

**Chapter V: Acquisition and development of land by the
Delhi Development Authority
(Ministry of Urban Development)**

Highlights

➤ **Acquisition of land**

- DDA did not prepare short/long term plan to achieve the ultimate phased objectives of implementation of Master Plan of Delhi-2021. High Level committee constituted for this purpose did not meet regularly. Further the data base of progress was not prepared for proper monitoring.

(Paragraph 5.3.3.1)

- Expenditure of ₹ 84.98 crore was incurred on acquisition of land for construction of 100m road. However, road could not be completed due to non-handing over the complete land defeating the very purpose.

(Paragraph 5.3.3.1)

- Lackadaisical approach of DDA resulted in non-recovery of ₹ 8.86 crore as damage charges from land owners and ₹ 25.69 crore on account of excess payment of compensation to the land owners.

(Paragraph 5.3.3.3 & 5.3.3.4)

➤ **Development of land**

- Expenditure of ₹ 24.11 crore remained idle as the projects could not be commissioned for want of coordination between DDA and local bodies.

(Paragraph 5.3.4.1)

- Idle expenditure of ₹ 25.14 crore due to non functioning of Command Tank.

(Paragraph 5.3.4.2)

- Expenditure amounting to ₹ 16.41 crore incurred without obtaining proper approvals of the competent authority.

(Paragraph 5.3.4.3 & 5.3.4.4)

Summary of recommendations

➤ **Acquisition of land**

- DDA should prepare short and long term plans to achieve the ultimate targets set out in MPD 2021.
- High Level Committee should meet periodically on regular basis as decided by the Lieutenant Governor.
- DDA should implement the Monitoring unit immediately which would result in strong database to pin point the deficiencies in implementing the MPD 2021 and taking corrective actions accordingly to achieve the targets efficiently.
- The monitoring of demolition programme should be done by a high level committee.

➤ **Development of land**

- DDA should establish a co-ordination mechanism with other local agencies and public utilities to ensure that hindrances are expeditiously removed.
- Institutional mechanisms should be strengthened to ensure adequate co-ordination at the planning stage itself with other civic planning and public utility agencies before taking up a work and during the execution of work so that creation of public infrastructure and facilities by DDA are in consonance with the plans and projections of the connected civic agencies.
- The periodicity of internal audit of the auditee units should be specified after considering the risk factor and internal audit wing should be strengthened so that maximum units could be covered.

5.1 Introduction

Delhi Development Authority (DDA) Act, 1957 provides that the objects of the DDA shall be to promote and secure the development of Delhi according to Master Plan and for that purpose DDA shall have the power to acquire, hold, manage and dispose of land and other property, to carry out building, engineering, mining and other operations, to execute works in connection with supply of water and electricity, disposal of sewage and other services and amenities and generally to do anything necessary or expedient for purposes of such development and for purpose incident thereto. Thus, DDA is responsible for acquisition and development of land for various developmental schemes as per Master Plan approved by the Central Government. The land is acquired through Delhi Government (Land and Building Department) and placed at the disposal of DDA for development purposes as approved under the various development schemes.

5.1.1 Organisational set-up

DDA is headed by the Lt. Governor of Delhi. Day to day administration of the DDA is vested in the Vice-Chairman who is assisted by the Member (Finance) and Member (Engineering). Land acquisition matters are handled by the Principal Commissioner (Land Management) who is assisted by Commissioner (Land Management) and two Directors. While various developmental schemes are planned by the Commissioner (Planning) assisted by Zone wise Director (Planning), execution of the schemes is done by six zonal Chief Engineers who function under the administrative control of the Member (Engineering). The Chief Engineers are assisted by Superintending Engineers at the circle and Executive Engineers at the divisional levels.

5.2 Audit approach

The audit of Delhi Development Authority is conducted under Section 19(2) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, read with Section 25(2) of the Delhi Development Act, 1957.

5.2.1 Audit Scope

This performance audit covered the activities relating to acquisition as well as development of land for the period 2005-10. Six out of twenty development schemes relating to this period were examined.

5.2.2 Audit Objectives

The performance audit was conducted to verify whether:

- (i) **Acquisition of land**
 - *the land was acquired for the various development schemes as per the approved Master Plan of Delhi and was done as per the time schedule prescribed in the Master Plan.*
 - *there were any discrepancies in implementation of enhancement of compensation rates and the redressal of disputes in apportionment of the compensation after full payment was made.*
 - *there was adequate planning and execution of demolition programme for encroachment removal including legal measures.*
- (ii) **Development of land**
 - *the development schemes were properly framed and executed.*
 - *the schemes executed were fruitfully utilized for the ordained purpose and the benefits reached the intended beneficiaries.*
 - *proper monitoring mechanism was in place to ensure that the works were executed in accordance with the terms of the contracts.*

- *there was proper internal control system in existence to ensure the quality of work.*

5.2.3 Audit Criteria

The main sources of audit criteria for the performance audit were:

1. Master Plan of Delhi 2021
2. Delhi Development Act, 1957
3. Central Public Works Department Manual
4. Minutes of the meetings of Works Advisory Board
5. Contract Agreements

5.2.4 Audit Methodology

The performance audit of the authority was scheduled to commence in July 2010. DDA was requested on 27 June 2010 to fix the date of entry conference, preferably in the first week of July 2010, followed by reminder dated 09 August 2010. The meeting scheduled to be held on 24 September 2010 was cancelled by DDA. The conference was ultimately held on 12 October 2010 in which audit objectives and scope of audit were discussed.

The records of the authority were examined during July 2010 to January 2011. The Vice Chairman, of the authority was requested (May 2011) to attend the exit conference to discuss the audit findings. Audit findings were discussed in detail with the Chief Accounts Officer and other officers of the authority during exit conference held in June 2011.

