

**PUBLIC ACCOUNTS COMMITTEE  
(1963-64)**

**EIGHTEENTH REPORT  
(THIRD LOK SABHA)**

**DELHI DEVELOPMENT AUTHORITY**

[Para 109 of Audit Report (Civil), 1963 and Audit Reports  
on the Accounts of Delhi Development Authority for  
the years 1957-58 to 1961-62]



सत्यमेव जयते

**LOK SABHA SECRETARIAT  
NEW DELHI**

*February, 1964*

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*Magha, 1885 (Saka)*

*Price : Re. 1.00*

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(1963-64)

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**PUBLIC ACCOUNTS COMMITTEE**

(1963-64)

**CHAIRMAN**

Shri Mahavir Tyagi

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22. \*\*Pandit S. S. Tankha

**SECRETARIAT**

Shri H. N. Trivedi—*Deputy Secretary*

Shri Y. P. Passi—*Under Secretary.*

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\*Declared elected on the 29th November, 1953 *vice* Shri Bhakt Darshan ceased to be a Member of the Committee on his appointment as Deputy Minister.

\*\*Declared elected on the 29th August, 1963 *vice* Shri Nawab Singh Chauhan.

## INTRODUCTION

As authorised by the Public Accounts Committee, I hereby present this Eighteenth Report on the Delhi Development Authority relating to Para 109 of Audit Report (Civil), 1963 and separate Audit Reports on the Accounts of the Delhi Development Authority for the years 1957-58 to 1961-62.

2. Audit Report (Civil), 1963 was laid on the Table of the House on the 18th April, 1963. The separate Audit Reports were laid on the Table of the House on the dates indicated below:

Audit Report on the Accounts of DDA for the year 1957-58—  
11-8-1961.

Audit Report on the Accounts of the DDA for the year 1958-59—  
28-3-62.

Audit Report on the Accounts of DDA for the year 1959-60—  
7-8-1962.

Audit Report on the Accounts of DDA for the year 1960-61—  
15-11-1962.

Audit Report on the Accounts of DDA for the year 1961-62—  
28-3-1963.

The Committee examined these at their sittings held on the 8th and the 12th November, 1963. A brief record of the proceedings of each sitting of the Committee has been maintained and forms part of the Report (Part II).

3. The Committee considered and finalised the Report at their sitting held on the 5th February, 1964.

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

5. The Committee place on record their appreciation of the assistance rendered to them in the examination of these Accounts by the Comptroller and Auditor General of India.

They would also like to express their thanks to the Secretary of the Ministry of Health and the Vice-Chairman and Members of the Delhi Development Authority for the co-operation in giving detailed information asked for by the Committee during the course of their evidence.

NEW DELHI;  
*February 8, 1964*  
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*Magha 19, 1885 (Saka)*

MAHAVIR TYAGI,  
*Chairman,*  
*Public Accounts Committee.*

## I

### POWERS AND FUNCTIONS OF THE DELHI DEVELOPMENT AUTHORITY

The United Provinces Town Improvement Act, 1919 was extended to Delhi with certain modifications and under it the Delhi Improvement Trust was constituted in 1937. In 1955 under Section 3 of the Delhi (Control of Building Operations) Act, 1955, the Delhi Development (Provisional) Authority was set up. The Delhi Development Authority was constituted on the 30th December, 1957 by the Central Government in exercise of the powers conferred by sub-section (1) of Section 3 of the Delhi Development Act, 1957 (No. 61 of 1957). This Authority replaced the Delhi Development (Provisional) Authority and the Delhi Improvement Trust.

2. Under Section 6 of the Act, the objects of the Delhi Development Authority are "to promote and secure the development of Delhi according to plan and for that purpose the Authority shall have power to acquire, hold, manage and dispose of land and other property, to carry out building, engineering, mining and other operations, to execute works in connection with supply of water and electricity, disposal of sewage and other services and amenities and generally to do anything necessary or expedient for purposes of such development and for purposes incidental thereto." All properties movable and immovable vested in the Delhi Improvement Trust and the Delhi Development (Provisional) Authority were vested in the Delhi Development Authority.

3. The main activities of the Delhi Development Authority during 1961-62, were—

- (I) Management of its own property (General Development Account)
- (II) Management of Nazul lands on behalf of Government of India under Section 60(2) (c) of the DD Act under an Agreement entered into with the former Delhi Improvement Trust (Nazul Account I).
- (III) Development and disposal of lands entrusted to the Authority by the Chief Commissioner, Delhi (Nazul Account II).

The Committee considered the cases brought out by Audit in the various Reports and have dealt with some of the important cases in the following Chapters.



## II

### GENERAL DEVELOPMENT ACCOUNT

*Sub-para (a) to (e) of para 2 of the Audit Report on the Accounts of Delhi Development Authority for 1961-62*

4. (a) The main sources of income of the Authority are premium and ground rent from leased lands and fees, fines and damages levied for defaults by the lessees or from unauthorised occupants. Interest at rates ranging from 2 per cent to 3½ per cent p.a. is also earned by investing the surplus funds in short term deposits with the State Bank.

(b) The position in respect of land transactions alone during 1961-62 is summarised below:—

(In lakhs of Rs.)

(i)	Value of land with the Authority at commencement of the year :	
	(a) Land in Delhi-Ajmere Gate Scheme	30.64
	(b) Other lands.	3.21
(ii)	Expenditure on land development during the year.	0.60
(iii)	Amounts realised by:—	
	(a) Disposal of land.	2.55
	(b) Ground rent etc.	2.30
(iv)	Closing Balance:	
	(a) Land with the Authority as on 31st March, 1962.	8.51
	(b) Land in Delhi-Ajmere Gate Scheme transferred to the Delhi Municipal Corporation the value of which is still to be recovered from the Corporation.	25.34
(v)	Surplus realised in the year on account of land transactions.	4.25

(c) The net excess of income over expenditure during the year 1961-62 worked out to Rs. 0.98 lakh as shown below:—

	Net income from land transactions [of sub-para (b) above]	4.25
	Net income from other sources.	1.87
		6.12
Less (i)	Expenditure on Administration.	2.65
(ii)	Interest on loans paid to Govt.	2.49
		5.14
		0.98

(d) The amounts of advances, Sundry debtors and creditors, loans and deposits, which were outstanding on 31st March, 1962 are given below, with the corresponding figures as at the end of the previous two years:

	(In lakhs of Rs.)		
	As on 31.3.60	As on 31.3.61	As on 31.3.62
Advances	1.21	2.29	2.46
Sundry Debtors	17.48	14.33	3.89
Loans taken by the Authority	58.93	58.24	57.52
Deposits received	12.19	11.89	12.20
Sundry Creditors	1.29	1.24	0.06

The figure of Rs. 3.89 lakhs outstanding under Sundry Debtors on 31st March, 1962 included Rs. 2.40 lakhs pertaining to 1958-59 and earlier years.

(e) The Authority had on 31st March, 1962 cash balance amounting to Rs. 11.63 lakhs and short term deposits with the State Bank amounting to Rs. 32.00 lakhs earning interest at 2% to 3½% while it was paying interest ranging between 3½% to 5% p.a. on Central Government loans which amounted to Rs. 57.52 lakhs on the same date.

From the above, it would be seen that the expenditure on land development during the year 1961-62 amounted to Rs. 0.60 lakh whereas the expenditure on administration was Rs. 2.65 lakhs. This showed a substantial decrease as compared to the years 1959-60 (Rs. 2.33 lakhs) and 1960-61 (Rs. 3.00 lakhs). In the year 1962-63 also the expenditure was stated to be of the order of Rs. 2.11 lakhs.

The Committee were informed during evidence that the comparatively smaller amount of expenditure on development of land was due to the fact that these expenditures related to the old holdings where some development work had been in progress and was completed during the year. Subsequent lands acquired by the Administration were being treated as Nazul lands and expenditure on their development was being shown separately. Now the Authority was also undertaking certain schemes for construction of houses for low-income groups and the expenditure thereon was being charged to this head of Account. (The Committee were informed that recently it had been decided that expenditure under low-income housing scheme would also come within the ambit of the scheme of large scale acquisition). Moreover, all expenditure relating to the Master Plan was also being accounted for in the General Development Account.

In extenuation of the high expenditure of Rs. 2.65 lakhs on Administration under this Account in 1961-62, while the volume of transactions handled came only to Rs. 5.45 lakhs, it was explained that the main function was not the development or disposal of land alone. A large number of staff was employed in connection with the preparation of the Master Plan, and the Zonal Plans. The total expenditure incurred on administration was Rs. 10.94 lakhs; the share of this expenditure allocated to General Development Account on a *pro-rata* basis amounted to Rs. 2.65 lakhs.

The Committee are not convinced of the explanation for such high expenditure (Rs. 2.65 lakhs) on administration under the General Development Account. The book value of the land left with the Authority at the end of 1961-62 was only Rs. 8.51 lakhs. Moreover, it was stated in evidence that the Authority would not now acquire any land on its own under the General Development Account. If so, the work that was being done hitherto (including the work relating to the preparation of the Master Plan) under this Account would shrink further. The Committee, therefore, feel that there is ample scope for economy in staff under this Account.

5. As regards the allocation of the expenditure of Rs. 2.65 lakhs, which had hardly any relation to the book value of the reduced area of land under management, (Rs. 8.51 lakhs at the end of 1961-62), on a *pro-rata* basis under three Accounts, the Committee are of the opinion that the allocation should be on a rational basis, as, otherwise, the Authority would be charging less on over-heads by artificially deflating the cost of development of Nazul land. They, therefore, desire this question to be re-examined at an early date.

6. When it was pointed out that the total expenditure on Administration during 1961-62 under General Development, Nazul I and Nazul II Accounts was Rs. 10.94 lakhs against transactions worth only Rs. 24.08 lakhs, the explanation given was that the activities like management of the Estate, watching of the conditions of leases, stoppage of misuse thereof and checking unauthorised constructions, etc. for which a large staff was employed by the Delhi Development Authority, were not reflected in the volume of transactions worth Rs. 24 lakhs. It was added that the D.D.A. had a large staff employed to carry out surveys of various areas, to propose layouts and zonal plans etc., expenditure on which would be reflected subsequently. The Committee wanted to know what the functions of the Town and Country Planning Organisation (on which Government spent Rs. 7.40 lakhs during the year) were, if the D.D.A. themselves were doing the work of planning etc. They were informed that the Town

and Country Planning Organisation prepared the initial drafts of the Master Plan and the Zonal Plans. These were then examined and finalised by the D.D.A. who were also responsible for the implementation of these Plans.

The Committee find it difficult to accept the contention that an administrative expenditure of about Rs. 11 lakhs of the D.D.A. is not on the high side. They desired to be furnished with a note showing the important items of work dealt with by the administrative staff in addition to transactions valued at Rs. 24 lakhs. This information is still awaited.

7. In the absence of a satisfactory explanation, the Committee are not sure that there is no overlapping of allocation of work as between the Town and Country Planning Organisation and the Delhi Development Authority particularly in respect of survey of areas, and preparation of layouts and Zonal Plans. In order to avoid any duplication of work and with a view to effecting economies, a prompt review should be made to examine the feasibility of effecting changes in the allocation of duties as between the D.D.A. and the T.C.P.O.

### III

#### NAZUL ACCOUNT I

*Accumulation of cash balance in the Nazul Account—page 120, para 109(A) of Audit Report (Civil), 1963.*

8. Under an agreement entered into by Government in 1937 with the former Delhi Improvement Trust a total area of 14,000 acres was placed under its management. After the retransfer of some land to Government, an area of 8648 acres was remaining under the Management of the Authority on 31st March, 1962. It was stipulated in the agreement that after the payment of an annual sum of Rs. 2 lakhs (representing the net income of the Nazul Estate for the financial year 1935-36), the surplus funds were to be put at the disposal of Government and utilised in further improvement and development of the Estate etc. and/or to the repayment of loans made to the Trust "as Government may direct". Surplus funds had accumulated with the Authority who transferred a sum of Rs. 49 lakhs to a separate Account to meet the expenditure on large-scale acquisition, development and disposal of lands in Delhi. Even thereafter the accumulated cash balance with the Authority remained at Rs. 61.95 lakhs on 31st March, 1962.

The closing balance with the Authority (including the accumulated surpluses) during three years 1959-60 to 1961-62 were as shown below:—

Year at the close of	Investments	Personal Ledger Account	Total
		Figure in lakhs of Rs.	
1959-60	65.00	17.68	82.68
1960-61	78.00	24.65	102.65
1961-62	48.00	20.95	61.95

Since the actual expenditure on "Works and Improvements" on the Nazul Estate had been small and the surpluses had accumulated, the Committee desired to know why Government did not revise the agreement or issue directions about the utilisation of the surplus funds from time to time as envisaged in the 1937 agreement. The representative of the Ministry admitted that this had certainly been a lapse on their part, because under the Nazul Agreement, these

amounts could have been withdrawn or surrendered. But for the past ten years, since 1953, the amounts had been accumulating, probably for the reason that although various schemes of development were being drawn up, they could not be actually executed as originally anticipated. He, however, informed the Committee that four schemes of development of the old Nazul estate had been prepared and that recently the accumulated amounts had been utilised.

**The Committee regret to note that there was heavy accumulation of balances from year to year due to the fact that the various schemes of development could not be executed according to anticipation.**

9. The witness further stated in evidence that one aspect of the matter, that was considered several times, was whether the Agreement still remained valid after the Improvement Trust came to an end and the D.D.A. came into existence. The latest legal opinion was that the agreement still continued to be in force. In regard to the further lands that had been acquired by the Delhi Administration formal notifications under Section 22 of Delhi Development Act, 1957 had been issued placing them at the disposal of the Delhi Development Authority. The decision to treat such lands as Nazul lands had already been taken and it was hoped that the matter would be finalised in a short time.

**The Committee note that a decision based on legal opinion in the matter has at long last been taken. They would urge however that all action relating to the revision of the agreement and modification of its clauses and other necessary steps should be completed at an early date. The Committee were also informed that writ applications had been filed in the High Court challenging the validity of the further acquisition. They would like to be informed of the outcome of the legal proceedings.**

10. While explaining the significance of the three separate Accounts (General Development Account, Nazul Account I and Nazul Account II) the Member, Finance and Accounts of the D.D.A. informed the Committee that before the scheme of large scale acquisition of land by the Chief Commissioner, Delhi was sanctioned, the D.D.A. had been managing some types of lands, called Nazul lands. This came under the agreement of 1937 and certain lands were acquired by the old Delhi Improvement Trust under the old Trust Account which was later on called the General Development Account. When the scheme

for large scale acquisition was sanctioned, it was decided to have two different divisions of the Nazul Account in order to keep the transactions of the new Nazul Scheme separate from the transactions of the old Nazul land. Both the types of lands in the Nazul Account are acquired and owned by Government, and these are developed by the D.D.A. on behalf of Government. The annual budget for these Accounts was prepared by the D.D.A. and forwarded to Government under the provisions of the Act.

