

**FUNCTIONING OF NATIONAL CAPITAL
REGION PLANNING BOARD**

**MINISTRY OF HOUSING AND URBAN AFFAIRS
(MOHUA)**

**PUBLIC ACCOUNTS COMMITTEE
(2023-24)**

SEVENTY SEVENTH

SEVENTEENTH LOK SABHA



सत्यमेव जयते

**LOK SABHA SECRETARIAT
NEW DELHI**

PAC NO. 2307

SEVENTY SEVENTH REPORT

**PUBLIC ACCOUNTS COMMITTEE
(2023-24)**

(SEVENTEENTH LOK SABHA)

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**MINISTRY OF HOUSING AND URBAN AFFAIRS
(MOHUA)**



Presented to Lok Sabha on: 18.12.2023

Laid in Rajya Sabha on: 18.12.2023

**LOK SABHA SECRETARIAT
NEW DELHI**

December, 2023 /Agrahayana, 1945 (Saka)

CONTENTS

	PAGES
COMPOSITION OF PUBLIC ACCOUNTS COMMITTEE (2021-22)	(i)
COMPOSITION OF PUBLIC ACCOUNTS COMMITTEE (2022-23)	(ii)
COMPOSITION OF PUBLIC ACCOUNTS COMMITTEE (2023-24)	(iii)
INTRODUCTION	(iv)

REPORT

PART-I

A	INTRODUCTORY	01
B	NATIONAL CAPITAL REGION PLANNING BOARD	02
C	PREPARATION OF REGIONAL PLAN AND ITS REVISION	03
D	NON-FORMULATION OF FUNCTIONAL PLANS (FPs)	09
E	FORMULATION OF SUB-REGIONAL PLANS	12
F	NON APPROVAL OF MASTER/DEVELOPMENT PLAN BY THE BOARD	14
G	INADEQUATE COORDINATION AND MONITORING OF THE IMPLEMENTATION OF REGIONAL PLAN	16
H	DELAY IN DELINEATION OF NATURAL CONSERVATION ZONE (NCZ) IN NCR	17
I	FINANCIAL MISMANAGEMENT	19
J	IRREGULARITIES IN GRANTING OF LOANS	21
PART – II		
	OBSERVATIONS/RECOMMENDATIONS OF THE COMMITTEE	23-30
APPENDICES		
I.	Minutes of the sitting of the Public Accounts Committee (2021-22) held on 10.02.2022	
II.	Minutes of the sitting of the Public Accounts Committee (2022-23) held on 15.06.2022.	
III.	Minutes of the sitting of the Public Accounts Committee (2023-24) held on 14.12.2023	

COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE
(2021-22)

Shri Adhir Ranjan Chowdhury - Chairperson

MEMBERS

LOK SABHA

2. Shri T. R. Baalu
3. Shri Subhash Chandra Baheria
4. Shri Sudheer Gupta
5. Shri Bhartruhari Mahtab
6. Shri Jagdambika Pal
7. Shri Vishnu Dayal Ram
8. Shri Pratap Chandra Sarangi¹
9. Shri Rahul Ramesh Shewale
10. Shri Gowdar Mallikarjunappa Siddeshwara²
11. Shri Rajiv Ranjan Singh alias Lalan Singh
12. Dr. Satya Pal Singh
13. Shri Jayant Sinha
14. Shri Balashowry Vallabhaneni
15. Shri Ram Kripal Yadav

RAJYA SABHA

16. Shri Shaktisinh Gohil
17. Shri Bhubaneswar Kalita
18. Dr. C.M. Ramesh
19. Shri Sukhendu Sekhar Ray
20. Dr. M. Thambidurai
21. Shri V. Vijayasai Reddy³
22. Dr. Sudhanshu Trivedi⁴

¹ Elected w.e.f. 29.07.2021 vice Smt. Darshana Jardosh, MP appointed as Minister of State w.e.f. 07.07.2021.

² Elected w.e.f. 29.07.2021 vice Shri Ajay Kumar Mishra, MP appointed as Minister of State w.e.f. 07.07.2021.

³ Elected w.e.f. 09.08.2021 vice Shri Rajeev Chandrasekhar, MP appointed as Minister of State w.e.f. 07.07.2021.

⁴ Elected w.e.f. 09.08.2021 vice Shri Bhupender Yadav, MP appointed as Union Minister w.e.f. 07.07.2021.

COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE
(2022-23)

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9. Shri Brijendra Singh
10. Shri Rajiv Ranjan Singh alias Lalan Singh
11. Dr. Satya Pal Singh
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14. Shri Ram Kripal Yadav
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COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE
(2023-24)

Shri Adhir Ranjan Chowdhury - Chairperson

MEMBERS

LOK SABHA

2. Shri Thalikkottai Rajuthevar Baalu
3. Shri Subhash Chandra Baheria
4. Shri Bhartruhari Mahtab
5. Shri Jagdambika Pal
6. Shri Vishnu Dayal Ram
7. Shri Pratap Chandra Sarangi
8. Shri Rahul Ramesh Shewale
9. Shri Gowdar Mallikarjunappa Siddeshwara
10. Shri Brijendra Singh
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12. Dr. Satya Pal Singh
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15. Shri Ram Kripal Yadav

RAJYA SABHA

16. Shri Shaktisinh Gohil
17. Dr. K. Laxman
18. Shri Derek O' Brien*
19. Shri Tiruchi Siva
20. Dr. M. Thambidurai
21. Shri Ghanshyam Tiwari
22. Dr. Sudhanshu Trivedi

SECRETARIAT

1. Shri Partha Goswami - Director
2. Shri Prakhar Prakash Anand - Assistant Executive Officer

* Elected w.e.f. 19.08.2023 consequent upon retirement of Shri Sukhendu Sekhar Ray, MP on 18.08.2023.

INTRODUCTION

I, the Chairperson, Public Accounts Committee (2023-24), having been authorised by the Committee, do present this Seventy Seventh Report (Seventeenth Lok Sabha) on '**Functioning of National Capital Region Planning Board**' based on Para 4.1 of the C&AG Report No. 3 of 2020 relating to the Ministry of and Urban Affairs.

2. The C&AG Report No. 3 of 2020 was laid on the Table of the House on 23.09.2020.

3. The Public Accounts Committee (2022-2023), selected the aforesaid subject for detailed examination and took briefing by Audit and oral evidence of the representatives of the Ministry of Housing and Urban Affairs on the subject matter on 10th February, 2022 and 15th June, 2022. Based on the oral evidence and written replies, the Committee examined the subject in detail in 2022-23 and 2023-24.

4. Public Accounts Committee (2023-2024) considered and adopted the Draft Report on the aforementioned subject at their Sitting held on 14.12.2023. The Minutes of the Sittings are appended to the Report.

5. For facility of reference and convenience, the Observations and Recommendations of the Committee have been printed in thick type and form Part- II of the Report.

6. The Committee thank the predecessor Committees for taking oral evidence and obtaining information on the subject.

7. The Committee would like to express their thanks to the representatives of the Ministry of Housing and Urban Affairs for tendering evidence before them and furnishing the requisite information in connection with the examination of the subject.

8. The Committee also place on record their appreciation of the assistance rendered to them in the matter by the Committee Secretariat and the Office of the Comptroller and Auditor General of India.

NEW DELHI:
14 December, 2023
23 Agrahayana 1945 (Saka)

ADHIR RANJAN CHOWDHURY
Chairperson
Public Accounts Committee

REPORT

PART I

INTRODUCTION

The National Capital Region Planning Board (NCRPB) Act was enacted in 1985 by the Parliament after a resolution passed by the legislatures of the states of Haryana, Rajasthan, and Uttar Pradesh, in pursuance of the provision of Clause (1) of Article 252 of the Constitution. In accordance with the provisions of the Act, the National Capital Region Planning Board was constituted on 28th March 1985 to provide for the preparation of a plan for the development of the National Capital Region, and to coordinate and monitor the implementation of such a plan. The Board is also responsible for evolving harmonized policies for the control of land use and the development of infrastructure in the National Capital Region, in order to avoid any haphazard development of the region, the NCRPB has been entrusted with the following mandate as per Act:

- a) To prepare the Regional Plan and the Functional Plans;
- b) To arrange for the preparation of Sub-Regional Plans and Project Plans by each of the participating states and the Union territory;
- c) To coordinate the enforcement and implementation of the Regional Plans, Functional Plans, Sub-Regional Plans, and Project Plans through the participating states and the Union territory;
- d) To ensure proper and systematic programming by the participating states and the Union territory regarding project formulation, determination of priorities in the National Capital Region or sub-regions, and phasing of development of the National Capital Region in accordance with stages indicated in the Regional Plan;
- e) To arrange for and oversee the financing of selected development projects in the National Capital Region through Central and State plan funds and other sources of revenue.

