 7, Garage, Gole Market (other dues not payable); All India Trinamool Congress, Deen Dayal Upadhyaya Marg (possession not taken due to allotment of encroached plot); and 19, Prithvi Raj Road (freehold property)

¹⁷ Kendriya Vidyalaya, Andrews Ganj; Indian National Trade Union Congress, Bhai Veer Singh Marg; Vidya Bhawan Girls Higher Secondary School, New Rajinder Nagar; Prem Service Station, J.B. Tito Marg; Krishna Filling Service Station, Minto Road; St. Stephen's Hospital, Tis Hazari; and Sen Nursing Home, Bahadur Shah Zafar Marg

¹⁸ Bal Bharati School, Pusa Road; Gulab Singh & Sons, Bahadur Shah Zafar Marg; 29, Aurangzeb Road; 12, Golf Links; M/s Kayson Enterprises, Sardar Patel Marg; Alankar Cinema, Lajpat Nagar; Daily Milap, Bahadur Shah Zafar Marg; Daily Tej, Bahadur Shah Zafar Marg; F-2, Connaught Place; 1, Hailey Road, Centre of Indian Trade Unions, Rouse Avenue; 3, Kautilya Marg; M/s Kishan Bhag Chand (Capital Coal Company), Prithvi Raj Lane; Sukhdeep Coal Depot, Rouse Avenue; All India Trade Union Congress, Deen Dayal Upadhyaya Marg; Hotel Le Meridien, Janpath; Hotel Taj Man Singh, Man Singh Road; and 17, Jor Bagh

¹⁹ Sen Nursing Home, Bahadur Shah Zafar Marg; 17, Jor Bagh; Alankar Cinema, Lajpat Nagar; and 1, Hailey Road

L&DO. Ansal constructed flats in the leased space and sold the flats to individuals. This came to the notice of L&DO in January 2010. However, no unearned increase was claimed in the sales (to Ansal Saigal Properties Limited and subsequent sale of flats). As per records of L&DO, the property still stood in the name of Sen Nursing Home. Further, Audit could obtain details of three purchasers of flats from the Sub Registrar's office (Sub-registrar-III) wherein it was seen that two of the flats had been given on rent by the purchasers and an agreement to sell for ₹1.21 crore had been executed for one flat in September 2011. However, these documents were not available in the records of L&DO.

L&DO replied (December 2020) that the matter had recently been examined in detail and it was found that the premises were under the occupation of various unauthorized occupants/ squatters. As such, it was decided to cancel the allotment. Accordingly, a show-cause notice was issued on 09 December 2020.

The reply may be seen in the light of the fact that the sale of the property came to the knowledge of L&DO in January 2010; however, no action was initiated by L&DO in this regard till December 2020. L&DO issued the show cause notice only after being pointed out by Audit. Further, L&DO did not provide documentary evidence of cancellation of allotment and copy of the show-cause notice.

Sub-registrar office (responsible for registering the property) and L&DO were working in complete isolation whereas their functioning was inter-dependent in respect of properties where L&DO was the lessor. Properties were changing hands from the lessee to buyers without the knowledge of L&DO. L&DO did not devise a mechanism to ensure availability of information regarding registration of properties. This not only resulted in financial losses on account of unearned increase, but also led to sale of properties to private parties with impunity.

4.3 Absence of mechanism for demarcation/ identification of properties of L&DO in Sub-registrar offices

Audit sought to ascertain the mechanism for demarcation/ identification of Government properties and private properties in Sub-registrar offices. While three Sub-registrar offices²⁰ stated that there was no mechanism for demarcation/ identification of Government properties and private properties in their offices, two offices²¹ stated that they were provided with a list of acquired land by DDA and if any instrument pertaining to the said category is received for registration, the same is refused for registration.

While DDA had ensured certain safeguards, evidently L&DO had not even thought about one to prevent its encroached land being sold away to the gullible public. This resulted in sale of leased properties of L&DO without its knowledge, as discussed in the following para.

²⁰ Office the Sub-Registrars (Kalkaji, Vikas Sadan and Sarojini Nagar)

²¹ Office the Sub-Registrars (Seelampur and Preet Vihar)

L&DO replied (January 2021) that the observation has been complied with, as the web portal of L&DO has been linked with Delhi Online Registration Information System Government of NCT of Delhi.

L&DO has so far not issued any specific instructions to Sub-registrar offices that the properties under the control of L&DO should not be registered without its permission. In the absence of such instructions, the Sub-registrar offices would not be in a position to identify the properties belonging to L&DO for registration purposes.

Recommendation No. 6

L&DO should share its verified land records with the Land Revenue Department and Delhi Online Registration Information System of the Registration Department of the Government of NCT of Delhi, and should evolve a workable solution through which sale/ transfer of any of its properties may be alerted at the time of registration/ mutation.

4.4 Inadequate control over properties

4.4.1 Inaction despite knowledge of unauthorised occupation of property

As per lease agreements, after every transfer of the lease rights, lessee has to intimate the same to the lessor. Also, as per L&DO Manual, in case of restricted leasehold premises, the permission of L&DO was a pre-condition for assignment or transfer of leasehold rights by the lessees. Sale without the lessor's permission is a breach of the terms of the lease for which the lessor may re-enter the property and the leasehold rights may stand forfeited to the State.

Audit observed that in five²² out of 29 sampled properties, lessee sold/ transferred the lease rights to other person without prior permission of L&DO in contravention of the conditions of lease deed and provisions of L&DO Manual. L&DO neither took any action to get the property vacated from the unauthorized occupants nor initiated action for re-entry. Taking possession of these lands may be possible only after long drawn legal process which would again entail huge amount of time and money.

While the details of all the five cases are given in **Annexure-I**, one case has been highlighted as a case study below:

Case Study 8

In respect of Alankar Cinema, Lajpat Nagar, one Competent Films Private Ltd. wrote (November 2006) a letter to L&DO stating that the premises were bought by them from the lessee (Nahar Theatres Pvt Ltd). As per records of L&DO, a surveyor of L&DO had visited the Lajpat Nagar area in July 2001 and came to know that the Alankar Cinema building had been demolished, and a new building was under construction.

²² *Alankar Cinema, Lajpat Nagar; Sen Nursing Home, Bahadur Shah Zafar Marg; F-2, Connaught Place; 7, Garage, Gole Market; and M/s Kishan Bhag Chand (Capital Coal Company), Prithvi Raj Lane*

In December 2006, Competent Films Private Ltd stated that since they were the owner of premises, in future all communication should be sent to their registered office in Connaught Place. L&DO, instead of verifying the actual state of affairs, replied (April 2007) to Competent Films Private Ltd that they were not the lessee of the property and as per the book of L&DO, the property stood in the name of Nahar Theatres Pvt. Ltd.

Information related to changing hands of the premises was not available in the records of L&DO. Audit obtained the information from the Sub-Registrar office and it was confirmed that the said building was demolished by Nahar Theatres and a new Shopping mall had been constructed. Nahar Theatres sold (January 2001) a shop comprising of 921 square feet to one Mr. Gurmeet Singh. Mr. Gurmeet Singh further sold the said shop to Mr. Raj Chopra (Director of Competent Films Private Ltd) in April 2007 vide an agreement to sell for ₹1.30 crore. Unearned increase was recoverable by L&DO on this sale.

Further, as per the website of Delhi Online Registration Information System, Mr. Raj Chopra entered into sale agreement with Ms. Kavita Ahuja, Whole-Time Director at Competent Automobiles Co Ltd in September 2011. It was further noticed that parts of the premises changed hands 17 times between March 2003 and September 2011.

Thus, the building was demolished, and a new shopping mall was constructed. However, L&DO acted like a silent spectator and did not act in accordance with the terms of the lease deed. The property changed hands many times without intimation to L&DO. L&DO did not take any action to get complete information about the current occupant of the property and continued to serve notices to Nahar Theatres Pvt. Ltd. L&DO neither took any action to get the property vacated from unauthorized occupants nor initiated action for re-entry. L&DO also did not conduct any inspection of the property despite receiving communication from Competent Films Private Ltd regarding purchase of the property.

L&DO replied (January 2021) that the said plot was sold out to Nahar Theatres Pvt. Ltd. with the permission of L&DO and mutation was carried out on 30 March 1972.

The reply of L&DO is not tenable. If the property had already been sold to Nahar Theatres in March 1972 then there was no reason for L&DO replying to Competent Films Private Ltd in April 2007 that they were not the lessee of the said property. If it was the lease rights that were sold and not the plot as such, then its records must have been updated subsequent to the transfer of rights from Nahar Theatres to Competent Films. No comment/ reply was given by L&DO in this regard. This issue needs further investigation.

4.4.2 Frequent changes in allotments

L&DO was allotting plots to various entities for construction of their building and running their activities. It was seen that in three cases²³, L&DO had to cancel the

²³ *All India Trade Union Congress (AITUC), Sukhdeep Coal Depot, and All India Trinamool Congress (AITMC)*

allotment of plot and allot another plot in lieu of the same for reasons such as allotment of encroached plot, allotment of smaller plot, etc., which shows that L&DO was not aware of the actual status of the properties vested under its control.

While the details of all the three cases are given in **Annexure-I**, two cases have been highlighted as case studies below:

Case Study 9

In case of All India Trinamool Congress (AITMC), the land was allotted in March 2011. The possession of land could not be handed over to AITMC due to encroachment. Thereafter, another plot was allotted on “as is where is basis” to AITMC at DDU Marg in December 2013. Before handing over of the land, AITMC inspected the plot and found that it was also not free from encroachment and refused to take possession of the encroached plot. Thereafter, L&DO conducted the inspection of the plot in April 2019 and two temples (unauthorized) were found at the site.

L&DO replied (December 2020) that the plot at Rouse Avenue initially allotted to AITMC could not be handed over as the Delhi Wakf Board did not allow demarcation of the land claiming that the land in question belongs to the Delhi Wakf Board. Therefore, two other plots at DDU Marg were allotted to AITMC on “as is where is basis” on 20 December 2013 subject to amalgamation of the two plots. AITMC refused to take over the possession as two temples were situated on the site. The requisite action for removal of encroachment from the allotted land had already been initiated and land would be offered for allotment to AITMC. Even then if AITMC refuses the offer, allotment will be cancelled and earmarked land will be put to alternate use. L&DO further replied (April 2021) that temples in Delhi can be removed by the Religious Committee of Delhi Government.

It is evident from the reply that L&DO was not aware of the encroachment before allotment. Further, L&DO could not get the encroachment removed even after seven years of allotment.

Case Study 10

The plot for All India Trade Union Congress (AITUC) was allotted seven times. Allotments of plots made on three occasions (May 2002, July 2002 and October 2002) were cancelled as these were occupied by some persons, who could not be evicted. AITUC had requested for allotment of two plots of the same size or at least a plot measuring 750 square meters. However, L&DO allotted smaller plots on three occasions (August 2001, January 2002 and July 2003). The allottee refused to accept the allotments as the size of the plots was small. L&DO finally allotted plots to AITUC in May 2005 at DDU Marg. Thus, L&DO was not aware of fact that the plots were encroached and was unable to evict the unauthorized occupants.

Thus, there was inefficient disposal of lease applications; irregular inspection of the leased properties, inadequate documentation, deficient upkeep and updation of records;

ineffective implementation of the computerization process; allotment of encroached land; delayed revision/non-revision of ground rent; breaches of lease conditions; non-recovery of the Government dues, possession of land by unauthorized persons etc. It is, therefore, evident that L&DO did not have adequate control over its properties and was not able to manage the lease administration efficiently and effectively.

4.5 Non-availability of sanctioned building plans and non-execution of lease deeds

After allotment of land, an agreement for lease/ memorandum of agreement is signed between L&DO (on behalf of the President of India) and the allottee, governing the terms of allotment. As per the agreement/ L&DO Manual, it is the responsibility of the lessee to get the plan sanctioned from the municipal authority/ local body and submit it to the L&DO. L&DO shall ensure that the plans sanctioned are not in contravention of the zonal/ master plan, and in case there is any contravention the same will be treated as unauthorized. After the construction is completed, the lessee shall submit the completion certificate issued by the concerned local body to the L&DO.

4.5.1 Non-availability of sanctioned building plan

Audit found that there was no sanctioned building plan in eight²⁴ properties out of the sampled 29 properties and L&DO had been demanding the same from the lessee. It was not clear how L&DO conducted inspections²⁵ without the sanctioned building plans.

L&DO did not offer any comments on non-availability of sanctioned building plans in respect of the eight properties.

Case Study 11

A joint inspection of the Hotel Le Meridien, Janpath was carried out by NDMC, L&DO and CPWD in July 2010 and it was found²⁶ that the hotel premises were not free from breaches of unauthorized construction and misuse. NDMC did not furnish complete set of sanctioned building plan, and therefore it was not clear how L&DO conducted the inspections to locate deviations from the building plan without having the approved sanctioned building plan. A series of meetings between NDMC and the Ministry were held on 01 August 2011, 26 August 2011 and 14 November 2011 to sort out the issue. In these meetings, it was decided that NDMC would supply the copies of sanctioned building plans. However, despite this, sanctioned building plan in respect of Hotel Le Meridien was not provided to L&DO by NDMC. In the meeting held by the Secretary of the Ministry on 10 November 2014, NDMC agreed to provide the complete and

²⁴ *Kendriya Vidyalaya, Andrews Ganj; Daily Tej, Bahadur Shah Zafar Marg; Hotel Le Meridien, Janpath; Hotel Taj Man Singh, Man Singh Road; All India Trade Union Congress, Deen Dayal Upadhyaya Marg; Indian National Trade Union Congress, Bhai Veer Singh Marg; M/s Kayson Enterprises, Sardar Patel Marg; and Sen Nursing Home, Bahadur Shah Zafar Marg*

²⁵ *The Inspection Reports were not provided by L&DO to Audit. However, the dates of inspection were filled in the e-Dharti portal in respect of the eight properties and the fact regarding conduct of inspection was also mentioned in the office notes of the respective property files*

²⁶ *As mentioned in the office note dated 27 June 2014 of L&DO*

legible sanctioned building plan in respect of Hotel Le Meridien. However, the Ministry/ L&DO could not obtain the sanctioned building plan from NDMC.

L&DO stated (April 2021) that the dispute is between the Central Government (land owning agency) and the local body i.e. NDMC. The only thing L&DO can do is to cancel the allotment and take possession of the plot. Updated demand is under process in consultation with the Technical Wing.

This issue was also brought out in the CAG Report No. 6 of 2009-10 and the last demand was issued to the lessee in January 2012. However, even after lapse of nine years, the updated demand has not been issued to the lessee. Further, even after the assurance given to the PAC by the Secretary, Ministry of Housing and Urban Affairs, L&DO has not taken recourse to legal remedy despite non-realisation of dues.

Recommendation No. 7

Through a suitable working mechanism, L&DO should ensure that all the approved building plans for all of its properties are collected from concerned local bodies. These should be digitised and placed in the e-Dharti portal for use. There should be an arrangement to communicate the deviations from the Building plan observed by L&DO to the concerned local body for follow-up action.

4.5.2 Non-execution of perpetual lease deed/ license deed

The L&DO inspects the site and compares the construction with the building plans and if no breaches are noticed, the L&DO issues completion certificate accordingly and under the terms of lease/ agreement, the lease deed is executed.

Scrutiny of 29 properties revealed that in case of 11 properties²⁷, the perpetual lease deeds/ license deeds were not executed, which is irregular. The allottees were enjoying all the rights over the property without any lease agreement. In the absence of lease deed, necessary clauses relating to misuse/ unauthorized construction, revision of ground rent, transfer of lease rights and re-entering upon the property cannot be enforced.

L&DO did not offer any reply to the audit observation.

Recommendation No. 8

L&DO should ensure that lease documents for each of its leased out property are traced, verified and registered. In the event of the original lessee not being found, L&DO should re-enter the property.

²⁷ Bal Bharati School, Pusa Road; Daily Milap, Bahadur Shah Zafar Marg; Hotel Le Meridien, Janpath; Hotel Taj Man Singh, Man Singh Road; VIMHANS Hospital, Nehru Nagar; All India Trade Union Congress, Deen Dayal Upadhyaya Marg; Indian National Trade Union Congress, Bhai Veer Singh Marg; M/s Kayson Enterprises, Sardar Patel Marg; Krishna Filling Service Station, Minto Road; Prem Service Station, J.B. Tito Marg; and Kendriya Vidyalaya, Andrews Ganj

4.6 Non-renewal of temporary allotment

Temporary allotment of land is made for a period of five years at a stretch or till the expiry of the period for which prescribed rates are available whichever period is less in case of petrol pumps, fuel depots, shops, temporary shops, offices, bathing ghats, parks and playgrounds etc.

Audit examined three²⁸ cases related to temporary allotment and it was observed that the allotment was not renewed in any of these temporary allotments on completion of initial allotment period.

In the absence of the renewal of temporary allotment, the occupation of the premises by the allottees was unauthorized. L&DO did not take any action to get the land vacated from allottees after completion of initial allotment period, nor any efforts were made to convert it into regular lease.

