

PUBLIC ACCOUNTS COMMITTEE (1969-70)

(FOURTH LOK SABHA)

HUNDRED AND EIGHTH REPORT

**[Audit Report (Civil), 1969 relating to the Ministry
of Health, Family Planning, Works, Housing and
Urban Development (Department of Works,
Housing and Urban Development)]**



**LOK SABHA SECRETARIAT
NEW DELHI**

April, 1970 /Chaitra, 1892 (Saka)

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CORRIGENDA TO THE HUNDRED AND EIGHTH REPORT
 OF PAC (1969-70) PRESENTED TO LOK SABHA ON
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23-6-1969 (AN)

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26-3-1970 (AN)

* NOT printed. (One cyclostyled copy laid on the Table of the House and five copies placed in Parliament Library).

**PUBLIC ACCOUNTS COMMITTEE
(1969-70)**

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Shri A. L. Rai—Deputy Secretary.

Shri K. Seshadri—Under Secretary.

INTRODUCTION

1. The Chairman of the Public Accounts Committee, as authorised by the Committee, do present on their behalf this Hundred and Eighth Report (Fourth Lok Sabha) on Audit Report (Civil), 1969 relating to the Ministry of Health, Family Planning, Works, Housing & Urban Development (Department of Works Housing & Urban Development).

2. The Audit Report (Civil), 1969 was laid on the Table of the House on 18th April, 1969. The Committee examined paragraphs relating to the Department of Works, Housing & Urban Development at their sittings held on the 23rd (AN) 24th, 25th and 26th June, 1969 (FN). The Committee considered and finalised this Report at their sitting held on the 26th March, 1970 (AN). Minutes of these sittings form part II* of the Report.

3. A statement showing the summary of the main conclusions recommendations of the Committee is appended to the Report. (Appendix VIII). For facility of reference these have been printed in thick type in the body of the Report.

4. The Committee place on record their appreciation of the assistance rendered to them in the examination of this case by the Comptroller & Auditor General of India.

5. The Committee would also like to express their thanks to the officers of the Department of Works, Housing & Urban Development for the cooperation extended by them in giving information to the Committee.

NEW DELHI;
April 4, 1970.
Chaitra 14, 1892 (Saka)

ATAL BIHARI VAJPAYEE,
Chairman,
Public Accounts Committee.

*Not printed (One cyclostyled copy laid on the Table of the House and five copies placed in Parliament Library).

MJINISTRY OF HEALTH, FAMILY PLANNING, WORKS, HOUSING & URBAN DEVELOPMENT. (DEPARTMENT OF WORKS, HOUSING AND URBAN DEVELOPMENT)

Loss due to delay:

Audit Paragraph:

In June 1963, Government enhanced the (market) values of land in different areas of Delhi and New Delhi. The enhanced rates were effective from 1st July, 1963.* It was noted (as a result of test check) that during 1963—67 in eleven cases there was delay ranging from 9 to 36 months in communicating the revised land-values to the parties resulting in short-realisation of Rs. 2.29 lakhs as additional charges (which are related to the land-values) for misuse of premises by the lessees.

[Paragraph 66, Audit Report (Civil) 1969]

1.2. Government have furnished copies of the orders dated 26th June 1963 as well as those dated 9th April, 1964, which superseded the earlier orders. These orders laid down the market value of Nozal Land in Delhi and New Delhi.

- "(i) for purposes of recovery of unearned increase in cases of transfer of leasehold plots; and
- (ii) for recovery of additional ground rent for permanent change of purpose."

Copies of these orders are reproduced at Appendix I to this Report. It would be observed from the orders that they laid down the market value of land situated in different areas, with distinct rates for those used for residential purposes and those used for commercial purposes. The rates prescribed in the orders issued in June 1963 were to take effect from 1st July 1963, but these were reduced, with retrospective effect, by the orders issued in April 1964. The latter orders however stipulated that cases already decided on the basis of the orders issued in June, 1963 will not be reopened.

1.3. The Committee enquired why, the earlier orders were superseded and lower market values fixed. It was stated that "The then Chief Commissioner, on the basis of representations received against

*In April 1964 the orders were issued slightly reducing retrospectively the enhanced rates.

the upward revision of land values, felt that the land values as revised by Government were on the high side. He recommended in October, 1963 that in view of the shortage of office accommodation and to give reliefs to the lessees to implement the Master Plan, Government should reconsider the matter and this was accepted." The Committee enquired whether there was delay in communicating the revised rental payable by parties on the basis of the enhanced market values of land and whether, as a result, Government sustained a loss. The Secretary, Department of Works and Housing stated that in respect of the 11 cases mentioned in the Audit paragraphs, "the delay in communicating the revised charges has led to some loss to Government". In regard to these cases, representations were received in 9 cases and Government "took a specific decision on the representations that the rates should be made applicable from the dates they were communicated". In regard to the two cases where no representations were in fact received the decision was taken "on the analogy" of the 9 cases. In all other cases the (revised) rates were enforced with effect from 9th April 1964 (the date of issue of the latter orders) even though the rates were communicated later on.

1.4. The Committee asked for particulars of the 11 cases, in which recovery of enhanced rates was not given effect to from the date of the orders. The data has been furnished and is summarised below:

S. No.	Particulars of Property	Enhanced rent claimed	Date of making the claim	Date from which the claim was made effective	Revenue foregone by Govt.
1 13/10	Golf Links . .	16,947	19-10-64	19-10-64	17,278.25
2 50/10	Golf Links . .	15,990	20-1-65	20-1-65	18,035.95
3 65/10	Golf Links . .	30,007	28-2-68	28-2-68	31,393.40
4 48/10	Golf Links . .	6,289	7-9-64	7-9-64	5,574.60
5 21/172	Jorbagh . .	16,264	19-11-64	19-11-64	16,491.45
6 72/172	Jorbagh	5,541	15-12-64	15-12-64	4,183.50
7 161/48	Diplomatic Enclave	5,752	17-9-64	17-9-64	5,990.65
8 9/48	Diplomatic Enclave	38,644	12-1-65	12-1-65	65,646.00
9 37/149	Diplomatic Enclave	20,066	31-12-66	31-12-66	49,296.00
10 2, Hailey Road	. .	33,008	27-11-64	9-4-64	18,015.30
11 4, Keeling Road	. .	18,215	31-8-65	31-8-65	21,840.00
				2,06,723	2,53,745.10

Sr. No.	Property No.	Period	Rate of short recovery per annum	Total amount short re- covered
			Rs.	Rs.
1	13/10 Golf Links	1-7-63 to 14-7-64 15-7-64 to 19-10-64	38,694.00 13,277.00	40,179.00 3,529.00
2	50/10 Golf Links	1-7-63 to 14-7-64 15-7-64 to 20-1-65	37,156.00 11,590.00	38,582.00 6,033.00
3	65/10 Golf Links	1-7-63 to 14-7-64 1-5-64 to 14-7-64 15-7-64 to 15-1-66	21,460.00 8,168.00 15,076.00	22,284.00 1,679.00 22,656.00
4	48/10 Golf Links	1-7-63 to 14-7-65 15-7-64 to 7-9-64	14,947.00 46,99.00	15,521.00 708.00
5	21/172 Jorbagh	15-1-64 to 14-7-64 15-7-64 to 14-12-64	36,882.00 11,896.00	18,441.00 4,987.00
6	161/48 Dip. Enclave	1-7-63 to 14-7-64 15-7-64 to 17-9-64	8,393.00 4,947.00	8,715.00 881.00
7	9/48 Dip. Enclave	21-5-63 to 14-7-64 15-7-64 to 21-5-65	54,643.00 32,823.00	62,877.00 27,967.00
8	72/172 Jorbagh	15-4-64 to 14-7-64 15-7-64 to 15-12-64	12,731.00 4,318.00	6,331.00 1,820.00
9	47/58 Dip. Enclave	1-1-64 to 14-7-64 15-7-64 to 31-12-66	24,900.00 12,866.00	13,303.00 31,725.00
10	4 Keeling Road	1-7-63 to 14-7-64 15-7-64 to 27-11-64	76,299.00 24,531.00	79,226.00 9,141.00
				4,16,585.00

1.8. The Committee observe that a series of lapses occurred in this case.

1.9. Orders were passed by Government in June, 1963 for enhancing the market value of land in different areas in Delhi and New Delhi and the enhanced rates were to take effect from 1st July, 1963. Not a single case which was due for revision under these orders was reviewed by the Land and Development Office. In fact, even now, information is "not readily available" with the Organisation about the number of cases due for review under these orders, though it has been stated that "about 225 cases", attracted these orders. The failure of the Land and Development Office to review these cases led to an estimated loss of revenue of Rs. 4.16 lakhs in just 10 out of these 225 cases.

1.10. In April 1964, Government passed orders, in supersession of their earlier orders, fixing the market value at lower rates, with the stipulation that cases already decided under the earlier orders would not be re-opened. There was delay in implementing these orders also. When 9 lessees affected by these orders represented against the retrospective enhancement of rents, Government decided that the enhancement in their case would be given prospective and not retrospective effect. The case of 2 other lessees were similarly decided on the "analogy" of these 9 cases. The total revenue that Government had to forgo as a result of these decisions was Rs. 2.54 lakhs. However, in the case of all the remaining lessees, a decision was taken that enhanced rents would be recovered with retrospective effect from the date of the orders.

1.11. The Committee strongly deprecate the delay that occurred in the Land and Development Office in implementing the orders of Government, which resulted in a substantial loss of revenue to Government. They also consider it discriminatory that Government should have taken a decision to give effect to the enhanced rents prospectively, from the date of demands, in 11 cases, while giving retrospective effect to the enhancement in other cases. The giving of this gratuitous benefit in 2 out of 11 cases where the parties had not even represented is further disconcerting. The Committee also regret the non-availability of a file to one of the 11 cases as reported by the Land and Development Office.

1.12. The Committee have later in this Report, recommended that a fact-finding Committee should comprehensively investigate the working of the Land and Development Office. That Committee should investigate all the foregoing cases to ascertain how far there was slackness on the part of the Land and Development Office in implementing the orders of Government and the circumstances under which it was decided to give prospective effect to the orders in a few cases, while denying this benefit to a large number of other affected parties.

Delay in revision of ground rent of perpetual leases in Delhi:

Audit Paragraph:

1.13. In paragraph 12.85 of their Fifty-Fourth Report (Third Lok Sabha), the Public Accounts Committee commented upon (April 1966), the undue delay in revision of ground rent of perpetual leases and wished to be informed what further efforts are made in that direction (including the proposed appointment of a Special Collector to expedite the work).

1.14. Under the leases, the lessor has the option to enhance the rent, at intervals of not less than 30 years. The enhanced rent is not to exceed one-third of the letting value (of the site) to be assessed by the Collector, Delhi. Against the orders of the Collector, Delhi, the lessee has a right of appeal to the Chief Commissioner, Delhi.

1.15. The number of cases in which revision of ground rent has become due (August 1968) is 741, which includes 349 cases relating to the period from 1947 to 1963 and 388 cases for the period from 1964 to 1967. Of the 741 cases, formal lease deeds relating to foreign missions/evacuee properties have not been executed in 204 cases. Action to revise ground rent in those cases has not been taken.

The position of the remaining 537 cases is detailed below:—

	No. of cases
Cases filed by the Land & Development Officer with the Collector, Delhi, in September, 1959 who approved (March 1968) the annual letting value for revision of ground rent	14
Cases in which letting value has been worked out by the Land & Development Officer and which have to be filed with the Collector for approval	275
Cases in which action is reported (November 1968) to have been initiated but which could not be filed with the Collector because of existence of branches of lease terms	248

1.16. In the 14 cases finalised by the Collector, the annual rent is to be revised from Rs. 2,837 to Rs. 55,091. The rents in those cases have not been revised so far (November 1968). In 7 of those cases the parties have appealed against the Collector's orders. It has been stated by Government (November 1968) that revision will be effected in these cases after disposal of the appeals.

[Paragraph 65, Audit Report (Civil) 1969].

1.17. The Committee enquired about the various types of lease in force. They were informed of the following position:

"Broadly, there are five type of leases—Business, Residential, Institutional, leases granted to State Governments and those granted to Foreign Missions. The forms of these leases are revised from time to time. Most of the leases other than those pertaining to Rehabilitation properties and leases granted on temporary basis, are perpetual leases. The Rehabilitation leases are for 99 years. Temporary leases are granted for a specific period, renewable yearly or after expiry of the fixed period. These are

given mostly for parks, Petrol pumps, bathing ghats, schools, playgrounds etc.

Category-wise break-up of the permanent leases, other than Rehabilitation leases, is given below:—

(i) Business	351
(ii) Residential	1348
(iii) Institutional	861
(iv) State Government	15
(v) Foreign Mission	38
TOTAL	2633

There are 57933 rehabilitation properties out of which 39766 files relating to 48208 properties have so far been received from the Department of Rehabilitation.....
Ledgers have been opened in that office in respect of 31400 of these files..... Within the limited time available, only 2668 files could be scrutinised in order to find out their category-wise break-up, which is as follows:—

Residential	2399
Business	269
TOTAL	2668

In addition there are 297 temporary leases.”

1.18. The Committee asked about the basis underlying revision of ground rents in terms of the leases. They wanted to know, whether there was any Act or regulation on this point. The Secretary, Department of Works & Housing stated that the revision of ground rent has its basis “is an executive decision which is reflected in the lease deed. It is part of a contractual—arrangement”. Explaining the procedure for revision of ground rents, the witness stated that as a first step, the market value of the property is fixed. The letting value is, thereafter, fixed as a percentage of market value, the percentage being “a reasonable return” that a person would normally expect from his property. The Committee enquired whether this percentage or the basis for valuation is given in the lease deed. The Secretary, Department of Works & Housing stated that “the determination of the market value of land is intended to be a semi-judicial determination.” The Collector, who is moved by the Department, fixes the market value, as also a reasonable rate of return. The lessee/lessor enjoys the right of appeal against this decision in terms of the relevant clause in the lease deed. A copy of the

relevant clause, which has been furnished to the Committee, is reproduced below:

"The rent hereby reserved may at the option of the Lessor be enhanced on or after the first day of _____ 19____ and thereafter at the end of each successive period of not less than thirty years provided that the rent fixed at each enhancement shall in no case exceed one third of the letting value of the site without buildings at the date on which the enhancement is made, as such letting value shall be assessed by the Collector or Deputy Commissioner of Delhi. Provided always that any such assessment of letting value for the purpose of this provision shall be subject to the same right on the part of the Lessee or appeal from the orders of the said Collector or Deputy Commissioner and within such time as if the same were an assessment by a Revenue Officer within the meaning of Section 50 of the Punjab Land Revenue Act, 1887 (Act XVII of 1887), and the proceedings for or in relation to any such appeal shall be in all respects governed by the provisions of the said Act in the same manner as if the same had been taken thereunder."

1.19. The Committee pointed out that the rate fixed by the Collector could vary from case to case, in the absence of any specific provision in this regard in the lease deed. They enquired whether it was not necessary to lay down some principles for this purpose by framing suitable rules. The witness stated that this would amount to modifying the terms of the lease, which could be done only with the consent of the other party. He added: "However, desirable it may be, even though we may adopt such a procedure for future leases, I believe there is difficulty in adopting this procedure for past leases". When the Committee pointed out that this suggestion was only for future leases, the witness stated. "This could be considered".

1.20. The Committee drew the attention to the fact that in a large number of cases lease deeds had not been executed. The witness stated that, from 204 such cases mentioned in the Audit Report, the number had been brought down to 57. In a note on this point which has since been submitted to the Committee, it has been stated that "57 cases consist of 24 evacuee property cases, 9 non-evacuee property cases and 24 foreign Mission properties in different localities. Original perpetual leases exist in the Foreign Missions cases wherein the revised ground rent has fallen due..... In 5 cases

(2 evacuee and 3 non-evacuee) the perpetual leases have been executed and points are being filed in these cases in the court of the Collector. The rest of the cases are mainly pending on account of non-issue of sale certificates by the Regional Settlement Commissioner as soon as the necessary formalities are completed by Regional Settlement Commissioner, action will be taken to prepare the leases..... A few cases are pending on account of breaches in lease terms and action is being taken to regularise the breaches temporarily and perpetual leases will be prepared thereafter." To a question from the Committee how possession was handed over without a lease deed being executed, the witness stated, "An agreement is executed before we had over possession of land."

1.21. The Committee enquired when possession was handed over in the foregoing cases and whether preliminary agreements were executed in all these cases. It has been stated in a note:

"Originally the practice was to hand over possession on receipt of the premium i.e. (i) in the case of open auction the possession was given on receipt of full payment of the bid money and (ii) in the case of plots in Rais and Dewans area on receipt of the full payment of the negotiated amount upto 1960, the possession of the land was handed over to enable the lessees to submit plans to New Delhi Municipal Committee and start construction without loss of any time and the agreements for lease etc. were executed in due course after handing over possession.

In view of the position explained above it is not possible to furnish the date of handing over the sites in all cases.

The plots were disposed of 30/40 years back and at the time possession used to be handed over on payment of the full premium and other formalities e.g. execution of agreement, were done later on."

It has also been stated that revision of ground rent "has fallen due in 35 cases", but revised letting has not been fixed in any of these cases. A list of evacuee and non-evacuee properties where according to information furnished to the Committee, execution of lease is pending is given at Appendix II to this report.

1.22. The Committee enquired whether Government was aware of the repercussions of the failure to execute lease deeds. The Secretary, Department of Works and Housing replied, "In cases without breaches there would be no question of not having executed the lease deed by now. The difficulty in getting the parties to execute

the lease deed arises only in cases in which there have been breaches. I appreciate the point that a man may commit a breach of the terms and also get away without paying the revised rent after 30 years. I agree that it is necessary to deal even with these cases with breaches in a manner that safeguards our right to revise the rent at the end of 30 years." In reply to a further question whether parties could not refuse, in cases, where lease deeds now did not exist, to agree to enhancement of ground rent normally done after thirty years, the witness stated, "It is imperative on our part to see to it that before the 30 years period expires, a valid lease deed is in existence. I will have to check up and see if there are cases in which even after the initial period of 30 years a lease deed has not been executed. Most of the cases referred to here, of foreign missions and evacuee properties, are of less than 30 years duration." Asked what remedies would be open to Government on such cases, the Land and Development Officer informed the Committee, "There is an agreement for lease which provides for the execution of the lease. If the party fails to abide by the agreement by which he is bound, we can take action to resume the land..... The only way is to give our notice for removal of the breach or payment of charges. On failure to do it, we enter the premises which means the lessee has no status. After entry, we take action under the Public Premises (Eviction) Act." Explaining the difficulty in executing the lease deeds in these cases the Land & Development Officer stated, "The procedure is that a lease deed can be executed only when the property is free from breaches on the terms of the lease. So even when we know that a lease has not been executed and there is a breach, we cannot execute a perpetual lease. That amounts to waiver of all damages due from breaches." Copies of legal opinion on this point furnished to the Committee are reproduced at Appendix III to this report.

1.23. Drawing attention to the large number of cases involving foreign missions, the Committee enquired whether proper liaison in the matter was being kept with the Ministry of External Affairs. Explaining the position, the Secretary, Department of Works & Housing stated, "I am informed that in these 27 cases or perhaps in most of these the reason for non-execution of the lease is that there are certain breaches committed by the foreign missions and these have got to be rectified before the lease deeds can be executed. This is what the land and Development Officer tells me.... I think in all these cases the lease of Government land has been made with the knowledge and on the recommendation of the Ministry of External Affairs." The representative of the Ministry of External Affairs

stated, "I wish to assure the Committee that there is no lack of communication between the Land and Development Officer and the Ministry. We will come into the picture only when a specific problem is brought to our notice. If a routine communication comes that a certain Mission has committed a breach we file it. We cannot go to the Mission and throw them out of their land. The information comes to the Ministry. It is taken note of. I cannot, personally, at this stage, recall any case where any serious action of the nature of allowing re-entry or anything of that nature has been called for. The Land and Development Officer, naturally, keeps us informed. But the basic process is between him and the Mission just like they have electricity from the Telephones Department. Only when there is a problem, we come into the picture."

1.24. The Committee enquired whether it was not necessary to rationalise the definition of the term, "breach of lease deed", if in a large number of cases, the existence of these breaches had stood in the way of execution of lease deeds and revision of ground rents. The Secretary, Department of Works & Housing replied, "Most of the breaches that we come across are of certain recognised types—conversion from residential to business use, unauthorised construction, coverage of additional area, construction without municipal sanction. I think the nominal breach is not one which holds up action in any significant number of cases. It is mainly these three or four types of cases that create difficulty....the legal view is that if you sign the lease deed without regularisation of the existing breaches, it would amount to a waiver of the breaches. In other words, we would have to surrender our right. Therefore, our attempt is to try to regularise the breaches by demanding certain penalties. Asked what effective remedy Government can harm if the lessee chose to delay revision of ground rent by committing breaches, the witness stated, "The only real remedy that we have against a lessee who persistently commits breaches is re-entry into the property and resumption of the property. That has been tried in a number of cases and has brought the lessee to reason. The danger of losing his interest in the property is a substantial inducement for him to come to terms." The Committee asked whether there had been any cases where Government had recourse to the penal provisions in this regard. The Land & Development Officer replied, "We have re-entered into premises and we have taken action under the Public Premises (Eviction) Act."

1.25. The Committee asked whether it was true that in 243 cases revision of ground rent has been held up because of breaches. The Committee have been informed that there are 209 cases, where re-

2052 (Aii) LS—2.

vision of rent has not been carried out due to existence of breaches. The particulars in respect of these properties are given in Appendix IV to this Report. The revision of rent in these cases fall due as under:—

1942	46 cases
1957	37 cases
1961	9 cases
1962	10 cases
1963	18 cases
1964	15 cases
1965	2 cases
1966	67 cases
1967	5 cases
TOTAL	209 cases

1.26. Asked how the cases were settled, the witness replied that the breaches were compounded. The Committee enquired about the principles underlying compounding. The witness replied, "We have laid down principles and they are related to land values and these are known to the lessees because we have fined a formula which has been published in the brochure for public information. Sometimes we also explain the basis to the party." In a note on this point, the position has been explained in detail as follows:—

"Lease deeds contain clauses specifying the use to which the premises can be put to viz. residential, commercial or industrial etc. and that all constructions, which include additions and alterations, in the leased premises should be made with the prior approval of the Lessor|C.C. as well as the local body. Use of the premises for a purpose other than that specified in the lease deed is a breach of terms of the lease. Similarly, any construction done without the approval of the local body and the Land & Development Officer is unauthorised and is in contravention of the terms of the lease.

(a) It is not permissible to compound the above breaches because it may be against the bye-laws of the local body and against the provision of the Master Plan. The Land & Development Office insists for the removal of the breaches or otherwise to regularise the same on temporary basis on payment of damages from time to time. The formula for calculation of damages has already been given in para No. 10.

(b) The unauthorised construction can be got regularised by the lessee by getting building plans sanctioned from the local body under the bye-laws and the lessor under the lease.

Similarly, if the Delhi Development Authority allows a change from residential purpose to commercial purpose under the Zonal plan this change is allowed on recovery of additional premium and additional ground rent."

"Additions/alterations to the existing building and change in use of the premises made without the prior consent of the lessor/C.C. Delhi are considered a breach of the terms of the lease deed. These breaches are not compounded but are regularised temporarily from time to time on payment of damages. The charges are calculated on the following basis:—

I. Damages for unauthorised construction.

- (i) If the unauthorised construction is beyond the permissible limit under the bye-laws on the date of construction, damages at four times the ordinary rates are recovered.
- (ii) If the construction lies within the permissible limits of the Bye-laws on the date of construction damages at double the rates are recovered.
- (iii) If the construction is got regularised by getting building plan sanctioned and exceeds the permissible limit as on the date of lease, additional ground rent is perpetuity is recovered on ordinary rates.
- (iv) If the construction is made after 5th October, 1967 and is got regularised by getting the building plan sanctioned and falls within the permissible limit of the bye-laws as on the date of lease no charges at all are recovered.

The rates of damages and of A.G.R. are approved by the Ministry.

II. Damages for change of purpose:—

These are calculated as per the following formula:—

$$\frac{\text{Misused area}}{\text{permissible covered area}} \times \left\{ \begin{array}{l} \text{Present commercial} \\ \text{rate for land for the} \\ \text{purpose for which} \\ \text{the property is} \\ \text{misused.} \end{array} \right\} = \left\{ \begin{array}{l} \text{The rate on the date} \\ \text{of last transaction for} \\ \text{the purpose for which} \\ \text{the land was leased} \\ \text{out.} \end{array} \right\}$$

size of the plot in sq. yards X 5-1/2 per cent. A penalty @ 10 per cent. is charged in addition to the charges mentioned above for not taking prior permission of the Lessor/C.C. Delhi for change of use only.

Land rates on the basis of which damages are calculated are revised from time to time.

Upto 14th July, 1968 misuse charges were being worked out as per the following formula:—

<i>Misused area</i>	<i>Existing covered area</i>	<i>Present Commercial rate for land for the purpose for which the property is mis-used.</i>	<i>The rate on date of the last transaction for the purpose for which the land was leased out.</i>
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* size of the plot (in sq. yards.) X 5-1/2 per cent.

The formula mentioned above come into effect from 15th July, 1968.

Important Government orders are made public through Press Notes.

Recently, a priced booklet has also been published containing information for the guidance of the lease-holders."

The Ministry have also added:

"In December, 1959, Ministry of Law gave an opinion that it would be advisable not to initiate any proceedings with respect to cases where breaches were within the knowledge of the Government. It has recently been opined by that Ministry that Government may initiate proceedings for revision of ground rent in such cases, where breaches have been regularised temporarily upto a certain date, but such proceedings should be filed before the expiry of the date upto which the breaches have been regularised. Accordingly, quite a large number of cases have since been referred to the Collector for fixing the letting value of land. Every possible effort is being made to regularise the breaches temporarily and in case of non-compliance of the terms by the lessee, the premises are re-entered by the Lessor under the terms of lease."

1.27. The Committee pointed out that according to the data given in the Audit Report, 349 cases in which revision of ground rent became due between 1947 and 1963 were pending. They were informed that the overall position was that as on 30th June, 1969, revision of ground rent fell due in 810 cases. "429 cases have so far been filed in the court of the Collector. The dates for revision in these cases ranged between 1-1-1947 and 1-1-1969. These cases were filed during the period from November, 1968 to 31st July, 1969. 14

cases were filed in 1959". When the Committee asked whether the reasons for the delay that occurred in these cases were investigated, the Secretary, Department of Works & Housing replied in the negative and stated, "We shall have to go into this question." Asked whether the Land & Development office had sufficient staff, the witness replied, "for this purpose I think there is adequate staff, though not for other purposes". The Committee asked what procedure had been evolved to ensure that leases were periodically reviewed. It was stated. "All the leases are indexed and maintained in a serial order. On the scrutiny of the necessary particulars of each lease, a register showing the year in which a particular lease falls due for revision is also maintained and consulted."