2. The National Capital Region (NCR) in India, now covers an area of 55,084 sq. km., encompassing the entire National Capital Territory of Delhi along with some neighboring districts of bordering/adjacent states to the National Capital viz. Haryana, Rajasthan and Uttar Pradesh. NCRPB has been constituted with the key vision to promote sustainable development in a balanced and harmonized manner while improving the quality of life. For this NCRPB promotes coordinated planning and development of the region, considering the interdependence and interconnectedness of various areas within the NCR. NCRPB also addresses the challenges of consistently increasing population, rapid urbanization and development in the National Capital Region (NCR) by focusing on developing selected urban settlements with urban infrastructure facilities such as transport, power, communication, drinking water, sewerage and drainage comparable with Delhi while minimizing the adverse environmental impact that may occur in the process of development of NCR. It further avoids any haphazard development in terms of the multifold demographic acceleration.

Population growth in the NCT of Delhi primarily stems from two main components: natural increase (births minus deaths) and in-migration. Migration has been a significant factor in driving the population growth of the National Capital Territory (NCT) of Delhi. The migration into the urban areas of the National Capital Region (NCR) remains a major driver of the region's population expansion. This, in turn, leads to urban overcrowding, unplanned urban development, the emergence of slums, and increased strain on the city's infrastructure.

Therefore, by bringing together representatives from the Central Government, State Governments, and other stakeholders, the NCRPB facilitates collaboration, coordination, and decision-making on issues related to regional planning, infrastructure development, environmental conservation, transportation, and other aspects of urban and regional development.

NATIONAL CAPITAL REGION PLANNING BOARD

3. Considering the above pivotal role played by the National Capital Region Planning Board and Audit findings therein, PAC (2021-22) selected the subject of functioning of NCRPB for a comprehensive examination and report. The committee gathered background materials and written responses from the Ministry of Housing and Urban Affairs. The Committee had a briefing by the officers of the C&AG of India and also heard the representatives of the Ministry of Housing and Urban Affairs on the subject. To thoroughly investigate the matter, a sub-committee was formed within the PAC during its term (2022-23). On 15th June 2023, the sub-committee held further oral hearings of the representatives of the Ministry of Housing and Urban Affairs. The sub-committee conducted a detailed examination of the subject based on both the oral and written statements provided by the Ministry of Housing and Urban Affairs. Since the Subject is based on the Audit findings in Para 4.1 of the Report number 3 of 2020 of the C&AG, a gist of the audit para is given below:

AUDIT FINDINGS

4. Established on 28 March 1985 under the NCRPB Act, 1985, the National Capital Region Planning Board (NCRPB) is responsible for coordinated planning of the National Capital Region (NCR). The NCR encompasses the National Capital Territory of Delhi (NCTD) and adjoining districts in the states of Haryana (13 districts), Uttar Pradesh (8 districts), and Rajasthan (2 districts), covering a total area of 55,084 sq km as of 31 March 2018. The Board consists of a Chairman, 15 members, and a full-time Member Secretary. The Chairman of the Board is the Union Minister for Housing and Urban Affairs. The Board is supported by a Planning Committee (PC), which includes the Chairman and 10 members. The Member Secretary of the Board serves as the ex-officio Chairman of the PC.

5. The NCRPB has not been able to build a strong relationship with the States and Union Territory in the NCR. The States and the Union Territory of Delhi have not been cooperating with the NCRPB in the planning and development of the NCR.

6. The Audit has identified several shortcomings post examination of the subject, which are as follows:

- I. Delay in notifying the Regional Plan (RP)-2021 and its revision.
- II. Non-formulation of Functional Plans.
- III. Delay in formulation of Sub-Regional Plans for NCR constituent areas.
- IV. Non-approval of Master/Development Plans by the Board.
- V. Inadequate coordination and monitoring in implementation of RP.
- VI. Delay in delineation of the Natural Conservation Zone (NCZ) in the NCR.
- VII. Financial mismanagement not ensuring effective implementation of RP.
- VIII. Irregularities in granting loans.

7. The committee has conducted a comprehensive examination of the above-mentioned issues raised by the Audit in their report. The subsequent paragraphs provide a detailed discussion of each of these issues.

I. Preparation of Regional Plan and its Revision

8. According to the NCRPB Act of 1985, the legislative bodies of Haryana, Rajasthan, and Uttar Pradesh have passed resolutions stating that matters relating to coordination and monitoring of the implementation of the Regional Plan (RP), as well as evolving harmonized policies for land use and infrastructure development in the National Capital Region, shall be regulated by Parliament through legislation. Further, as per Section 7 of the Act, the main function of the NCRPB is to prepare the RP for a 20-year period, which should be reviewed every five years from the date of its notification as per Section 15(1) of the Act.

Regarding the planning process and implementation of the RP, the National Capital Region Planning Board (NCRPB) is responsible for preparing an RP for the NCR and Functional Plans (FPs) for various elements of the RP such as water, transport, power, etc. These plans are based on regional requirements and they assist States in preparing their respective Sub-Regional Plans (SRPs) for NCR constituent areas. Each participating state in the NCR formulates its own Master Plan at the state level.

9. In this regard, the audit observed the following:
- (i) The NCRPB notified the RP 2021 on 17 September 2005, which was more than three and a half years after the completion of its horizon period (2001 to 2021).
 - (ii) The first review of RP 2021 was due in September 2010, however, it was initiated with a delay of one and a half years in the 32nd meeting of the Board in March 2012.
 - (iii) The Steering Committee (SC), constituted in June 2012 to guide the review and revision process of the RP, held only four meetings from June 2012 to January 2014, despite monthly meetings being prescribed. Additionally, no timelines were set to complete the review and revision process of the RP 2021.
 - (iv) In the 33rd Board meeting on 1 July 2013, the Draft Revised Regional Plan (DRRP) 2021 was approved for inviting suggestions and objections from the public. Till 20 December 2013, 63 objections and suggestions were received on the DRRP 2021. During the revision of the RP 2021, the Board accepted and incorporated the proposals of the Government of Haryana (GoH) regarding "tourism in the forest areas" under Regional Recreational Activities. This was done despite objections that this provision would rather dilute the earlier provision of the RP 2021, than strengthening as there would have been a significant impact of developments in the adjacent areas of Delhi. Subsequently, the Ministry of Environment, Forest and Climate Change (MoEF&CC) raised objections in March 2014 regarding this inclusion in the DRRP 2021/SRP of Haryana indicating undue benefit to the Government of Haryana with adverse ramifications for the entire NCR. The Board had to roll back its decision in April 2014.
 - (v) As of September 2018, the notification of the Revised Regional Plan (RRP) 2021 was pending due to delays in the mapping and delineation study of the Natural Conservation Zone (NCZ) and addressing the points raised by MoEF&CC on Chapter 14 (Environment) and Chapter 17 (Regional land uses).
 - (vi) Although the Act envisions three revisions of the RP 2021 every five years, the first review and revision exercise of the RP 2021 itself has not been completed even after more than eight years. Consequently, the revised policies and proposals intended to be implemented through the RRP 2021 have not been made effective. The significant modifications incorporated in the DRRP 2021 include revised data from the census of 2011, changes in demographic profiles and settlement patterns, policies and proposals for sewerage, solid waste management, drainage, and irrigation, revisions in

issues, policies and proposals related to regional land use, strategies for the development of counter magnet areas, and incorporation of outcomes of RP 2021 during 2007-2012.

10. The Regional Plan (RP) 2021 was prepared by NCRPB under the NCRPB Act, 1985, and the respective NCR participating States of Haryana, Rajasthan and Uttar Pradesh had to carry out their lower hierarchy Plans i.e. Sub-Regional Plans, District Plans, Master/ Development Plans, etc. The Act also provides for the review of the Regional Plan every five years after its publication. The Regional Plan (RP) 2021 was notified in September, 2005 after a delay of more than three and half year from the completion of its horizon period (2001 to 2021) as well as its first review, due in 2010, was also undertaken after a delay of one and half year. Despite having constituted a Steering Committee (SC) in June 2012, it held only four meetings (June 2012 to January 2014) against the prescribed monthly meetings purportedly. Resultantly Draft Revised Regional Plan 2021 could not be made effective. Significant modifications which were incorporated even after lapse of more than eight years have not been implemented. It is also noticed that due to delay in mapping and delineation study of the Natural Conservation Zone (NCZ), and addressing the points raised by the Ministry of Environment, Forest and Climate Change (MoEF&CC) on Chapter 14 (Environment) and Chapter 17 (Regional land uses), the notification of the Revised Regional Plan (RRP) 2021 was pending (September 2018). In response to the aforesaid Audit observations, the Ministry of Housing and Urban Affairs in their written reply (January/April 2018) to Audit had stated as under:

“Initially the matter was placed (November 2009) before the Board in its 31st meeting whereby action with respect to updating the regional land use through National Remote Sensing Centre (NRSC) in 2008-09 was initiated. Later, the matter was again placed in 32th meeting of the Board wherein it was decided to expedite the exercise of review of RP 2021. Thereafter, the SC was constituted for review and revision of RP. Since, Board meeting could not be held between December 2009 and February 2012, the matter could not be placed before the Board.