Case Study 12

L&DO allotted a piece of land measuring 524 square meters in September 1983 for LPG Gas Godown of Bharat Petroleum Corporation Ltd (M/s. Kayson Enterprises) for licence fee at the rate of ₹10 per square yard per annum for covered area and ₹5 per square yard per annum for open area and demanded ₹3,634 towards licence fee for one year. The allotment was made on temporary basis, but the period of allotment was not indicated in the allotment letter. The temporary allotment was never renewed.

L&DO replied (January 2021) that the matter was pending due to non-submission of sanctioned building plan. The action for recovery of government dues was being taken.

The fact remains that even after a lapse of more than 37 years, the temporary allotment made to Kayson Enterprises in September 1983 was yet to be renewed.

4.7 Non-correspondence with the allottees

L&DO was responsible for administration and management of leases granted by it and for recovery of all dues of the Government arising out of the lands under its control. Therefore, continuous correspondence with the lessees was of utmost importance and L&DO was required to take action to safeguard the properties managed by it.

During the follow-up Audit, it was observed that in five²⁹ out of 29 cases, L&DO did not attend to the files for years (8 years to 15 years) on important issues and had no correspondence with the lessees despite noticing breaches. The efficacy of the functioning of the organisation, thus, becomes questionable.

L&DO replied (January 2021) that it had been decided that once the section issues a breach notice, if no reply is received from the intended lessee within stipulated time

²⁸ Prem Service Station, J.B. Tito Marg; Krishna Filling Service Station, Minto Road; and M/s Kayson Enterprises, Sardar Patel Marg

²⁹ Alankar Cinema, Lajpat Nagar; Prem Service Station, J.B. Tito Marg; Sen Nursing Home, Bahadur Shah Zafar Marg; M/s Kishan Bhag Chand (Capital Coal Company), Prithvi Raj Lane; and F-2, Connaught Place

period, straight away the demand notice may be issued. After the lapse of 30 days of issuance of demand notice, if the amount demanded is not paid, the concerned section may give show-cause notice to intended lessee as to why the property should not be re-entered if the payment is not received within 15 days of issuance of show-cause notice. Thereafter, if still no response is received, a final show-cause notice will be issued to the intended lessee informing him/ her that the process to re-enter the property will be initiated within 15 days of issuance of final show-cause notice.

The reply of L&DO is not relevant to the Audit observation, as Audit has pointed out that the files remained unattended in the above cases for a long period. No specific reply/reasons were given by L&DO for the same. Further, though the timelines framed by L&DO have been stipulated in the various documents viz., demand letter, show-cause notice, etc. issued by L&DO, these have not been adhered to by L&DO.

Case Study 13

In case of Prem Service Station, L&DO was denied inspection in May 2006 on the grounds that inspections were being done by DDA. However, it was mentioned in the records by L&DO that 'on being observed from the outside of the premises, part of the area was misused as convenience store, ATM, money transfer'. In July 2006, L&DO asked DDA about the records of allotment and receipt of payments from M/s Burmah Shell (now BPCL). No correspondence was available in the records beyond that. Thus, despite being in the knowledge of L&DO that there were breaches, the file was left unattended.

L&DO stated (April 2021) that it was reported by Petrol Pump owners that inspection is done by DDA and they are paying ground rent to DDA. Thus, it is clear that the land is under administrative control of DDA.

The reply indicates that L&DO did not verify from its own records or from DDA about the ownership of the land even though both L&DO and DDA come under the administrative control of the same Ministry.

4.8 Non-follow up on actions to be taken after conversion of leasehold properties into freehold

For conversion of leasehold properties into freehold, the allottees were required to give an undertaking along with the application for conversion, which *inter-alia* stated that the executants will pay the difference of conversion charges etc., if the land rates were revised with effect from 1 April 2000. Further, as per the letter issued for execution of conveyance deed, the allottee was required to furnish photocopy of registered conveyance deed duly attested by Gazetted Officer/ Notary containing the registration particulars to L&DO within 15 days of receipt of documents from the Sub-Registrar office.

Audit examined three properties from the list of freehold properties provided by L&DO. It was seen that apart from these three, two more properties in the selected 29 cases were

converted into freehold. In this regard, in three³⁰ cases, difference of dues on account of conversion charges alone worked out to ₹52.88 lakh, the dues in one³¹ case could not be worked out as the relevant documents could not be found in the files, and in one³² case the revised conversion rate was not applicable due to court decision. Despite revision of land rates in May 2017 with effect from 1 April 2000, L&DO did not calculate the difference of conversion charges in any of these cases.

L&DO replied (January 2021) that they have initiated a process to substitute or mutate the property in the name of present legal heirs or buyers post conversion of tenure of the property from leasehold to freehold. Thereafter, the records of property whose tenure of land has been changed from leasehold to freehold will be updated.

The reply of the L&DO is not relevant to the Audit observations as L&DO did not offer any comments in respect of non-realization of government dues on account of revision of land rates post-conversion into freehold and establishing the mechanism for compliance of the conditions stipulated in the undertaking given by the lessee. L&DO failed to monitor the conditions for conversion of properties into freehold thereby defeating the purpose of submission of the undertaking.

Case Study 14

A perpetual lease deed was signed between lessor and lessee for 12, Golf Links New Delhi, measuring 1,814.6 square yards in April 1966. The lessee applied for conversion of the property from leasehold to freehold in January 2016 with an undertaking that he would pay the difference of conversion charges if the land rates were revised. The conversion to freehold was approved in May 2016 and conveyance deed was issued. The land rates were revised in May 2017 with retrospective effect from 1 April 2000. However, L&DO did not demand ₹42.29 lakh on account of conversion charges due to revision of land rate from the erstwhile lessee.

L&DO stated (April 2021) that they have started a drive to update records/ demand of each and every property including raising demands for the difference of conversion/ misuse/ damage charges in respect of freehold property. This is being carried out area-wise. As such, demands shall be issued in due course.

The reply is not convincing as almost four years have elapsed since the revision of land rates in May 2017, and L&DO was still in the process of issuing demand letters. This shows that the L&DO did not make concerted efforts for recovery of Government dues.

Recommendation No. 9

L&DO should identify the revised rent collectable from all freehold conversions and verify if land rates were revised for these. In case of revision in land rates, the amount that needs to be recovered from these buyers may be assessed and followed up with demand notices in a time-bound manner.

³⁰ 12, Golf Links; 3, Kautilya Marg; and Sukhdeep Coal Depot, Rouse Avenue

³¹ 1, Hailey Road

³² 19, Prithvi Raj Road

4.9 Summing Up

L&DO did not calculate and review dues from leases, nor did it enforce them on defaulters in a timely manner. Despite the allottees' failure to deposit the dues, no action was taken. The allottees were reaping all the benefits of their assets while failing to meet their obligations in terms of charges for misuse and unauthorised constructions.

In cases where the lessee had sold the properties, unearned increase was not claimed after it came to the notice of L&DO. Further, there were instances where lessee sold/ transferred the lease rights to other person without prior permission of L&DO in contravention of the conditions of lease deed and provisions of L&DO Manual. However, L&DO neither took any action to get the property vacated from the unauthorized occupants nor initiated action for re-entry

L&DO's lease management was ineffective and inefficient. The lease deeds, the fundamental document that formed the relationship between L&DO and the property allottees, had not been completed. The temporary leases were not extended. Further, there was no system in place in Sub-registrar offices to demarcate/ identify L&DO land, resulting in its sale without the knowledge of L&DO. Despite the land/ plots being under encroachment, L&DO kept allotting these to lessees and did little to secure those. Also, L&DO did not recover dues arising from land rate revisions from the lessees upon conversion of leasehold lands into freehold.

Chapter V

Conclusion

The L&DO, which is an attached office of the Ministry of Housing and Urban Affairs is responsible for the administration of leasehold properties of the Government of India. These properties include Nazul Lands (i.e., lands acquired in the year 1911 for the formation of capital of India at Delhi) and Rehabilitation Lands (i.e., lands acquired by the Government of India for the speedy rehabilitation of displaced persons from Pakistan).

Functioning of L&DO was previously reviewed and reported in the CAG's Audit Report No. 6 of 2009-10. During the follow-up audit, it was observed that despite Ministry's assurances given in the Action Taken Notes submitted to the Public Accounts Committee, most of the deficiencies pointed out in the Audit Report continued to persist and in certain areas (such as time taken in disposal of lease applications) the situation has even deteriorated as compared to what was observed during previous audit. Most of the documents/ information sought during the follow-up audit were not provided by L&DO.

In the previous Audit Report, it was mentioned that the authenticity of the number of properties administered by L&DO could not be verified. The follow-up Audit revealed that L&DO still did not have the authentic figures of its leased properties.

L&DO did not calculate and review dues from leases, nor did it enforce them on defaulters in a timely manner. Despite the allottees' failure to deposit the dues, no action was taken. Also, L&DO did not recover dues arising from land rate revisions from the lessees upon conversion of leasehold lands into freehold. The allottees were reaping all the benefits of their assets while failing to meet their obligations in terms of ground rent and charges for misuse and unauthorised constructions.

The year-wise inspections conducted by L&DO during the years 2016-17 to 2020-21 ranged between five *per cent* and eight *per cent* of the mandatory inspection required to be conducted annually. Further, wherever inspections were done, show-cause notices/ breach notices for violations were not issued on time and efforts to re-enter the property were found lacking, thereby rendering the inspections ineffective. There was no system in place to monitor compliance with the condition of offering free medical care by hospitals to poor and indigent patients and free education by schools to children from economically weaker sections.

Citizens' Charter of L&DO stipulates that the L&DO would ensure good quality of service by disposal of applications on conversion, sale permission, mutation, and substitution etc. within a period of three months from the date of receipt of information and documents from the lessee. L&DO's administration of lease applications was, however, found to be ineffective and inefficient, with excessive delays in the disposal of applications.

L&DO's lease management was ineffective and inefficient. The lease deeds, the fundamental document that formed the relationship between L&DO and the property allottees, had not been completed. The temporary leases were not extended.

The objective of computerization of records was defeated by incomplete information in e-Dharti. Further, there was no system in place in Sub-registrar offices to demarcate/ identify L&DO land, resulting in its sale without the knowledge of L&DO. Despite the land/ plots being under encroachment, L&DO kept allotting these to lessees and did little to secure those.

Thus, the valuable land under the control of L&DO was being mismanaged due to poor administration and neglect.

New Delhi
Dated: 07 December 2021


(R G Viswanathan)
Deputy Comptroller and Auditor General
and Chairman, Audit Board

Countersigned

New Delhi
Dated: 10 December 2021


(Girish Chandra Murmu)
Comptroller and Auditor General of India

Annexures

Annexure-I
(Referred to in introductory para of Chapter III)
Audit findings in respect of 29 sampled properties

1. Kendriya Vidyalaya, Andrews Ganj

| | |
|---|---------------------------------------|
| Category | Schools |
| Property ID | 24501 |
| Jurisdictional Local Body | South Delhi Municipal Corporation |
| Size of Plot | 17,417.67 square meters (4.304 acres) |
| Date of Allotment | September 1968 |
| Ground rent at the time of allotment (per annum) | ₹1076 |

| Audit observations | Reply of L&DO | Further Audit comments |
|---|---|--|
| <p>Inspections</p> <p>1. Inspection was done without the sanctioned building plan.</p> <p>2. No inspection was carried out after July 2011</p> <p>Other issues</p> <p>3. Audit had pointed out in previous report (2009-10) that subdivision of plot was done in 2004 and a portion of the plot was given to a private party without intimation to L&DO. A building, providing facilities for swimming, gymnasium, taekwondo and judo was constructed. L&DO was not aware that the unauthorized sports complex was being run by a private party as the last inspection of the premises was conducted in 1998. L&DO carried out the inspection of the premises in July 2011 and found that there was a sport complex, swimming pool etc. on the leased land. A letter was issued (July 2018) to the lessee requesting to send the complete set of sanctioned building plan along with completion certificate. The lessee did not respond on the request of L&DO. L&DO did not take any action till April 2019. However, when Audit called for (April 2019) the records related to Kendriya Vidyalaya, L&DO issued (May</p> | <p>L&DO replied (December 2020) that the school authorities had so far not submitted sanctioned building plan to this office, hence, exact quantum of the breaches could not be ascertained. A letter had been issued on 9 December 2020 to the school authorities giving them final opportunity to submit the desired documents. If no reply is received, L&DO will prepare demand note by treating the entire structure as an</p> | <p>The replies indicate that though the L&DO has accepted the Audit observation and initiated action, but the approach is lackadaisical as a number of opportunities are being given to the school authorities to respond. The fact remains that initially L&DO did not make any efforts to obtain the sanctioned building plan from the local body. Due to inaction on the part of the L&DO, the property</p> |

| Audit observations | Reply of L&DO | Further Audit comments |
|--|---|--|
| <p>2019) a reminder. L&DO did not make any effort to obtain the sanctioned building plan from the local body.</p> <p>4. No information related to recovery of ground rent was found in the records provided to Audit. Data related to ground rent recoverable, date of issue of demand notice, amount recovered was not filled in the Ground Rent Register of e-Dharti.</p> <p>5. Most of the columns were also left blank in property proforma of e-Dharti.</p> <p>6. L&DO neither made any effective efforts for removal of breaches nor did it issue any demand letter for misuse and damage charges from the lessee.</p> <p>Outstanding dues</p> <p>7. An amount of ₹2.04 lakh was outstanding towards ground rent and interest on ground rent. Other dues on account of damages and misuse charges could not be worked out from the records.</p> | <p>unauthorized structure.</p> <p>L&DO further replied (April 2021) that the School authorities are not able to provide documents. However, a final opportunity will be given to school authorities to submit the sanctioned building plan. If the same is not submitted, then it will be decided to work out the charges and will be communicated to them.</p> | <p>situated at a prime location was being used by a private party which was earmarked for use of educational purposes. L&DO failed to enforce the condition of the lease for re-entering the property.</p> |

2. Vidya Bhawan Girls Higher Secondary School (VBGHSS), Karol Bagh

| | |
|---|---------------------------------------|
| Category | Schools |
| Property ID | 25181 |
| Jurisdictional Local Body | North Delhi Municipal Corporation |
| Size of Plot | 5,956.972 square meters (1.472 acres) |
| Date of Allotment | September 1959 |
| Ground rent at the time of allotment (per annum) | ₹368 |

| Audit observations | Reply of L&DO | Further Audit comments |
|--|--|--|
| <p>Ground Rent</p> <p>1. Ground rent has not been received after July 1982. No action for realization of ground rent was taken after April 1984.</p> <p>2. Revision of ground rent was due in January 1989, however, it was revised in November 2003.</p> <p>3. ₹1.02 lakh was outstanding towards ground rent and interest on ground rent.</p> <p>Inspection</p> <p>4. Inspection of the premises was not carried out after June 2008.</p> <p>Other issues</p> <p>5. Demand for ground rent, interest, penalty, etc. was issued in April 1984 for ₹825.</p> <p>6. Unauthorized constructions were found during the inspection, however, breach notice/ demand notice was not issued to VBGHSS.</p> | <p>L&DO replied (December 2020) that VBGHSS was requested in January 2020 to furnish the required sanctioned building plan duly issued by the local body. VBGHSS was asked to remit the ground rent and other dues along-with belated payment, etc., and furnish action taken report on the breach notices issued. Again, VBGHSS was requested on 20.07.2020 to submit the documents related to the school. VBGHSS has been given final opportunity on 11.12.2020 to furnish the documents. In case of failure to provide the same, L&DO would proceed with the issuance of demand notice to VBGHSS. If the demand is not remitted to Government account within the stipulated time frame, L&DO would take punitive action as per Agreement to Lease.</p> <p>L&DO further replied (April 2021) that due to Covid-19 pandemic, schools were closed.</p> | <p>The replies indicate that though the L&DO has accepted the Audit observation and initiated action, but the approach is lackadaisical as a number of opportunities are being given to the school authorities to respond. The fact remains that L&DO did not make any effort to obtain the sanctioned building plan. Due to this, L&DO was not carrying out the inspection. Further, L&DO did not recover the dues from the lessee.</p> |

| Audit observations | Reply of L&DO | Further Audit comments |
|--|---|------------------------|
| <p>7. There were discrepancies in data filled in e-Dharti as compared to the information given in the original records.</p> <p>Outstanding dues</p> <p>8. Outstanding dues on account of damages and misuse charges could not be worked out from the records.</p> | <p>Hence, it seems school authorities are not able to produce the documents. The School authorities have been reminded to submit the relevant documents vide letter dated 26.02.2021.</p> | |