**In view of the fact that the functions of the Delhi Development Authority are clearly defined, the Committee suggest that instead of having separate budget estimates for the separate Accounts as at present, the feasibility of having general budget estimates for D.D.A. should be examined so as to have a better and more simplified procedure, which will also give a clearer picture of its activities.**

*Development expenditure in Nazul Account I—para 3 of Audit Report on the Accounts for the year 1961-62*

11. The expenditure incurred on "Works and Improvements" under Nazul Accounts No. 1 was comparatively small as shown below:

Year	Expenditure (Rs. in lakhs)
1957-58	2.63
1958-59	2.79
1959-60	6.13
1960-61	0.42
1961-62	0.45

The figure for 1961-62 was Rs. 5.60 lakhs for administrative charges as against the following revenue realised and expenditure incurred:

Ordinary Revenue	Rs. 8.45 lakhs
Revenue from Works and Improvement Schemes	Rs. 6.17 lakhs
Expenditure on Works and Improvements.	Rs. 0.45 lakh
Miscellaneous Expenditure.	Rs. 0.09 lakh

**The fact that the cost of administration (Rs. 5.60 lakhs during 1961-62) under Nazul Account I is disproportionately high, indicates that the overall administrative set up is too costly for the total volume of the transactions handled (Rs. 15.16 lakhs). The Committee would like the Ministry to examine this point carefully with a view to effecting economies wherever possible.**

12. The outstanding income (uncollected demands) under Nazul Account I at the end of 1961-62 amounted to Rs. 37.15 lakhs, as shown below:—

Ordinary Nazul Revenue	Rs. 9.10 lakhs
Revenue from Nazul Works and Schemes.	Rs. 5.00 lakhs
Damages in respect of unauthorised occupation of Nazul properties.	Rs. 23.05 lakhs

The administration charges for the same period under this Account amounted to Rs. 5.60 lakhs.

The Committee enquired as to what were the reasons for such large outstandings in spite of the fact that the cost of administration was heavy. While admitting that the accounts and processes of recovery had not been properly geared, the representative of D.D.A. explained that the arrears related to the recoveries of ground rents and other charges in respect of the plots which were developed during the course of a number of years. In the past accounts were not being kept on an individual basis. The total demand was placed on the lambardars on the basis of which they made recoveries from the parties. The accounts were now being rebuilt and steps were being taken to recover the arrears as soon as possible.

**The Committee were disappointed to note that despite heavy administration charges the state of Accounts was unsatisfactory and the process of recovery was extremely slow. They were, however, assured that the accounts were now being rebuilt and that steps were being taken to recover the arrears as soon as possible. The Committee would like to be informed of the concrete results achieved.**



IV

NAZUL ACCOUNT II

13. Consequent on the sanction of the scheme 'Large scale acquisition, development and disposal of lands' by the Government of India on 2nd May, 1961, the Authority opened this Account to incorporate the expenditure incurred by it on acquisition and development of lands as also the revenue realised by disposal of lands under this scheme.

The position of this account for the year 1961-62 is given below:—

(In lakhs of Rupees)

	<i>RECEIPTS</i>	<i>PAYMENTS</i>	
Loan (Bearing interest at 4½% p. a.)	280.00	Advances to the Chief Commissioner for acquisition of lands (Expenditure account not rendered)	168.59
Transfer of funds from Nazul Account No. I	49.00	Payment to CPWD for development of lands.	39.53
Disposal of developed lands	3.47	Administration charges	2.69
Miscellaneous	0.16	Deposits refunded	6.22
Deposits received	6.93	Closing balance Investment (at 3% p. a.)	112.00
		Cash.	10.53 122.53

As regards the transfer of Rs. 49 lakhs from Nazul Account I to Nazul Account II it was explained during evidence that the main head of account being 'Nazul', there was no difference between the two sub-heads I and II. All land vested in the Government had been given to the Authority for development as Nazul land. It was added that the transfer was effected with the approval of the Chief Commissioner to whom full powers had been delegated by Government of India. The Vice-Chairman of the Delhi Development Authority further informed the Committee that the Ministry of Health had in the year 1961 sanctioned the transfer of a sum of Rs. 65 lakhs from Nazul Account I to Nazul Account II although this was not effected at that time. Thus Government's approval had been obtained.

The Committee, however, understand from Audit that they were not aware of any sanction issued by Government in 1961 for the

transfer of amounts to Nazul II Account. The Ministry of Health had, however, sanctioned the transfer of a sum of Rs. 65 lakhs from Nazul Account I to the General Development Account and not to Nazul Account II. This was done in 1959 before the scheme for large-scale acquisition was sanctioned.

It is also understood that there is a distinct difference between the procedure of account of expenditure/receipts in respect of two Nazul Accounts. Account No. I incorporates transactions relating to the Old Nazul Estate, taken over by the Authority under the 1937 agreement as successor of the former Delhi Improvement Trust, whereas Account No. II incorporates the transactions relating to the land placed with the Authority for development under the 'Large Scale Acquisition, Development and Disposal' scheme on behalf of the Chief Commissioner and advances for the purpose are received from the Revolving Fund. The expenditure against the latter is subsequently incorporated in the accounts of Schemes maintained by the Housing Commissioner and the Delhi Development Authority only charges the net administrative cost, whereas in the case of old Nazul Estates, the revenues realised are kept with the Delhi Development Authority and a portion of the surplus is paid to Government under the terms of the agreement.

*Drawal of loan in excess of requirements—para 109(C), pp. 121-22 of Audit Report (Civil), 1963.*

14. For the Scheme of "Large Scale Development, acquisition and disposal of land in Delhi" to be executed by the Delhi Administration, Government had provided a revolving capital of Rs. 5 crores in the budget for 1961-62 under Demand No. 138—Delhi Capital Outlay. The Chief Commissioner was to draw the money from time to time and credit it to a Personal Ledger Account from which advances were to be given to the Authority and others for the development of land entrusted to them.

Notwithstanding the prescribed procedure mentioned above, Government sanctioned in January, 1962, a loan of Rs. 280 lakhs to the Authority at 4½% per annum for the same purpose. The Authority drew this amount in two instalments in January and February, 1962 and paid out of this, Rs. 168 lakhs to the Chief Commissioner as advance during 1961-62 for expenditure on this Scheme. The Authority invested the balance of Rs. 112 lakhs in short term deposits with the State Bank of India at 3 per cent. per annum.

Asked about the justification for the Government giving a loan of Rs. 280 lakhs to the Delhi Development Authority, for the very

purpose for which funds to the extent of Rs. 5 crores had been provided as a revolving capital in the budget for 1961-62, to be placed directly at the disposal of the Chief Commissioner, the Vice-Chairman of the Delhi Development Authority stated that in May, 1961, the Authority had a scheme of large scale acquisition, development and disposal of land for which provision of the revolving fund was there. The loan of Rs. 2·80 crores was given a little earlier. Before the revolving fund was created, the Authority had approached the Health Ministry for this loan on the basis of the requirements estimated in 1960-61 for some development schemes. This action was taken simultaneously with the formulation of the bigger scheme which was placed under the operational control of the Chief Commissioner. It was considered desirable that the same executive authority should also use the loan funds. Accordingly, it was decided that although the provision would appear in the plan estimates of the Health Ministry, it would be counted against the plan allocation of the Delhi Administration. The Secretary of the Ministry of Health in explaining the position further stated that the Ministry of Finance found that it would be justifiable to grant this loan (Rs. 2·80 crores) in addition to the grant of the revolving fund to get the schemes going. Whatever funds were placed at the disposal of the Chief Commissioner by the Delhi Development Authority were required for the purpose of acquisition of land—for which Chief Commissioner was the proper authority—and were utilised for that purpose. He added that acquisition proceedings would have been impeded if adequate funds had not been available to be deposited forthwith on demand by the Collector. Actual utilisation of the funds, however, was to some extent contingent upon the demand and the progress.

The Committee enquired whether it was procedurally correct for the Delhi Development Authority to obtain a loan from the Government and place it at the disposal of the Chief Commissioner for acquiring land in the name of the President. The Secretary stated that "the amount has since been utilised now and there would be no such occasion in future." Land thus acquired had been passed on to the Delhi Development Authority, for development and disposal.

The Committee would like to emphasise that the procedure adopted was not correct. If the Chief Commissioner acquired the land in the name of the President, the compensation should have been paid from the revolving fund placed at the disposal of the Chief Commissioner and not from the amounts obtained from the D.D.A. which is an autonomous body. The Committee were, however, assured that there would be no occasion in future for granting loans

**in this fashion. They hope that the Ministry of Finance will issue suitable instructions on the subject.**

15. The Committee observe from the position of the Nazul Account II for the year 1961-62 (given above) that whereas the D.D.A. received a loan of Rs. 280 lakhs (bearing interest at 4½%), the advances made to the Chief Commissioner for acquisition of land during 1961-62 were only to the extent of Rs. 168 lakhs. The balance of Rs. 112 lakhs was invested by the D.D.A. at a lower rate of 3% p.a.

The Secretary to the Ministry admitted that it was unfortunate that the loan could not be fully utilised during 1961-62 for acquisition of land, and a part of it was, therefore, invested at a lower rate of interest. He stated, however, in extenuation that this happened because the full amount of the loan which was expected to be taken by the Chief Commissioner for acquisition was not immediately required on account of acquisition proceedings. The witness, however, added that the balance of the loan with D.D.A. (*viz.* Rs. 112 lakhs on 31st May, 1962) had since been paid to the Chief Commissioner in October, 1962 for acquisition. He further added that since it was a commercial scheme the difference between the two rates of interests would be added to the cost of the land.

The Committee need hardly emphasise the anomaly in obtaining a loan at the interest of 4½% per annum and investing the same at the rate of 3% p.a. in the Bank. The obvious and proper course wou'd have been for the D.D.A. to obtain the loan in instalments according to their actual needs. The Committee are also unable to appreciate the plea in justification for this action, "that Government did not suffer any financial loss as such.", since the D.D.A. made the ultimate purchasers pay inflated rates for the land by adding the interest charges to the cost of development. The Committee feel that this action was irregular. They hope that such contingencies will be avoided in future.

*Delay in the Development of land—para 199(D), page 122 of Audit Report (Civil), 1963*

16. The Chief Commissioner entrusted about 259 acres of land to the Authority for development. The Authority entrusted the work to the C.P.W.D. and deposited funds with them to the extent of Rs. 39.53 lakhs upto 31st March, 1962. Upto 31st March, 1962, 200 acres of land were to be developed but only 90 acres were actually developed. It has been explained that the progress has been retarded due to high rates in the tenders received by the C.P.W.D. with

the result that in most cases tenders had to be invited twice or thrice and that negotiations had to be resorted to in several cases before the work could be allotted.

The Committee enquired as to why this circuitous procedure had been adopted whereby funds were first given by the Government to the Delhi Development Authority, who in turn deposited them with the C.P.W.D., a Government department. The Housing Commissioner of the Delhi Administration explained that under the scheme for acquisition and development of land in Delhi, while the Delhi Administration was made responsible for the acquisition of land, the work of development and disposal thereof was entrusted to the Delhi Development Authority. The engineering organisation taken over by the Authority from the Delhi Improvement Trust, its predecessor, was not large enough to undertake the large-scale development envisaged in the Master Plan. From the very beginning, therefore, the Authority utilised the agency of the C.P.W.D. for development of land. It was pointed out that under the Delhi Development Act of 1957, the Authority was required to carry out building, engineering and other operations and to execute work in connection with water supply, electricity and disposal of sewage etc. The Vice-Chairman of the Authority explained that it was not necessary that the Authority should actually become an executing organisation. He added that besides entrusting work to the C.P.W.D., the D.D.A. also proposed, on a trial basis, to get some work, specially construction of houses, done through private architects. The representative of the Ministry of Health further stated that although the Authority was fully competent to engage its own engineering staff to carry out the work by itself, it would have, in that case, to take engineers on loan from the C.P.W.D. It was thus considered better to entrust the work to the C.P.W.D. On being questioned further as to the precise role performed by the Delhi Development Authority, in connection with the development of land in Delhi and whether the work could not be entrusted to the C.P.W.D. direct, the Vice-Chairman of the Delhi Development Authority stated that the main reason for interposing the D.D.A. between the Chief Commissioner and the C.P.W.D. was the fact that this Authority was responsible for implementing the Master Plan of Delhi. Through the Authority consisting of both officials and non-officials, all development works, whether industrial residential or commercial were kept within the framework of the Master Plan. The representative of the Ministry of Health further stated that the interposition of the D.D.A. was necessary in the interest of co-ordination. According to him, if development work were to be entrusted to a body which was incharge of management and

disposal of lands and responsible for collection of rents etc. in respect of property whether in the jurisdiction of the New Delhi Municipal Committee or the Delhi Municipal Corporation, it was the Delhi Development Authority.

The Committee are not convinced with the arguments advanced in support of adopting the peculiar procedure of developing the land, namely, the Chief Commissioner entrusting the work to Delhi Development Authority, who in turn entrusted it to the C.P.W.D. especially in view of the fact that Section 6 of the D.D. Act empowers the Authority "to carry out building, engineering, mining and other operations." It was urged before the Committee that the Delhi Improvement Trust, which was succeeded by the D.D.A. had limited functions for which it had its own engineering organisation but the functions entrusted to the D.D.A. were much wider and the existing engineering organisation was not competent to deal with the full load of work. If that be the case, the best course for Government would have been either to set up an engineering organisation competent to undertake the expanded functions in the D.D.A. itself or to have got the provisions of the Act suitably amended, so as to clearly specify that the development work would be executed through other agencies, Government or private and the Authority would be responsible for planning and layout work only.

The Committee are also of the opinion that getting the development work done through the C.P.W.D. might entail extra expenditure in view of the fact that centage charge at the rate of 7-3/4% has to be paid to the C.P.W.D. for supervision of engineering work. It might also be advantageous in the interest of economy and expedition if the D.D.A. themselves undertook the work with their own engineering staff. The Committee hope that Government would examine these aspects at an early date for the better working of the D.D.A.

17. The Committee enquired as to why such a large sum of money (Rs. 39.53 lakhs) was deposited with C.P.W.D., when it was not in a position to carry out the work. The representative of the Ministry stated that the demands received from the C.P.W.D. were examined by the Authority and funds were given on the basis of their 3 months' requirements. In the initial stages the C.P.W.D. had certain difficulties but the bulk of the amount was spent by them, during the year 1961-62 and the balance (Rs. 10 lakhs) in subsequent years.