5.3 Audit Findings

5.3.1. Previous audit findings

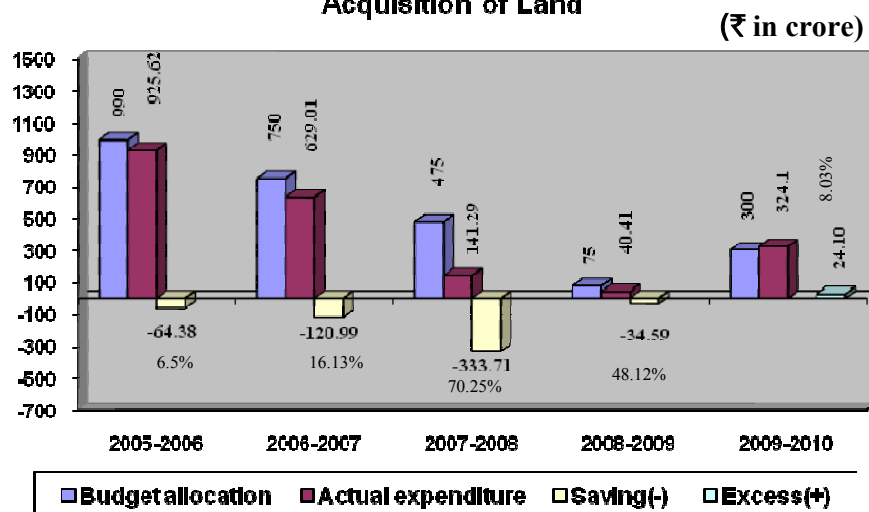
C&AG had earlier reviewed the functioning of development of land by DDA in its report No. 2 of 2006. The Action Taken by Government on the Observations/ Recommendations of the Committee contained in their Fifty fifth Report (Fourteenth Lok Sabha) on “Development of Land by Delhi Development Authority” was examined by the Public Accounts Committee in its twentieth Report (Fifteenth Lok Sabha) and it was recommended that the Ministry of Urban Development should not let the things go a drift in DDA and take proactive and result-oriented steps to set the DDA house in order. If need be, the DDA act should be suitably amended to this effect.

This is the next performance report consisting of results of review of functioning of acquisition as well as development relating to period 2005-2010.

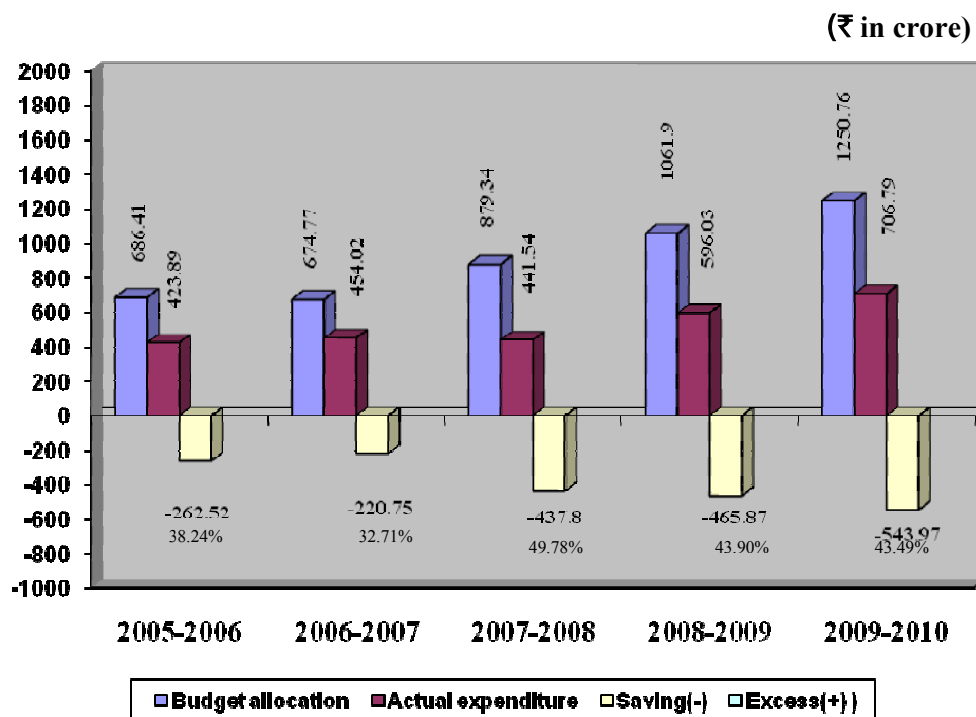
5.3.2 Financial management

Budget allocation and actual expenditure incurred for acquisition and development of land during the years 2005-06 to 2009-10 is depicted in Graph 1 and 2:

**Graph 1
Acquisition of Land**



**Graph 2
Development of Land**



There were abnormal variations (up to 70 per cent in respect of Acquisition of Land and up to 49 per cent in case of Development of Land) which indicate

that the budget provisions were not made on realistic basis. The variation were more than permissible limits of 10 *per cent* during the year 2006-07, 2007-08 and 2008-09 in case of acquisition of land and during all these five years in the case of development of land. The management clarified (June 2011) that generally budget is requisitioned based on the land acquired in the previous years and amount of compensation paid, in addition to the land likely to be acquired and amount of compensation to be paid, in the relevant year. However, it should be realized that land acquisition is fraught with litigation at several stages, resulting in issuance of stays by Hon'ble Courts, thereby affecting the projected estimates of land to be acquired and compensation to be paid. The management further assured that efforts shall be made in future to utilize the maximum budget allocation in respect of development of land approved by the competent authority and also prepare budgetary estimates on more realistic basis.

5.3.3 Acquisition of land

During the period 2005-06 to 2009-10, 6046.06 acres of land was transferred to DDA from Land and Building Department, Government of Delhi out of which 5539.94 acres of land was transferred to user departments for development purpose.

The Management clarified (June 2011) that there are certain pockets for which the Planning Department has not prepared a detailed layout plan, which is the primary reason for not transferring land from Land Management Department to user department like Engineering Department. The reply does not touch the concern of audit. Detailed layout planning should pre-date acquisition of land. To date 271.13 acre of land is lying unused/ undeveloped.