1.28. The Committee asked for data about the expenditure incurred on the Land & Development Office and duties attached to the posts in the organisation. The information given on this point is reproduced at Appendix V to this Report. It is seen that during 1968-69, the organisation incurred an expenditure of Rs. 10.57 lakhs on its offices, establishment and contingencies. The Committee enquired whether the Organisation had inspectors to inspect properties leased out and detect breaches. The Land and Development Officer stated, "We have got inspectors. But they are not seeing on fixed periodical basis." Asked how breaches were then detected, he said. "We take notice of these cases where lessees come to our office for permission to sell or for transfer or any other such purpose."

1.29. The Committee pointed out that a large number of cases filed by the Department with the Collector were still awaiting disposal. The information given by the Department was that out of 429 cases filed, only in 14 cases, the Collector had passed judgement fixing letting value. The Committee recalled in this connection their recommendation in para 12.85 of their Fifty-Fourth Report (Third Lok Sabha) to appoint a Special Collector and asked what action was taken by the Department. The Secretary, Department of Works & Housing replied. "The proposal to appoint a Special Collector was considered and was not favoured. The idea was that once the principles for the determination of market value and letting value is established it would become a somewhat mechanical process to apply this formula in all the other cases. Now the difficulty has been that in the decided cases appeals have been filed in seven out of the 14 cases. We believe that once these appeals are decided the principles or the formula about the determination of market value and letting value will be established and we would then be able to prosecute the other cases before the Collector in a short

period of time....it was the view of the Delhi Administration and the Ministry of Home Affairs and our own Ministry that the appointment of a Special Collector is not likely to help in expediting this matter." The Committee pointed out that the 14 cases disposed of by the Collector in March, 1968, were actually filed by the Department in 1959. It took 9 years for these cases to be decided. The Committee enquired whether it was not necessary to streamline the procedures in this regard. The witness stated that there is "a court procedure" for these cases. "We have requested the collectors to deal with the cases expeditiously. As to revision of procedure, the Secretary, Department of Works & Housing stated, "We will discuss it with the Delhi Administration and the Lt. Governor and see what steps can be taken to expedite the disposal of the cases by the Collector." The Committee pointed out that even in the 7 out of 14 cases decided by the Collector in March, 1968, where there were no appeals, the revised ground rent had not been fixed. The Secretary, Department of Works & Housing replied, "This is a case of delay for which I am not able to submit any explanation." Further asked whether responsibility for this delay should not be fixed, the witness stated: "We shall do that."

1.30. The Committee enquired whether the delay in fixing revised rents would not result in substantial loss to Government. The Land & Development Officer replied, "One saving grace is that the Collector will have to fix the letting value with reference to the date of our application when we file the case. We filed these cases in 1968; so, the lessee will have to pay the land rent on the basis of the letting value of 1968 which will be much more than what they would have paid as revised ground rent in 1947."

1.31. The Committee pointed out that the Delhi Development Authority was also administering leases and enquired what procedure existed to co-ordinate action between that authority and Land & Development Office so that a uniform basis for valuation could be followed. The Land & Development Officer stated, "The question of DDA asking for our land value to enable them to determine their land value does not arise because our area is in the centre of New Delhi whereas their land is mostly in outlying areas. They fix their land value on an entirely different criterion. But what I am trying to say is that when we refix our land value once in two-three years, we ask them to give their advice." Clarifying the position, the Secretary, Department of Works and Housing said, "It is true that the Land and Development Officer and the DDA do not sit together to compare land values. But the Land and Development Officer is to take note of all sales transactions that take place

in different localities, whether they are private sales or sales by the DDA. The desirability of some kind of meeting between the DDA and the Land & Development Office for the purpose of comparing notes is worth while examining. We will go into it."

1.32. The Committee get a very depressing impression of the state of affairs in the Land and Development Office from the data that has been furnished to them.

1.33. In the first place, the Land and Development Office does not have full information about the various categories of Rehabilitation leases it is administering. There are as many as 57,933 rehabilitation properties under the control of the Organisation. Documents relating to only 48,208 of these properties are available with the Organisation, the rest being still with the Rehabilitation Department, which was previously administering these properties. Information about the nature of the lease executed for these properties (e.g. business, residential etc.) is also not available except in regard to 2668 of these properties.

1.34. Secondly, in 28 cases where properties were leased "30/40 years back", even lease deeds have not been executed, with the result that revision of ground rent, normally due after 30 years, has not been undertaken in these cases.

1.35. Thirdly, out of 810 cases, where revision of ground rent was due on various dates between 1947 and 1969, applications for revision have been filed with the competent authority (i.e. the Collector) only for 429 leases. Except for 14 cases filed in 1959, the rest were instituted between November, 1968 and July, 1969. The inordinate delay in filing these cases has occurred in spite of the Organisation having adequate staff for this purpose.

1.36. Fourthly, even after the revised letting value had been fixed by the Collector in 14 cases (this incidentally took about nine years), the Organisation has not, for more than 2 years, claimed the revised ground rent from 7 of the lessees (the other 7 having gone up in appeal).

1.37. Lastly, the Organisation which is spending annually about Rs. 10 lakhs on its staff and contingencies, does not have any regular procedure for inspecting leased sites to find out whether there have been 'breaches' of lease terms. On the expiry of 30 years, the Organisation "take up the file and find out if there is any brief in the terms". The Organisation is apparently content during the period of 30 years to let the lessees bring up these matters before them

voluntarily if they so desire for regularisation. The existence of these 'breaches' has, apart from making execution of lease deeds difficult in cases where the deeds don't exist, also interfered with the process of revision of ground rents from 1947 onwards in as many as 209 cases, because of the legal opinion, that any action in this regard, without prior regularisation of the breaches, would operate "as waiver of the breach".

1.38. Earlier in this Report, the Committee have reviewed certain cases in Land and Development Office, where there would appear to have been discrimination as amongst various lessees in giving effect to certain orders regarding revision of ground rents. The Committee have therefore a doubt whether all is well with the Land and Development Office. They would like an independent-fact-finding Committee to be constituted to investigate comprehensively the working of the Land and Development Office. This Committee should, *inter alia*, be asked to go into the following matters:

- (i) To what extent there has been slackness in the Organisation—
 - (a) in getting lease-deeds executed.
 - (b) in filing applications for revision of ground rents and recovering revised ground rents.
 - (c) in investigating and regularising breaches in lease.
- (ii) To what extent there has been discrimination, in giving effect to orders for enhancement for ground rent, particularly in respect of cases dealt with in the previous section of this Report.
- (iii) How best the present procedure for determination of ground rent, which is protracted, can be rationalised and whether any principles could be laid down for determination of rental value.
- (iv) Whether the Land and Development Office is organisationally capable of coping with its work, and whether in the interests of simplicity and uniformity. The work relating to administration of land in Delhi which is at present being done by three different agencies viz. Land and Development Office, Municipal Corporation and Delhi Development Authority can be conveniently centralised in one agency.

1.39. The Committee would like immediate steps to be taken to constitute this fact-finding Committee which should be asked to submit its report as expeditiously as possible, but not later than one year from the date of its constitution. ..

Shell type godowns for storage of foodgrains:

Audit Paragraph:

1.40. In paragraph 89 of Audit Report (Civil), 1966 mention was made of failure of godowns which were of shell type constructed at Jhingirapole (Calcutta). Following further points in construction and functioning of similar godowns in Bombay have been noticed.

1.41. (A) *Construction of godowns.*—In January 1958 Government sanctioned construction of 12 shell-type godowns (with a capacity of 50,000 tons) and other ancillary works at Borivili, Bombay, at an estimated cost of Rs. 75.14 lakhs. The tender of contractor 'A' for the main godowns only was accepted in February 1960 for Rs. 44.84 lakhs.

1.42. According to the agreement, the work was to be completed in about 18 months, but upto September 1961 the contractor had executed only about 18 per cent of the work. This slow progress of work was attributed to:

- (i) delay on the part of the Department to give decisions on lay-out, foundations, cross-walls, platforms etc. (111 days);
- (ii) suspension of work due to failure of certain shells constructed in Calcutta (157 days); and
- (iii) stoppage of work due to monsoon (214 days).

1.43. Even after September 1961 there was undue delay in execution of the work. Only six godowns were completed in April, 1964 and were handed over to the Food Department by the C.P.W.D. The contractor did not apply formally for extension of time after 31st March, 1965, and the contract was kept alive by the Department granting provisionally extensions of time. The Department did not take timely action to cancel the contract at the risk and expense of the contractor. However, on 13th February, 1967 the contractor unilaterally rescinded the contract and the Department after serving a notice on him in April, 1967 entrusted (in January and April, 1968) the remaining work (costing Rs. 1.91 lakhs based on the original tendered rates) to another contractor for Rs. 2.16 lakhs.

1.44. In accordance with the agreement with the first contractor, penalty of Rs 4.60 lakhs was leviable on him for delay/stoppage of work. The penalty was imposed in April, 1968. No amount has, however, been recovered so far (November 1968). The final bill prepared in June 1968 disclosed that Rs. 13.61 lakhs would have to be recovered from that contractor after taking into account various recoveries.

1.45. The bank guarantee for Rs. 1,14,940 given by that contractor in lieu of cash security deposit on acceptance of his tender was in

force upto 14th February, 1967 and was not extended beyond that date. Against the contractor's security deposit of Rs. 4.19 lakhs which, according to the agreement, should have been with the Department, only Rs. 3.29 lakhs had been recovered from him out of which Rs. 1 lakh were refunded in November 1965 (after obtaining an indenture bond) on the security of his plant, machinery etc., costing Rs. 1.5 lakhs brought to site by him; these have since been removed by him without the knowledge of the Department.

1.46. One more godown was handed over to the Food Department in July, 1967. The remaining five godowns, though not fully completed, were also handed over by the C.P.W.D. (except certain collapsed panels) to the Food Department during March to August 1968. The loss to Government towards the rent (provisionally fixed by the Department) for these five godowns from 14th February 1967 to 31st March 1968 alone was Rs. 2.37 lakhs.

1.47. (B) *Functioning of the godowns.*—On the recommendations of the enquiry committee appointed by Government in 1960 to enquire into the causes of failure of the similar godowns in Calcutta, the Department revised in May, 1961 the structural design of the shells of all the 12 godowns at an estimated additional cost of Rs. 27,000 per godown. Despite adoption of the changed design of the shells, the godowns failed as follows:—

- (i) One panel in godown No. 6 collapsed in May, 1964. The Department attributed the collapse to faulty construction and bad workmanship of the contractor, who in turn, attributed it to defective design of the Department. The case went in for arbitration in December, 1964; the arbitrator's award is still awaited (November 1968). Two more panels of that godown collapsed in July 1968.
- (ii) A portion of a panel of godown No. 5 flattened in January 1965. After carrying out certain strengthening measures costing about Rs. 10,000, it was handed back to the Food Department in May 1968. The Department has stated that this was done at the contractor's cost, but recovery of Rs. 10,000 has also not been effected so far (November 1968).
- (iii) In January 1966 one panel of godown No. 9 (handed over to the Food Department in April 1964) failed (a 30' x 50' shell slab caved in by about 1½ ft.) The affected panel of the godown was closed and taken back by the C.P.W.D. in January 1966.

1.48. On the basis of the report submitted in 1967 by an expert enquiry committee appointed by the Chief Engineer in May 1966 the Department had held that two to six inches deflections (from edge to crown of the shell) should be treated as due to failure of the shells, but in cases where deflections were more than six inches or where cracks and other signs of failure had appeared the work should be dismantled and re-executed at the contractor's risk and expense. The necessary survey of the godowns was conducted only in February 1968 when the survey covering 90 panels in 10 godowns disclosed:—

- (a) deflections between 2" to 6" in 30 panels in nine godowns;
- (b) deflections exceeding 6" in two of them (in one panel each of godown No. 6 and 9 which had failed in May 1964 and January 1966 respectively); and
- (c) leakage spots on roofs and other minor defects.

1.49. The extra expenditure necessary for strengthening the nine godowns was estimated to be Rs. 2.93 lakhs. Work (costing Rs. 29,409) in two godowns has been entrusted to the aforesaid second contractor in January 1968. The Department has stated that if it is found that the remedial measures would give satisfactory results, then only the work on the other panels will be taken up.

1.50. The expert enquiry committee's supplementary report submitted in July 1968 recommended that a "simple over-load test" should be tried on these shells in the first instance. Accordingly, the Department decided (August 1968) that a "simple over-load test" might be tried; results are awaited.

1.51. (C) The claims of Government against the first contractor have been referred to arbitration (in December 1964). The arbitrator's award is still awaited (November, 1968).

[Paragraph 79, Audit Report (Civil), 1969]

1.52. The Committee drew attention to the delays that occurred at every stage of the execution of the work. The witness stated that the period of construction stipulated was 18 months. However due to a variety of reasons, the construction got prolonged. A delay of 111 days occurred in settling matters relating to lay-out, foundations etc. A major part of this delay (64 days) arose because of the time taken by the Railways to give the alignment of the Railway Siding without which the lay-out of the godown could not be planned; the remaining period (of 111 days) was taken up on settling the details

of foundations and the change in mortar of the masonry. Then, due to the collapse of a similar type of godown constructed at Calcutta, it was decided on the recommendations of an Enquiry Committee to weld the joints of the tie-bars. The electrodes required for welding the joints had to be provided to the contractor, but, not being readily available, they took time to procure. Apart from this, delay was caused by the monsoon.

1.53. The Committee enquired whether it was not incumbent on the Department to have finalised the preliminary details like Railway siding alignment etc. before entering into the contract.

1.54. The Secretary, Department of Works and Housing stated: "I think this would certainly be the correct position. I would only submit that in this case certain things have happened which could not be foreseen such as the collapse of the shells in Calcutta which delayed the work to some extent". The Committee pointed out that one of the reasons cited for delay was the monsoon. They enquired, how the monsoon was not foreseen and whether the period of 18 months stipulated in the contract was exclusive of the period of monsoon. The witness replied: "I think the monsoon would be included within the period of contract".

1.55. The Committee pointed out that several extensions were given to the contractor and enquired why the contract was not cancelled at least in 1965, if not earlier. The witness stated: "The Department felt that to cancel the contract at the early stages would probably lead to an additional cost and further delay. I have a statement here made to me to the effect that the contractor, when he resumed the work after the monsoon in 1961, was served with a notice on 20th November, 1961 to improve the progress of work. The contractor responded to this notice and increased the tempo of the work. The contract was, therefore not rescinded in view of the improvement in the progress of work. This was the judgement which the Site Engineer made each time.....At a certain time they (Engineers) came to entertain some misgivings on this point. They consulted the legal opinion in 1966 and they were advised that the cancellation of the contract by the Government at that stage would lead to various difficulties and complications and that the Counsel would not advise the CPWD to cancel the contract." When the Committee enquired how many notices were issued to the contractor to step up the pace of work, it was stated that notices were issued in August, 1965 (twice), September, 1965, February, 1966, March, 1966,

April, 1966 and May, 1966. It was when it was becoming apparent that work had more or less slowed down to a halt that alternatives were considered. The legal opinion however was that cancellation of contract was not possible. Explaining the position, the witness told the Committee: "The complication was that in 1964 the contractor went into certain arbitration proceedings and the legal advice centred on this issue. The fact that certain matters were already *sub judice* with the arbitrator was in the opinion of the Counsel likely to complicate any action that the Government would take in cancelling the contract".

1.56. The Committee enquired whether any short recovery on account of security deposit was made. The representative of Ministry of Works and Housing stated that the total amount recoverable was 10 per cent of the value of work inclusive of 2-1/2 per cent recovered initially. This worked out to Rs. 4.19 lakhs of which Rs. 1.14 lakhs was covered by the security bond given initially by the contractor and the balance of Rs. 3.29 lakhs recovered by deduction from the running account bills. The Committee pointed out that the bank guarantee of Rs. 1.14 lakhs lapsed on 14th February, 1967 and was not got renewed and enquired who was responsible for allowing the guarantee lapse. The Secretary, Department of Works and Housing stated that attempts were made to get the bank guarantee renewed before 14th February, 1967. The contractor was addressed on 28th January, 1967, followed by another letter on 9th February, 1967. "But as it happened the contractor rescinded the contract on the 14th February. He terminated the contract unilaterally and prevented extension of the bank guarantee I feel that rescinding of the contract by the contractor on 13th February must be related to the expiry of the bank guarantee the next day. I think he contrived to see that legally the bank guarantee was not brought into force". The Committee pointed out that legal opinion had been expressed on this case at one stage after the guarantor (the bank) was called upon to extend the period of guarantee, that "since the bank and the contractors have denied liability it would first be necessary to establish the liability of the contractor under the terms of the contract by means of an award, a suit or the like". The Committee enquired whether if this view was sustained, enforcement of bank guarantees would not become difficult, as in most of the cases it would become necessary to have an order of the court making the guarantor liable to pay. The witness replied: "We will consult the Law Ministry in the matter".

1.57. The Committee drew the attention of the witness to the fact that out of the security deposit realised from the contractor, a sum of Rs. 1 lakh was released to the contractor and enquired on what basis this was done. The witness stated that the contractor had stated that he had exhausted his resources, and requested Government to refund the security deposit of Rs. 3 lakhs. The Department took the precaution of getting an indenture bond executed for the pledging of "all machinery at the site of work". The Committee pointed out, that some of the machinery was removed by the contractor and enquired when it came to notice. They were informed that it took place around 28th June, 1966: What was reported removed, in a letter addressed by the Executive Engineer to the contractor, comprised "one concrete mixer, one generator, mortar mixing machine (and) most of the shuttering and building materials". The Executive Engineer asked the contractor to return them within 10 days in a letter dated the 20th June, 1966, that he sent to the contractor. Asked whether the contractor could not have been stopped from removing the machinery etc., it was stated that this could not have been done.

"Watch and Ward arrangements normally exist at site of work but this is meant to guard the departmental stores". The Committee enquired whether the question of instituting criminal action was considered. The Secretary, Department of Works and Housing replied that legal opinion was taken and the view was "the property in this equipment continued to vest in the contractor and therefore a charge of theft could not be sustained against him". From a copy of the legal opinion on this point furnished to the Committee, it is observed that the Senior Counsel expressed the following view: "As the Government has not advanced any amount on the security of the materials brought by the contractor to the site and has merely refunded his money lying as security deposit, the very execution of the indenture bond is open to question. As Government money has not been paid under the indenture bond and the money paid to him was his own, having been furnished as security deposit, the legal validity of the Indenture Bond is open to question. Moreover, any breach of provisions of the Indenture Bond will not afford any ground for rescinding this contract."

1.58. The Committee pointed out that the refund of Rs. 1 lakh was made on the basis of a special Government sanction which relaxed one of the conditions in the agreement with the contractor. The sanction stipulated that the payment was subject to the condition that the completed work was without defect. When the sanction was issued, it was known that there were defects. But the pay-

ment was made on the strength of a written indemnity by the contractor that he would set the defects right. The Committee pointed out that this was a departure from the terms stipulated in the sanction. The Secretary, Department of Works and Housing replied: "I would only say this that the expectation was that the contractor will complete the work and remove the defects. As it happened, he defaulted on the completion of the work. From our side, we can now certainly say that the refund both in relation to the real merits of the case and in relation to the removing of defects was not a good step."

1.59. The Committee asked for particulars of the dues amounting to Rs. 13.61 lakhs assessed as recoverable from the contractor. The Department have given the following information:

"Details of the various recoveries to be made from M/s. contractor, for the works of construction of shell type godowns at Borivilli (Bombay)."

The details of recoveries occurring in the final bill of the contractor are given below:—

(1) Rs. 4.59 lakhs	Recoverable from the contractor due to levy of 10% compensation under clause 2 of the contract.
(2) Rs. 0.64 lakhs	Recovery on account of extra cost incurred in 1968 in getting the work completed at the risk and cost of the contractor.
(3) Rs. 2.84 lakhs	Estimated cost of providing remedial measures to some shell godowns where deflections between 2° to 6° were noticed as per recommendations of the Enquiry Committee appointed in 1966.
(4) Rs. 1.00 lakhs	Recoverable from the contractor as he had left the work incomplete and removed the tools and plants in 6/66 which he had offered as additional security against release of Rs. 1 lakh from the security deposit.
(5) Rs. 1.14 lakhs	Recoverable from the contractor as he did not extend the indemnity bond given by him beyond 14-2-67 even though he was asked by the department to extend or remit the amount on 28-1-67 and 9-2-67. This amount represents a part of security deposit which has been forfeited on 29-4-1967.
(6) Rs. 0.98 lakhs	To be recovered in the final bills due to collapses of Bay No. 2 of godown No. 6 and Bay No. 1 of godown No. 9 as the contractor did not rectify the defect and redo the collapsed shells in spite of several notices.
(7) Rs. 1.12 lakhs	Recoverable from the contractor as he did not render or plaster the shell surface.
(8) Rs. 0.59 lakhs	Recovery on account of material issued to the contractor
(9) Rs. 0.66 lakhs	Recovery due to excess consumption of materials over the theoretical requirements.
(10) Rs. 0.05 lakhs	Recovery due to imission of GI sheet linings from sheltering of shell slab."
TOTAL	Rs. 13.61 lakhs

It was also stated during evidence that these recoveries figure in the contractor's final bill which was however for a minus amount.

1.60. The Committee enquired whether the collapse of panels in some of the godowns was attributable to bad workmanship on the part of the contractor or to the bad designing by the Department. The Secretary, Department of Works and Housing replied: "It will be settled in the arbitration proceedings whether the Department is in any way responsible for the failure". In reply to a further question he stated that the arbitrator originally appointed in December, 1964, resigned in January, 1966 and a new arbitrator was then appointed. The award was expected shortly. Asked whether action was being taken against the contractor, he informed the Committee that this would be considered as soon as the arbitration proceedings are completed.

1.61. The Committee enquired about the advantages of shell type godowns. They were informed that these godowns, apart from being slightly cheaper than the traditional type of godowns, which involve use of steel trusses on R.C.C. columns covered with C.G.I. sheets, ensured economy in concrete. The Committee asked why the godowns both at Bombay and Calcutta had collapsed. The witness stated that an enquiry instituted after the collapse of the godown at Calcutta revealed that the design and construction techniques laid down by a foreign consultant whose services were engaged for this purpose had "inherent weaknesses". When Committee pointed out that even after improvement in designs carried out at Bombay, some of the godown panels collapsed, the witness replied that the "view has been that this was the result of bad construction work". In reply a further question, it was stated that 33 shell type godowns were constructed in all in the country at Calcutta, Bombay, Delhi and Vishakapatnam. In Calcutta, out of 4 godowns, a part of 2 godowns got damaged, while at Bombay, out of 12 godowns (executed under this contract), one panel in each of 2 godowns was damaged.

1.62. Government have since furnished to the Committee a copy of the award made by the arbitrator on 21st July, 1969. It appears from the award that the arbitrator upheld the contractor's claim to the extent of Rs. 12.8 lakhs, out of total claims aggregating Rs. 45.62 lakhs. This amount was exclusive of refund of security deposit of the contractor together with interest thereon (Rs. 2.3 lakhs), apart from interest @ $\frac{1}{2}$ per cent on dues arising out of claims upheld (to the extent of Rs. 8.08 lakhs). The arbitrator also upheld the contractor's claim that recoveries amounting to about Rs. 14 lakhs which Government had proposed in the final bill of the con-

tractor were not justified except to the extent of Rs. 77,986. The arbitrator also did not award any amounts against Government's claims on nine counts amounting to Rs. 9.43 lakhs. Extracts from the awards relating to major items are given below:—

"(i) Contractors claim

Claim	Award
The claimants submit that the work on the shell roof which was already behind schedule due to no fault of the claimants had to be delayed further as ordered by the Respondents, from November, 1960 to November, 1961. The work had to be done subsequently when market prices of all items had increased. Hence an amount of Rs. 14,98,910/- is claimed due to increase in prices.	The claims are partly justified. An amount of Rs. 5,27,172/- (Rs. five hundred and twenty-seven thousand one hundred and seventy two) be paid to the claimants against those claims.
It is submitted that shell roof work had again to be stopped from May, 1964 under orders of the Department and remained suspended till 19-3-1965. There was further increase in market prices and an amount of Rs. 1,36,070/- is therefore claimed for other items of work done from June 1964 to February, 1965.	
An amount of Rs. 5,25,000/- is claimed on the grounds that labour and staff remained idle over a long period of 42 months due to various hindrances posed by the department and indecisions which resulted in dragging on of the work.	The claim is partly justified. An amount of Rs. 144,000/- (Rupees one hundred and forty-four thousand) be paid to the claimants against this claim.
It is stated that in addition to the amounts claimed in Claim No. 15, for delays in execution of the work upto 12-2-1965, there was further delay and the work was going on at a slow pace till 13-2-1967. For this extended period of 24 months extra expenditure had to be incurred on overheads and establishments. Payment of Rs. 3 lakhs for the same is claimed at Rs. 12,500/- per month for 24 months.	The claim is partly justified. An amount of Rs. 96,000/- (Rupees ninety-six thousand) be paid to the claimants addition to amounts already paid to them.
An amount of Rs. 7,80,714/- is claimed due to price increase on the quantum of work done beyond 12-2-1965 at 106.25 per cent over and above their original tendered rates on the ground that completion of the work got delayed entirely due to the faults of the respondents, during which time there was considerable increase in the market rates of material and labour. This claim is in lieu of Claim No. 10 which was withdrawn earlier as the quantum of work executed after 12-2-1965 was not exactly known.	The claim is partly justified. An amount of Rs. 256,900/- (Rupees two hundred fifty six thousand and nine hundred) be paid to the claimants against the claim in addition to amounts already paid to them.

Claim	Award
<p>It is submitted that an amount of Rs. 7100/- has been deducted by the Respondents from their subsequent bills consequent upon the collapse of Bay No. 2 of Godown 6, and refund is claimed.</p>	<p>The claim is partly justified. An amount of Rs. 7,100/- (Rupees seven thousand and one hundred) be refunded to the claimants.</p>
<p>An amount of Rs. 8,580/- is claimed as cost of providing supports under the sagging roof of Bay 2 between 23rd and 27th May, 1964 on the grounds that the failure was not due to any faults of the contractors.</p>	<p>The claim is partly justified. An amount of Rs. 6,252/- (Rupees six thousand two hundred and fifty-two) be paid to the claimants against this claim.</p>
<p>(ii) <i>Government's Counter-claims</i></p>	
<p>The respondents submit that the claimants delayed the work and left it incomplete even though ample opportunity was given to them. As such they have made themselves liable for action under clause 2 of the contract and an amount of Rs. 4,59,759/- is recoverable from the claimants as compensation.</p>	<p>The claim is not justified.</p>
<p>It is submitted that the claimants did not complete the work in spite of several notices. Hence the respondents were forced to get the work completed at the risk and cost of the claimants under clause 3(c) of the agreement and the additional cost of Rs. 66,938/- incurred by the respondents is recoverable from the claimants.</p>	<p>The claim is not justified.</p>
<p>The respondents submit that the shell panel of godown No. 9 Bay No. 1 had collapsed and that some more shells have deflected at the crown. As such strengthening measures for these shells had to be done at the risk and cost of the claimants. The expenditure incurred comes to Rs. 56,392/-. As the claimants failed to remove these defects in spite of repeated notices, the amount is recoverable from the claimants.</p>	<p>The claim is not justified.</p>
<p>The respondents submit that an advance of Rs. 1,00,000 was given to the claimants against their security deposit on indenture bond and on an undertaking given by the claimants that they would make good any defect in the work due to faulty construction. The claimants however, have removed the equipment indemnified against this advance and have also not removed the defects nor completed the work. Thus an amount of Rs. 1 lakh has become recoverable from the claimants.</p>	<p>The claim is not justified.</p>

Claim	Award
The respondents submit that the claimants had furnished a guarantee bond for Rs. 1,11,940/- against their security deposit. The bond has not been renewed by the claimants and as the security deposit of the claimants has been forfeited, the amount of Rs. 1,14,940/- becomes recoverable from the claimants.	The claim is not justified."