From the facts mentioned above, the Committee find that large funds (Rs. 39.53 lakhs) were placed at the disposal of the C.P.W.D. in advance without ascertaining whether they could utilise the entire amount within a reasonable time. Had the D.D.A. shown

some fore-thought in this matter and made available to the C.P.W.D. funds in instalments as and when required the unspent sum would not have remained with the C.P.W.D. where no interest could be earned.

The Committee would also like to emphasise that the placing of funds with organisations etc. much in advance of the actual requirements should be discouraged.

18. Asked whether the Authority had entrusted development work to any private voluntary organisation like the Bharat Sewak Samaj, the witness stated that the Authority had no direct dealings with such organisations. The Bharat Sewak Samaj were, however, doing some work, namely, supply of stones from the quarries, earth work etc. as contractors to the C.P.W.D.

The Committee were informed in the course of evidence that at a stage when it was not possible to proceed with the work (as tenders were not forthcoming, or were very high or after accepting the offer the tenderers could not start the work), negotiations had to be held with Bharat Sewak Samaj to take up the work. They are of the opinion that as a normal rule tenders should be called for such work and contracts should not be given by negotiations. In order, however, to understand how such a situation did develop, the Committee desired to know whether those works were entrusted to the Samaj after inviting open tenders and how the rates accepted compared with quotations of other tenderers. They regret that the information promised is still awaited.

19. It was stated by the D.D.A. that "with a view to making an appreciable impression on land prices, it was decided that a large number of projects be taken up simultaneously. Accordingly, schemes covering an area of about 2000 acres of land costing nearly Rs. 8 crores were sanctioned during the year besides major road schemes costing about Rs. 44 lakhs". The execution of these projects was, however, retarded by the factors mentioned in Section D of para 109 of the Audit Report (Civil), 1963.

The Committee enquired whether concurrence of the Government of India had been obtained for the sanctioning of schemes covering an area of about 2000 acres of land and costing nearly Rs. 8 crores. The Housing Commissioner explained that under the Delhi Development Act, the Authority itself could sanction a scheme costing upto Rs. 10 lakhs. But in order to cut short delays that occur when sanction for schemes costing above Rs. 10 lakhs has to be obtained by processing them through the Ministries of Health and Works, Housing and Rehabilitation, and then associated Finance, Government

of India had delegated full powers in this regard to the Chief Commissioner who acts in consultation with his Financial Adviser. Accordingly, these schemes were sanctioned by the Chief Commissioner. On being asked as to the progress made on these schemes, the witness stated that before land was made over to the C.P.W.D. for development, the cost of its acquisition had to be met out of D.D.A.'s funds. On development of such land a sum of Rs. 2.61 crores was stated to have been spent so far. He added that the initial difficulties which caused slow progress were being overcome.

It being a well-established procedure that before any schemes are sanctioned, the details as well as the estimates of expenditure are prepared and scrutinised, the Committee fail to understand why the delays and difficulties in execution of the schemes costing Rs. 8 crores could not be foreseen by the experts in the Delhi Development Authority and the C.P.W.D. before the schemes were sanctioned. Since the initial difficulties are now being gradually overcome, they hope that the progress of work on the execution of the schemes will now be accelerated. They would like to have a detailed progress report regarding the execution of these schemes.



## IRREGULARITIES IN THE MANAGEMENT OF LANDS BY THE AUTHORITY

(i) **UNAUTHORISED OCCUPATION AND NON-RECOVERY OF DAMAGES THEREFOR**  
*Unauthorised occupation of public lands—para 109(E) pages 122-123 of Audit Report (Civil), 1963.*

20. A survey conducted by Delhi Development Authority in 1959 indicated that there were 18,245 squatters. A demand of Rs. 44.56 lakhs was assessed against 10,474 squatters as damages for the unauthorised occupation (1,245 squatters upto 31st March, 1962 and the rest upto 30th June, 1958). Out of this assessment, an amount of Rs. 10.16 lakhs was recovered upto November, 1962. In a number of cases, the squatters have left the premises making it difficult to effect recoveries of damages; other unauthorised persons have taken their place.

The Public Premises (Eviction of Unauthorised Occupants) Act, 1958 provides for the eviction of unauthorised occupants from the public premises and the recovery of the damages for the period of such occupation. The Authority have taken action only to levy damages and not for the simultaneous eviction of unauthorised occupants. The renewal of leases or grant of fresh leases on short/long term basis has also not been done. Thus the occupants continue to be in unauthorised possession of public premises even after assessment of damages.

The Ministry have stated that the general problem of unauthorised occupation of land is engaging the attention of Government and that squatters who occupied Government land prior to 15th, August 1950 and those who were enumerated by the Delhi Administration in June/July, 1960 are eligible for allotment of alternate sites and that they cannot be evicted unless they are settled under the Jhuggi and Jhompri scheme which is under the consideration of Government.

The damages are continued to be assessed at rates fixed in 1954 instead of the prevalent market rates as envisaged in Rules framed under the Public Premises Act, 1958. The former are very low as compared with the rates adopted by other institutions, i.e., Delhi Municipal Corporation, New Delhi Municipal Committee, Land and Development Office, etc. The revised rates worked out in July, 1961 have not yet been considered by the Authority.

The Ministry have stated (February, 1963) that the question of revising the rate of damages is under the active consideration of the Authority.

The Committee find that no effective action appears to have been taken under Government Premises (Eviction) Act, 1950 till 1956 when the Act was declared *ultra vires* of the Constitution. They were also informed that a decision was taken in 1954 to levy damages from 1st January, 1952 only as a measure of relief to displaced persons, but this concession was extended to all persons. Subsequently damages were assessed under the Public Premises Eviction Act of 1958 which worked out to Rs. 60.18 lakhs upto 31st March, 1963 out of which only a sum of Rs. 13.50 lakhs had so far been collected. In extenuation it was urged before the Committee that initially a large number of displaced persons had settled on public land. The problem was looked upon from a human angle and due to the non-availability of alternative sites where they could be rehabilitated, action taken to evict them was half-hearted. But gradually the authority was dealing with this problem more and more firmly. Under the Jhuggi and Jhompri Scheme the squatters were now being removed to alternative sites. Also a Bill had been introduced in Parliament under which re-squatting had been made an offence. As regards the extension of the concession of levying of damages from 1st January, 1952 to non-displaced persons also, it was stated that the Authority had not conducted any survey to determine the composition of the squatters. In reply to a question, the Vice-Chairman of the Delhi Development Authority admitted that no specific decision had been taken in this regard. It was suggested that in cases where eviction was not possible the Authority should have entered into short term lease with the squatters pending further consideration of the problem. The Housing Commissioner stated that this had been done wherever possible.

While agreeing that the problem of eviction of displaced persons has to be tackled from a human angle, it cannot be denied that unauthorised occupation of Government lands is a clear defiance of law. The Committee find no justification for the failure of the Authority even to take a census, during a long period of time, of the unauthorised occupants in order to see, who were *bona fide* displaced persons and who were not. As a result no distinction has been made between the people who had come as a result of Partition and the other squatters. It is unfortunate that the Authority are also not quite sure whether fresh encroachments have not been made during these years and they have expressed their helplessness to find any

effective remedies to stop these encroachments. Such failures, and lapses are regrettable.

The Committee trust that with the coming into force of the Delhi Development (Amendment) Act, 1963 (No. 56 of 1963), the D.D.A. will be able to tackle the problem in a competent manner and would be able to recover the damages (Rs. 46.68 lakhs at least from the unauthorised occupants who are not *boda fide* displaced persons.

(ii) MISUSE OF LAND BY THE ALLOTTEE

*Losses for want of timely renewal execution of Lease-Deeds, Sale Deeds,—para 109(F) (i) p. 123 of Audit Report (Civil), 1963.*

21. The former Improvement Trust allotted 278 acres of land in Najafgarh area in June, 1942 to the Delhi Cloth Mills as free-hold on payment @-/3/9 per square yard plus 10 per cent thereof, for a specific purpose, namely, shifting their Mills in the city to the new site in order to remove congestion. Land measuring 174.84 acres was taken over by the Mills between February, 1943 to February, 1945 (increased to 181.04 acres in December, 1958). The rest of the land was not released to the Mills as the Company instead of shifting the old mills, put up a new factory on this land. The Sale Deed has not so far been executed (February, 1963).

The Mills leased 5.5 acres out of this land in 1955 to Messrs Hindustan Insecticides Ltd., a Government concern at Rs. 4,000 per annum, while the proportionate purchase price paid by the Mills to Government for this land was only Rs. 6,863.

In November, 1959, the Mills encroached upon a further area of 6.78 acres of land. The Ministry stated (February, 1963) that the question of execution of a Sale Deed between the Mills and the Authority had been under consideration for a long time and that the Authority had been directed to execute the Sale Deed only in respect of 181.04 acres and to ask the Mills to surrender the excess area of 6.78 acres of land.

The Committee were informed in evidence that the Mills had since surrendered the excess area of 6.78 acres which was in their unauthorised occupation. According to Audit damages for this unauthorised occupation are estimated to be about Rs. 12 lakhs @ Re. 1 per square yard per month. The Committee would like to know what action has been taken to levy damages and realise the same from the Mills.

22. Giving the historical background of the case the Vice-Chairman, D.D.A. stated that in pursuance of a suggestion by Mr. Hume,

who was then in-charge of the Delhi Improvement Trust, a proposal was mooted for shifting the Delhi Cloth Mills from its existing site to outside the city area. Land was accordingly acquired, but this condition was omitted in the Resolution of the Delhi Improvement Trust, sanctioning the allotment of the land to the Delhi Cloth Mills. The allotments were made from time to time and by the year 1945 about 181 acres of land were allotted. When the Company asked for more land, papers were looked into and it was discovered that the object for which the land was allotted was not being served as the Mills had established a new unit instead of shifting the old establishment from the city area. The matter was taken up with the Company but as the Resolution of the Delhi Improvement Trust making the allotment of land was silent on this point, they did not agree to any change. Further allotment of land had thereafter been stopped and an agreement had since been reached to execute the sale deed for the land already allotted to the Company. It was added that in response to the offer of allotment the D.C.M. had deposited a sum of Rs. 4 lakhs and land was transferred to them piecemeal. In the course of two years, about 175 acres were transferred to them. According to the witness, in actual effect, it became a contract. No sale deed was, however, executed. The Company had erected certain buildings etc. on the land allotted to them.

The Committee find from the documents furnished by the Ministry of Health, at their instance, that Mr. Hume's report generally deals with the problem of shifting of industries, although there was no specific mention in particular for shifting of the Delhi Cloth and General Mills. It is mentioned in the report, however that

"The Superintendent of Industries points out that many of the existing industrial establishments in Delhi.....would be very willing to shift out of Delhi if land at more reasonable rates were available."

On the 29/31 May, 1937, the Agents of the Delhi Cloth and General Mills Company Ltd., had requested for the acquirement of 250 acres of land for them on the Najafgarh Road on free-hold basis "for the purpose of eventually building our Mills there." It is also clear from para 7 of Delhi Improvement Trust Resolution No. 78 dated 29 March, 1940 that the "removal of the Delhi Cloth Mills to the outskirts of Delhi would be a substantial measure in the relief of congestion and also because the establishment of a big concern like the Delhi Cloth Mills in the Industrial Area would afford great stimulus to the development of the area, it is thought that the provision of the site situated for the Delhi Cloth Mills, should be allowed for in the Factory

area scheme from the outset." Thus, the purpose for which the land was to be allotted to the Delhi Cloth Mills in the Industrial Area was made clear in this resolution without any shade of doubt or ambiguity.

Also, in his letter to the Delhi Cloth Mills, the Chairman, Delhi Improvement Trust, wrote on the 9th July, 1941, *inter alia*—

"at your instance an area has been reserved for disposal to you free-hold for use as factory sites in the Industrial Area Scheme prepared by the Delhi Improvement Trust....."

It, therefore, passes the comprehension of the Committee how, when the Agent of the Delhi Cloth and General Mills Company Ltd., had himself specified in the application dated 29th/31st May, 1937 that the land was meant "for the purpose of eventually building our Mills there" and the D.I.T. had taken note of this in its Resolution No. 78 dated 28th March, 1940, the condition that Delhi Cloth Mills should transfer their existing factories to the Industrial Area (which was envisaged from the very beginning) was not specifically mentioned in the subsequent resolution, No. 19, which the D.I.T. passed on the 9th January, 1942.

It is incomprehensible that such a serious lapse could be just an inadvertent omission. The Committee note that the Managing Director and Agent of the Mills who had been corresponding with the Improvement Trust for the allotment of land was himself a Member of the Trust Board and that the resolutions were passed during his tenure of membership of the Trust (from 1937 to 1950). Since no record of discussions that led to the adoption of the resolution in the D.I.T. has been maintained, it may not perhaps be possible now to unravel the mystery fully. The Committee would urge the Government to review the position and take such remedial action as is possible at this stage.

23. It has been stated in a note furnished by the Ministry of Health at the instance of the Committee that the fact that the Mills were putting up a new unit on the land allotted to them in the Industrial Area came to the notice of the Delhi Improvement Trust in 1947. On a reference to the Chief Commissioner, orders were communicated to the Delhi Improvement Trust that "in future no land should be allotted to the Delhi Cloth Mills without obtaining his (Chief Commissioner's) previous approval." No further allotment of land was made to the Company after the construction of a new unit by the Mills at the site came to the notice of the Delhi Improvement Trust. The

Company is thus, at present, in possession of 181.04 acres of land allotted to them by the Trust in pursuance of the resolution dated 9th January, 1942. They have put up several Mills, factories and buildings on the land obtained from the Trust.

The Committee cannot, therefore, escape the conclusion that the primary object of the Industrial Area Scheme, that is relief of congestion resulting from the shifting of the Mills from the city area, for which such a large area was allotted to the Company at the very cheap rate of -/3/9 pies per square yard, has not been achieved. The Scheme has thus in the opinion of the Committee, worked to the detriment of the interests of Government and the serious lapses on the part of the D.I.T. have enabled the Delhi Cloth Mills to gain an unfair advantage from the Scheme.

24. As regards the sub-letting of 5.5 acres of land (out of the land allotted to the Company at the rate of -/3/9 per square yard) by the Company to Hindustan Insecticides Ltd., a Government concern, at Rs. 4000 per annum, it was explained in evidence that although the land had been allotted to the Mills on a free-hold basis, a restriction was imposed on their selling or sub-letting any portion thereof till the execution of the sale-deed. The Committee, however, understand from Audit that no restriction regarding sub-letting had been conveyed to the Mills. The witness understood that the question of acquisition of the land from the Mill for the use of the Undertaking was under examination of the Ministry of Industry pending which payments of rent had been stopped by them.