The comments of MoEF&CC were examined by the Board and forwarded (February 2017) to MoHUA and were discussed in the 37th meeting (December 2017) of the Board.”

11. In this regard, the Ministry further submitted as follows:
- i. “The draft Revised Regional Plan-2021 was approved by the Board in its 34th meeting held on 20.01.2014 and subsequently, in its Special meeting held on 25.04.2014. However, the same was not notified and published due to certain observations by MoEF&CC. Further, as the perspective year 2021 was nearing and seven more districts were added in NCR which were not part of this Revised RP-2021. Accordingly, Board in its 38th meeting held

on 13.09.2019 decided that draft revised Regional Plan-2021 will not be published. Subsequent to the notification of RP-2021 on 17.09.2005, additional districts namely Bhiwani (including Charkhi Dadri) and Mahendragarh districts of the State of Haryana and Bharatpur district of the State of Rajasthan, were included in NCR vide Government of India, Gazette Notification dated 01.10.2023. Further, the districts of Jind and Karnal of the State of Haryana and Muzaffarnagar district of the State of Uttar Pradesh were included in NCR vide Govt. of India Gazette Notification dated 24.11.2015. The district of Shamli, of the State of Uttar Pradesh was included in NCR vide Govt. of India Notification dated 16.04.2018.

- ii. Further, in addition to the existing Counter Magnet Areas (CMAs) to NCR i.e. Hisar, Bareilly, Kota, Patiala-Rajpura and Gwalior, four new CMAs, namely, Ambala in Haryana, Dehradun in Uttarakhand, Kanpur-Lucknow in Uttar Pradesh and Jaipur in Rajasthan were identified and approved by the Board in its 31st Meeting held on 11.11.2009 and 33rd Meeting held on 01.07.2013. Therefore, draft Addendum to RP-2021 (notified in 2005) which is Regional Plan-2021 for additional areas of NCR was prepared and published on 19.07.2019 for inviting public objections and suggestions. The Addendum to RP-2021 was approved by the Board in its 38th meeting held on 13.09.2019 for publication and notification. Accordingly, Addendum to RP 2021 was notified on 28th November, 2019 and published on 30th November, 2019.
- iii. NCRPB had initiated the second review of RP-2021 as per the decision taken in the Special Board Meeting held on 20.12.2016 and completed review exercise and the final Review Report was approved by the Board in its 38th meeting held on 13.09.2019, which will be used as one of the inputs for preparation of next Regional Plan-2041.
- iv. Thus NCRPB makes all efforts to review the Regional Plan once every five years, as mandated in the Act. However, due to frequent changes in the area of NCR and observations from various Central Ministries/Departments and participating States, the reviewed & revised Regional Plan could not be published. Also, it may be appreciated that NCRPB works with active participation of the State Govts. and their cooperation, implement policies and proposal after arriving at a consensus and therefore it takes time in finalization of review exercise."

13. In response to the reply of the Ministry the audit observed that the expansion of NCR was done subsequent to the initiation of review exercise of RP-21 and this should not have resulted in ceasing the exercise midway and the Board should have instead completed and guided the participating States in formulating the plans for the newly added areas. When asked how the ministry would explain their position viz-a-viz the Audit observation the Ministry submitted as follows:

“The 1st revised Draft Revised Regional Plan-2021 (DRRP-2021) was approved for finalization by the Board in its 34th meeting held on 24.01.2014. However due to certain observations from MoEF&CC and directions of PMO to resolve these issues before future action, it was kept on hold. The Board then decided that Secretary MoHUA to have a joint meeting of States with MoEF&CC to resolve these differences. After getting comments from all stakeholders, the meeting held in December 2018 to resolve the issue. Board in 38th meeting held on 13.09.2019 decided that DRRP-2021 will not be published, since RP- 2021 is soon coming to an end and RP-2041 will have to be prepared expeditiously, seven more districts added in NCR are not part of the DRRP-2021. Publishing Revised RP-2021 in 2019 without additional districts added in 2013 to 2018 would have carried no meaning.”

14. The Board further added as under:

“Since horizon year of RP 2021 was coming to an end and an expeditious finalization of new RP was necessitated, thus output of second review exercise of RP-2021 was used as an input for formulation of RP-2041. The draft RP 2041 was placed before the Board in its 40th and 41st Meetings held on 31.08.2021 and 12.10.2021. Accordingly, the Draft RP-2041 has been published for inviting public objections and suggestions on 09.12.2021 and open for public for inviting objections and suggestions for 30 days. Objections and suggestions are being looked into and the Final plan will be published in due course as per the laid norms and procedures”.

15. On being asked as to whether the Ministry has ever taken up the matter with relevant authorities to address the issue of establishing a specific timeline for the completion of the review process of the Regional Plan by the Board to ward off avoidable delays, the Ministry replied as under:

“No, Ministry has not taken up the matter for specifying a timeline for the review process of Regional Plan. The Regional Plans are generally made with long time horizon. Board after arriving on consensus among all NCR participating States, finalizes the RP and review. Two reviews of RP -2021 were completed and taken as input for preparation of Regional Plan 2041. However Ministry will see to it that revision under new RP-2041 are completed in a reasonable time frame.”

16. On being asked by the Committee about the current status of the final Plan/Draft RP-2041 and its major upgradations/additions in comparison to the earlier RP-2021, the Ministry had replied as under:

- i. "The Draft RP 2041 had been approved by the Board for publishing to seek public objections and suggestions. Accordingly, the Draft RP-2041 was published on 09.12.2021 for inviting public objections and suggestions. The Draft Final Regional Plan 2041 after incorporating public suggestions is proposed to be placed before the Board for consideration and approval for its final publication.
- ii. The Draft Regional Plan 2041 is a Plan of new-era, prepared after manifold consultations with various Stakeholders including Central and NCR States Govt. departments/ agencies, subject Experts, etc. The draft RP-2041 has been prepared considering the elements specified in the NCRPB Act, 1985 along with certain more aspects like smart-digital NCR, social care, etc. as emerged from sector wise stakeholders workshops, RP-2021 review reports, subject expert views, review of international planning practices, etc. and considering the future requirements for the mega-region of global importance.
- iii. The draft RP-2041 is slightly more focused and crisp plan towards smooth implementation, in comparison to RP-2021 and is an attempt to address various issues, to have harmonised planned development of the region. The RP-2021 was divided into 19 Chapters inclining Introduction; The Region (background/ understanding); Aims, Objective & Policy zones; Demographic Profile; Economic Activity and Fiscal Policy; Transport; Power; Water; Sewerage, SWM, Drainage & Irrigation; Telecommunication; Shelter; Social Infrastructure; Heritage & Tourism; Environment; Disaster Management; Rural Development; Regional Land use; Counter Magnet Areas; and Implementation Strategies, Management Structure & Resource Mobilisation, whereas all these elements have been covered under 13 Chapters of Draft RP-2041 with slightly more detailed policies-proposals.
- iv. However, the draft Regional Plan-2041 will be approved by the Board after arriving on consensus among all NCR participating States. The final contour of the Regional Plan-2041 will only be known after approval of the Regional Plan by the Board."

17. On being asked by the Committee to comment on the rationale behind shrinking of Delhi NCR to 100 km, radius and delay expected in finalization of Draft RP 2041, the Ministry replied as under:

"NCR delineation is a result of requests and suggestions of NCR's constituent States. However, as regard shrinking of Delhi-NCR to the 100-km radius from Rajghat, it is pertinent to mention that the said point was discussed/ decided in 41st Board meeting held on 12.10.2021, and the same decision was incorporated in the draft RP-2041, at that stage. However, upon publication of draft RP-2041 for public objections and suggestion, various objections and suggestion especially regarding Haryana sub-region were received from public as well as from Govt. of Haryana regarding

exclusion of certain areas from NCR. Further, the matter regarding NCR delineation was discussed at the level of MoHUA on various occasions. The area of NCR is proposed to be revised accordingly, after consideration at the level of the Board.”

“.....in fact, the Board has been open to State suggestions at every stage during plan preparation. The reduction of NCR size is being considered as one of the objections and suggestions as well, on the published Draft RP 2041. Board secretariat has been working in parallel in anticipation of such aspects and base work has already been done. Therefore, not much delay is expected to finalize the revised draft RP 2041, post necessary approval/ notification of the revised area of NCR and approval of the Regional Plan by the Board.”