3. Bal Bharti School, Pusa Road

| | |
|---|-------------------------------------|
| Category | Schools |
| Property ID | 29207 |
| Jurisdictional Local Body | North Delhi Municipal Corporation |
| Size of Plot | 4,370.60 square meters (1.08 acres) |
| Date of Allotment | February 1963 |
| Ground rent at the time of allotment (per annum) | ₹270 |

| Audit observations | Reply of L&DO | Further Audit comments |
|--|---|--|
| <p>Ground rent</p> <p>1. The revision of ground rent was due in January 1992 and thereafter at the end of each successive period of not less than 30 years, however, the ground rent was not enhanced.</p> <p>Inspection</p> <p>2. L&DO conducted inspections at irregular intervals i.e. February 1999, July 2003, May 2005, February 2012, October 2016, and February 2019 and breach notice was issued in November 2016 and March 2019.</p> <p>Other issues</p> <p>3. A demand letter seeking payment of ₹7.97 crore was issued to the lessee in June 2015, thereafter neither any demand notice was issued nor action taken to re-enter the property. LDO took 16 years to issue demand of ₹7.97 crore to the lessee in June 2015 after observing unauthorized construction for the first time in February 1999. A show cause notice was issued in August 2018.</p> | <p>L&DO replied (December 2020) that after the demand was issued to the School, the land rates of L&DO were revised on 17.05.2017 which were effective from April 2000. Accordingly, the demand issued to the school was being updated on revised land rates and the same was under process. At the same time, the issue regarding revision of ground rent was also being taken up and approval was being taken from competent authority. After approval of competent authority, the ground rent would be revised and would be realized as per policy and practice of L&DO. The L&DO was pursuing the case with vigor but some delay was inevitable due to codal formalities. L&DO would finalize the case in as short time as possible and strive to realize the demand.</p> <p>L&DO further replied (April 2021) that due to Covid-19 pandemic and as per DOPT order, the</p> | <p>The reply of the L&DO is to be viewed in light of the fact that the recovery of government dues has been pending much before the outbreak of Covid and L&DO did not take effective action for recovery of the dues even before the outbreak.</p> <p>After the revision of land rates in May 2017, the revised demand letter had still not been issued even after a lapse of more than four years. The revision of ground rent which had already been badly delayed (due in January 1992) was still under review. L&DO has not revised the ground rent even after lapse of 29 years since it became due.</p> |

| Audit observations | Reply of L&DO | Further Audit comments |
|--|---|--|
| <p>4. Lease deed was not executed even after the building plan was sanctioned by MCD in 1978.</p> <p>Outstanding dues</p> <p>5. An amount of ₹10.89 crore was outstanding on account of damages and misuse charges.</p> | <p>country was under lockdown since March 26, 2020 and the office was not functioning regularly. As the office has started working regularly, necessary action will be taken at the earliest. Action has already been initiated for raising updated demand for recovery of Government dues.</p> | <p>This shows that L&DO was not pursuing the case efficiently for recovery of Government dues.</p> |

4. Daily Milap, Bahadur Shah Zafar Marg

| | |
|---|-------------------------------------|
| Category | Presses |
| Property ID | 20860 |
| Jurisdictional Local Body | South Delhi Municipal Corporation |
| Size of Plot | 1,019.81 square meters (0.252 acre) |
| Date of Allotment | August 1964 |
| Ground rent at the time of allotment (per annum) | ₹787.50 |

| Audit observations | Reply of L&DO | Further Audit comments |
|---|--|--|
| <p>Ground rent</p> <p>1. Ground rent was to be revised at the option of lessor on or after 01 January 1994 and thereafter at the end of each successive period of not less than 30 years. The Ground rent was, however, revised in December 2004 to ₹4,725.00.</p> <p>2. Ground rent not received after June 1980 (except in January 2005).</p> <p>3. No action for realization of ground rent was taken during the period from April 2016 to March 2019.</p> <p>Other dues</p> <p>4. The last demand letter was issued in December 2011 for ₹42.11 crore. Thereafter, L&DO revised land rates in 2017 effective from 2000. L&DO did not work out the revised charges after issuance of the demand.</p> <p>Inspection</p> <p>5. After October 2013, the inspection of the property was done in June 2018 and breaches/ misuse including subletting were found. A breach notice was issued in July 2018. Thereafter, no action was taken to get the breaches removed or to re-enter the property.</p> <p>Other issues</p> <p>6. In October 2011, a policy was framed for streamlining/ rationalizing the</p> | <p>L&DO replied (December 2020) that before calculating the Government dues pending on the part of the lessee, the Competent Authority has directed to inspect the property to ascertain whether the property was being used for the Press purpose or not. The file was under submission. Once the dues were finalized and in case of non-compliance of the same by the lessee, action in terms of lease terms would be taken.</p> <p>L&DO further replied (April 2021) that due to Covid 19</p> | <p>L&DO issued demand letter for regularizing breaches for the first time in June 1986. After 34 years i.e., in 2020, file was under submission for conducting another inspection to ascertain whether the property was being used for the press purpose or not. Inspections of the property time and again without taking appropriate action as per terms of lease defeated the purpose of inspections as neither</p> |

| Audit observations | Reply of L&DO | Further Audit comments |
|---|--|--|
| <p>criteria/ principles for determining misuse and unauthorized constructions in respect of Press/ media plots situated at Bahadurshah Zafar Marg New Delhi. The policy stipulated the conditions for granting permanent change of purpose and regulating misuse etc. Accordingly, L&DO offered the terms for temporary regularization of breaches in December 2011 and a demand notice for ₹42.11 crore was issued. Though lessee contested this demand, L&DO did not accept the same.</p> <p>7. After issue of breach notice in December 2013, no action was taken for nearly four years till November 2017 when L&DO decided to conduct inspection of the property.</p> <p>8. Despite there being clause in Agreement to lease that the lessee was not to sublet or give on rent a part of the land or building that may be constructed on the premises without the prior permission of the lessor, the property was sublet for commercial purpose without permission of L&DO.</p> <p>9. The copy of perpetual lease available in the file was not signed.</p> <p>10. The complete details of payments made by Daily Milap were not available. e-Dharti data showed that ground rent was paid only in January 1995 and current dues were showed only for ₹20.20 lakh for the period July 1980 to July 1986. Further, the data in e-Dharti was not complete as most of the columns were blank.</p> <p>11. Joint inspection by Audit with technical staff of L&DO in February 2020 revealed fresh breaches and misuse of the property.</p> <p>Outstanding dues</p> <p>12. An amount of ₹56.07 crore was outstanding towards ground rent, interest on ground rent and damages/ misuse charges.</p> | <p>pandemic and as per DOPT order, the country was under lockdown since 26.03.2020 and the office was not functioning regularly. The staff of L&DO and their family members were also affected by the Covid, and due to protocol of covid, the staff had to be on leave. As the office has started working regularly, necessary action will be taken at the earliest. Moreover to take action to re-enter the property, a Press plot case is already pending in Hon'ble Supreme court and the Court has stayed the re-entry.</p> | <p>breaches were remedied nor the dues on account of breaches could be recovered. Further, despite non-recovery of dues and non-removal of breaches, L&DO has not initiated action for re-entry. By citing the reasons that Court had stayed the re-entry orders in some other cases, L&DO is only refraining from discharging its duties.</p> <p>The recovery of government dues has been pending much before the outbreak of Covid and L&DO did not take effective action for recovery of the dues even before the outbreak.</p> |

5. Daily Tej

| | |
|---|-------------------------------------|
| Category | Presses |
| Property ID | 21719 |
| Jurisdictional Local Body | South Delhi Municipal Corporation |
| Size of Plot | 1,015.76 square meters (0.251 acre) |
| Date of Allotment | August 1964 |
| Ground rent at the time of allotment (per annum) | ₹784.40 |

| Audit observations | Reply of L&DO | Further Audit comments |
|---|---|--|
| <p>Ground rent</p> <p>1. Revision of ground rent was due in January 1994, however it was revised in November 2004</p> <p>2. Ground rent has not been received after December 1997. No action for realization of ground rent was taken during the period from July 2012 to March 2019</p> <p>Inspection</p> <p>3. Inspection was done in February 2019 after May 2013 and breach notice issued in March 2019. Inspection was conducted without the sanctioned building plan.</p> <p>Other issues</p> <p>4. Demand notice for ₹1.01 crore was issued by L&DO in November 2011. Only 10 lakh was received against the demand.</p> <p>5. In violation of the agreement, the Daily Tej sub-let the premises to various private firms from time to time. Instead of taking stringent action against Daily Tej, L&DO only issued demand notices and show cause notices from time to time.</p> | <p>L&DO replied (December 2020) that the matter was recently examined and the Land & Development Officer had directed to find out how much area of the premises was being used for the Press purpose and whether the policy for Press allotment was followed or not. Accordingly, the matter had been referred to Technical Section to expeditiously conduct inspection and submit the report.</p> <p>L&DO further replied (April 2021) that due to Covid 19 pandemic and as per DOPT order, the country was under lockdown since 26.03.2020 and the office was not functioning regularly. As the</p> | <p>L&DO noticed various misuses and unauthorized construction since December 1972. After 48 years i.e., in December 2020, file was still under submission for conducting another inspection to ascertain whether the property was being used for the Press purpose or not. L&DO has neither recovered the dues nor initiated action for re-entry. By citing the reasons that Court had stayed the re-entry orders in some other cases, L&DO is only refraining from discharging its duties.</p> <p>The recovery of government dues has been pending much before the outbreak of Covid and L&DO did not take effective action for</p> |

| Audit observations | Reply of L&DO | Further Audit comments |
|---|---|---|
| <p>6. Demand notice (with reference to O.M dated 30.06.2017) for payment of revised charges against the misuse/ unauthorized construction on the land w.e.f, 01.04.2000 was not issued.</p> <p>Outstanding dues</p> <p>7. An amount of ₹1.68 crore was outstanding towards ground rent, interest on ground rent and damages/ misuse charges.</p> | <p>office has started working regularly, necessary action will be taken at the earliest. Moreover to take action to re-enter the property, a press plot case is already pending in Hon'ble Supreme court and the court has stayed the re-entry.</p> | <p>recovery of the dues even before the outbreak.</p> <p>The reply of April 2021 was also silent on whether inspection had been carried out by the Technical Section.</p> |

6. Gulab Singh & Sons

| | |
|---|-------------------------------------|
| Category | Presses |
| Property ID | 21590 |
| Jurisdictional Local Body | South Delhi Municipal Corporation |
| Size of Plot | 2,731.68 square meters (0.675 acre) |
| Date of Allotment | 23 February 1953 |
| Ground rent at the time of allotment (per annum) | ₹2,109.06 |

| Audit observations | Reply of L&DO | Further Audit comments |
|---|--|--|
| <p>Ground rent</p> <p>1. The ground rent was to be revised on 1 January 1983; however, the ground rent was revised on 10.08.2004 i.e., after a lapse of 21 years.</p> <p>Inspection</p> <p>2. Inspection was done in August 2018 after September 2012, and breach notice was issued in October 2018.</p> <p>3. Various breaches were noticed and last demand letter was issued in December 2019. However, neither recovery of dues was made nor action for re-entry was initiated.</p> <p>4. Inspections of the premises were conducted between May 1975 and August 2018 and breaches were observed, but it took more than 30 years (from May 1975) to issue the demand notice.</p> <p>5. Agreement to lease was signed in September 1953 but lease deed was not executed.</p> <p>Other issues</p> | <p>L&DO replied (December 2020) that after taking into account the guidelines on press plots, demand of ₹17.06 crore was issued to the lessee on 20.03.2020. In response to this demand letter, the lessee had requested to provide the actual calculations along with entire details in accordance with proper inspection report. After getting the same, lessee had submitted their representation which was under examination. If the lessee fails to deposit the demanded amount, punitive action will be taken as per</p> | <p>The reply of the L&DO is to be viewed in light of the fact that the recovery of government dues has been pending much before the outbreak of Covid and L&DO did not take effective action for recovery of the dues even before the outbreak.</p> <p>Further, by citing the reasons that Court had stayed the re-entry orders in some other cases, L&DO is only refraining from discharging its duties.</p> <p>The facts remains that the demand for ₹8.27 crore</p> |

| Audit observations | Reply of L&DO | Further Audit comments |
|---|---|---|
| <p>6. In October 2011, a policy was framed for streamlining/ rationalizing the criteria/ principles for determining misuse and unauthorized constructions in respect of Press/ media plots situated at Bahadurshah Zafar Marg New Delhi. The policy stipulated the conditions for granting permanent change of purpose and regulating misuse etc. Accordingly, L&DO offered the terms for temporary regularization of breaches in November 2011 and a demand notice for ₹8.27 crore was issued. Though lessee contested this demand, L&DO did not accept the same.</p> <p>7. The demand notice for damages, misuse and unauthorized construction etc. amounting to ₹8.78 crore was issued on 31.12.2019 on the basis of revised land rates, However, the amount of earlier demand of ₹8.27 crore issued in November 2011 was not included in this demand notice. These dues were yet to be realized.</p> <p>8. Various details relating to property were not found filled in e-Dharti portal of L&DO.</p> <p>Outstanding dues</p> <p>9. An amount of ₹18.72 crore was outstanding towards ground rent, interest on ground rent and damages/misuse charges etc. as on 14.01.2020.</p> | <p>terms & conditions of the lease.</p> <p>L&DO further replied (April 2021) that due to Covid 19 pandemic and as per DOPT order, the country was under lockdown since March 26, 2020 and the office was not functioning regularly. As the office has started working regularly, necessary action will be taken at the earliest. Moreover to take action to re-enter the property, a press plot case is already pending in Hon'ble Supreme court and the court has stayed the re-entry.</p> | <p>raised in November 2011, which has risen to ₹17.06 crore as of March 2020, has not yet been recovered by L&DO.</p> |

7. Hotel Le Meridian, Janpath

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|---|--------------------------------------|
| Category | Hotels |
| Property ID | 21703 |
| Jurisdictional Local Body | New Delhi Municipal Corporation |
| Size of Plot | 17,361.39 square meters (4.29 acres) |
| Date of Allotment | 30 July 1983 |
| Ground rent at the time of allotment (per annum) | ₹24,91,632 |

| Audit observations | Reply of L&DO | Further Audit comments |
|---|--|---|
| <p>Ground rent</p> <p>1. The records relating to the realization of ground rent for the period 15.07.2012 to 14.07.2018 was not found in the concerned files provided to Audit.</p> <p>2. After completion of 30 years from the date of allotment i.e. July 1983, the ground rent was to be revised in July 2013, however, the same was yet to be revised.</p> <p>Other dues</p> <p>3. The premises were inspected from time to time and during inspection L&DO noticed that part of the property was being used for the purpose other than those for which allotment was done. The Hotel had carried out the construction beyond Sanctioned Building Plan. The last demand letter towards damage charges and misuse charges etc., was issued in January 2012 for ₹124.84 crore. No updated demand had been issued after January 2012 and the amount to be recovered was not found calculated in view of revision of land rates in May/ June 2017 effective from the year 2000. Due to not pursuing the</p> | <p>L&DO replied (December 2020) that after issue of demand letter, several reminders were issued to NDMC for recovery of Government dues. In this connection, a Show Cause Notice was issued on 08.02.2019 to the Secretary, NDMC with the request that reply/ clarification in this regard may be sent within 30 days from the date of issue of the letter, failing which the action would be taken against NDMC, but no reply has been received till date. The complete details of the property have been filled in e-Dharti portal of L&DO. The lease agreement or Perpetual Lease in respect of land under Hotel Le Meridian could not</p> | <p>This issue was also brought out in the CAG Report No.6 of 2009-10, hence, it is pending for a very long time. The last demand was issued to the lessee in January 2012, however, even after lapse of more than nine years, the updated demand has not been issued to the lessee. Thus, L&DO's plea that action could not be taken due to Covid-19 pandemic is not acceptable. Even after nine years of the assurance given to the PAC by the Secretary, Ministry of Housing and Urban Affairs, L&DO has not taken recourse</p> |

| Audit observations | Reply of L&DO | Further Audit comments |
|--|--|--|
| <p>case effectively for recovery of outstanding Government dues from NDMC, L&DO did not take suitable action/ recovery of dues of ₹124.84 crore despite lapse of more than eight years after issue of the demand (January 2012).</p> <p>4. This issue was also brought out in CAG Report No. 6 of 2009-10 on Functioning of Land and Development Office and as per 59th Report of the PAC (April 2012), while replying to the question of PAC, the Secretary, Ministry of Housing and Urban Affairs submitted that if the NDMC did not agree to pay the charges raised against them, then the Ministry would take recourse to legal remedies to realize the dues. However, no such action was taken despite L&DO failing to recover the outstanding dues.</p> <p>Inspection</p> <p>5. The last inspection of the premises was conducted in July 2010 and no inspection was conducted after that.</p> <p>Other Issues</p> <p>6. No perpetual lease has been executed.</p> <p>7. Sanctioned Building Plan was not submitted by NDMC.</p> <p>8. The complete details of the property were not found filled in e-Dharti Portal of L&DO.</p> <p>Outstanding dues</p> <p>9. An amount of ₹191.20 crore was outstanding towards ground rent, interest on ground rent and damages/ misuse charges.</p> | <p>be executed due to non-fulfilment of terms of allotment letter.</p> <p>L&DO further stated (April 2021) due to Covid 19 pandemic and as per DOPT order, the country was under lockdown since 26.03.2020 and the office was not functioning regularly. As the office has now started working regularly, necessary action will be taken at the earliest. Moreover, the dispute is between the Central Government i.e., land owning agency and local body i.e., NDMC. Hence, action can be taken as per the terms of allotment or lease deed. The only thing that L&DO can do is to cancel the allotment and take possession of the plot. Updated demand is under process in consultation with the Technical Wing.</p> | <p>to legal remedies despite non-realization of dues. Further, the reply of L&DO that complete details of the property have been filled in e-Dharti portal is not correct since the details such as ground rent, dues demanded by L&DO and dues paid by the lessee were not filled in.</p> |

