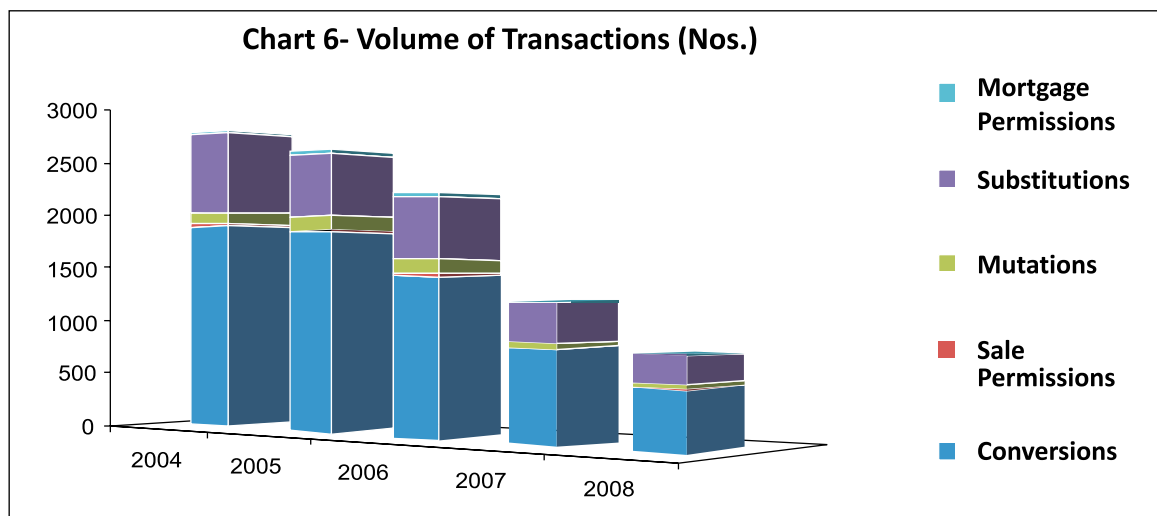


CHAPTER 5. LEASE ADMINISTRATION, INSPECTION AND SURVEY

5.1 Lease Administration

5.1.1 Volume of Lease Transactions

The volume of lease transactions handled during 2004 to 2008, as per the Performance Budgets/ Statement of Achievements for 2005-06 to 2008-09 of the Ministry, is as depicted in the chart below:



**Table-3: Volume of Transactions
(Year-wise disposal of lease administration applications)**

Year	2004	2005	2006	2007	2008	Total
Mortgage permissions	24	42	34	10	08	118
Substitutions	755	556	545	336	220	2412
Mutations	118	143	139	50	43	493
Sale Permissions	25	14	19	01	02	61
Conversions	1886	1821	1422	824	524	6477
Total	2808	2576	2159	1221	797	9561

The trend indicates that the volume of lease transactions processed by the L&DO has consistently declined over the last five year period of 2004-2008.

Audit however observed that the volume of transactions reported in the Performance Budgets of the Ministry did not tally with the computerized database of transactions maintained in the L&DO.

The accuracy of assertions made in the Performance Budget and the Statement of Achievements is open to doubt.

Table-4 : Comparison of data in reports and database

Lease Administration Activities	No. of cases as per the Performance budgets for the years 2004-08	No. of cases in the IT system for the years 2004-08
Mortgage permission	118	80
Substitution	2412	1891
Mutations	493	338
Sale Permissions	61	17
Conversions	6477	5030

The Ministry, in its reply stated that efforts were being made to complete the records and reconcile the figures.

5.1.2 Efficiency of Lease Administration

The Citizen's Charter for Lessees of L&DO stipulates that L&DO will ensure quality of service by disposing of applications within a period of three months from the date of receipt, provided the information and papers submitted by the lessee are in order.

Audit conducted an analysis of the electronic database of the Land Management Information System (LMIS), containing data up to August 2008. After excluding cases of invalid data, an age-wise analysis of the time taken for handling various lease administration activities was carried out; this covered accepted, rejected and pending cases. The age-wise analysis revealed the following profile:

Table-5 : Profile of Time Taken for Processing Lease Applications

Lease Activity	Total	15 days or less	16 to 90 days	91 to 180 days	181 days to 1 year	1 to 2 years	More than 2 years	Percentage of cases where more than 90 days were taken to dispose the case
Conversion	5615	406	1998	1214	874	702	421	57
Substitution	2305	421	1054	342	327	147	14	36
Mutation	375	56	145	72	63	35	4	46
Mortgage Permission	108	21	35	21	18	9	4	48
Sale Permission	30	5	10	10	5	0	0	50
Gift Permission	2	0	1	0	1	0	0	50
Total	8435	909	3243	1659	1288	893	443	51

The above profile reveals that on an average, 51 *per cent* of the cases took more than 90 days for disposal, while 5 *per cent* of the cases took more than two years for disposal. Further, about 11 *per cent* of cases were disposed within 15 days.