18. As per the Draft Plan-2041, the population in the National Capital Region (NCR) is anticipated to increase to approximately 70 million by 2031 and around 110 million by 2041. Despite having approximately 24 districts outside Delhi, the region is expected to become significantly urbanized in the upcoming decades. By 2031, it is projected that about 57% of the population will be urban, and by 2041, this figure is estimated to rise to approximately 67%. The Counter Magnet Areas (CMAs), envisioned as urban centers strategically situated at a distance from the NCR and characterized by substantial economic development and growth, are anticipated to have a crucial role in drawing population towards themselves, particularly those potential migrants bound for Delhi and the National Capital Region (NCR) from their respective catchment areas.

II. Non-Formulation of Functional Plans (FPs)

19. As per Section 7(a) and (c) of the Act, preparation and formulation of Functional Plans (FPs) and its enforcement and implementation falls within the functions of the Board. The NCRPB has an inevitable role in preparation and formulation of the FPs based on studies in various sectors after assessment of the existing situation and identification of the issues/problems for holistic development of NCR. It has also administrative power for its enforcement and implementation. The functions of the Board also include enforcement and implementation of Sub-Regional Plans (SRPs) and Project Plans through the participating States and UT.

20. Audit observed that the Board had not prescribed timeframe for formulation of its FPs when RP 2021 was notified. It was also noticed that the Board had identified 12 elements/sectors in which FPs had to be formulated for the harmonized development of NCR. However, Board had formulated 4 FPs for the identified areas such as (i) Transport (November 2009), (ii) Ground Water Recharge (December 2009), (iii) Drainage (April 2016), (iv) Economic Development (June 2016) after a lapse 4 to 11 years. The Board had approved FPs pertaining to the period 2004-05 to 2009-10 on obsolete data. On being asked

to state the reasons and justification for use of outdated data in preparation of FPs as pointed by the Audit the Ministry stated as under:

“It may be mentioned that the studies conducted by NCRPB are not related to development/implementation of a particular project. The scope of work of the studies are to assess existing infrastructure/profile, carry out the gap analysis and accordingly, make recommendation for improvement. It may also be noted that the latest developments (e.g. latest population, latest status of infrastructure, latest policies, etc.) have been incorporated, while concluding the studies as well as Functional Plans including Functional Plan for Economic Development.”

21. Audit also observed that Drainage Master Plans had not been prepared district wise and city wise. Besides, there was lack of integrated planning for drainage of storm water, which was not restricted to local area but had regional impact, covering areas in Haryana, Rajasthan, U.P. and NCT-Delhi sub regions. Although drainage was part of the core urban infrastructure development in NCR, low emphasis was accorded to this sector. Since inception (1985-86) out of 300 projects sanctioned and approved by NCRPB, only six drainage projects were implemented which constitutes 2% of the total projects funded.

22. Despite FP, the guidelines are to be prepared for SRP by the participating states. Two FPs viz. (i) Drainage and (ii) Economic Development were approved (April/June 2016) after preparation of SRPs of Uttar Pradesh (December 2013) and Rajasthan (November 2015) resulting in lack of envisaged guidance for States. In response to the aforesaid Audit observations, the Ministry of Housing and Urban Affairs in their written reply (December 2017/April 2018) to Audit stated as under:

“The preparation of FP may not be linked with the preparation of the SRP, since SRPs are holistic documents at the sub-regional level for which the RP is the guiding document, while the FPs are more sector specific plans prepared within the framework of the RP. Further, the Act provides that after operationalisation of RP the Board may prepare as many FPs as necessary for proper guidance of the participating states. Accordingly, the Board had prepared FPs for certain sectors. Regarding delay in finalisation of FP on Economic Development, the Board stated that the FP was approved based on the discussion during the workshop attended by the officers of the Ministry/Departments/Agencies of Central Government.”

23. Audit noticed that due to non-submission of requisite data by the participating states, preparation of three FPs, viz. Micro and Household Enterprises, Health Infrastructure and Tourism & Heritage could not be made (September 2018). It was also observed that on four sectors viz.

Telecommunications, Environment, Disaster management and rural development were not formulated in RP 2021.

Explaining the reasons for non formulation of Functional Plans in RP-2021 relating to Micro & Household Enterprise, Health Infrastructure, Tourism & Heritage, Power, Telecommunication, Environment, Disaster Management and Rural Development and justification for the use of outdated data in preparation of 4 FPs for Transport, Ground Water Recharge, Drainage and Economic Development, the Ministry explicated as under:

- i. "As per the provisions of the NCRPB Act, 1985, it is not mandatory to prepare Functional Plans for all the sectors of the Regional Plan. While earlier, no specific mention of Functional Plans was there in RP 2021, the DRP 2041 identifies tentative sectors and specifies timelines for which 'Functional Plans are to be made and completed by. For guidance of the NCR participating States, adequate number of Functional Plans are being proposed to be prepared within specified time after RP-2041 notification."

24. On the reason for delay of more than four years in formulating the FPs along with the reasons for not updating the FPs by recent data, the Ministry of Housing and Urban Affairs (MoHUA) stated as follows:

"Section 16 of the NCRPB Act, 1985 provides for the preparation of as many Functional Plans as may be necessary for the proper guidance of the participating States and of the Union Territory. Therefore, as per the provisions of the NCRPB Act, 1985, it is not mandatory to prepare Functional Plans for all the sectors of the Regional Plan. Therefore, audit may revisit its observation

Planning is a dynamic process and is required to address the constantly changing circumstances in the region. Therefore, depending upon the need and/or circumstances of a particular aspect/sector, a view is taken whether preparation of a Functional Plan, which is required to elaborate the Regional Plan, is called for at that juncture."

25. On being asked by the Committee that if there was no timeframe prescribed for formulation of Functional Plans as per the NCRPB Act, 1985, how is it that now Draft RP-2041 suggests that Functional Plans (FPs) should be finalized within 01-02 year; the Ministry in this regard furnished their views as under:

"The provisions in the Draft RP-2041 (DRP-2041) that Functional Plans (FPs) should be finalized within 01-02 years has been added seeing to the delays in the past. Further after the RP-2041 is published, it will become a statutory document and it will become mandatory to follow-up for all the participating states. However, the draft Regional Plan-2041 will be approved by the Board after arriving on consensus among all NCR participating States. Final contour of the Regional Plan-2041 will only be known after approval of the Regional Plan by the Board."

III. Formulation of Sub-Regional Plans

26. The responsibility for formulation of Sub-Regional Plans (SRP) as well as delineation of Natural Conservation Zone (NCZ) with precise demarcation, based on detailed ground truthing, along with verification of State revenue record, is under jurisdiction of the respective participating States of NCR.

27. Audit observed that the Board took more than eight months in requesting (May 2006) the participating states to prepare SRPs and no time frame was prescribed for preparation of SRPs by the participating states. Many of the SRPs for districts of participating States viz. Uttar Pradesh and Rajasthan falling under NCR were published with the lapse of 10 years after the notification of RP in September 2005. The SRP of another district i.e. Bharatpur which was included in Rajasthan under NCR during July 2013, was still pending. SRP of the Haryana sub region was published (May 2014) but has not been finalised due to incorporation of contentious provisions relating to environment, land use and delay in mapping and delineation of NCZ.

28. It was also noticed that in the case of Rajasthan, the Board considered (June 2015) the draft SRP of the State on the ground that delineation of NCZ was time taking and SRP may be amended once the NCZ is delineated. However, Government of Rajasthan (GoR) notified the SRP even though the work of NCZ ground truthing and delineation was not yet completed. The Project Sanctioning and Monitoring Group (PSMG) approved and granted financial assistance of ₹1648.37 crore (out of this ₹1562.93 crore was disbursed to Govt. of Haryana) in respect of those projects for which the SRPs were not formulated by the participating states at the time of disbursement. Thus, in the absence of SRPs of the participating states, the sanctioning of loan by the Board was in violation of Clause 22 (1) of Chapter VI of the Act.

29. In response to the aforesaid observations, the Ministry of Housing and Urban Affairs in their written reply (January/April 2018) to Audit stated as under:

“The Board and the Ministry had confirmed the above facts and added that the SRP of Rajasthan was considered by the Planning Committee (PC) on request of GoR. Further, as far as financial assistance in the absence of SRP, NCRPB has been extending financial assistance for the infrastructure development projects which are in consonance with the Regional Plan.”