From the documents furnished by the Ministry of Health at the instance of the Committee, it appears that the Managing Director of the Delhi Cloth Mills in a letter (No. 9943 dated 11th December, 1941) had stated—

“I can assure you that the Delhi Cloth Mills have absolutely no intention of speculating in land and I am almost certain that I will be able to induce them to give an undertaking for a period, say ten years, not to part with it except to you.”

Conditions were also imposed at the time of allotment of land restricting the right of the Delhi Cloth Mills to sell the land allotted to it. A sort of pre-emption right was also created by the Delhi Improvement Trust *vide* para 19(4) of their Resolution No. 19 dated the 9th January, 1942, which reads as under:

“If within the next 15 years following from the date of registration of the sale-deed the company desire to sell the

said land or a portion of it, it shall give the Trust the first offer to purchase it on payment of the price for this land at the rate at which the Trust will charge from the Company for the same and for buildings or other improvements, if any, done on the land by the Company, or in the case of disagreement to be settled by arbitration under the Indian Arbitration Act, 1940. This will be provided for in the sale-deed."

This was communicated to the Company by the Trust on 4th February, 1942. The Company in their letter dated 15th May, 1942 also accepted the Trust's proposal for the sale of 268 acres of land.

In 1955 when the Ministry of Production wanted land in the area to construct a D.D.T. Factory in the public sector, the Delhi Cloth Mills offered to "sell" 5½ acres out of the land allotted to them and demanded a price of Rs. 40,000 per acre, but when the attention of the Company was drawn to the condition in the Resolution No. 19 dated 9th January, 1942 which restricted its right to sell the land, they leased out the land to the Ministry for Rs. 4,000 per annum. The Hindustan Insecticides have since constructed their D.D.T. Factory on the site.

The Committee are perturbed to note the attitude taken by the Delhi Cloth Mills with regard to the land for the D.D.T. Factory in demanding a price of Rs. 40,000 per acre, as against the price of Rs. 1134 per acre at which the land was made available to them by the Delhi Improvement Trust. It is very strange indeed that they should have tried to go back on the solemn assurance given by their Managing Director that they had no intention of speculating in land and to ignore the condition that "if within the next 15 years following from the date of registration of the sale deed the Company desire to sell the said land or a portion of it, it shall give the Trust the first offer ...." They would like Government to examine immediately what remedial steps, including acquisition of the land for the D.D.T. Factory, should be taken to stop this irregular financial benefit to the Company at the expense of Government.

25. The Committee desire Government to take vigorous steps for the execution of the sale deed with the Company so that no further attempts can be made by the Company to take undue advantage from their position owing to the delay in its execution.

26. The Committee further desire the Ministry of Health to lay down broad principles in consultation with the Ministries of Finance.

and Works, Housing and Rehabilitation to prevent the occurrence of similar situations in future. They would suggest in particular that when land is transferred to any party by the Delhi Development Authority, their Resolution should record in unambiguous terms all the relevant conditions of transfer which should then be suitably incorporated in the transfer deeds.

27. Another aspect of this case which the Committee would like to emphasise is that Govt. have to be very careful in constituting such organisations as the Delhi Development Authority. In their opinion it is well worth consideration that in constituting such Bodies it should be ensured that persons, however eminent, who have any personal or pecuniary interest in the functioning of the Body should not be associated with them in any capacity.

(iii) ARREARS IN RECOVERY OF LEASE/GROUND RENT

(a) *Arrears in recovery of lease/ground rent—Para 109(F) (ii) page 123 of Audit Report (Civil), 1963*

28. A Co-operative Society is in occupation of agricultural land measuring 13,344 bighas (2,780 acres), the lease in respect of which has not been extended or resumed since June, 1956. At the rates specified in the lease, the amount recoverable from the Society works to Rs. 1.17 lakhs upto 14th June, 1962.

The Authority has stated that it has not been possible to resume the land from the Society because of the policy of the Government to encourage Agricultural Co-operative Institutions and because of the fact that the resumption of the land would have involved uprooting of large number of Cultivators.

In reply to a question, the Committee were informed that the President of the Society was also appointed a Member of the Delhi Development Authority last year. The total number of Members of the Society was 658 of whom over 600 were self-cultivators. The lands, some of which was irrigated, had been given to the Society entirely for agricultural purposes. At the time of the lease the Growmore Food Campaign was in view and the Delhi Development Authority wanted the cultivators to take up the vacant lands and utilise them for agricultural purposes. At present agricultural operations were being carried on by the Society and they were lucrative. In reply to a question as to why the dues had not been realised from the Society, if they were earning profits, it was stated that rent had been realised upto 1956 totalling about Rs. 5 lakhs and Rs. 1.67 lakhs in all was in arrears for the last 2 or 3 years as the accounts had got complicated. The Committee however understand from Audit that:



the rent realised upto June, 1956 amounted to Rs. 3.08 lakhs only and to Rs. 4.71 lakhs upto June, 1963. The balance recoverable from the Society on 14-6-1963 was Rs. 1.76 lakhs.

It was brought to the notice of the Committee that under the terms of the lease deed, the ground rent was revised after the expiry of the first year and fixed at Rs. 1,35,475 p.a. against Rs. 51,155 payable for the first year. This decision was, however, not acceptable to the Society. Afterwards, the ground rent was reduced to Rs. 77,056 per annum, which was again further reduced to Rs. 56,623. Explaining the reasons for this, the Secretary, Ministry of Health stated that there was some doubt about the actual amount due as "certain diluvium of land resulting in washing away of a good portion of it seemed to have entered into this picture." That was why the lease was not extended formally beyond June, 1956. Right after the lease was granted the question of diluvium was raised and the concession was granted by the D.D.A. for one year only. But every year the Society had been claiming this concession although they were told by the Authority that the concession had been granted only for one year and was, therefore, not admissible for other years.

In reply to a further question, it was stated that there was a clause in the lease deed that remission would be given for any land which had been washed away by diluvium. Out of 13,344 bighas of land, roughly 1,100 bighas had been affected. The original assessment for the total acreage was 51,000 i.e. Rs. 4 per bigha. Later on, the rate of Rs. 10 per bigha was arrived at. It was added that the Delhi Development Authority had decided to appoint a sub-committee to go into the matter and the reconciliation of accounts etc. The D.D.A. would be taking legal advice about the lease and its non-renewal and the subsequent acceptance of rent, and take all steps which could be feasible to effect full recovery.

The Committee feel perturbed to learn about the disclosures made in this case relating to Delhi Peasants Multi-purpose Co-operative Society. While they appreciate the policy of Government to encourage Agricultural Co-operative Institutions, they cannot find any justification for showing undue leniency to the Society, which in the opinion of the Vice-Chairman of the D.D.A. is carrying an agricultural operations that are "lucrative". It appears to them inexplicable that the rent payable by the Society fixed at Rs. 1,35,475 per annum could be reduced to Rs. 56,623 owing to the washing away of some portion of the land. According to the information placed before the Committee only about 1,100 bighas of land out of 13,344 bighas had been washed away. If that is so, there can be no justification for such a

**disproportionate reduction in rent. The Committee would like this aspect to be investigated promptly and the rent re-assessed on a proper basis.**

**The Committee also fail to understand why the Society who were earning profits from the land given by Government should not pay the arrears of Government dues which are stated to be Rs. 1.76 lakhs. They desire that the arrears should be recovered without any further delay.**

**When the vast area in question was given on lease to the Society in 1949 no due demarcation was made by the D.I.T. Subsequently, the lease was not renewed in 1956 and later, on the plea that the area in question had not been fully demarcated. The witnesses admitted that this was an omission. In the opinion of the Committee the initial failure to demarcate the area of the land, the failure to renew the lease, the huge reduction in rent and the failure to realise the arrears, are all indicative of inefficiency or unwillingness on the part of D.D.A. to take appropriate action at the right time. The Committee feel that there shou'd be a thorough investigation of this case with a view to fixing responsibility.**

**The Committee inquired from the representatives of the Delhi Development Authority whether they exercised any supervision to see whether the land was being utilised for the purpose for which it was leased out. The reply given was that their Tehsildars and Revenue Staff "kept on supervising." The Committee suggest that a proper on-the-spot inspection at a sufficiently high level should be made by the D.D.A. to satisfy themselves that the land leased out to this society was being utilised only for the purposes specified in the lease-deed.**

**The Committee understand that a sub-committee has been appointed by the D.D.A. to go into the question of rent and the reconciliation of accounts. They feel that the entire case needs investigation by persons or officials unconnected with the D.D.A. and the result communicated to the Committee.**

*(b) Amounts recoverable on account of ground rent para 2 of Audit Report for the year 1960-61*

**29. A review by the Delhi Development Authority made in respect of accounts completed upto March, 1962, indicated that recovery of 1963 (Aii) LS—3.**

Rs. 4.15 lakhs towards ground rent was outstanding. Similar information was not available in respect of 13 other accounts which were in the process of completion.

The Member, Finance and Accounts of the Delhi Development Authority explained that the outstandings related to the rents which the Authority recovered through Lambardars. The accounts from 1947-48 onwards got confused because of the influx of the refugees. With the departure of evacuees, displaced persons took over the land and the Lambardars found it difficult to recover the dues from them. The accounts from 1947-48 onwards had recently been reconstructed and it was found that an amount of Rs. 9 lakhs was outstanding against the Lambardars, the present outstanding being Rs. 3.73 lakhs. Recoveries from most of the Lambardars had been made; in the case of the others, the accounts were under settlement as the old revenue records were not maintained in full detail. In some cases the Lambardars had been suspended and their properties attached. The Authority hoped to be able to recover the outstanding balance. The Vice-President of the D.D.A. while conceding that the Lambardars' accounts with the Authority were certainly not in a very healthy condition stated in extenuation that owing to the influx of refugees and the declaration of evacuee properties in 1948 the defaulters' list started growing and it became difficult for the Lambardars to recover all the amounts. On a joint representation made by the Lambardars to the Improvement Trust that it was unfair to them that they should pay the whole amount first to the Authority and then try to recover from people who might not be in the country, it was decided that the Lambardars might deposit with the Authority whatever amounts they could actually recover, and for the balance they could submit defaulters' statements. That was not, however, a happy arrangement as they started recovering small amounts and submitted defaulters' lists for the balance. In certain cases they did not even submit defaulters' lists.

Asked whether the D.D.A. made any enquiry to find out whether the total amounts that the Lambardars had collected were actually paid to the Authority, the Vice-Chairman of the D.D.A. stated that the accounts of the D.D.A. were being written up and the process of compiling the demand statement was also going on for all the 24 areas of the Authority. As soon as the statements were ready, the Authority would be in a position to insist that the Lambardars should either revert to the old practice under which they were bound to deposit all the amounts due to the Authority in advance or they would be removed, and agents appointed by the Authority for direct collection from the tenants and the lessees.

The Committee observe that these accounts which were stated to have got into a confused condition after 1947-48 are yet to be set right despite a lapse of more than fifteen years. It is really surprising that no effective steps were taken to recover the outstanding ground rent of Rs. 4:15 lakhs in the past. As a result the D.D.A. was not in a position even to say whether the Lambardars had actually deposited the amounts they had collected. The Committee would like to be informed of the results achieved in recovering these arrears. They also desire that effective steps should be taken to avoid accumulation of such arrears in future.

(iv) NON-RENEWAL OF LEASES

(a) *Non-renewal of 20 years leases expiring during 1948 to 1956 leading to non-realisation of revenue—Para 2 of Audit Report, 1957-58.*

30. It was disclosed in para 2 of Audit Report on the Accounts of 1957-58 that 269 twenty-year leases expired sometime during the period from 1948 to 1956. Although in respect of certain leases which expired in 1948 notices were issued for the vacation of premises, the former Delhi Improvement Trust did not consider it desirable to evict the occupants due to influx of refugees and housing shortages. No serious attempt was made to tackle the problem until 1958, when the Authority decided as under:

- (i) Where buildings had been erected in areas which were fully developed and where there was no conflict with any scheme in hand or likely to be taken in hand in the near future, leases should be renewed on a perpetual basis in favour of the existing lessees at the market value prevalent in 1958 as premium plus 2½% thereon as ground rent.
- (ii) Where the property is situated in an area covered by a sanctioned scheme or in an area likely to be taken up for development in the near future, the leases should not be renewed and early damages at the full zonal rates as approved by the erstwhile Delhi Improvement Trust should be charged.
- (iii) In cases where it was decided to renew the leases, the renewal would be effective from the date of expiry of the previous lease and ground rent would be chargeable from the same date in the shape of damages.

- (iv) In the case of 125 leases belonging to evacuees to Pakistan, which were under the control of Custodian of Evacuee Property, action should be deferred till Government's decision.

In respect of 115 cases where the authority decided in 1958 to grant perpetual lease and in 29 other cases where they had decided not to renew the lease, the Authority had worked out (September, 1961) the total damages to be recovered as Rs. 13.72 lakhs.

Explaining the reasons for the very slow progress in renewing the leases and recovering damages, the Vice-Chairman of the Delhi Development Authority stated that that had been the period of Partition and the years following. There was great disturbance and turmoil. A lot of people had gone over the border and their properties became evacuee properties. The problem of renewal of leases itself was a difficult one as the rentals and the land values varied from estate to estate; difficulties arising out of the declaration of buildings put up on lands as Evacuee properties were also to be resolved. There was also a difference of opinion between the Delhi Development Authority and the Chief Settlement Commissioner. He added that, some kind of a settlement had been reached with them and new renewals were being done on an agreed basis, and it was hoped that by adopting the principles of that settlement *mutatis mutandis* in the case of other leases, the question would be solved shortly.

**The Committee desire that, now at least, since the difference of opinion between the D.D.A. and the Chief Settlement Commissioner has been resolved, prompt action should be taken to recover the damages amounting to Rs. 13.72 lakhs or at least a substantial portion of it. They would like to know the progress made in this matter in due course.**

- (b) *Heavy loss of revenue due to non-renewal of 3 years lease—  
Para 3 of Audit Report, 1958-59.*

31. It has been stated in para 3 of Audit Report on the Accounts of 1958-59 that 352 plots which had been given on three-year basis in 1921 continued to be occupied although the leases were never renewed. 297 of these lessees migrated to Pakistan. On 9th Sep., 1952, the Delhi Improvement Trust resolved that "in case of lessees who have been regularly paying rents, temporary annual leases should be drawn up and in cases where no lease money has been received, damages should be charged from the unauthorised occupants in accordance with the rates approved by the Board."

According to this resolution the leases in respect of 55 plots were to be renewed temporarily and recoveries in respect of the remaining 297 taken up with the Custodian of Evacuee Property.

The Vice-Chairman of the Delhi Development Authority stated that the leases were really of three types—monthly, three years' and 20 years'. There was some legal difficulty in determining the date on which the 'monthly' and "three years'" leases expired. 20 years' lease presented the least difficulty because the date of expiration was definite.