Clearly, this indicates the lack of effective and efficient administration of lease application by L&DO. The age-wise analysis clearly shows that some applications were getting processed with great speed and finalised within 15 days against the available time frame of 90 days while others were kept pending and settled after considerable delays ranging from 6 months to 24 months or more.

In Audit's opinion:

- This reflects the lack of effective oversight.
- The possibility of undue favour being shown to certain applicants could not be ruled out.
- These delays also reflect the lack of adequate efforts by L&DO to simplify the requirements for information/documents and provide clear and simple explanations of what exactly is required.
- The decline in the volume of transactions from 2004-2005 onwards should have resulted in greater efficiency, and this was not substantiated by the analysis of the data. Evidently, the customer service has not improved.

Recommendations

6. Cases of undue speed as well as inordinate delays/pendency in processing of applications for various lease activities should be monitored constantly, and reasons for such speed/delay should be ascertained, and if necessary, scrutinized in detail in specific cases.
7. In order to improve transparency, details of the status as well as time taken along with reasons for individual cases must be made accessible to the public through the Internet website.
8. For enabling such monitoring, special reports relating to time taken for processing applications should be introduced as part of the Land Management Information System IT System.
9. Special efforts for facilitation may be made to ensure that applications, when submitted, are complete in all respects. In the vast majority of cases, applications, which are found to be complete at the initial stage, should be processed speedily, and such speedy processing should be reflected in the age-wise profiles of processing time.

5.2 Inspection

5.2.1 General

As per the L&DO manual, annual inspections of all leases are to be carried out by the L&DO. Inspections are also to be carried out on receipt of applications for mutation/sub-division/change

of purpose etc. and whenever NDMC/MCD notice for unauthorized construction, specific written complaints etc. were received, or where breaches were to be regularized. However, in practice, no uniform policy for routine inspection of properties had been adopted. Between 1971 and 1998, inspection of properties in rehabilitation colonies was banned, presumably on grounds of fear of harassment. During 1998-99, inspections were permitted, and from 1999-2000 onwards, inspections were to be conducted only when specific complaints were received. However, inspections of these properties for purposes like unauthorized constructions etc. were also within the jurisdiction of local bodies like MCD/NDMC, and it is not known whether similar bans on inspections by these bodies were also in effect.

Audit could not ascertain the number of inspections conducted by L&DO during the period 2003-08, as the Register of Inspections was not maintained. Perusal of individual files, however, revealed that annual inspections were not being conducted. There was also no effective mechanism for ensuring that breaches were intimated to the lessees, and for watching the regularization of breaches.

The Ministry admitted the facts and stated that due to shortage of staff, inspection was being carried out only when an application pertaining to lease administration matters was received. This is however, not acceptable, as lack of timely inspection leaves open the possibility of increasing number of breaches going undetected.

5.2.2 Inspection of Conversions

The scheme of conversion of leases to freehold was introduced in April 1992, and modified four times in its scope and coverage in June 1996, June 1999, June 2003 and June 2006. However, no provision for mandatory inspection of such leases prior to conversion, which would have detected cases of unauthorized construction, misuse, breaches, encroachments etc., was made at any time. An analysis of the computerised database, which was admittedly incomplete, revealed that 90 *per cent* of the conversions related to rehabilitation properties were not subject to annual inspection.

As stated in Para 4.1, the decision taken in March 2008, to make inspections mandatory prior to conversion, had resulted in sharp decline in the receipts from conversions.

In their reply, the Ministry stated that it was bound to comply with the Government policy on conversions. However, the onus for taking the policy in that direction, by making inspections mandatory in all cases, lay with L&DO, which was well aware of the ramifications of any laxity in its approach to the matter.

Recommendation

10. L&DO must have a well defined policy for inspection of properties on prescribed frequencies, which could vary for different categories of leases. Further, adequate dedicated staff for such inspections would be needed⁶. Adequate controls and safeguards would also need to be built into the processes of selection of properties, conduct of inspections, and follow-up action to minimize chances of motivated action and harassment.

5.3 Survey

As per the Manual of L&DO, surveys of vacant land were to be carried out twice a year. No records of surveys were available in L&DO, who, however, intimated that they had conducted a survey, covering about 80 *per cent* of the area for which records were available and the results thereof were maintained in a computerized database. As per the list, there were 14 and 326 vacant plots in LBZ and in areas outside LBZ respectively, and this data did not indicate any encroachment. However, in the absence of a mapping system, the completeness of even this 80 *per cent* data could not be verified. In reply, the Ministry admitted absence of mapping system.

During field visits to 18 plots, it was observed that the vacant plots were of such nature that they could not have been allotted to any party and were parks/open spaces within colonies being used for parking of vehicles. No demarcation of these plots had been done, which could increase the risk of encroachment. When requested to confirm that these plots were free from encroachment, L&DO stated that all the vacant plots were under the care and maintenance of CPWD for keeping it free from encroachment.

⁶ Currently, there are 24 sanctioned posts for such inspection, against which only 12 officials are in position.