8. Hotel Taj Man Singh

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|---|--------------------------------------|
| Category | Hotels |
| Property ID | 24615 |
| Jurisdictional Local Body | New Delhi Municipal Council |
| Size of Plot | 15,297.45 square meters (3.78 acres) |
| Date of Allotment | 13 July 1976 |
| Ground rent at the time of allotment (per annum) | ₹2,28,700 |

| Audit observations | Reply of L&DO | Further Audit comments |
|---|---|--|
| <p>Ground rent</p> <p>1. After completion of 30 years from the date of allotment i.e. July 1976, the ground rent was to be revised in July 2006, however, the same was yet to be revised.</p> <p>Other dues</p> <p>2. The premises was inspected from time to time and during inspection, L&DO noticed that the part of the property was being used for the purpose other than those for which allotment was done. The Hotel had carried out the construction beyond Sanctioned Building Plan. The last demand letter towards damage charges, misuse charges etc., was issued in February 2018 for ₹132.83 crore. Due to non-persuasion of the case effectively for recovery of outstanding Government dues from NDMC, L&DO did not take suitable action/recovery of dues of ₹132.83 crore despite lapse of more than two years after issue of demand in February 2018. This issue was also brought out in CAG Report No. 06 of 2009-10 on Functioning of Land and Development Office and as per 59th report of the PAC, while replying to the question of the PAC, the Secretary, Ministry of Housing and Urban Affairs had submitted that if the NDMC did not agree to pay the charges raised against them, then the Ministry would take recourse to legal remedies to realize the dues. However, no</p> | <p>It was stated in its reply (December 2020) that L&DO was striving hard and impressing upon NDMC to sort out the matter at the earliest. In the last resort, L&DO would be constrained to take punitive action and cancel the allotment.</p> <p>L&DO further stated (April 2021) due to Covid 19 pandemic and as per DOPT order, the country was under lockdown since 26.03.2020 and the office was not functioning regularly. As the office has started working regularly, necessary action will be taken at the earliest.</p> | <p>This issue was also brought out in the CAG Report No.6 of 2009-10, hence, it is pending for a very long time. Thus, L&DO's plea that action could not be taken due to Covid-19 pandemic is not acceptable. The updated demand has not been issued to the lessee. Further, even after nine years of the assurance given to PAC by the Secretary, Ministry of Housing and Urban Affairs, L&DO has not taken recourse to legal remedies despite non-realization of dues.</p> |

| Audit observations | Reply of L&DO | Further Audit comments |
|--|---|------------------------|
| <p>such action was taken despite L&DO failing to recover the outstanding dues.</p> <p>Inspection</p> <p>3. No inspection was conducted after July 2010.</p> <p>Other Issues</p> <p>4. No perpetual lease has been executed.</p> <p>5. Sanctioned Building Plan was not submitted by NDMC. In the absence of the approved Sanctioned Building Plan, it is not clear how L&DO was raising the issues of misuse and unauthorized construction.</p> <p>6. The details of the ground rent/ additional ground rent, date when it became due and rates/ amount of ground rent, additional ground rent and amount received by the L&DO were not found entered in the ground rent register.</p> <p>7. The complete details of the property were not filled in e-Dharti portal of L&DO.</p> <p>Outstanding dues</p> <p>8. An amount of ₹159.65 crore was outstanding towards ground rent, interest on ground rent and damages/misuse charges.</p> | <p>Moreover, the dispute is between the Central Government i.e., land owning agency and local body i.e., NDMC. Hence, action can be taken as per the terms of allotment or lease deed. The only thing that L&DO can do is to cancel the allotment and take possession of the plot. Updated demand is under process in consultation with the Technical Wing.</p> | |

9. Vidya Sagar Institute for Mental Health and Neuro-Sciences, Nehru Nagar

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|---|-----------------------------------|
| Category | Hospitals |
| Property ID | 30284 and 21508 |
| Jurisdictional Local Body | South Delhi Municipal Corporation |
| Size of Plot | 14,164 square meters (3.5 acres) |
| Date of Allotment | May 1984 |
| Ground rent at the time of allotment (per annum) | ₹1,769 |

| Audit observations | Reply of L&DO | Further Audit comments |
|--|---|---|
| <p>Ground rent</p> <p>1. The due date of revision of ground rent was taken as 30 years from date of allotment (May 2014) as lease deed was not signed. The ground rent was not revised.</p> <p>2. L&DO did not take any action to realize the ground rent.</p> <p>Other dues</p> <p>3. Demand for ₹6.14 crore was issued to the lessee in January 2014. After that, L&DO did not demand the complete outstanding dues from the allottee, though it had assured Audit in August 2018 that dues pending against the allottee would be calculated at revised rates.</p> <p>4. L&DO worked out (July 2016) dues of ₹9.74 crore on account of misuse/ damages (excluding penalty) but did not communicate the same to the lessee.</p> <p>Inspection</p> <p>5. No inspection was conducted after August 2011.</p> <p>Other issues</p> <p>6. Lease deed was not signed.</p> | <p>LDO replied (December 2020) that the Government dues were calculated in July 2016 amounting to ₹9.74 crore on account of misuse/ damages but the same was not communicated to the lessee as it was observed by the then L&DO that demand cannot be sent to a re-entered property. Regarding monitoring of free treatment to EWS category, reports in this regard was received from the Directorate of Health Services, Government of NCT of Delhi from time to time. The Directorate of Health Services, Government of NCT of Delhi vide their letter dated 17.01.2019 informed that the hospital was not violating the conditions of free treatment to EWS. The matter was re-examined and with the approval of the Competent Authority, it was decided to withdraw the order of re-entry issued to the hospital.</p> | <p>Reply of L&DO is not acceptable as Audit did not find any document which stated that re-entry orders had been issued to the lessee. Also, L&DO did not enclose any documentary evidence in support of re-entry orders. Reports regarding free treatment to EWS category received from the Directorate of Health services, Government of NCT of Delhi were not found in the records provided to Audit. The provisions regarding nomination of Government nominee on the Executive</p> |

| Audit observations | Reply of L&DO | Further Audit comments |
|---|--|--|
| <p>7. L&DO did not have copy of revised sanctioned building plan.</p> <p>8. In view of not providing 70 per cent free beds to EWS patients as per the terms of allotment, and large number of misuses/ unauthorized constructions, the allotment of land was cancelled in May 2004.</p> <p>9. However, based on a representation from Chairman, VIMHANS, the decision of cancellation of allotment of land was kept in abeyance till the views of Health Department, Government of National Capital Territory of Delhi (GNCTD) on the issue of providing free treatment to EWS were obtained.</p> <p>10. No mechanism or its implementation could be found in L&DO which indicated that hospital was following the condition for providing free treatment to EWS patients.</p> <p>11. L&DO also did not enforce the condition of including two nominees of the Government on the Executive Committee of the hospital to look after Government interest with regard to land management/ utilization thereof and also to ensure that it is utilized for the purpose laid down in the Memorandum of Agreement.</p> <p>12. There were two IDs of the property in e-Dharti, both of which were incomplete.</p> <p>Outstanding dues</p> <p>13. An amount of ₹12.34 crore was outstanding towards ground rent, interest on ground rent and damages/ misuse charges.</p> | <p>Accordingly, terms, which included updated Government dues, for withdrawal of re-entry order had been issued to the hospital on 07.12.2020. So far as nomination of Government nominee is concerned, it is mentioned that the available records do not state as to why no Government nominee was nominated till 2003. This matter was first examined in 2003-04 and since then, the property was under re-entered condition. Discrepancies in the property ID have been corrected.</p> <p>L&DO further replied (April 2021) that the land allotted to the hospital was cancelled on 18.05.2004 with the direction to hand over the possession of land on 28.05.2004 to the Lessor. However, the same was kept in abeyance as per the decision of the then Secretary (Urban Development) dated 24.05.2004. A demand letter dated 07.12.2020 for withdrawal of re-entry was issued to the hospital. However, the payment has not been made by them till date.</p> | <p>Committee of the hospital were laid down in the Memorandum of Agreement, which should have been adhered to.</p> <p>Though the Directorate of Health Services had informed (January 2019) that the hospital was not violating the conditions of free treatment to EWS, the demand letter for outstanding dues was issued by L&DO after around two years i.e., on 07.12.2020. Further, L&DO did not furnish a copy of the demand letter dated 07.12.2020 to Audit for verification and also did not inform about further action taken after non-payment of the demanded amount.</p> |

10. St. Stephen's Hospital, Tis Hazari

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|---|--|
| Category | Hospitals |
| Property ID | 21482 |
| Jurisdictional Local Body | North Delhi Municipal Corporation |
| Size of Plot | (i) 5,544.19 square meters (1.37 acres), (ii) 1,942.49 square meters (0.48 acre), (iii) 5,256.87 square meters (1.299 acres) |
| Date of Allotment | (i) June 1970, (ii) February 1972, (iii) January 1976 |
| Ground rent at the time of allotment (per annum) | (i) ₹342.50, (ii) ₹120, (iii) ₹325 |

| Audit observations | Reply of L&DO | Further Audit comments |
|---|---|--|
| <p>Ground rent</p> <p>1. The revision of ground rent was due in four multiples of the rate w.e.f., 01.01.2000, February 2002 and January 2006 respectively and thereafter at the end of each successive period of not less than 30 years. Ground rent was enhanced in respect of the plot measuring 1.37 acres only with effect from 15.12.2003 at the rate of ₹1,370 per annum.</p> <p>2. Ground rent was not revised in respect of the plots measuring 1,942.49 square meters and 5,256.87 square meters.</p> <p>3. In respect of the plot of 1.37 acres, the payment of ₹6,850 in August 2010 and ₹5,922 in August 2012 only was made and shown in the e-Dharti portal. The ground rent for all the three plots was paid by the hospital upto December 2012.</p> <p>Inspection</p> <p>4. Even after a lapse of 49 years from the allotment (1970), only five inspections were conducted. No inspection was done after January 2008.</p> <p>Breaches and misuse/ re-entry</p> <p>5. During the inspection of the St. Stephen's Hospital, a number of</p> | <p>L&DO replied (December 2020) that the Supreme Court of India in July 2018 directed the hospital to strictly follow the policy of free treatment to the EWS patients to the extent of 25 per cent OPD and 10 per cent IPD. The matter was under litigation till 2018. Thereafter, inspection of the property was carried out on 15.10.2020 and accordingly, a breach notice had been issued to the Hospital. The response of the Hospital was awaited.</p> <p>L&DO further replied (April 2021) that the matter was under litigation till 2018. The</p> | <p>The reply is not acceptable as there was no restriction on taking action against the lessee for violating the conditions of lease. Further, L&DO is silent on the issue of providing free treatment to EWS category patients. L&DO carried out the inspection of the premises in October 2020 i.e., after lapse of more than two years of Court's order and that too after being pointed by Audit. However, no demand letter has been issued to the lessee.</p> |

| Audit observations | Reply of L&DO | Further Audit comments |
|---|--|------------------------|
| <p>breaches related to misuse and unauthorized constructions were reported. However, neither breaches were remedied nor demand notice was issued. No action taken to re-enter the property.</p> <p>Other issues</p> <p>6. The hospital did not adhere to the condition to provide free treatment to EWS patients.</p> <p>7. St. Stephen’s Hospital did not submit the completion plan</p> <p>8. Data in e-Dharti was incomplete and did not indicate the payment details.</p> <p>Outstanding dues</p> <p>9. An amount of ₹0.23 lakh was outstanding towards ground rent and interest on ground rent. Other dues on account of damages/misuse charges could not be worked out.</p> | <p>response of hospital is awaited. The Government dues shall be calculated in due course after receipt of response of the hospital on the breach notice issued to them. If the hospital fails to deposit the demanded amount, necessary punitive action may be taken as per terms & conditions of Agreement of Lease.</p> | |

11. F-2, Connaught Place

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|---|--|
| Category | Business Premises |
| Property ID | 35711 |
| Jurisdictional Local Body | New Delhi Municipal Council |
| Size of Plot | 1,132.67 square meters (12,192.02 square feet) |
| Date of Allotment | 28 March 1925 |
| Ground rent at the time of allotment (per annum) | ₹330 |

| Audit observations | Reply of L&DO | Further Audit comments |
|--|--|--|
| <p>Ground rent</p> <p>1. The revision of ground rent was due in January 1947, January 1977 and January 2007, however the ground rent was not revised.</p> <p>2. Ground rent at the rate of ₹330 per annum was not paid after January 1981, and ₹12,609 on account of ground rent and ₹24,402 on account interest was due from January 1981 to March 2019.</p> <p>3. Additional ground rent (for additional construction) of ₹22.27 lakh and interest thereon of ₹40.34 lakh have not been paid from January 1984 to March 2019 and the revision of the same was due in January 2014 i.e., after 30 years from January 1984, however, the same was not revised.</p> <p>Other dues</p> <p>4. The additional premium amounting to ₹45.74 lakh (balance premium of ₹9.49 lakh + interest at 10 <i>per cent</i> per annum from 8 January 1981 to 31 March 2019 i.e. ₹36.25 lakh) was not paid.</p> <p>Inspection</p> <p>5. No inspection was conducted after April 2005.</p> | <p>L&DO stated (December 2020) in its reply that the file has been sent to Technical Section for carrying out inspection and thereafter demand for revised ground rent, additional ground rent, etc. will be updated.</p> <p>L&DO further stated (April 2021) that before demanding Government dues from the lessee, all the aspects are to be finalized in consultation with various sections of the office. In the instant case, before finalization of additional/ revised ground rent,</p> | <p>The reply is not tenable as the matter has remained unattended since 2005 and no inspection has been conducted after 2005. Mere sending the file to Technical Section is not sufficient as the file had been sent to Technical Section earlier also (viz., June 2004) but no action was initiated for recovery/ revision of ground rent and additional ground rent, and the proposal for re-entry was dropped without any reasons. Further, no reply has been furnished regarding other issues pointed out by audit viz.,</p> |

| Audit observations | Reply of L&DO | Further Audit comments |
|---|---|--|
| <p>Other Issues</p> <p>6. Breaches relating to unauthorized construction and misuse were noticed on the premises time to time. These breaches were not regularized and no recovery was made till date. No demand on account of breaches was issued despite request of the lessee. The case was processed for re-entry, but the same was dropped for no reasons.</p> <p>7. The perpetual lease was signed in March 1925, however, no correspondences were found in the concerned files before July 1962 (except records relating to transfer of property in March 1930). Further, file remained unattended after April 2005 despite existence of breaches/ misuse and outstanding dues.</p> <p>8. Sale of part property without permission of the lessor.</p> <p>9. It was observed from the data in e-Dharti that most of the columns of the property proforma were left blank which defeated the purpose of computerization of the records.</p> <p>Outstanding dues</p> <p>10. An amount of ₹1.17 crore was outstanding towards ground rent, interest on ground rent and damages/misuse charges.</p> | <p>inspection of the property is essential for which sanctioned building plan has been requested from the lessee. However, the same is still awaited. Consequent upon receipt of the same, all the dues shall be updated.</p> | <p>sale of land without permission of L&DO, action for removal of huge breaches and recovery of additional premium, etc.</p> |