30. In this regard, the Ministry further submitted in their ATN as follows:

“It is submitted that before the approval and grant of Financial Assistance by the Project Sanctioning and Monitoring Group (PSMG) to any NCR participating State, an Internal Appraisal of the project is carried-out by

NCRPB wherein it is confirmed whether the project proposal submitted by the State is in conformity with the Regional Plan and Functional Plan and other requirement/policies including Environment and Social Management System (ESMS). This is quite similar to the procedure where a Sub-Regional Plan prepared by NCR State is submitted to NCRPB to see whether the Plan is in conformity to the Regional Plan.”

31. On being asked by the Committee regarding the status of fixing the responsibility on the Project Sanctioning and Monitoring Group (PSMG) that granted and disbursed financial assistance of ₹1648.37 crore in respect of these projects for which the SRPs were not formulated by the Government of Haryana at the time of disbursement and corrective measures initiated in RP-2041, the Ministry replied as under:

“Government of Haryana informed that the SRP-2021 was finalized in 2014. However, Govt. of Haryana has to resolve certain issues with MoEF&CC. The draft SRP for extended area of Haryana Sub-Region was submitted by Govt. of Haryana on 04.09.2019 and considered by the Board in its 38th Board meeting held on 13.09.2019 with some observation. Board in its 40th meeting held on 31.08.2021 decided that a meeting be held under the Chairmanship of Secretary (HUA) with Principal Secretary, Haryana, others NCR participating States, Member Secretary, NCRPB & concerned experts to resolve the issue. Thereafter, Govt. of Haryana had to submit the notified SRP duly incorporating the observations of the Board, as decided, with the summary of the ground truthing details. Same is under finalization by Govt. of Haryana.

NCRPB has made all efforts to arrange for preparation of SRPs by the NCR participating Governments and also to ensure that the Projects Sanctioned by NCRPB are in conformity with the Regional Plan and are not against sustainable development.

As a key learning in the draft RP-2041, timelines for preparation of Sub-Regional Plans, in Sub Regions have been stipulated so that the same can be followed by the participating States. The DRP-2041 has proposed that Sub-regional Plans (SRPs) - 2041 for NCR Sub-regions shall be in sync with RP-2041 and should be submitted to NCRPB by NCR participating States within 12 months from date of notification of the final RP-2041.

Before approval and grant of Financial Assistance by the PSMG to any NCR participating State, an Internal Appraisal of the project is carried-out by NCRPB wherein it is confirmed whether the project proposal submitted by the State is in conformity with the Regional Plan and Functional Plan and other requirement/policies including Environment and Social Management System (ESMS). Govt. of Haryana informed that the SRP-2021 was finalized in 2014. However, Govt. of Haryana has to resolve certain issues

with MoEF&CC. The draft SRP for extended area of Haryana Sub-Region was submitted by Government of Haryana on 04.09.2019 and considered by the Board in its 38th Board meeting held on 13.09.2019 with some observations. Same is under finalization by Government of Haryana. It is submitted that the projects were sanctioned based on their conformity with Regional Plan policies. There is no such provision in the NCRPB Act that PSMG of NCRPB cannot approve financial assistance to the participating states in absence of Sub Regional Plans. Thus, there is no such gross irregularities and lapses.”

IV. Non Approval of Master/Development Plan by the Board

32. As per RP 2021, no development in the controlled/development/regulated zones can be undertaken except in accordance with the Master/Development Plan for the respective controlled areas approved by the Board and duly notified by the State Governments under their respective Acts. The Master/ Development Plans of all the towns were to be prepared within the Master/Development Plan and lower hierarchy Plan for the NCR constituent States had been prepared individually in line with RP-2021 and SRP and the approval of the same was the responsibility of the Board. In the term of land use, it cannot be changed except with the permission and close scrutiny of the Board.

33. Audit scrutiny revealed that the Board did not approve the Master Plans submitted by the participating states with the reason that changes in land use was being done by the respective NCR participating State under the relevant statutes in that State and not by the Board and had also granted ₹158.75 crore as loan assistance, favouring the state of Haryana, for its two projects namely (i) Water Supply Scheme for Nalhar Medical College and Nuh Town (loan assistance of ₹79.20 crore) and (ii) “four laning of Rewari Kot Kasim Road up to NH-8, Shahjahanpur Rewari road up to six km, Rewari Namaul Road (NH26), Rewari Mahendragarh Road, Rewari Dadri Road” (loan assistance of ₹79.55 crore) without formulation of Development/Master Plan of Nuh and Rewari town by the participating State of Haryana.

34. In view of above observation, the Ministry of Housing and Urban Affairs and the Board in their written reply (January/April 2018) to Audit stated as under:

“consequent to various court judgments, the provision regarding approval of Master/Development plan was included in the RP 2021 and the same was approved (October 2004) by the Board. However, this was objected by two participating states. Hence, due to the lack of consensus, the Board is not approving any Master/Development Plan. Thereafter, the matter was

referred (July 2005) to the Ministry of Law & Justice for examination and their opinion is still awaited (September 2018)".

35. On being asked whether the matter is still pending with the Ministry of Law and Justice and the reasons for such inordinate delay, the Ministry replied as under:

"As per the NCRPB Act, 1985, there is no specific mandate for approval of Plans by NCRPB. The Sub-regional Plans prepared by NCR Participating States are submitted to NCRPB to see that these Plans are in conformity with the Regional Plan and provide comments and suggestions. As per the Regional Plan, the Master/Development Plans of all the towns will be prepared within the framework of Regional Plan and Sub-regional Plan. In case, any amendment is required to implement the policies of Regional Plan, that is to be done by the respective State Governments appropriately. Board has now in its 41st meeting held on 12.10.2021 approved draft Regional Plan 2041 which proposes that for Master/Development Plans of all the towns within NCR, the concerned State will provide a "Certificate of Conformity" of their Master/Development Plans with published SRP/RP 2041.

In view of above, matter is not being followed up and advice of Law Ministry not required now.

36. On being asked by the Committee the various factors taken into account while granting financial assistance, the Ministry replied as under:

- a. The project plan should be approved by the concerned State.
- b. It should be in conformity with Regional Plan.
- c. Evaluation/recommendation of the project plan by the concerned NCR Planning and Monitoring Cell.
- d. Evaluation of DPR of the project at NCRPB.
- e. Financial support for a maximum of 75% of estimated cost of the project and the remaining 25% (or above) to be borne by concerned State/Implementing Agency.
- f. Disbursement of loan on submission of adequate security/guarantee.

V. Inadequate coordination and monitoring of the implementation of Regional Plan

37. NCRPB had undertaken continuous efforts for coordinating and monitoring the implementation of RP-2021 with the NCR participating States in coordination

with Planning & Monitoring Cell/State Level Steering Committee (SLSC) functioning under the administrative control of the respective participating State Governments under the guidance of Statutory Planning Committee and Project Sanctioning and Monitoring Group (PSMG)-II under the chairmanship of Member Secretary, NCRPB, and Project Sanctioning and Monitoring Group-I(PSMG-I) and Empowered Committee under the chairmanship of Secretary, H&UA (Union Minister).

38. In addition to the above, another mechanism had also been developed since 03.08.2015 wherein the State Governments were required to submit Quarterly Reports on noticed violation of cases of the RP-2021.

39. In addition to this, the Board had recently launched an e-portal i.e. Project - Management Information System (P-MIS) in September 2020 to increase the monitoring aspect of the projects and make efforts in removing impediments in their timely completion.

40. Further, NCRPB Rules 1985 states that the Board had to ordinarily meet at least once in every six months for transaction of business. For effective monitoring and regular implementation of the RP 2021, the State Level Steering Committee (SLSC) has to meet every quarter to discuss steps to be taken for implementation of the policies and proposal of the RP.

41. Audit observed that during 6 years ending March 2018, only 4 ordinary meetings of the Board had been conducted against mandated 12 meetings. There was no timeline for conducting meeting of Planning Committee and only 7 meetings in last 5 years were conducted ending March 2018. There had been no regularity in conducting the meeting of State Level Steering Committee resulting only 10 meetings conducted against envisaged 96 meetings. Only 8 meetings were held in the last 6 years ending March 2018 despite the necessity to convene review meetings between participating States & National Capital Region Planning and Monitoring Cell (NCRPMC). In this regard, the Ministry of Housing and Urban Affairs and the Board in their written reply (January/April 2018) to Audit stated as under:

“The observation of the Audit as regards to holding of Board meetings is factual. The SLSC is a High Level Committee at State level and the meetings are to be conducted by the Chief Secretaries of the States. The Board regularly follows up with the participating states regarding the lack of regularity in holding the meetings of SLSC. The NCRPB Rules is silent with respect to timelines for holding the meeting of PC. The meeting of the PC was called as and when required.