The Committee consider it unfortunate that much progress has not been made in these cases so far. The Committee feel that some definite decision should be taken soon about the remaining plots (55 plots) which continue to be under unauthorised occupation. They would also like to know as to what settlement is proposed to be made in respect of those plots where lessees have migrated.

(v) DEFECTIVE LEASE DEEDS

(a) *Misuse or change of user of Plots—Para 109(H), page 124 of Audit Report (Civil), 1963.*

32. In cases where the lessee uses the land for purposes other than that for which the lease was granted, the Authority can terminate the lease and restore the same on payment of additional premium/penalty by leasees. In 17 "Change-of-user cases" finalised by the Authority up to July, 1962, additional premium amounting to Rs. 1,97,781 was imposed. Out of these, 14 cases of demands involving Rs. 1,05,704 were stated to have been dropped on the advice of Government of India (Ministry of Law) on account of defects in Lease Deeds; one case involving Rs. 6,720 was dropped as the misuse related to a small portion of the premises. In the remaining 2 cases involving Rs. 85,357 action was stated to be under way. There were 1010 cases of misuse or change of user of plots, unauthorised construction, etc. (at the end of September, 1962) in the knowledge of the Authority in which necessary action is stated to have been initiated.

In regard to one case involving Rs. 6720 which was dropped as the misuse related to a small portion of the premises, it was stated in evidence that the case related to a Nursing Home where a small portion of the premises had been diverted. This was dealt with by the D.D.A. on the basis of a policy. The committee desired to know if this was not treated as a misuse as a matter of deliberate policy. The Secretary to the Ministry of Health promised to go into the

case personally in order to find out whether there had been any real misuse.

The Committee would like to be apprised of the result of this investigation. The Committee would also like to be informed of the action taken by the D.D.A. in respect of the 1010 cases of misuse etc. referred to in the Audit para.

(b) *Non-levy of penalty for non-construction of building on the plots leased or sold by the Authority—para 5 of Audit Report for 1958-59.*

33. According to the terms of the agreement the Lessee/Vendee is required to erect the necessary building on the plot leased or sold out to him within a specified period. If he fails to do so, the lessor (Authority) is entitled to cancel the lease and take possession of the land after serving on the lessee a notice in writing specifying the particular breach. If the breach is capable of remedy, the lessee/Vendee will be required to remedy the same within a reasonable time, failing which the Authority will cancel the lease and take possession of the plot. It was, however, observed that in spite of notices served on the defaulters, some of them have not complied with the terms of the lease deed.

With a view to enforcing the provisions of the lease deeds it was decided by the Authority in August, 1958 that:—

- (i) in cases in which building construction took place during the period from 1st January, 1956 to 31st March, 1958 no penalty may be levied.
- (ii) in all the 384 unbuilt plots, demand notices be issued asking for the payment of a lump sum penalty at 5% of the market value of the plot for the period 1st January, 1956 to 31st March, 1958 and thereafter until the plot is built upon, penalty at the rate of 5% per annum of the market value.

Subsequently, the Government of India issued instructions on 11th December, 1958 that the penalty for the waiver of right of re-entry be levied at 5% of the original premium and lessees should be given one year's time to complete the construction of buildings on the said plots and no penalty be levied in cases where construction was completed upto 31st March, 1958. The original premia received by the Authority in respect of 384 unbuilt plots works out to Rs. 45,15,650 approximately and the amount of penalty for the period upto 31st March, 1960 works out to Rs. 6,77,350 approximately.

Against the demand of Rs. 6,77,350 as penalty, a sum of Rs. 57,046 has so far been realised, leaving a balance of Rs. 6,20,304 yet to be recovered.

Although a decision had been taken by the Authority in August, 1958 to levy penalty for non-construction of buildings within the prescribed period in respect of 384 plots, difficulties were encountered in their recovery since there was no provision in the terms of the lease for the recoveries of penalties. The Committee learn from Audit that the amount of penalty assessed by the authority upto March, 1963 and the outstanding for recovery in respect of about 125 cases alone came to over Rs. 2.35 lakhs.

The Vice-Chairman, D.D.A. promised to furnish a note giving the total amount of penalty assessed and the unrecovered balance regarding 384 plots. This information is still awaited.

(vi) NON-MAINTENANCE OF PROPER REVENUE RECORDS

*Omission to note the demands in Revenue Record—para 109 (G) page 124 of Audit Report (Civil), 1963.*

34. A few cases where the demands of lease money, increase in ground rent etc., were not noted in the revenue records resulting in their non-recovery are given below :—

- (i) Demands for Rs. 23,250 per annum in respect of 80 plots in Motia Khan dump given as perpetual lease during the years 1955-56 and 1956-57 were not raised and realised. The total amount recoverable works to Rs. 1.40 lakhs (upto March, 1962). It was stated that the demands for recovery of arrears of ground rent had since been made in respect of 68 plots and that the other 12 cases had been held up on account of Court Injunction orders, discrepancies in the area, etc.
- (ii) A demand of Rs. 514 per month on account of enhanced ground rent for December, 1959 was not noted in the Fard Bach (Demand Register Lambardar-wise) of the Lambardar, Mauza Shidipura. The recoverable amount works to Rs. 15,934 (upto June, 1962).

It was stated by the Member, Finance and Accounts of the D.D.A. that the revenue records were certainly not being kept properly in the past, but procedures, have since been laid down and the demands were being duly noted and cross-checks had also been instituted so that lapses, if any, came to notice immediately. As regards cancellation of old leases, all the leases were being reviewed and action was



being taken to revise them (monthly leases) and to grant fresh leases on revised terms. The Secretary of the Ministry of Health stated further that action had been taken against the Lambardars, the accounts were being completed and recovery action was in progress. As regards revenue records, he added that, the internal audit section made an examination in July, 1962 as a result of which in 61 cases some omission was detected. Demands for recovery of arrears had since been raised in 11 cases and further action to make the recovery was being taken. The Chairman, P.A.C. suggested a special review of the entire set of accounts at an early date to see how much of the amounts collected by the Lambardars were due to Government and what steps were necessary to realise the dues. The Member of Finance and Accounts of the D.D.A. stated that D.D.A. were now recovering directly in about 50 per cent of the cases.

The Committee note the failure of the D.D.A. to maintain the revenue records properly. They need hardly emphasise the importance of the proper maintenance of such records on the basis of which the D.D.A. have to derive their income. They urge, therefore, that the several steps initiated be expedited and the records brought uptodate. It should also be ensured that there is no accumulation of arrears of revenue. A special review of the entire Accounts should be taken up at an early date to assess the dues.

VI  
GENERAL

35. The examination of the accounts of the D.D.A. has revealed the following unsatisfactory features :

- (i) the extent of actual development expenditure incurred in the Authority's own Estate or in Nazul lands has been small for several years past, and
- (ii) the various revenue records have not been maintained properly with the result that there are substantial arrears and irregularities in the collection of revenue and in regard to renewal of leases, etc.

This seemed to indicate that the Authority had not been able for the past several years to grapple with the problems arising from time to time.

The Secretary of the Ministry of Health stated in extenuation that though the D.D.A. had been set up a few year ago, it had no time to establish itself and remove all the defects which entered into its working in the preliminary stages owing to the great rush of refugees and other complications. He accepted, however, that there was certainly a need to take action to improve the state of records and state of recoveries, and it was also to be considered whether the powers of the Authority were adequate and whether any amendment in the legislation was necessary.

With a view to making the Authority really competent and effective instrument for fulfilling its difficult task, the Committee consider that it would be necessary for Government to review the composition, powers, functions and responsibilities of the D.D.A.

NEW DELHI;  
February 8, 1964.  

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Magha 19, 1885 (Saka).

MAHAVIR TYAGI,  
Chairman,  
Public Accounts Committee.

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## PART II

*[Proceedings of the sittings of the P.A.C. held on the 8th and 12th November, 1963 and the 5th February, 1964 (fore-noon and after-noon)]*

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**Proceedings of the Fortieth sitting of the Public Accounts Committee held on Friday, the 8th November, 1963.**

The Committee sat from 10·00 to 13·30 hours.

**PRESENT**

Shri Mahavir Tyagi.—*Chairman.*

**MEMBERS**

2. Shri Bhakt Darshan
3. Shri Gajraj Singh Rao
4. Sardar Kapur Singh
5. Shri R. K. Khadilkar
6. Shri Mathura Prasad Mishra
7. Shri Ravindra Varma
8. Shri P. Venkatasubbaiah
9. Shrimati K. Bharathi
10. Pandit S. S. N. Tankha
11. Shrimati Maya Devi Chettry
12. Shri B. D. Khobaragade
13. Shri Dahyabhai V. Patel
14. Shri S. D. Patil
15. Shri Sadiq Ali.

Shri A. K. Roy—*Comptroller & Auditor General of India.*

Shri G. Swaminathan—*Addl. Dy. Comptroller & Auditor General.*

Shri R. K. Khanna—*Accountant General, Central Revenues.*

**SECRETARIAT**

Shri H. N. Trivedi—*Deputy Secretary.*

Shri Y. P. Passi—*Under Secretary.*

**WITNESSES**

*Ministry of Health*

Shri Gian Prakash—*Joint Secretary.*

**MINISTRY OF WORKS, HOUSING & REHABILITATION**

Shri Prem Krishen—*Joint Secretary.*

*Delhi Development Authority*

1. Shri K. L. Pasricha—*Vice-Chairman.*
2. Shri K. L. Rathi—*Housing Commissioner, Delhi Administration.*
3. Shri Balbir Singh Sehgal—*Member (Engineering).*
4. Shri Bishan Chand—*Member, Finance & Accounts.*

DELHI DEVELOPMENT AUTHORITY

*Delay in development of land, page 122—para 109(D).*

The Chief Commissioner entrusted 259 acres of land to the Delhi Development Authority for development. The Authority entrusted the work to the C.P.W.D. and deposited funds with them to the extent of Rs. 39·53 lakhs upto the 31st March, 1962. Out of 200 acres of land, which was to be developed, only 90 acres were actually developed by the Department till 31st March, 1962. The Committee enquired as to why this circuitous procedure had been adopted where-by funds were first given by the Government to the Delhi Development Authority, who in turn deposited them with the C.P.W.D., a Government department. The Housing Commissioner of the Delhi Administration explained that under the scheme for acquisition and development of land in Delhi, while the Delhi Administration was made responsible for the acquisition of land, the work of development and disposal thereof was entrusted to the Delhi Development Authority. The engineering organisation taken over by the Authority from the Delhi Improvement Trust, its predecessor was not large enough to undertake largescale development envisaged in the Master Plan. From the very beginning, therefore, the Authority utilised the agency of the C.P.W.D. for development of land. It was pointed out that under the Delhi Development Act of 1957 the Authority was required to carry-out building, engineering and other operations and to execute work in connection with water supply, electricity and disposal of sewage etc. The Vice-Chairman of the Authority explained that it was not necessary that the Authority should actually become an executing organisation. He added that besides entrusting work to the C.P.W.D. the D.D.A. also proposed, on a trial basis, to get some work, specially construction of houses, done through private architects. The representative of the Ministry of Health further stated that although the Authority was fully competent to engage its own engineering staff to carry out the work by itself, it would have in that case, to take engineers on loan from the C.P.W.D. It was thus considered better to entrust the work to the C.P.W.D. On being questioned further as

to the precise role performed by the Delhi Development Authority, in connection with the development of land in Delhi and whether the work could not be entrusted to the C.P.W.D. direct, the Vice-Chairman of the Delhi Development Authority stated that the main reason for interposing the D.D.A. between the Chief Commissioner and the C.P.W.D. was the fact that this authority was responsible for implementing the Master Plan of Delhi. Through the Authority, consisting of both officials and non-officials all development works, whether industrial, residential, or commercial were kept within the framework of the Master Plan. The representative of the Ministry of Health further stated that the interposition of the D.D.A. was necessary in the interest of co-ordination. According to him if development work were to be entrusted to a body which was incharge of management and disposal of lands and responsible for collection of rents etc. in respect of property whether in the jurisdiction of the New Delhi Municipal Committee or the Delhi Municipal Corporation, it was the Delhi Development Authority.

The Committee enquired as to why such a large sum of money (Rs. 39.53 lakhs) was deposited with the C.P.W.D., when it was not in a position to carry out the work. The representative of the Ministry stated that the demands received from the C.P.W.D. were examined by the Authority and funds were given on the basis of their 3 months requirements. In the initial stages the C.P.W.D. had certain difficulties but the bulk of the amount was spent by them, during the year 1961-62 and the balance (Rs. 10 lakhs) in subsequent years.

Asked whether the Authority had entrusted development work to any private voluntary organisation like the Bharat Sewak Samaj, the witness stated that the Authority had no direct dealings with such organisations. The Bharat Sewak Samaj were, however, doing some work, namely supply of stones from the quarries, earth work etc. as contractors to the C.P.W.D. The Committee enquired whether these works were entrusted to the Samaj after inviting open tenders and how the rates accepted compared with quotations of other tenders, the witness promised to furnish the information to the Committee.

The Committee enquired whether concurrence of Government of India had been obtained for the sanctioning of schemes covering an area of about 2000 acres of land and costing nearly Rs. 8 crores. The Housing Commissioner explained that under the Delhi Development Act, the Authority itself could sanction a scheme costing up to Rs. 10 lakhs. But in order to cut short delays that occur when sanction for schemes costing above Rs. 10 lakhs has to be obtained by processing

them through the Ministries of Health and Works Housing and Rehabilitation and their associated finance, Government of India had delegated full powers in this regard to the Chief Commissioner in consultation with his Financial Adviser. Accordingly these schemes were sanctioned by the Chief Commissioner. On being asked as to the progress made on these schemes, the witness stated that before land was made over to the C.P.W.D. for development the cost of its acquisition had to be met out of D.D.A.'s funds. On development of land as such a sum of Rs. 2.61 crores was stated to have been spent so far. He added that the initial difficulties which caused slow progress were being overcome. The Committee enquired as to why the authority drew large sums from the Government paying interest at the rate of 4½% and deposited them in the Bank at a lower rate of interest. It was stated that it was expected that the whole amount would be spent. The unspent balance which was Rs. 1,22 lakhs at the end of 1961-62 was stated to have been reduced to Rs. 89,000 at the end of 1962-63. The witness added that since it was a commercial scheme the difference between the two rates of interests would be added to the cost of the land.