5.3.3.1 Implementation of Master Plan



The Master Plan Delhi, 2021 was approved and notified by the Central Government on 7 February 2007. DDA is one of the nodal agencies for implementing the Master Plan. Chapter 18 of the Master Plan provides for achievements to be made in phased manner during 2006-11, 2011-16 and 2016-21 respectively (**Annexe-I**). It also provides for appointing a monitoring committee and management action groups *viz.*, planning indicator, high level group for sub regional plan for Delhi, environment planning and coordination groups, infrastructure development groups, enforcement and plan monitoring group etc.

In the first High Level Committee Meeting under the chairmanship of Lieutenant Governor for Monitoring and Periodic review of Master Plan held on 8 May 2008 it was decided that the Committee would meet at regular intervals of six months and all departments/local bodies should send a status report. However, no action has been taken by the DDA for the last two and half years.

Audit observed:

- Master Plan Delhi (MPD) 2021 was approved in February 2007 and 15 number of zonal plans were sent by DDA for approval to the Ministry in February 2009 and September 2009 i.e. after a period of more than two years which were approved by the Ministry only in June to August 2010 excepting zonal plan 'D' which is still to be approved (**Annexe-II**).

On this being pointed out, DDA stated in May 2011 that to achieve the targets prescribed in the MPD various agencies in NCTD i.e. MCD, NDMC, GNCTD, PWD etc., were involved for its implementation and that the information regarding achievement of targets prescribed in the MPD would be provided by the agencies involved therein. The reply is not acceptable as the MPD provides creation of a Monitoring Unit (MU) in DDA. This unit was to be equipped with the modern data processing facilities and was responsible for collection of primary and secondary data, its analysis and bringing any important change to the notice of the DDA comprehensively once in a year. Later it was decided in May 2008 that the progress of various scheme submitted by the implementing agencies to MU would be compiled and placed before the High Level Committee. Audit noted that although DDA had created a MU but it failed to collect the data on progress made by other agencies involved. In the absence of centralized information on the progress of development of city infrastructure, DDA/Ministry would not be in a position to oversee the development made under Master Plan.

- Land measuring 850.10 acres was acquired by Land and Development Office for construction of 100 meter road under Master Plan Delhi, 2021. However, only 52.58 acres of land was handed over to DDA and balance land measuring 797.52 acres was to be handed over as on January 2011, DDA had paid compensation of ₹ 84.98 crore, which would remain blocked till the complete stretch of land is physically handed over.

DDA clarified (June 2011) that it had acquired 736.38 acres of land and 125.52 acres of land is yet to be handed over by LAC/L&B department to DDA. However, no document substantiating this fact was furnished by DDA.

Recommendations

- *DDA should prepare short and long term plans to achieve the ultimate targets set out in MPD 2021.*
- *High Level Committee should meet periodically on regular basis as decided by the Lieutenant Governor.*
- *DDA should implement the Monitoring unit immediately which would result in strong database to pin point the deficiencies in implementing the MPD 2021 and taking corrective actions accordingly to achieve the targets efficiently.*
- *DDA could establish a co-ordination mechanism with other local agencies to ensure the implementation of the Master Plan.*

5.3.3.2 Land physically handed over to DDA

Land measuring 76533.63 acres was physically handed over by Land Acquisition Collector (LAC) to DDA in pursuance of various awards since 1969 (Nazul-II land). Out of total land, 75225.04 acres of land was transferred to the user departments for various development purposes. 1308.59 acres of balance land valuing ₹ 205.45 crore has still not been transferred by DDA to its user departments on account of unauthorized occupation/encroachment as of March 2010.

The Management clarified (June 2011) that there are certain pockets for which the Planning Department has not prepared a detailed layout plan, which is the primary reason for not transferring land from Land Management Department to user department like Engineering Department. It was also clarified that most of the encroachments existed in the nature of JJ Clusters, unauthorized colonies, which is protected under National Capital Territory Delhi Laws Special Provision Act, 2006.

Audit observed:

- DDA paid 80 to 100 *per cent* of the amount demanded by the Land and Building Department. The reason for this variation, and the authority thereof, was not made available to audit.

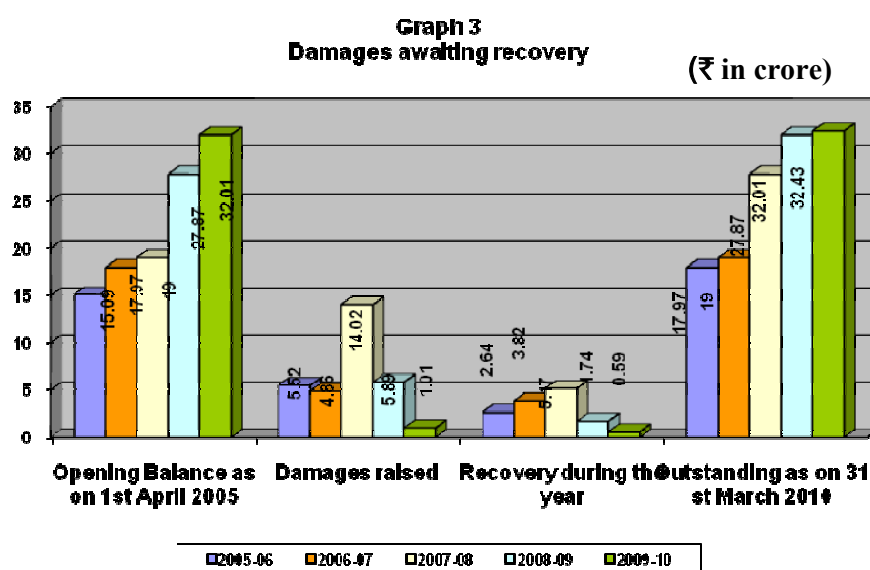
DDA stated (June 2011) that a new system of payment was introduced, whereby on preliminary perusal, an amount of 80 *per cent* was being released initially and remaining amount to be released based on the actual area physically handed over by LAC to LM Department of DDA.

Recommendation

- Court Cases should be monitored in a systematic manner at a higher level and an early action on the decision and implementation of judicial orders should be taken.