1.63. The Committee observe that Government have lost their case against the contractor in arbitration. The arbitrator rejected Government's claim that the contractor was liable either for work reported defective or for the portion of it left unfinished and completed by Government at higher cost. Government's claims on this and other accounts aggregating Rs. 9.43 lakhs were therefore turned down.

1.64. On the other hand, the arbitrator upheld the contractor's claims for extra cost "due to various hindrances and indecisions" by the Department, which prolonged the work and kept the contractor's labour and staff "idle". The award on these counts alone amounted to Rs. 6.7 lakhs and the total amount awarded was Rs. 12.08 lakhs, against claims amounting to Rs. 45.62 lakhs which were preferred by the contractor.

The Committee note that the arbitrator gave no reasons for his award. They would like Government to take legal opinion and decide whether an appeal should be preferred against the award. In the light of the arbitrator's findings, the Committee would also like Government to investigate the lapses, on the part of the Department at several stages of execution of work, so that responsibility could be fixed. Government should also examine whether, in view of their experience in this case, further dealings with the contractor are desirable.

1.65. Two other points arising out of the case need pointed attention, as they will have a bearing on future contracts.

(i) A sum of Rs. 1 lakh was advanced to the contractor at his request out of his security deposit with the Department against 'indenture' of his machinery. No action could be taken against the contractor when he subsequently removed the machinery, because the legal opinion was that the indenture bond pledging the machinery was itself "open to question", as the machinery was the contractor's and the money advanced also was his. The result of all this was that

the Department was deprived of a part of the security deposit without any remedy. The arbitrator did not also uphold Government's claim for recovery of the amount from the contractor. The Committee would like Government to issue instructions so that proposals of this type are not entertained in future. The Committee also desire that Government should examine how an intrinsically unsound proposal of this nature was accepted and whether this was done after obtaining legal advice.

1.66. Another point is that the sanction in this case made payment conditional on the contractor removing defects in the work. However, without getting the defects removed, the payment was made to the contractor on the strength of an undertaking obtained from him, which could not be, however, enforced in arbitration. The Committee would like Government to investigate how payment was made in violation of the terms of the sanction and fix responsibility therefor.

(ii) A bank guarantee for Rs. 1.15 lakhs was given by the contractor as part of security deposit. A view was expressed by the Ministry of Law at one stage that for invoking this guarantee, "it would first be necessary to establish the liability of the contractor in terms of the contract by means of an award, a suit or the like". This view would effectively imply that enforcement of bank guarantees can proceed on the basis of court orders. As this would cause needless difficulty to Government in realising their claims, the Committee would suggest that Government examine this matter, in consultation with the Ministry of Law, and devise appropriate remedies for safeguarding their interests.

Lowering sub-soil water in Delhi:

Audit Paragraph:

1.67. For investigating the problem of rising sub-soil water in Delhi, in September 1953 Government appointed an ad hoc committee consisting, inter-alia, of the Chief Engineer, Central Public Works Department and the Chairman, Central Water & Power Commission. In their report published in 1959, the Committee recommended that, in order to lower the sub-soil water wherever it was high (particularly in badly and moderately affected areas), 287 additional tube-wells should be installed in the entire area of 9,800 acres. The Committee expected that with 303 tube-wells (which included 16 tube-wells sunk previously) working two shifts a day for three years and pumping out thereby 348 million cu. ft. of water a year, it would be possible to lower the water table to 14 feet and stabilise it at 10 feet, and that once the water table was lowered to that level working of

pumps on one shift would be sufficient to counter the net yearly additions.

1.68. Based on the recommendations of the Committee construction of tubewells, pump-houses and electrical works was undertaken (by the Central Public Works Department) in October, 1960 and completed in April, 1962 at a total expenditure of Rs. 13.43 lakhs.

1.69. As recommended by the Committee, an assessment of the performance was made by an Executive Engineer of the Central Public Works Department. According to his report (December 1964):—

- (a) The pumps were brought into commission in various stages, but very few of them were in operation during the period April, 1962 to October, 1962.
- (b) The pumps worked in single shifts only during April, 1962 to October, 1962 and in double shifts thereafter.
- (c) The full complement of the commissioned pumps could not be put into action for "various reasons".
- (d) It had been possible to pump out only 793.8 million gallons (127 million cu. ft.) of water till 30th June, 1964 which was about 20 per cent of that assumed by the Committee.

1.70. The report indicated the position of water levels as follows:—

	(Area in acres)				
(a) Pre-monsoon period (June)	1958	1961	1962	1963	1964
Badly affected areas . . .	40	273	301	440	191
Moderately affected areas . . .	2910	3228	3667	2962	3009
Safe Zones	6850	6299	5622	6898	6600
Rainfall	not indicated	6.4"	3.3"	5.8"	1.6"
(b) Post-monsoon period (October)	1958	1961	1962	1963	1964
Badly affected areas . . .	3200	2762	720	1621	3120
Moderately affected areas . . .	6000	4661	4225	6820	4461
Safe Zones	600	2377	4854	1359	2219
Rainfall	38.34"	43.5"	21.69"	30.48"	48.3"

1.71. It was stated in the report that "though the results achieved with regard to the pumping of sub-soil water may not appear to be near the prescribed targets, the effects of such pumping have

been found to be encouraging" and that "although the level of sub-soil water has not fallen down to the desired depth, the working of the pumps has arrested beyond doubt further deterioration in the sub-soil water condition in Delhi[New Delhi area.]"

1.72. The report recommended suspension of pumping in the next year, studying the effect of not pumping the water and laying more emphasis on improving the intercepting arrangements and on removing silt from underground barrels of the tubewells. No decision on the recommendations has been taken so far (August 1968) even though four years have passed. In the meanwhile pumping is continuing. Rs. 37.01 lakhs have been spent on maintenance of the tubewells upto March 1968. It has been stated by Government that this question would be taken up only after the entire matter was examined by the Geological Survey of India. The Ministry had requested in March 1968 the Department of Mines and Metals to direct the Geological Survey to undertake the study and report to the Ministry in due course.

1.73. Of the 303 tubewells, 7 were dismantled because of widening of roads and only 244 were reported (July 1968) to be working. The remaining 52 were not being worked—sub-soil water being low (28 cases) thefts of, and defects in, service lines, pumps being under repairs, etc. (24 cases).

1.74. During July, 1964 to December, 1968 in all 2,639.08 million gallons of water (435.94 million cft.) were pumped out. That works to an average of 96.37 million cft. per annum whereas 303 tube-wells should, according to the Committee's report of 1959, pump out 348 million cft. of water a year.

[Paragraph 73, Audit Report (Civil) 1969.]

1.75. A copy of the Report of the Ad Hoc Committee on whose recommendations this scheme was taken up was furnished to the Committee by Government. The Committee observe that the installation of a net work of tube-wells in Delhi was suggested by the Ad Hoc Committee on the following considerations:—

"(i) Fortnightly observations have revealed that there has been a steady rise of the water table since 1912 and the rise varies from 1.67 ft. to 15.87 ft. in different parts of New Delhi. On the basis of the observed water table

which is the highest in the month of October, the New Delhi area could be divided into 3 Zones:—

ZONE I

The Area where the subsoil water table in October is within 6 ft. from the ground surface. This is termed as "badly affected" area. This is the area where the maximum damage to buildings, roads and vegetation can take place as a result of water-logging.

ZONE II

This Zone termed as "moderately affected" covers an area where the water table is 6 ft. to 10 ft. from the ground surface.

ZONE III

Area where the water table in the month of October is at a depth greater than 10 ft. from the ground surface.

From the Iso-hydrographs drawn every year it is observed that more and more areas under Zone III are passing into Zone II and similarly from Zone II are passing into Zone I."

"(ii) The rise in the sub-soil water is due to addition to the underground water table by way of percolation or seepage. The sources of percolation of seepage could be:—

1. The Jumna,
2. Holding up of storm water due to urbanisation,
3. Irrigation."

"The view that the Jumna could be the cause of the high water table in the New Delhi area has not been borne out by observations. The sub-soil water level is higher than the river level and therefore, the river has no influence on the sub-soil water level beyond about a 1000 ft. on either side of it. Irrigation also contributes to seepage of water into the ground. In New Delhi the total quantity of water utilised for irrigation amounts to a delta of 45" in the irrigated area. Apart from this high delta of 45" there is scope for improvement in the present irrigation practice."

"The major factor contributing to the rise in the sub-soil water table is that part of the storm water, which is caught up in the compounds and berms of roads and which cannot find its way into drains, and which finally percolates into the sub-soil. The rise in the water table due to this cause is related to rainfall, the greater the

rainfall during the monsoon, the greater is the rise in the water table."

1.76. Pointing out that measures for preventing a further rise of the sub-soil water table were necessary, the *Ad Hoc Committee* suggested both "preventive" and "remedial" measures for this purpose. As part of preventive measures, they recommended quick removal of storm water and economy in use of unfiltered water for irrigation. The corrective measures proposed were the use of porous concrete drains and a scheme for lowering the water table by pumping through tubewells.

1.77. Elaborating the scheme for installation of tube-wells for pumping out sub-soil water, the *Ad Hoc Committee* observed:

"The Committee lays great emphasis on the provision of tube-well to lower the water table in the "badly" and "moderately affected" areas where the water table is either near the ground surface or is approaching it. Sixteen tube-wells are already working in the badly affected areas and it is now proposed to extend the tube-well scheme to the remaining area affected by the sub-soil water table by sinking 287 additional tube-wells. This will be on the basis of one tube-well per 32 acres."

1.78. The calculations underlying this scheme as worked out by the *Ad Hoc Committee* were as follows:—

- (i) There is a net yearly addition of 108 million cft. of water to the sub-soil water-table.
- (ii) The sub-soil water-table should be lowered to a depth of 14 ft. below the ground level just before onset of monsoon.
- (iii) The total quantity of sub-soil water which has already accumulated about a contour of 14 ft. depth over an area of 9,000 acres in New Delhi is estimated at 500 million cft.
- (iv) Based on the performance of existing tube-wells it is estimated that one tube-well working in two shifts will be able to draw out 1.15 million cubic feet of water a year. Therefore about 100 tube-wells will be required just to stop the estimated annual addition of 108 million cft. to the water-table.
- (v) Further, to lower the water-table to a depth of 14 ft. below ground level, 203 more tube-wells will be needed.

(vi) Thus in all there will be 303 tube-wells (including 16 already installed) over an area of 9,800 acres, sunk to a depth of 30 ft-40 ft. The quantity of water that would be drawn out would be 348 million cubic feet."

1.79. The Committee pointed out that till the end of June, 1964, it had been possible to pump out only 127 million cft. of water which was 20 per cent of that estimated by the *Ad Hoc Committee*. Even subsequently between July, 1964 to December, 1968, the quantity of water pumped was on an average only 96.87 million cft. per annum, as against 348 million cft. that should have been pumped out. The Committee enquired why greater quantities of water were not pumped out. The witness stated that the original assessment was based on the discharge of 16 tube-wells installed in the Central Vista and the Connaught Place Area. The discharge from these pumps was estimated at about 1200 gallons|hours, while the discharge from the 283 tube-wells installed later came to only about 200 to 600 gallons|hours. The witness added, "This cannot be explained by anything else except that the strata varies from place to place..... That is why the water which has been pumped out is much less than was originally assessed." To another question, the witness stated that action on reborning of two tube-wells, one on Mirdard Road and another behind Vigyan Bhavan—one with a much bigger diameter and another with a bigger strainer—was taken up in order to see if there was any increase in the discharge and it was found that there was no concrete advantage. Later the pipes were cleaned by air compressors; but the improvement, which was about 25 per cent, proved to be temporary. Due to the nature of the soil, the pumps got choked up again.

1.80. The Committee drew the attention of the witness to one of the recommendations of the *Ad Hoc Committee* and enquired whether a record of the working of all tube-wells installed for lowering sub-soil water-table had been maintained. The Engineer-in-Chief, C.P.W.D., stated that it was done in a log book and that the actual output of water in many cases had been only 200-600 gallons as against the original assumption of 1200 gallons of water|hour.

1.81. The Committee asked for data about the quantity of water pumped out from the tube-wells during each of the three years, 1966, 1967 and 1968. The data furnished on this point is reproduced below:

	1966	1967	1968
(i) More than 50% of 1.15 million cft. per day estimated by <i>ad hoc Committee</i> .	102	102	102
(ii) less than 50% but more than 20% of 1.15 million cft.	146	147	148
(iii) 20% but more than 10%	7	2	2
(iv) 10% and less	Nil	Nil	Nil

1.82. Government have also given details of the location of the pumps which delivered less than 20 per cent of the quantity of water estimated by the *Ad Hoc Committee* as below:

<i>Location</i>		
Year 1966	Tin Murti, Jor Bagh, Vinay Nagar, Sewa Nagar, Defence Colony, Jungpura, Pakistan Embassy.	Total No. 7.
Year 1967	Defence Colony, Jungpura.	Total No. 2.
Year 1968	Defence Colony, Jungpura.	Total No. 2.

1.83. The Committee observe that some of these pumps (e.g. Vinay Nagar) were located at areas considered 'badly affected areas' by the *Ad Hoc Committee*. Details of areas considered badly affected as indicated in a layout plan prepared by the *Ad Hoc Committee* are given in Appendix VI to this Report.

1.84. The Committee pointed out that 28 pumps out of 303 were not used because the sub-soil water-level was considered low enough. The Committee asked for details of the location of these pumps. The required information has been furnished by Government and is reproduced below:

- 94 Crossing of Mathura Road Cornwallis Road.
- 115. Delhi Public School, Sunder Nagar.
- 119 Near Swiss Embassy, Prithvi Raj Road.
- 129 Ratendon Road.
- 92 Back of the office of Superintendent Zoo, Sunder Nagar.
- 284 Kautilya Marg, Chanakyapuri.
- 277 Kautilya Marg, Shanti Path.
- 265 Near German Embassy ,Niti Marg.
- 273 Back of Pakistan's High Commission, Shanti Path.
- 171 Near Nallah AB Block, Sarojini Nagar.
- 160 Back of Gwalior Potteries, M. Avenue.
- 162 Primary School, Sarojini Nagar.
- 274 Opposite bus stop, M. Avenue, Netaji Nagar.
- 269 B Block, Sarojini Nagar.
- 157 RB quarters, Sarojini Nagar.
- 168 Near bus shed in Netaji Nagar.
- 266 End of Vinay Marg, Chanakyapuri.

120 South end Road.
 179 K block, Sewa Nagar near Railway line.
 204 Ring Road near Gandhi Samadhi.
 213 Ring Road.
 214 Ring Road.
 106 Akbar Road.
 33 Outram square.
 34 Lake square.
 60 In the circle near Bhartiya Vidya Bhavan, Curzon Road.
 70 Patiala House.
 27 French Square.

28 Nos.

1.85. The Committee observe that some of these pumps (e.g. Ratendon Road, Sarojini Nagar) were located in areas which the Ad Hoc Committee had considered badly affected.

1.86. The Committee enquired whether efforts were made to locate other places where the sub-soil water could have been easily pumped out with the help of these 28 pumps. The witness stated that no attempt was made to provide substitute locations. It was further stated that these pumps were removed and kept as a reserve to be used for replacement purpose as and when required.

1.87. The Committee enquired why the pumps were not operated in two shifts. The Engineer-in-Chief, Central Public Works Department, stated that though all the pumps were installed, the Delhi Electric Supply Undertaking has delayed getting electric connections and hence 244 out of 303 of these pumps were working in two shifts from October. The witness further stated that due to the fact that the sub-soil water level had gone down, 28 pumps could not be worked and 24 pumps could not work due to defects in metres and other accessories.

1.88. Pointing out that 24 tube-wells could not work due to thefts and other difficulties, the Committee enquired whether steps were taken to restore them. The witness stated, "Steps were taken to repair them as soon as they come to notice.....The meters and the service connections are stolen....out of these 24 tube-wells, only 6 are out of order." The Department have also stated that all theft cases have been investigated by police and they have reported that no culprit could be traced.

1.89. The Committee pointed out that Ad Hoc Committee had recommended a grid of observation pipes all over Delhi to make sub-soil water observations. They enquired whether a record of observations has been maintained and if so, what it indicated. Government have in reply furnished details of the depth of watertable in June (pre-monsoon), as well as October (post-monsoon), separately for the three Zones—badly affected areas, moderately affected areas and Safe Zones—for the years 1962 to 1968 alongwith data about rainfall. The data on this point is reproduced at Appendix VII to this Report. The following broad indications are available in the data furnished:

- (i) The badly affected area in pre-monsoon period (where the depth of water-table is 6 ft. below ground level) have been reduced from 301 acres in 1962 to 169 acres in 1968.
- (ii) The Safe Zones in pre-monsoon (where depth of water-table is 10 ft. below ground level) have increased from 5622 acres in 1962 to 7542 acres in 1968.
- (iii) Post-monsoon, the badly affected areas have been reduced from 3120 acres in 1964 to 1,241 acres in 1968.
- (iv) Post-monsoon, the Safe Zones have also increased from 2218 acres in 1964 to 5556 acres in 1968.
- (v) The fluctuations in water-table, have been governed by the intensity of rainfall.

1.90 The Committee pointed out that after an assessment of the working of the Scheme in 1964, it was recommended that it might be "worthwhile" to "consider suspending the sub-soil water pumping for the coming year and study the effect of not pumping the water", by laying "more emphasis on intercepting arrangements, removal of silt etc. from underground barrels". The Committee enquired why no action was taken on this recommendation. In a note, the Department have explained the position as under:

"The main recommendations of the Executive Engineer were:—

- (i) Suspension of pumping in the ensuing year to study the effect of not pumping water.
- (ii) Laying more emphasis on intercepting arrangements and removing silt from the under ground barrels.

Recommendation (ii) concerns the local bodies and hence no action was taken by the Department. Copy of the Executive Engineer's report was endorsed to the Secretary, Flood Coordinat-

ing Committee who was to pursue the matter with the Local Bodies.

As regards recommendation (i) the case was seen by the Additional Chief Engineer and Chief Engineer on 20/21 January, 1965. No orders were passed on this recommendation as, presumably they did not agree with this recommendation. On the other hand they considered that some further experiments should be made to improve the yield of the pumps. Accordingly following action were taken:

- (i) A meeting was held in the room of Additional Chief Engineer when it was decided to increase the bore of the tube well and length of strainer as an experimental measure in two pumps .. 2-11-65.
- (ii) Superintending Engineer intimated the result of the experiment which revealed that though there was some initial improvement there was subsequent set back in the yield and that the discharge was dependent on other conditions such as soil strata and water level etc. .. 2-2-66.
- (iii) Instructions were issued for clearing the tube wells by Air Compressors .. 19-5-66.
- (iv) Executive Engineer Superintending Engineer reported that treatment with Air Compressors has not achieved the desired objective. Reboring of tube wells was suggested .. 3/4-3-67.
- (v) As the cost of re-boring the tube wells was considered excessive and all other experiments had proved unsuccessful, the matter was referred to the Ministry requesting them to take up the issue with Geological Survey of India .. 14-2-68."

1.91 Government have furnished to the Committee a copy of the communication addressed to the Geological Survey on the problem of lowering sub-soil water-table. The Committee observe therefrom that Government have drawn attention to a view expressed that "the data so far collected are inadequate to establish the fact that the city of New Delhi is threatened with water-logging due to the rise of water-table" and recommending that detailed geo-hydrological data be collected. Pointing out that this view was expressed by the representative of the Geological Survey in 1957, the Committee enquired why no action was taken then. The Chief Engineer, C.P.W.D. stated that these views were addressed to the Ad Hoc Committee and it was not accepted by it for reasons unknown. He further stated that the Ministry have represented in

the *Ad Hoc Committee* which brought out its report in 1960. Asked whether the Ministry could not have considered it independently and recommended its acceptance to the Committee, the witness stated, "Actually, the *Ad Hoc Committee* was to advise Government in this case.... I think Government was guided by the Committee's recommendations. They did not separately consider the GSI's recommendations."

1.92 Drawing attention to the statement made in the *Ad Hoc Committee* report, that the inadequacy of the existing drainage arrangements constituted one of the reasons for the rise in the sub-soil water-table, the Committee asked whether silt has been removed from the drainage. The Secretary, Department of Works, Housing and Urban Development stated, "This has been done by the local authorities.... a periodic clearing of these drains is being carried out and is being coordinated by what is called the Flood Committee of the Government of India."

1.93. **The Committee cannot help feeling that Government should have conducted adequate geological investigations before embarking on this scheme, on which the running expenses alone amounted to Rs. 37 lakhs till March, 1968.**

1.94. The Scheme was undertaken on the basis of the findings of an *Ad Hoc Committee* which reported that the sub-soil water table in New Delhi was rising. That Committee calculated that the net yearly addition to the water-table was of the order of 108 million cft. and that the installation of 100 tube-wells, each pumping out 1.15 million cft. of water annually, would be necessary to counter this addition to the sub-soil water-table. In addition the *Ad Hoc Committee* recommended installation of 203 more tube-wells, so that the water-table could be lowered to a depth of 14 ft. below ground level. In all, therefore, 303 tube-wells, pumping out annually 344 million cft. of water, were considered necessary.

1.95. The data furnished to the Committee shows that the 303 tube-wells installed have been on an average actually pumping out only 20 per cent to 25 per cent of the quantity estimated by the *Ad Hoc Committee*. Between 1964 and 1969, for instance, the water pumped out annually by all the tube-wells was on an average only 96.87 million cft. per annum, which is substantially less than the net annual addition of 108 million cft. to the water-table estimated by the *Ad Hoc Committee*. Inspite of this, the water-table has been effectively lowered and the 'badly affected' areas reduced nearly to a third. What is more, some of the pumps installed in areas which were considered 'badly affected' did not have adequate quantity of water to pump out. It is obvious therefore that the

Scheme was undertaken on the basis of estimates of additions to the sub-soil water-table which were quite over-pitched.

1.96. The Committee note that Government themselves now recognise the possibility that there is not enough data to establish that the city of New Delhi is threatened with water-logging and have asked the Geological Survey of India to undertake investigations for this purpose. What is surprising is that when this view, was expressed by a geologist to the Ad Hoc Committee as early as 1959, no cognisance was taken of it. The Committee trust that the geological investigations will be completed early and that on the basis of the findings, Government will come to a considered decision about the lines on which the implementation of this scheme should proceed.

Uneconomic working of the Publication Branch of the High Commission of India, London:

Audit Paragraph

1.97 The publication branch of the High Commission deals with distribution and sale of Government publications in the United Kingdom and Europe. As the receipts from sales of Government publications for a number of years had been less than the expenditure on the salaries of the staff employed in that branch, the High Commission suggested in September, 1957 that, for reasons of economy, the branch be abolished and sales entrusted either to H.M. Stationery Office or to private agencies on commission basis. The uneconomic working of the branch was also brought to the notice of the Ministry of Works, Housing & Supply in December 1960. That Ministry had informed Audit in April, 1961 that the terms of agency had been finalised and they were awaiting recommendations from various Missions abroad about the suitability of private firms/individuals for appointment as authorised selling agents. In October, 1963, the Ministry stated that negotiations with the selling agents of the Ministry of Information & Broadcasting in the United Kingdom had not proved successful and they had asked the High Commission to continue to negotiate with other book-sellers in the United Kingdom and to recommend suitable agents to them. Government stated in September, 1968 that the question of formally closing the branch would be taken up after appointment of selling agents in the United Kingdom under the revised draft terms circulated to all the Indian Missions abroad in April, 1968. After eleven years the matter has still not been finalised.

1.98 In the meantime, the expenditure on pay and allowances of the staff of the branch exceeded the sale proceeds of the publications during 1962-63 to 1967-68 by about £ 4,529 (Rs. 81,500). (In addition, there was also expenditure on stationery, heating, light, telephone charges etc., in the branch; how much that expenditure was cannot be precisely estimated). The excess of expenditure over receipts in 1967-68 alone was £ 2,237 (Rs. 40,266).

[Paragraph 63, Audit Report (Civil) 1969]

1.99 In a note furnished to the Committee, the Department have given the figures of salaries and allowances of the staff of the Publication Branch as under:—

Year	Salaries & Allowances of staff
1964-65	£ 4,419 (Rs. 79,539 approx.)
1965-66	£ 4,419 (Rs. 79,539 approx.)
1966-67	£ 4,628 (Rs. 83,301 approx.)
1967-68	£ 4,723 (Rs. 85,007 approx.)
1968-69	£ 5,803 (Rs. 1,04,450 approx.)

1.100 The realisations from publications during the last five years were as follows:—

1964-65	£ 3504 (or Rs. 63,072 approx. @ £ 1 = Rs. 18/-)			
1965-66	£ 5051 (or Rs. 90,918	„	„	„
1966-67	£ 3997 (or Rs. 71,946	„	„	„
1967-68	£ 2485 (or Rs. 44,700	„	„	„
1968-69	£ 2102 (or Rs. 37,566	„	„	„

1.101 The Committee pointed out that the question of continuing the Publications Branch in the High Commission had been hanging fire for a long time. As early as 1957, the High Commission had suggested that it should be closed down, a suggestion which was reiterated in 1960. The Committee enquired how long a decision in this regard was likely to take. The Secretary, Department of Works, Housing & Urban Development replied: "The latest view we have is that possibly the staff engaged on this work is excessive and there has got to be a reduction. The actual sales of our publications through this office have ranged between £ 2100 to £ 5000 per year during the last five years"....."The actual expenditure on this office is about £ 4000 per year, and we have recently taken the step of reviewing the actual staff requirements in order

to bring about economy in expenditure and also of changing the methods of work and changing the staff allotted for this work. We have recommended to the Ministry of External Affairs that these aspects may be put to the High Commission; but we have come to the conclusion that the Works Ministry should continue the sale of Indian publications in the U.K. and that the only way of continuing this work is through the office of the High Commission, but that the cost incurred on rendering this service should be reduced."