12. Alankar Cinema, Lajpat Nagar

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|---|---|
| Category | Cinema Halls |
| Property ID | 21520 |
| Jurisdictional Local Body | South Delhi Municipal Corporation |
| Size of Plot | 4,217.70 square meters (5,044.333 square yards) |
| Date of Allotment | November 1954 |
| Ground rent at the time of allotment (per annum) | ₹51 |

| Audit observations | Reply of L&DO | Further Audit comments |
|--|--|---|
| <p>1. Although it was a cinema plot, the lease deed was executed (May 1961) on Appendix XI which was meant for residential purposes.</p> <p>2. Supplementary deed was executed in May 1980 correcting the user clause as commercial for cinema/ theatres.</p> <p>Ground Rent</p> <p>3. The ground rent was fixed to ₹2.02 lakh w.e.f. March 1987 (change of user of land and premises from cinema to cinema cum commercial).</p> <p>4. No action for realization of ground rent was taken during the period from April 2016 to March 2019.</p> <p>5. Revised ground rent was fixed, but provision for further revision was not made.</p> <p>6. As per clarification vide L&DO letter dated 02.02.1999, second revision would fall due at the end of each successive period of not less than 30 years. More than 32 years have elapsed since the revision of ground rent was done in March 1987, but the ground rent has not been revised so far.</p> <p>7. Up to March 1987, yearly ground rent remained ₹51 at the rate of ₹1 per annum per 100 square yards which is for rehabilitation property.</p> | <p>L&DO replied (December 2020) that the premises were inspected in April 2005 and August 2007 and breach notices were also issued accordingly. The property had recently been inspected on 10.09.2020 and a breach notice had been issued on 23.11.2020. Reply of the lessee was awaited.</p> | <p>The reply is not acceptable since L&DO did not take effective action to recover the Government dues or re-enter the property. There was nothing in the file after October 2007, although it was in the knowledge of L&DO that there was an outstanding balance to be recovered from the lessee and there</p> |

| Audit observations | Reply of L&DO | Further Audit comments |
|---|--|---|
| <p>Inspection</p> <p>8. Inspection of the property was conducted in April 2005 and misuse and unauthorised constructions were found.</p> <p>9. The last breach notice was issued in October 2007 to pay the outstanding amount. The lessee neither requested for temporary regularization of breaches nor made any payment.</p> <p>Other issues</p> <p>10. The balance payment of ₹13.41 lakh (₹106.34 lakh - ₹92.93 lakh) along with interest @10 per cent per annum demanded in October 2005 was yet to be realized.</p> <p>11. L&DO neither took action to evict Competent Films (unauthorised occupants) from the property nor imposed any penalty on Nahar Theatres (lessee) for selling the property without intimation to L&DO.</p> <p>12. In spite of the fact that there was an outstanding balance to be recovered from the lessee and there was misuse and unauthorised construction, L&DO neither made any correspondence with the lessee nor did take any action to recover the Government dues or re-enter in the property after October 2007. A notice was served in October 2007 to the lessee to remedy the breaches before exercising re-entry powers, after that there was nothing in the file.</p> <p>13. Surveyor of L&DO had visited the Lajpat Nagar area in July 2001 and came to know that Alankar Cinema building was demolished and a new building was under construction.</p> <p>14. Without intimation of L&DO, lessee demolished the premises and constructed a new building. L&DO was aware that a new building was being constructed but L&DO neither stopped the lessee from constructing the new building nor took action to re-enter the property. Unearned increase could not be recovered from the lessee due to signing of lease deed on Appendix XI.</p> <p>15. After being informed by Competent Films Private Ltd that they had bought the property, L&DO did not take any action to get complete information about current occupant of the property and continued to serve notices to Nahar Theatres (original lessee).</p> | <p>L&DO further replied (April 2021) that a show-cause notice had been issued to the lessee. In response to the show-cause notice, lessee has requested for payment of Government dues. Accordingly, file has been referred to Technical Section in March 2021 for calculation of Government dues.</p> | <p>was misuse and unauthorised construction. Only after being pointed out by Audit, L&DO carried out inspection in September 2020. However, the dues to be recovered from the lessee have not been calculated so far. Further, L&DO also did not take action to get the property vacated from the unauthorised occupants.</p> |

| Audit observations | Reply of L&DO | Further Audit comments |
|---|---------------|------------------------|
| <p>16. Nahar Theatres sold (January 2001) a shop comprising of 921 square feet to one Mr. Gurmeet Singh, who further sold it to Mr. Raj Chopra (Director of Competent Films Private Ltd) in April 2007 vide an agreement to sell. The sale was registered in the O/o Sub-Registrar at a value of ₹1.30 crore. Unearned increase was recoverable by L&DO on this sale.</p> <p>17. As per lease deed, lessor is entitled to claim and recover the unearned increase in case of the subsequent sale after the first sale and the lessor has also the right to revise the ground rent. However, L&DO could not claim the unearned increase or revise the ground rent due to sale of the lease rights of property without intimation.</p> <p>18. Columns of property proforma in e-Dharti were either left blank or not updated.</p> <p>Outstanding dues</p> <p>19. An amount of ₹2.66 crore was outstanding towards ground rent, interest on ground rent and damages/misuse charges.</p> | | |

13. 17, Jor Bagh

| | |
|---|---|
| Category | Other Nazul Properties |
| Property ID | 33682 |
| Jurisdictional Local Body | New Delhi Municipal Council |
| Size of Plot | 1,073.00 square meters (1,283.3 square yards) |
| Date of Allotment | December 1954 |
| Ground rent at the time of allotment (per annum) | ₹705 |

| Audit observations | Reply of L&DO | Further audit comments |
|--|---|---|
| <p>Ground rent</p> <p>1. The revision of ground rent was due with effect from 01.01.1982, at the rate of ₹5,680 per annum, and thereafter at the end of each successive period of not less than 30 years, however, it could not be ascertained from the records up to which period ground rent had been paid.</p> <p>2. The revision of ground rent, though due with effect from 01.01.1982, was communicated to the lessee in September 2008.</p> <p>Other dues</p> <p>3. Unearned increase was also required to be paid by the lessee, however, the same was also not raised.</p> <p>Inspection</p> <p>4. The perpetual lease was executed in December 1954, and first inspection was conducted in October 2003 i.e., after a lapse of 49 years of the lease execution. Last inspection was carried out in December 2017 and breach notice was also issued to lessee in December 2017. However, demand of government dues was not raised.</p> <p>5. Neither any demand notice was issued nor action taken to re-enter the property.</p> <p>6. Joint inspection of the premises was conducted by Audit along with the staff of</p> | <p>L&DO replied (December 2020) that the requisite action was being taken as per policy.</p> <p>L&DO further replied (April 2021) that the property still stands in the name of Sh. Chunni Lal Katyal. The property is presently under occupation of Sh. K.P.Sahi.</p> <p>Accordingly, he has been requested vide letter dated 01.04.2021 to submit an online</p> | <p>The reply is not tenable since L&DO does not seem to be aware of the actual legal heirs of Shri Chunni Lal Katyal and they had issued letter to Shri K.P. Sahi, the so-called occupier of the premises. Instead of initiating action for recovery of Government dues, L&DO is waiting for the reply of the so-called occupier of the premises.</p> |

| Audit observations | Reply of L&DO | Further audit comments |
|--|---|------------------------|
| <p>L&DO in January 2020. Some of the previous unauthorized constructions as reported in inspection report of L&DO dated 12.11.2017 still existed.</p> <p>Other findings</p> <p>7. L&DO did not take any action on the request made (February 2002) by Maharani Durgeshwari Sahi to transfer the lease rights in the name of her grandson Mr. K.P. Sahi given to him as per gift deed. Subsequently, the property was taken (August 2002) on lease by one Ms. Suman Kapoor from Mr. K.P. Sahi. Ms Suman Kapoor made a request (June 2003) to L&DO for change of use of the property from residential to non-domestic as the property was being used by her as residence-cum-creche.</p> <p>8. L&DO was not aware of the change of use of the property from residential to non-domestic as the property was being used as residence-cum-crèche. The property was still in the name of Maharani Durgeshwari Sahi in the records of L&DO.</p> <p>9. Data in e-Dharti was incomplete and did not indicate the payment details.</p> <p>Outstanding dues</p> <p>10. An amount of ₹1.47 crore was outstanding towards ground rent, interest on ground rent and damages/misuse charges.</p> | <p>application of substitution with the documentary proof regarding stake in the property. consequent upon receipt of ownership documents, demands shall be raised on the actual legal heirs of the lessee.</p> | |

14. Sen Nursing Home

| | |
|---|-------------------------------------|
| Category | Other Nazul Properties |
| Property ID | 33981 |
| Jurisdictional Local Body | South Delhi Municipal Corporation |
| Size of Plot | 5,058.68 square meters (1.25 acres) |
| Date of Allotment | 19 July 1952 |
| Ground rent at the time of allotment (per annum) | ₹4,687.50 |

| Audit observations | Reply of L&DO | Further Audit comments |
|--|--|--|
| <p>Ground rent</p> <p>1. The records provided to Audit did not reveal the complete details of payment and revision of ground rent in terms of provision of the lease deed.</p> <p>Inspection</p> <p>2. Inspections were done without sanctioned building plan.</p> <p>3. No inspection was done after February 2013.</p> <p>Other issues</p> <p>4. The property changed hands many times after leasing to the original lessee without knowledge of the L&DO. The original lessee had transferred (June 1974) the lease rights to Ansal Saigal Properties Ltd, who constructed flats in the leased space and sold these the flats to individuals. Though it came into the notice of the L&DO in January 2010, however, no action was initiated by L&DO. From the Sub-Registrar's office, Audit could obtain the details of three purchasers of flats, wherein it was seen that two of the flats had been given on rent by the purchasers and an agreement to sell had been executed for one flat in September 2011. This flat was registered at a value of ₹1.21 crore. Unearned increase was also recoverable by L&DO on this sale.</p> | <p>L&DO replied (December 2020) that the matter had recently been examined in detail and it was found that the premises were under occupation of various unauthorized occupants/squatter. As such, with the approval of L&DO, it had been decided to cancel the allotment. Accordingly, a show cause notice was issued on 09.12.2020.</p> <p>L&DO reiterated (April 2021) that a show cause notice dated 09.12.2020 has been issued. The copy of the same has been</p> | <p>L&DO did not provide copy of the show cause notice. L&DO also did not mention about action taken for recovery of Government dues.</p> |

| Audit observations | Reply of L&DO | Further Audit comments |
|---|-------------------------------------|------------------------|
| <p>5. Breach notice was issued to the lessee in March 2012 and the reply to this notice was given by the Hans Bhawan Flat Owners Association on 28.06.2012 stating that after 10.02.2010 the maintenance and upkeep of the building had been handed over to Flat Owners Association of Hans Bhawan.</p> <p>6. No demand letter was issued to the lessee despite issuance of breach notice between the period of March 2012 and March 2013.</p> <p>7. Although there were breaches and outstanding dues, there was nothing in the file after December 2013.</p> <p>8. No action was initiated by L&DO for recovery of unearned increase in violation of the clause 2 (18) of Lease Deed.</p> <p>9. No action for re-entry was initiated by L&DO.</p> | <p>enclosed for ready reference</p> | |

15. 29, Aurangzeb Road

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|---|-------------------------------------|
| Category | Other Nazul Properties |
| Property ID | 24686 |
| Jurisdictional Local Body | New Delhi Municipal Council |
| Size of Plot | 9,886.47 square meter (2.443 acres) |
| Date of Allotment | September 1930 |
| Ground rent at the time of allotment (per annum) | ₹410 |

| Audit observations | Reply of L&DO | Further Audit comments |
|---|--|---|
| <p>Ground Rent</p> <p>1. Ground rent revision was due in January 1957, January 1987 and January 2017 but was never revised.</p> <p>2. Ground rent was not paid after July 1977. L&DO did not issue any demand letter for payment of ground rent after July 1977.</p> <p>Inspections</p> <p>3. The inspection of the property was carried out in June 1990, December 1994 and December 2017 and breach notice was issued in March 2018.</p> <p>4. Although there were continuous breaches/ misuse since June 1990, no demand was raised by the L&DO.</p> <p>Other issues</p> <p>5. Most of the data in e-Dharti was not filled.</p> <p>6. In spite of breaches found during the inspections, L&DO did not take effective action for removal of breaches or re-enter the property.</p> <p>Outstanding dues</p> <p>7. An amount of ₹33.80 lakh was outstanding towards ground rent, interest on ground rent. Dues on account of damages/ misuse charges could not be worked out.</p> | <p>L&DO replied (December 2020) that the case had been referred to Technical Section to carry out inspection and calculate up-to-date charges. Thereafter, the demand would be served on the lessee and if the lessee fails to deposit the same, necessary punitive action would be taken as per terms of lease deed.</p> <p>L&DO further replied (April 2021) that after issue of breach notice, action for recovery of Government dues will be considered.</p> | <p>L&DO did not issue any demand letter for payment of ground rent after July 1977. Although there were continuous breaches/ misuse since June 1990, no amount towards misuse/ damage charges was paid by lessee due to non-issue of demand letter by the L&DO. All that L&DO has done after 30 years is that they have referred the case to Technical Section. Inspections of the property time and again without issuing demand notices defeated the purpose of inspections as neither breaches were remedied nor the dues on account of breaches could be recovered.</p> |

16. 3, Kautilya Marg

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|---|--|
| Category | Other Nazul Properties |
| Property ID | 22509 |
| Jurisdictional Local Body | New Delhi Municipal Council |
| Size of Plot | 1,132.62 square meters (1,354.60 square yards) |
| Date of Allotment | 14 October 1957 |
| Ground rent at the time of allotment (per annum) | ₹415 |

| Audit observations | Reply of L&DO | Further Audit comments |
|---|--|--|
| <p>Other issues</p> <p>1. As per the terms of the conveyance deed, the property shall be used strictly as per lease terms/ master plan norms and in the condition of any encroachment upon the Government land or property being put to any use other than stipulated in the lease term, the conveyance deed shall be revoked without any notice. Audit, however, noted that L&DO has not exercised any control to ascertain the present status of use of property, after conversion of property to freehold.</p> <p>2. L&DO has not taken any steps to calculate and raise demand for claiming dues on account of balance of conversion fees that became payable in view of revision of land rates from retrospective effect (i.e., with effect from 01.04.2000).</p> <p>Outstanding dues</p> <p>3. An amount of ₹10.52 lakh was not recovered towards other dues on account of non-revision of charges after conversion of property into freehold.</p> <p>4. L&DO neither furnished any reply to the audit observation issued in June 2020 nor provided any information sought therein.</p> | <p>L&DO replied (December 2020) that the required action in the matter was being taken shortly.</p> <p>L&DO further replied (April 2021) that a demand in the instant case was issued on 01.04.2021.</p> | <p>After around four years from the revision of land rates in May 2017, L&DO has issued a demand letter to the lessee, copy of which has not been provided to Audit.</p> |

17. Garage, Plot No. 7, Block-91, Gole Market

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|---|--|
| Category | Other Nazul Properties |
| Property ID | 33338 |
| Jurisdictional Local Body | New Delhi Municipal Council |
| Size of Plot | 24.30 square meters (261.63 square feet) |
| Date of Allotment | September 1941 |
| Ground rent at the time of allotment (per annum) | ₹31 |

| Audit observations | Reply of L&DO | Further Audit comments |
|---|---|--|
| <p>Ground rent</p> <p>1. Recovery of ground rent for the period January 1940 to July 1964 (more than 24 years) at the rate of ₹31 per annum was not made.</p> <p>2. Ground rent at the rate of ₹124 per annum and additional ground rent at the rate ₹129.85 per annum for the period July 2001 to March 2019 was also not recovered from the lessee.</p> <p>3. The revision of the ground rent was due on 01.01.1969 and thereafter on 01.01.1999 but the same was revised by the L&DO in May 2001 after a lapse of more than 32 years (from the due date of revision) from ₹31 to ₹124 i.e., four times of the previous ground rent which was irregular because as per order of Ministry of Works and Housing dated 24.12.1983, the ground rent if not revised from 31 to 40 years since the revision falls due, the ground rent was to be enhanced 10 times of the existing ground rent. Hence, ground rent of ₹310 per annum should have been charged.</p> <p>Inspection</p> <p>4. The property was allotted in 1941 and the first inspection was conducted in April 1971 i.e., 30 years after the execution of perpetual lease. After the inspection in October 1998, another inspection was done in May 2018 and breach notice issued in June 2018.</p> | <p>L&DO stated in its reply (December 2020) that the file has been sent to Technical Section for carrying out inspection and thereafter demand for revised ground rent, additional ground rent, etc. would be updated.</p> <p>L&DO further stated (April 2021) that they have already started a drive to update records/ demand of each and every property. To update</p> | <p>The reply of the L&DO is not tenable as no action in respect of revision/ recovery of ground rent and demand of additional ground rent has been taken till now. Mere sending the file to Technical Section is not sufficient. A conclusive action needs to be taken by L&DO. Further, no action has been initiated regarding sale/ transfer of land without permission of L&DO.</p> |

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| <p>5. The last inspection was carried out in November 2018 and breaches found during the inspection of May 2018 were found removed.</p> <p>Other issues</p> <p>6. The property had changed hands after leasing to the original lessee without knowledge of the L&DO. However, no action was initiated by L&DO after it came into its knowledge.</p> <p>Outstanding dues</p> <p>7. An amount of ₹0.18 lakh was outstanding towards ground rent and interest on ground rent.</p> | <p>the records and to raise updated demands, inspection of the property is essential. Matter is under examination in consultation with Technical Wing.</p> | |
|--|--|--|