*Unauthorised occupation of Public land, pages 122-23, para 109 (E).*

A survey conducted by the Delhi Development Authority in 1959 indicated that there were 18245 squatters. Apparently no effective action was taken under the Government Premises Act of 1950, which was declared *ultra vires* of the Constitution in 1956. A decision was taken in 1954 to levy damages from 1-1-1952 only as a measure of relief to displaced persons, but this concession was extended to all persons. Subsequently damages were assessed under the Public Premises Eviction Act of 1958 which worked out to Rupees 60.18 lakhs upto 31st March, 1963 out of which only a sum of Rs. 13.50 lakhs had so far been collected. In extenuation it was urged before the Committee that initially a large number of displaced persons had settled on public land. The problem was looked upon from a human angle and due to the non-availability of alternative sites where they could be rehabilitated, action taken to evict them was half-hearted. But gradually the authority was dealing with this problem more and more firmly. Under the *Jhuggi* and *Jhonpuri* scheme the squatters were now being removed to alternative sites. Also a Bill had been introduced in Parliament under which re-squatting had been made an offence. As regards the extension of the concession of levying of damages from 1-1-1952 to non-displaced persons also, it was stated that the Authority had not conducted any survey to determine the composition of the squatters. In reply to a question, the Vice-Chairman of the Delhi Development Authority admitted that no specific decision had been taken in this regard. It was suggested that in case

where eviction was not possible the Authority should have entered into short term lease with the squatters pending further consideration of the problem. The Housing Commissioner stated that this had been done wherever possible.

*Non-recovery of damages—para 3 of Audit Report on the accounts for the year 1957-58.*

A case of occupation of land measuring about 68,000 sq. yards remained undetected till 1957 for over 20 years. The damages amounting to Rs. 2.52 lakhs remained to be recovered. Legal action had been initiated to evict the occupant but the title to the land came under dispute and the case was pending in the court.

In evidence the Committee were informed that the party had claimed to be in possession of the land ever since 1864. During the year 1910-11 certain areas of land were acquired by the Government but the party in question apparently continued to be in possession of the land. The whole matter was now subjudice. On further being asked as to why prompt action was not taken to eject the party it was stated that the actual occupants of the premises were squatters who could not be evicted unless alternative accommodation was provided to them.

*Accumulation of cash balances in the Nazul Account, page 120, para 109(A).*

Under an agreement entered into by Government in 1937 with the former Delhi Improvement Trust a total area of 14,000 acres was placed under its management (on retransfer of some land to Government an area of 8648 acres was remaining under management of the Authority on 31st March, 1962). It was stipulated in the agreement that after payment of an annual sum fixed at Rs. 2 lakhs for the financial year 1935-36 to the Government the surplus funds were to be put at the disposal of the Government and utilised in further development of the Estate etc. "as Government may direct". Surplus funds had accumulated with the Authority who transferred a sum of Rs. 49 lakhs to a separate account to meet the expenditure on large-scale acquisition, development and disposal of lands in Delhi. Even thereafter accumulated cash balances remained at Rs. 61.95 lakhs on 31st March, 1962. The Committee were informed that the legal position under the 1937 agreement had been examined specially in relation to the further lands that had been acquired by the Delhi Administration and placed at the disposal of the Delhi Development Authority. Legal decision had already been taken to treat such lands as Nazul lands and it was hoped that the matter would be finalised in a short time.

1963 (Aii) LS—4.



**General Development Account—Sub-paras (b) & (c) of para 2 of Audit Report on the accounts for the year 1961-62**

The Committee enquired the reasons for the comparatively small amount of expenditure on development during the year as compared to the earlier years. They were informed that the expenditure related to the old holdings where some development work had been in progress and was completed during the year. Subsequent lands acquired by the Administration were being treated as Nazul Lands and expenditure on their development was being shown separately. Now the Authority was also undertaking certain schemes for construction of houses for the low income group and the expenditure thereon would be charged to this head of account.

The expenditure on Administration allocated to this Account was Rs. 2·65 lakhs in 1961-62 while the volume of transactions handled came to Rs. 5·45 lakhs.

In extenuation it was explained that the main function of the General Development Account was not the development or disposal of land alone. A large number of staff was employed in connection with the preparation of the Master Plan and the Zonal Plans. This expenditure was distributed among the three Accounts on a *pro rata* basis. The Comptroller and Auditor-General pointed out that the expenditure booked to this account bore hardly any relation to the book value of the remaining land (Rs. 8·51 lakhs in 1962-62) and that the allocation of expenditure should be on a scientific basis. The representative of the Authority promised to re-examine this question.

It was pointed out that the total expenditure on administration during 1961-62 under the three Accounts (General Development, Nazul Account I and Nazul Account II) came to Rs. 10·94 lakhs against the volume of transactions worth Rs. 24·08 lakhs. It was explained that the volume of transactions worth Rs. 24 lakhs did not give a complete idea of the activities of the Delhi Development Authority. Certain activities like management of the estate, watching of the conditions of leases, stoppage of misuse thereof, and checking of unauthorised constructions etc. for which a large staff was employed by the Delhi Development Authority were not reflected in the volume of transactions amounting to Rs. 24 lakhs.

It was pointed out that besides the Delhi Development Authority there was also the Town and Country Planning Organisation. The Committee enquired the division of work between the two organisations. The Vice-chairman of the Delhi Development Authority explained that the Town and Country Planning Organisation prepared the initial drafts of the Master Plan and the Zonal plans which were

subsequently examined and finalised by the Delhi Development Authority. The implementation of these Plans was also the responsibility of the Delhi Development Authority.

*Development expenditure in Nazul Account I, para 3 of the Audit Report on the Accounts for the year 1961-62*

The expenditure incurred on administration worked out to Rs. 5·60 lakhs during the year 1961-62 against the total volume of transactions amounting to Rs. 15·16 lakhs. The outstanding income (uncollected demands) at the end of the year was Rs. 37·15 lakhs. The Committee enquired as to the reasons for such large outstandings in spite of the heavy cost of administration. The representative of the Delhi Development Authority admitted that their accounts and processes of recovery had not been properly geared up. In the past accounts were not being kept on individual basis. The total demand was placed on the lambar-dars on the basis of which they made recoveries from the lessees. The accounts were now being rebuilt and steps were being taken to recover the arrears as soon as possible. In reply to a question the witness stated that the current revenue was being recovered simultaneously with the arrears.

*Accumulated surpluses in Nazul Account I, para 1(II) (c) of the Audit Report on the Accounts for the year 1960-61*

The closing balances in the accounts showed surpluses as follows:

1959-60	Rs. 82·68 lakhs
1960-61	Rs. 102·65 lakhs
1961-62	Rs. 61·95 lakhs
(excluding Rs. 49 lakhs transferred to Nazul Account II)	

The representative of the Delhi Development Authority admitted that there had been a lapse in this regard. They had been drawing up certain schemes of development but could not implement them to the extent anticipated. However, the amounts had since been utilised.

As regards the transfer of Rs. 49 lakhs from Nazul Account I to Nazul Account II it was urged in explanation that the main division of account was 'Nazul'. There was no difference between the two sub-heads I and II since all lands vested in the Government and had been given to the Authority for development as Nazul land. He added that the transfer had been effected with the approval of the Chief Commissioner who had been delegated with full powers by Government of India. The Vice-chairman of the Delhi Development

Authority further informed the Committee that the Ministry of Health had in the year 1961 sanctioned the transfer of a sum of Rs. 65 lakhs from Nazul Account I to Nazul Account II although this was not effected at that time. Thus Government's approval had been obtained for such a course of action.

*Losses for want of timely renewal/execution of lease deeds, sale deeds page 123—para 109(F) (i)*

The Audit Report pointed out how the Delhi Cloth Mills utilised for other purposes land allotted to them in 1942 for the purpose of shifting the Mills outside the city. They had built a new factory on the land. The sale deed had not been executed so far. Further the Mills were recovering Rs. 4,000 per annum from M/s. Hindustan Insecticides as rent for a portion of the land (5·5 acres). The Mill had also encroached upon an excess area of 6·78 acres of land.

The Committee were informed that the Mills had since surrendered the excess area of 6·78 acres which was in their unauthorised occupation. As regards the sale deed the matter was under negotiation. Giving the historical background the Vice-Chairman, D.D.A., stated that in pursuance of a suggestion by Mr. Humes, who was then in-charge of the Delhi Improvement Trust, a proposal was mooted for shifting the Delhi Cloth Mills from its existing site to outside the city area. Accordingly land was acquired. However, this condition was omitted in the Resolution of the Improvement Trust, sanctioning the allotment of the land to the D.C.M. The allotments were made from time to time and by the year 1945 about 181 acres of land were allotted. When the Company asked for more land old papers were looked into and it was discovered that the object for which the land was allotted was not being served as the Mills had established a new unit instead of shifting the old establishment from the city area. The matter was taken up with the company but as the Resolution of the Delhi Improvement Trust making the allotment of land was silent on this point they did not agree to any change. Further allotment of land had thereafter been stopped and an agreement had since been reached to execute the sale deed for the land already allotted to the company. It was added that in response to the offer of allotment the D.C.M. had deposited a sum of Rs. 4 lakhs and erected certain buildings etc. Thus the contract was complete even though a sale deed had not been executed. In reply to a question the witness admitted that Shri Sri Ram one of the proprietors of the Delhi Cloth Mills was also a member of the Improvement Trust. It was further reported to the Committee that while the Delhi Improvement Trust had recommended only allotment of about 56 acres of land on which

the company had built up their factory the Ministry of Health, in consultation with the Solicitor General directed that sale deed should be executed for the entire area of 179.99 acres. The Committee enquired the reasons for this decision as also the basis on which the advice of the Solicitor-General was obtained. It was then decided that all the relevant papers on this case should be made available by the Ministry of Health to the Chairman, P.A.C. As regards the sub-letting of a portion of the land by the Mill to the Hindustan Insecticides it was explained that although the land had been allotted to the Mills on a free hold basis a restriction was imposed on their selling or sub-letting any portion thereof till the execution of the sale deed. Apparently the Company ignored this condition. The witness understood that the question of acquisition of the land from the Mill for the use of the Undertaking was under examination of the Ministry of Industry pending which payments of rent had been stopped by them.

#### MINISTRY OF LABOUR & EMPLOYMENT

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The Committee then adjourned to meet again at 10.00 hours on the 11th November, 1963.

**Proceedings of the Forty-third sitting of the Public Accounts Committee held on Tuesday, the 12th November, 1963**

The Committee sat from 15.00 to 18.00 hours.

PRESENT

Shri Mahavir Tyagi—*Chairman*

MEMBERS

2. Shri Bhakt Darshan
3. Shri Gajraj Singh Rao
4. Shri Mathura Prasad Mishra
5. Shri Prakash Vir Shastri
6. Shri Ravindra Varma
7. Shrimati K. Bharathi
8. Pandit S. S. N. Tankha
9. Shrimati Maya Devi Chetty
10. Shri Dahyabhai V. Patel
11. Shri S. D. Patil

Shri G. Swaminathan—*Add. Dy. Comptroller & Auditor General.*

Shri R. K. Khanna—*Accountant General, Central Revenues.*

SECRETARIAT

Shri H. N. Trivedi—*Deputy Secretary*

Shri Y. P. Passi—*Under Secretary*

WITNESSES

*Ministry of Health*

1. Shri R. K. Ramadhyani—*Secretary*
  2. Shri Gian Prakash—*Joint Secretary*
- Delhi Development Authority*

1. Shri K. L. Pasricha—*Vice-Chairman*
  2. Shri Bishan Chand—*Member, Finance & Accounts*
  3. Shri Balbir Singh Sehgal—*Member, Engineering*
  4. Shri K. L. Rathi—*Housing Commissioner, Delhi Administration.*
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## MINISTRY OF HEALTH

(Appropriation Accounts (Civil), 1961-62—Indian Council of Medical Research)

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Pages 121-22, para 109(C) of the Audit Report (Civil), 1963—Drawal of loan in excess of requirements

Asked about the justification for the Government giving a loan of Rs. 280 lakhs to the Delhi Development Authority, for the very purpose for which funds to the extent of Rs. 5 crores were provided as a revolving capital in the budget for 1961-62, to be placed directly at the disposal of the Chief Commissioner, the Vice-Chairman of the Delhi Development Authority stated that in May, 1961, the authority had a scheme of large scale acquisition, development and disposal of land for which provision of the revolving fund was there. The loan of Rs. 2·80 crores was given a little earlier. Before the revolving fund was created, the Authority had approached the Health Ministry for this loan on the basis of the requirements estimated in 1960-61 for some development schemes before it. This action was taken simultaneously with the formulation of the bigger scheme which was placed under the operational control of the Chief Commissioner. It was considered desirable that the same Executive Authority should also use, the loan funds. Accordingly, it was decided that although the provision would appear in the plan estimates of the Health Ministry, it would be counted against the plan allocation of the Delhi Administration. The Secretary of the Ministry of Health in explaining the position further, stated that the Ministry of Finance found that it would be justifiable to grant this loan (Rs. 2·80 crores) also in addition to the Grant of revolving fund to get the schemes going. Whatever funds were placed at the disposal of the Chief Commissioner by the Delhi Development Authority were required for the purpose of acquisition of land—for which Chief Commissioner was the proper authority—and were utilised for that purpose. He added that acquisition proceedings would have been impeded if adequate funds had not been available to be deposited forthwith on demand by the Collector. Actual utilisation of the funds however, was to some extent contingent upon the demand and the progress.

The Committee enquired whether it was procedurally correct to place the Chief Commissioner in funds through the Authority by means of a loan obtained by the latter through Government, when funds were meant for acquiring land in the name of the President. The Secretary stated that the amount had since been utilised and there would be no such occasion in future. The land thus acquired

had been passed on to the Delhi Development Authority for development and disposal. The revolving fund was recouped by recovery from the Authority out of the sale proceedings.

The Housing Commissioner explained the working of the revolving fund. The scheme involved a total outlay of nearly Rs. 40 crores for which only Rs. 5 crores were given as a revolving fund. The procedure was that land was acquired and transferred to the Authority on payment, which amount was utilised for further acquisition of land and so on. The Chairman, Public Accounts Committee observed that the objection to the loan was procedural. The Secretary to the Ministry assured the Committee that the whole matter was at an end and there will be no question of granting loan in this fashion hereafter. The residual action was for the D.D.A. to repay the loan as fast as possible. As regards the investment of a sum of Rs. 112 lakhs with the State Bank for a return of 3% per annum, whereas the amount had been borrowed from Government at the rate of 4-1/2 per cent interest, the Member, Finance Accounts of the Delhi Development Authority stated that the loan, instead of being paid before the 31st March, 1962 was paid to the Chief Commissioner sometime in October, 1962. The net charges borne by the Authority were added to the cost of development.

The Secretary to the Ministry admitted that it was unfortunate that the loan was invested at a lower rate of interest. He stated, however, in extenuation that this happened because the full amount of the loan which was expected to be taken by the Chief Commissioner for acquisition was not immediately required on account of acquisition proceedings.