42. The Ministry further submitted in their ATN as follows:

“There have been four meetings of the Board and four meetings of the Planning Committee held since March 2019. The no. and dates are as under:

Board:

1. 38th meeting of the Board held on 13.09.2019.
2. 39th meeting of the Board held on 05.10.2020
3. 40th meeting of the Board held on 31.08.2021
4. 41st meeting of the Board held on 12.10.2021

Planning Committee:

5. 67th meeting of the Planning Committee held on 15.07.2019.
6. 68th meeting of the Planning Committee held on 16.03.2020.
7. 69th meeting of the Planning Committee held on 23.02.2021.
8. 70th meeting of the Planning Committee held on 20.09.2021.

The review meetings under the Chairmanship of Member Secretary, NCRPB is frequently carried out with the NCR participating State to review the progress of work assigned to NCR Planning & Monitoring Cells (NCRPMCs) including development projects and effective implementation of the policies & proposals of Regional Plan. In this regard, since April 2019, 26 review meetings have been held under the chairpersonship of Member Secretary, NCRPB wherein senior officers of the NCR participating States and implementing Agencies participate along with concerned officers of NCRPMCs.”

VI. Delay in delineation of Natural Conservation Zone (NCZ) in NCR

43. Natural Conservation Zone (NCZ) in NCR, comprising major natural features, identified as environmentally sensitive areas, like the extension of Aravali ridge in Rajasthan, Haryana and NCTD, forest areas, the rivers and tributaries of major rivers, sanctuaries, major lakes and water bodies, were demarcated through National Remote Sensing Satellite Imageries 1999 with the limited ground truthing during the course of preparation of RP-2021. Audit observed that the perimeter of NCZ in RP 2021 was tentative as it was prepared in July 2005 on the basis of satellite imagery of 1999, provided by without ground truthing or a delineation study of NCZ and there was delay in delineation of NCZ resulting non-finalisation of SRPs of participating States and RRP 2021. In this regard, the Ministry of Housing and Urban Affairs and the Board in their written reply (January/April 2018) to Audit stated as under:

“They accepted that the regional land use as per RP 2021 was prepared through National Remote Sensing Centre (NRSC) on the basis of satellite

imageries of 1999 and limited ground truthing was conducted. In the existing land use maps of draft revised RP 2021, the NCZ was tentatively marked. Due to constraints of regional scale, the demarcation of exact land boundary of spatial features such as NCZ could not be precisely carried out in the RP 2021. Further, the matter of delay in delineation of NCZ is being regularly followed up with the participating states and in the 37th meeting (December 2017) of the Board, the States have been directed to expedite and complete the delineation in time.”

44. In this regard, the Ministry further replied as under:

“The Board and the Ministry accepted the audit observation. The fact remains that delay in delineation of NCZ has resulted in non-finalisation of SRP of Haryana and RRP 2021 and adverse implications for environmental issues. As per the analysis done by National Remote Sensing Centre (NRSC), green areas have reduced from 4.26% in 1999 to 3.30 % in 2012 which is much lower than the proposed green areas of 10% in RP 2021. Further as per the analysis (June 2015) of the Board, there has been decline in NCZ vis-a-vis figures contained in the RP 2021(notified in September 2005). The decline in respect of NCTD was 15.43%, while it was 43.88 % in case of Uttar Pradesh, 25.97% in case of Haryana and 11.18% in case of Rajasthan. Evidently, there has been consistent decline in NCZ in NCR. The work of delineation of NCZ was to be completed within three months, i.e. by October 2014; however, despite lapse of more than four years, the same has not been completed so far.”

45. The Ministry had submitted in their ATN, the updated status of the delineation of NCZ as follows:

“The NCZ delineation regarding UP Sub-region has already been completed by the State. Further the NCZ delineation for Alwar district of Rajasthan sub-region has also been received & examined by the Board office and is under finalization by the State. Haryana has also undertaken the work of ground truthing exercise and their NCZ proposal is expected shortly. Similarly in NCT- Delhi the process of finalization of NCZ is in progress.”

46. On being asked by the Committee that, NCZ being ecologically sensitive region, whether shorter periodicity may be considered for better and effective monitoring in place of the present periodicity of five years by tapping technology to ensure effective, efficient and economic implementation of various plans, the Ministry replied as under:

“Natural Conservation Zone (NCZ) is part of the chapter on Land Use in NCR.

There is no specific periodicity laid down for regular mapping/ground truthing of the Natural Conservation Zone. Therefore, the periodicity of mapping of NCZ is being related to the periodicity of preparation and review & revision of Regional Plan as mandated in the NCRPB Act 1985. However, utilising the state-of-the-Art technology infrastructure available with Department of Space we can carry-out Land Use change detection every 3 months and can further carry-out GIS mapping for better and effective monitoring in place of the present periodicity of five years.

NCRPB in collaboration with NRSC, ISRO, Department of Space has been effectively utilising Remote Sensing and GIS technology for preparation of Existing Land Use and Proposed Land Use maps and has been carrying-out Land Use change analysis. With optimum use of technology, NCRPB can monitor the implementation of Regional Plan and the magnitude and direction in which development is taking place and also whether the development is in consonance with the Plan or not.

VII. Financial Mismanagement

47. The main objective of NCRPB was arranging funds for the participating States of NCR to implement RP-2021 and their SRPs. Many tranche of the required funds was granted by the Ministry of Housing and Urban Affairs. Apart from this, the Board had also required to raise funds through floating of Bonds and loans from Asian Development bank (ADB) and The German Development Bank (KfW) for intended purposes. The Board had granted loans to the participating States for their capital projects at interest ranging from 7% to 8.5% on contrary to borrowed funds @1.67% and 1.83% from ADB and KfW respectively. The Board earned interest charged on the loan granted to the participating States and also through investment in Fixed Deposit Receipts (FDRs).

48. Audit observed that during the period 2012-13 to 2015-16, the Board had paid less attention to granting the loan to the participating states but more focused on investment in FDRs which resulted interest earned from FDRs rising from ₹198.08 crore to ₹1220.54 crore while the interest earned from disbursement of loans fell from ₹231.23 crore to ₹158.45 crore.

49. Further, Audit scrutiny revealed that the Board had paid commitment charges of ₹6.01 crore (0.25%) to KfW against the undisbursed loan amount of ₹746 crore which were borrowed for the projects submitted by the participating States. The Board was unable to disburse the total amount of loan received from the KfW fully to the participating states due to inability of the states to comply with the procurement procedures of the banks, time taken by states to adopt environmental & social safeguards as per terms and conditions of the loans.

50. In response to the above Audit observations, the Ministry in their reply (November 2017/January 2018) stated that

“During the last four years, the loan disbursement went down due to code of conduct for elections in participating states and Centre. The prevailing rate of interest for investment in banks FDR was higher as compared to the rate of interest of financial assistance by the Board. The Board disbursed ₹1,654 crore and ₹1,550 crore in 2016-17 and 2017-18, respectively and the surplus funds have shrunk to ₹1,150 crore. Regarding, commitment charges paid to the international funding agencies, Board stated that it is an integral part of the loan agreement. The infrastructure projects are implemented in a phased manner which generally have 3-4 years implementation period. The loan from ADB & KfW is claimed on reimbursement basis. The commitment charges are to be paid till final reimbursement from ADB/ KfW.”

51. On being asked about the reason for raising loan at the rate of 1.67 to 1.83% from KfW and ADB and disbursing loans to the Implementing Agencies of the participating States @ 7 to 8.5%, the Ministry submitted their view in their ATN as follows:

“ADB/KfW loans having interest rate semi-annually with loan repayment period for 25/15 years whereas NCRPB is providing soft loans to NCR Participating States/CMAs or their IAs for various infrastructure development projects on very easy terms as under:

- NCRPB does not charge any processing fee/ administrative charges,
- Competitive interest rates payable annually
- Loan repayment for 10 years

NCRPB is also paying Guarantee Fee @1.20% annually on outstanding ADB/ KfW loans in addition to implications towards Exchange Rate Variation. The average cost of ADB/KfW loans has been fluctuating around 5% to 12.5% during the last 5 years due to volatility in the exchange rates. Thus, though interest rate on ADB/ KfW loans is lesser, the financial burden wrt ADB/ KfW loans is higher.

The Government has provided grant for Rs.1,936/- crore only till March-2022. NCRPB has released loan to the participating States/IAs for Rs.12,815/- crore till March-2022 and the loan obtained from ADB/KfW (i.e. Rs.1,098/- crore) is less than 10% of the overall funding provided by NCRPB.

Also, NCRPB has funded 21 projects only under ADB/ KfW line of credit out of total 368 projects funded till March-2022. Thus, funding of projects through ADB/ KfW was a part of resource mobilization of NCRPB as per NCRPB Act.