5.3.3.3 Damages charges for unauthorized occupation of DDA land

Under Public Premises (Eviction of unauthorized occupants) Act, 1971, DDA imposes damage charges on account of unauthorized occupation of land. It was noticed that as on 31 March 2006 outstanding damage charges were ₹ 17.97 crore which increased to ₹ 32.43 crore as on 31 March 2010. The outstanding amount increased by 80.46 per cent during the period of five years, i.e., 2005-06 to 2009-10 as depicted in Graph 3:



Abnormal increase in outstanding damages over a period of five years establishes the casual approach of the department in recovering the government money.

While accepting the audit observation DDA stated (June 2011) that there was lot of resistance from occupants as such the staff was advised not to visit door to door for collection of damages. However, the reply failed to explain what alternate method has been adopted for speedy recovery of this amount.

Audit observed:

- Land measuring 6129 bigha 10 biswa in village Barwala, Delhi was notified and the physical possession was handed over to the DDA in October 2005. Land measuring 22 bigha 10 biswas was under unauthorized encroachment of Rashtriya Ispat Nigam Ltd. (RINL) at the time of taking over possession of land by DDA. DDA issued notice to RINL in April 2006 to vacate the land and the same was vacated in December 2006. Notice for payment of damage charges of

₹ 6.25 crore for unauthorized occupancy of land was served only in December 2007, i.e., after a period of more than two years. The amount of ₹ 6.25 crore was yet to be recovered from RINL.

- Land measuring 6 bigha 2 biswa at village Lado Sarai, was acquired for the planned development of Delhi in 1980. The LAC could hand over only 4 bighas of land to DDA in July 2002 as the remaining portion of land measuring 2 bigha 2 biswa was in occupation of a Petrol Pump. The land was notified as use for recreational purpose in the Master Plan and the activities of petrol pump were not a permissible activity. DDA issued notice of damage charges amounting to ₹ 1.26 crore in October 2006 for unauthorized use of DDA land. The amount had still not been recovered (January 2011) and the land is still in the possession of the unauthorized occupant.
- Land measuring 659.30 sq. yards was transferred to DDA in 1974. But it was observed that the land was unauthorizedly occupied by a private school at Timarpur since 1959. The fact was confirmed by the school authorities stating that they have been paying damage charges to Land and Development Office regularly. From 1974 onwards the school authorities stopped paying damages charges. DDA served notice for damages charges amounting to ₹ 59.09 lakh in May 2008, for the land which was in the possession of unauthorized occupant, but the amount had still not been recovered as of January 2011.
- Property No. 13, at Kudsia Ghat, Bela Road measuring 1864 sq. yards was allotted on temporary lease basis for one year from January 1966 to January 1967 to a Society for specific purpose of wrestling. The temporary lease was extended upto January 1971 with payment of ground rent of ₹ 1400, which was paid by the Society upto July 1987. Civil writ petition filed by the society for claiming the land was turned down by Hon'ble High Court vide its order of September 2006 stating that the request for possession of land cannot be acceded to. The damage charges of ₹ 48.88 lakh levied by DDA on society for the period from August 1987 till date had not been recovered for the land in the possession of unauthorized occupant.
- Land measuring 153 sq yard at Sidipura, Delhi was under unauthorized occupation and was used as residential as well as commercial purpose. Notice for damage charges for the period from 1 October 1999 to 31 March 2010 for ₹ 11.54 lakh was served but this amount was still not recovered and the land is still in the possession of the unauthorized occupant.
- Land measuring 360 sq.yards in Motia Khan was unauthorizedly used for commercial purpose. Damage charges amounting to ₹ 15.71 lakh upto January 2008 was recoverable and the land is still in the possession of the unauthorized occupant.

While accepting the audit observation (June 2011), DDA clarified that the authority has issued notice of recovery on 24 May 2011.

Recommendations

- *Delay attributable to lapses or inaction on part of estate recovery officers/officials. Damage charges should be recovered from the unauthorised occupants of DDA.*
- *The recovery in respect of Court orders may be pursued vigorously.*

5.3.3.4 Enhancement

Land owners are entitled to compensation for the land acquired by the Land Acquisition Collector and the compensation amount is paid through cheque by DDA to Land and Building Department, Government of National Capital Territory for onward transmission to the land owners. It was noticed that once the land is acquired and compensation amount is awarded all the land owners are not satisfied by the amount of the compensation paid and land owners who are not satisfied move to the court to challenge the award.

Audit observed:

- 5484 bighas of land was acquired by LAC at village Pooth Kalan. Land owners preferred appeal before the civil court. The civil court enhanced the compensation to the rate of ₹ 15700 per bigha in one case and ₹ 18500 per bigha in another case. Not satisfied, the claimants preferred appeal before the High Court, which enhanced this compensation to ₹ 30,000 per bigha. DDA after making payments to the landowners as per the this decision, filed petition in the Hon'ble Supreme Court which set aside the orders passed by the High Court and restricted the compensation to ₹ 18500 per bigha. The orders were passed in November 2002 with the directions to recover the excess amount paid to the land owners. DDA also obtained High Court orders (April 2004) to recover the excess amount with interest @ 15 per cent if the excess amount is not refunded within a period of two months from the date of order. No efforts was made to recover the amount of ₹ 25.69 crore (excess payment of ₹ 12.86 crore plus interest @ 15 per cent upto March 2010 amounting to ₹ 12.83 crore) from the land owners.

While accepting the facts, the Management stated that two Senior Government Counsels have been appointed to pursue the cases of recovery in execution court.

5.3.3.5 Demolition of unauthorized encroachment

Section 30 of the Delhi Development Act, 1957 provides that where any development has been commenced or is being carried on or has been completed in contravention of Master Plan or zonal development plan or without the permission, approval or sanction of any officer of the DDA, the

same would be demolished and the demolition expenses of such removal shall be recovered from the owner or the person at whose instance the development was commenced.

During the period 2005-10, 1661 demolition programmes were carried out by the department as given in table-1.

Table-1 - Demolition programme carried out

Year	Demolition programme fixed	Demolition programme carried out	Demolition programme not carried out	Percentage shortfall in demolition programme
2005-06	758	369	389	51.31
2006-07	738	397	341	46.20
2007-08	658	461	197	29.94
2008-09	352	185	167	47.44
2009-10	377	249	128	33.95

There was shortfall in achieving the targeted demolition programmes ranging from 29.94 per cent to 51.31 per cent, during the period of five years.