1.102. The Committee enquired why the services of selling agents could not be employed. The witness replied: "That has not been found to be practicable because there has been no response to the various inquiries that we have made. We have tried over the years to interest agencies, that is, private agencies in the U.K. to take up the sale of our publications, but there has been no response, and therefore, we have given up this idea." The Committee was informed in this connection that the following attempt were made:

- (i) In July 1953, the High Commission informed the Ministry that the U.K. Government Stationery Office was agreeable to sale-agency on 40 per cent commission but this could not be accepted as the commission asked for was "on the high side".
- (ii) In October, 1957, Government decided to give selling agencies to private parties in U.K., U.S.A. and other foreign countries and in December 1958, draft agency terms for this purpose was formulated by the Chief Controller of Printing and Stationery, which were finalised in January 1961 after discussion with Department of Works, Housing & Urban Development and Ministry of External Affairs. However, the U.K. Government Stationery Office declined these terms.
- (iii) In April 1963, the Chief Controller of Printing and Stationery prepared a simplified set of terms and conditions for foreign agency, which after prolonged correspondence between the concerned Ministries, were finalised in March 1968. These terms were circulated to the Indian Missions abroad. Only four enquiries were received from foreign parties—one each from Canada and New Zealand and the remaining two from Sudan. No party from U.K. applied for agency. The question whether the terms of agency should be circulated once again was considered but it was not deemed worthwhile.

1.103. The Committee enquired from the representative of the Information and Broadcasting Ministry what arrangements they

had for the sale of their publications. The representative of that Ministry stated: "In behalf of the I. & B. Ministry I would like to say that we have 59 agents in the U.K. Most of them are ordinary private booksellers; included in the list is also, the Indian High Commission which also sells our publications and the HMSO. The bulk of sales takes place through the private booksellers. Our total sales in the U.K. in 1966-67 were Rs. 27,400. I am expressing the figure in terms of rupees. The commission paid was about 45 per cent. But I would like to explain that our foreign prices are artificial. We calculate the foreign price at a rate about 2 shillings per cent. We send the books at our cost by surface mail, but the difference between the Indian price and the foreign price is almost hundred per cent. So, 45 per cent commission is really artificial. The actual commission would be really less." When the Committee enquired of the representatives of Department of Works & Housing why a procedure adopted by one Ministry was not found acceptable to the other, the Secretary, Ministry of Works & Housing stated: "The matter has been considered by the Ministry and the view taken that the sale of publications with a commission of 40 or 45 per cent would not be desirable." The Committee enquired of the representative of Information and Broadcasting Ministry how much of their publications remained unsold overseas: The witness replied: "As far as we are concerned our condition with the private booksellers is that we do not take back unsold publications."

1.104. The representative of Ministry of External Affairs informed the Committee that the High Commission employed staff in the Publications Division comprising one Executive Officer and three Clerks all locally recruited. Two packers, borne on the strength of the High Commission were also utilised for doing packing along with other work. The Committee were also informed that a Team of Foreign Service Inspectors were examining the staff strength of the Mission and that their findings are awaited. In a note which has been subsequently submitted to the Committee by Ministry of External Affairs and Ministry of Works, Housing and Urban Development, the following further developments have been reported:

"During their inspection visit of H.C.I., London during June 1969, the Foreign Service Inspectors examined all aspects of the question of continuance of the Publications Branch and have given some definite recommendations. Their observations and recommendations are given below:—

1. Investigations have revealed that there is a negligible demand for books sent from India for sale in U.K. The prospect of disposing the stock of books through sale

is also extremely limited. Entrusting the work to an outside agency has to be investigated further.

2. All these factors tend to show that the Publications Branch or H.C.I., London is not fruitful. It is recommended that it may be abolished with effect from 1-4-1970.
3. The present stock of the publications available with the Branch valued originally at £10,000 may be distributed free of cost in the interest of publicity to the Universities and other institutions and persons interested in Indian affairs. Necessary powers in this respect may be delegated by the concerned authority in India to the High Commission.
4. In future the Manager, Publications Branch, Delhi and other Publishing Organisations of the Government of India, State Governments, etc. may send two copies of each publication to the High Commission which will publicise them through their News Letters and keep copies in their Library for reference by intending purchasers.
5. The prospective buyers can place orders directly on the concerned agency in India. This will do away with the necessity of meticulous accounting and the need for separate staff."

1.105. The Committee observe that over the past years, the expenditure incurred on the Publications Branch of the Indian High Commission has persistently exceeded the realisations from the sale of publications. During the period 1962-63 to 1968-69, the net outgo on this account was Rs. 1.48 lakhs. The sale of publications have on the other hand been declining: from Rs. 90,918 in 1965-66, they have come down in 1968-69 to Rs. 37,566.

1.106. The High Commission have, since 1957 taken the view that the Publications Branch should be abolished. However, due to the inability of Government to arrive at suitable arrangements for sale of publications through outside agencies, on which inter-ministerial consultations took place on two occasions over periods from four to five years, the Branch has been allowed to continue. A team of Foreign Service Inspectors who examined the staff strength of the High Commission in June, 1969 came to the conclusion that no "fruitful" purpose would be served by the continuance of this Branch. They pointed out that the Branch had stocks of publications valued at £10,000, for which there were "extremely

limited" prospects of sale. The team took the view that intending overseas purchasers could buy their requirements by placing orders on agencies in India and that there was no need for "meticulous accounting and separate staff" for this purpose in the High Commission

1.107. In the light of these suggestions, the Committee would like steps to be immediately taken by Government to abolish the Branch. The Committee have in their 107th Report (Fourth Lok Sabha) already called attention to the fact that the High Commission carries surplus staff to the extent of 30 per cent of its sanctioned strength. This points to the need for immediate action by Government.

Grant of financial assistance without proper scrutiny:

Audit Paragraph:

1.108. In paragraph 4.5 to 4.11 of their 14th Report, the Public Accounts Committee (1967-68) had considered the financial assistance given by Government to the Rabindra Nath Tagore Centenary Committee during 1960—64 for setting up of a "Rangshala" as a permanent memorial to Tagore and observed that the initial estimate of Rs. 20 lakhs prepared in 1960 for construction of the "Rangshala" was subsequently increased to Rs. 36.43 lakhs in 1962 and that Government had to take over the "Rangshala" from the Committee with effect from April 1967.

1.109. According to the C.P.W.D., the main reasons for the abnormal increase in the estimate were—".....the project was taken up without preparation of any preliminary or detailed plans, specifications or estimates and the magnitude of work could not be visualised while preparing the preliminary estimates. Costly materials like reinforced cement concrete were lavishly utilised in certain components of construction which could have been substituted by other cheaper materials. The rates allowed to the contractors were also on the high side probably due to the reasons that tenders were issued to a limited number of contractors."

1.110. The valuation of the "Rangshala" at Rs. 35.89* lakhs at which it was transferred to Government was done by the Committee itself. Government have taken no steps to get this valuation checked independently by any technical experts.

*Includes Rs. 3.04 lakhs as departmental charges.

1.111. The Rangashala was completed at a further cost of about Rs. 9.98 lakhs (plus departmental charges) and inaugurated in October 1968. According to Government's estimate, they will have to incur a recurring expenditure of Rs. 3.42 lakhs per annum for maintaining the buildings and roads, caretaking and conservancy arrangements etc.

[Paragraph 109, Audit Report (Civil), 1969].

1.112. During evidence, the representative of the Ministry of Education & Youth Services explained the background to the project in the following terms:

"During the Tagore Centenary Celebrations, in May, 1961, the Rabindranath Tagore Centenary Committee, of which Pandit Jawaharlal Nehru, the then Prime Minister was the President—and there were some other members also—decided that they should have a theatre in all the State Governments as a memorial to Tagore.

In Delhi, there was already proposal for a national theatre and they thought that they should have an open-air theatre (at) at Central place where everybody can go When the Committee had this idea of having an open-air theatre as a permanent memorial to Tagore, their idea was that they would spend only about Rs. 10 lakhs and that the money might be collected by themselves The Committee was in a hurry that the theatre should be completed on the due date for the Tagore Centenary Celebrations in May, 1961, and having provided for it, they asked the CSIR engineer and architects to help them with the plans The thinking was that they should have a multi-purpose theatre where we can have spectacular shows, dramas and other performances. With this idea some tentative plans were made by some people who are experts in their field in the CSIR. Then it was noticed that the execution of the plan will require Rs. 20 lakhs and not Rs. 10 lakhs which the Committee was prepared to spend. So, they requested the Ministry of Education to give a grant of Rs. 10 lakhs to which they agreed. The Committee was extremely keen that the theatre should be ready by the due date for the Tagore Centenary. So, they did not adopt the normal ways of first making a plan and estimates. The result was that the entire money was spent but the theatre was not completed and they did not know what to do about it. Neither could

they leave the theatre incomplete nor could they finish the work. So, they again wrote to the Ministry of Education that they should be given a loan of Rs. 17 lakhs. The idea of the Committee from the very beginning was that they would ultimately hand over the theatre to the Government. Their thinking was that the Government have given them Rs. 27 lakhs in all—Rs. 17 lakhs as loan and Rs. 10 lakhs as grant—and they have spent another Rs. 10 lakhs; so, they are not depriving the Government of any money; in fact, they have put their own money into it."

1.113. The Committee pointed out that, according to normal procedures, Government always had a property evaluated before purchasing it. The Committee enquired why Government acquired this property merely on the basis of the book values. The Secretary, Department of Works, Housing and Urban Development stated that this was taken over after going through the valuation records from the books of the CSIR, a Government organisation which was responsible for the supervision of the construction. He further stated that it was not necessary to make valuations afresh, when the Department were merely taking over the figures recorded in the books of CSIR. The Committee pointed out that in February, 1969, the Ministry in a note to Audit had stated that even if the records of the C.S.I.R. had been examined by the C.P.W.D. it would not have been possible to have certified the correctness of the 'hidden' items like specifications of cement expenditure incurred on developing the site, raising roads etc., executed and paid for. The Committee enquired whether Government did not even have the means of scrutiny over the expenditure incurred on this project. The Secretary, Department of Works, Housing and Urban Development stated, "I think the word 'hidden' has a somewhat sinister connotation. What I think was meant was that it is not possible from the books to determine to what depths on which the foundations had to be laid and what other specifications were actually adopted. The difficulty of the C.P.W.D. was that they could not delve into the records to ascertain these things."

1.114. The Committee asked why, the construction of the Rangshala was initially given to CSIR and not to the Ministry of Works and Housing. The witness stated, "At the initial stage of the project, when the Committee approached the CPWD they said that they will take about two years to complete the project because they will have to prepare the plans and estimate first. But the officers of the CSIR assured us that they would be able to finish the work much earlier. The result was that neither was the work finished in time nor was

the CPWD entrusted with it. If the plans and estimates had been prepared earlier, everything would have gone according to schedule. Since the Committee were running against time, they could not adhere to all the Government rules."

1.115. The Committee enquired whether it was not true that the expenditure incurred on the construction of the Rangshala was disproportionately heavy. The witness stated that the estimates have "certainly exceeded the preliminary estimate which was entirely provisional". He added that the preliminary estimate "was not based on any details of the work to be done or any specifications of the job. It was just a lump-sum figure and within about two years of the job, the original estimate of Rs. 20 lakhs was revised to Rs. 36 lakhs. That was when detailed plans and estimates and specifications were made."

1.116. The Department was asked to state the number of functions that have been held in the Rangshala since its inauguration in October, 1968. The Department have in their reply stated that two functions have been held since October, 1969 and correspondingly a sum of Rs. 2,000 - has been collected by way of revenue. The Committee asked for the details of the recurring expenditure on the Rangshala. The Department have submitted the following statement:—

"The actual expenditure incurred for maintaining the building, roads, caretaking and conservancy arrangements during 1968-69, is as under:—

	Rs.
(a) Annual repairs and maintenance of Rabindra Rangshala:	
Buildings & Roads	19,413
Horticulture	4,000
Electrical	19,000
(b) Conservancy arrangements	40,662
(c) Caretaking	27,948
(d) Filtered water supply and electrical consumption	9,168
(e) Special repairs	8,864
 TOTAL	 1,39,110

1.117. The Committee enquired what steps had been taken to popularise the use of the Rangshala. The witness stated that the matter "needs very urgent and careful consideration." He added: "I hope we can find ways, with the help of other Ministries and the

Education Ministry in particular, of putting this Rangshala to good use." In a note furnished to the Committee, the Department have stated that to consider the steps to be taken for popularising the use of Rangshala, the Advisory Committee for Rabindra Rangshala held a meeting on 1-7-1969. The Minister of Works, Housing & Urban Development, who is the Chairman of the Committee, at the meeting expressed, "concern" at the meeting about the expenditure on maintenance of the Rangshala and stressed the need "to evolve ways and means to see that the Rangshala is put to use." Then it was decided that the Secretary of Works, Housing Department should discuss the matter in a meeting with the Secretaries of both the Information & Broadcasting and Education & Youth Services. Accordingly, such a discussion was held on 21-7-1969. The following suggestions generally emerged out of the meetings held:—

- (i) A small committee should be constituted to manage the affairs of the Rangshala;
- (ii) Charges to be recovered from the parties should be nominal and transport arrangements have to be attended to;
- (iii) The formation of a 'National Theatre Club of India' with all artists, painters and architects etc. as members should be encouraged; and
- (iv) Functions like Mushairas, Kavi Sammelans, Folk-dances and annual awarding films etc. should be organised.

1.118. The Committee are distressed to learn that the Rabindra Rangshala, which was planned with the very laudable object of honouring the memory of a national leader, has turned out to be a costly but little used facility. The construction of the Rangshala was undertaken in the hope that its cost, initially estimated at Rs. 10 lakhs, would be entirely defrayed by public donations. This hope was belied and the project ultimately cost Rs. 37 lakhs, out of which as much as Rs. 27 lakhs had to be borne by Government. After having been constructed at such high cost, the Rangshala with a seating capacity of 2,000 to 8,000 persons, so far had been used only twice since its inauguration in October, 1968, when Government realised a sum of Rs. 2,000 as rent. On the other hand, the expenditure on its maintenance during 1968-69 has been of the order of Rs. 1.39 lakhs.

1.119. In para 4.10-4.11 of their Fourteenth Report (Fourth Lok Sabha), the Committee have already commented on the unsatisfactory manner in which this project was planned and executed. The Committee would readily agree that the Rangshala being a cultural

amenity should not be viewed as a financial proposition for Government. At the same time it is incumbent on Government to see that it is popularised and put to good use. The Committee note that Government are seized of this matter and hope that their efforts in this regard will succeed. It seems to the Committee that a Ministry like the Ministry of Information & Broadcasting or the Ministry of Education & Youth Services should take over the administration of the Rangshala, as they have a more intimate association with the organisation of cultural and artistic programmes.

1.120. The Committee would also like Government to examine how best the maintenance expenditure on the Rangshala could be pruned.

Delay in recovery of rent:

Audit Paragraph:

1.121. On withdrawal of the concession of rent-free accommodation (1965), the Bharat Sewak Samaj became liable to be charged rent at market rates with effect from July, 1965. However, rent of Rs. 3.43 lakhs for six Government buildings occupied by the Samaj for the period July 1965 to September 1968 has remained unrealised so far (December 1968). Of that Rs. 2.81 lakhs relate to the period upto March, 1968.

1.122. The Directorate of Estates have stated (February 1969) that proceedings for recovery of rent dues (which include Rs. 2.69 lakhs for two 'community centres' in Government colonies) have already been started and that against recovery of Rs. 1.39 lakhs the Samaj has filed an appeal in a Court of Law.

[Paragraph 64, Audit Report (Civil) 1969]

1.123. The Committee were informed that the total amount of rent due from Bharat Sewak Samaj as on 31st May, 1969 was Rs 4.20 lakhs as under:

S. No.	Particulars of ac- commodation	Amount out- standing as on 1-10-1968	Assessment of 10/68 to 5/69	Amount out- standing on 31-5-69	Amount recovered
1	2	3 Rs.	4 Rs.	5 Rs.	6
<i>Office accommodation</i>					
1	B.S.S. (C) T.C. Bldg. /	48,130.97	14,766.47	62,897.44	..
2	B.S.S. (D.S.) T.C. Bldg. /	18,636.69	5,607.42	24,244.11	..

1	2	3	4	5	6
3	B.S.S. (D.S.) Co- mmunity Hall, Ki- dwai Nagar	1,36,422.00	27,984.00	1,64,406.00	..
4	B.S.S. (DS) Com- munity Hall, Sar- jini Nagar	1,32,423.00	27,196.00	1,59,619.00	..
5	Garage No. 109- 111, North Ave- nue	4,563.00	936.00	5,499.00	..
6	9-Queensway Lane	2,390.13	720.00	3,110.13	..
	TOTAL	3,42,565.79	77,239.89	4,19,775.68	..

In addition to the above, a sum of Rs. 181.21 was outstanding as on the 31st May, 1969 against these buildings as shown below:-

	Outsta ding as on 31-5-69
(i) 26, Baisakha Singh Building, New Delhi (1½ months rent)	Rs. 142.11
(ii) Garage No. 45/24-32, Janpath, New Delhi (2 months rent)	Rs. 39.10
TOTAL	Rs. 181.21

1.124. The position of recovery of the foregoing dues was explained as follows:

(In lakhs of Rs.)

(a) Amount for which action for recovery has been initiated under the Act and proceedings are being taken by the Estate Officer	4.06*
(b) Amount for which recovery stayed by the Court of Law	6.10
(c) Amount for which order for payment was issued by the Estate Officer but the case is being tried again under the directions of the Appellate Court	0.04
TOTAL	4.20

1.125. It was also indicated that "the cases before the Estate Officer are being contested on behalf of the B.S.S. by a Counsel. He has moved an application for staying the recovery proceedings on the ground that a Commission of Inquiry has already been set up by the Central Government under the Inquiry Commission Act wherein all the affairs of the Bharat Sewak Samaj including the

(*This includes a sum of Rs. 1.25 lakhs in respect of which a writ petition filed by B.S.S. is pending in the High Court, Delhi.)

question of arrears in respect of accommodation allotted by the Government to the Samaj would be investigated".

1.126. The Committee enquired when the Samaj was informed about its liability to pay market rent for buildings occupied by it and why the amounts were allowed to run into arrears. The witness stated that though the Samaj were informed in May, 1965 to be effective from 1st July, 1965, it took one year to get the information from various agencies and to compute the rent. The witness added, "I accept the fact that this should have been done more quickly. Perhaps an unduly long period of time was taken in determining the rate".

1.127. The Joint Secretary, Department of Works, Housing and Urban Development further stated "The buildings at the disposal of BSS can be divided into three categories—two major units, two community centres, certain offices and garages. The bulk of the demand related to two buildings—Community Hall, Kidwai Nagar Rs. 1,64,000 and the Community Hall, Sarojininagar Rs. 1,59,000..... It is true that initially there was some delay in our communication of market rent, because three or four divisions had to be brought into the picture—civil, mechanical, engineering, Director of Horticulture and so on. Then the figure was communicated. So, there was some delay. It was communicated in October, 1966". Explaining further the reasons for the delay in communicating the rent, the Executive Engineer (Rents) stated, "We were informed by the Directorate of Estates in May that the rent for these buildings is to be calculated. We did not have on our records that these buildings belonged to the Department. So, first of all we inquired which unit of the CPWD had constructed these buildings. After that we made a reference to the Executive Engineers concerned. That was in September, 1965. But those Executive Engineers had transferred the buildings from one division to another division. They continued to pass on the information from one division to another. Finally, in April, 1966 I got the information for one building and in July, 1966 for the other building. Within a month's time thereafter we intimated the rent".

1.128. The Committee were informed after the evidence was taken that there was "some error in calculating the rent chargeable for the two Community Centres" and that this was being "looked into".

1.129. The Committee enquired why Government did not resort to eviction proceedings but allowed the rent to accumulate. The Director of Estates stated that the major part of the claims related to the Community halls at Sarojini Nagar and at Kidwai Nagar. Govern-

ment could not give any eviction notice as the Bharat Sewak Samaj "has been urging for their entitlement to the charge of rent on a concessional basis". Moreover, "in April, 1967, a major section relating to eviction in the Punjab Public Premises (eviction) Act was struck down by the Punjab High Court. Immediately the Central Government started thinking because the Central Act was based on that (the Punjab Act)". The Secretary, Department of Works and Housing clarifying the position at this stage informed the Committee: "May I mention two facts which, I think, are relevant here. The bulk of the outstandings relate to these two community centres. Their use has not been in the nature of commercial use. It has been essentially in the nature of welfare activity for the benefit of Government servants. I think, we ought to bear this in mind. Our intention now is that these welfare centres should be run as Government welfare centres under the control of Home Ministry as a part of their welfare activity. I do feel there is some force in the view which the Bharat Sewak Samaj has urged that the carrying out of welfare activities for the benefit of Government servants should not attract the levy at market rent. This is one aspect.

1.130. The other aspect is that in respect of certain garages which have been given to them in the South Avenue area, they have been running free schools. The initiative in the starting of these schools really came from the House Committee. We have been somewhat reluctant to take any drastic action for closing down these schools because they serve the need of the locality and the House Committee itself has been very concerned about the provision of these facilities. These two factors have a bearing on this issue. The witness added that eviction proceedings, would, in the circumstances, "have led to certain consequences which might not have been entirely beneficial". In reply to a question, the witness stated that in 1968, the Home Ministry had taken a decision to take over these centres and run them as welfare centres. He added, "We are now in the process of negotiating with the Bharat Sewak Samaj. They have installed some equipment for teaching purposes and for entertainments and things like that. The question of taking over this material is being negotiated." Asked when this was likely to be completed, he replied "two or three months".

1.131. The Committee pointed out that the Samaj had gone to court and enquired on what grounds the court had been moved. The Secretary, Department of Works, Housing and Urban Development stated that the Samaj contested the levy of market rent. The demands which were contested aggregated Rs. 1.25 lakhs and a stay order was initially given. The stay on recovery had however

been since vacated and Government "are entitled to proceed with the recovery of the amounts". As regards the remaining demands "the cases are before the court of the Estate Officer at different stages of hearing". The Committee pointed out that the Samaj had also asked Government to await the outcome of the Commission of Inquiry, which is going into their financial position, its assets and liabilities. The witness stated that Government did not propose "to wait for that. We are starting proceeding in the court for effecting recovery".

1.132. The Committee drew attention of the witness to the fact that Government withdrew recognition of the Samaj as a limb of the Planning Commission in 1965 and enquired whether grants were still given to them. The Committee also desired to know whether the Samaj was enjoying grants from other Ministries. It was stated that no grants have been given to the Samaj by the Department of Works, Housing & Urban Development since May, 1965. As regards other Ministries, the Department have stated that replies received from the Information and Broadcasting, Planning Commission, Food and Agriculture, Irrigation and Power, C.P.W.D., Ministry of Education and Central Social Welfare Board show that no grant had been paid to the Bharat Sewak Samaj by them.

1.133. The Committee are not happy that Government have still not come to a final decision on the question of rents payable by the Bharat Sevak Samaj in respect of certain Government buildings occupied by it in Delhi. The Samaj was informed by Government in May, 1965 that it would be liable to pay market rent for the buildings with effect from July, 1967. It took Government nearly one and a half years thereafter to work out the market rent and communicate it to the Samaj (October, 1966). The demands aggregating Rs. 4.2 lakhs upto the end of May, 1969, were contested by the Samaj on several grounds. A writ petition was filed by the Samaj in respect of demands amounting to Rs. 1.25 lakhs while the balance of the demands was challenged in Departmental adjudication. Government have stated that the bulk of the recovery amounting to Rs. 3.2 lakhs relates to two buildings where the Samaj has been running Government welfare centres and that there is "some force" in the view that these buildings should not attract market rent in the circumstances. And now the Committee have been informed that "there has been some error" in calculating the rent in respect of the community centres.

1.134. The Committee consider it regrettable that over four years after a decision was taken to charge the Samaj market rent, the

question of rent that the Samaj has to pay still remains undecided. Government are still considering the basis on which rents should be charged and have not even been able to work out correctly the rent payable. The Committee would like the matter to be decided without further delay and the rents assessed as payable to be expeditiously recovered.

1.135. The Committee also note that Government are taking over the administration of the welfare centres previously run by the Samaj. The Committee would like this to be speedily done.

1.136. The Committee would also like Government to fix responsibility for the delay that occurred in this case in communicating the rent to the Samaj as also for the lapses that rendered the figures of rent ultimately worked out incorrect.

Preparation of master plans of cities:

Audit Paragraph:

1.137. In May, 1962 the Ministry formulated a scheme of cent per cent financial assistance to State Governments for preparation of master plans of 71 cities. A provision of Rs. 3 crores was made for this purpose in the Third Five Year Plan. In July, 1962 the State Governments were informed that Central assistance under the scheme would be available for the duration of this Plan only, the liability for continuing the expenditure in the Fourth Plan being borne by the State Governments themselves. In September 1964, however, the Ministry decided that the Central assistance would be continued during the Fourth Plan for the spill over schemes.

1.138. Out of the allocated amount of Rs. 3 crores, Rs. 2.75 crores were paid as grants to the State Governments during the Third Plan period. Further grants of Rs. 1.64 crores were paid during 1966-67 and 1967-68. While releasing these latter grants, the State Governments were requested to take steps to complete the work by December 1968. But master plans of only 7 cities and interim plans of 42 cities were completed upto February, 1969.

1.139. In regard to the delay, the Ministry have stated (February, 1996) that this being a new scheme, the State Governments did not have the requisite expertise and experience of taking up such works; that in view of the shortage of technically qualified town and country planners, there was delay in recruitment of staff by the State Governments and that the work of preparation of plans involves various field surveys, collection of comprehensive data and drawing

up of an interim general development plan followed by a master plan which is finalised only after inviting and settling the suggestions/objections from the general public.

[Paragraph 108, Audit Report (Civil), 1969.]

1.140. The Committee pointed out that the provision of Rs. 3 crores was intended to cover the preparation of master plans of 71 cities. So far the master plans of only 22 cities had been completed according to the up-to-date progress intimated to the Committee by Government. The Committee enquired why progress had been so slow. The witness stated that the expenditure was under-estimated and the technical staff required had to be paid much more than was originally assumed. The work took longer time than was estimated. He added ".....Initially it was hoped that they would be able to complete all the work during the 3rd plan period. In fact, the work on surveys could not start until 1963—74..... Once the work was taken up, it was realised that the difficulties of staff would slow down the process and that we would have to continue to grant the assistance well beyond 1965-66."

1.141. The Committee pointed out that the amount released to the States during the period 1961—68 came to Rs. 439.85 lakhs, while the expenditure actually incurred by them was Rs. 307.89 lakhs, leaving a balance of Rs. 132 lakhs unspent. The Committee enquired whether it could be said that the States had no funds to complete the Master Plans. The witness stated that what they had stated was that the work had taken longer than anticipated and that it had been more expensive than was originally estimated. To a further question, the Secretary, Department of Works, Housing & Urban Development, replied that during the year 1969-70, no provision was made in the Central budget for the grant of assistance to States on this account. A new system of financial assistance to States had come into force according to which central assistance, instead of being related to specific schemes or heads of development was given as block loans/grants. The resources for this scheme would have therefore to be found by the State Government themselves out of total assistance provided or from their own budgetary resources.