*Audit Report on the Accounts of the Delhi Development Authority  
for the year 1957-58*

*Para 2—Non-renewal of 20 years lease expiring during the 1948-58  
leading to non-realisation of Revenue.*

269 twenty-year leases expired sometime during the period from 1948 to 1956. Although in respect of certain leases which expired in 1948 notices were issued for the vacation of premises, the former Delhi Improvement Trust did not consider it desirable to evict the occupants due to influx of refugees and housing shortage. In 1958 in respect of 115 cases where the authority decided to grant perpetual lease, and in 29 other cases where they had decided not to renew the lease, the Authority had worked out (September, 1961) the total damages to be recovered as Rs. 13.72 lakhs.

Explaining the reasons for the very slow progress in renewing the leases and recovering damages, the Vice-Chairman of the Delhi

Development Authority stated that that had been the period of Partition and the years following. There was a great disturbance and turmoil. A lot of people had gone over the border and their properties became evacuee properties. The problem of renewal of leases itself was a difficult one as the rentals and the land values varied from estate to estate; difficulties arising out of the declaration of buildings put up on lands as Evacuee properties were also to be resolved. There was also a difference of opinion between the Delhi Development Authority and the offices of the Chief Settlement Office. He added that, some kind of a settlement had been reached with them and now renewals were being done on an agreed basis, and it was hoped that by adopting the principles of that settlement *mutatis mutandis* in the case of other leases, the question would be solved shortly.

*Audit Report on the Accounts of the Delhi Development Authority  
for the year 1958-59*

*Para 3—Heavy losses of revenue due to non-renewal of three years lease.*

Certain Nazul lands had been given on lease for a period of three years from 1921, but the expiry of the lease went unnoticed by the Delhi Improvement Trust for about 28 years and no action was taken to renew the leases. Meanwhile 352 plots continued to be under the unauthorised occupation of the lessees of whom about 297 later migrated to Pakistan.

The Vice-Chairman of the Delhi Development Authority stated that the leases were really of three types—monthly, three years and 20 years. There was some legal difficulty in determining the date on which the leases expired. 20 years lease presented the least difficulty because the date of expiration was definite. The Delhi Development Authority were dealing with at least some cases.

*Page 123, Para 109(F) (ii) of Audit Report Civil, 1963—Arrears in recovery of lease/ground rent.*

The Delhi Development Authority had expressed its helplessness in recovering the lease dues from the Delhi peasants Multipurpose Co-operative Society amounting to Rs. 1.17 lakhs in respect of 2780 acres of agricultural lands on the ground that Government's policy was to encourage agricultural co-operative institution. Even after the expiry of the lease in June, 1954, the Authority went on extending it year by year upto 1956 and thereafter it had been stated that the renewal could not be effected due to the fact that the Society was not handed over the vast area in question after due demarcation at the time of the original lease in 1949.



In reply to question the Committee were informed that the President of the Society was a member of the Delhi Development Authority also from the last year. The total number of Members of the Society was 658 of whom over 600 were self-cultivators. The lands some of which was irrigated, had been given to the Society entirely for agricultural purposes. At the time of the lease the Grow-more Food Campaign was in view and the Delhi Development Authority wanted the cultivators to take up the vacant lands and utilise them for agricultural purposes. At present agricultural operations were being carried on by the Society and they were lucrative. In reply to a question as to why the dues had not been realised from the Society, if they were earning profits, it was stated that rent had been realised upto 1956 totalling about Rs. 5 lakhs and Rs. 1.67 lakhs in all was in arrears for the last 2 or 3 years as the accounts had got complicated.

It was brought to the notice of the Committee that under the terms of lease deed, the ground rent was revised after the expiry of the first year and fixed at Rs. 1,35,475 per annum as against Rs. 51,155 payable for the first year. This decision was however not acceptable to the Society. Afterwards, the ground rent was reduced to Rs. 77,056 per annum which was again further reduced to Rs. 56,623. Explaining the reasons for this, the Secretary, Ministry of Health stated that there was some doubt about the actual amount due as certain diluvium of land resulting in washing away of a good portion of it seemed to have entered into this picture. That was why the lease was not extended formally beyond June, 1956. Right after the lease was granted the question of diluvium was raised and the concession was granted by the D.D.A. for one year only. But every year the Society had been claiming this concession although they were told by the Authority that the concession had been granted only for one year and was, therefore, not admissible for other years.

In reply to a further question, it was stated that there was a clause in the lease-deed that remission would be given for any land which had been washed away by diluvium. (The Committee understand from audit that there was no such clause in the lease-deed.) Out of 13,344 bighas of land, roughly 1,100 bighas had been washed away. The original assessment for the total acreage was Rs. 51,000 i.e. Rs. 4 per bigha. Later on, the rate of Rs. 10 per bigha was arrived at. It was added that the Delhi Development Authority had decided to appoint a sub-committee to go into the matter and the reconciliation of accounts etc. The D.D.A. would be taking legal advice about the lease and its non-renewal and the subsequent accep-

tance of rent and take all steps which could be feasible to effect full recovery.

The Committee desired to be furnished with a detailed note showing how the rate of rent was arrived at, the total figures of arrears etc. on the lands actually handed over to the Society and the steps taken to realise the arrears. The Secretary of the Ministry of Health promised to send a full statement in this behalf.

*Audit Report on the Accounts of the Delhi Development Authority for the year 1960-61.*

*Para 2—Amounts recoverable on account of ground rent.*

A review by the Delhi Development Authority made in respect of accounts completed upto March, 1962 indicated that recovery of Rs. 4.15 lakhs towards ground rent was outstanding. Similar information was not available in respect of 13 other accounts which were in the process of completion.

The Member, Finance and Accounts of the Delhi Development Authority explained that the outstandings related to the rents which the Authority recovered through Lambardars. The account from 1947-48 onwards got confused because of the influx of the refugees. With the departure of evacuees, displaced persons took over the land and the Lambardars found it difficult to recover the dues from them. The accounts from 1947-48 onwards had recently been reconstructed and it was found that an amount of Rs. 9 lakhs was outstanding against the Lambardars, the present outstanding being Rs. 3.73 lakhs. Recoveries from most of the Lambardars had been made in the case of the others, the accounts were under settlement as the old revenue records were not maintained in full detail. In some cases the Lambardars had been suspended and their properties attached. The Authority hoped to be able to recover the outstanding balance. The Vice-Chairman of the D.D.A. while conceding that the Lambardars accounts with the Authority were certainly not in a very healthy condition, stated in extenuation that owing to the influx of refugees and the declaration of evacuee properties in 1948 the defaulters' list started growing and it became difficult for the Lambardars to recover all the amounts. On a joint representation made by the Lambardars to the then Improvement Trust that it was unfair to them that they should pay the whole amount first to the Authority and then try to recover from people who were not in the country, it was decided that the Lambardars could recover the amount which they actually could, and deposit it with the Authority and for the balance they could submit defaulters statement. That was not, however, a

happy arrangement as they started recovering small amounts and submitted defaulters' lists for the balance. In certain cases they did not even submit defaulters' lists.

Asked whether the D.D.A. made any enquiry to find out whether the total amounts that the Lambardars had collected were actually paid to the Authority, the Vice-Chairman of the D.D.A. stated that the accounts of the D.D.A. were being written up and the process of compiling the demand statement was also going on for all the 24 areas of the Authority. As soon as the statements were ready the Authority would be in a position to insist that the Lambardar should either revert to the old practice under which they were bound to deposit all the amounts due to the Authority or they would be removed and agents appointed by the Authority for direct collection from the tenants and the lessees.

*Page 124, Para 109 (H) of Audit Report (Civil), 1963—Misuse or Change of user of Plots.*

The Committee enquired whether all the outstanding cases had since been investigated and action taken to recover the additional premium etc. It was stated by the Vice-Chairman of the D.D.A. that in the case of the users, the cases which were to go to courts had been classified and cause lists prepared. The total number of cases which came to notice upto 1962 was 1010 and the number of cases that came to notice thereafter upto 31st October, 1963 was 117. The number of pending cases was only 475, out of which in 80 cases action was proposed to be dropped. As regards dropping 14 cases on the advice of the Ministry of Law, it was stated that as there was no provision in the lease for imposition of any premium or enhanced rent if there was a change in use, no levies could be imposed, according to the advice given by the Ministry of Law. It was added that these were all long-term leases coming up for renewal wherein the defects had been rectified. The revised leases had been finalised and further leases would be on the basis of the revised ones.

As regards the case relating to the misuse of a small portion of the premises of a Nursing Home, the Secretary of the Ministry of Health assured the Committee that he would personally go into this case and find out whether there had been any real misuse. This was supposed to have been a technical case and not of real misuse but in view of the fact that D.D.A. ignored the misuse by Resolution (No. 298 dated 2-11-1960) which was stated to be on the basis of a general policy, the case would be looked into.

*Audit Report on the Accounts of Delhi Development Authority for the year 1958-59.*

*Para 5-Non-levy of penalty for non-construction of building on the plots leased or sold out by the Authority within the Prescribed Period.*

The Vice-Chairman, D.D.A. promised to furnish a note giving the total amount of penalty assessed and the un-recovered balance regarding 384 plots in respect of which the penalty for non-construction of building within the prescribed period was not recovered.

*Page 124, Para 109(G) of Audit Report (Civil), 1963—Omission to note the demands in Revenue Record.*

It was stated by the Member of Finance, Accounts of the D.D.A. that the revenue records were certainly not being kept properly in the past, but procedures have since been laid down and the demands were being duly noted and cross-checks had also been instituted so that lapses, if any, came to notice immediately. As regards cancellation of old leases, all the leases were being reviewed and action was being taken to revise them (monthly leases) and to grant fresh leases on revised terms. The Secretary of the Ministry of Health stated further that action had been taken against the Lambardars, the accounts were being completed and recovery action was in progress. As regards revenue records, he added that, the internal audit section made an examination in July, 1962 as a result of which in 61 cases some omission was found. Demands for recovery of arrears had since been raised in 11 cases and further action to make the recovery was being taken. When the Chairman, P.A.C. suggested a special review of the entire set of accounts at an early date to see how much of the amounts collected by the Lambardars were due to Government and what steps were necessary to realise the dues, the Member, Finance, Accounts, D.D.A. stated that the D.D.A. were now recovering directly in about 50% of the cases.

It was pointed out by the Chairman, P.A.C. that it appeared that the Authority were unable to function satisfactorily in several respects with the existing legal process. The Secretary of the Ministry of Health stated in extenuation that the D.D.A. was set up a few years ago but owing to the great rush of refugees and other complications, it had no time to establish itself and remove all the defects which entered into its working in the preliminary stages. He assured the Committee, however, that there was certainly a need to take

action to improve the state of records and state of recoveries and it was also to be considered whether the powers of the Authority were adequate and whether any amendment in the legislation was necessary.

The Committee then adjourned.

**Proceedings of the Sixty-ninth sitting of the Public Accounts Committee held on Wednesday, the 5th February, 1964 (Forenoon).**

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The Committee sat from 10.00 to 13.10 hours.

**PRESENT**

Shri Mahavir Tyagi—*Chairman*

**MEMBERS**

2. Shri Ramchandra Vithal Bade
3. Shri J. B. S. Bist
4. Sardar Kapur Singh
5. Shri Ravindra Varma
6. Shrimati Maya Devi Chettry
7. Shri B. D. Khobaragade
8. Shri S. D. Patil
9. Shri Sadiq Ali
10. Pandit S. S. N. Tankha

Shri G. Ewaminathan—*Addl. Deputy Comptroller & Auditor General.*

Shri R. K. Khanna—*Accountant General, Central Revenues*

**SECRETARIAT**

Shri H. N. Trivedi—*Deputy Secretary*

Shri Y. P. Passi—*Under Secretary*

The Committee considered their Draft Eighteenth Report on Delhi Development Authority and approved subject to certain modifications here and there upto page 26 [Chapter V, Item (ii)] and adjourned to meet again at 15.00 hours the same day to further consider the Draft Report.

**Proceedings of the Seventieth sitting of the Public Accounts Committee held on Wednesday, the 5th February, 1964 (Afternoon).**

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The Committee sat from 15.00 to 17.45 hours.

PRESENT

Shri Mahavir Tyagi—*Chairman.*

MEMBERS

2. Shri Ramchandra Vithal Bade
3. Shri J. B. S. Bist
4. Sardar Kapur Singh
5. Shri Ravindra Varma
6. Shri S. D. Patil
7. Shri Sadiq Ali

Shri G. Swaminathan—*Addl. Deputy Comptroller & Auditor General.*

Shri R. K. Khanna—*Accountant General, Central Revenues*

SECRETARIAT

Shri H. N. Trivedi—*Deputy Secretary*

Shri Y. P. Passi—*Under Secretary*

The Committee further considered their Draft Eighteenth Report on Delhi Development Authority and approved it subject to modifications here and there.

The Committee authorised the Chairman to carry on verbal and other corrections of factual nature and present it to the Lok Sabha on behalf of the Committee. The Committee also authorised Sardar Kapur Singh to present the Report to Lok Sabha in case the Chairman was not present.

The Committee authorised Shri Sadiq Ali/Shri S. D. Patil to lay a copy of the Report on the Table of the Rajya Sabha.

The Committee then considered their Draft Nineteenth Report and approved upto page 18 (Para 11) subject to certain modifications here and there. The Committee then adjourned to meet again at 10.30 hours on Thursday, the 6th February, 1964.

## APPENDIX

### Summary of main Conclusions/Recommendations

Serial No.	Para No.	Ministry/Deptt. concerned	Conclusions/Recommendations
1	2	3	4
1	4	Health	<p>The Committee are not convinced of the explanation for such high expenditure (Rs. 2.65 lakhs) on administration under the General Development Account. The book value of the land left with the Authority at the end of 1961-62 was only Rs. 8.51 lakhs. Moreover, it was stated in evidence that the Authority would not now acquire any land on its own under the General Development Account. If so, the work that was being done hitherto (including the work relating to the preparation of the Master Plan) under this Account would shrink further. The Committee, therefore, feel that there is ample scope for economy in staff under this Account.</p>
2	5	Health	<p>As regards the allocation of the expenditure of Rs. 2.65 lakhs, which had hardly any relation to the book value of the reduced area of land under management, (Rs. 8.51 lakhs at the end of 1961-62),</p>



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on a pro-rata basis under three Accounts, the Committee are of the opinion that the allocation should be on a rational basis, as, otherwise, the Authority would be charging less on over-heads by artificially deflating the cost of development of Nazul land. They, therefore, desire this question to be re-examined at an early date.

