

**OFFICE OF THE
COMPTROLLER & AUDITOR GENERAL OF INDIA**

NEW DELHI
16th December, 2016

**CAG AUDIT REPORT ON “LAND MANAGEMENT IN DDA”
PRESENTED IN PARLIAMENT**

The Performance Audit Report No. 31 of 2016 of the Comptroller & Auditor General of India on “Land Management in DDA” was tabled in Parliament today. The objective of audit was to ascertain whether land management activities of DDA were executed with efficiency, economy and effectiveness and whether these were undertaken in accordance with the applicable legal and regulatory framework. Activities in DDA relating to Land Acquisition, Land Development, Land Disposal and Protection of land for the period of five years i.e. from 1 April 2010 to 31 March 2015 were examined at DDA Headquarters as well as at its various field offices.

Highlights of important findings included in the Audit Report are detailed in the subsequent paragraphs:

I. Land Acquisition

Zonal Development Plan of Zone ‘D’ could not be finalised even after a lapse of eight years of notification of Master Plan of Delhi (MPD)-2021. Further, the Monitoring Unit established for monitoring of MPD was non functional and periodical review was not being conducted. As a result, the improvements/changes required for achieving the desired objectives of MPD-2021 could not be incorporated in the Plan.

DDA did not have reliable database in respect of land acquired and utilised as well as vacant land in its possession.

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

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

There was delay in completion of land acquisition process. Time taken for release of compensation to Delhi Government, after receipt of demand from Delhi Government, ranged from seven months to more than eight years. Further, the time taken for transfer of

land to user departments (or non transfer of land upto October 2016), after taking possession of land from Delhi Government, ranged from one month to more than nine years.

In seven cases of acquisition, although the awards for acquisition of 2052 acres of land were announced before 01 January 2009, physical possession of only 486 acres of land was received up to October 2016. As such, land measuring 1566 acres has not been received upto October 2016. The acquisition of this may lapse in view of the enactment of Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013.

II. Land Development

Audit noticed deficiencies in planning for land development activities. These included non-availability of clear site before award of work, delay in submission of structural drawings, failure to take required approvals from various bodies before start of work, non-approval of revised Administrative Approvals & Expenditure Sanctions and non-revision of Technical Sanctions and Foreclosure of work due to encroachments, agitations and court orders.

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

III. Land Disposal

There was neither a documented policy nor timeframe to prioritize, schedule and plan the land disposal activities. Further, centralized record/database of number of plots available for disposal was also not available.

Disposal of industrial land could not be carried out for last 16 years due to dispute between DDA and Delhi State Industrial and Infrastructure Development Corporation.

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

DDA allots Nazul land either through tender/auction or by the process of allotment after consideration by Institutional Allotment Committee (IAC). For the process of allotment, the application was to be processed within a period of three months from the date of application. Audit noticed that:

- IAC meetings to process the cases for allotment of institutional land were not held regularly.
- 13 out of 36 cases put up to IAC did not fulfil the requirements of Nazul Rules and allotment was made in four of these cases.
- DDA did not have clear guidelines or policy to decide whether a society was running for charitable purpose. Different standards and criteria were used in different cases.

- In all the five cases of concessional allotment under socio-culture category, the applicants did not fulfil all the requirements of the Nazul rules.
- Deficiencies were noticed in processing of cases with respect to requirements/ criteria framed for allotment of land to religious societies

As per Guidelines on Land Management, three per cent to four per cent of land acquired by DDA is to be utilized for commercial use. Audit noticed that

- There has been a declining trend in the allotment of commercial plots. The percentage of plots disposed during 2010-11 to 2014-15 ranged between three per cent and 15 per cent of the number of plots put to disposal.
- There were delays ranging from 26 to 481 days in intimation to successful bidders as against the stipulated period of 15 days of opening of tenders.
- Instances of Floor Area Ratio (FAR) and ground coverage being allowed to the bidder in variance either with the norms of the MPD-2021 or with the Government orders were noticed.
- Other issues including omission to sign rectification deed, intimation of granting extension of time communicated at the fag end, encroachment of land by the successful bidder prior to making payment of land were also noticed.

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

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

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

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

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

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

IV. Land Protection

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

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

V. Management of Nazul-I Land

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

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

The demand of ground rent was not raised regularly as per the terms of lease and recovery of ground rent was in arrears, which was not monitored.

There were delays up to 32 years in raising the demand for charges on the unauthorized occupants.

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

VI. Record Management

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

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

VII. Internal Audit and Accounts

- Internal Audit was not able to complete audit of various units at the required periodicity of audit. Settlement of pending internal audit paragraphs was also slow.
- DDA was not preparing Income and Expenditure Accounts and Balance Sheet in respect of its Nazul-II lands.
- There were differences in the amounts reported in different branches for expenditure incurred on acquisition of land.

The General Recommendations of the CAG audit are listed below:-

1. DDA should prepare an Office Manual laying down the organization structure and defining roles and responsibilities across levels of the organization along with Standard Operating Procedures (SOPs) for various activities and processes with defined timelines. The recently introduced SOPs and other initiatives should be institutionalized and monitored to ensure that these are integrated into the work processes of DDA.
2. As DDA deals with varied activities in Land Management and multiple wings of DDA participate in this process, DDA may consider implementation of an Enterprises Resource Planning (ERP) system, integrating all aspects of its functioning.
3. DDA should maintain all the prescribed records and ensure their completeness, accuracy, timely updation and proper upkeep. A comprehensive database of land stock with all details and present status must also be maintained. Further, considering the importance, age and quantum of records, DDA should complete the digitalization of its records at the earliest.

4. It is important to have an effective coordination and cooperation mechanism between DDA and Delhi Government. An effective mechanism should be evolved where all the pending issues between DDA and Delhi Government are settled.
 5. DDA needs to implement a strong system for effective internal monitoring of land management activities.
-

SJ/TT