1.142. The Committee enquired whether any guidelines are given to the States for the preparation of their master plans. The Chief Planner, Town and Country Planning, stated, "The Central Organisation had prepared a guide for the type of staff that would be necessary for the category of schemes that each State would be taking up, based on area and projected the population of that particular scheme.

We also worked out the various equipments including vehicles necessary for the category of scheme. But this was merely a guideline, actual preparation of detailed scheme being left out to States. These schemes were scrutinised by the Central Organisation and then the provision was approved and sanctioned for preparation of the plan." The witness further stated that the Town and Country Planning Organisation keeps in close touch with the progress of the work. Whenever a State required assistance, it was duly given by sending officers to that State for giving technical help. Asked whether there was any machinery to watch the progress of the work, the witness replied in the affirmative and stated that various groups were constituted in the Central Organisation, each group being responsible for work pertaining to certain areas. The Officers-in-charge of the group visited the Town Planning Organisation in various States and assessed the progress made in respect of plans preparations, implementation as well as enactment of legislation. Immediately after the visit, reports were prepared and sent to the Central as well as the State Government.

1.143. The Committee asked about the criteria for the selection of the 71 cities. It was stated that according to the Third Five Year Plan, Master Plans were to be drawn up in the first instance for metropolitan cities, State capitals, industrial centres and large growing cities where, in the ordinary course conditions were likely to deteriorate further. This, he stated, was the criteria adopted.

1.144. Referring to the difficulty in the implementation of the Scheme stated to have been caused by shortage of technically qualified town and country planners, the Committee desired to know what arrangements have been made to supply the technical personnel. The witness stated that four institutions for training persons in town and country planning have been started one each at Madras, Poona, Kharagpur and Delhi and one more at Ahmedabad is under the process of being organised. The witness further stated, "There is an intake of 30 students in each of these institutions. We can take for granted that, as up today, we will have about 120 students every year trained in this field, and very soon when the Ahmedabad School starts working, we will have 30 more. In addition to that, we have the certificate course which is being conducted by the school here for evening classes as well as the diploma course which is conducted by the Institute of Town Planners of India wherein examinations are conducted by the Institute and the students prepare themselves privately.

1.145. The Committee enquired about the steps taken to implement the master plans of cities. The Secretary, Department of

Works & Housing stated, "I do not think that substantial steps have been taken. These Plans have been drawn up. The States look for special assistance for their implementation. I think, the problem of resources is going to be one of the major difficulties in implementing these Master Plans. In some cases it is also necessary to take statutory powers for the enforcement of the Master Plan provisions and most States are now seized of the problem of enacting the necessary legislation." The Committee asked when implementation was expected to start, the witness replied, "Implementation would necessarily be a matter of home years." The Committee enquired what was the good in preparing a Master Plan if it was not going to be immediately implemented and pointed out that the Plan itself might become outmoded, if it was not implemented, as the growth of cities and towns would, in the meanwhile, take their own course. The witness stated, "In any case the implementation of the Master Plan would take time even if we are fully armed with statutory powers. In the meanwhile our expectation is that the local bodies will exercise the powers which they possess today for ensuring that violations of Master Plans do not occur." Asked whether comprehensive legislation was not necessary to ensure implementation of the Master Plans, the witness stated that the State Governments had been urged from 1964 onwards to enact the legislation. A model legislation had also been sent. The State Governments were "now seized of the problem".

1.146. In notes submitted to the Committee, Government have explained the problems involved in the implementation of Master Plans as follows:

"Most of the Master Plans which are now ready have been finalised recently and not much has been done towards their implementation. In fact, the implementation of Master Plans involved 3 aspects on which action is required to be taken by the State Governments concerned:

- (a) In the first place, there should be a statutory provision by which the recommendations of the Master Plan of a city are declared as "public purpose" so that the land-use envisaged in the plan can be enforced. Copies of a model legislation to be adopted for the purpose were circulated to all State Governments as far back as 1967 but so far, only the States of Mysore, Maharashtra and Nagaland have enacted a comprehensive Town Planning legislation. The matter is, no doubt, engaging the attention of the other States who should also enact similar legislation with the least possible delay.

- (b) Secondly, a machinery which would function as a Town Planning Trust, has to be set up to ensure that all future development in the city takes place in accordance with its Master Plan.
- (c) Thirdly, as many recommendations of Master Plans involve large public investment, the State Governments are required to devise means of providing the initial capital for investment for various Urban Development Schemes recommended in the Master Plan, the Chief one being large-scale acquisition, development and disposal of land by public authorities.

The crucial factor undoubtedly is the non-availability of adequate financial resources for implementing the development plans based on the Master Plans. This is entirely the responsibility of the State Governments who can be expected to take appropriate measures in this direction having regard to the competing claims of other development programme included in their Annual Plans from time to time." "Practically all the States|Union territories have drafted legislation on the basis of the model law. Governments of Mysore, Maharashtra, Madhya Pradesh, Nagaland and Union Territory of Pondicherry have already enacted comprehensive legislation for town & country planning. The draft legislation in other States are at various stages of action."

1.147. The Conference of Ministers of Housing, Urban Development and Town Planning which reviewed the progress in the implementation of the Master Plans in June 1969 came to the following conclusions:

"The Conference feels that the progress of enactment of comprehensive Town and Country Planning legislation is very slow and recommends that all State Governments concerned should take steps to introduce such bills in their respective legislatures, latest by September, 1970. The Conference feels that any delay in enactment will render the plan preparation work infructuous and development plan obsolete. The Town and Country Planning Organisation of the Government of India may assist the State Governments in finalising the Town Planning legislation. The Conference feel that there has been little or no progress in the enforcement and implementation of deve-

lopment plans prepared during the Third Plan period. The Conference desires to impress upon all the States to complete the preparation of city development programmes for urban areas where a development plan is ready and to integrate the city development programme with the annual plans of the States.

The Conference appreciates the importance of generating resources from urban land by mopping up the unearned increments in land values, levying conversion charges for more remunerative uses of land, etc. and recommends that the resources so generated may be funded separately by the States for utilisation specifically for urban development.

Apart from the mobilisation of the resources by the States themselves, the Conference also recommends that the Central Government may provide the initial capital to operate as a "revolving fund" for financing all urban development schemes including acquisition of land. The Conference wants to make special reference here to States such as Nagaland where there are no major urban settlements and recommends that the revolving fund should cover remunerative schemes in areas for which development plans have been prepared.

The Conference also recommends that the State Governments should encourage the local bodies within their jurisdiction, to take up remunerative projects such as markets, cinema, theatres, hotels, etc. which will generate resources for financing urban renewal and urban development.

The Conference feels that the qualified town planners being trained by the existing four institutions at Delhi, Kharagpur, Poona and Madras, have not been fully utilised by the States and as such the need for organising Certificate course to supplement qualified town planners, does not arise. The Conference however, accepts that such a course should be started at the State level for junior posts in Planning Departments and local bodies.

The Conference also notes that the recommendations embodied in the Report of the Committee of Ministers in regard to employing town planners and creating posts in town planning departments has not been implemented by some of the States. The Conference, therefore, recommends that

special steps be taken for expeditious implementation of these recommendations."

1.148. The Committee feel that the problem of planned development of cities and towns does not brook further delay. A sum of Rs. 4.39 crores has been provided to the States to the end of 1967-68 under a Scheme for preparation of Master Plans for 71 cities. As of now, however, the master plans for 22 cities and interim development Plans for 28 cities only have been prepared. Government have also admitted that "not much has been done towards the implementation" of these plans. The Committee feel that the result of non-implementation of these plans would be that with the passage of time, the circumstances and premises on which these schemes are based would become outmoded and further sums would be needed for their revision.

1.149. These plans are meant as a step towards directing the growth of urban areas on sound town planning principles. It is a truism that rapid urbanisation has been taking place in the country in the last two decades. A Working Group of the Planning Commission* estimated the rate of urbanisation in the country at 3 per cent to 8 per cent per annum and predicted that "even on a conservative basis the urban population of 80 million people in 1961 is likely to be of the order of 112 million in 1971 and 152 million in 1981". In such circumstances, the entire work on preparation of Master Plan, on which such substantial expenditure has been incurred, will be rendered infructuous and the plans themselves will become obsolete unless purposeful steps are taken to implement them. As a first step in this direction it will be necessary to ensure that States enact necessary Town planning legislation. A model legislation for this purpose is stated to have been circulated to the States as far back as 1967. The Conference of Ministers of Housing, Urban Development and Town Planning, which considered this problem, recognised that progress in this regard had been "very slow" and that the State Governments should introduce the legislation "latest by September, 1970". The Committee would like the Government of India to take suitable steps to ensure that appropriate legislation is enacted through by the States expeditiously. The Committee hope that Government will ensure that the Master Plans are also integrated with the annual development plans as recommended by the Conference. Government will also have to ensure that Master Plans are speedily prepared in cases where they are not yet ready.

1.150. A major difficulty in the implementation of the plans seems to be paucity of resources. Several suggestions on this point have

* "Regional and Urban Development" Report of the Main Group on Urban Development for the Fourth Five Year Plan.

been made by the Conference of Ministers. It would be worthwhile seeing how best these Schemes could be made self-financing as suggested by the Conference.

1.151. The Committee would also like to point out that qualified Town Planners now being trained out by the four institutions set up in the country are not being fully utilised by the States. It is paradoxical that, on the one hand, the preparation of Master Plans should be impeded by lack of trained staff, while on the other, trained planners available in the country are not fully utilised. It appears to the Committee that Government are going to further complicate and aggravate the already existing unemployment among the Town Planners by their decision to augment the existing training facilities in town and country planning by providing another institution at Ahmedabad. The Committee would like Government to examine this problem in all its aspects before taking any further action in this respect.

Dumping of garbage on Government land:

Audit Paragraph:

1.152. Possession of 480 acres of land in N.H. VIII to XIII at R.K. Puram, New Delhi, acquired by Government for construction of residential quarters for Government employees, etc., was taken in June 1957; 45.67 acres of that land in N.H. X and XII was being used by the New Delhi Municipal Committee for dumping garbage since 1956. No objection to this was raised by the Central Public Works Department until December, 1963. The Committee, however, continued to dump garbage in that area despite persistent objections by the Department thereafter. Finally, the matter was discussed in November 1966 in an inter-departmental meeting pursuant to which an alternative dumping site was allotted to the Committee in March 1967 and from April 1967 the Committee eventually stopped dumping garbage in that area.

1.153. Apart from making the place unhygienic for construction of residential quarters, continued dumping of garbage raised the level of the land. It is estimated that Rs. 22.40 lakhs would have to be spent for removing the garbage; of that amount Rs. 0.84 lakh have already been spent upto December 1968.

1.154. A claim for payment of compensation towards removal of garbage was made by the Central Public Works Department in November 1966 but the Committee did not agree.

1.155. The Committee desired to have a chronological history of the case showing the steps taken by Government to stop indiscriminate dumping of refuse by New Delhi Municipal Committee at Ramakrishna Puram from the data furnished by Government on this point, the following position emerges:

- (i) In August 1957, the Central Public Works Department addressed the New Delhi Municipal Committee to stop "further dumping" and this was followed up by another communication in January, 1958 in which it was suggested that "dumping should not be done to any level higher than adjacent ground level."
- (ii) After a lapse of over five years, in December, 1963, the President New Delhi Municipal Committee was asked to "discontinue" the dumping. This request was succeeded by reminders in March 1964 and April 1964.
- (iii) In August 1964, the New Delhi Municipal Committee stated that dumping would be stopped as soon as an alternative site was released by Delhi Development Authority and in September, 1964, the Ministry of Health was moved for this purpose by Ministry of Works and Housing.
- (iv) In June 1965, the Ministry of Health was requested by Ministry of Works and Housing to instruct New Delhi Municipal Committee to stop further dumping "immediately", with the indication that the cost of clearance of garbage already dumped is proposed to be recovered from the Committee. Ministry of Health was reminded in July, 1965 and October, 1965.
- (v) At a meeting held in September, 1966, the President, New Delhi Municipal Committee stated that the Committee "had not been able to get a convenient alternative site for dumping" and it was decided that this should be chosen by a Committee of officials of Government and New Delhi Municipal Committee.
- (vi) In December, 1966, an alternative site was selected. The site was actually allotted in May, 1967 shortly prior to which (last week of April) dumping of refuse at Ramakrishna Puram was stopped. New Delhi Municipal Committee however refused to bear any portion of expenditure for shifting garbage already dumped.

1.156. The Committee enquired whether any watch was kept over the dumping of garbage by New Delhi Municipal Committee to en-

sure that the level did not rise above the stipulated height. The witness stated that it was difficult to employ supervisory staff for checking this. He further stated, "It was only in 1963 that it was noticed that dumping was taking place contrary to the original stipulation.....From 1963 onwards, Central Public Works Department was taking up this point with New Delhi Municipal Committee.....Until the New Delhi Municipal Committee had an alternative dumping ground for garbage, we could not restrain them from dumping there."

1.157. The Committee enquired about the cost of removing the dumped garbage. The witness stated, "We don't think it will be necessary to remove the garbage for the purpose of using this land. This has been earmarked in the Master Plan for various purposes like primary schools, higher secondary schools, colleges etc.....I have a feeling that by and large the Government will not be called upon to spend any large sum of money in removing the garbage for the purpose of levelling the ground.....The cost of levelling in the first instance would be Rs. 4.78 lakhs.....The New Delhi Municipal Committee and we have discussed this. The New Delhi Municipal Committee does not accept any responsibility for payment." Asked how the estimate came down from Rs. 22.40 lakhs to Rs. 4.78 lakhs, the Secretary, Department of Works, Housing and Urban Development stated, "Originally the Master Plan provided for the use of this area for parks, schools and buildings. But this was lost sight of when this estimate of Rs. 22 lakhs was made. I think there was no doubt that an error has been committed in two ways—in making an assumption that the whole area must be levelled and the material must be transferred to two miles or so and in not giving attention to the use of the land as per Master Plan. I think there has been omission in this matter and the error has to be admitted. The Committee enquired why it took a long time to find a suitable alternative site. The Secretary, Department of Works, Housing and Urban Development stated they had initiated action in finding an alternative site for the New Delhi Municipal Committee to dump the refuse. He added, "We made every possible effort to stop this dumping. But it could only be stopped effectively when an alternative site could be placed at the disposal of the New Delhi Municipal Committee.....The position is that we took a long time to indicate an alternative site for this purpose." The witness further stated that, after a lot of correspondences and discussion—between the Health Ministry, Ministry of Works, Housing & Urban Development, Central Public Works Department and New Delhi Municipal Committee—which had consumed about two years and eight months, a suitable land behind the Zoo, was allotted on 20th

May, 1967. Subsequently, the Ministry was informed about the stoppage of garbage dumping by New Delhi Municipal Committee from the end of April, 1967.

1.158. The Committee pointed out that the continued dumping of garbage should have posed a serious health hazard to the residents of the locality and asked whether any complaints were received. The witness stated that though there were no reports of health hazards, but that some complaints of fly and mosquito nuisance had come to their notice.

1.159. The Committee desired to know what process was followed in most of the countries for disposal of garbage. It was stated that there were two ways—one was by dumping them in low lying areas to fill up and reclaim them and another was by incineration. The witness further stated that due to the moist nature of garbage in our country, the incineration method would not be suitable.

1.160. The Committee regret that, due to failure of coordination between different Ministries, indiscriminate dumping of garbage by the Municipal authorities was permitted to continue over a period of seven years in one of the sectors at R. K. Puram. As a result, Government are now faced with the problem of having to level the dumping site at a cost of Rs. 4.28 lakhs.

1.161. The facts of the case make interesting reading. As early as August, 1957, the Central Public Works Department approached the Municipal authorities to stop "further dumping" at the site. This was followed by another communication in January, 1958, in which the Municipality was asked to ensure that dumping, if it took place did not raise the level of the site above that of the adjacent ground. After a gap of over five years, the authorities became peremptorily seized of the problem again and request was made in December, 1963 that the dumping should be discontinued. This the Municipal authorities would not do due to alternative dumping grounds not having been provided to them. The question was then taken up with the Ministry of Health in September, 1964, but it was not till May, 1967 that an alternative site was allotted, when the dumping stopped.

1.162. Another interesting aspect noticed by the Committee is that originally and even up to the date of the Audit paragraph, the removal of garbage from the site was expected to cost Rs. 22.40 lakhs. During evidence, it was maintained that large sums would not be required for removal of garbage and levelling of ground. In the first instance, the cost would be Rs. 4.78 lakhs. The Committee

Acquisition of land in excess of requirement

Audit Paragraph:

1.163. In February 1965 Government decided to acquire 1,000 acres of land in Ghaziabad for construction of Central Government offices and residential accommodation. Accordingly, the State Government of Uttar Pradesh were requested to take action to acquire the land and necessary funds were to be made available to the State Government as and when required.

1.164. The State Government acquired 832 acres of land at a cost of Rs. 120.81 lakhs and its possession was taken by the Central Public Works Department on various dates during September 1965 to January, 1966. However, in December 1965 Government of India decided to restrict the acquisition of land to 250 acres only, but this decision was communicated (in March 1966) to the Central Public Works Department only after the entire land had been taken possession of. No portion of the land (including the 682 acres rendered surplus) has been put to any use so far even after two and half years.

[Paragraph 75, Audit Report (Civil) 1969.]

1.165. The Committee desired to know whether a proper assessment was made about the actual requirements of land before approaching the U.P. Government for acquisition of land in Ghaziabad. The Secretary, Department of Works, Housing & Urban Development stated that the Master Plan of Delhi envisaged setting up of a satellite Colony in Ghaziabad for Government offices and residences by 1981. On the basis of the requirements as projected in the Master Plan, 932 acres of land was acquired at a cost of Rs. 120.81 lakhs. He added, "The Master Plan provides that in Ghaziabad about 20,000 Central Government employees would have to be housed by 1981 and that offices of corresponding nature would have to be located there."

1.166. The Committee enquired why the requirement was reduced to 250 acres in December 1965. The witness stated that, due to the sudden hostilities with Pakistan, it became necessary to effect

maximum economy under land acquisition. The question was examined in the Ministry of Finance at the instance of the Economy Committee of Secretaries and in December, 1965, it was decided to acquire 250 acres only.

1.167. According to information furnished to the Committee, the land was taken over from the U.P. Government in phases in the following manner:—

195 acres	on	27.9.1965
26 acres	on	20.12.1965
351 acres	on	27.12.1965 and
359 acres	on	28.1.1966

1.168. The Committee pointed out that even after their decision limiting the acquisition of lands was taken by Government in December, 1965, an area of nearly 700 acres was acquired. The Committee enquired why the decision to restrict acquisition was communicated to the Chief Engineer only in March, 1966, i.e., after a delay of nearly four months. It was stated, that though the Finance Ministry was of the opinion that the land acquisition might be restricted, the Works, and Housing Ministry did not agree and sought further discussions and clarifications in the matter. The Committee enquired why, pending resolution of this issue, the Chief Engineer was not asked to stop further acquisition. The Secretary, Department of Works, Housing & Urban Development stated, "I have nothing to show the reasons why immediate action was not taken."

1.169. To a question, the witness stated that as a first step in acquisition, Section 4 of notification of the Land Acquisition Act, 1894 was issued on 28th December, 1963, to avoid speculation in land values. The Committee enquired how a notification was issued so early, when the decision of Government to acquire the land was taken only in February, 1965. The witness stated that Section 4 notification was not a binding one. Besides, the idea was to provide for Government's future requirements. The witness added, "If we were to actually acquire this in future, we would have to pay 2, 3 times the value which we have now paid."

1.170. Taking note of the fact that a compensator of one crore and twenty lakhs was paid to the landowners, the Committee asked whether Government had obtained any useful return on this heavy investment. The Secretary, Department of Works, Housing & Urban Development stated, "..... The return is two fold in character. The first is the actual use of this land. I am not at present able to

forecast when exactly this land will be put to use. The C.P.W.D. has put forward a scheme for developing 50 acres for the purpose of building quarters for the Central Government staff. This proposal has been under examination. Another benefit is the appreciation of the value of the land." The witness added: "The other aspect is this: this is a good insurance against Government's future requirements. The idea behind this large-scale acquisition of land in Delhi is that we want to bring to the State the benefit of any appreciation in the land value and we do not want that this benefit should go to private individual. In that sense it is insurance against future."

1.171. Elaborating the basis underlying the acquisition of land in this case, the Secretary, Department of Works, Housing & Urban Development informed the Committee: "The acquisition was made with reference to the requirements upto 1981. This was the intention when the land was acquired—whatever requirements will materialise upto 1981 as envisaged in the Master Plan. By 1981 it is expected that 20,000 Government servants will be located in Ghaziabad as the Government offices will also be shifted to Ghaziabad"....
....."In the matter of urban development, there is no question in my mind that we have to look far ahead. In Delhi itself it is quite evident that in the last 10 years the land value has increased by 200, 300 per cent."

1.172. The Committee pointed out that though there was a Master Plan, which envisaged the development of a satellite township at Ghaziabad, no steps had been taken by Government to implement it. Nothing for instance had been done in regard to the link between Delhi and Ghaziabad. For the major portion of the land acquired in this case no plans had been drawn up. The Committee enquired whether this was the right way to proceed. The Committee also pointed out in this connection that the acquisition of land in this case had uprooted a number of agriculturists who were cultivating the land. The Secretary, Ministry of Works, Housing and Urban Development clarifying the position stated: "I do not quarrel with the view that land acquisition should be resorted to judiciously. It is a matter of judgement in each case. I find that in this instance a view was taken at the highest level that the acquisition of 1,000 acres was necessary for the orderly growth of Delhi and its surroundings. This is related to the future growth of population in and around Delhi and a view was taken that large-scale acquisition of land is necessary and beneficial from the public interest point of view. The possibility that the people will be evicted from the livelihood has certainly to be borne in mind. But when urban growth takes place, there is inevitable erosion of agricultu-

ral land. It must give place to urban growth. I would like to submit that in long-term view we will be found to be right in acquiring this land." The witness added: "There was a definite programme for the utilisation of the land. It was based on a definite forecast and the Master Plan of Delhi. The fact that at the moment we are inflicted by paucity of resources is there. Nevertheless a plan has been made for the utilisation of the land. The implementation of the plan will proceed apace. We cannot proceed on the basis that paucity will continue for ever."

1.173. In regard to the question of development of Ghaziabad Government township, the witness informed the Committee that: "In my opinion, the realistic view in this matter is that the building of large scale accommodation at Ghaziabad must go hand in hand with the shifting of offices from Delhi. The construction of office accommodation in Ghaziabad was envisaged in the Master Plan, and the view was that side by side with the construction of office accommodation, we should develop residential colonies. This is something like what has happened in Faridabad. We have a certain number of Government offices located there and a certain amount of residential accommodation. I think it is not very realistic to hope that you can live in Ghaziabad and come to work in Delhi on a very large scale."

1.174. The Committee enquired whether, in the circumstances of the case, it was appropriate for Government to have acquired the land for forestalling possible future speculation, when the acquisition involved uprooting of small cultivators in the area. The Secretary, Ministry of Works, Housing & Urban Development replied: "I submit in this case that it serves a public purpose. That is the real test of the matter—whether it serves a public purpose or not." Asked further whether, in view of the absence of any definite plans for the utilisation of the land, it was not appropriate that the land should be restored to its original owners, he stated: "We believe that the purpose will be served in the long view, and there is no intention to return this land. I think we would be making a mistake if we were to relinquish this land and return it to the original owners."

1.175. The Committee enquired what action had been taken to see that the land was not encroached upon. The witness stated that on an investigation by the C.P.W.D. it was found that no land had been unauthorisedly occupied except that the original land owners (from whom the land had been acquired) still continued to cultivate about

50 per cent of the land right from the beginning. The Committee asked how Government accorded permission to them to use the land, and also when Government came to know of the fact. It was stated that Government came to know of it in June, 1966 when some villagers started ploughing the land and sowing seeds. As a result of representations from the cultivators to the then Prime Minister, Government decided in July, 1966 not to disturb the cultivators till the harvesting of the standing crops. The Committee enquired whether any rent was being realised. The witness stated, "Nothing has been realised as yet. It is a case of not recovering rent in a timely manner.....I think this matter was lost sight of."

1.176. The Committee enquired whether any writ petitions in regard to these lands were pending in court. They were informed that a number of petitions were filed, but "a majority of them have been dismissed."

1.177. The Committee consider it regrettable that 932 acres of land acquired by Government in Ghaziabad at a cost of Rs. 120.81 lakhs in September, 1965—January, 1966 have not been put to any use so far. The proposals for acquisition of this land were mooted as early as 1963 on the basis of a Master Plan which envisaged a Government township at Ghaziabad. However, so far no definite plans in this regard have been drawn up due to paucity of resources. In the meanwhile original owners of about 50 per cent of land have been permitted to cultivate the land acquired by Government.

1.178. While the Committee agree that in the matter of urban development, it will be necessary to look ahead and protect Government against the effects of speculative increases in land prices, they would also like to point out that plans for acquisition should be carefully drawn up, having regard to the prospects of sufficient resources being available to Government for implementation of any plans for the development of the land acquired. Where proposals for acquisition would mean uprooting of small cultivators, as in this case, it would be necessary to exercise extra care.

1.179. The Committee would like to be informed whether any steps are proposed to be taken for development of the land in this case under the Master Plan during the Fourth Plan period. The Committee would also like to be apprised of the outcome of the writ petitions in regard to some of the cases covered by this acquisition which are stated to be pending in court.

Non-observance of financial rules

Audit Paragraph

1.180. Moneys received by the Land and Building Department of Delhi Administration under the scheme of large-scale acquisition, development and disposal of land in Delhi are deposited in a personal ledger account. The unspent balance in this account at the end of financial year cannot be spent in the following year without being covered by budget provision.

1.181. According to the prescribed procedure, advances paid to Land Acquisition Collectors from this account are required to be adjusted against actual payments of compensation and the unspent balances with them are to be recovered and deposited in the personal ledger account before the accounts for the year are closed. However, the Department did not recover from the Land Acquisition Collectors unspent balances of Rs. 46.83 lakhs, Rs. 12.12 lakhs, Rs. 0.53 lakh and Rs. 184.50 lakhs at the end of 1964-65, 1965-66, 1966-67 and 1967-68 respectively. On 8th March, 1968 the Department decided not to accept Government dues from private parties during 11th March to 31st March 1968; those moneys would then be received, and thus can be utilised in the next financial year.

[Paragraph 39—Audit Report (Civil), 1969.]

1.182. The Committee enquired why large sums of money remained undisbursed with Land Acquisition Collectors and to what extent this was due to failure on their part to disburse the compensation amounts due to various parties.

The Department have stated in a note:—

“Acquisition under the ‘Large-scale Scheme of Acquisition, Development and Disposal of Land in Delhi’ is done under the Land Acquisition Act, 1894. To observe the statutory provisions of this Act, the estimated amount of compensation has to be placed at the disposal of the Land Acquisition Collector before acquisition proceedings are completed and the award accounted. It was found that if this procedure was to be strictly followed, it would not have been possible at any stage to find the money required from the Revolving Fund; and that if it were possible to do so, very large sums would remain with the Land Acquisition Collectors or a number of years. Accordingly it was decided that the estimated sum would not be paid in advance; but as soon as a collector was ready to make

an award in a group of cases, the requisite funds had to be placed at his disposal before he made the award."