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Health

The Committee find it difficult to accept the contention that an administrative expenditure of about Rs. 11 lakhs of the D.D.A. is not on the high side. They desired to be furnished with a note showing the important items of work dealt with by the administrative staff in addition to transactions valued at Rs. 24 lakhs. This information is still awaited.

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Health

In the absence of a satisfactory explanation, the Committee are not sure that there is no overlapping of allocation of work as between the Town and Country Planning Organisation and the Delhi Development Authority particularly in respect of survey of areas, and preparation of layouts and Zonal Plans. In order to avoid any duplication of work and with a view to effecting economies, a prompt review should be made to examine the feasibility of effecting changes in the allocation of duties as between the D.D.A. and the T.C.P.O.

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Health

The Committee regret to note that there was heavy accumulation of balances from year to year due to the fact that the various schemes

of development could not be executed according to anticipation.

6            9            Health

The Committee note that a decision based on legal opinion in the matter has at long last been taken. They would urge, however, that all action relating to the revision of the agreement and modification of its clauses and other necessary steps should be completed at an early date. The Committee were also informed that writ applications had been filed in the High Court challenging the validity of the further acquisition. They would like to be informed of the outcome of the legal proceedings.

7            10            Health  
                                Financc

In view of the fact that the functions of the Delhi Development Authority are clearly defined, the Committee suggest that instead of having separate budget estimates for the separate Accounts as at present, the feasibility of having general budget estimates for D.D.A. should be examined so as to have a better and more simplified procedure, which will also give a clearer picture of its activities.

8            11            Health

The fact that the cost of administration (Rs. 5.60 lakhs during 1961-62) under Nazul Account is disproportionately high, indicates that the overall administrative set-up is too costly for the total volume of the transactions handled (Rs. 15.16 lakhs). The Committee would like the Ministry to examine this point carefully with a view to effecting economies wherever possible.

9            12            Health

The Committee were disappointed to note that despite heavy administration charges, the state of Accounts was unsatisfactory and

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Health  

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Finance

the process of recovery was extremely slow. They were, however, assured that the accounts were now being rebuilt and that steps were being taken to recover the arrears as soon as possible. The Committee would like to be informed of the concrete results achieved.

The Committee would like to emphasise that the procedure adopted was not correct. If the Chief Commissioner acquired the land in the name of the President, the compensation should have been paid from the revolving fund placed at the disposal of the Chief Commissioner and not from the amounts obtained from the D.D.A. which is an autonomous body. The Committee were, however, assured that there would be no occasion in future for granting loans in this fashion. They hope that the Ministry of Finance will issue suitable instructions on the subject.

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Health  

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Finance

The Committee need hardly emphasise the anomaly in obtaining a loan at the interest of 4½ per cent. per annum and investing the same at the rate of 3 per cent. p.a. in the Bank. The obvious and proper course would have been for the D.D.A. to obtain the loan in instalments according to their actual needs. The Committee are also unable to appreciate the plea in justification for this action, "that Government did not suffer any financial loss as such", since the D.D.A. made the ultimate purchasers pay inflated rates for the land by adding the interest charges to the cost of development. The Committee feel that this action was irregular. They hope that such contingencies will be avoided in future.

Health  


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W.H.&R.  


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Finance

(i) The Committee are not convinced with the arguments advanced in support of adopting the peculiar procedure of developing the land, namely, the Chief Commissioner entrusts the work to Delhi Development Authority, who in turn entrusted it to the C.P.W.D., especially in view of the fact that Section 6 of the D.D. Act empowers the Authority "to carry out building, engineering, mining and other operations..." It was urged before the Committee that the Delhi Improvement Trust, which was succeeded by the D.D.A. had limited functions for which it had its own engineering organisation but the functions entrusted to the D.D.A. were much wider and the existing engineering organisation was not competent to deal with the full load of work. If that be the case, the best course for Government would have been either to set up an engineering organisation competent to undertake the expanded functions in the D.D.A. itself or to have got the provisions of the Act suitably amended, so as to clearly specify that the development work would be executed through other agencies, Government or private and the Authority would be responsible for planning and layout work only.

(ii) The Committee are also of the opinion that getting the development work done through the C.P.W.D. might entail extra expenditure in view of the fact that centage charge at the rate of 7½ per cent has to be paid to the C.P.W.D. for supervision of engineering work. It might also be advantageous in the interest of economy and expedition if the D.D.A. themselves undertook the work with their own engineering staff. The Committee hope that Government would

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examine these aspects at an early date for the better working of the D.D.A.

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Health  
W.H. &R.  
Finance

(i) From the facts mentioned above, the Committee find that large funds (Rs. 39.53 lakhs) were placed at the disposal of the C.P.W.D. in advance without ascertaining whether they would utilise the entire amount within a reasonable time. Had the D.D.A. shown some fore-thought in this matter and made available to the C.P.W.D. funds in instalments as and when required, the unspent sum would not have remained with the C.P.W.D. where no interest could be earned.

Health  
Finance

(ii) The Committee would also like to emphasise that the placing of funds with organisations etc. much in advance of the actual requirements should be discouraged.

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Health  
W.H. &R.

The Committee were informed in the course of evidence that at a stage when it was not possible to proceed with the work (as tenders were not forthcoming, or were very high or after accepting the offer the tenderers could not start the work), negotiations had to be held with Bharat Sewak Samaj to take up the work. They are of the opinion that as a normal rule tenders should be called for such work and contracts should not be given by negotiations. In order, however, to understand how such a situation did develop, the Committee desired to know whether those works were entrusted to the Samaj after inviting open tenders and how the rates accepted com-

pared with quotations of other tenderers. They regret that the information promised is still awaited.

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Health  
W.H. & R.

It being a well-established procedure that before any schemes are sanctioned, the details as well as the estimates of expenditure are prepared and scrutinised, the Committee fail to understand why the delays and difficulties in execution of the schemes costing Rs. 8 crores could not be foreseen by the experts in the Delhi Development Authority and the C.P.W.D. before the schemes were sanctioned. Since the initial difficulties are now being gradually overcome, they hope that the progress of work on the execution of the schemes will now be accelerated. They would like to have a detailed progress report regarding the execution of these schemes.

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Health  
W.H. & R.

While agreeing that the problem of eviction of displaced persons has to be tackled from a human angle, it cannot be denied that unauthorised occupation of Government lands is a clear defiance of law. The Committee find no justification for the failure of the Authority even to take a census, during a long period of time, of the unauthorised occupants in order to see, who were *bona fide* displaced persons and who were not. As a result, no distinction has been made between the people who had come as a result of partition and the other squatters. It is unfortunate that the Authority are also not quite sure whether fresh encroachments have not been made during these years and they have expressed their helplessness to find any effective remedies to stop these encroachments. Such failures and lapses are regrettable.

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The Committee trust that with the coming into force of the Delhi Development (Amendment) Act, 1963 (No. 56 of 1963), the D.D.A. will be able to tackle the problem in a competent manner and would be able to recover the damages ( Rs. 46.68 lakhs) at least from the unauthorised occupants who are not *bona fide* displaced persons.

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Health

The Committee were informed in evidence that the Mills had since surrendered the excess area of 6.78 acres which was in their unauthorised occupation. According to Audit, damages for this unauthorised occupation are estimated to be about Rs. 12 lakhs (a. Re. 1 per square yard per month. The Committee would like to know what action has been taken to levy damages and realise the same from the Mills.

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Health  
Finance

It, therefore, passes the comprehension of the Committee how, when the Agent of the Delhi Cloth & General Mills Company Ltd. had himself specified in the application dated 29th/31st May, 1937 that the land was meant "for the purpose of eventually building our Mills there" and the D.I.T. had taken note of this in its Resolution No. 78 dated 28th March, 1940, the condition that Delhi Cloth Mills should transfer their existing factories to the Industrial Area (which was envisaged from the very beginning) was not specifically

mentioned in the subsequent resolution, No. 19, which the D.I.T. passed on the 9th January, 1942.

It is incomprehensible that such a serious lapse could be just an inadvertent omission. The Committee note that the Managing Director and Agent of the Mills who had been corresponding with the Improvement Trust for the allotment of land was himself a Member of the Trust Board and that the resolutions were passed during his tenure of membership of the Trust (from 1937 to 1950). Since no record of discussions that led to the adoption of the resolution in the D.I.T. has been maintained, it may not perhaps be possible now to unravel the mystery fully. The Committee would urge the Government to review the position and take such remedial action as is possible at this stage.

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Health

The Committee cannot, therefore, escape the conclusion that the primary object of the Industrial Area Scheme, that is relief of congestion resulting from the shifting of the Mills from the city area, for which such a large area was allotted to the Company at the very cheap rate of -/3/9 pies per square yard, has not been achieved. The Scheme has thus, in the opinion of the Committee, worked to the detriment of the interests of Government and the serious lapses on the part of the D.I.T. have enabled the Delhi Cloth Mills to gain an unfair advantage from the Scheme.

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20	24	<u>Health</u> <u>Industry</u> <u>W.H.&amp;R.</u>	<p>The Committee are perturbed to note the attitude taken by the Delhi Cloth Mills with regard to the land for the D. D. T. Factory in demanding the price of Rs. 40,000 per acre, as against the price of Rs. 1134 per acre at which the land was made available to them by the D.I.T. It is very strange indeed that they should have tried to go back on the solemn assurance given by their Managing Director that they had no intention of speculating in land and to ignore the condition that "if within the next 15 years following from the date of registration of the sale deed the Company desire to sell the said land or a portion of it, it shall give the Trust the first offer..." They would like Government to examine immediately what remedial steps, including acquisition of the land for the D.D.T. Factory should be taken to stop this irregular financial benefit to the Company at the expense of Government.</p>
21	25	Health	<p>The Committee desire Government to take vigorous steps for the execution of the sale deed with the Company so that no further attempts can be made by the Company to take undue advantage from their position owing to the delay in its execution.</p>
22	26	<u>Health</u> <u>W.H.&amp;R.</u> <u>Finance</u>	<p>The Committee further desire the Ministry of Health to lay down broad principles in consultation with the Ministries of Finance and Works, Housing and Rehabilitation to prevent the occurrence of similar situations in future. They would suggest in particular</p>

- that when land is transferred to any party by the Delhi Development Authority, their Resolution should record in unambiguous terms all the relevant conditions of transfer which should then be suitably incorporated in the transfer deeds.

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Health  
Home Affairs

Another aspect of this case which the Committee would like to emphasise is that Government have to be very careful in constituting such organisations as the Delhi Development Authority. In their opinion it is well worth consideration that in constituting such Bodies it should be ensured that persons, however eminent, who have any personal or pecuniary interest in the functioning of the Body should not be associated with them in any capacity.

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Health

(i) The Committee feel perturbed to learn about the disclosures made in this case relating to Delhi Peasants Multi-purpose Co-operative Society. While they appreciate the policy of Government to encourage Agricultural Co-operative Institutions, they cannot find any justification for showing undue leniency to the Society, which in the opinion of the Vice-Chairman of the D.D.A. is carrying on agricultural operations that are "lucrative". It appears to them inexplicable that the rent payable by the Society fixed at Rs. 1,35,475 per annum could be reduced to Rs. 56,623 owing to the washing away of some portion of the land. According to the information placed before the Committee only about 1,100 bighas of land out of 13,344 bighas had been washed away. If that is so, there can be no justification for such a disproportionate reduction in rent. The Com-

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mittee would like this aspect to be investigated promptly and the rent re-assessed on a proper basis.

(ii) The Committee also fail to understand why the Society who were earning profits from the land given by Government should not pay the arrears of Government dues which are stated to be Rs. 1:76 lakhs. They desire that the arrears should be recovered without any further delay.

Health

(iii) When the vast area in question was given on lease to the Society in 1949 no due demarcation was made by the D.I.T. Subsequently, the lease was not renewed in 1956 and later, on the plea that the area in question had not been fully demarcated. The witnesses admitted that this was an omission. In the opinion of the Committee the initial failure to demarcate the area of the land, the failure to renew the lease, the huge reduction in rent and the failure to realise the arrears, are all indicative of inefficiency or unwillingness on the part of D.D.A. to take appropriate action at the right time. The Committee feel that there should be a thorough investigation of this case with a view to fixing responsibility.

(iv) The Committee inquired from the representatives of the Delhi Development Authority whether they exercise any supervision to see whether the land was being utilised for the purpose for

• which it was leased out. The reply given was that their Tehsil-dars and Revenue Staff kept on supervising. The Committee suggest that a proper on-the-spot inspection at a sufficiently high level should be made by the D.D.A. to satisfy themselves that the land leased out to this society was being utilised only for the purpose specified in the lease deed.

(v) The Committee understand that a sub-committee has been appointed by the D.D.A. to go into the question of rent and the reconciliation of accounts. They feel that the entire case needs investigation by persons or officials unconnected with the D.D.A. and the result communicated to the Committee.

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Health

The Committee observe that these accounts which were stated to have got into a confused condition after 1947-48 are yet to be set right despite a lapse of more than fifteen years. It is really surprising that no effective steps were taken to recover the outstanding ground rent of Rs. 4.15 lakhs in the past. As a result the D.D.A. was not in a position even to say whether the Lambardars had actually deposited the amounts they had collected. The Committee would like to be informed of the results achieved in recovering these arrears. They also desire that effective steps should be taken to avoid accumulation of such arrears in future.

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Health

The Committee desire that, now at least, since the difference of opinion between the D.D.A. and the Chief Settlement Commissioner has been resolved, prompt action should be taken to recover the

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			damages amounting to Rs. 13.72 lakhs or at least a substantial portion of it. They would like to know the progress made in this matter in due course.
27	31	Health	The Committee consider it unfortunate that much progress has not been made in these cases so far. The Committee feel that some definite decision should be taken soon about the remaining plots (55 plots) which continue to be under unauthorised occupation. They would also like to know as to what settlement is proposed to be made in respect of these plots where lessees have migrated.
28	32	Health	The Committee would like to be apprised of the result of this investigation. The Committee would also like to be informed of the action taken by the D.D.A. in respect of the 1010 cases of misuse etc. referred to in the Audit para.
29	33	Health	The Vice-Chairman, D.D.A. promised to furnish a note giving the total amount of penalty assessed and the unrecovered balance regarding 384 plots. This information is still awaited.
30	34	Health	The Committee note the failure of the D.D.A. to maintain the revenue records properly. They need hardly emphasise the importance of proper maintenance of such records on the basis of which the D.D.A. have to derive their income. They urge, therefore, that

- the several steps initiated be expedited and the records brought up to date. It should also be ensured that there is no accumulation of arrears of revenue. A special review of the entire Accounts should be taken up at an early date to assess the dues.

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Health  
Home Affairs.

With a view to making the Authority really competent and effective instrument for fulfilling its difficult task, the Committee consider that it would be necessary for Government to review the composition, powers, functions and responsibilities of the D.D.A.

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