Moreover, NCRPB is also providing incentive @ 0.25% to the implementing agencies by reducing the interest rate while making payment of loan by them on or before due date of repayment. Thus, the effective rate of interest is just 6.75% (i.e. 7.00% – 0.25%) for most of the loans (more than 90%).

Thus keeping overall view, NCRPB has provided soft loans on competitive rates to the participating States/IAs.”

VIII. Irregularities in granting of Loans

52. Audit observed that the Board had released/sanctioned the amount of Rs. 400 crore (approx.) against a number of loans to the participating States without fulfillment of terms and conditions of loan viz. sanction letter, non-availability of land with IAs, absence of agreement/relevant clauses to protect financial interest and even to the project which was not covered under any elements of the RP-2021.

53. Further, audit had revealed the above observations in detail at their report as under:

- (i) A “Sewerage Treatment Plant” (STP) under Anand Vihar Housing Scheme of Hapur Pilkhua Development Authority (HPDA), was yet to be constructed, as stipulated, resulting in discharge of untreated sewerage into large drain, which was against the Environmental Protection Act 1986; (ii) the Board had released two installments of loan amounting to Rs.113.33 crore for “Construction of Medical College with Teaching Hospital” in Mewat, Haryana despite environmental clearance and conversion of land use etc being pending with them (iii) for “Alwar Water Supply Upgradation Project” and “Water Supply Scheme for Nalhar Medical College and Nuh Town” the Board had released the loan of Rs. 43.72 crore and Rs. 90.13 crore respectively without ensuring availability of requisite land; (iv) no liquidated damages were levied for delaying of six years (completed in February 2016) in completion of the project “Improvement by way of four laning of five roads in Rewari” also causing to pay commitment charges of Rs. 69.96 lakh to Asian Development Bank (ADB) on undisbursed loan to GNCTD for “Multi Modal Transit Centre (MMTC) projects at Sarai Kale Khan and Anand Vihar” and (v) in the case of “Construction of Multi-story office building” at Karkardooma Institutional Area at Shahdara South in the NCTD, the Board had financed Rs.76.24 crore which was not covered under any elements of the RP 2021.

54. The Committee further desired to know the relevance of releasing loans to participating States for their infrastructure projects without due diligence and necessary clearances like conversion of land, forest clearances and also the reasons for releasing the loan for construction of office building of civic agency at Shahdara South in the NCTD which is not covered under RP 2021, the Ministry replied as under:

"The project proposals received from NCR States/CMAAs or their IAs, duly approved by concerned State authorities, with recommendations of NCR P&M Cells are appraised in-house by NCRPB and based on its conformity with the Regional Plan were placed before the PSMG for consideration and sanctioning of loan. On sanctioning of loan by PSMG, the Administrative Sanctions were issued by NCRPB for the sanctioned projects with terms and conditions of loan sanction to the IA for their acceptance. On acceptance of the same, IA executed loan documentation and provided adequate security/guarantee. Thereafter, the sanctioned first installment of loan was released to State/IA by NCRPB on advance basis for execution of project. Further loan installments were released on submission of Utilization Certificates, indicating expenditure incurred on the project including counterpart share of State/IA, and verification of the physical and financial progress of the projects.

Board provides financial assistance to projects which are in conformity of regional/ development plans. The developments plans are in-line/conformity with Regional Plan(s). Further, strengthening of infrastructure in NCR includes institutional capacities of implementing agencies.

The site for construction office complex of East Delhi Municipal Corporation (EDMC) proposed in the Central Business District of Shahdara falls within the urbanisable area of MPD-2021 (Master Development Plan-2021).

Thus, Board has funded the project being a land development project (commercial) as per policy of the Board. There is no such prohibition in NCRPB Act/Rules for not to finance such projects, therefore, it may not be constituted as gross irregularity."

PART-II**OBSERVATIONS / RECOMMENDATIONS**

Land and its development is a State Subject as per the Constitution of India. Therefore, each State in India follows different land regulations resulting in different land and Infrastructure development models. National Capital Region (NCR), the largest planning block within India, presents an unique development Model across the three States of Uttar Pradesh, Haryana, Rajasthan and the National Capital Territory of Delhi. The vision of NCR Regional Plan is to develop the entire NCR, centered in National Capital Territory of Delhi (NCTD) encompassing the neighboring three states of Uttar Pradesh, Haryana, Rajasthan with focus on sustainable development of urban and rural settlements to improve the quality of life as well as rationalize regional land use pattern to protect and preserve good agricultural land, environmentally sensitive areas and utilize unproductive land for urban use through a policy framework relating to identified areas. For this, the National Capital Region Planning Board (NCRPB) prepares the plan for the development of the National Capital Region, coordinates and monitors the implementation of the Plan and evolves harmonized policies for control of land uses and developing infrastructure in the Region so as to avoid any haphazard development of the Region.

2. The records of NCRPB for the period, 2012-13 to 2016-17 were examined by the Audit in 2020. During the course of review, Audit highlighted certain issues which *inter-alia* included: (i) delay in preparation, notification and review of Regional Plan (RP)-2021; (ii) Preparation of only four Functional Plans (FP) viz. Transport, Ground Water Recharge, Drainage and Economic Development (June 2016), instead of covering 12 elements identified in the RP, that too on the basis of obsolete data; (iii) inability to fix timeline for preparation of SRP by the participating States; (iv) Non-preparation/ Approval of Master/ Development Plan of various towns in the sub regions; (v) inefficient coordination and monitoring of the implementation of RP; (vi) conducting delineation study of National Conservation Zone (NCZ) without ground truthing testimonials and state revenue records; (vii) investing funds in FDs instead of disbursing loan to

participating States and charging unreasonable high interest rate on loans from them despite borrowing on low rate from ADB & KfW and (viii) releasing loans to participating States for their various projects not conforming to RP 2021.

1. Delay in preparing and notification of RP-2021 and its review

3. The draft Regional Plan-2021 was considered on 16.1.2004 after incorporation of the recommendations suggested by the participating States of NCR. The Committee note that the RP-2021 was formulated and notified only in 2005 after lapse of a period of five years from the completion of its horizon period (2001 to 2021) which led to delay in formulation of Functional Plans and other Plans as mandated. Consequently, the first review of the RP-2021 was also delayed. The Committee further find that no timeline was followed to review the RP 2021 which is a contributory factor for the delays for which Board could not furnish any reason. This delay has lead to unplanned commercialization and haphazard development of NCR. The Committee, therefore, desire to be apprised of the reasons for delay in formulation and subsequent review of RP-2021. The Committee further note with concern that the Draft RP 2041 which remains to be formally approved, has received several objections particularly from environmentalists and Government of Haryana. The Committee feel that the Board should, therefore, take proactive steps to iron out differences at the earliest so that the RP 2041 also does not meet the fate as that of RP-2021. The Committee are of the view that urban development is a set of complex activities that involves various processes and stakeholders. Managing these conflicting interests offers a significant challenge. For a holistic and coordinated development of NCR, multiple stakeholders like Infrastructure developers, industrial associations, academia, planners and civil society representatives need to brought on a single platform along with the State Governments. The Committee note that the projected population of Delhi/NCR as per Draft Plan 2041, has been shown as about 110 million by 2041. The Committee feel that accuracy in projecting the population growth is crucial and a projection on the lower side will lead to mismatch and shortcomings of infrastructural development. The Committee also recommend for the development of

greater number of Counter Magnet Cities and other cities in the Country to effectively check the migration of population from other areas to Delhi/NCR. For this the role of States/UTs is of paramount importance in developing their capital towns and tier II and tier III cities preferably encircling the panchayats in the periphery so that minimum displacement/migration may occur for the purpose of employment, education and other needs to Delhi/NCR. The committee, therefore, desire that State/UTs, too, be sensitized in the matter. The Committee further desire that the Board should evaluate in detail the challenges faced in implementing the RP-2021 and formulate strategies to overcome the impediments for executing RP-2041 in a proper manner in all respects within a timeframe. The Committee, therefore, recommend that Board should finalise and notify RP-2041 within six months and review the same once every five years, as mandated. For an effective and integrated planning, timelines for all the plans stipulated should also be suggested by NCRPB to stakeholders.

II. Non-formulation of Functional Plan

4. The Committee note that preparation and formulation of Functional Plans (FP) and its enforcement and implementation through the participating states and the UTs falls within the responsibility of the Board. However, it has been found that despite lapse of more than 12 years from the preparation of the RP 2021 in 2005 of the 12 elements/sectors in which FPs were required to be formulated, only 5 FPs have been formulated due to non-submission of requisite data by the participating States. Audit examination further revealed that no timeframe was prescribed for formulation of Functional Plans (FP). The Committee, therefore, recommend that the Board should manage their affairs in such a way that Functional Plans in all the identified areas of RP-2041 may be prepared within a timeframe for proper guidance of the participating states in a time bound manner and the same should be uploaded on the NCRPB website for use of participating states and UTs. If required, data collecting agencies of participating States/UTs may also be augmented adequately. The Committee are of the view that good urban planning should prioritize the prospective of the People in meeting the needs of individuals from diverse demographics. It is imperative

to create improved living and working conditions, ensuring safety and making available, reliable and affordable healthcare services. Functional plans must ensure that citizens and government should partner to build cities that are responsive to the needs of residents and adapt to change.