18. Plot No. 12, Block 10, Golf Links

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|---|---|
| Category | Freehold Properties |
| Property ID | 22003 |
| Jurisdictional Local Body | New Delhi Municipal Council |
| Size of Plot | 1,517.24 square meters (1,814.6 square yards) |
| Date of Allotment | April 1966 |
| Ground rent at the time of allotment (per annum) | ₹927.50 |

| Audit observations | Reply of L&DO | Further Audit comments |
|--|---|--|
| <p>Ground rent</p> <p>1. The revision of ground rent was due from January 1983, however, the same was revised in October 2004.</p> <p>Inspection</p> <p>2. The last inspection was conducted in February 2016, breach notice was issued in March 2016 and demand notice issued in April 2016.</p> <p>Other dues</p> <p>3. The conversion of the property into freehold was approved in May 2016. An undertaking was given by allottee that he would pay the difference of misuse, damage and conversion charges etc., if the land rates were revised with effect from 01.04.2000. However, no such dues were demanded by L&DO despite revision of land rates in 2017.</p> <p>Other findings</p> <p>4. The allottee gave an undertaking that the property shall be used strictly as per lease terms/ master plan norms and for no other purpose or any non-conforming use whatsoever even after conversion of the same into freehold. No such control</p> | <p>L&DO replied (December 2020) that the demand was under preparation and would be served on allottee shortly.</p> <p>L&DO further replied (April 2021) that they have started a drive to update records/ demand of each and every property including raising of demand for the difference of conversion/ misuse/ damages charges in respect of freehold property. This is being carried out area-wise.</p> | <p>Around four years have elapsed since the revision of land rates in May 2017, but L&DO was still in the process of issuing demand letter. This shows that L&DO did not make concerted efforts for recovery of Government dues.</p> |

| Audit observations | Reply of L&DO | Further Audit comments |
|--|---|------------------------|
| <p>was exercised by L&DO to ascertain present use of the property.</p> <p>5. The allottee was required to submit an attested copy of registered conveyance deed to L&DO within 15 days of its receipt. However, no such copy was furnished by the allottee.</p> <p>Outstanding dues</p> <p>6. An amount of ₹42.29 lakh was not recovered towards other dues on account of non-revision of charges after conversion of property into freehold.</p> | <p>As such, demand shall be issued in due course.</p> | |

19. 19, Prithviraj Road

| | |
|---|--------------------------------------|
| Category | Freehold Properties |
| Property ID | 35269 |
| Jurisdictional Local Body | New Delhi Municipal Council |
| Size of Plot | 6,110.753 square meters (1.51 acres) |
| Date of Allotment | March 1923 |
| Ground rent at the time of allotment (per annum) | ₹358 |

| Audit observations | Reply of L&DO | Further Audit comments |
|--|--|--|
| <p>Ground Rent</p> <p>1. L&DO did not demand the arrears of ground rent with effect from 15 January 2013 to 19 July 2017.</p> <p>Inspection</p> <p>2. Inspection was done in September 2017 after October 2012. Audit observed that an inspection was also conducted in July 2014, however, L&DO did not accept the same as the main file was missing.</p> <p>Other issues</p> <p>1. L&DO did not claim damage charges beyond 14 July 1995 on unauthorized construction though the lessee removed all encroachment only in July 2014. Conveyance deed was issued by L&DO in July 2017.</p> <p>2. Correspondences pertaining to the period 1923 to February 1967, November 1984 to September 2004 were not available in the files. Correspondences pertaining to the period September 2012 to June 2017 were also missing.</p> | <p>L&DO stated in its reply (December 2020) that Hon'ble High Court of Delhi directed that L&DO can claim payment towards unauthorized construction till 14.07.1995. The matter was agitated before Hon'ble Supreme Court and Hon'ble Court had declined to entertain the plea of L&DO. The review petition filed by L&DO in Hon'ble Supreme Court was also dismissed. Therefore, in pursuance of directions of Hon'ble High Court, L&DO could only charge payment upto 14.07.1995 and the same had been accounted for.</p> <p>L&DO further stated (April 2021) that in view of the Court's order, no demand was recoverable beyond July 1995. At the time of conversion of the property in 2017, all the Government dues had already been realized.</p> | <p>In view of the Court's decision, no further comments.</p> |

20. 1, Hailey Road

| | |
|---|-------------------------------------|
| Category | Freehold Properties |
| Property ID | 18254 |
| Jurisdictional Local Body | New Delhi Municipal Council |
| Size of Plot | 6,839.19 square meters (1.69 acres) |
| Date of Allotment | July 1932 |
| Ground rent at the time of allotment (per annum) | ₹200 |

| Audit observations | Reply of L&DO | Further Audit comments |
|--|--|---|
| <p>Ground rent</p> <p>1. Details of ground rent demanded by L&DO from January 1928 to June 1984 were neither available on e-Dharti portal nor found in the records.</p> <p>2. Amount of ground rent deposited from July 2011 to March 2019 varied from year to year. Year-wise details on account of ground rent and revised ground rent from 2011 onwards could not be verified.</p> <p>Inspection</p> <p>3. Last inspection was carried out in October 2015.</p> <p>Other dues</p> <p>4. Dues payable on account of damage charges were not re-calculated and claimed at revised rates with effect from the year 2000, after the revision of rates in May 2017.</p> <p>Other issues</p> <p>5. There was no clause relating to 'unearned increase' in the perpetual lease deed. Although the lease rights of the property were transferred to</p> | <p>L&DO replied (December 2020) that the case had been referred to Technical Section to carry out inspection and calculate up-to-date charges. Thereafter, the demand would be served on the lessee and if the lessee fails to deposit the same, necessary punitive action will be taken as per terms of lease deed.</p> <p>L&DO further replied (April 2021) that the matter is already under process to prepare the demand for the whole premises and proportionately raise demands in respect of each flat.</p> | <p>The action taken by L&DO is not yet complete. The details of the demand issued in each case would be watched in Audit.</p> |

| Audit observations | Reply of L&DO | Further Audit comments |
|---|---------------|------------------------|
| <p>multiple hands, the unearned increase was not demanded by L&DO.</p> <p>6. A multi-storey building (Group Housing) was constructed comprising 55 flats. Out of 55, only 8 flats had been converted into freehold.</p> <p>Outstanding dues</p> <p>7. An amount of ₹40.47 lakh was outstanding towards ground rent, interest on ground rent and damages.</p> | | |

21. Centre of Indian Trade Unions (CITU)

| | |
|---|-----------------------------------|
| Category | Trade Unions |
| Property ID | 21466 |
| Jurisdictional Local Body | South Delhi Municipal Corporation |
| Size of Plot | 504 square meters |
| Date of Allotment | February 2009 |
| Ground rent at the time of allotment (per annum) | ₹27,399 (provisional) |

| Audit observations | Reply of L&DO | Further Audit comments |
|---|---|---|
| <p>Ground Rent:</p> <p>1. L&DO did not take any initiative to raise demand for payment of dues owing to revision in land rates and to communicate the lessee regarding revision in ground rent.</p> <p>2. The ground rent for the years 2015-16 to 2017-18 has not been paid by the lessee. However, L&DO only accepted the ground rent as and when received without ascertaining whether the ground rent for previous years was paid or not.</p> <p>Inspection:</p> <p>3. No inspection of the premises had been conducted after the allotment of land in February 2009 and construction of the building had not been completed yet.</p> <p>Other dues:</p> <p>4. L&DO did not take any steps to impose penalty of ₹26.05 lakh on the lessee as the construction had not been completed till date.</p> <p>5. L&DO had not raised any demand for payment of difference of premium of ₹1.05 crore that became due to be paid by CITU.</p> | <p>L&DO replied (December 2020 and April 2021) that the file was sent to Technical Section on 26.12.2017 for inspection. In response to inspection notice, CITU had requested to postpone the inspection for some months as their building was in the last stage of construction. The file was again sent on 31.01.2019 to Technical Section for calculation of the charges of revised premium and ground rent. However, it was returned with some observation. Further, it has now been decided that before updation of Government</p> | <p>CITU had requested to postpone the inspection for three months in January 2018 but L&DO has not yet conducted inspection of premises even after lapse of four years. This shows that L&DO is not making concerted efforts for recovery of Government dues.</p> |

| Audit observations | Reply of L&DO | Further Audit comments |
|---|---|------------------------|
| <p>6. L&DO has not raised demand in time causing approximately ₹1.64 crore (₹104.82 lakh balance of premium + ₹32.82 lakh balance of ground rent + ₹0.49 lakh on account of interest on ground rent + ₹26.05 lakh penalty for belated construction) remaining outstanding.</p> <p>Other issues:</p> <p>7. There is discrepancy in information regarding rate of ground rent and payment of ground rent, available in file and that available in e-Dharti portal.</p> | <p>dues, inspection of the premises may be carried so as to find out the latest status of the premises. Accordingly, the file is under submission for getting the premises inspected.</p> | |

22. All India Trade Union Congress (AITUC)

| | |
|---|-----------------------------------|
| Category | Trade Unions |
| Property ID | 21368 |
| Jurisdictional Local Body | North Delhi Municipal Corporation |
| Size of Plot | 952 square meters |
| Date of Allotment | May 2005 |
| Ground rent at the time of allotment (per annum) | ₹51,754 (provisional) |

| Audit observations | Reply of L&DO | Further Audit comments |
|---|---|---|
| <p>Ground rent</p> <p>1. Allottee was to pay ground rent and premium at enhanced rate when revised. However, despite revision of rates, premium and ground rent was not revised. The allottee did not pay any ground rent to L&DO.</p> <p>2. The allottee itself intimated in June 2019 that it had not paid any ground rent and asked to intimate the dues payable by it. L&DO did not intimate the dues payable by the allottee.</p> <p>Inspection</p> <p>3. After October 2007, no inspection was done as of March 2019.</p> <p>Other issues</p> <p>4. The lease deed had not been executed for the plot. Neither L&DO had asked the lessee to do the same.</p> <p>5. Copy of sanctioned building plan was not available with L&DO.</p> <p>6. The plot for AITUC was allotted seven times (finally in May 2005). Allotments for plots made on three occasions (in May 2002, July 2002 and October 2002) were cancelled as these were occupied by some</p> | <p>L&DO replied (December 2020) that the file was referred to Internal Audit Cell (IAC) for updating the Government dues including revised premium and Ground Rent on 15.7.2019. However, IAC advised to check status of construction before calculating the Government dues. As such, the premises were inspected on 26.08.2019 and accordingly breach notice was sent on 20.09.2019. In response to above, the lessee had submitted the photocopy of the completion plan and requested to condone the breach. The same was examined and the AITUC had been requested to furnish the plans in original vide letter dated 12.03.2020,</p> | <p>The land was allotted in May 2005 to AITUC. However, after October 2007, L&DO did not conduct any inspection or took any action for recovery of ground rent till July 2019 when lessee himself intimated in June 2019 that it had not paid any ground rent and asked to intimate the dues payable by it. Thereafter, all that L&DO did was to forward the file to IAC for updating dues. However, it did not intimate the lessee about the dues payable. This shows that L&DO did not make</p> |

| Audit observations | Reply of L&DO | Further Audit comments |
|--|--|--|
| <p>other persons who could not be evicted. In three instances (August 2001, January 2002 and July 2003), the allottee refused to accept the allotment as the size of the plots was small.</p> <p>Outstanding dues</p> <p>7. L&DO has not raised any demand on AITUC for payment of difference of premium of ₹84.52 lakh that became due to be paid by AITUC.</p> <p>8. A total of ₹1.35 crore was outstanding towards ground rent, interest on ground rent and premium.</p> | <p>which was still awaited.</p> <p>L&DO further stated (April 2021) that the premises of the AITUC had already been inspected and the Government dues shall be calculated once the lessee furnished the original completion plan and completion certificate.</p> | <p>concerted efforts for recovery of dues.</p> |

23. Indian National Trade Union Congress (INTUC)

| | |
|---|-----------------------------|
| Category | Trade Unions |
| Property ID | 20584 |
| Jurisdictional Local Body | New Delhi Municipal Council |
| Size of Plot | 370.566 square meters |
| Date of Allotment | June 1984 |
| Ground rent at the time of allotment (per annum) | ₹24,319 |

| Audit observations | Reply of L&DO | Further Audit comments |
|---|--|---|
| <p>Ground rent</p> <p>1. The due date of revision of ground rent (June 2014) taken as 30 years from date of allotment as lease deed was not signed. The ground rent was not revised.</p> <p>2. Ground rent was paid till July 1997.</p> <p>3. L&DO did not take any action to realize the dues.</p> <p>Other dues</p> <p>4. L&DO did not calculate or demand the outstanding dues from the allottee.</p> <p>Inspection</p> <p>5. After September 2005, the inspection of the property was done only in April 2018 and a breach notice was issued in the same month.</p> <p>6. No action was taken thereafter to either re-enter the property or demand dues from the allottee.</p> <p>Other findings</p> <p>7. Lease deed was not signed.</p> | <p>L&DO replied (December 2020) that it conducted inspections from time to time and accordingly, breach notices were also issued to lessee. To know the present status of the premises, inspection of the premises was carried out and accordingly, a breach notice was issued to INTUC on 23.04.2018. In response, INTUC had requested for some more time to remedy the breaches and assured that they would dismantle the temporary structure very soon, once they could make an alternate arrangement. Thereafter, file was sent to Technical Section for calculation of Government dues. In the meantime, INTUC had furnished the plan. The plan was examined in consultation with Technical Section and it was observed that the plan submitted by the lessee was</p> | <p>Reply of L&DO that they were conducting inspections from time to time is not correct as after September 2005, the next inspection was conducted in April 2018 i.e., after around 13 years. From the reply of the L&DO, it was not clear how the L&DO conducted the inspection and issued breach notice without the sanctioned building plan as lessee was requested for providing complete set of plan only in April 2019. It took 20 months for issuance of reminder for complete set of plan. L&DO did not take action for recovery of ground rent from the lessee which had not been paid since</p> |

| Audit observations | Reply of L&DO | Further Audit comments |
|---|--|------------------------|
| <p>8. L&DO did not possess the sanctioned building plan. The plans submitted by allottee in February 2019 were considered incomplete by L&DO. The inspections were conducted without sanctioned building plan.</p> <p>9. The data in e-Dharti property proforma indicated inspections of July 2003 and September 2005 only. The current dues and amount paid were shown as zero. Most of the columns of the proforma were not filled up.</p> <p>Outstanding dues</p> <p>10. An amount of ₹11.69 lakh was outstanding towards ground rent and interest on ground rent. Other dues on account of damages/misuse charges could not be worked out.</p> | <p>incomplete. The lessee had been requested to submit the complete set of plan vide letter dated 26.04.2019. A reminder is regard had also been sent on 08.12.2020.</p> <p>L&DO further stated (April 2021) that because of non-finalisation of the plan by local body, the allottee is not able to submit the plan in time. The party has been asked to submit the plan.</p> | <p>July 1997.</p> |

24. Kishan Bhag Chand (Capital Coal Company), Prithviraj Lane

| | |
|---|---|
| Category | Coal Depots/ Gas Godowns |
| Property ID | 36100 |
| Jurisdictional Local Body | New Delhi Municipal Council |
| Size of Plot | 161.62 square meters (193.3 square yards) |
| Date of Allotment | July 1967 |
| Ground rent at the time of allotment (per annum) | ₹1,461.60 |

| Audit observations | Reply of L&DO | Further Audit comments |
|---|--|--|
| <p>Ground rent</p> <p>1. The allottee, Sh. Kishan Bhag Chand, was offered temporary allotment which it did not accept and did not pay any ground rent to L&DO.</p> <p>Other dues</p> <p>2. L&DO worked out the dues outstanding against the coal depot for ₹99.47 lakh and issued a demand notice in March 2012. The amount was not paid by the allottee.</p> <p>Other issues</p> <p>3. L&DO treated the original allottee as unauthorized occupant due to non-payment of monthly rent after September 1969. In June 1981, one Shri Jagdish Chander intimated L&DO that he was in occupation of the Depot for the last 10 years and requested to transfer the lease in his name. He also intimated in November 1984 that clear title to the business being run in the name of Capital Coal Company now being run in the name of Cee Coal Company was with him due to an arbitration award. Despite knowing this, L&DO did not try to ascertain actual status of the occupant of the property and to evict him.</p> | <p>L&DO replied (December 2020) that the action for recovery of Government dues was being taken.</p> <p>L&DO further replied (April 2021) that after passing of eviction order by Estate Officer, the possession of the site was handed over to CPWD on 15.11.2018. Letter is being issued to Capital Coal Company for recovery of outstanding dues. Also matter will be taken up with the Department of</p> | <p>The reply is not acceptable as L&DO is now contemplating to issue letter to Capital Coal Company whose whereabouts are not known as it was not in the possession of the premises since 1971. The fact remains that L&DO failed to take timely remedial measures resulting in non-realization of Government dues of ₹99.47 lakh.</p> |

| Audit observations | Reply of L&DO | Further Audit comments |
|---|----------------------|------------------------|
| <p>4. No action was taken in the matter for more than eight years between 10.04.2000 to 19.10.2004 and 06.02.2006 to May 2010 as the file was lying unattended.</p> <p>5. L&DO filed a plaint for eviction in April 2015. The Estate Officer, in May 2018, ordered eviction of unauthorized occupant and also ordered recovery of ₹99.47 lakh as damage charges for using and occupying the premises in unauthorised manner. The possession of land was taken over in November 2018, but no action was taken to initiate recovery of ₹99.47 lakh.</p> <p>Outstanding dues</p> <p>6. An amount of ₹99.47 lakh was outstanding towards other dues on account of unauthorized occupation of the property.</p> | Revenue, GNCT Delhi. | |