Audit observed that DDA had made payment of ₹ 3.05 crore to the contractor on account of supply of equipments, trucks, labour etc. for demolition programme carried out during the year 2005-06 to 2009-10 but demolition charges were not recovered by the DDA from the unauthorised occupants.

The Management clarified (June 2011) that due to administrative reasons i.e. non availability of police force, stay orders, political interference etc., and demolition could not be carried out. The clarification does not address the concern of audit regarding non achievement of targets fixed by authority itself.

Recommendations

- *Stress should be given to safeguard the acquired land and to prepare an adequate action plan for vacating the encroached land.*
- *The monitoring of demolition programme should be done by a high level committee to expedite the solutions to the administrative problems.*

5.3.4 Development of land

The Development of land is under taken by DDA in different Zones (Dwarka Zone, East Zone, North Zone, Rohini Zone and South Zone etc.) headed by Chief Engineer of each Zone, as per the approved scheme of the zone. The works under a scheme are got executed by the Executive Engineers under the supervision of Superintending Engineers. Development of land mainly includes:

- Survey and Demarcation,
- Leveling and Dressing,
- Construction of Peripheral Storm Water, Drains,
- Construction of Internal Drains,

Water supply lines,
Sewerage
Grill Fencing: and
Under Ground water tanks & Pump houses etc.

20 schemes were executed by DDA during the period of five years i.e. from 1 April 2005 to 31 March 2010, out of these six Land Development Schemes as given in table-2, have been reviewed for detailed audit and result thereof have been included in this report.

Table-2– Name of the scheme

Sl. No	Name of the scheme
1	D/o 400 Hectare of Land acquired recently at Sector 27 and 28, Rohini, Ph. IV and V
2	D/o Land at Sector A-1 to A-4, Narela
3	D/o 1769.88 Hectare of Land at Dwarka (Papankala Project) Ph. 1
4	D/o land at Dwarka Ph. II (224.90 Hect. Of land)
5	D/o work in additional acquired land in Dwarka Ph. II
6	Maintenance of parks/trucks plantation and equipment of Horticulture wing of the North zone

5.3.4.1 Availability of clear site and Coordination between DDA and Local Bodies.

CPWD Works Manual envisage that all the works should be awarded as per codal provisions which inter alia include availability of clear site, funds and approval of local bodies before approval of the Notice Inviting Tenders (NIT). It further, envisages that where CPWD has to depend upon the local municipal and other authorities for the provisions of external services viz, roads, drains, etc., there should be proper co-ordination between the PWD officers connected with the project and local municipal and other authorities. The purpose of the provision is to ensure that works once awarded are executed without any hindrance or delay.

Audit observed:

- The work of ‘construction of Peripheral SW Drain and culverts i/c covering of drains and culverts in sector 27 and 28, Rohini’ was awarded to a firm in March 2006 at tendered amount of ₹ 15.23 crore to be completed by September 2007 and the work was completed in December 2008. The service plan for the drain was approved by the MCD subject to the condition that proper outfall structure shall be provided to the proposed drain. It was observed that the completed work of drain was not functional due to non construction of outfall drain to which it was to be connected. Department stated that SW Drain could not be connected to existing supplementary drain as the outfall drain was to be constructed by the Irrigation and Flood Control Department (IFCD) after taking over the possession of land from DDA. The land on which out fall drain was to be constructed is under

stay order of the Hon'ble Supreme Court which was not vacated (June 2011). Thus, the amount of ₹ 15.22 crore spent on the construction of SW Drain could not be utilized and remained blocked.

The Management statement (June 2011) that it was expected to get the stay vacated during the course of execution of work is contrary to the codal provisions of ensuring availability of clear site before award of work. The management further assured for more realistic assessment in future.

- DDA floated tenders for the development of “400 hectares of land acquired at Sector 27 and 28, Rohini Ph IV & V, SH: P/L internal services like sewer line, water supply line, roads and toe walls in Sector 28, Pkt. 1 & 2 and 3, 4 and 5”. Both the works were awarded to M/s Chaudary Builders at a tendered cost of ₹ 3.06 crore and ₹ 3.16 crore respectively in March 2004. The stipulated dates of start and completion for both the works were April 2004 and April 2005 respectively. The road work was completed in middle of 2005 only to the level of WBM (Water Bound Macadam) by the contractor and an amount of ₹ 1.41 crore was paid to the contractor. Even after a lapse of more than 72 months, the road was not completed. The main problem in completion of road work was that adjoining ground to the WBM was higher and during rainy season the entire area was flooded due to absence of drainage system. It indicated that no proper survey of the site was conducted before inviting tenders. Further, Executive Engineer in his note of October 2007 admitted that prevailing site condition without proper drainage system would result in damage to the road. The layout plan was not approved by MCD. Thus, in absence of proper drainage system, water stagnated converting the entire unfinished road into jungle with plantation to the extent of 4 to 6 feet on both the sides of the site. Thus, poor planning and award of work without proper survey of the site and getting the plan approved from MCD resulted in infructuous expenditure of ₹ 1.41 crore

DDA stated (June 2011) that services like sewerage, water supply and roads are to be laid prior to handing over of plots to allottees, hence the works were awarded. However, as per codal provision layout plan are to be got approved from the local bodies (MCD/DJB) before award of work which was not done.

- Hon'ble Supreme Court of India directed DJB to curb the disposal of sewerage into Yamuna canal to avoid water contamination. DDA submitted a proposal, in 2004 for using effluent from sewerage treatment plant (STP), already constructed by DJB in Dwarka, for greening of about 520 hectares of area. DJB also accorded its approval for releasing the treated effluent from the STP and it was decided that scheme should be implemented in Dwarka in Phase I. Accordingly, DDA constructed four under ground reservoirs (UGRs) in 2006-07 for storing treated water and further supply for horticulture purpose, and one inlet channel (in 2008) for facilitating the treated effluent from STP costing ₹ 4.88 crore. It was noticed that the ‘Sump well’ for storing the treating sewerage from STP and releasing it to UGRs, was

yet to be constructed. DDA awarded the work of construction of sump well in October 2009 at a tendered amount of ₹ 94.05 lakh stipulated to be completed in April 2010. The work has been completed on 31.3.2011 but has not become functional due to non availability of treatment affluent from DJB. Thus, poor planning on the part of DDA and non synchronizing of all the works related to supply of treated effluent (water) to horticulture areas from the STP, resulted in idle expenditure amounting to ₹ 4.88 crore.