III. Delay in formulation of Sub-Regional Plans

5. The Committee note that the responsibility for formulation of Sub-Regional Plan (SRP) for NCR Constituent States lies with the NCR participating States/ UTs. However no specific timeline has been laid down for the purpose in NCRPB Act, 1985. Due to this, the SRP for Uttar Pradesh, Haryana and Rajasthan were finalized in 2013, 2014 and 2015 respectively, that too without conducting delineation of their NCZ. The Committee, therefore, recommend that a strict timeline for SRP should be incorporated in the Act/ Rules/ RP and the Board should ensure the preparation of Sub-Regional Plans (SRPs) by all participating states within a timeframe because delay of several years, as witnessed is undesirable and hinders the effective development of NCR. For this, the Board should closely monitor the progress of SRP preparation.

6. The Committee further note that loans were sanctioned without the formulation of SRPs. As observed in the case of Haryana, the Govt. has claimed that there is no violation of the governing Act, as there is nothing mentioned about this in NCRPB Act/Rule. It is well known that the Act/Rules provide broad mandate and proper and delineated procedure needs to be framed thereafter. The committee, therefore, feel that proper procedure should be formulated for the purpose and recommend that the Board must ensure that financial assistance is granted to projects only after the submission and approval of the respective SRPs. The Committee further desire that the Board should also establish a strict protocol to verify the conformity of projects with the Regional Plan and SRPs before providing any financial support.

IV. Approval of Master/Development Plans

7. The Committee note that Master Plans for towns constituting NCR were to be prepared within the framework of Regional Plan 2021 and by the

approval of Board. However, the Master Plan was prepared with modifications in land use which was not conforming to RP and thus the main function of the Board to control the land use by prescribing the policy and development of infrastructure in NCR remained largely unfulfilled. Further, two participating states of NCR, out of four, had certain objections in approval of the Master Plan of their cities by NCRPB as per RP. The Committee, therefore, recommend resolving the issues relating to Master/Development Plans submitted by participating states. Further, clear guidelines and procedures should be established to ensure that the land use changes proposed in these plans are in line with the Regional Plan and receive the necessary scrutiny and approval from the Board. The "Certificate of Conformity" submitted by the concerned States for their Master Development Plans should be scrutinised by the NCRPB meticulously and any deviation should be pointed out to the concerned State. A proper balance between NCRPB and participating states/UTs may be maintained in this regard so that the spate of changes in 'land use' on account of the motives of vested interests, which would defeat the very purpose of RP/FP may be kept in check.

V. Inadequate coordination and monitoring of the implementation of Regional Plan

8. The Committee note from the Audit observation that during 6 years ending March 2018, only 4 ordinary meetings of the Board had been conducted against mandated 12 meetings. There was no timeline for conducting meeting of Planning Committee and only 7 meetings in last 5 years were conducted ending March 2018. There has been no regularity in conducting the meetings of State Level Steering Committee too. Only 10 meetings were conducted against envisaged 96 meetings. Review meetings between participating States and National Capital Region Planning and Monitoring Cell (NCRPMC) were less and there was no timeline for conducting the meetings. Only 8 meetings were held in the last 6 years ending March 2018. The Committee, therefore, recommend that for better coordination and monitoring of implementation of policies and plans of RP, required number of meetings of the Board, the Steering Committee and other

committees should be held within the stipulated timeframe and the NCRPMCs may be made more performance oriented. For this, the NCRPB Rules should be reviewed and updated so as to include specific timelines for the conducting meetings of the Planning Committee and State Level Steering Committee. The rules should also clarify the Board's mandate regarding the approval of plans and establish clear procedures for reviewing and providing feedback on Sub-Regional Plans. The Committee, further recommend that the recently launched e-portal Project Management Information System (P-MIS) should be effectively utilized to monitor project progress and address impediments, if any, in the project implementation.

VI. Delay in delineation of Natural Conservation Zone (NCZ) in NCR

9. The Committee find that the boundaries of Natural Conservation Zone (NCZ) in RP 2021 were tentative as it was prepared (July 2005) on the basis of satellite imagery of 1999 and the demarcation of exact land boundary of spatial features such as NCZ could not be precisely carried out. No ground truthing and verification with the state revenue record was made. The Committee also find that despite the importance accorded to the green buffer and NCZ, there has been no improvement in the green area in NCR. In fact, the position of green cover as envisaged i.e., 10% in RP-2021 has deteriorated from 4.26% in 1999 to 3.30% in 2012. The Committee, therefore, recommend that the delineation of NCZ by each participating State, based on detailed ground truthing along with verification of state revenue records may be conducted in a time bound manner. NCRPB too must use Remote Sensing and GIS technology for preparation of existing Land Use and proposed Land Use maps and monitor the implementation of Regional Plan so as to see whether the development is in consonance with the said Plan. The Committee further recommend that accountability should be fixed by the Ministry of Housing and Urban Affairs and the Board for the significant delay in delineation of the Natural Conservation Zone (NCZ) in National Capital Region (NCR), which resulted in adverse impact on environment and shrinkage of green area.

10. Further, the term "Natural Conservation Zone" (NCZ) under the RP 2021 has been replaced by the term "Natural Zone" (NZ) in the Draft Regional Plan 2041 making it implicit that weightage on conservation has been altered to make it less significant. The Committee would like to be apprised about reasons for change in nomenclature and its impact on green area coverage. The Committee are of the view that planning with regards to green areas should be done from people's point of view. Public opinion should be factored in particularly on issues of environment, monitoring and use of natural resources, air and water quality.

VII. Financial management did not assure effective implementation of Regional Plan

11. The Committee note that being a non-profit making body, the Board's objective is to arrange funds for development projects rather than raising loans at cheaper rates and investing them at higher rates, to earn interest income. The Committee find that the Board raised funds through Bond-loans from Asian Development Bank & KfW and received grant from Ministry of Housing & Urban Affairs to finance different projects in the participating States. During the period 2012-13 to 2015-16, there was a consistent rise in investment of funds in Fixed Deposits (FDs) and consequent fall in granting of loans to participating states. The reason given by the Ministry that the quantum of loan disbursed was reduced during the period from 2013-2016 on account of the enforcement of code of conduct due to election, does not hold merit. The Committee are of the view that the loan was supposed to be disbursed on the already planned development projects and therefore, there would have been no hindrance in the loan disbursal as a result of the "code of conduct". Secondly, the Code of conduct could not have remained in force for a continuous period of three years. As a result of this, the Board did not enthruse the participating states to identify enough infrastructural projects in consonance with the Regional Plan 2021 and paid a commitment charge of Rs. 6.01 crore since 2012 onwards undisbursed loan from the KfW. The Committee, therefore, are of the view that Funds available to the Board should be utilized for the purpose of granting of loans to the participating states and not for investment in FDRs. The Committee, therefore,

recommend that the board should revisit/review the loan disbursement process and prioritise their activities for funding to projects of participating states/ UTs with minimal investment in FDs.

VIII. Irregularities in granting of loans

12. The Committee find that Board released loan without fulfilment of terms and conditions of loan sanction letter in case of Anand Vihar Housing Scheme at Hapur and Medical College in Mewat. Funds were released despite non-availability of land with Implementing Agencies i.e., Alwar Water Supply Project and Water Supply Scheme for Nalhar Medical College at Nuh. Further, there was absence of agreement for four laning of five roads in Rewari and Multi Modal Transit Centre at Sarai Kale Khan & Anand Vihar. Construction of Multi-story office building at Karkardooma was also not covered under any of elements of Regional Plan. These instances show that NCRPB has not been effectively protecting its financial interest, while granting loans and releasing funds, which is unacceptable. Loans sanctioned for projects that lack environmental clearances, land availability, or relevance to the RP-2021 are indicative of lack of due diligence and oversight. The Committee, therefore, recommend that the Board must strictly adhere to the necessary procedures and obtain clearances before disbursing loans to participating states. For this, the Board should improve its loan disbursement process and ensure timely compliance with all loan related pre-conditions and thereby avoid adverse financial implications.

NEW DELHI:

14 December, 2023

23 Agrahayana 1945 (Saka)

ADHIR RANJAN CHOWDHURY

Chairperson,

Public Accounts Committee