"Each award pertained to a compact area, involving acquisition from a large number of persons, to whom compensation was to be disbursed. Even so, the disbursement did not take unduly long, as will be seen from the following table:—

Balance as on

Date	In lakhs of rupees	Date by which disbursement was completed by
31st March, 67	0·53	April, 1967
31st March, 68	184·50	July, 1968.
31st March, 69	71·6	May, 1969."

1.183. The Committee enquired how the Administration could incur any expenditure out of these unspent balances and other realisations without a vote of Parliament.

1.184. In a note furnished to the Committee, the Department have stated:—

"Funds have to be placed at the disposal of the Land Acquisition Collector before acquisition proceedings are completed so that payment is not refused to persons entitled for the same under section 31 of the Act. If the money is placed at the Land Acquisition Collector's disposal, a further vote of Parliament for the payment of compensation by the Collector in the subsequent year or years is not deemed necessary."

1.185. The Committee enquired at what level the decision was taken on 8th March, 1968 not to accept Government's dues from private parties during 11th March to 31st March, 1968 and whether the Ministry of Finance was consulted before issue of the orders in this regard.

1.186. The following reply has been given by the Department in a note submitted to the Committee:—

"The question of the level at which this decision was taken is not so material as the purpose with which this was done. When the Government of India decided to set up a Revolving Fund for this Scheme, the decision was that

all receipts should come into and remain in that Fund. But the accounting procedure devised later erroneously prescribed that whatever balance remained in the Personal Ledger Account on the 31st March of a year should be credited to the Consolidated Fund. This was under the mistaken impression that this Personal Ledger Account was outside the Consolidated Fund. Until this mistake was corrected, as it was in January 1969, it was necessary to ensure that Government's intention was fulfilled, even though the accounting procedure prescribed was faulty.

On the specific point of information sought, the decision was taken by Secretary (L&B) Delhi Administration, in consultation with the Associated Finance."

1.187. The Committee pointed out that the Delhi Administration had informed Audit in January, 1969 that it had been decided by the Ministry of Finance that the balance in the personal ledger account would not lapse to Government in future. The Committee enquired whether it was therefore permissible to incur any expenditure in the following years out of the unspent balance on 31st March, without getting vote of Parliament.

1.188. The Department of Works, Housing & Urban Development have stated:—

"The estimated amount of compensation has to be paid to the Land Acquisition Collector, before he makes his award. This has, of course, to be done after securing a vote from Parliament.

Subsequently, if the Land Acquisition Collector makes his award in the subsequent financial year, and pays compensation in that subsequent year or even in a year later than that, there is no need to obtain a fresh vote from Parliament as the earlier authority given by Parliament continues to subsist."

1.189. Audit have observed that the accounting procedure in this case was laid down in the Ministry of Finance letter dated 30-6-61 which was subsequently modified in January 1969, vide Ministry of Finance letter No. F. 1(22) B/68 dated 21-1-1969. According to the accounting procedure prior to January 1969, any amount which was lying unspent with the Land Acquisition Collectors or the amount with which the P.L. Account was opened, was required to be ad-

justed at the end of the year with the result that in the beginning of the next year the P.L. Account had to be reopened by taking another advance. After January 1969, it was not necessary to close, at the end of each financial year, the P.L. Account within the Consolidated Fund so long as the scheme was continuing. This change was not introduced because the earlier accounting procedure was in any way erroneous.....Further, this change in accounting procedure was also not intended to give a handle to the Housing Commissioner or the Treasury Officer to disburse the funds out of the unspent balance lying in the beginning of the next year, unless there was a budget provision under the final head of account. Even after this change in January 1969, there would be a debit to the final head in the year in which the Land Acquisition Collector actually pays compensation even though the advance (or credit) in the P.L. Account has appeared in an earlier year and hence in the next year this expenditure would have to be covered by a vote. This is inherent in the accounting procedure prescribed for the P.L. Account.

1.190. The Committee are of the opinion that unspent balances of advances remaining with Land Acquisition Officers at the close of the financial year can be utilised for payment of compensation in the subsequent year only if budget provision has been made in that year under the head of account to which payments of compensation are debited. The fact that unspent advances form part of a personal ledger account which is carried over from year to year does not alter this position or dispense with the need for a vote from Parliament. The Committee would like clear instructions to be issued on this point by the Budget Division of the Ministry of Finance so that the correct procedure may be followed in future.

Purchase of ceiling fans and fluorescent lamps

Audit Paragraph

1.191. Paragraph 82 of the Central (Civil) Audit Report 1967 had pointed out that the Executive Engineer, Central Electrical Stores Division, New Delhi, had ignored cheaper rate contracting firms, purchased cables from a rate contracting firm whose rates were higher and thereby incurred extra expenditure. The Public Accounts Committee of 1967-68 suggested* that the lapses which resulted in extra expenditure should be investigated early with a view to fixing responsibility.

1.192. It was noticed that the Executive Engineer had also placed orders for ceiling fans and fluorescent tubular lamps on rate con-

*Paragraph 2.95 of the PAC's 27th Report (Fourth Lok Sabha).

tracting firms whose rates were relatively higher. This resulted in extra expenditure of Rs. 2.65 lakh as follows:—

	When purchased	value of orders (In lakhs of Rs.)	Extra expenditure
Ceiling fans	April 1965 to Sept. 1966	40.74	2.33
Flourescent tubular lamps . . .	October 1964 to October 1967	5.18	0.32
TOTAL		45.92	2.65

1.193. There is no record to show whether it was ascertained before orders were placed on firms with higher rates that the fans and lamps were not available with the firms whose rates were cheaper.

[Paragraph 77, Audit Report (Civil) 1969.]

1.194. The Committee drew attention of the witness to the fact that after the consideration of an identical case which occurred earlier, the Public Accounts Committee (1967-68) had suggested in para 2.90 of their 27th Report (Fourth Lok Sabha) action against the Executive Engineer for his lapses in placing orders against rate contracts which involved payment of higher rates. The Committee enquired whether action had been taken against him. The Secretary, Department of Works, Housing and Urban Development stated that the matter was examined in consultation with the Central Vigilance Commission and in accordance with their advice, the officer was warned.

1.195. The Committee enquired whether apart from the cases mentioned in the Audit paragraph which involved an extra expenditure of Rs. 2.65 lakhs, there were other instances of this officer having placed orders with contracting firms whose rates were relatively higher.

1.196. In a note the Department have furnished the following information in respect of orders placed for supply of flourescent lamps between November, 1967 and January, 1969 on various approved rate contracting firms, other than the lowest approved

supplier.

Date of Placing orders	Amount in contract	Amount, if contract had been placed with lowest contract
1. 22-11-67	10,575	9,750
2. 24-2-69	24,450	23,100
3. 24-2-68	24,450	23,100
4. 25-4-68	17,400	16,600
5. 25-4-68	17,400	16,600
6. 12-7-68	43,500	41,500
7. 18-11-68	34,250	32,850
8. 26-12-68	24,450	23,100
9. 18-1-69	43,500	41,500
10. 21-1-69	14,100	13,000
11. 29-1-69	43,500	41,500
TOTAL	2,97,575	2,82,600

1.197. The Department have also stated that only in two of the cases above, reasons were recorded as to why the lowest rate-contracting firm had been passed over. The reason recorded was that the lamps previously supplied by the lowest rate-contracting firms did "not give.....satisfactory service". It has also been stated that three orders were placed on the firm in January, 1968, April, 1968 and August, 1968 for 1,000 lamps, 500 lamps and 1200 lamps valued at Rs. 6,500, Rs. 4,150 and Rs. 7,800 respectively. While the first order was completed four months after the due date, the remaining two orders were not complied with and these had to be cancelled on 12-11-68.

1.198. The Committee desired to know the criteria followed for appointing approved contractors. The witness stated that it was done by the D.G.S. & D. after looking at the technical capability, the quantity of their manufacture etc. It was also stated that the rates which are tendered to DGS&D are generally 10 per cent lower than the market rate.

1.199. Referring to the transactions mentioned in the Audit paragraph, the Committee asked whether efforts were made to check from the lower rate contracting firms whether they were in a position to make the supply. The witness stated that, "The Engineer concerned did examine the matter with reference to the relevant considerations. He did consider whether the lowest tender rate should be accepted or not and he came to the conclusions that there were good and valid reasons in his opinion for not accepting the lowest rate..... In the case of flourescent lamps, the lowest rate contractor was actually very unsatisfactory. He had defaulted on supplies. In fact he had supplied a very poor quality of lamps. Some of the contractors have been removed from the approved list as a result subsequently. The fact that a company is on the approved rate contract list does not necessarily mean that it is a testimony to its good performance."

1.200. The witness further stated that another reason for passing over the lowest offer was that the quantum of orders were in excess of the limit for which these firms were approved for supply of items. The witness added, "In the case of the fans the lower tender was not accepted because the tenderer was approved only upto a ceiling of Rs. 50,000/- whereas the value of tender was in excess of this ceiling". The Committee then asked if the official could not have placed an order on the lower tender upto his ceiling and given only the rest to the higher tenderer. The Secretary, Department of Works, Housing and Urban Development stated that this might have invited criticism against the official as showing undue favour to the party. Under the prescribed procedure, he was precluded from considering the lower tenderer and hence orders had to be placed with the next higher tenderer who had a higher ceiling.

1.201. The Committee enquired why he did not record his reasons at that time. The witness stated, "I think that the officer should have placed on record the reasons for ignoring the lowest tender rate."

1.202. The Committee enquired whether it was not necessary for Government to lay down a procedure to indicate how officers procuring stores should distribute orders amongst various rate contracting firms whose rates for the same item of store might be different. The witness stated: "The question now does not arise because the present practice of DGS&D is to prescribe one rate only for all supplies."

1.203. The Committee note that, as a result of orders having been placed for supplies against rate contracts on firms whose rates were

not the lowest, Government incurred an extra expenditure of Rs. 2.8 lakhs. These orders were placed by an officer, against whom disciplinary action had been taken by Government in pursuance of observations made by the Committee in para 2.90 of their 27th Report (Fourth Lok Sabha).

1.204. The Committee note that the main reasons for not having placed the orders with the lowest rate contracting firm in all these cases was that its performance was not satisfactory. This was not, however, placed on record in most of the cases. The Committee do not wish to pursue the question of extra expenditure, as the data about the performance of the lowest rate contracting from against certain orders placed with them does give rise to doubts about their performance. However, the Committee would like to impress on Government the need to ensure that reasons for passing over lower offers are invariably placed on record by officers who conclude contracts on behalf of Government.

NEW DELHI;
April 4, 1970.
Chaitra 14, 1892 (S).

ATAL BIHARI VAJPAYEE,
Chairman,
Public Accounts Committee

APPENDIX I

(Ref: Para 1.2 of the Report)

*Copy of Ministry of W.H. & R. (Dept. of W. & H.) letter No. 23(13) |
2-L, dated the 26th June, 1963, to the Chief Commissioner, Delhi
and copy endorsed to the A.G., CW&M etc.*

SUBJECT:—Schedule of market rates of land in different localities in Delhi.

Sir,

I am directed to refer to this Ministry's letter No. 23(11) | 61 dated the 13th September 1961, on the above subject and to say that the Govt. of India have decided that the market value of Nazul land in Delhi/New Delhi:—

- (i) for purposes of recovery of unearned increase in cases of transfer of leasehold plots; and
- (ii) for permanent change of purpose, should be as in the attached Schedule.

These rates will be operative for a period of one year with effect from the 1st July, 1963, unless revised earlier.

MINISTRY OF WORKS, HOUSING & REHABILITATION

No. 23(13)/62-L.

Schedule of market value of Nazul land in different colonies in Delhi/New Delhi
RESIDENTIAL AREAS

Category 'A'	Category 'B'	Category 'C'	Category 'D'
More popular areas e.g. Aurangzeb Road, Prithviraj Road, Ratendoron Road, Lodi Road, Barakhamba Road, Janpath, Curzon Road, Parliament Street, Babar Road, Panchkujan Road, Read ng Road, Humayun Road, Jain Mandir Road, M.M. Road, Keeling Road, Hiley Road, Jantar Mantar Road, Golf Link, Sunder Nagar, Jorbagh, Dip. Enclave.	Nizamuddin and Defence Colony.	Lajpat Nagar, Jangpura.	Malviya Nagar, Kalakaji, Moti Nagar, Tilak Nagar, Ramesh Nagar, Tihar and other outlying areas.
Price per sq. yd.	Rs. 150/-	Rs. 100/-	Rs. 75/-

BUSINESS AREAS

Price per sq. yd. Rs. 600/- where the floor area ratio is 1:4. This rate should be proportionately reduced where the floor area ratio is less subject to a minimum of four times the residential rate.

N.B.—The above rates for business areas will be applicable for all business or business-cum-residential purposes without consideration of the number of storeys.

IMMEDIATE

GOVERNMENT OF INDIA
 MINISTRY OF WORKS, HOUSING & REHABILITATION
 (DEPTT. OF W. & H.)

No. 23(13) | 62-L

Dated New Delhi, the 9th April '64

To

The Chief Commissioner,
 Delhi.

SUBJECT:—Schedule of market rates of land in different areas of Delhi and New Delhi.

Sir,

In supersession of this Ministry's letter of even number dated the 26th June 1963, on the above subject, I am directed to say that the Government of India have decided that the market value of nazul land in Delhi and New Delhi.

- (i) for purposes of recovery of unearned increase in cases of transfer of leasehold plots; and
- (ii) for recovery of additional premium and additional ground rent for permanent change of purpose,

should be as in the Schedule hereto.

2. The additional premium and additional ground rent to be recovered while sanctioning permanent change of purpose from residential to commercial use should be based on the difference between the current commercial rate and the residential rate prevailing at the time of the last transaction relating to the particular property.

3. In order to encourage the development of the commercial areas falling within Categories A-I and A-II of the Schedule, it has been decided that the following special concessions should be allowed while sanctioning change of purpose in these two Categories:—

- (a) Additional premium may be recovered in four equal instalments, the first instalment immediately, the second

after the completion of two years, and the third and fourth instalments in the fourth and fifth years; and

(b) Additional ground rent should be charged only after the completion of the third year or, after the completion of construction of the commercial building, whichever is earlier.

4. These orders will be deemed to have come into force from the 1st July 1963, and they will remain operative upto the 14th January 1965. The cases already decided on the basis of this Ministry's letter of even number dated the 26th June, 1963, shall not, however, be reopened.

Yours faithfully,

Sd/- H. S. JAIN,

Under Secretary to the Govt. of India.

Copy, with one spare copy, forwarded to the Accountant General, Commerce, Works & Miscellaneous, New Delhi. This letter issues with the concurrence of the Ministry of Finance (DSD) vide their u.o. 5(37) |DSDS|62-2517 dated the 6th April 1964.

Copy also to: -

1. Ministry of Finance (DSD), Delhi, 5 copies.
2. Land and Development Officer, Exhibition Grounds, Mathura Road, New Delhi. 10 copies.
3. Ministry of Health, New Delhi. 5 copies.
4. Delhi Development Authority, Vikas Bhawan, Inder Prastha Estate, New Delhi.
5. Department of Rehabilitation, New Delhi.
6. P.S. to H.M.
7. P.S. to H.D.M.
8. P.S. to Secretary.
9. P.S. to Add. Secretary.
10. P.A. to J.S. (I).

11. P.A. to D.S. (L).

12. U.S. (L).

13. Guard file.

Sd/- H. S. JAIN,
Under Secretary to the Govt. of India.

APPENDIX II

(Ref. Para 1.21 of the Report)

List of Evacuee and non-evacuee Properties in which leases have not been executed.

S. No.	Property No.	Lease No.	Remarks
1	2	3	4
1	80/17, 33, Panchkuin Road. . . .	777	Sale application not issued by RSC who has again been reminded.
2	11, Todar Mal Lane	631	Sale certificate not issued by the RSC who have again been reminded.
3	80A/19, Paharganj Lane	364	CSC has been reminded to take up the matter with the Min. of External Affairs for selling it to Pakistan High Commission.
4	5 & 7, Panchkuin Road	4	Writ petition pending in High Court. RSC reminded on 18-7-69 to dispose of the property.
5	10, Curzon Road	184	The Co-purchasers insisted on 3 separate leases being executed. This has recently been agreed to and the case sent to the Min. of Finance for approval of subdivision charges.
6	Block 'E', Plot No. 3, Connaught Place	341	Whereabouts of the leases not known, RSC being requested to cancel the sale certificate for non-execution of the Lease.
7	7, Jantar Mantar Road	32	Conveyance Deed yet to be issued by RSC. On receipt of it, the Lease shall be executed.
8	N 3 A & B, Con. Place	374	RSC has sold it in two parts, and sale certificates issued with incorrect areas.
9	14, Hardinge Avenue		Transferred to Delhi Administration by RSC. No lease to be executed nor any ground rent to be recovered.
10	N-6, Con. Place	360	Our file on this subject has not yet been received from CSC who is being reminded.

1	2	3	4
11	88/7, 2, Doctor Lane	113	Civil suit pending in High Court, Delhi Property shall be disposed of afterwards.
12	78, Queensway	478	Sale certificate not yet issued by the RSC who has been reminded again.
13	80, Queensway	479	Sale Certificate not yet issued by the RSC who has been reminded again.
14	80/71A, 33A, Panchkun Road	16A	Sale certificate not issued by RSC.
15	8, Keeling Road	211	Sale certificate issued to many persons. CSC requested on 9-7-69 to clarify the position.
16	27, Curzon Road	213	The premises in question, declared as an evictee property and the property is still with the Custodian of Evictee property.
17	91/9, 19, Lady Hindings Road	300	P. Lease is under preparation. Delay due to u/a construction and non-issue of the sale certificate.
18	80A/19, Pahar Ganj Lane	947	Delay due to u/a construction and non-issue of sale certificate. Lease is under preparation.
19	Block 60, M.M. Road, Anjuman Ishrya	769	The property was declared as an evictee property. The RSC has requested to intamate whether the property is still an evictee property or not.
20	12A, Curzon Road	331	Perpetual lease not prepared.
21	12, Curzon Road	177	Form on which the P. Lease is to be executed is under consideration.
22	205-C/87	678	The auction purchaser had expired. The question as to who should sign the lease has been decided by the court only recently. Lease under preparation.
23	205-C/153	731	Lease executed on 4-5-67. The question as to the form in which the lease was to be executed was under consideration.
24	148/13, 14, Haily Road	191	Lease executed on the 13th Ma 1967. It could not be executed earlier due to non-issue of sale certificate by the RSC.

1	2	3	4
25	80A/14, Paharganj Lane	399	Perpetual Lease has been sent to the party on 29-8-68 for execution. If the lessee fails to execute it within the reasonable time action will be taken for re-entering the premises.
26	80A/6, Pahar Ganj Lane	396	Leases have been executed and plaints have been filed in the Collector's Court for revision of ground rent.
27	80A/7, Pahar Ganj Lane	337	
28	205-C/178, Babar Road Colony	756	
29	205-C/67A, Do.	867	There have been changes in the ownership of this property and breaches are subsisting since 1964. Fresh breaches were noticed on 13-9-68. The lessee has now compromised and asked for terms for regularization of the breaches. These terms are now being sent to the lessee. Perpetual lease will be executed after payment of the charges regularising the breaches. Thereafter the plaint will be filed in the Collector's court during the period breaches stand regularized temporarily.
30	L.I.C Plot, Con. Place	978	This plot was handed over to the L.I.C in parts. The last part was handed over on 6-11-1968. The L.I.C. has been given time upto the end of 1972 to complete the construction of building. The perpetual lease will be executed after the completion of the building. The revision of ground rent will fall due in this case 30 years after the date of handing over the possession namely, 6-11-1968.
31	L/3-4, Connaught Place	781	Unauthorized constructions and breaches were noticed in this property upto February 1967. The last notice for removal of breaches was issued on the lessee on 4-8-1967. The lessee had taken the matter into the Court where the suit is being contested by this office.
32	80A, Laddu Ghati	944	There were breaches in the premises which has since been cleared, and the P. Lease is now under preparation.

1	2	3	4
33 60, Panchkuin Road	.	772	This plot of land was leased out to the New Delhi Municipal Committee in 1936 for a fuel depot. An extension of the plot was allotted in 1942. Subsequently Mahatma Gandhi's cottage and Bhagis quarters were constructed on this plot. This change of use was regularised in 1968. The ground rent for the site has not been paid by the New Delhi Municipal Committee since 1957. The payment is still awaited. After the payment is received the perpetual lease will be signed.

There is no information in the respective files to show when possession was handed over to the intended lessees concerned. According to the then prevailing practice, possession of a site was normally assumed to have been given on the date of payment of premium.

[Vide letter No. 95/69-LII, Dt. 16th March, 1970 from the Deptt. of Works, Housing & Urban Development.]

APPENDIX III

(Ref. Para 1.22 of the Report)

LEGAL OPINION

It is settled law that a forfeiture of a Lease is waived by any act on the part of the Lessor whereby he recognises the relation of landlord and tenant as still continuing [Ward Vs. Day (1864) 5B & S 359; Re Garrud, Ex-parte Newitt (1881) 16 Ch. D. 522 (533) C.A., Pannant's Case (1596) 3 Co. Rep. 64a, 64b, note B; Reod. Crompton Vs. Minehall (760) Bull. No. P.7th edition 96 Whitchcot Vs. Eoxi (1616) Cro. Jac p. 398; Goodrighted. Walter Vs. Davids (1772) 2 Cowp. 803; Arnsby Vs. Woodward (1827) 6 B&C 519; Deo d. Griffith Vs. Pritchard (1833) 5 B&AO. 765; Deo d. Gatehouse Vs. Roos (1838) 4Bing (N.C.) 384 and numerous other cases]. Leases of land granted by Government are not governed by the transfer of property Act and therefore, decisions under the statutory provision of section 112 of that Act are not directly relevant. That section, however, only enacts into law the established principles of law as laid down in all the aforesaid decisions. It is not possible, therefore, to support the doubts of the L. & D.O. and the practice followed in his office is undoubtedly erroneous. The legal position is that the acceptance of the rent being an affirmation that the lease as subsisting at the time when the rent became due, such acceptance of rent falling due on a date after the cause of forfeiture has come to the knowledge of the lessor implies a waiver of the forfeiture and precludes the lessor from saying that the rent was not acceptable by him with the intention of waiving the forfeiture (Teleman Vs. Protbury 1871 L.R. 6 Q.B. 245). Acceptance of rent falling due in respect of a period previous to the lessor becoming aware of the forfeiture does not, however, operate as a waiver [Green's case (1582) Cro. Eliz. 3; Price Vs. Worwood (1859) 4 H & N 512]. It follows that acceptance of rent accruing on and after the date on which knowledge of a breach entailing a forfeiture of the Lease is acquired by the Land & Development Officer (who is in administrative charge of these land on behalf of the Chief Commissioner, Delhi, who has the power to enforce the right of re-entry on behalf of the Lessor), must be suspended it is proposed to enforce the right of re-entry. It has been held that acceptance of rent even under protest or without prejudice to the forfeiture, e.g., accompa-

ned by a clarification that the payment was being accepted as compensation for use and occupation, will be of no avail, the reason being that the Lessor has no right to take the money offered except on the terms on which it is paid, *viz.*, as ent (croft Vs. Lumlay (1858) 6 H.L.C. 672; Devenport Vs. the Queen (1877) 3 App. Cas. 115; Strong Vs. Stringer (1889) (61 L.T. 470.) Consequently, rent accruing due for a period subsequent to the date on which knowledge of the breach is received by the Land and Development Officer must not, if offered, be accepted where the breach is single and not continuing. In the cause of a continuing breach, however, receipt of rent operates only as a waiver of the forfeiture incurring upto the date on which the rent fall due and it does not preclude the lessor from enforcing forfeiture if the breach continues after that date. In the case of continuing breach, the right of forfeiture is also continuous. Pension Vs. Barnett (1898) 1.Q.B. 276 C.A.; New River Co., Vs. Crumpton (1917) 1.K.B. 762). Branches of covenants respecting use of premises or keeping them in a state of good repair are continuing breaches (Pension Vs. Barnett *Supra* and Reo d. Ambler Vs. Woodbridge (1829) 9B & C (376). On the other hand, breaches of covenants against assignment or construction or alteration are single and not continuing.

2. While it will be seen that in the case of a breach of covenant entailing a forfeiture, money offered as rent cannot be accepted nor can payment be demanded as rent without affecting the right of forfeiture, there is no objection however to a carefully worded demand for payment of damages for use and occupation being made after a final decision to forfeit the lease has been taken upon considering the representation of the Lessee, if any, in reply to a notice of forfeiture served on him. The lease would then stand determined. After such determination, a demand for damages for use and occupation can be made. If, however, the payment is offered as rent, it cannot be accepted. Further, while the question whether the lease should be forfeited is being considered, no demand for damages for use and occupation can be made. Since it is unlikely that the forfeiture when exercised finally will be accepted by the Lessee, the demand of damages for use and occupation will not be satisfied as such and it will have to be enforced in accordance with the law. The net practical result, therefore, is that after the commission of breach which is single in character comes to the knowledge of the Land and Development Officer, rent accruing due subsequently cannot be

accepted or recovered and in such a case proceedings will have to be taken after the termination of the Lease for recovery of damages for use and occupation.

Sd/- H. C. DAGA,
Deputy Secretary.
20-11-1956.

Ministry of W.H. & S.

Min. of Law U.O. No. 35078/56 dated 22-11-1956.

APPENDIX IV

(Ref : Para 1-25 of the Report)

List of the 209 cases of breaches in which information is to be furnished to Public Accounts Committee

S. No.	Lease No.	Prop. No.	The date on which the possession was handed over	The date on which the lease was executed	The lease comes into effect Prospectively or retrospectively.	The date on which R.G.R. has fallen due	The revised letting value fixed or not	Revised rent recovered or not, if not, reasons therefor	10
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
1	2A	88/1	.	7-2-1920	Retrospectively	1-1-1947	No	Due to existence of breaches.	
2	7	80/31-32	.	6-3-1920	Do.	1-1-1947	Do.	Do.	
3	9	80/23-24	.	6-3-1920	Do.	1-1-1947	Do.	Do.	
4	12	80/5-6	.	6-3-1920	Do.	1-1-1947	Do.	Do.	
5	15	80/7-8	.	6-3-1920	Do.	1-1-1947	Do.	Do.	
6	18	80/21-22	.	27-3-1920	Do.	1-1-1947	Do.	Do.	
7	19	80/27-28	.	27-3-1920	Do.	1-1-1947	Do.	Do.	
8	20	80/25-26	.	6-3-1920	Do.	1-1-1947	Do.	Do.	
9	33	39-48 Dairy Farm	.	16-10-1920	Do.	1-1-1947	Do.	Do.	
10	37	160/2	.	Do.	1-1-1947	Do.	Do.	Do.	
11	46	124/1	.	4-1-1926	Do.	1-1-1947	Do.	Do.	
12	50A	B Connaught Circus	.	4-1-1926	Do.	1-1-1947	Do.	Do.	
13	52	F Connaught Circus	.	2-7-1924	Do.	1-1-1947	Do.	Do.	
14	61	159/3	.	16-9-1921	Do.	1-1-1947	Do.	Do.	
15	67A	B Connaught Circus.	.	14-1-1926	Do.	1-1-1947	Do.	Do.	