DDA reply (June 2011) that concerned electrical division was requested to indicate the level of installation of boosting arrangements and such exercise between two divisions under two different Chief Engineer takes time and there were delays in preparation approval of designs by consultant and the competent authority is not acceptable as before award of work such issues were required to be settled by the departmental authorities.

- The work for 'D/o land for sector A 1 to A 4, Narela, Phase I, SH: 20M R.W road phase I' was awarded in August 2007 at a tendered amount of ₹ 2.62 crore. The work was to be completed within six months with the date of start and completion being August 2007 and February 2008 respectively. An amount of ₹ 2.60 crore was paid by DDA to the contractor without clearing the hindrance. Thus, work remained incomplete even after paying ₹ 2.60 crore defeating the very purpose of the development and connectivity.

DDA stated that the non-completion of a very small portion of the road length, the very purpose of connectivity is not defeated, is not acceptable as work which was supposed to be completed by February 2008, has not been completed till date on account of encroachments existing at the time of award of work which could not be removed even after involvement of the highest authority i.e. Lt. Governor.

Recommendations

- *DDA should ensure adherence to the codal provisions of ensuring clear unhindered site before award of work.*
- *DDA should establish a co-ordination mechanism with other local agencies and public utilities to ensure that hindrances are expeditiously removed.*
- *Institutional mechanisms should be strengthened to ensure adequate co-ordination at the planning stage itself with other civic planning and public utility agencies before taking up a work and during the execution of work so that creation of public infrastructure and facilities by DDA are in consonance with the plans and projections of the connected civic agencies.*

5.3.4.2 Improper planning

The Project Report prepared in July 1992 for the development of Dwarka Phase I envisaged a water requirement of 80 MGD (Million Gallons per Day)

to cater to an anticipated population of about 12 lakh in the sub-city. The report projected a requirement of six command tanks. Based on these projections, DDA awarded the work of construction of five command tanks for the supply of water to the general public, as detailed in table-3:

Table-3– Construction of command tanks

Command tank number	Year & Month of start of work	Year & Month of completion	Cost (₹ in crore)	Capacity of tank MGD
1	October 1999	October 2001	17.13	13
2	October 1996	February 1999	6.22	10
3	September 2001	March 2004	7.61	7
4	November 1997	May 1999	4.40	6
5	March 2006	May 2009	8.01	8.25 (ML)
Total			25.14	

Audit noted that out of 5 command tanks only three command tanks (No 2, 3, and 4) were functional. Two command tanks (No 1 and 5) were not functional although their construction was completed in October 2001 and May 2009 as the Delhi Jal Board failed to supply the water. This has resulted in idle expenditure of ₹ 25.14 crore.

While accepting the audit observations DDA stated that two tanks may become functional by December 2011.

5.3.4.3 Administrative Approval & Expenditure Sanction

In their Action Taken Note on Performance Audit on Development of Land by DDA incorporated in Report No. 2 of 2006, Ministry of Urban Development had stated that guidelines had been issued / reiterated for taking up the work in anticipation of AA&ES on emergent basis.

CPWD Works Manual stipulates the following pre-requisites for execution of work

- i) Administrative Approval,
- ii) Expenditure Sanction,
- iii) Availability of funds and
- iv) Technical Sanction.

CPWD Works Manual 2007 further envisages that expenditure in excess of Administrative Approval and Expenditure Sanction (AA&ES) should not be incurred without the approval of the competent authority, and if the expenditure exceeds by 10 *per cent* of the original sanction, the revised expenditure sanction is necessary. Further, CPWD Manual provides that revised expenditure sanction should be applied for as soon as such excess is foreseen.

Audit observed:

- DDA spent an amount of ₹ 4.33 crore upto March 2010 for development of Resettlement squatters. The expenditure was met by

diverting the funds from the approved AA&ES for 'D/o 400 hectare of Land acquired recently at Sector 27 and 28, Rohini, Ph. IV and V' amounting to ₹ 129.94 crore. The work done by the DDA for resettlement squatters pertained neither to approved scheme nor formed part of the preliminary estimate.

DDA, while accepting the observation, stated that revised PE for the scheme has already been initiated for obtaining the approval of the competent authority.

- DDA awarded seven works for storing the treated sewerage effluent available from the existing Sewerage Treatment Plant (STP) set-up by Delhi Jal Board in Dwarka. This treated sewerage effluent was to be used for horticulture purpose. An expenditure of ₹ 6.13 crore was incurred on these works. The expenditure was to be charged to 'D/o land at Dwarka (Pappankalan) project Phase I & II', but none of the seven works was covered under the scheme. As these works were not covered under the AA&ES of the Scheme, the expenditure of ₹ 6.13 crore incurred on these works was in violation of the provisions of the CPWD Works Manual.

DDA stated (June 2011) that these works were executed under the provision of sub-head unfiltered water supply for horticultural works against the AA&ES development of 1769.88 hect. of land Pappankalan (Dwarka) Ph-I for ₹ 621.01 crore. The reply is not tenable as specific provision for incurring such huge expenditure on capital nature of works did not exist in the approved AA&ES.

Recommendation

- *Efforts should be made not to commence any work without obtaining AA&ES of the competent authority.*

5.3.4.4 Execution of work without approval of competent authority

In modification of Appendix 1 (Sr No 33 and 34) of CPWD Manual, Engineer Member issued circular No. EM1 (10)/2009/Cir.(A/A to E/S)/Deviation/712 dated 2 March 2007. As per provisions of the circular the financial powers to accord sanction for execution of extra/substitute/deviated items was 90 per cent of agreement amount restricted to ₹ 1.28 crore upto the Chief Engineer level. Full powers beyond this limit are vested with Chief Engineer with approval of Works Advisory Board (WAB).