25. Sukhdeep Coal Depot

| | |
|---|---|
| Category | Coal Depots/ Gas Godowns |
| Property ID | 33811 |
| Jurisdictional Local Body | North Delhi Municipal Corporation |
| Size of Plot | 139.63 square meters (167 square yards) |
| Date of Allotment | N.A. |
| Ground rent at the time of allotment (per annum) | N.A. |

| Audit observations | Reply of L&DO | Further Audit comments |
|--|--|--|
| <p>Findings:</p> <p>1. Sukhdeep Coal Depot was in unauthorized occupation of land at Rouse Avenue. As per policy, he was allotted alternate site at Mirdard Road in June 2000. However, local residents objected to the allotment of this site. He was then allotted plot at Malviya Nagar in June 2002. The plot had an encroachment of public urinals on it and the land was handed over to him in January 2009. The lessee applied for conversion from leasehold to free hold in August 2009. Letter for execution of conveyance deed was sent to the lessee in May 2010 but the copy of the conveyance deed was not found in the records.</p> <p>2. The lessee at the time for applying for conversion to freehold had given an undertaking that after the revision of land rates, he would pay the difference. However in May 2017 after revision of land rates, no recovery had been effected from the lessee by the L&DO for the difference amount of ₹6,316.</p> <p>3. As per the undertaking given by the lessee, the freehold property would be used as per the terms of the lease/master plan norms, but there was no correspondence in the file showing that L&DO had ensured that the lease terms were being followed by the lessee after the conversion into freehold.</p> <p>Outstanding dues</p> <p>4. An amount of ₹0.06 lakh was outstanding towards other dues on account of non-recovery of charges at revised rates after conversion.</p> | <p>L&DO replied (December 2020) that action for the recovery of difference was being taken.</p> <p>L&DO further stated (April 2021) that the difference, if any, recoverable will be communicated at the earliest.</p> | <p>The fact remains that action for recovery of difference amount of conversion charge due to revision in the land rates is yet not completed.</p> |

26. M/s Kayson Enterprises, Gas Godown site allotted to BPCL, Site No.2, Sardar Patel Marg

| | |
|---|-----------------------------|
| Category | Coal Depots/ Gas Godowns |
| Property ID | 20990 |
| Jurisdictional Local Body | New Delhi Municipal Council |
| Size of Plot | 524 square meters |
| Date of Allotment | September 1983 |
| Ground rent at the time of allotment (per annum) | ₹3,604 |

| Audit observations | Reply of L&DO | Further Audit comments |
|--|--|--|
| <p>Ground rent</p> <p>1. Ground rent was to be revised every five years up to December 2006, thereafter enhancement by eight percent annually. It was retrospectively revised in April 2013. Ground rent after April 2013 was not calculated and communicated to the allottee.</p> <p>2. Against the demand of ₹3.52 lakh issued in April 2013, only ₹2.00 lakh was paid in October 2015. Notice was issued in February 2018 by L&DO to pay the dues, but these were not paid.</p> <p>Other dues</p> <p>3. Dues were calculated only up to December 2013. Updated demand was not issued.</p> <p>Inspection</p> <p>4. After February 2012, the inspection was done only in July 2018 and breach notice issued in October 2018.</p> <p>Other findings</p> <p>5. No action was taken to re-enter the property despite non-remedy of breaches.</p> | <p>L&DO replied (December 2020) that the inspection was carried out on 31.07.2018 and breach notice was issued on 01.10.2018. Once the examination is over, the demand will be drawn up and served on the lessee.</p> <p>L&DO further replied (April 2021) that till the submission of sanction plan, no action can be taken in respect of demand. Against the demand of ₹3.52 lakh, ₹3 lakh was paid by the BPCL. A breach notice</p> | <p>The reply of April 2021 is contradictory in itself as on one hand it says that till submission of sanctioned plan action cannot be taken against the lessee in respect of demand, but on the other hand it says that action for revised demand is under process. Besides, Audit noticed from the records that BPCL had paid only ₹2 lakh against the demand of ₹3.52 lakh whereas L&DO has stated that ₹3 lakh had been paid by the lessee. L&DO has not furnished any documentary evidence in support of its</p> |

| Audit observations | Reply of L&DO | Further Audit comments |
|---|--|------------------------|
| <p>6. License deed was not signed.</p> <p>7. Copy of sanctioned building plan was not available with L&DO.</p> <p>8. Allotment of plot was temporary. However, the period of temporary allotment was not found. The temporary allotment was never renewed.</p> <p>9. Data in e-Dharti was incomplete and did not indicate the payment details.</p> <p>Outstanding dues</p> <p>10. An amount of ₹8.73 lakh was outstanding towards ground rent, interest on ground rent and other dues on account of damages/ misuse charges.</p> | <p>was issued in 2018. Action for revised demand is under process in consultation with the Technical wing.</p> | <p>reply.</p> |

27. M/s Prem Service Station, BPCL, J.B. Tito Marg, Behind Andrews Ganj Police Station

| | |
|---|---|
| Category | Petrol Pumps |
| Property ID | 20250 |
| Jurisdictional Local Body | South Delhi Municipal Corporation |
| Size of Plot | 1,532.62 square meters (1,833 square yards) |
| Date of Allotment | 23 May 1961 |
| Ground rent at the time of allotment (per annum) | ₹5,499 |

| Audit observations | Reply of L&DO | Further Audit comments |
|---|---|---|
| <p>Ground Rent</p> <p>1. Ground rent beyond the period 31.03.1974 was unpaid despite misuse and damage charges.</p> <p>2. Payments made by M/s Burmah Shell (now BPCL) beyond 31.03.1974 were not accepted by L&DO on the plea that breaches were found during the inspections and were yet to be regularized.</p> <p>Inspection:</p> <p>3. The land was transferred to L&DO in 1963. First inspection was conducted in September 1974 after a long period of 11 years. Last inspection has been conducted in 1995. Inspections were not held and breach notices were not issued by L&DO on regular basis.</p> <p>Other issues:</p> <p>4. It was not clear from the records whether the lease was renewed or not.</p> <p>5. BPCL repeatedly asked for the charges payable for regularizing the breaches found during inspections, however, L&DO did not issue any demand notice.</p> | <p>L&DO replied (December 2020) that possession of alternative site on Joseph Broz Tito Marg was handed over to BPCL on 07.03.1977 by the DDA. The inspection was denied by the BPCL on the ground that inspection was being done by DDA regularly and ground rent was being regularly paid to the DDA. Accordingly, DDA was requested vide letter dated 21.07.2006 to forward the record of allotment to BPCL. However, no reply was received from them. Action was being taken to get the record of allotment from DDA. The question of outstanding dues does not arise as the ownership of</p> | <p>Even after lapse of more than 43 years, L&DO could not confirm whether the ownership of land is vested with L&DO or DDA. This may be seen in light of the fact that both L&DO and DDA are under the administrative control of the same Ministry i.e., Ministry of Housing and Urban Affairs.</p> |

| Audit observations | Reply of L&DO | Further Audit comments |
|---|--|------------------------|
| <p>6. L&DO was denied inspection in May 2006 on the grounds that inspections were being done by DDA. However, it was mentioned in the records that on being observed from the outside of the premises, part of the area was being misused as Convenience store, ATM, Money transfer. In July 2006, L&DO asked DDA about the records of allotment and receipt of payments from BPCL. No correspondence was available in the records beyond that.</p> <p>7. Information on e-Dharti was incomplete which defeated the purpose of computerization of records.</p> <p>Outstanding dues</p> <p>8. An amount of ₹10.07 lakh was outstanding towards ground rent and interest on ground rent. Other dues on account of damages/ misuse charges could not be worked out.</p> | <p>land was vested with DDA and this fact was yet to be verified from DDA.</p> <p>L&DO further replied (April 2021) that during the inspection of the premises, it was reported by the Petrol Pump owners that inspection is done by DDA and they are paying ground rent to DDA. It is clear that land is under the administrative control of DDA.</p> | |

28. M/s Krishna Filling Service Station, BPCL, Minto Road

| | |
|---|-----------------------------------|
| Category | Petrol Pumps |
| Property ID | 47832 |
| Jurisdictional Local Body | North Delhi Municipal Corporation |
| Size of Plot | 1,080 square meters |
| Date of Allotment | 18 June 2008 |
| Ground rent at the time of allotment (per annum) | ₹10,00,000 (license fee) |

| Audit observations | Reply of L&DO | Further Audit comments |
|---|---|--|
| <p>Ground Rent</p> <p>1. License fee and interest thereon was due from BPCL till date. No demand has been raised for the dues.</p> <p>Inspection</p> <p>2. No inspection has been carried out since the allotment of site.</p> <p>Other Findings:</p> <p>3. The allotment was made on purely temporary basis for a period of two years. Despite lapse of 10 years, renewal of the allotment was not made.</p> <p>4. License from the Chief Controller of Explosive Safety for putting up filling station was not found in the records.</p> <p>5. No lease deed was found in the records.</p> <p>6. No information has been uploaded on e-Dharti regarding this petro pump.</p> | <p>L&DO replied (December 2020 and April 2021) that land was allotted to M/s. BPCL on 18.6.2008 at DDU Marg, for the initial period of 2 years. A letter dated 6.11.2009 was received from BPCL wherein they stated that a team of North DMC had raised objections on construction at site as it fell in Right of Way (ROW) and requested for joint inspection. BPCL vide letter dated 21.10.2018 informed that North MCD has put on hold approval of building plan of BPCL. The issue was taken up by Technical Section. As the site was under dispute, there was no question of ground rent. As advised by Estate Officer, the matter was taken up with CPWD for its comments. As advised by ADG (Arch.), CPWD, a letter was sent on 29.11.2018 to DDA to incorporate the BPCL Petrol Pump in their record i.e., MPD-2021. After allotment in 2008, the petrol pump</p> | <p>L&DO's reply that after allotment in 2008, the petrol pump was not functional due to land use and other issues is not acceptable as L&DO has never inspected the site. During the examination of records, it was found by Audit that L&DO is receiving part payments from BPCL from time to time and last payment was received in January 2017. Also, during the physical visit by Audit (January 2021), it was found that the said petrol pump was functional on the site. Despite receipt of part payments from BPCL, L&DO did not bother to inspect the site to know exact status of the site. Without</p> |

| Audit observations | Reply of L&DO | Further Audit comments |
|--|--|--|
| <p>Outstanding dues</p> <p>7. An amount of ₹2.10 crore was outstanding towards ground rent and interest on ground rent. Other dues on account of damages/ misuse charges could not be worked out.</p> | <p>is not functional due to land use and other issues. Therefore, the demand to M/s BPCL will be issued after the approval of Competent Authority.</p> | <p>inspecting the site, there was no basis for L&DO to arrive at a conclusion that the petrol pump was not functional.</p> |

29. All India Trinamool Congress

| | |
|---|-----------------------------------|
| Category | Political Parties |
| Property ID | 21483 |
| Jurisdictional Local Body | North Delhi Municipal Corporation |
| Size of Plot | 1,008 square meters |
| Date of Allotment | 20 December 2013 |
| Ground rent at the time of allotment (per annum) | ₹54,798 |

| Audit observations | Reply of L&DO | Further Audit comments |
|--|---|--|
| <p>Findings</p> <p>1. The land was allotted to All India Trinamool Congress (AITMC) in March 2011, however, the possession of land could not be handed over to the AITMC due to encroachment. Alternate plot was allotted to AITMC but this land was also encroached.</p> <p>2. As per the Office Manual of L&DO, the land in question was to be demarcated in the presence of the purchaser and a certificate was to be obtained that land has been demarcated and was to be handed over in vacant position. However, the same was not followed in this case. No action for removal of the encroachment was initiated by the L&DO.</p> <p>3. It is evident from the above that time to time survey of the vacant land in possession of the L&DO was not undertaken to ensure that the land was free from encroachment.</p> | <p>L&DO replied (December 2020) that the plot at Rouse Avenue was allotted to AI Trinamool Congress on 01.03.2011. However, the same could not be handed over to AITMC as the Delhi Wakf Board did not allow demarcation of the land claiming that the land in question belongs to Delhi Wakf Board. Therefore, another two plots at DDU Marg were allotted to AITMC on 'as is where is basis' on 20.12.2013 subject to amalgamation of two plots. AITMC refused to take over the possession as two temples were situated on the site. AITMC vide letter dated 16.02.2019 had requested to hand over vacant possession of the aforesaid plot and not on 'as is where is basis'. The allotment to AITMC was made on the usual terms and conditions inter-alia on 'as is where is basis'. The terms of allotment were accepted by them. The requisite action for removal of encroachment from the allotted land had already</p> | <p>It is evident from the reply that L&DO was not aware of the encroachment before allotment of the plots. The said plots were allotted in December 2013, however, L&DO could not get the encroachment removed even after more than seven years.</p> |

| Audit observations | Reply of L&DO | Further Audit comments |
|---|--|------------------------|
| <p>4. The present allotment was not updated in the e-Dharti portal.</p> | <p>been initiated and land would be offered for allotment to AITMC. Even then if AITMC refuses the offer, allotment would be cancelled and the earmarked land would be put to alternate use.</p> <p>L&DO further added (April 2021) that temples in Delhi can be removed by the Religious Committee of Delhi Government.</p> | |

Annexure-II
(Referred to in introductory para of Chapter III)

**Status of the Action Taken on Recommendations made in the 78th Report of the Public Accounts Committee on
'Functioning of Land and Development Office'**

| Para No. and subject | Recommendation | Reply furnished by L&DO on the 78 th Report of PAC in July 2013 | Current Status |
|---|--|---|--|
| <p>Para 8: Authenticity of the Figures of the Leased Properties and Computerisation of Land Records</p> | <p>The Committee noted that pursuant to their Recommendations, the Ministry/ L&DO had started making surveys/ inspections and verifying/ cross-checking the records inherited to arrive at an authentic figure of all the leased properties. But the Committee found that the position was still far from satisfactory. For example, 46 files pertaining to the Nazul properties were yet to be traced and 68 inputs still to be completed. Similarly, for Rehabilitation properties, as many as 12,188 inputs were still pending completion. The Committee, therefore, impressed upon the Ministry/ L&DO to intensify the measures initiated and make more vigorous and concerted efforts to locate the missing files and complete the data input of all the leased properties in a definite time line so that the entrusted responsibility of the overall lease administration including substitution and mutation of title of prime Government properties in Delhi was carried out in a smooth and seamless manner.</p> | <p>Nazul Properties:</p> <ol style="list-style-type: none"> Total number of properties: 3,373 Number of Freehold properties out of total number of properties: 901 Number of inputs completed: 2,455 Files sent to National Achieves: 17 <p>Rehabilitation Properties:</p> <ol style="list-style-type: none"> Total number of properties: 49,523 Number of Freehold properties out of total number of properties: 26,246 Number of inputs completed: 20,004 Number of remaining inputs: 3,273 <p>Further reply of the Ministry as submitted to the PAC in October 2013</p> <p>Number of inputs completed in respect of Rehabilitation properties is 20,334. Hence, number of remaining inputs as on 30 August 2013 is 2,943.</p> | <p>It was seen during present Audit that L&DO still does not have the authentic figures of leased properties as different figures were reported in different documents.</p> <p>(Refer para 3.2)</p> |
| <p>Para 12: Denial of</p> | <p>The Committee took due cognizance of the reply of the Ministry that there was no deliberate attempt or</p> | <p>The Ministry has taken note of the observation of the Committee and makes a firm commitment that,</p> | <p>The Ministry did not fulfill commitment to the</p> |

| Para No. and subject | Recommendation | Reply furnished by L&DO on the 78 th Report of PAC in July 2013 | Current Status |
|---|--|--|---|
| Records and Documents to Audit | decision at any level not to supply the records to Audit. The contention that some records could not be furnished to the Audit on the plea of a shortage of staff, an overload of work and non-maintenance of Registers was not acceptable to the Committee. They cautioned the Ministry that denial of records, documents and information to the Audit, regardless of the ground of inability to furnish the documents or information sought, brings avoidable mistrust and the inference that there was something awry with the functioning of the Department. The Committee, therefore, desired to have a firm commitment from the Ministry that under no circumstance, should the Audit be denied access to any records/information in future. | in future, there shall be no occasion of denial of records to audit. | PAC as L&DO did not provide most of the information/ records requisitioned by Audit. (Refer para 3.1) |
| Para 16: Contractual Breach on the Part of NIC | The Committee was not satisfied with the reply of the Ministry as their concerns had not been appropriately attended to. What the Committee tried to emphasise in their earlier Report was that as NIC could not fulfil the contractual obligations in properly scanning the layout plans and documents relating to the markets transferred to the NDMC/ MCD by the stipulated target of 2006, the Ministry of Urban Development should take up the matter with the Department of Information Technology for failure of the NIC to discharge its contractual obligations and to be careful and responsible enough. Surprisingly, the Ministry of Urban Development had remained silent on the issue. Deprecating such an unwarranted response, the | It is submitted that all the markets except INA, Indra Chowk and Rajiv Chowk (Connaught Place) were transferred to the local bodies concerned vide notification dated 24 March 2006. Now the local bodies function as the lessor for these markets. The observations of the Committee have been conveyed to Ministry of Communication & Information Technology. Further reply of the Ministry as submitted to PAC in October 2013 Scanned copy of the layout plan has been uploaded in the website of L&DO for reference in public domain. | Relevant records were not provided and hence no comments. |