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
16	72	Cont. Cir. 15/4	The information regarding the date of handing over the possession is not available in the relevant files.	28-3-1922	Retrospectively	1-1-1947	No.	Existence of breaches
17	78	12/4	According to the then prevalent practice, the possession of the site was normally assumed to have been given on the date of payment of premium.	20-4-1922	Do.	1-1-1947	Do.	Do.
18	84	2/2		30-6-1922	Do.	1-1-1947	Do.	Do.
19	96	88/2		30-8-1922	Do.	1-1-1947	Do.	Do.
20	99	1/11		6-10-1922	Do.	1-1-1947	Do.	Do.
21	103	2/6		3-8-1923	Do.	1-1-1947	Do.	Do.
22	116	127/14		9-2-1923	Do.	1-1-1947	Do.	Do.
23	132	11/9		9-3-1923	Do.	1-1-1947	Do.	Do.
24	138	1/22		10-4-1923	Do.	1-1-1947	Do.	Do.
25	145	2/5		11-6-1923	Do.	1-1-1947	Do.	Do.
26	150	160/21		2-2-1924	Do.	1-1-1947	Do.	Do.
27	155	D/Cont. Circus.		27-1-1925	Do.	1-1-1947	Do.	Do.
28	159	126/State Bank		12-7-1925	Do.	1-1-1947	Do.	Do.
29	160	P Cont. Circus.		7-6-1925	Do.	1-1-1947	Do.	Do.
30	163	P Cont. Circus.		31-8-1925	Do.	1-1-1947	Do.	Do.
31	165	127/X		1-12-1925	Do.	1-1-1947	Do.	Do.
32	166	124/X		1-12-1925	Do.	1-1-1947	Do.	Do.
33	167	P/Cont. Circus.		14-1-1926	Do.	1-1-1947	Do.	Do.
34	169	C/Cont. Circus.		8-11-1930	Do.	1-1-1947	Do.	Do.
35	249	80		31-10-1931	Do.	1-1-1947	Do.	Do.
36	262	Cont. Circus.		14-6-1929	Do.	1-1-1947	Do.	Do.
37	263	88/Cont. Circus.		22-8-1929	Do.	1-1-1947	Do.	Do.
38	273	A Cont. Circus.		12-9-1930	Do.	1-1-1947	Do.	Do.
39	178	134/14		5-5-1927	Do.	1-1-1957	Do.	Do.
40	179	134/6		15-3-1938	Do.	1-1-1957	Do.	Do.
41	180	134/8		15-3-1929	Do.	1-1-1957	Do.	Do.
42	181	134/5		25-3-1931	Do.	1-1-1957	Do.	Do.
43	188	148/12		5-12-1932	Do.	1-1-1957	Do.	Do.
44	189	148/33		6-4-1932	Do.	1-1-1957	Do.	Do.
45	190	134/4		8-11-1930	Do.	1-1-1957	Do.	Do.
46	198	134/12		9-4-1932	Do.	1-1-1957	Do.	Do.
47	199	148/9		9-4-1932	Do.	1-1-1957	Do.	Do.
48	204	148/3		8-7-1936	Do.	1-1-1957	Do.	Do.
49	205	148/18		1-4-1936	Do.	1-1-1957	Do.	Do.

50	206	148/26	.	.	.	25-3-1931	Do	1-1-1957	Do.	Do.
51	207	148/7	.	.	.	22-11-1933	Do.	1-1-1957	Do.	Do.
52	208	134/17	.	.	.	25-5-1927	Do.	1-1-1957	Do.	Do.
53	209	134/10	.	.	.	13-5-1935	Do.	1-1-1957	Do.	Do.
54	210	148/21	.	.	.	16-7-1932	Do.	1-1-1957	Do.	Do.
55	212	148/37	.	.	.	20-6-1930	Do.	1-1-1957	Do.	Do.
56	214	148/14	.	.	.	25-5-1927	Do.	1-1-1957	Do.	Do.
57	215	148/5	.	.	.	25-5-1957	Do.	1-1-1957	Do.	Do.
58	216	148/46	.	.	.	25-5-1927	Do.	1-1-1957	Do.	Do.
59	218	148/50	.	.	.	24-3-1933	Do.	1-1-1957	Do.	Do.
60	220	148/30	.	.	.	13-11-1932	Do.	1-1-1957	Do.	Do.
61	221	148/23	.	.	.	6-10-1932	Do.	1-1-1957	Do.	Do.
62	225	134/11	.	.	.	8-4-1932	Do.	1-1-1957	Do.	Do.
63	228	148/6	.	.	.	29-8-1931	Do.	1-1-1957	Do.	Do.
64	232	148/57	.	.	.	31-3-1933	Do.	1-1-1957	Do.	Do.
65	234	148/8	.	.	.	23-7-1938	Do.	1-1-1957	Do.	Do.
66	235	148/16	.	.	.	23-7-1930	Do.	1-1-1957	Do.	Do.
67	237	148/2	.	.	.	15-6-1932	Do.	1-1-1957	Do.	Do.
68	241	148/31	.	.	.	31-5-1932	Do.	1-1-1957	Do.	Do.
69	242	148/44	.	.	.	31-5-1932	Do.	1-1-1957	Do.	Do.
70	252	12/7	.	.	.	14-6-1928	Do.	1-1-1957	Do.	Do.
71	269	127/X	.	.	.	11-3-1932	Do.	1-1-1957	Do.	Do.
72	275	80/X	.	.	.	25-10-1930	Do.	1-1-1957	Do.	Do.
73	278	11/21	.	.	.	26-3-1935	Do.	1-1-1957	Do.	Do.
74	298	90/10	.	.	.	9-1-1933	Do.	1-1-1961	Do.	Do.
75	299	90/11	.	.	.	9-1-1933	Do.	1-1-1961	Do.	Do.
76	313	11/14	.	.	.	16-3-1932	Do.	1-1-1961	Do.	Do.
77	320	91/5	.	.	.	7-2-1942	Do.	1-1-1961	Do.	Do.
78	323	12/5	.	.	.	12-11-1936	Do.	1-1-1961	Do.	Do.
79	325	205/8	.	.	.	9-4-1932	Do.	1-1-1961	Do.	Do.
80	326	205/2	.	.	.	22-3-1932	Do.	1-1-1961	Do.	Do.
81	337	90/1	.	.	.	28-11-1933	Do.	1-1-1961	Do.	Do.
82	354	124/14	.	.	.	4-11-1943	Do.	1-1-1961	Do.	Do.
83	896	M/1	.	.	.	13-8-1941	Do.	1-1-1962	Do.	Do.
84	898	M/3	.	.	.	13-8-1941	Do.	1-1-1962	Do.	Do.
85	899	M/4	.	.	.	13-8-1941	Do.	1-1-1962	Do.	Do.
86	900	M/5	.	.	.	13-8-1941	Do.	1-1-1962	Do.	Do.
87	901	M/6	.	.	.	13-8-1941	Do.	1-1-1962	Do.	Do.
88	904	M/9	.	.	.	13-8-1941	Do.	1-1-1962	Do.	Do.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
89	961	60/A	.	12-8-1944 ■ Retrospectively	1-1-1962	No.	Existence of breaches.	
90	996	G/6	.	5-1-1945	Do.	1-1-1962	Do.	Do.
91	997	G/7	.	2-4-1948	Do.	1-1-1962	Do.	Do.
92	998	G/8	.	27-9-46	Do.	1-1-1962	Do.	Do.
93	306	D/Cont. Circus.	.	1-8-1962 ■	Do.	1-1-1963	Do.	Do.
94	371	1/15	.	16-4-1937	Do.	1-1-1963	Do.	Do.
95	379	D/Cont. Circus.	.	19-8-1937	Do.	1-1-1963	Do.	Do.
96	384	1/16/D	.	30-4-1936	Do.	1-1-1963	Do.	Do.
97	840	90/1	.	19-12-1938	Do.	1-1-1963	Do.	Do.
98	841	90/2	.	19-12-1938	Do.	1-1-1963	Do.	Do.
99	842	90/3	.	19-12-1938	Do.	1-1-1963	Do.	Do.
100	843	90/4	.	19-12-1938	Do.	1-1-1963	Do.	Do.
101	847	90/8	.	19-12-1938	Do.	1-1-1963	Do.	Do.
102	848	90/9	.	19-12-1938	Do.	1-1-1963	Do.	Do.
103	850	90/11	.	19-12-1938	Do.	1-1-1963	Do.	Do.
104	851	90/12	.	19-12-1938	Do.	1-1-1963	Do.	Do.
105	855	90/16	.	19-12-1938	Do.	1-1-1963	Do.	Do.
106	857	90/18	.	19-12-1938	Do.	1-1-1963	Do.	Do.
107	859	90/20	.	19-12-1938	Do.	1-1-1963	Do.	Do.
108	860	90/21	.	19-12-1938	Do.	1-1-1963	Do.	Do.
109	861	90/22	.	19-12-1938	Do.	1-1-1963	Do.	Do.
110	913	11/8A	.	19-10-1941	Do.	1-1-1963	Do.	Do.
111	62	159/8	.	22-4-1963	Do.	1-1-1964	Do.	Do.
112	312	91/12	.	13-12-1940	Do.	1-1-1964	Do.	Do.
113	394	80/4	.	2-8-1934	Do.	1-1-1964	Do.	Do.
114	396	80/A/6	.	30-12-1950	Do.	1-1-1964	Do.	Do.
115	397	80A/7	.	25-4-1958	Do.	1-1-1964	Do.	Do.
116	412	1/31	.	28-6-1934	Do.	1-1-1964	Do.	Do.
117	414	L/Cont. Circus.	.	4-1-1938	Do.	1-1-1964	Do.	Do.
118	419A	M/ Cont. Circus.	.	26-7-1937	Do.	1-1-1964	Do.	Do.
119	420	M Cont. Circus.	.	12-7-1937	Do.	1-1-1964	Do.	Do.
120	421	M/ Cont. Circus.	.	13-9-1934	Do.	1-1-1964	Do.	Do.
121	422	K/Cont. Circus.	.	19-8-1938	Do.	1-1-1964	Do.	Do.
122	425	KCont. Circus.	.	7-8-1934	Do.	1-1-1964	Do.	Do.
123	870	H Cont. Circus.	.	27-3-1940	Do.	1-1-1964	Do.	Do.

124	951	M1 Cont. Circus.	4-4-1944	Do.	1-1-1964	Do.	Do.
125	952	M2 Cont. Circus.	2-2-1943	Do.	1-1-1964	Do.	Do.
126	444	11/2	9-12-1935	Do.	1-1-1965	Do.	Do.
127	447	H. Cont. Circus.	12-12-1935	Do.	1-1-1965	Do.	Do.
128	459	134/18	24-2-1938	Do.	1-1-1966	Do.	Do.
129	460	134/19	24-2-1938	Do.	1-1-1966	Do.	Do.
130	461	134/20	16-9-1938	Do.	1-1-1966	Do.	Do.
131	462	134/21	11-6-1938	Do.	1-1-1966	Do.	Do.
132	464	134/23	2-12-1938	Do.	1-1-1966	Do.	Do.
133	465	134/24	12-11-1938	Do.	1-1-1966	Do.	Do.
134	467	134/26	20-5-1944	Do.	1-1-1966	Do.	Do.
135	468	134/27	21-9-1939	Do.	1-1-1966	Do.	Do.
136	469	134/28	28-4-1939	Do.	1-1-1966	Do.	Do.
137	475	134/34	10-3-1941	Do.	1-1-1966	Do.	Do.
138	477	134/36	16-5-1938	Do.	1-1-1966	Do.	Do.
139	482	1/1A	the date of handing over	6-2-1937	Do.	1-1-1966	Do.
140	485B	1/40B	the possession is not available in the relevant files. According to the then prevalent practice, the possession of the site was normally assumed to have been given on the date of payment of premium.	24-5-1938	Do.	1-1-1966	Do.
141	489	1/44	22-2-1941	Do.	1-1-1966	Do.	Do.
142	492	1/47	22-6-1939	Do.	1-1-1966	Do.	Do.
143	493	1/48	22-2-1938	Do.	1-1-1966	Do.	Do.
144	498	205-A-5	4-3-1939	Do.	1-1-1966	Do.	Do.
145	500	205-A/7	5-5-1936	Do.	1-1-1966	Do.	Do.
146	519	205-B/8	17-3-1939	Do.	1-1-1966	Do.	Do.
147	536	205-B/25	1-5-1949	Do.	1-1-1966	Do.	Do.
148	544	205-B/33	23-6-1936	Do.	1-1-1966	Do.	Do.
149	546	205-B/35	21-2-1939	Do.	1-1-1966	Do.	Do.
150	548	205-B/37	11-2-1939	Do.	1-1-1966	Do.	Do.
151	570	205-B/50	29-9-1939	Do.	1-1-1966	Do.	Do.
152	571	205-B/60	29-9-1939	Do.	1-1-1966	Do.	Do.
153	572	205-B/61 A	11-9-1962	Do.	1-1-1966	Do.	Do.
154	575	205-B/64	27-11-1940	Do.	1-1-1966	Do.	Do.
155	584	205-B/73	8-5-1939	Do.	1-1-1966	Do.	Do.
156	590	205-C 4	5-6-1936	Do.	1-1-1966	Do.	Do.
157	591	205-C/5	1-6-1939	Do.	1-1-1966	Do.	Do.
158	592	205-C/6	1-6-1939	Do.	1-1-1966	Do.	Do.
159	595	205-C/9	4-11-1939	Do.	1-1-1966	Do.	Do.
160	602	205-C/15	17-3-1939	Do.	1-1-1966	Do.	Do.
161	612	205-C/26	22-4-1939	Do.	1-1-1966	Do.	Do.
162	613	27/205-C	A.L. 16-5-1936	Do.	1-1-1966	Do.	Do.
163	619	205-C/33	A.L. 3-6-1936	Do.	1-1-1966	Do.	Do.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
164	623	205-C/37	.	24-7-1939	Retrospectively	1-1-1966	No.	Existence of breachers
165	626	205-C 40	.	17-3-1939	Do.	1-1-1966	Do.	Do.
166	629	205-C 43	.	A.L. 8-7-1936	Do.	1-1-1966	Do.	Do.
167	630	205-C 44	.	21-9-1939	Do.	1-1-1966	Do.	Do.
168	636	205-C 50	.	25-7-1939	Do.	1-1-1966	Do.	Do.
169	637	205-C 51	.	4-3-1939	Do.	1-1-1966	Do.	Do.
170	638	205-C/52	.	4-3-1939	Do.	1-1-1966	Do.	Do.
171	639	205-C/53	.	The information regarding 22-5-1939	Do.	1-1-1966	Do.	Do.
172	640	205-C/54	.	the date of handing over 22-4-1939	Do.	1-1-1966	Do.	Do.
173	644	205-C/58	.	the possession is not 4-3-1939	Do.	1-1-1966	Do.	Do.
174	653	205-C/67	.	available in the relevant 24-2-1940	Do.	1-1-1966	Do.	Do.
175	658	205-C/72	.	files. According to the 24-7-1939	Do.	1-1-1966	Do.	Do.
176	669	205-C/83	.	then prevalent practice, 21-11-1939	Do.	1-1-1966	Do.	Do.
177	670	205-C 84	.	then prevalent practice, 8-8-1939	Do.	1-1-1966	Do.	Do.
178	682	205-C/96	.	the possession of the site 2-3-1940	Do.	1-1-1966	Do.	Do.
179	685	205-C/9 9	.	was normally assumed 19-4-1940	Do.	1-1-1966	Do.	Do.
180	686	205-C/100	.	to have been given on 11-11-1941	Do.	1-1-1 966	Do.	Do.
181	689	205-C/103	.	the date of payment of 1-7-1939	Do.	1-1-1966	Do.	Do.
182	693	205-C 107	.	premium. 15-5-1940	Do.	1-1-1966	Do.	Do.
183	698	205-C 112	.	6-11-1940	Do.	1-1-1966	Do.	Do.
184	701	205-C/115	.	15-9-1939	Do.	1-1-1966	Do.	Do.
185	703	205-C/117	.	16-10-1939	Do.	1-1-1966	Do.	Do.
186	705	205-C/119	.	12-3-1939	Do.	1-1-1966	Do.	Do.
187	742	205-C/164	.	8-6-1940	Do.	1-1-1966	Do.	Do.
188	752	205-C/176	.	29-11-1939	Do.	1-1-1966	Do.	Do.
189	762	205-C/186	.	19-7-1940	Do.	1-1-1966	Do.	Do.
190	763	134/43	.	22-2-1938	Do.	1-1-1966	Do.	Do.
191	764	134/144	.	28-1-1938	Do.	1-1-1966	Do.	Do.
192	765	134/145	.	21-5-1937	Do.	1-1-1966	Do.	Do.
193	774	1/41	.	24-7-1939	Do.	1-1-1967	Do.	Do.
194	776	80/X	.	21-4-1939	Do.	1-1-1967	Do.	Do.
195	782	1/4	.	12-2-1962	Do.	1-1-1967	Do.	Do.
196	783	1/43	.	16-2-1940	Do.	1-1-1967	Do.	Do.
197	793	80/X	.	25-6-1948	Do.	1-1-1967	Do.	Do.
198	66-A	Babu Ram Sukh Ram Das.		8-2-1924	Do.	1-1-1947	Do.	Do.
199	110	127/6	.	9-2-1923	Do.	1-1-1947	Do.	Do.

200	115	127/15	.	.	9-4-1923	Do.	1-1-1947	Do.	Do.
201	117	88/8	.	.	9-2-1923	Do.	1-1-1947	Do.	Do.
202	123	12/2	.	.	The information regarding the date of handing over	16-3-1923	Do.	1-1-1947	Do.
203	129	1/23	.	.	the possession is not	9-3-1923	Do.	1-1-1947	Do.
204	152	Factory R/21	.	.	available in the relevant	19-3-1924	Do.	1-1-1947	Do.
205	363	148/10-11	.	.	files. According to the	9-1-1933	Do.	1-1-1957	Do.
206	911	11/6A	.	.	then prevalent practice, 21-10-1941	Do.	1-1-1957	Do.	Do.
207	714	225-C/28	.	.	the possession of the site	22-3-1961	Do.	1-1-1966	Do.
208	728	225-C/150	.	.	was normally assumed to	6-11-1940	Do.	1-1-1966	Do.
209	142	1/2	.	.	have been given on the	16-4-1923	Do.	1-1-1947	Do.
					date of payment of pre- mium.				

APPENDIX V

(Ref. Para 1-28 of the Report)

1. The annual expenditure on staff and officers in the Land and Development Office for the Year 1968-69.

Pay and allowances of :

	Rs.
(i) Officers	1,58,846
(ii) Staff	8,08,391
	<hr/>
(iii) Other Charges	9,67,237
	90,536
	<hr/>
	10,57,773

(b) The Particulars of posts in the Organisation :—

Class I

1. Land and Development Officer	1	
2. Dy. Land and Development Officer	1	
3. Asstt. Settlement Commissioner	1	
4. Engineer Officer	1	
5. Vigilance Officer	1	
6. Assistant Legal Adviser	1	*Borne on the cadre of Ministry of Law.
	<hr/>	
	6	
	<hr/>	

Class II

7. Estate Officer	1	
8. Assistant Engineer	1	
9. Building Engineer	1	
10. Managing Officers	1	
11. Accounts Officers	1	
12. Administrative Officer	1	
	<hr/>	
	9	
	<hr/>	

Class III.

13. Superintendents	7	
14. S.A.S. Accountant	1	
15. Assistant (Selection Grade)	1	

16. Assistants	•	•	•	•	•	9
17. Asstt. Managing Officers	•	•	•	•	•	3
18. Upper Division Clerks	•	•	•	•	•	58
19. Stenographers	•	•	•	•	•	2
20. Steno-typists	•	•	•	•	•	5
21. Lower Division Clerks					•	43
22. Overseers	•	•	•	•	•	12
23. Senior Surveyor			•	•	•	1
24. Surveyors	•	•	•	•	•	8
25. Senior Draftsman	•	•	•	•	•	1
26. Draftsman Grade II			•	•	•	3
27. Draftsman Grade III			•	•	•	4
28. Field Inspector	•	•	•	•	•	1
29. Accountants	•	•	•	•	•	2
						<u>161</u>

Class IV.

30. Gestetner operator,	•	•	•	•	•	1
31. Ferr- Printer	•	•	•	•	•	1
32. Daftary	•	•	•	•	•	6
33. Peons	•	•	•	•	•	18
34. Class IV	•	•	•	•	•	2
35. Khalasi	•	•	•	•	•	21
36. Chowkidar	•	•	•	•	•	8
37. Farash	•	•	•	•	•	2
38. Khalasi-cum-Process Server	•	•	•	•	•	1
39. Sweeper	•	•	•	•	•	2
						<u>62</u>
						<u>GRAND TOTAL</u>
						<u>238</u>

(c) Duties attached to the posts:

As per attached list (Annexure I)

(d) Administration of nazul lands in the Urban areas of Delhi| New Delhi. A list of colonies falling within the jurisdiction of the Land and Development Office is enclosed vide Annexure IA. In addition to these colonies, this office administer the old nazul lands

in the urban areas of Delhi| New Delhi except those falling under the jurisdiction of the Delhi Development Authority and the Delhi Administration.

ANNEXURE I

1. Land & Development Officer Head of Office, overall supervision Policy decisions.

2. Dy. Land & Development Officer Looking after LI, LI-A, LII, LIII, LIV Section with reference to execution and interpretation of Lease conditions. Admn. Section Bill Group, Record Sections and Central Registry.

3. Engineer Officer Inspections, Checking the work of Tech. Section, Drawing Branch, Proposing sites and Advising on Tech. matters.

4. Assistant Settlement Commissioner Looks after Property I, II and III Section dealing with Rehab. Colonies with reference to execution and interpretation of Lease conditions.

5. Vigilance Officer Disposal of complaints, viz. cases and appeals etc. including institution of disciplinary proceedings, grant of permission to acquire or disposal of moveable or immovable properties (Maintenance of annual property returns of Gaz. Officers. Looking after LIV Section with reference to execution and interpretation of Lease conditions.

6. Asstt. Legal Adviser Legal advice in all legal matters particularly:
 (a) to scrutinise sale deed, gift deeds, release deeds, etc.
 (b) to examine complicated cases where lessee dispute the stand taken by Govt. with regard to the clauses in the lease deeds from the legal angle.
 (c) prepare plaints, etc. in connection with court cases where lessees proceed against Govt. in the High Court.
 (d) conduct cases in respect of eviction of squatters from Govt. land before the Estate Officer.

7. Administrative Officer
 (a) to act as an officer Incharge Admn. Sect. Cash Branch, Bill Group, Welfare, Records Section.
 (b) To act as Drawing & Disbursing Officer.
 (c) Look after one or two lease section with reference to execution & interpretation of lease conditions.

8. Estate Officer (d) Proceedings of Eviction & realisation of damages, issue of summons to witnesses

		service of notices, Persual of proceedings passing of orders and other work relating to the proceeding.
		(ii) To look after and pursue appeals filed in the High Courts against the order passed by the Estate Officer.
9. Account Officers		Looking after Revenue and Accounts Section. Two Account Sections, checking of calculation with reference to rates & policies of Govt. in respect of all properties, maintenance of ledgers, attestation of entries in the Ledgers, reconciliation of Revenue receipts.
10. Building Officer		Looks after the removal of encroachments on Govt. land by unauthorised squatters, recovery of damages and checking the work of overseers, Surveyors and Enforcement Section.
11. Assistant Engineer		Inspection of leased sites and checking the work of overseer, senior surveyor in respect of additional construction and breaches of the covenants of lease, calculation of damages, Premium, Ground Rent and Additional Ground Rent etc. Looking after the work of Drawing Branch.
12. Managing Officer		<ol style="list-style-type: none"> 1. Persual of dak and marking. 2. Instructions for line of action on PUC/F.R. 3. Keeping note of important receipts. 4. Priority in movement of dak/files.
13. Superintendent (a) Lease side		<ol style="list-style-type: none"> 5. Scrutiny of notes of Assts./UDCs. with refer to lease conditions and to add his own remarks and suggestion where necessary and to submit the case to the Higher officers. 6. Issue of reminders and acknowledgement etc. 7. Final disposal of routine cases. 8. Issue of first notice to the lessees regarding the breaches existing in the premises. 9. Intimation to the lessee of the factual position of the inspection of premises, if the lessee has given some counter reply. 10. Demanding Ground Rent where such demands do prejudice Govt. interest. 11. Encashment of cheques where the encashment do not prejudice Government interest. 12. Returning of cheques if it is not safe to end. 13. Address letters or seeking information for decision of the case. 14. Providing information in accordance with Government Policies and instructions.

(b) Administration Side

1. Perusal of Dak and marking.
2. Instructions for line of action on PUC/FR
3. Keeping note for important matters.
4. Priority in movement of dak/files.
5. Scrutiny of notes of Assts/UDCs. in all administrative matters with reference to rules formed by the Government of India. To add his own remarks and suggestions where necessary and submit the case to the Higher Officers.
6. Looking after Cash Cell, Bill Group, Central Registry, Record Sections, Budget Liveries.
7. Checking of all Bills.
8. Issue of reminders.

Withdrawals of G.P. Fund, stationery stores and advances etc.

9. Final disposal or routine cases.
10. Checking PLC Re-imbursement of tuition fee. Leave a/c. Average Pay, etc.

(c) (Revenue and Accounts Side)

1. Perusal of Dak & marking.
2. Instruction for line of action on PUC/FR.
3. Keeping note for important matter.
4. Priority in movement of dak/files.
5. Looking after Rev. & Acct. Section, checking of calculations of charges in respect of misuse, unearned increase of interest, additional construction, temporary & permanent change of purpose, sale permission with reference to lease. Conditions and Govt. policies framed from time to time, checking terms for temporary allotment. Maintaining & checking ledgers and attesting entries, therein maintaining mutation/transfers register in respect of Perpetual/Temporary leases in respect of properties other than Rehab.

14. Accounts,
S.A.S. Actt.

Looking after Account Sections checking of the calculations in respect of misuse, earned increase of G.R. and interest, issue of Groundrent demand notices, attestation of payment vouchers, checking of new ledgers, mutation entries, encashment and returning of cheques, attending visitors. Perusal and marking of Dak. Keeping note for important matters. Scrutiny of notes of Assts/UDCs etc. in respect of Rehab. properties.

15. S.A.S. Accountant
(Audit Cells)

Looking after Internal Audit Cell.