Audit observed:

- Work relating to 'C/o 30mt. R/W road in Dwarka, Phase-II' was awarded to M/s. Gaur Construction Co. at a tendered amount of ₹ 1.75 crore against the estimated cost of ₹ 1.52 crore. The stipulated date of start and completion of work were on 27 May 2005 and 26 November 2005 respectively. The work was actually completed on 30 July 2007. The payment of ₹ 5.78 crore was paid to agency in November 2008. It was seen that the work valuing ₹ 4.03 crore, i.e., 230.28 per cent above the tendered amount was got executed as extra items/deviation from

the contractor. It indicates defective estimates of work and lack of planning. Further no revised technical sanction of the competent authority was obtained. The bill of the agency was finalized without obtaining the approval of WAB for execution of extra item/deviation beyond the power of Chief Engineer.

DDA, while admitting the fact stated that the then Chief Engineer might have taken the solace in the provision contained in para 25.1 (c) of CPWD Works Manual Vol-II. The reply is not acceptable as these powers were revised vide circular dated 2 March 2007 which restricted the power of Chief Engineer to ₹ 1.28 crore only and accordingly approval of Work Advisory Board should have been obtained within a period of three months from the date of issue of revised guidelines as the work was in progress at the time of issue of this circular.

- The work relating to “Development of main land at DWK (PPK) Project Ph. II. SH: making connection of drain from Sector 16 to Nazafgarh drain” was awarded (August 2005) at a tendered cost of ₹ 4.44 lakh. The Chief Engineer during inspection observed urgency of work relating to construction of road to the main entrance of the Metro station at sector 15 at Dwarka and BSES sub station and issued directions to execute the work through this contract. The department has paid final bill of ₹ 1.96 crore in September 2008. It was noticed that this additional work was got executed under this agreement at an alternate site. The power of Chief Engineer to award the separate work without call of tenders is ₹ 10 lakh only. Thus, inclusion of new work as deviation resulted in irregular expenditure of ₹ 1.92 crore.

The reply of DDA (June 2011) that extra items were executed on account of urgency as per site conditions is not acceptable as huge work was executed at different place and was of different nature which can only be treated as new work.

Recommendation

- *No work should be awarded or commenced without approval of the competent authority.*

5.3.5 Other topic of interest

5.3.5.1 Avoidable extra expenditure due to delay in award of work

Section 19.3.1(1) of CPWD Works Manual provides that top priority should be given to decide the award of work on receipt of tenders. In order to minimize chance of delay, timetable as given in appendix-23 of the Manual should be observed for dealing with tenders by different authorities.

DDA awarded a work relating to ‘construction of bridge No.2 (A) in R/W of 30 M road on Palam drain linking sector-11 with sector-12(B) and onwards at Dwarka Phase-II’ in 6th call to M/s Sushil Kumar & Co. in March 2009 at the

negotiated cost of ₹ 3.33 crore with stipulated dates of start and completion 27-3-2009 and 26-6-2010 respectively.

During scrutiny of records it was observed that before award of work, the tenders were called and rejected by the DDA five times as per details given in table-4:

Table-4- Avoidable extra expenditure

No of tender calls	Date of opening of tenders	Rates quoted by lowest agency (₹ in crore)	Reasons for rejecting the tenders.
1 st	10-04-2006	2.78	Rejected by WAB on 3-7-2006
2 nd	15-01-2007	2.75	Rejected by WAB on 9-3-2007 on the recommendation of CE (DWK) as the main partner of the firm had suddenly expired.
3 rd	28-05-2007	2.93	Tender could not be forwarded to WAB as the agency was not ready to extend the validity of tender.
4 th	01-11-2007	--	No tender were found received at the time of opening.
5 th	27-12-2007	3.11	Rejected by CE (DWK) on 11-03-2008 due to wrong condition incorporated in the tender.
6 th	06-11-2008	3.33	Fresh NIT & TS were prepared based on DSR 2007 and awarded the work.

The rejection of tenders of 1st and 2nd call were beyond the control of department. It was observed that in the 3rd call, tenders were opened on 28 May 2007. As per Section 19.3.1 of CPWD Manual, 2007 the work should be awarded within 42 days from the date of opening of tenders. However, it was observed that in third call the validity period of the tender expired on 25 August 2007 and the department could not decide the award of work within the validity period. The agency (L-1) did not agree to extend the validity period and the tenders were, therefore, rejected by the department. The reasons for delay were not found available in the record. In the 4th call no tender was found received at the time of opening. In the 5th call the tender were rejected by Chief Engineer (Dwarka) due to the reasons that wrong condition were incorporated in the tenders. This shows that defective NIT was prepared and these conditions were also part of NIT during previous 4th call. Finally, the work was awarded in 6th call at a tendered cost of ₹ 3.33 crore. Audit is of the view that the work could have been awarded in the 3rd call at a tender cost of ₹ 2.93 crore. But due to failure of the department to award the work within validity period the work could not be awarded to the agency in the 3rd call and finally was awarded at 6th call at a tendered cost of ₹ 3.33 crore, which was ₹ 40 lakh higher than from L-1 of 3rd call. Rejection of the tender in 3rd call resulted in avoidable extra expenditure of ₹ 40 lakh as well as delay in execution of the work.

DDA stated that in the 3rd call the main reason for delay to decide the tender was attributable to the lowest agency who had taken more than a fortnight to respond only to refuse negotiation of rates. The reply is not acceptable as the negotiations are not mandatory as per the manual.

Recommendation

- *Work should be awarded within validity period and lapse or inaction on the part of divisional officials and extra payments to agencies to be investigated.*

5.3.6 Internal Audit

DDA has an internal audit cell headed by the Member (Finance) who is assisted by the Chief Accounts Officer along with the other staff. DDA has a total of 150 auditable units in its field formations. The internal inspection manual of the DDA did not specify the frequency or periodicity of the audit to be conducted by the internal audit wing.