| Para No. and subject | Recommendation | Reply furnished by L&DO on the 78 th Report of PAC in July 2013 | Current Status |
|--|---|---|---|
| | <p>Committee exhorted the MoUD to urgently take up the matter with the DoT so that NIC's inability to fulfil Contractual Obligations was brought to the notice of the Departmental Head and necessary corrective action taken. The Committee also desired that now that a decision for uploading the layout plan had been taken, immediate requisite steps be taken to regularly update and monitor the uploads so that authentic information was available for reference in public domain.</p> | | |
| <p>Para 19: Strict adherence to the revised guidelines for allotment of land for every purpose</p> | <p>The Committee was concerned to note that though land measuring 400 sq.mt. was allotted to one religious institution in the year 2000, subsequent additional land under the unauthorised occupation of the institution was unlawfully regularised. In another case, a demolished unauthorised structure on land measuring 541.7 sq.mt. was restored to the Organisation reportedly to mollify the hurt religious sentiments of a certain section of the people. The Committee further noted that though 1500 sq.yds. of the land was allotted to another religious institution, an additional 500 sq.yds. of land was encroached upon and allotted to it and the proposal for cancellation of the additional land had not yet been finalised. The Committee was of the considered view that any encroachment and grabbing of precious land in the guise of religion was unacceptable and all such encroachments must be removed with firmness and</p> | <p>The Yogesh Chandra Committee recommended 32 cases of cancellation. It was decided by the Competent Authority to cancel the allotment in 29 cases.</p> <p>The Competent Authority had decided not to cancel the following allotments:</p> <ol style="list-style-type: none"> 1. Ayyapa Sewa Samiti, R.K.Puram (400 sq.mtr.) 2. Sarvadeshik Arya Pratinidhi Sabha (Arya Samaj Mandir) (541.7 sq.mtr.) <p>However, in so far as cancelling the allotment to Guru Singh Sabha is concerned, a decision is yet to be taken by the Competent Authority.</p> <p>The Ministry has taken up with the respective civic agencies for disconnection of electricity/ water connection to these unauthorised religious/ charitable institutions, which were being misused for residential and commercial purposes.</p> | <p>Relevant records were not provided and hence no comments.</p> <p>However, L&DO replied (April 2021) that the matter was under examination and action would be taken as per decision taken by the competent authority. If required, the issue will be taken up with the Religious Committee of Government of NCT of Delhi.</p> <p>This shows that L&DO has not yet taken necessary corrective</p> |

| Para No. and subject | Recommendation | Reply furnished by L&DO on the 78 th Report of PAC in July 2013 | Current Status |
|--|--|---|---|
| | <p>necessary persuasion. The Committee, therefore, impressed upon the Ministry to strictly adhere to the Revised Guidelines, as prescribed by the Yogesh Chandra Committee, for allotment of land for every purpose, including religious/ charitable activities and take stringent measures, wherever warranted, to deter encroachment on Government land. The Committee would also like the Ministry to contemplate disconnection of electricity and water connections to those religious/ charitable structures which were being misused as residential and commercial purposes.</p> | <p>Further reply of the Ministry as submitted to PAC in October 2013 Matter is under examination.</p> | <p>action even after seven years from the Ministry's reply (October 2013) to the PAC.</p> |
| <p>Para 23: Temporary closure of the Revision of Ground Rent (RGR) Cell</p> | <p>The Ministry's contention that the work relating to revision of Ground Rent had never ceased although the Revision of Ground Rent (RGR) Cell was closed for more than two years was not tenable since the ground rent had been revised in 1516 cases as on June, 2012 after revival of RGR Cell in February 2010. Therefore, there was no denying the fact that the work relating to the Ground Rent revision of the pending cases got severely affected due to the non-functioning of the Cell, staff crunch notwithstanding. Now that the RGR Cell had started functioning, the Committee impressed upon the Ministry/ L&DO to complete the revision of the remaining cases of Ground Rent in a time-bound manner and ensure that the Cell operated till the mission is accomplished. The Committee would also like to be apprised of the exact dues of the Ground Rent of the Nazul properties <i>vis-a-</i></p> | <p>Steps have been initiated to recover the pending Ground Rent. During 2008-09 to 2012-13 (upto December 2012) the Ground rent of ₹290.66 crores has been collected from Nazul properties. Notices have been issued to concerned lessees for depositing of ground rent with interest. As and when any applicant makes a request for Mutation, Substitution, Conversion etc., all outstanding dues including ground rent is recovered.</p> <p>Further reply of the Ministry as submitted to PAC in October 2013 The total ground rent collected from 2008-09 to December 2012 was ₹341.36 crores, whereas ₹290.66 crores pertain only to Nazul properties.</p> | <p>L&DO replied (April 2021) that constitution of Revised Ground Rent cell will require additional infrastructure including manpower. Accordingly, corresponding approval of competent authority need to be obtained. It may take some time.</p> <p>During the follow-up Audit, it was seen that out of 29 sampled properties the ground rent was not revised in 10 cases since allotment and in 7 cases, ground rent was revised</p> |

| Para No. and subject | Recommendation | Reply furnished by L&DO on the 78 th Report of PAC in July 2013 | Current Status |
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| | <p>vis the collection of ₹341.36 crore during the years 2008-09 to 2012-13 (upto December 2012) and the specific and additional steps taken to recover all the outstanding Ground Rent dues in definite time-frame.</p> | | <p>belatedly. (Para 3.3.2.2)</p> |
| <p>Para 27: Breaches of the Lease Conditions by the Presses, Petrol Pumps and Schools</p> | <p>The Committee were satisfied to note that pursuant to their Recommendations, 19 inspections of the Petrol Pumps were done in the year 2011-12 and action had been taken under the terms of lease allotment letter against those Petrol Pumps which did not comply with the terms/ letter of damages/ misuse charges as demanded from time to time. Besides, a sum of ₹5.11 crore (approx.) had been received from the Oil Companies towards ground rent. The Committee desired that the measures initiated against the defaulting Petrol Pumps must reach a conclusive end. They also desired that similar periodic inspections be conducted against the Presses and Schools so as to detect breaches of terms and conditions, if any, and initiate requisite penal and legal action against the defaulters.</p> | <p>In deference to the Committee's advice, this office has taken action as per the terms & conditions of the lease. As a consequence, the number of Petrol Pumps inspected by L&DO during 2012-13 has increased to 26 from 19 in 2011-12 resulting in recovery of ₹7.43 crore as misuse/damage charges. Further, inspection of 24 Schools/Colleges was also conducted in 2012-13. As a sequel, 12 demand notices were issued and out of these 9, have already paid the dues resulting in recovery of ₹5.05 crore as misuse/damage charges. Action as per terms & conditions of lease has also been initiated in respect of Press plots.</p> <p>Further reply of the Ministry as submitted to PAC in October 2013</p> <p>Inspections have been initiated in respect of 5 press plots out of the total 9 press plots.</p> | <p>Following were the findings during the follow-up audit:</p> <p>Presses:</p> <p>Daily Milap: After October 2013, inspection was done only in June 2018. Final up to date dues payable were not calculated and recovered from the allottee.</p> <p>Gulab Singh & Sons: After September 2012, inspection was done only in August 2018. The demand notice issued did not include the previous dues, neither L&DO could recover any of those dues.</p> <p>Daily Tej</p> <p>Inspection was done in February 2019 after May 2013. The inspection was</p> |

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| | | | <p>done without having sanctioned building plan. Final up to date dues payable were not calculated and recovered from the allottee.</p> <p>(Refer Annexure-I)</p> <p><u>Petrol pumps:</u></p> <p>M/s Prem Service Station: Last inspection was done in 1995. Final updated dues payable were not calculated and recovered from the allottee.</p> <p>M/s Krishna Filling Service Station- No inspection has been done since allotment in June 2008. Final updated dues payable were not calculated and recovered from the allottee.</p> <p>(Refer Annexure-I)</p> <p><u>Schools:</u></p> <p>Kendriya Vidyalaya, Andrews Ganj: No</p> |

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| | | | <p>inspection was done after July 2011. Final updated dues payable were not calculated and recovered from the allottee.</p> <p>Vidya Bhawan Girls Higher Secondary School, Karol Bagh – No inspection was done after June 2008. Final updated dues payable were not calculated and recovered from the allottee.</p> <p>Bal Bharati School, Pusa Road</p> <p>Inspections were conducted in February 1999, July 2003, May 2005, February 2012, October 2016 and February 2019. Final updated dues payable were not calculated and recovered from the allottee.</p> <p>(Refer Annexure-I)</p> <p>Thus, L&DO did not</p> |

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| | | | fulfill its promises made to the PAC. It neither conducted inspections at prescribed intervals nor calculated and recovered updated dues from these allottees. |
| Recommendation No. 14 of 59th Report | The Committee appreciate the Government's concern and commitment in allotting land at a comparatively lower premium to social, charitable, religious and education institutions as well as to Hospitals, Public Service Agencies etc. with the intention of deploying public resource for greater public good. At the same time, the Committee are of the considered view that it is the duty and responsibility of the Ministries concerned to ensure through constant monitoring that all such allottees fulfil scrupulously the terms and conditions of allotment for greater public good as stipulated by the Government. So far as allotment of land for commercial purposes is concerned, the true value of the land commensurate with the extant market rate must be realized without exception. The auction of three acres of land by the L&DO for construction of a hotel in the run-up to the Commonwealth Games, 2010 which fetched the Government an amount of ₹611 crore reflects the true value of land in the National Capital. The Committee, therefore, urge the Ministry/ L&DO to fully explore | A proposal for revision of land rates based on DDA's land rates is under consideration of the Government | The land rates were revised in May/ June 2017 retrospectively with effect from 1 April 2000. Further, L&DO stated (April 2021) that it has been decided that L&DO rates will synchronized with DDA rates. As and when DDA issues the rates, proposal for applying same rates in L&DO will be considered. |

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| | <p>and exploit the potential for higher revenue in a transparent manner so as to extract maximum value of land in all cases of renewals and fresh allotments, especially in cases of commercial leases. The Committee further desire that the feasibility of linking the premium and ground rent for the commercial properties to the Zonal average auction rates determined by the DDA be taken into consideration, as assured to the Committee.</p> | | |
| <p>Recommendation No. 15 of 59th Report</p> | <p>The Committee are perturbed to note that the Ground Rent receipts, which constitute one of the major receipts of the L&DO, are relatively paltry despite thousands of acres of land leased in prime locations with potential value ranging from ₹1,18,000 crore to ₹3,44,000 crore. Further, the Ministry last revised the premium rates for allotment of land in 1998 which was valid till the year 2000. The Committee find that the abysmally low receipts on account of Ground Rent and premiums are primarily due to the continuation and adoption of the formula for enhancement of Ground Rent for Nazul leases evolved in the year 1984, which has now no relationship with the current letting/ market value of these properties. The Ministry's reasoning that they are adhering to the 1984 formula as approved by the Cabinet is specious since it is not the duty of the Cabinet to remind the Ministry to put up a note for its consideration, but the responsibility lies with the nodal Ministry to approach</p> | <p>An inbuilt formula is provided in the Ministry of Works & Housing letter no. J22011/1/70-LI (Vol.IV) dated 24.12.1983 for enhancement of Ground Rent if revision is to be carried out after a lapse of 10 years/ 20years/ 30years/ 40 years. Further, Ground Rent is a percentage of the land rates. A proposal for revision of land rates based on DDA's land rates is under consideration of the Govt.</p> | <p>The land rates were revised in May/ June 2017 retrospectively with effect from 1 April 2000.</p> |

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| | <p>the Cabinet for appropriate policy decisions from time to time. The Committee demand an explanation from the Ministry as to what prevented them from approaching the Cabinet after 1984 for enhancement of ground rent and how the loss to the public exchequer can be made good. Further, the Committee recommend that the matter may be taken up to the Cabinet with a sense of urgency for appropriate revision in land rates/ ground rent. The Committee also recommend that after the Cabinet approval, the specific multiples for the enhancement of the Ground Rent depending on the number of years elapsed since the due date of revision, as contained in the Office Order of February, 1984, be suitably modified and the dues recovered retrospectively. Needless to emphasize, the schedule of area-wise letting values should also be considered for upward revision at regular intervals, in line with the fluctuations in the land market so as to generate reasonable revenue from the L&DO's vast land holdings in prime locations.</p> | | |
| <p>Recommendation No. 26 of 59th Report</p> | <p>The Committee note that as of December 2010, 13 cases are pending in the Supreme Court, 323 cases in the High Courts and 273 cases in the lower Courts. Similarly, 303 cases were pending in the Court of Estate Officer. The Committee are informed that pendency of so many Court cases is beyond L&DO's control as it has neither any legal section nor any panel of Advocates of its own for which it has to</p> | <p>Taking into account the recommendation of the Committee, necessary action for constituting a Legal Cell has been initiated which, inter alia, include the following: (i) Approval of the Competent Authority has been obtained for constituting the Legal Cell. The Selection process for filling up of the posts has also been initiated. The post of Legal Advisor has</p> | <p>During the follow-up audit, Legal Cell was not found existing in L&DO. L&DO stated (April 2021) that a Legal Cell does exist in L&DO. However, presently, no staff is working in the Cell as no</p> |

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| | <p>depend on the Government Counsels appointed by the Ministry of Law. To worsen the matter, no regular Estate Officer is available in the L&DO since long and the charge is being dealt with on temporary basis by one or other Branch Officer. The Committee find that in order to address the above constraints, a proposal to constitute a separate cell in the L&DO to deal with matters relating to Court cases, RTI applications etc. is under process. However, the Ministry's contention that a definite time frame is not possible to be indicated for the constitution of the Legal Cell is not acceptable. The Committee therefore, impress upon the Ministry to initiate urgent necessary measures for constitution of the Legal Cell and appointment of a permanent Estate Officer in L&DO so that the pendency of large number of Court cases is decreased to the barest minimum and recovery of outstanding dues, removal of encroachments etc. which are impeded by litigations, are effectively addressed.</p> | <p>been filled up. (ii) The issue of filling up of the post of an Estate Officer by an Under Secretary Level officer has been taken up by the Ministry of Urban Development with the Department of Personnel and Training.</p> | <p>recruitment could be done due to Covid pandemic. Recruitment process for engagement of personnel in the Legal Cell will be initiated shortly.</p> |

Annexure-III
(Referred to in para 3.3.2.1)

Statement showing outstanding ground rent and interest thereon

(₹ in lakh)

| Sl. No. | Identity of the property | Ground Rent (including revised ground rent & additional ground rent) | Interest on ground rent |
|----------------|--|---|--------------------------------|
| 1 | Kendriya Vidyalaya, Andrews Ganj | 0.56 | 1.48 |
| 2 | Vidya Bhawan Girls Higher Secondary School, New Rajinder Nagar | 0.47 | 0.55 |
| 3 | Daily Milap, Bahadur Shah Zafar Marg | 164.32 | 134.93 |
| 4 | Daily Tej, Bahadur Shah Zafar Marg | 61.03 | 1.64 |
| 5 | Gulab Singh and Sons, Bahadur Shah Zafar Marg | 45.73 | 9.16 |
| 6 | Hotel Le Meridien, Janpath | 199.41 | 488.20 |
| 7 | Hotel Taj Man Singh, Man Singh Road | 15.83 | 45.06 |
| 8 | VIMHANS Hospital, Nehru Nagar | 0.59 | 0.27 |
| 9 | St. Stephen's Hospital, Tis Hazari | 0.15 | 0.08 |
| 10 | F-2, Connaught Place | 23.67 | 45.25 |
| 11 | Alankar Cinema, Lajpat Nagar | 95.29 | 41.00 |
| 12 | Centre of Indian Trade Unions, Rouse Avenue | 32.82 | 0.49 |
| 13 | All India Trade Union Congress, Deen Dayal Upadhyaya Marg | 41.32 | 6.59 |
| 14 | Indian National Trade Union Congress, Bhai Veer Singh Marg | 5.64 | 6.04 |
| 15 | M/s Kayson Enterprises (Gas Godown), Sardar Patel Marg | 2.94 | 1.10 |
| 16 | BPCL, M/s Prem Service Station, J.B. Tito Marg | 2.96 | 7.11 |
| 17 | BPCL, Krishna Filling Service Station, Minto Road | 145.85 | 64.41 |
| 18 | 17, Jor Bagh | 0.90 | 0.97 |
| 19 | 29, Aurangzeb Road | 8.21 | 18.13 |
| 20 | 7, Garage, Gole Market | 0.09 | 0.09 |
| 21 | 1, Hailey Road | 19.70 | 19.51 |
| | Total | 867.48 | 892.06 |

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