1. Checking of terms for regularisation of misuse unauthorised construction in leased properties.

- 2. Terms for Sanction in regard to sale of properties without permission.
- 3. Terms for withdrawal of re-entry exercised under the lease on account of (a) non-payment of G. Rent. (b) breach of lease terms.
- 4. Terms for sanction of additional construction.
- 5. Terms for Tempy. change of purpose.
- 6. Terms for Permanent change of purpose.
- 7. Terms for grant of sale permission.
- 8. Terms for Tempy. allotment of land etc.

Examination of receipts & putting them with necessary noting drafting and orders to dispose of the receipts. Collection of material and interpretation of lease condition etc.

16. Asstt. Managing Officer

17. Asstt. (Selection Grade)

18. Assistants

19. U. D. Clerks.

20. Senior Surveyor

21. Senior Draftsman

22. Lower Division Clerks

23. Field Inspectors

24. Overseers.

25. Draftsman Grade II

26. Draftsman Grade III

27. Surveyors

28. Stenographers

29. Stenotypists

- Inspections & Survey of sites.
- Maintenance of record & checking the work D/Min and proposal of sites according to land use in master plan.
- Typing, Diarising of Dak and its distribution, movement of files, issue of reminders and acknowledgements etc.
- Copying lease deeds from Sub-Registrars office To effect service of letters and notice and contact the lessees in cases where the officer cannot enter into correspondence with the other field work.
- Inspection & Survey of sites, calculation of charges.
- Maintenance of record of land register of Nazul land, calculation of charges for the tempy. permanent allotment & change of purpose. Preparation of plans according to scaling, Super imposition in Zonal plan's & calculations of area. Comparing & numbering of plans sanctioned by Local bodies, checking T.A. Bills and land values etc.
- Inspection & Survey of sites, calculation of charges.
- To take dictation from the officers with attached and to transcribe the same. Record letters addressed to the officers and record the files and experiments etc.

APPENDIX VI

(Ref: Para 1.83 of the Report)

Areas where sub-soil water strata is between 6' to 10' in Delhi.

1. Part of Vinay Nagar bordering Factory Road.
2. Wellingdon Aerodrome, Race Course, Safdarjung Tomb, Tuglak Crescent, Prithviraj Road, Ratendon Road, Lodi Estate.
3. Hastings Road, Sunheribagh Road, Part of Akbar Road, King Edward Road, Central Vista, Part of Janpath, York Place, Victoria Road.
4. Connaught Place covering Minto Road-Irwin Road, Parliament Street, Queensway, Curzon Road, Barakhamba Road, Part of Ashoka Road, Bangla Sahib Road, Jaisingh Road, Part of Queen Mary's Avenue, Patel Chowk, Area between Minto and Thomson Roads, Circular Road and Rouse Avenue.
5. Tilak Bridge, Sikandra Road, Tilak Marg till Purana Kila, Exhibition Grounds.

APPENDIX VII
 (Ref. Part 1-89 of the Report)
Water levels on the basis of June readings

(Areas in Acres. in.)

S. No.	Depth of water table from round level.	June 62	June 63	June 64	June 65	June 66	June 67	June 68
1. Within 6'-0" Zone I	.	301.00	440.00	190.6	236.00	265.0	138.24	169.68
2. From 6'-0" Zone II	.	3677.32	2962.00	3008.7	2498.5	2650.0	2337.28	2088.24
3. More than 10'-0" Zone III	.	5622.08	6398.00	6600.7	7065.5	6885.00	7324.48	7542.08

Water level on the basis of October readings. Areas in Acres in.

		Oct. 62	Oct. 63	Oct. 64	Oct. 65	Oct. 66	Oct. 67	Oct. 68
1. Within 6'-0" Zone I	.	720.00	1621.0	3120.2	418.6	251.8	1788.20	1241.60
2. From 6'-10" Zone II	.	4225.00	6820.0	4461.6	3297.0	4179.5	1159.68	2002.40
3. More than 10'-0" Zone III	.	4854.00	1359.0	2218.2	6084.4	5368.7	6852.12	5556.00

Sd/- EXECUTIVE ENGINEER
 "C" Division C.P.W.D

Rainfall in Delhi.

STATION NEW DELHI (SAFDARJANG)

	Jan. mm.	Feb. mm.	March. mm.	April mm.	May mm.	June mm.	July mm.	Aug. mm.	Sept. mm.	Oct. mm.	Nov. mm.	Dec. mm.	Annual mm.		
1962	.	.	33.2	12.6	8.0	0.0	0.5	200.7	27.9	84.6	183.1	0.0	2.0	24.9	577.5
1963	.	.	0.0	12.1	3.2	5.4	14.4	117.6	45.8	298.7	275.3	0.0	1.2	27.4	800.3
1964	.	.	0.2	1.5	1.0	4.8	16.0	24.9	538.2	446.3	181.5	0.0	0.0	15.7	1230.1
1965	.	.	8.8	8.7	1.6	13.9	5.8	3.0	167.6	184.7	196.8	0.2	0.0	0.1	591.2
1966	.	.	17.8	25.4	1.0	1.3	58.5	162.9	88.8	211.9	68.1	30.0	0.5	0.0	666.3
1967	.	.	Tr.	2.1	50.1	0.6	Tr.	25.3	218.4	536.9	132.6	24.9	8.8	69.5	1069.2
1968	.	.	12.1	9.3	8.5	0.8	5.7	24.3	302.2	246.0	0.5	0.6	0.0	0.0	610.8

APPENDIX VIII

Summary of main Conclusions/Recommendations

Sl. No.	Para No.	Ministry/Department concerned.	Conclusions/Recommendations
1	2	3	4
1.	1.8	Works Housing & Urban Development	The Committee observe that a series of lapses occurred in this case.
	1.9	—do—	Orders were passed by Government in June, 1963 for enhancing the market value of land in different areas in Delhi and New Delhi and the enhanced rates were to take effect from 1st July, 1963. Not a single case which was due for revision under these orders was reviewed by the Land and Development Office. In fact even now, information is "not readily available" with the Organisation about the number of cases due for review under these orders, though it has been stated that "about 225 cases" attracted these orders. The failure of the Land and Development Office to review these cases led to an estimated loss of revenue of Rs. 4.16 lakhs in just 10 out of these 225 cases.
	1.10	—do—	In April 1964, Government passed orders, in supersession of their earlier orders, fixing the market value at lower rates, with the stipulation that cases already decided under the earlier orders would not be re-opened. There was delay in implementing these orders

also. When 9 lessees affected by these orders represented against the retrospective enhancement of rents, Government decided that the enhancement in their case would be given prospective and not retrospective effect. The case of 2 other lessees were similarly decided on the "analogy" of these 9 cases. The total revenue that Government had to forgo as a result of these decisions was Rs. 2.54 lakhs. However, in the case of all the remaining lessees, a decision was taken that enhanced rents would be recovered with retrospective effect from the date of the orders.

1. 11

—do—

The Committee strongly deprecate the delay that occurred in the Land and Development Office in implementing the orders of Government, which resulted in a substantial loss of revenue to Government. They also consider it discriminatory that Government should have taken a decision to give effect to the enhanced rents prospectively, from the date of demands, in 11 cases, while giving retrospective effect to the enhancement in other cases. The giving of this gratuitous benefit in 2 out of 11 cases where the parties had not even represented is further disconcerting. The Committee also regret the non-availability of a file relating to one of the 11 cases as reported by the Land and Development Office.

107

2. 1. 12

—do—

The Committee have later in this Report, recommended that a fact-finding Committee should comprehensively investigate the working of the Land and Development Office. That Committee should investigate all the foregoing cases to ascertain how far there was slackness on the part of the Land and Development Office in

implementing the orders of Government and the circumstances under which it was decided to give prospective effect to the orders in a few cases, while denying this benefit to a large number of other affected parties.

1.32 3. Works, Housing & Urban Development The Committee get a very depressing impression of the state of affairs in the Land and Development Office from the data that has been furnished to them.

1.33 —do— In the first place, the Land and Development Office does not have full information about the various categories of Rehabilitation leases it is administering. There are as many as 57,933 rehabilitation properties under the control of the Organisation. Documents relating to only 48,208 of these properties are available with the Organisation, the rest being still with the Rehabilitation Department, which was previously administering these properties. Information about the nature of the lease executed for these properties (e.g. business, residential etc.) is also not available except in regard to 2668 of these properties.

1.34 —do— Secondly, in 28 cases where properties were leased "30/40 years back", even lease deeds have not been executed, with the result that revision of ground rent, normally due after 30 years, has not been undertaken in these cases.

5. 1.35 Works, Housing & Urban Development Thirdly, out of 810 cases, where revision of ground rent was due on various dates between 1947 and 1969, applications for revision have been filed with the competent authority (i.e. the Collector) only for 429 leases. Except for 14 cases filed in 1959, the rest were instituted between November, 1968 and July, 1969. The inordinate delay in filing these cases has occurred in spite of the Organisation having adequate staff for this purpose.

6. 1.36 —do— Fourthly, even after the revised letting value had been fixed by the Collector in 14 cases (this incidentally took about nine years), the Organisation has not, for more than 2 years, claimed the revised ground rent from 7 of the lessees (the other 7 having gone up in appeal).

7. 1.37 —do— Lastly, the Organisation which is spending annually about Rs. 10 lakhs on its staff and contingencies, does not have any regular procedure for inspecting leased sites to find out whether there have been 'breaches' of lease terms. On the expiry of 30 years, the Organisation "take up the file and find out if there is any brief in the terms". The Organisation is apparently content during the period of 30 years to let the lessees bring up these matters before them voluntarily if they so desire for regularisation. The existence of these 'breaches' has, apart from making execution of lease deeds difficult in cases where the deeds don't exist, also interfered with the process of revision of ground rents from 1947 onwards in as many as 209 cases, because of the legal opinion, that any action in this regard,

9. 1.38

Works, Housing &
Urban Development

without prior regularisation of the breaches, would operate "as waiver of the breach".

Earlier in this Report, the Committee have reviewed certain cases in Land and Development Office, where there would appear to have been discrimination as amongst various lessees in giving effect to certain orders regarding revision of ground rents. The Committee have therefore a doubt whether all is well with the Land and Development Office. They would like an independent-fact-finding Committee to be constituted to investigate comprehensively the working of the Land and Development Office. The Committee should, *inter alia*, be asked to go into the following matters:

(i) To what extent there has been slackness in the Organisation—

- (a) in getting lease-deeds executed.
- (b) in filing applications for revision of ground rents and recovering revised ground rents.
- (c) in investigating and regularising breaches in lease.

(ii) To what extent there has been discrimination, in giving effect to orders for enhancement for ground rent, particularly in respect of cases dealt with in the previous section of this Report.

(iii) How best the present procedure for determination of ground rent, which is protracted, can be rationalised and .

whether any principles could be laid down for determination of rental value.

(iv) whether the Land and Development Office is organisationally capable of coping with its work, and whether in the interests of simplicity and uniformity, the work relating to administration of land in Delhi which is at present being done by three different agencies viz. Land and Development Office, Municipal Corporation and Delhi Development Authority can be conveniently centralised in one agency.

9. 1.39 —do—

The Committee would like immediate steps to be taken to constitute this fact-finding Committee which should be asked to submit its report as expeditiously as possible, but not later than one year from the date of its constitution.

10. 1.63 —do—

The Committee observe that Government have lost their case against the contractor in arbitration. The arbitrator rejected Government's claim that the contractor was liable either for work reported defective or for the portion of it left unfinished and completed by Government at higher cost. Government's claims on this and other accounts aggregating Rs. 9.43 lakhs were therefore turned down.

1.64 —do—

On the other hand, the arbitrator upheld the contractor's claims for extra cost "due to various hindrances and indecisions" by the Department, which prolonged the work and kept the contractor's labour and staff "idle". The award on these counts alone amounted

to Rs. 6.7 lakhs and the total amount awarded was Rs. 12.08 lakhs, against claims amounting to Rs. 45.62 lakhs which were preferred by the contractor.

The Committee note that the arbitrator gave no reasons for his award. They would like Government to take legal opinion and decide whether an appeal should be preferred against the award. In the light of the arbitrator's findings, the Committee would also like Government to investigate the lapses, on the part of the Department at several stages of execution of work, so that responsibility could be fixed. Government should also examine whether, in view of their experience in this case, further dealings with the contractor are desirable.

11. 1.65

Works, Housing &
Urban Development

Two other points arising out of the case need pointed attention, as they will have a bearing on future contracts.

(i) A sum of Rs. 1 lakh was advanced to the contractor at his request out of his security deposit with the Department against 'indenture' of his machinery. No action could be taken against the contractor when he subsequently removed the machinery, because the legal opinion was that the indenture bond pledging the machinery was itself "open to question", as the machinery was the contractor's and the money advanced also was his. The result of all this was that

the Department was deprived of a part of the security deposit without any remedy. The arbitrator did not also uphold Government's claim for recovery of the amount from the contractor. The Committee would like Government to issue instructions so that proposals of this type are not entertained in future. The Committee also desire that Government should examine how an intrinsically unsound proposal of this nature was accepted and whether this was done after obtaining legal advice.

12. 1 66

Works, Housing &
Urban Development.

Another point is that the sanction in this case made payment conditional on the contractor removing defects in the work. However, without getting the defects removed, the payment was made to the contractor on the strength of an undertaking obtained from him, which could not be, however, enforced in arbitration. The Committee would like Government to investigate how payment was made in violation of the terms of the sanction and fix responsibility therefor.

(ii) A bank guarantee for Rs. 1.15 lakhs was given by the contractor as part of security deposit. A view was expressed by the Ministry of Law at one stage that for invoking this guarantee, "it would first be necessary to establish the liability of the contractor in terms of the contract by means of an award, a suit or the like". This view would effectively imply that enforcement of bank guarantees can proceed on the basis of court orders. As this would cause needless difficulty to Government in realising their claims, the Committee would suggest that Government examine this matter, in consultation

with the Ministry of Law, and devise appropriate remedies for safe-
guarding their interests.

13. 1.93 Works, Housing & Urban Development. The Committee cannot help feeling that Government should have conducted adequate geological investigations before embarking on this scheme, on which the running expenses alone amounted to Rs. 37 lakhs till March, 1968.

1.94 —do— The Scheme was undertaken on the basis of the findings of an *Ad Hoc* Committee which reported that the sub-soil water table in New Delhi was rising. The Committee calculated that the net yearly addition to the water-table was of the order of 108 million cft. and that the installation of 100 tube-wells, each pumping out 1.15 million cft. of water annually, would be necessary to counter this addition to the sub-soil water-table. In addition, the *Ad Hoc* Committee recommended installation of 203 more tube-wells, so that the water-table could be lowered to a depth of 14 ft. below ground level. In all, therefore, 303 tube-wells, pumping out annually 344 million cft. of water, were considered necessary.

1.95 —do— The data furnisher to the Committee shows that the 303 tube-wells installed have been on an average actually pumping out only 20 per cent to 25 per cent of the quantity estimated by the .

Ad Hoc Committee. Between 1964 and 1969, for instance, the water pumped out annually by all the tube-wells was on an average only 96.87 million cft. per annum, which is substantially less than the net annual addition of 108 million cft. to the water-table estimated by the *Ad Hoc Committee*. In spite of this, the water-table has been effectively lowered and the 'badly affected' areas reduced nearly to a third. What is more, some of the pumps installed in areas which were considered 'badly affected' did not have adequate quantity of water to pump out. It is obvious therefore that the Scheme was undertaken on the basis of estimates of additions to the sub-soil water-table which were quite over-pitched.

1.96

**Works, Housing &
Urban Development**

The Committee note that Government themselves now recognise the possibility that there is not enough data to establish that the city of New Delhi is threatened with water-logging and have asked the Geological Survey of India to undertake investigations for this purpose. What is surprising is that when this view, was expressed by a geologist to the *Ad Hoc Committee* as early as 1959, no cognisance was taken of it. The Committee trust that the geological investigations will be completed early and that on the basis of the findings, Government will come to a considered decision about the lines on which the implementation of this scheme should proceed.

1.105

**Works, Housing &
Urban Development**
External Affairs

The Committee observe that over the past years, the expenditure incurred on the Publications Branch of the Indian High Commission has persistently exceeded the realisations from the sale of

publications. During the period 1962-63 to 1968-69, the net outgo on this account was Rs. 1.48 lakhs. The sale of publications have on the other hand been declining: from Rs. 90,918 in 1965-66, they have come down in 1968-69 to Rs. 37,566.

1.106

Works, Housing &
Urban Development.
External Affairs.

The High Commission have since 1957 taken the view that the Publications Branch should be abolished. However, due to the inability of Government to arrive at suitable arrangements for sale of publications through outside agencies, on which inter-ministerial consultations took place on two occasions over periods from four to five years, the Branch has been allowed to continue. A team of Foreign Service Inspectors who examined the staff strength of the High Commission in June, 1969 came to the conclusion that no "fruitful" purpose would be served by the continuance of this Branch. They pointed out that the Branch had stocks of publications valued at £ 10,000, for which there were "extremely limited" prospects of sale. The team took the view that intending overseas purchasers could buy their requirements by placing orders on agencies in India and that there was no need for "meticulous accounting and separate staff" for this purpose in the High Commission.

911

1.107

—do—

In the light of these suggestions, the Committee would like steps to be immediately taken by Government to abolish the Branch. The Committee have in their 107th Report (Fourth Lok

Sabha) already called attention to the fact that the High Commission carries surplus staff to the extent of 30 per cent of its sanctioned strength. This points to the need for immediate action by Government.

15. 1:118

Works, Housing &
Urban Development

The Committee are distressed to learn that the Rabindra Rangshala, which was planned with the very laudable object of honouring the memory of a national leader, has turned out to be a costly but little used facility. The construction of the Rangshala was undertaken in the hope that its cost, initially estimated at Rs. 10 lakhs, would be entirely defrayed by public donations. This hope was belied and the project ultimately cost Rs. 37 lakhs, out of which as much as Rs. 27 lakhs had to be borne by Government. After having been constructed at such high cost, the Rangshala with a seating capacity of 2,000 to 8,000 persons, so far had been used only twice since its inauguration in October, 1968, when Government realised a sum of Rs. 2,000 as rent. On the other hand, the expenditure on its maintenance during 1968-69 has been of the order of Rs. 1.39 lakhs.

1.119

—do—

In para 4.10—4.11 of their Fourteenth Report (Fourth Lok Sabha), the Committee have already commented on the unsatisfactory manner in which this project was planned and executed. The Committee would readily agree that the Rangshala being a cultural amenity should not be viewed as a financial proposition for Government. At the same time it is incumbent on Government to see that it is popularised and put to good use. The Committee note

16. 1.120

Works, Housing &
Urban Development

17. 1.133

—do—

that Government are seized of this matter and hope that their efforts in this regard will succeed. It seems to the Committee that a Ministry like the Ministry of Information & Broadcasting or the Ministry of Education & Youth Services should take over the administration of the Rangshala, as they have a more intimate association with the organisation of cultural and artistic programmes.

The Committee would also like Government to examine how best the maintenance expenditure on the Rangshala could be pruned.

The Committee are not happy that Government have still not come to a final decision on the question of rents payable by the Bharat Sevak Samaj in respect of certain Government buildings occupied by it in Delhi. The Samaj was informed by Government in May, 1965 that it would be liable to pay market rent for the buildings with effect from July, 1967. It took Government nearly one and a half years thereafter to work out the market rent and communicate it to the Samaj (October, 1966). The demands aggregating Rs. 4.2 lakhs upto the end of May, 1969, were contested by the Samaj on several grounds. A writ petition was filed by the Samaj in respect of demands amounting to Rs. 1.25 lakhs while the balance of the demands was challenged in Departmental adjudication. Government have stated that the bulk of the recovery amounting to Rs. 3.2 lakhs relates to two buildings where the Samaj

18. 1.134

**Works, Housing &
Urban Development.**

has been running Government welfare centres and that there is "some force" in the view that these buildings should not attract market rent in the circumstances. And now the Committee have been informed that "there has been some error" in calculating the rent in respect of the community centres.

19. 1.135

**Works, Housing &
Urban Development.
Home Affairs.**

The Committee also note that Government are taking over the administration of the welfare centres previously run by the Samaj. The Committee would like this to be speedily done.

20. 1.136

**Works, Housing &
Urban Development.**

The Committee would also like Government to fix responsibility for the delay that occurred in this case in communicating the rent to the Samaj as also for the lapses that rendered the figures of rent ultimately worked out incorrect.

21. 1.148

—do—

The Committee feel that the problem of planned development of cities and towns does not brook further delay. A sum of Rs. 4.39 crores has been provided to the States to the end of 1967-68 under a Scheme for preparation of Master Plans for 71 cities. As of now, however, the master plans for 22 cities and interim develop-

22. 1.149

**Works, Housing &
Urban Development**

ment Plans for 28 cities only have been prepared. Government have also admitted that "not much has been done towards the implementation" of these plans. The Committee feel that the result of non-implementation of these plans would be that with the passage of time, the circumstances and premises on which these schemes are based would become outmoded and further sums would be needed for their revision.

120

These plans are meant as a step towards directing the growth of urban areas on sound town planning principles. It is a truism that rapid urbanisation has been taking place in the country in the last two decades. A Working Group of the Planning Commission* estimated the rate of urbanisation in the country at 3 per cent to 8 per cent per annum and predicted that "even on a conservative basis the urban population of 80 million people in 1961 is likely to be of the order of 112 million in 1971 and 152 million in 1981". In such circumstances, the entire work on preparation of Master Plan, on which such substantial expenditure has been incurred, will be rendered infructuous and the plans themselves will become obsolete unless purposeful steps are taken to implement them. As a first step in this direction it will be necessary to ensure that States enact necessary town planning legislation. A model legislation for this purpose is stated to have been circulated to the States as far back as 1967. The Conference of Ministers of

Housing, Urban Development and Town Planning, which considered this problem, recognised that progress in this regard had been "very slow" and that the State Governments should introduce the legislation "latest by September, 1970". The Committee would like the Government of India to take suitable steps to ensure that appropriate legislation is enacted through by the States. The Committee hope that Government will ensure that the Master Plans are also integrated with the annual development plans as recommended by the Conference. Government will also have to ensure that Master Plans are speedily prepared in cases where they are not yet ready.

23. 1 150

—do—

A major difficulty in the implementation of the plans seems to be paucity of resources. Several suggestions on this point have been made by the Conference of Ministers. It would be worthwhile seeing how best these Schemes could be made self-financing as suggested by the Conference.

24. 1 151

—do—

The Committee would also like to point out that qualified Town Planners now being trained out by the four institutions set up in the country are not being fully utilised by the States. It is paradoxical that, on the one hand, the preparation of Master Plans should be impeded by lack of trained staff, while on the other, trained planners available in the country are not fully utilised. It

appears to the Committee that Government are going to further complicate and aggravate the already existing unemployment among the Town Planners by their decision to augment the existing training facilities in town and country planning by providing another institution at Ahmedabad. The Committee would like Government to examine this problem in all its aspects before taking any further action in this respect.

25. 1.160

Works, Housing & Urban Development. The Committee regret that, due to failure of coordination between different Ministries, indiscriminate dumping of garbage by the Municipal authorities was permitted to continue over a period of seven years in one of the sectors at R. K. Puram. As a result, Government are now faced with the problem of having to level the dumping site at a cost of Rs. 4.28 lakhs.

26. 1.161

—do—

The facts of the case make interesting reading. As early as August, 1957, the Central Public Works Department approached the Municipal authorities to stop "further dumping" at the site. This was followed by another communication in January, 1958, in which the Municipality was asked to ensure that dumping, if it took place did not raise the level of the site above that of the adjacent ground. After a gap of over five years, the authorities became peremptorily seized of the problem again and request was made in December, 1963 that the dumping should be discontinued. This the Municipal

authorities would not do due to alternative dumping grounds not having been provided to them. The question was then taken up with the Ministry of Health in September, 1964, but it was not till May, 1967 that an alternative site was allotted, when the dumping stopped. The Committee deprecate the unsatisfactory way in which the matter was handled by Government and New Delhi Municipal Committee. A concern for the well-being of the residents of this area should have at least lent the question some urgency instead of letting it linger on for 7 years. The Committee can only hope that Government will not allow repetition of instances of this type.

26 1.162

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Another interesting aspect noticed by the Committee is that originally and even up to the date of the Audit paragraph, the removal of garbage from the site was expected to cost Rs. 22.40 lakhs. During evidence, it was maintained that large sums would not be required for removal of garbage and levelling of ground. In the first instance, the cost would be Rs. 4.78 lakhs. The Committee hope that the actual expenditure would be kept as low as possible when the land is put to effective use.

7 1.177

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The Committee consider it regrettable that 932 acres of land acquired by Government in Ghaziabad at a cost of Rs. 120.81 lakhs in September, 1965—January, 1966 have not been put to any use so far. The proposals for acquisition of this land were mooted as early as 1963 on the basis of a Master Plan which envisaged a Government township at Ghaziabad. However, so far no definite plans in this regard have been drawn up due to paucity of resources. In

the meanwhile original owners of about 50 per cent of land have been permitted to cultivate the land acquired by Government.

1.178

Works, Housing & Urban Development

While the Committee agree that in the matter of urban development, it will be necessary to look ahead and protect Government against the effects of speculative increases in land prices, they would also like to point out that plans for acquisition should be carefully drawn up, having regard to the prospects of sufficient resources being available to Government for implementation of any plans for the development of the land acquired. Where proposals for acquisition would mean uprooting of small cultivators, as in this case, it would be necessary to exercise extra care.

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1.179

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The Committee would like to be informed whether any steps are proposed to be taken for development of the land in this case under the Master Plan during the Fourth Plan period. The Committee would also like to be apprised of the outcome of the writ petitions in regard to some of the cases covered by this acquisition which are stated to be pending in court.

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1.190

Works, Housing & Urban Development
Finance (Dept. of Revenue & Insurance)

The Committee are of the opinion that unspent balances of advances remaining with Land Acquisition Officers at the close of the financial year can be utilised for payment of compensation in the subsequent year only if budget provision has been made in that

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1.203

Works, Housing &
Urban Development

1.204

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year under the head of account to which payments of compensation are debited. The fact that unspent advances form part of a personal ledger account which is carried over from year to year does not alter this position or dispense with the need for a vote from Parliament. The Committee would like clear instructions to be issued on this point by the Budget Division of the Ministry of Finance so that the correct procedure may be followed in future.

The Committee note that, as a result of orders having been placed for supplies against rate contracts on firms whose rates were not the lowest, Government incurred an extra expenditure of Rs. 2.8 lakhs. These orders were placed by an officer, against whom disciplinary action had been taken by Government in pursuance of observations made by the Committee in para 2.90 of their 27th Report (Fourth Lok Sabha).

125

The Committee note that the main reason for not having placed the orders with the lowest rate contracting firm in all these cases was that its performance was not satisfactory. This was not, however, placed on record in most of the cases. The Committee do not wish to pursue the question of extra expenditure, as the data about the performance of the lowest rate contracting firm against certain orders placed with them does give rise to doubts about their performance. However, the Committee would like to impress on Government the need to ensure that reasons for passing over lower offers are invariably placed on record by officers who conclude contracts on behalf of Government.