An appraisal of the functioning of the internal audit wing with special reference to the checks exercised in respect of the developmental schemes indicated that while the coverage of units had steadily improved over the last three years, the coverage was still just about 50 *per cent* of the total number of auditable units as detailed in table-5:

Table-5 - Internal Audit

Sl. No.	Financial year	Total no. of auditable units	No. of units audited	Percentage of units audited
1.	2005-2006	150	59	39.33
2.	2006-2007	150	60	40.00
3.	2007-2008	150	77	51.33
4.	2008-2009	150	80	53.33
5.	2009-2010	150	60 and (100 <i>per cent</i> audit of pay fixation cases on implementation of 6 th pay commission)	40.00

While accepting the audit observation, DDA stated that efforts are being made to strengthen the Internal Inspection Cell by increasing the number of audit parties.

Recommendation

- *The periodicity of internal audit of the auditee units should be specified after considering the risk factor and internal audit wing should be strengthened so that maximum units could be covered.*

5.4 Conclusion

The performance audit of the authority revealed the following deficiencies in its functioning:

- The authority did not bifurcate the targets set out in the Master Plan of Delhi, 2021 in short/ long period plan synchronizing with the plan.

- High Level Committee under the chairmanship of Lieutenant Governor decided that the committee would meet at regular interval of six months to review the progress did not hold any meeting from 8 May,2008.
- The road on which DDA has already incurred an expenditure of ₹ 84.98 crore could not be completed as land was not clear.
- DDA was not able to achieve its demolition targets.
- There was lack of coordination with local authorities which resulted in delay of project/ idling of expenditure.
- In certain cases works were executed beyond the authorized limits of expenditure.

5.5 Acknowledgement

Audit acknowledges the cooperation and assistance rendered by DDA during the course of this performance audit.

This performance audit report was issued to the Ministry in May 2011. The reply of the Ministry was awaited as of July 2011.

New Delhi

Dated:

(ROY MATHRANI)

**Director General of Audit
Central Expenditure**

Countersigned

New Delhi

Dated:

(VINOD RAI)

Comptroller and Auditor General of India

Annexe-I

(refer to paragraph 5.3.3.1)

Frame work for development

Components	Unit	Period of monitoring	Phase I upto 2011		Phase II 2011-16		Phase III 2016-21		Target upto 2021	
I. Population (for infrastructure provision)	Lakh		138-182		182-199		199-230		230	
II. New Housing	No. in lakh Dwelling Units		7		9		8		24	
			R*	N**	R	N	R	N	R	N
			3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
a. Housing for Urban poor through slum and JJ approaches	-Do-	2 years	0.7	1.0	0.7	1.6	0.6	1.4	2.0	4.0
b. Houses as independent plots and redevelopment	-Do-	2 years	0.35	0.2	0.35	0.3	0.3	0.3	1.0	0.8
c. Group Housing (35% of total Dwelling Units mandatory non to exceed 2 room or less)	-Do-	2 years	0.84	1.9	0.84	3.0	0.72	2.7	2.4	7.6
d. Employer Housing	-Do-	1 years	0.14	0.15	0.14	0.25	0.12	0.2	0.4	0.6
e. Unauthorised Regularized colonies	-Do-	1 years	1.05	0.15	1.05	0.25	0.9	0.2	3.0	0.6
f. Other Housing areas up gradation of old areas traditional/villages includes backlog housing stock and replacement	-Do-	4 years	0.42	0.1	0.42	0.16	0.36	0.14	1.2	0.4
III. Physical infrastructure										
a. Augmentation of power distribution	MW	2 years	3744		1447		2639		7830	
b. Municipal solid waste	Tones	1 year	4900		1939		3368		10207	

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IV. Social infrastructure						
a. Health						
(i) Hospital A (501 beds & above)	No.	2 years	9	3	6	18
(ii) Hospital B (201 beds to 500 beds)	No.	1 year	18	6	12	36
(iii) Hospital C (101 beds to 200 beds)	No.	1 year	43	17	30	90
(iv) Hospital D (upto 100 beds)	No.	1 year	43	17	30	90
(v) Veterinary Hospitals	No.	1 year	6	6	6	18
b. Education						
(i) School for physically handicapped	No.	2 years	4	2	3	9
(ii) School for mentally handicapped	No.	2 years	4	2	3	9
(iii) Vocational training centre	No.	1 year	9	3	6	18

*** Redevelopment ** New Housing**

Annexe-II

(refer to paragraph 5.3.3.1)

Details of Zonal development Plan 2021

S. No.	Zonal development Plan 2021	Date of approval of Master Plan	File NO & Date of forwarding zonal plan to the Ministry	Date of Notification in Gazette of India
1	Zone A & C	2/2007	F.4 (3)/2008/MP/43G dt. 16.2.09 F.4 (53)/2006/MP Part 2/39G dt. 13.2.09	18.06.2010 & 29.07.2010
2	Zone B	2/2007	F.4 (2)/2008/MP /42G dt. 16.2.09	
3	Zone E	2/2007	F.4 (01)/2006/MP /P 35G dt. 13.2.09	
4	Zone F	2/2007	F.3 (44)/2005/MP Part //34G dt. 13.2.09	
5	Zone G	2/2007	F.4 (2)/2007/MP /PT/32G dt. 13.2.09	
6	Zone H	2/2007	F.4 (4)/2006/MP Part /33G dt. 13.2.09	
7	Zone J	2/2007	F.4 (1)98/MP /PT/37G dt. 13.2.09	
8	Zone K I	2/2007	F.4 (14)/2007/MP Part /37G dt. 13.2.09	
9	Zone K II	2/2007	F.4 (5)/98/MP/ PT /38G dt. 13.2.09	
10	Zone L	2/2007	F.4 (6)/98/MP/ PT /36G dt. 13.2.09	
11	Zone M	2/2007	F.4 (11)/2007/MP Part /40G dt. 13.2.09	
12	Zone N	2/2007	F.4 (3)/98/MP /44G dt. 16.2.09	
13	Zone P I	2/2007	F.4 (1)/98/MP /44G dt. 16.2.09	
14	Zone O	2/2007	F.4 (10)/2007/MP /604 dt. 17.8.09	
15	Zone D	2/2007	Yet to be approved	